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Economic Factors Affecting Consumer Purchasing Decisions in the Kenya Motor Industry

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Abstract
This study aimed at establishing the economic factors affecting consumer purchasing decisions in the Kenya motor industry The independent research variables were motor vehicle cost, consumer income level and consumer credit access. The dependent variable was consumer purchasing behavior. The main research question was whether economic factors affect the consumer purchasing decisions in the Kenya motor industry. Using descriptive research design, correlational analysis and primary data that was centered on a target population of 92,157 buyers of the 107,499 cars that got new registration numbers in Kenya in the year 2021, the study adopted a sample size of 398 respondents as derived from the Solvin's formula through whom the questionnaires were distributed. The study findings reveal concluded a statistically significant strong negative relationship between motor vehicle cost on consumer purchasing decisions. The study also concludes that both consumer income and credit access has a statistically significant positive relationship on consumer purchasing decision.
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1. Introduction

The central aim and goal of every business is to meet customer or consumer needs through its services and products. A business can only strive in a market if consumers / customers are purchasing its product. In the modern business environment, it is extremely important to understand consumer behaviour and how consumers make the decisions to purchase a particular product. Consumer purchasing behavior refers to the way individual consumers or group of consumers behave when selecting and deciding on which goods and services to buy or not buy in attempt to satisfy their unlimited human wants (Miklošík, 2015).

According to Stankevich (2017), a consumers purchasing decision refers to the various stages that a consumer goes through in making a choice conccernig which product or service is best for purchase, therefore, consumer purchasing decision is an intergration of various processs that a consumer uses to evaluate product suitability for purchase and use. A consumer is normally faced with various alternatives especially alternative uses for his or her income and well as various alternative products that can serve same purpose hence decision making is very vital. The consumer purchasing decision also involves the determination of what will be purchased and what will not be purchased by the consumer.

Changing consumer behaviour and consumer needs have become a key consideration when developing a new product or service as well as when setting product prices and service charges (Boonyanuson, 2018). Consumer purchasing behavior is mainly concerned with consumer buying behavior, in that the customer plays three essential roles: user, payer as well as buyer (Kotler, 2009).

Various studies have been conducted on consumer purchasing behaviour and various triggers, such as economic factors across the world. In the context of UK, Nakalinda (2018) who carried out a study on factors affecting consumer buying behavour of fast fashion found out that psychological, social, personal and economic factors had a positive relationship with consumer buying behaviour. In Vietnam and Thailand, Tran (2020) assessed the factors influencing the consumers' behavior intention to use mobile payment and established that attitude was the greatest predictors or influencer for the consumer intention to use mobile payment in the two countries.

In Pakistan, Abdullah and Zakariya (2021) on a study to determine the socioenonomic factors affecting consumer buying Behaviour in the Mobile Phone Market concludes that social economic factors had a positive impact on the mobile phone market in Pakstan and more specific, gender, education, age, income and price of the mobile phone greatly determined the consumer buying behaviour. For the contenxt of South Africa, Ramya and Ali (2016)'s study on the factors affecting consumer buying behavior established that economic factors had a weak positive relationship with consumer buying behaviour. In DRC Congo, Mongo, Xu, & Ganiyu (2020)'s empirical study to determine the factors influencing consumer's intention to adopt E-commerce indicates that both economic and social factors affected the consumer buying behaviour initiatives in a positive and also significant manner.

In Kenya various sudies have also been conducted on the same. Osoroa and Kitur (2019) carried out a case study of Toyota Kenya on socio-economic determinants influencing consumer choice for motor vehicles in Kenya. Generally, consumers mostly consider cost and price of a certain product or service before purchasing it.

Consumers have the mentality that expensive goods are quality goods while cheap goods are substandard goods and services. When a consumer is interested in a particular item the first thing, they look at is the displayed price of the product or services, therefore the pricing of any product must be reasonable and sensible to the consumer as well as the price of a commodity must match the benefits of the consumers (Sue, 2015).

In any country the automotive industry / motor industry plays a vital role in the growth of the economy of that specific country as well as global economic growth since the vehicles produced enhance efficiency in transporting people who offer labour which is a very vital input in production of goods and services (Ahasan, 2020). The motor industry also offers vital transport of raw materials as well as manufactured goods and services which is very vital for economic growth. Due to this, a country with a failing motor industry would have been viewed to experience low economic growth as motor industry not only increases mobility but also enhances convenience, timely delivery of goods and stimulates investors' confidence (Miklošík, 2015).

Data from Kenya Motor Industry (2018) further reveals that the sale of new motor vehicles dropped by 39 percent in 2017 as compared to 2016 with most consumers opting for the second-hand motor vehicles. In 2020/2021 however, there has been massive importation of motor vehicles and declines consumption of locally assembled vehicles. Still 84 percent of the Kenyan motor industry is controlled by second hand vehicles (Kenya Economic Report, 2021).

Besides, various motor companies have reported mixed levels of profitability in the recent past. Globally, Toyota Motors Corporation in year 2021 reported an increase in their profitability by 1.8%. Volkswagen and Honda reported profitability increase of 11.2% and 2.4%. On the other hand, Nissan Motor Co. Ltd and Ford Motor Corporation's revenues reduced by 37.2% and 24.5% respectively. In Kenya, there has also been different revenue growth rates (though in line with the global trends) with the sales revenues for Isuzu East Africa, DT Dobie, Subaru Kenya, Simba Corporation and Toyota Kenya increasing by 29.2%, 15%, 14%, 7.8% and 46% respectively while Nissan Kenya, Hyundai Kenya and BMW had a decline in sales revenue by 2.9%, 11.4% and 8.8% respectively in the year 2021 (Kenya Motor Vehicle Industry Association, 2022.

According to Wambui (2018), in Isuzu East Africa, the revenue growth and sales growth is highly dependent on consumer purchasing behaviour. Ramya and Ali (2016) attributes consumer purchase decisions to marketing factors and recommends further research on the effect of economic factor and sociological factors on consumer buying behaviour. Hitesh (2015) attributes consumer purchase decisions to psychological factors. These studies have not evaluated holistically the consumer purchase decisions and specifically, it is unclear whether economic factors affect consumer purchase decisions. This study filled this research gap by establishing the economic factors affecting consumer purchasing decisions in the Kenya motor industry by investigating motor vehicle cost, consumer income level and consumer credit access as the study predictor variables.

2. LITERATURE REVIEW

This section discusses various relevant past research/studies that have been done by earlier researchers. This section also discusses the purpose of these earlier studies, the research methodology that was used by the researcher, the research findings as well as the research gap that was not addressed by these studies and which this study will address. This section also gives and insight on how earlier studies differ from the current study.

2.1 Motor Vehicle Cost and Consumer Buying Behavior

Across the world empirical evidence has shown that cost of any item as well as the price of any item has a transformative effect on the consumers' decision to buy as noted. A study in Turkey by Alpher and Muncu (2019) who did a study on the estimate of car demand using quarterly data found out car purchase cost, car maintenance cost and car make were key determinants of automobile sales during the period 2016-2019. The study applied mixed method research approach. The study used a sample of 973 each sample drawn from the 973 districts. In conclusion the study found out that car demand for new and second-hand automobiles is price inelastic in the short run and cost elastic.

A study by Mcmaus (2009) who did a study on the effect of fuel prices on sales of cars and trucks in United States of America concluded that there is a direct positive relationship between fuel prices and sale of cars and trucks in United States of America. The study used descriptive research design and a sample of 224. The study found out that when fuel prices which is a key component of motor vehicle cost were high Americans purchased less cars and trucks and when the fuel prices where low Americans purchased more cars. The study also found that when fuel prices increased there was less demand of sports utility vehicles (SUV) in America. The study further concluded that for an individual to make a rational choice regarding the purchase of a motor vehicle the individual needed a prediction of future fuel prices.

According to Amron (2018), who did a study of the influence of brand images, brand trust, product quality and Price on the consumers buying decision of MPV car concluded that when there are significant changes in the prices of MPV cars there will be significant change in the number of MPV cars purchased. The study objective where to determine the effect of brand image, brand trust, product quality and price of MPV cars on consumer

buying decision. The study also found out that brand image, brand trust, product quality and Price of MPV cars had a significant relationship on the final consumers purchasing decisions.

According to Wambui (2018), who did a study on factors affecting consumer purchasing decision in Kenya's motor industry with specific focus on Isuzu East Africa customers with the objective to determine the effect of psychological factors, sales promotion, economic factors, and socio-cultural factors affecting consumer purchasing behaviour in Kenya's Motor industry. The study used a sample of 263 customers of Isuzu East Africa spread across Kenya. The study found out that psychological factors, sales promotion, economic factors, and socio-cultural factors affect consumer purchasing decision. The study put emphasis on motor vehicle cost as a key economic factor that affect consumer purchasing decision.

A study by Mehta (2021) who studied effects of pricing on consumer buying decisions among major supermarkets in Nairobi County, Kenya in his study . The stduy objective was to detemine the effect of price on consumer buying decision. The study applied random sampling of cunstomers of supermarkets in Nairobi City County.This study concluded that the price discounts greatly motivated new consumers to purchase a particular new product. The study also concluded that discount pricing explains 29% of consumer buying behaviour as well as variance in consumer buying decision. The study also concluded that bundle pricing was signifacant in determining consumer buying behaviour that is pundle pricing explains 13% of consumer buying decision. The study also found out that psychological pricing influenced consumer buying decision by 31% . In conclusion the study generally concluded that pricing of items in Kenya supermarkets was very key in determing consumer buying behavior.

A study by Hitesh (2015) on factors affecting consumer purchasing decision in Kenya's Motor Industry who did a case study of Toyota Kenya Customers in the year 2014 and 2015 concluded that there was a significant positive relationship between economics factors and purchasing decisions. The study objective was to determine various factor that affect consumer's purchasing decisions in Kenya's Motor Industry. The study also found that maintenance cost and the price of a car had a significant positive relationship with consumer purchasing decision. Maintenance cost in this study was measured using the cost of spares and ease of finding a mechanic for specific brand of cars. The study results revealed that those cars that had complex technology and required well trained mechanics has low sales volume. Consumers were also found to majorly consider fuel consumption of a car which is a key element of maintenance cost.

2.2.2 Consumer income and consumer buying behavior.

Consumer income is a great determinant on the ability of a consumer to purchase a particular product, that is, the consumer income determines the quantities of a product a consumer can afford. Consumers with higher income are likely to purchase more quantities of goods and services. Boonyanuson (2018) who carried out a study in Thailand on factors influencing purchasing decisions towards luxury vehicles concluded that price of the vehicle insignificantly affected the consumer purchasing decisions of Porsche Cars in Bangok, rather than consumers level of income played a significant role when it came to consumer purchase decision. The study was carried out as a case study of Porsche Cars. The study applied Case study research design. The study argued that the key considerations people made when deciding to buy Porsche cars was their level of income. The results showed that consumers with high levels of income were more likely to purchase Porsche cars compared to consumers with low levels of income.

According to Vadim (2013), who did as study on income as a factor of consumer behaviour of Latvian inhabitants in Economics and Tourism found out that the essentials of a consumer buyer decision was anchored on the consumers' level of income. The objective of the study was to determine various factors that a consumer considers before making purchase decision in tourism industry. That is, a consumer's level of income would limit the consumer on which products and brands the consumer could afford. The amount of goods and tourism services a consumer sought in Latvia greatly depended on the earnings a consumer got from labour income, investment, or windfall. This study found that consumer level of income has a significant positive relationship with consumer purchasing decisions, that is, a consumer with high income buys more goods and services while a consumer with low levels of income buys less goods and services.

Mathios (2019) who carried out a study on the effect of consumer income and family income on consumer decision making in Motor industry in Nigeria argued that individual and family earnings greatly impact on one's choice on the decision of motor vehicle to buy. Consumers from wealthy family tend to purchase expensive cars even when their income is low due to dependency behaviour on the family members. Despite consumers' income level, family members would help an individual especially sibling to purchase a motor vehicle, in this regard the consumer income became irrelevant in making consumer purchasing decision. A consumer whose family income is more has a higher income since the individual is likely to get financial support from family members when it comes to purchase of certain items, and this influences them to buy more expensive items. Mathios (2019) found out that individuals with higher income are more likely to consume more quality products compared to consumers with low incomes.

Musyoki (2012) did a study on factors influencing consumer behaviour of General Motors East Africa's

saloon vehicles. The study used descriptive cross sectional-survey design. The study used a sample of 180 respondents who were randomly selected for General Motors East Africa customers. The study objectives were to determine whether perceived price, perceived brand image, quality and income level affect consumer buying behaviour in General Motors East Africa. The study found that consumer switch between brands when price of on brand increases and consumer income dictated which brands a customer would purchase.

According to Taylor (2014) who studied consumer income effect on consumer consumption in that Kenya argued when a consumers' income reduced significantly, the consumers in most at times was forced to shift consumption from consuming normal goods to consuming inferior goods. This study was carried out using a sample of 1145 samples drawn across different regions in Kenya. The study applied explanatory research design. The study showed that consumers with low-income level were constrained on the consumption choices and would spend more on necessities as compared to luxury goods.

Munyoki (2016) carried out a study on factors affecting the sale of new vehicles in the motor vehicle industry in Kenya. The study was carried out as a case study of Simba Corporation Limited. The study objectives were to establish whether motor vehicle price, perceived quality, brand loyalty and government policies affect consumer purchasing decisions. The study was carried in the year 2015. The study used descriptive research design. The study used a sample of 50 respondents drawn used random sampling. The study concluded that the motor vehicle price, car brand, government policies, fuels prices, interest rates, fuel prices and consumer income greatly affected the consumers purchasing behaviour. The study found out that consumers with greater consumer income tend to purchase high-end cars and concluded that one of the most essential economic factors that determines a consumer's purchasing ability is consumer income. The study found out that consumers with greater consumer income tend to purchase high-end cars.

According to Wambui (2018) who did a study on Factors Affecting Consumer Purchasing Decision in Kenya's Motor Industry with Specific Focus on Isuzu East Africa Customers consumer income reduction reduces the consumer purchasing ability as well as shifts the consumers' attention to buy inferior goods such as second-hand motor vehicles, second-hand clothes among other products. The study used random sampling to get a sample of 263 respondents. The study objective was to determine the various factors that affect a consumer when making the decision to buy a motor vehicle from Isuzu East Africa. The study found that a consumer with low income is less likely to purchase a motor vehicle due to high price cost and high maintenance cost.

2.3 Consumer credit access and consumer buying behavior.

Empirical literature has demonstrated that consumer credit access has mixed results on consumer buying behaviour. A study by Jusoh and Lin (2012) studied about personal knowledge and attitude towards credit cards practises among adults in Malaysia and concluded that adults in Malaysia with higher education level had more credit access than adults with low education level. The study objectives were to determine how personal attitudes affects use of credit card use especially in consumer purchasing decision. The study concluded that there is significant relationship between personal financial knowledge and credit card access. The research argued that unemployed households use credit to replace income for purchasing goods and services to meet their basic needs. The study also found out that employees with low income were likely to have less savings compared to employees with high levels of income.

Federal Reserve Bank of New York (2015) did a study on the economic well-being of U.S Households with a key focus on Automobile purchase decisions and auto lending. The study was done across all states in the US. The study was conducted as a descriptive study via a survey. The study objective was to establish the well-being of household across all state and to determine effect of auto lending on auto mobile purchase decisions. The study found out that auto lending in the automobile industry had increased the number of vehicles owners across all state. The study found that auto lending has a significant effect on the consumer purchasing decsions.

Pather (2014) did a study on factors affecting consumer decision making in Africa. The study was carried out as an exploratory study. The research objectives were to understand the typical consumer in Africa, understand impact of macroeconomic variables on the consumer and understand the consumer decision making considerations when buying products. The study applied purposive sampling technique to collect data from respondents. The study focused on selected multinational companies in Africa. The study concluded that there are four main categories of factors that affect consumer decision making process : Market factors, product factors, purchase factors and economic factors. The study also found that the key economic factors that affect a consumer include consumers access to loan facilities, consumers income level, availability of savings, the price of the product, discounts, maintainance costs amomg others.

Mwende (2017), who studied effects of credit card incentives on consumer borrowing in Kenya found out that bank customers with credit card were more impulsive when it comes to consumer buying behaviour. The study objective was to determine whether availability of credit affected consumer purchasing behaviour. The study concluded that there was a positive consumer credit access and consumer buying behaviour. Consumers with credit card access were found to have increased spending habits. Availability of credit influences consumers to spend on

luxury items that are above their income level.

According to Khandelwal (2021), who did a study on Compulsive Buying Behaviour of Credit Card Users the study concluded that credit card users were not compelled by the availability of credit when it came to buying/spending behaviour, in other terms credit availability was not a determinant when it came to making the consumption choice.

Wambui (2018) who sort to determine the factors affecting consumer purchasing decision in Kenya's motor industry with specific focus on Isuzu East Africa customers concluded that consumer credit access was a great determinant in determining the ultimate consumer buying decisions. The study also found out that 40% of the customers who visited Isuzu East Africa in the year 2017 to purchase motor vehicle did so after securing loans / credit facilities.

Akela (2020) did a study on credit card access impact on buying behaviour in India, the study used a sample of 250 respondents who were users of various commercial banks credit cards. The study found out that credit card access led to impulsive buying decision by the consumers and concluded that there is a positive significant relationship between credit access and consumer buying behaviour.

3. Research Methodology

This study adopted the descriptive research design. The design was selected for this study since it enables the researcher to have a detailed explanation of the findings. Descriptive research design is very vital in describing the relationship between the research variables (Tashakkori & Teddlie, 2010). The population consisted of all motor-vehicle importers in 2021/2022 among selected car dealers in Kenya as well as all clients in the motor vehicle industry in Kenya in the year 2021/2022. As defined by Kothari (2013), a population refers to total collection of elements about which a researcher makes inferences during his research. Samples were selected from the target population.

According to data from Kenya National Bureau of Statistics (KNBS) there were 107,499 cars issued with new registration number. These 107,499 cars had 92,157 owners. The target population of this study consisted of all 92,157 buyers of the 107,499 cars that got new registration numbers in Kenya in the year 2021. As noted by Cooper & Schindler (2000), a sample size should be both satisfactory and sufficient. To ensure that the sample is satisfactory and sufficient the study used Solvin's Formula to determine the minimum acceptable sample size for the study. The Solvin's Formula is given below.

$$\mathbf{n = N / (1 + Ne^2)}$$

Where:

n = Number of samples,
N = Total population and (92,157 in this study)
e = Error tolerance (5% in this study).

Therefore $\mathbf{n = 92,157 / (1 + 92157 * 0.05^2)}$

$\mathbf{n = 92,157 / 231.3925}$

n = 398.27

n = 398 Sample

To ensure a minimum sample respondent of 398, this study intends to interview at least three dealers/importers (secondary consumers) from the forty-seven counties in Kenya as well as at least six clients (primary consumers) from each of the forty-seven counties who purchased/imported one motor vehicle between the period 2021/2022. This study adopted simple random sampling and convenience sampling to select respondents across Kenya and from each county. In simple random sampling, every population member has an equal chance of being selected (Chandran, 2004). The study used both structured and semi-structured questionnaire, to collect data from the participants. The structured questionnaires were conducted inform of interviews and consist of a set of standardized and predetermined set of questions which are also referred to as interviewer-administered questionnaires. The structured questionnaires were used to record respondents' responses on a standardized pre-coded answer. Structured questionnaires are efficient in collecting responses from a large population or sample prior to quantitative analysis. This data collection method is also very effective with long questionnaires.

The study used both qualitative and quantitative research methods in collecting data. The quantitative data was collected through the closed questionnaire while the qualitative data was collected through the open-ended questionnaire. The researcher personally administered interviews and the questionnaires to the respondents. Majority of research questionnaires were dropped to the respondents and picked on a later date after being filled by the respondents while some were given to the respondent to fill as the researcher awaits to collect the research questions after completion. Some of the research questionnaires were sent through google survey forms and emails. In some counties the researcher may consider engaging research assistants who will also be trained on the research tools before engaging in data collection process.

This pilot study assessed and detected any weaknesses of the research instruments and the research design by

testing for reliability and validity of the same. The pilot test was used to assess the individual questions sequence, questionnaire structure, design of questions and the thoroughness of the questionnaire. The pilot testing was very vital to measure the internal instrumental validity and the instrumental reliability. An ideal pilot test should cover between 5% and 10% of the sample size (Mugenda & Mugenda, 2013). This study following this guideline used a pilot test of 20 respondents, i.e. 5% of sample. These 20 respondents were Tanzanian Vehicle owners whose vehicles were in Kenya at the time of carrying this pilot study. The piloted respondents did not form part of the study target population for the purpose of actual study.

During the pilot study the validity was tested by assessing whether the respondents whether the questions make sense and at the same time assessing whether the respondents answer has been understood by the researcher. The researcher assessed whether the respondent has understood the question the way the researcher had intended. There are two types of validity: Internal validity and external validity (Cooper & Schindler, 2014). Internal validity refers to the ability of a research instrument to be able to measure what it was intended to measure. In our study internal validity was the ability of the questionnaire and interview to measure what the researcher intended.

To calculate internal consistency, the most frequently used method is the Cronbach's alpha coefficient which provides a scale of 0 to 1. The higher the Cronbach's alpha coefficient the higher the reliability of the research instrument however the recommended Cronbach's alpha coefficient is any coefficient greater than 0.7 as a prove that reliability of the instrument is strong. Any Cronbach's alpha coefficient above 0.7 shows that there is excellent level of internal consistency of the research instrument used.

According to Cooper and Schindler (2014), to ensure reliability of our research instrument, the researcher will conduct two pre-tests during piloting. The first pre-test was done based on interview based on the questionnaire, then a second pre-test was administered through the questionnaire only to see if the respondents remember their responses given during the oral interview. During the interview the researcher also assessed whether the respondent is able to give responses without hesitating, resistance and without asking for clarification on the interview question or the questions on the questionnaire.

The study conducted various diagnostic tests. This study used the Kolmogorov Smirnov tests to test for normality of the error term. The results of Kolmogorov Smirnov tests should range with values exceeding 0.005 to indicate that the error term is normally distributed. When Kolmogorov Smirnov tests is below 0.05 then there is violation of normality test. Kolmogorov Smirnov tests is used to test the hypothesis that Ho: The data is not normally distributed, therefore if the critical value is less than 0.05 reject the Ho.

To test the presence of multicollinearity the study will carry out a Variance Inflation Factor Test, the null hypothesis will be Ho: There is no multicollinearity. If the VIF is below 5 therefore we will reject Ho and vice versa. The study also tested for homoscedasticity in which when the error terms of the independent variable are not equal then there is heteroscedasticity, that is error terms have unequal variance. When there is heteroscedasticity, the results will be invalid. To test heteroscedasticity, we shall use the null hypothesis that Ho: There is no heteroscedasticity. If the p-value <0.05 we will reject the null hypothesis and concluded that there is heteroscedastic. If the P-value is >0.5 we accept the null hypothesis that there is no heteroscedastic hence there is homoscedasticity.

The data was analyzed using both descriptive statistics and multiple regression analysis. After data collection the data will be edited to enhance completeness and accuracy. After data editing the data was then coded. The coded data was subjected to SPSS (version 21) for analysis. The first step l was to carry our descriptive statistics where data was represented in tables with frequencies and percentages.

Under multiple regression analysis, the collected data was analyzed using suitable statistical tests with the aid of Statistical Package for Social Science (SPSS) version 20. A four-step data analysis process was adopted for this study. The four-step regression analysis will include the following four steps: Data preparation for analysis through editing and coding, getting a feel for the data using descriptive statistics, testing goodness for the data using data validity and reliability tests, and testing the hypotheses using suitable statistical tests such as the F tests and t-tests. The testing of research hypothesis using statistical tests especially the F tests and t-tests were carried out through regression analysis and correlation analysis. Multiple regression analysis was used as shown in equation i:

$$Y= \beta 0 + \beta 1X1+ \beta 2X2 + \beta 3X3 + \varepsilon \text{ .....} \quad \text{equation i}$$

Where:

Y represents the dependent variable consumer purchasing decision
β0 – is a constant
β1- β3 are the coefficients of the independent variables
X1 represents the vector for Motor vehicle cost/price
X2 represents the vector for consumer income
X3 represents the vector for consumer credit access
ε represents the composite error term

Correlational analysis was carried out using Pearsons's product moment correlation (r) to establish the relationship between the study variables. The correlation coefficient enabled the researcher to determine the strength of linear

relationship between the variables.

4. DATA ANALYSIS, FINDINGS AND DISCUSSION

This section discusses data analysis, findings and discussions based on the date collected using research instrument. This section also presents the response rate, respondent's demographics as well as both descriptive and inferential statistical analysis of the research findings. The section finally presents, discussions on study variables and diagnostic test and regression model fitting.

4.1 Response Rate

The study had a sample of 398 respondents calculated based on the Slovin's formular. The researcher with the help of a research assistant administered 398 questionnaires. Out of the 398 questionnaires only 357 were returned duly fully filled representing 89.70% response rate. This response rate (89.70%) is acceptable for purposes of doing research analysis and conclusion as per Mugenda and Mugenda (2018) who pose that for a researcher to proceed with data collection the response rate should be above 50%. Those who never returned the questionnaires were 41 respondents representing a 20.3% of the sample size.

Table 4. 1 Response rate

	Frequency	Percentage
Responded	357	89.7
Did not respond	41	10.3
Total	398	100

4.2 Pilot Study

The researcher carried out a pilot study on 20 respondents with an aim of testing reliability and validity of the research instrument. The pilot study was also made to help in eliminating eminent technicalities that might have occurred during the actual study. These 20 respondents were not included in the final study. These 20 respondents were Tanzanian Vehicle owners whose vehicles were in Kenya at the time of carrying this pilot study.

4.2.1 Reliability results

The researcher carried out reliability tests to test for internal consistency of the research instrument and research variables using the Likert scale. The table below shows the coefficient of reliability computed using Cronbach's Alpha for each variable in this study.

Table 4. 2 : Reliability Results

Variable	Cronbach's Alpha	Number of items	Comment
Motor Vehicle Cost	0.7812	4	Reliable
Consumer Income	0.8142	4	Reliable
Consumer Credit Access	0.7980	4	Reliable
Consumer Buying behaviour	0.8335	4	Reliable

The table 4.1 above shows that all the variables had a Cronbach's Alpha coefficient of more than 0.7 hence the variables are reliable as recommended by Cooper and Schindler (2014) who proposes a Cronbach's Alpha coefficient of between 0.7 to 0.9 for dependability test. A coefficient of above 0.7 also shows that all the variables under the study have achieved the required reliability threshold and therefore are considered adequate for the study.

4.3 Demographic Results

The respondents' demographics regarding gender, age, years of vehicle ownership and salary scale are discussed below.

4.3.1 Gender of the respondents

The study sought to determine the gender distribution and the results were as shown below:

Table 4. 3 Respondent's Gender

	Frequency	Percentage
Female	179	51
Male	178	49
Total	357	100

The table 4.3 above indicates that 179 of the respondents representing 178 of the respondents representing 49% were Male were male. This implies that in the motor industry vehicle ownership is slightly more among ladies.

4.3.2 Age of the respondents.

The age distribution of the respondents is summarized in table below:

Table 4. 4 Age of the respondent

	Frequency	Percentage
18-30 Years	75	21
30- 40 Years	117	33
40 - 50 Years	79	22
Above 50 Years	86	24
Total	357	100

The table 4.4 above shows that 21% of the respondents were aged between 18 to 30 years, 33% were aged between 30 to 40 years, 22% were aged between 40 to 50 years and24% were aged 50 years and above. The results show that the respondents had age variability hence giving the necessarily information amongst different age groups.

4.3.3 Monthly Gross Income Distribution

The monthly gross income distribution of the respondents is summarized in the table below:

Table 4. 5 Monthly gross income distribution

	Frequency	Percentage
0-50,000	60	17
50,000 - 100,0000	75	21
100,000 - 200,000	168	47
Above 200,000	54	15
Total	357	100

The figure above shows that 21% of the respondents were aged between 18 to 30 years, 33% were aged between 30 to 40 years, 22% were aged between 40 to 50 years and24% were aged 50 years and above. The results show that the respondents had age variability hence giving the necessarily information amongst different age groups.

4.3.4 Vehicle Ownership Period Distribution

The number of years for vehicle ownership for the respondents are summarized in the table 4.6:

Table 4.6: Vehicle Ownership Period Distribution in Years

	Frequency	Percentage
0-5 Years	46	13
5-10 Yeas	129	36
10-15 Years	118	33
Above 15 years	64	18
Total	357	100

The table 4.6 shows that 21% of the respondents were aged between 18 to 30 years, 33% were aged between 30 to 40 years, 22% were aged between 40 to 50 years and 24% were aged 50 years and above. The results show that the respondents had age variability hence giving the necessarily information amongst different age groups.

4.4 Descriptive Results

The independent variables of the study were motor vehicle cost, consumer Income and consumer credit access while the dependent variable of the study was consumer buying behaviour.

4.4.1 Motor Vehicle Cost

The first objective of this study was to establish the effect of motor vehicle cost on consumer purchasing decisions in Kenya motor industry. A Likert scale of 1 to 5 was used to aid in achieving this objective (1 = strongly disagree, 2 =disagree, 3 = Neutral, 4 = agree, 5 = strongly agree). The summary of the responses, the mean of the response rate, and the standard deviations from the respondents were calculated. The outcomes are tabulated 4.7:

Table 4. 7: Motor Vehicle Cost

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Dev.
The price of this motor vehicle persuaded me to consider this motor vehicle.	20%	55%	7%	4%	14%	3.64	1.244
I considered the cost of maintaining this vehicle before purchasing it.	80%	11%	2%	4%	3%	4.58	0.990
I considered fuel consumption of this motor vehicle before purchasing it.	58%	18%	12%	5%	7%	4.14	1.233
I was persuaded by resale value of this car before purchasing it.	50%	26%	12%	9%	3%	4.09	1.129
I was persuaded by availability of spares for my motor vehicle before purchasing it.	29%	42%	11%	13%	5%	3.76	1.157
In general, I considered all the motor vehicle cost of these motor vehicle before making decision to purchase it.	29%	53%	10%	6%	2%	4.00	0.915
Aggregate Mean.	44.33%	34.17%	9%	6.83%	5.87%	4.035	1.1113

The outcomes tabulated in the table above shows that 75% of the respondents agreed that they were persuaded by the price of the motor vehicle when making the decision on which motor vehicle to purchase. The mean was 3.64 which was lower than the compound average of 4.035. The standard deviation was 1.244. These findings indicate that majority of motor vehicle consumers greatly considered motor vehicle cost when making decisions on which vehicle to purchase. Further outcomes showed that 91% of the respondents agreed that they considered cost of maintaining the motor vehicle before making the decision to buy the vehicle. The mean was 4.58 which was higher than the compound average of 4.035. The standard deviation was 0.990. This implies that majority of the motor vehicle consumers considered cost of maintaining the motor vehicle more than the cost of purchasing the vehicle before making the decision whether to buy or not.

The outcomes also showed that 76% of the respondents agreed that the fuel consumption of the car persuaded them to purchase the motor vehicle. The mean was 4.14 which was slightly above the compound average of 4.035. The standard deviation was 1.233. This implied that majority of the motor vehicle consumers consider fuel consumption of a motor vehicle before making the decision to buy a car. These findings concur to findings by Amron (2018). In addition, the outcomes also showed that 76% of the respondents agreed that the resale value of the car persuaded them to purchase the motor vehicle. The mean was 4.09 which was slightly above the compound average of 4.035. The standard deviation was 1.129. This implied that majority of the motor vehicle consumers consider resale value of a motor vehicle before making the decision to buy a car.

Further outcomes displayed that 72% of the respondents agreed they considered availability of motor vehicle spares before purchasing them. The mean was 3.76 which was slightly below the compound average of 4.035. The standard deviation was 1.157. This indicates that majority of the motor vehicle consumers consider availability of spares before making the decision to buy a car. In addition, outcomes showed that 82% of the respondents agreed that they generally consider motor vehicle cost before making the decision to purchase the motor vehicle. The mean was 4.00 which was slightly below the compound average of 4.035. The standard deviation was 0.915 This implied that majority of the motor vehicle consumers consider motor vehicle cost before purchasing a motor vehicle.

On a five-point likert scale, the average mean of the responses was 4.035 which indicated that the majority of the respondents agreed with majority of the statements on motor vehicle costs. However, the responses were not varied from the compound mean as indicated by the standard deviation of 1.1113. These finding were concurrent with findings by Ramya and Ali (2016).

4.4.2 Consumer Income

The second objective of this study was to establish the effect of consumer income level on consumer purchasing decisions in Kenya motor industry. A Likert scale of 1 to 5 was used to aid in achieving this objective (1 = strongly disagree, 2 =disagree, 3 = Neutral, 4 = agree, 5 = strongly agree). The summary of the responses, the mean of the response rate, and the standard deviations from the respondents were calculated. The outcomes are tabulated in table 4.8:

Table 4.8: Consumer Income

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Dev.
My income level has enabled me to purchase this motor vehicle.	23%	41%	12%	16%	8%	3.57	1.224
If I had no income, I would not have purchased this motor vehicle.	28%	47%	4%	17%	4%	3.77	1.151
I considered my level of income before deciding to purchase this motor vehicle.	31%	55%	10%	3%	1%	4.11	0.794
If my income doubled today, I would purchase a better motor vehicle than the one, I have.	11%	54%	7%	23%	5%	3.43	1.114
I bought this motor vehicle since it's the one I could afford based on my income.	20%	55%	7%	8%	10%	3.66	1.178
Average Mean	22.6%	50.4%	8%	13.4%	5.6%	3.66	1.0922

The outcomes displayed in the table above shows that, 64% of the respondents agreed that their level of income enabled them to purchase their motor vehicles. The mean was 3.57 which was slightly lower than the compound average of 3.66. The standard deviation was 1.244. These findings indicate that consumer income is a major consideration by motor vehicle consumers before making the decision to buy a motor vehicle or not. Additionally, the findings showed that, 75% of the respondents agreed if they had no income, they would not have purchased the motor vehicle. The mean was 3.77 which was slightly above than the compound average of 3.66. The standard deviation was 1.151. These findings indicate that consumer income is a major consideration by motor vehicle consumers before making the decision to buy a motor vehicle or not.

Further outcomes also showed that 65% of the respondent agreed that if their income doubled, they would purchase another motor vehicle probably better than the precious one. The mean was 3.43 which was slightly lower than the compound average of 3.66. The standard deviation was 1.114. This indicates that's majority of the motor vehicle consumers are constrained by their level of income when making the purchasing decision of a motor vehicle. The study results also indicated that 75% of the respondent agreed that they purchased the motor vehicle they have since it is the one that they can afford. The mean was 3.66 which was equal to the compound average of 3.66. The standard deviation was 1.178. This shows that majority of the motor vehicle consumers buy the motor vehicles they can afford hence consumer income is a key factor when making purchasing decision.

The overall normal mean of responses under consumer income was 3.66 implying that majority of the respondents concurred with most of the assertions under consumer income. The results also showed that appropriate responses were not shifted from the mean as shown by the standard deviation of 1.0922. This indicates that consumer income affects the purchasing decision of the motor vehicle buyers. The outcomes were in concurrent with Ahasan (2020) and Boonyanuson (2018) who also found that consumer income affects the purchasing decision.

4.4.3 Consumer Credit Access

The third objective of this study was to establish the effect of consumer credit access on consumer purchasing decisions in Kenya motor industry. A Likert scale of 1 to 5 was used to aid in achieving this objective (1 = strongly disagree, 2 =disagree, 3 = Neutral, 4 = agree, 5 = strongly agree). The results are shown in table 4.9:

Table 4. 9: Consumer Credit Access

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std Dev.
Access to credit enabled me to purchase this motor vehicle	17%	39%	6%	24%	14%	3.20	1.356
If I had no access to credit facilities, I would not has purchased my motor vehicle.	16%	42%	6%	19%	17%	3.23	1.368
Availability of hire purchase, instalments and loans lured me to purchase this vehicle	19%	41%	6%	21%	13%	3.33	1.338
If I had access to more credit I would have purchased more expensive motor vehicle than the one I have	16%	39%	10%	17%	18%	3.19	1.378
I decided to purchase this motor vehicle after being told they can arrange for financing / after securing a loan	17%	37%	7%	23%	16%	3.17	1.375
Average Mean	17%	39.6%	7%	20.8%	15.6%	3.224	1.363

The findings in the table above show that 56% of the respondents agreed that credit access enabled them to purchase their motor vehicles. The mean was 3.20 which was slightly lower than the compound average of 3.224. The standard deviation was 1.356. Similarly, the results showed that 68% % of the respondents agreed that they could not have purchased the motor vehicle if they had access to credit. The mean was 3.23 which was slightly above than the compound average of 3.224. The standard deviation was 1.368. This implied that credit access highly affects the motor vehicle consumer decision on whether to buy a motor vehicle of not.

Further findings displayed that 60% of the respondents agreed that they were lured by the availability of hire purchase, instalment, and loan facilities to purchase the motor vehicle. The mean was 3.33 which was slightly above than the compound average of 3.224. The standard deviation was 1.338. Additionally, the outcomes displayed in the table above shows that, 55% of the respondents agreed that if they had access to more credit, they would have purchased a more expensive motor vehicle than the one they currently have. The mean was 3.19 which was slightly lower than the compound average of 3.66. The standard deviation was 1.378. These findings implied that the more the credit access motor vehicle buyers have the more the expensive motor vehicles they buy.

The outcomes also showed that 54% of the respondents agreed that they decided to purchase the motor vehicle after being informed about availability of financing or a loan. The mean was 3.17 which was slightly below the compound average of 3.224. The standard deviation was 1.375. This implied that majority of the motor vehicle consumers consider loan and credit financing when making the decision to buy the motor vehicle.

4.5 Diagnostic Tests

Diagnostic tests refer to the various set of assumptions that should be met by the study variables before statistical tests are carried out. In any study it is vital to test these assumptions to ensure that the collected data meets important assumptions before proceeding on with inferential analysis. The testing of these assumptions also ensures that there is factual representation and application of statistical analysis tools. This study tested for normality, multicollinearity and heteroscedasticity.

4.5.1 Normality tests

The study employed use of Kolmogorov Smirnov test for normality of the error term. The results of Kolmogorov Smirnov tests should range with values exceeding 0.005 to indicate that the error term is normally distributed. When Kolmogorov Smirnov tests is below 0.05 then there is violation of normality test. Kolmogorov Smirnov tests is used to test the hypothesis that Ho: The data is not normally distributed, therefore if the critical value is less than 0.05 reject the Ho. The results for normality test are shown in the table 4:10:

Table 4. 10: Test for Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Motor Vehicle cost	.174	357	.000	.860	357	.000
Consumer Income	.112	357	.000	.971	357	.000
Credit Access	.232	357	.000	.899	357	.000

a. Lilliefors Significance Correction

The outcome from the table above shows that the statistics significance for all the three independent variables (motor vehicle costs, consumer income and credit access) since significance 0.000 was less than 0.005. This

implied that the null hypothesis that data is not normally distributed is rejected. The conclusion is that the data from the three independent variables is normally distributed.

4.5.2 Multicollinearity

This is the assumption that the independent variables in a regression equation will not be related with each other and will truly remain to be independent, that is, they will not be correlated with each other. When independent variables are correlated interpretation of the regression analysis is not possible. To test the multicollinearity of the variables Variance Inflation Factor (VIF) values were used., The null hypothesis was Ho: There is no multicollinearity. If the VIF is above 4 therefore we will reject Ho and vice versa. The results for multicollinearity test are shown in table 4.11:

Table 4. 11: Multicollinearity

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	.836	.140		5.973	.000		
	Motor vehicle cost	-.706	.023	-.701	-.279	0.008	.964	1.038
	Consumer Income	.645	.102	.624	.763	0.001	.958	1.044
	Credit Access	.602	.045	.577	.126	0.001	.979	1.022

a. Dependent Variable: Purchasing Behaviour

The results showed that the VIF of all the independent variable (1.038 for motor vehicle cost, 1.044 for consumer income and 1,022 for credit access) were less than 4 hence we accept the null hypothesis that there is no multicollinearity. The tolerance levels for all independent variables are above 0.25 (0.964 for motor vehicle costs, 0.958 for consumer income and 0.979 for credit access) indicating that there is no possibility of multicollinearity hence no need for further investigation on multicollinearity is required.

4.5.3 Heteroscedasticity

This is the assumption that the variable of the error term is constant (homoscedastic). Where the error term of the independent variables is assumed to have equal variance then there is homoscedasticity. When the error terms of the independent variable are not equal then there is heteroscedasticity, that is error terms have unequal variance. When there is heteroscedasticity, the results will be invalid. To test heteroscedasticity, we used the null hypothesis that Ho: There is no heteroscedasticity. If the p-value <0.05 we will reject the null hypothesis and concluded that there is heteroscedastic. If the P-value is >0.5 we accept the null hypothesis that there is no heteroscedastic hence there is homoscedasticity. To test the heteroskedasticity the study used Breausch-Pagan/ Cook-Weisberg test. The results are shown in the table 4.12:

Table 4.12: Test for Heteroscedasticity

Test for Heteroscedasticity	
Chi-square	3.374
P-value	0.072

The outcome from the table above shows that the p-Value was 0.072 which is less than 0.5 (0.073<0.5). This implied that we accepted the null hypothesis, that the there is no heteroscedasticity. This also implied that there is homoscedasticity which implied that the variance of the error term was constant / uniform.

4.6 Inferential Analysis

The researcher undertook inferential analysis to aid in testing the research hypothesis and assessing whether the data was generalizable to the broader population.

4.6.1 Correlation Analysis

The researcher undertook correlational analysis to determine the existence of relationship between the dependent variable and independent variable. The Pearson's correlation analysis was used to test for correlation at 0.05 significance level. Correlational analysis was vital to the researcher to understand the strength and the direction of the existing relationship between the variables under the study and whether the relationship is linear relationship. In general, the Pearson Correlation coefficient falls between -1 to +1. The Pearson Correlation Coefficient values close to -1 indicates that indicates that strong negative relationship, while values close to +1 indicates strong positive relationship and values close to zero indicates weak relationship. Even though correlations indicated the strength of the relationship it does not infer existence of cause-and-effect relationship. If the correlation indicates existence of significant relationship between dependent variable and independent variable, therefore it is viable to study the model. The results for Pearson's correlational analysis are shown in the table 4.13:

Table 4. 13: Correlation Matrix

	Purchasing behaviour	Motor Vehicle Cost	Consumer Income	Credit Access
Purchasing behaviour.	1			
Sig. (2-tailed)	0.000			
Motor Vehicle Cost	-0.766	1		
Sig. (2-tailed)	0.000	0.000		
Consumer Income	0.827	0.011	1	
Sig. (2-tailed)	0.000	0.000		
Credit Access	0.822	0.031	0.010	1
Sig. (2-tailed)	0.000	0.000	0.000	

The table 4.13 shows that there is a strong negative relationship between motor vehicle cost and consumer purchasing decision. The Pearson correlation coefficient of -0.766 for motor vehicle cost indicates that there is a strong direct negative relationship with consumer purchasing decisions in the Kenyan Motor Industry. Further to this, the P- Value (0.000) of motor vehicle cost is below the significant value of 0.05 which further affirms that there is a significant relationship between motor vehicle cost and consumer purchasing behaviour. This implies that an increase in motor vehicle cost will significantly and negatively affect the decision to buy a motor vehicle.

In addition, consumer income had a significant positive relationship with purchasing buyer behaviour as indicated by a person's correlation coefficient of 0.827 and a P-Value of 0.000 <0.05. The P Value 0.000<0.05 reaffirms that significant relationship between the two variables. This significant positive relationship implies that an increase in consumer income will significantly and positively affect the decision to buy a motor vehicle.

Further results indicated that consumer credit access had a Pearson's Correlation coefficient of 0.822 and a P-Value of 0.000 < 0.05. This shows there is a significant positive relationship between consumer income and consumer purchasing decision. The p value 0.000 < 0.05 further reaffirms significant relationship. This indicates that when consumers credit access increases the consumers purchasing decision on the likelihood to buy the motor vehicle increases. In general, when both consumer income and consumer credit access increase the buyer of a motor vehicle is more likely to buy the motor vehicle and vice versa. These findings are similar to finding by Akela (2020) who found out that credit access through credit card positively affected the consumer purchaisng decision.

4.6.2 ANOVA

The researcher undertook analysis of variance (ANOVA) to establish the significance, robustness, and fitness of the study model. ANOVA was also used to test whether the independent variables (motor vehicle cost. Consumer income and consumer credit access) and dependent variable (Purchasing decisions) are statistically different. That is, whether the mean of the variables is equal. The results are shown in the table 4.14.

Table 4. 14: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.055	3	4.351	90.64	.000[b]
	Residual	16.895	353	0.048		
	Total	29.95	356			

a. Dependent Variable: DP

b. Predictors: (Constant), CCA, MVC, CI

The findings from the table above implied that the F statistic = 90.64, P Value 0.000 <0,05 which implies that the regression model was suitable for determining the effect of the effect of economic factors on the consumer purchasing behaviour in the Kenyan Motor Industry. This also shows that the three independent variables (Motor Vehicle Cost, Consumer Income and Consumer Credit Access) are significant determinants consumer purchasing decisions.

4.6.3 Regression Analysis

Regression analysis is a statistical method used by a researcher to assess the relationship between two or more variables in a study. Regression Analysis involves wide range of modelling methods in analysis of multiple variables with primary objective of assessing the statistical effect of the independent variable on the dependent variable. The researcher used regression analysis to estimate the changes of the dependent variable when there is a unit change in the independent variable. In this study the regression analysis was used to estimate how a unit change in motor vehicle cost, consumer income or consumer credit access would affect the consumer purchasing decision.

The regression analysis was vital in predicting the statistical effect of the independent variable on the dependent variable. The results of the multiple regression analysis are shown in table 4.15:

Table 4. 6: Regression Results

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.836	.140		5.973	.000
	Motor vehicle cost	-.706	.023	-.701	-.279	0.008
	Consumer Income	.645	.102	.624	.763	0.001
	Credit Access	.602	.045	.577	.126	0.001

The new fitted regression model as per the regression results above is as follows:

$Y= 0.836 – 0.706X_1+ 0.645X_2 + 0.602X_3 + \varepsilon$

The fitted model shows that the constant for the model is 0.836, the beta coefficient for motor vehicle cost is -0.706, with p-value of 0.008<0.05 which implies that a unit increase in motor vehicle cost is expected to negatively affect / decrease the consumer purchasing decision by 0.706 units. This results also show that there is a negatively and significant relationship between motor vehicle cost and consumer purchasing decision. Additionally, the consumer income beta indicated that there was a positive and significant relationship between consumer income and consumer purchasing decisions, (β =0.645, p=0.001<0.05). This also implied that a unit increase in consumer income would positively affect / increase consumer purchasing decisions by 0.645. These findings are similarly to findings by Ramya and Ali (2016) who found that personal income and family income positively affected consumer purchasing decisions.

Similarly, the beta coefficient of consumer credit access showed that there is a positive and significant relationship between consumer income access and consumer purchasing decision (β =.602, p=0.001<0.05). This implied that a unit change in consumer credit access would positively affect / increase the consumer purchasing decision by 0.602 units. In general, the p-values for all the three beta coefficients of the three independent variables (0.008 < 0.05, 0.001 < 0.05 and 0.001 < 0.05) were less than 0.05 implying that there is a statistically significant relationship between the independent variables and dependent variables.

4.6.4 Model Summary

The researcher carried out a multiple regression analysis to aid in determining the relationship the nature of the relationship of the model. The model summary is as shown in table 4.16:

Table 4. 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891a	0.852	0.827	0.291

The result from the table above shows that, economic factors were found to be satisfactory variables in explaining purchasing buyer behaviour. The R coefficient of 0.891 shows that there exists a strong positive relationship between economic factors and consumer purchasing decisions while the R Square of 0.852 also indicates that the economic factors explain 85.5% of the consumer purchasing decisions. This shows that 85.5% of consumer purchasing decisions are reliant on economic factors.

5. Summary of Findings, Conclusions and Recommendations

This section presents the summary, conclusions and recommendations as well as limitations of the study. The specific objectives were to establish the effect of motor vehicle cost. Consumer income and consumer credit access on consumer purchasing decisions.

5.1 Summary of the findings

5.1.1 Motor vehicle cost on consumer purchasing decisions

The first objective of this study was to establish the effect of motor vehicle cost on consumer purchasing decisions in Kenya motor industry. The descriptive statistics show that majority of the respondents agreed that they were persuaded by the price of the motor vehicle when making the decision on which motor vehicle to purchase. In addition, majority of the respondents agreed that they considered cost of maintaining the motor vehicle before making the decision to buy the vehicle. The outcomes also showed that majority of the respondents agreed that the fuel consumption of the car persuaded them to purchase the motor vehicle. Further findings also showed that majority of the respondents agreed that the resale value of the car persuaded them to purchase the motor vehicle. Majority of the respondents agreed they considered availability of motor vehicle spares before purchasing them. In general, majority of the respondents agreed that they generally consider motor vehicle cost before making the decision to purchase the motor vehicle. Majority of all respondents agreed that all the indicators of the motor vehicle cost affected their purchasing decisions.

The correlation analysis results showed that motor vehicle cost had strong significant direct negative relationship with consumer purchasing decisions in the Kenyan Motor Industry. This implies that an increase in motor vehicle cost will negatively affect the decision to buy a motor vehicle. The regression analysis also indicated

that motor vehicle cost has statistically significant negative relationship with consumer purchasing decision. This indicated that increase in motor vehicle cost significantly and negatively affects the consumer purchasing behaviour.

5.1.2 Consumer Income on consumer purchasing decisions

The first objective of this study was to establish the effect consumer income on consumer purchasing decisions in Kenya motor industry. The descriptive statistics showed that majority of the respondents agreed that their level of income enabled them to purchase their motor vehicles. Similarly, majority of the respondents agreed if they had no income, they would not have purchased the motor vehicle. Also, majority of the respondent agreed that if their income doubled, they would purchase another motor vehicle probably better than the precious one. Further findings indicated that majority of the respondents agreed that they purchased the motor vehicle they have since it is the one that they can afford. In general, all the indicators of consumer income level indicated that consumer income affected the purchasing decision of the motor vehicle buyers and that when consumer income increases consumers are likely to buy the motor vehicles.

The correlation analysis results showed that consumer income had strong significant direct positive relationship with consumer purchasing decisions in the Kenyan Motor Industry. This implied that an increase in motor vehicle cost would positively affect the decision to buy a motor vehicle. The regression analysis also indicated that consumer income had statistically significant positive relationship with consumer purchasing decision. This indicated that the increase in consumer income significantly and positively affects the consumer purchasing decision.

5.1.3 Consumer credit access on consumer purchasing decisions

The last specific objective of this study was to establish the effect of consumer credit access on consumer purchasing decisions in Kenya motor industry. The descriptive statistics showed that majority of the respondents agreed that credit access enabled them to purchase their motor vehicles. Majority of the respondents also agreed that they could not have purchased the motor vehicle if they had access to credit. Additionally, the findings indicated that majority of the respondents agreed that they were lured by the availability of hire purchase, instalment, and loan facilities to purchase the motor vehicle. Further findings indicated that majority of the respondents agreed that they decided to purchase the motor vehicle after being informed about availability of financing or a loan. In general, majority of the respondents agreed that all the indicators for credit access influenced consumer purchasing decision.

The correlation analysis results showed that consumer credit access had strong significant direct positive relationship with consumer purchasing decisions in the Kenyan Motor Industry. This implied that an increase in consumer credit access would positively affect the decision to buy a motor vehicle. The regression analysis also indicated that consumer credit access had statistically significant positive relationship with consumer purchasing decision. This indicated that increase in consumer credit access significantly and positively affects the consumer purchasing decision.

5.2 Conclusions of the Study

In summary, the study concluded that there is a strong statistically significant relationship between motor vehicle cost and consumer purchasing decisions in the Kenya Motor Industry. This indicates that when motor vehicle cost is high the consumer decision whether buy or not is significantly affected. A high motor vehicle cost will therefore influence the buyer not to buy the motor vehicle.

The study also concluded that there is also a strong statistically significant positive relationship with consumer income and consumer purchasing decisions in the Kenya motor industry. This indicates that when consumer income increases the consumer purchasing decision to buy will be significantly affected and the consumer will be more willing to buy the motor vehicle.

Additionally, the study concluded that there is a strong statistically significant positive relationship between consumer credit access and consumer purchasing behavior in the Kenya motor industry. This implied that when consumers credit access increases the consumer purchasing decision is positively affected and the consumer is more likely to purchase the motor vehicle.

5.3 Recommendations of the study

This study suggests pertinent recommendations that have been arrived at based on the research findings in line with the specific objectives of the study. Therefore, this study recommends that motor vehicle dealers should consider organizing credit access for their customers to increase sales level. Motor vehicle dealers can also liaise with banks and other financial institutions on behalf of their customers with an aim of facilitating credit access so that the customers can be able to buy motor vehicles on credit.

The study also recommended that managers and owners of motor vehicle dealers should price their vehicles fairly to entice the consumers to purchase since consumers highly consider the cost of a motor vehicle before making a purchasing decision. The motor vehicle manufacturer should also ensure that their vehicles are priced to

enable consumers to purchase them. The study also recommends that for government to boost the development of the motor industry it should lower taxes to minimize the cost of the motor vehicle as well as cost the cost of spares since this will enable more Kenyans to make the decision to buy the motor vehicle.

5.4 Areas for Further Studies

This study focused on the economic factors affecting consumer purchasing decisions in the Kenya motor Industry. The researcher recommends that future researchers can study the effect of economic factors on consumer purchasing decisions in other industries apart from motor vehicle industry. This study mainly focused on economic factors hence the researcher recommends that future researchers can focus on non-economic factors such as social factors, demographic factors among others.

Since the R square of this study was not 100% it also shows that there are other factors either economic or non-economic factors that affect the consumer purchasing behaviour hence the future researchers can carry out a study that will help unearth the other factors that affect consumer purchasing decision in the Kenyan motor vehicle industry. Furthermore, this current study mainly focused on Kenyan consumers only, while consumer purchasing decisions can be different among consumers of different countries. Therefore, cross-country research on the effect of economic factors on consumer purchasing decisions would be pivotal.

5.5 Limitation of the study

The study faced several limitations including some respondent's being reluctant to provide responses from the questionnaires. Nevertheless, the researcher assured the respondents that the information was for academic purposes and will be totally kept confidential. The researcher also had a challenge with some respondents taking too long to provide responses in the questionnaire. To counter this the researcher made constant reminders to the respondents about the need to fill the questionnaire so that the researcher finalizes the study and provides a copy of the findings to the respondents. The researcher also employed good interpersonal skills while making follow ups with the respondents, which promoted rapport between the researcher and the respondent. Last and not least, cost and time were also limiting factors during the research process.

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