

INTERNAL AND EXTERNAL FACTORS AFFECTING CHOICE OF MOTOR VEHICLE MODELS: A CASE STUDY OF TOYOTA KENYA

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ABSTRACT

Understanding the behavioral responses of customers to the actions of a company is an on-going need of companies and organizations providing goods and services within a competitive environment. This study set to establish the factors that influence the choice of products by customers. The study was guided by the following specific research objectives: examining how the vehicle attributes affect the consumers' choice of the motor vehicle model; examining how road terrain influence the choices of motor vehicle models; investigate how price influence the choice of motor vehicle model; and examine how awareness created advertising influences the consumer choice of the motor vehicle model. The study employed descriptive research design where the respondents were required to describe the decision process in the car model purchase. The study population comprised of all 1,129 customers classified into five categories: private companies, government, Non Governmental organization individuals and parastatals. The study used stratified sampling to select 113 respondents. Primary data was collected by the use of a questionnaire while secondary data was collected using desk research from the company records. The study concludes that both internal and external factors had influenced consumer choice of the motor

INTRODUCTION

As the need for new patterns of consumption increases, so do efforts to understand consumer behavior, with a more nuanced understanding beginning to emerge based on shared insights from a huge number of disciplines – including psychology, economics, sociology, marketing,

vehicle they bought from Toyota Kenya. The significant factors that greatly influenced consumer choice and decision regarding purchase of motor vehicles model included terrain, product attributes, product price and awareness through advertisement. The study recommends that companies should take advantage of internal and external factors such as attractive payment arrangement, variety of vehicles to choose, popularity of the vehicles, heavy advertising from the company, family size; rough roads in rural areas and security purposes to influence consumers' choice of buying motor vehicles from their company; companies should take note of price they set on their products and gasoline consumption of the car as they determine consumer product choice such as Toyota Motor vehicle models; motor vehicle manufacturers should consider terrain before making the motor vehicle model and motor vehicle manufacturers should come up with high quality vehicles and enhance products attributes of vehicles by adding new features. Companies should invest heavily on vehicle advertisements because it influences consumer product choice and advertising of a vehicle should be very effective especially if there is demonstration on how it works.

Key Words: *internal and external factors, choice of motor vehicle models, Toyota Kenya*

neuroscience, evolutionary biology to name but a few. The idea of understanding consumer behaviour as a sequential decision-making process is one that is common in marketing (Kotler, 1997). The decision-making process itself is presented as a logical flow of activities, working from problem recognition to purchase to post-purchase evaluation. This decision-making process is affected by a number of other more complex influences. Some of these influences relate to the wider environment in which the decision is being made while others relate to the individual who makes the decision.

Engel *et al.* (1993) define consumer behaviour as "... those activities directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow these actions." (1993, p. 4). Thus, in the marketing context, the term 'consumer behaviour' refers not only to the act of purchase itself but to any pre- and post-purchase activities (Foxall, 1997). Pre-purchase activities would include the growing awareness of a want or need, and the search for and evaluation of information about the product and motor vehicle models that might satisfy it. Post-purchase activities would include the evaluation of the purchased item in use, and any attempt to reduce feelings of anxiety which frequently accompany the purchase of expensive and infrequently bought items like vehicles. Each of these has implications for purchase and repurchase and they are amenable to marketing communications and the other elements of the marketing mix. The understanding of both consumer behaviour and the capacity of marketing activities to influence it rest on knowledge of the ways in which consumers form decisions (Foxall, 1997).

Standard economic thought often contends that consumer behavior is most cost effectively influenced by policy through the provision of information and choice; provide enough information and a wide array of products with which consumers can satisfy their preferences and markets will do the rest. In reality, consumer decision-making is subject to a host of internal and external factors that bias decisions and over-turn preferences. As the complexity of making a choice increases, people simplify their decision making processes and are more likely to rely on heuristics. Recent evidence suggests the existence of 'recognition heuristic' (Goldstein and Gigerenzer, 2002). When forced to make a decision quickly, consumers often make decisions based purely on product recognition, even if the consumer knows nothing about the product (Ariely, 2008; Richter and Spath, 2006). The importance of recognition, and the extent to which consumers are able to access information about products and motor vehicle models even when attention levels are low, is knowledge of increasing importance to marketing. In the past, marketing relied heavily on 'product recall' (the extent to which a consumer remembered having seen or heard about a product) as indicative of successful marketing. If lots of people recalled having seen an advert, the 'recall rate' was taken as a marker of success. More recently, influenced by advocates of the 'primacy of affect' (Zajonc, 1984), marketing is realizing that motor vehicle model recognition, rather than an individual's ability to necessarily recall seeing an advert or motor vehicle model, is actually a better predictor of motor vehicle model favorability. When motor vehicle model information is subject to what Heath (2001) termed

‘Low Attention Processing’ – i.e. the automatic cognitive processing that Camerer et al. (2005) identified this can trigger an automatic emotional response, which can in turn lead to an intuitive choice (Penn, 2005). For instance, market research has used CCTV to monitor the way in which people buy beverages in convenience stores and found the vast majority made a decision within two minutes, going straight to a familiar beverage. One conclusion of this is that manufacturers are better advertising out of store than attempting to do so in-store (The Economist, 2008).

For instance, an automobile manufacturer identifies anyone who is interested in purchasing a car, as the target market. But if the producer marketed a subcompact car, the target market would be segmented into groups of consumers who are probably unmarried, price conscious and may have other traits which would identify them as buyers of compact cars. Therefore this study hinges on the factors that influence the choice of vehicle model by customers using a case of Toyota Kenya models.

Toyota Kenya background and characteristics of the models

Toyota Kenya began its operations in 1999, under the name Toyota East Africa. It is a wholly owned subsidiary of Toyota Tsusho Corporation of Japan. The company offers Vehicle After-Sales Support Services for Toyota Motor vehicle models and Yamaha brands Country wide. In April 2011 the name changed to now Toyota Kenya to reflect its operations that are only in Kenya (Toyota Kenya, 2012). The Head Offices are in Nairobi; with branches in Mombasa, Eldoret, Westlands, Kirinyaga road & Lokichogio. It also has a regional dealer representation in Nyeri, Nanyuki, Kisumu, Nakuru and Kericho. Toyota Kenya is owned 100% by Toyota Tsusho Corporation [TTC] the trading arm of Toyota Motor Group [TMC]. It is the leading motor vehicle distributor in Kenya, a position it has held for the past nine years. It prides itself with the slogan: ‘the vehicle in front of you is always a Toyota’. The company’s vision is “To be the number one respected Company through value delivery to all our stakeholders” Its values are “Customer for Life, Self Managed People, and Challenge with a Passion” While its philosophy is: Kaizen which means: - The company will continuously look for ways to advance, grow, better the lives and impact positively on its working environment, people and its products and services, through application of Kaizen: a strategy of "Continuous Improvement" (Toyota Kenya, 2012).

Toyota products are marketed on a segmentation approach with each market segment having defined strategies on effectively catering for customer needs. Target segments include individuals, corporate (including manufacturing, agriculture, tourism and mining Sectors), government bodies, missionaries, diplomatic community, UN and Non-government Organizations (NGOs). Toyota model portfolio include the following types; Land Cruisers, Corollas, Hilux, Camry, Avanza, Prado (Toyota Kenya, 2012).

The Toyota brand is associated with essential qualities like consistency, customer satisfaction, quality, reliability, integrity, trust and honesty. The brand is promoted via national media (print and electronic), outdoor street signage, websites, billboards, product launches, high profile

magazines, direct marketing by the sales team, campaigns, sponsorships, golf tournaments, joint promotions with other brands, customer events support, staff, public relations activities and direct mailing. The competitors include General Motors, D.T. Dobie, CMC, Simba Colt Motors, and the grey imports (for 2nd hand vehicles). Toyota has three business units namely vehicle sales, Parts and Service (Toyota Kenya, 2012).

Table 1: The sale of vehicles at Toyota Kenya for the past five years

Year	2007	2008	2009	2010	2011
Corolla	680	710	702	623	488
Avensis + Crown+Camry	23	23	19	9	2
Rav 4	59	83	25	28	31
Prado	345	444	229	270	293
Landcruiser	198	196	169	143	164
Hilux pickup 4x4	2,840	2,574	1,978	2,293	2,739
Hilux pickup 4x2	1,767	2,111	1,276	1,478	1,423
Avanza	92	76	58	49	61
Hiace	57	68	58	62	58
Total	6,061	6,285	4,514	4,955	5,259

Source: Toyota 2012

The concept of product choice

Consumer choice behavior has some important prevailing conditions that must be taken into account while studying choice. In the light of the classical problem solving buying behavior, consumers engage in information search before making the actual choice. Consumer decision making process is usually guided by already formed preferences for a particular alternative. This means that consumers are likely to make the choice between alternatives based on limited information search activity (Beatty and Smith, 1987; Moorthy, Ratchford and Talukdar, 1997) and without detailed evaluation of the other alternatives (Alba and Hutchinson, 2000; Chernev, 2003).

Consumers make decisions by allocating their scarce income across all possible goods in order to obtain the greatest satisfaction. Formally, we say that consumers maximize their utility subject to budget constraint. Utility is defined as the satisfaction that a consumer derives from the consumption of a good. Consumer value is measured in terms of the relative utilities between goods. These reflect the consumer's preferences. Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Preferences are independent of income and prices. Ability to purchase goods does not determine a consumer's likes or dislikes. One can have a preference for Porsches over Fords but only have the financial means to drive a Ford.

In close relation to information search, evaluation of alternatives has also gained a momentum in recent research (Laroche, Kim and Matsui, 2003). Their study on consumer's use of five heuristics (conjunctive, disjunctive, lexicographic, linear additive, and geometric compensatory) in the consideration set formation found that conjunctive heuristics is the most often used decision model in the consideration set formation for two product classes in the study (beer brands and fast food outlets). Conjunctive heuristics means that a consumer selects a motor vehicle model only if it meets acceptable standards, the so-called cutoff point on each key attribute consumer regards as important (Assael, 1995, p. 249; Solomon, 2001, p. 280). In this non-compensatory method of evaluation, a consumer would eliminate a motor vehicle model that does not fulfill the standards on one or two of the most important attributes, even it is positive on all other attributes.

STATEMENT OF THE PROBLEM

Understanding the behavioral responses of customers to the actions of a company is an on-going need of companies and organizations providing goods and services within a competitive environment. Choosing one thing over another, choosing to do or not to do something is an active (overt) response on the part of a consumer. At Toyota Kenya, the sales from vehicles of different models have been fluctuating from time to time. The figures presented in table 1.1 above indicate that for example Toyota Hilux 4X4 which is the most sold model by the company has posted mixed trend over the last five years; From the highest in the five years under review of 2,840 to stand at 2,739 units in 2012 (Toyota Kenya, 2012).

Corfman (1991) noted that consumers make choices among the many options available to them. The greater variety of product brands and models is forcing consumers to make more choices between brands (Ambler, 1997), exacerbating the need for greater product choice research. In August 2003 brand influence on consumer behavior was still identified as a research priority (Hoeffler & Keller, 2003). However, to the best of my knowledge, no research has been done to establish the major factors that influence the product choice using a case of Toyota Kenya motor vehicle models. From the studies listed above, it is clear that there was a gap that needs to be filled as regards to consumer choice of products especially vehicles. It is for that reason that this study aimed at establishing the factors that influence the choices of consumers in selecting a motor vehicle model using a case study of Toyota Kenya.

GENERAL OBJECTIVE

The main objective of this study was to establish the internal and external factors influencing consumer product choice.

SPECIFIC OBJECTIVES

1. To examine how the product attributes affect the consumer choice of the motor vehicle model.
2. To examine how terrain influence the choices of motor vehicle models
3. To investigate how price influence the choice of motor vehicle model.
4. To examine how awareness created by advertising influences the consumer choice of the motor vehicle model.

LITERATURE REVIEW

Theoretical background

Modern times reflect key changes in the marketing strategies employed by companies seeking to sustain competitive advantage. The financial health of these companies is now dependent on the amount of information that is collected in regards to consumer purchasing habits. These companies have resorted to the adoption of behavioral and sociological studies in order to collect this pertinent data and to further the corporate understanding of consumer purchasing patterns. The study of these fields are an attempt to establish a correlation between consumer spending and the key factors involved in consumer preferences in terms of attitudes, cognition, perception and learning.

Companies shifting their focus from a product/market driven line of attack to consumer driven marketing activities reflect this evolution of marketing. As a direct consequence of this shift, companies are now attributing much more importance on the reaction consumer display in regards to the 4Ps (product, price, promotion and place) and have further implemented three additional Ps, physical layout, process and people (Kotler, 1999). Current market trends show that the homogeneity of product has increased, meaning that few functional differences between key competitors currently exists in most highly competitive markets. This decrease in product differentiation is considered to be the direct result of high levels of competition that exists within today's markets, as well as the technological advances of production and distribution methods because these advances have diminished the ability of technological innovations to offer sustainable competitive advantage, and have made product differentiation extremely difficult (Levitt, 1983; Kotler, 2000). As a direct consequence, branding has emerged as a significant feature of contemporary marketing strategies and is now considered a key organizational asset (Kotler, 2000). The symbolic values associated with brand names have become the basis for product differentiation with leading strategies attempting to emulate key factors that are conducive to key behaviors associated with consumer purchasing patterns.

Economic theory has contributed to product choice research. This contribute is reflected in rational choice theory that postulates consumers seek to maximize utility of their decision. Utility is maximized through consumer assigning a value to each product/ service based on an

assessment of each product /service ability to satisfy needs and desires (Marshall, 1890: Stigler, 1950: Alchian, 1953: Strotz, 1953 as cited by Jacoby, 2001). Organizations and economists who adopt rational choice theory did not account for any irrationality. Rational choice theory argues buyers do not choose randomly and that rationality is the only reasonable explanation for their reaction to changes in relative prices (Jacoby, 2001). However the rational choice theory limits its ability to advance the product choice research given that the theory completely ignores the nuts and bolts of human psychology and assumes emotional considerations are neither relevant nor important (Jacoby, 2001).

Factors that influence the consumer's choice of products

Influence of product attributes on the decisions of the consumers to buy

Product attributes have been shown to influence the consumer choice in any market place (Gatignon and Robertson, 1991: Rogers, 1983). Building on these findings Nowlis and Simon (1996) investigated the factors that moderate the impact of new product features on brand choice. It is argued by Nowlis et al., (1996) that this research is important as it can assist practitioners in deciding to add a new feature to an existing product or focus resources on alternative action to generate sales. Specifically Nowlis et al., (1996) sought to determine if the product characteristics to which the feature is added to moderate the impact of the feature on brand choice as was found by Herr (1989).

Nowlis et al., (1996) based their research on the concept of multiattribute diminishing sensitivity where a new feature contributes more value to a relatively inferior product than to a superior one (Nowlis et al., 1996). The concept of multiattribute diminishing sensitivity is supported by Lynch, Chakravarti and Mitra (1991); and Martin, Seta and Crelia (1990). Nowlis et al., (1996) found that a new feature adds greater value and increases the probability of brand choice where the brand: has relatively inferior existing features; is associated with lower (Perceived quality); has a higher price; is both high priced and high quality.

Effect of terrain on motor vehicle model choices

An effective road transportation network is an important factor in economic and social development. It is also costly. Road construction and maintenance consume a large proportion of the national budget, while the costs borne by the road-using public for vehicle operation and depreciation are even greater. It is therefore vitally important that the terrain of the road be pursued by motor vehicle buyers before deciding on which model to purchase for their daily use in order to minimize total transport costs for the individual road links and for the road network as a whole (Abaynayaka, 1976 cited in Patricia, 2000).

The function of the vehicle operating cost sub model is to simulate the effects of the physical characteristics and condition of a road on the operating speeds of various types of vehicles, on

their consumption of fuel and lubricants, on their maintenance requirements and so on, and to determine their total operating costs. The quantities of resources consumed, such as liters of fuel, numbers of tires, man-hours of labor, etc., are determined together with vehicle speeds as functions of the characteristics of each type of vehicle and the geometry, surface type, and current condition of the road. Costs are then found by multiplying the various resource quantities by user-specified unit costs and adding allowances for depreciation interest, and overhead costs and for the time values of passenger delays and cargo holding (Abaynayaka, 1976 cited in Patricia, 2000). Therefore the choice of Toyota All Terrain Vehicles is determined by the roads that the customers use on a daily basis. Vehicles which will exhibit resilience in terms of fuel and lubricant consumption, low maintenance costs, number of tires required on all types of terrain will most likely be favored among the customers hence their sales will increase as these types of vehicles will be used for outdoor and recreational activities comfortably.

Effect of price on consumer choice of products

In today's marketplace, consumers are faced with choices between competing vehicle models that may appear quite similar in terms of features and comfort. Consumers often rely on product information provided on vehicle specifications to evaluate the attributes of different vehicles. Prices may weigh heavily in vehicle choice, but the price itself may influence perceived quality of the vehicle. Safety and quality of the vehicle may also affect consumer choices of the car model that they would want to purchase. The value that consumers place on vehicle price affects their evaluation of the car based on a car's price. Consumer experiences and satisfaction are essentially influenced by the different attributes of the car.

Types of goods will help in determining whether demand for cars is elastic or inelastic. If a good is considered to be a luxury rather than a necessity, the greater is the price elasticity of demand (McConnell & Brue, 2004). Cars can be deemed as necessary due to a need for transportation. Other types of cars can be classified as luxury. A person who needs to be able to get from one place to another will have the need for a car. An old vehicle may suffice. In such a scenario, buying a brand new car is more likely to be a luxury rather than a necessity. If car prices go up, people are more inclined to just keep driving their old vehicles. In essence, the cars already on the road would serve as substitutes for new cars. However, over a longer period of time, old cars tend to wear out and the elasticity of demand for vehicles is less. Toyota is known for its lineup of high gas mileage and low maintenance vehicles as gasoline and cars are complementary goods for each other. As gas prices increase, demand for Toyota vehicles also increases because the automaker produces a wide range of fuel-efficient vehicles. The most important influence on the elasticity of demand is the availability of substitutes for the product. As substitutes are more readily available, the elasticity becomes greater. In a purely competitive market, where there are many perfect substitutes for any one product, the demand curve for that one product is perfectly elastic (McConnell & Brue, 2004). Toyota, Honda, and Nissan are three of the biggest Japanese automakers and all three have a reputation for high gas mileage vehicles. Honda and Nissan are

excellent substitutes for Toyota. If the price of a Toyota vehicle increases, the demand for that vehicle will decrease because many substitutes are available. If the income of Toyota customers were to increase by 10%, it would be expected that the demand would increase by about 10% as well. This rational is based on the concept that “the higher the price of a good relative to consumers’ incomes, the greater the price elasticity of demand” (McConnell & Brue, 2004).

The reason behind the increase is the concept of income elasticity of demand, which “measures the degree to which consumers respond to a change in their incomes by buying more or less of a particular good” (McConnell & Brue, 2004). Toyota vehicles would be considered superior goods, which are highly elastic. For example, in difficult economic times, automobiles and other superior goods are some of the first items to get cut because consumers simply cannot afford them. However, when times are good and incomes increase, superior goods jump significantly compared to products that have low or negative elasticity

Effect of awareness from advertisement on product choice in the market

Deighton et al. (1994) examined switching and repeat purchase effects of product awareness in well established and frequently purchased product categories (Ketchup, liquid detergent, powder detergent). They found that product awareness created by advertising works through attracting switchers but did little in modifying the repeat purchase probabilities of who have just purchased the brand (Deighton et al., 1994). This result is similar to that of Blattberg and Neslin (1989) who found sales promotion contributed efforts would be best focused on non-user of the brand, contradicting Ehrenberg (1974, 1998).

Baker (1999) restricted his assessment of advertising’s influencing on brand choice to affective conditioning and mere awareness based advertising strategies. It was found that mere exposure advertising strategies being easier to implement (Baker, 1999). The study concluded that affective conditioning and mere product awareness were not effective strategies to influence brand choice against well- established competitors. It was concluded that affective conditioning who did not have superior performance characteristics or the motivation to deliberate at the time of purchase was low (Baker, 1999). This finding was further expanded by Baker & Lutz (2000) who concluded that advertising is most likely to influence brand choice when it is both relevant and accessible.

Peripheral advertising cues were found to influence brand choice (Miniard sirdeshmukh and Innis, 1992). Miniard et al. (1992) found that peripheral persuasion altered both consumers’ choices as well as their attitudes. It has also been found that advertising’s influence on brand choice can be moderated by consumer’s attitude towards brand. They concluded that attitude towards an advertisement has an independent effect on brand choice. Mitra, (1995) argues that considerations sets can be affected by advertising as advertising was found to have a stabilizing effect on consideration set composition. Advertising effect on consideration set size was

researched by (Mitra, 1995) who found that reminder- type advertising increased consideration set size.

Leading the opposition to advertising's influence on product choice behavior is Ehrenberg (1974, 1988). Ehrenberg's research has predominantly explored brand choice and brand loyalty among established and frequently purchased products. Ehrenberg (1974) postulates that advertising's main role should be to reinforce feelings of satisfaction for brands already purchased as opposed to focusing on acquiring new users. Ehrenberg (1974) reinforces his stance that product awareness resulting from advertising is of limited value to brand choice behavior through four arguments. Firstly, he claims that there are many product classes that have little if any mass media advertising but enjoys strong growth such as sailboards and marijuana. Secondly, small and medium brand leaders. Ehrenberg (1974) third argument is that there is no suggestion that failure occurs less often for highly advertised new brands. Lastly, the main difference a leading and a small brand is that the leader has more buyers. Majority of research support advertising's influence on Product choice behavior.

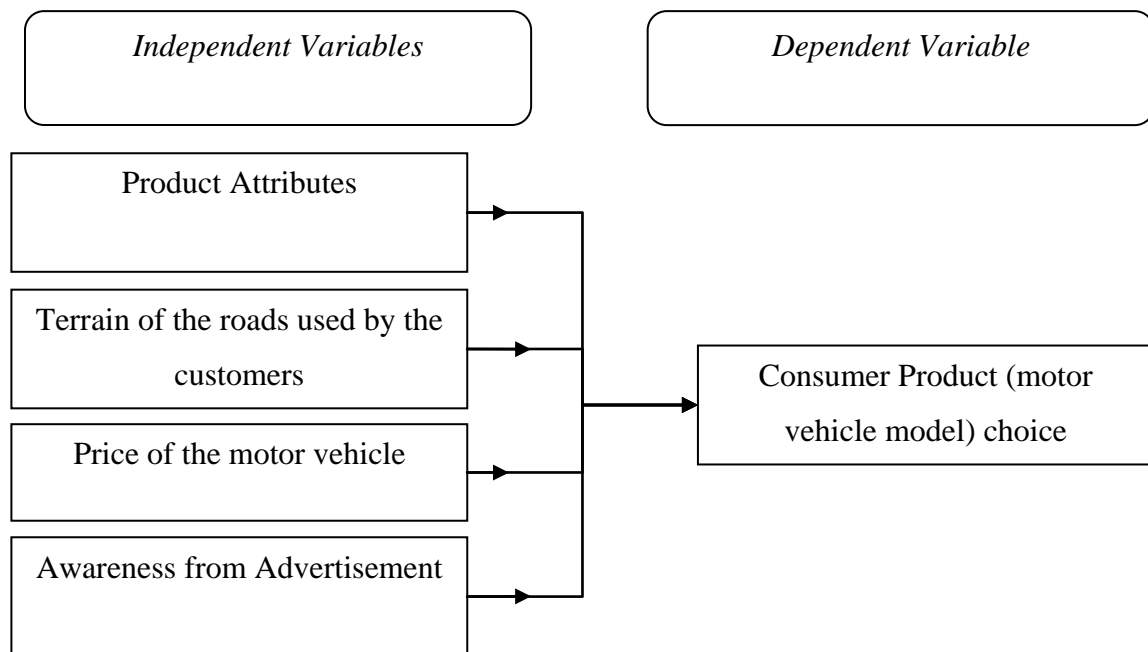


Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

Research Design

The research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information (Cooper, 2003). It specifies the framework or the blueprint for the research. This was a descriptive survey study design. According to Donald and Pamela (1998), a descriptive study is concerned with finding out the what, where and how of a phenomenon. The research design and methodology entailed collecting data useful in analysis and coming up with relevant recommendations and conclusions. Mugenda and Mugenda (1999) noted that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, behaviour or values. Surveys enabled collection of data from a sizeable population in a highly economical way. The data obtained was standardized, to allow easy comparison. Moreover, it explored the existing status of two or more variables at a given point in time.

The study employed descriptive research design where the respondents were required to describe the decision process in the car model purchase. This study integrated qualitative and quantitative methods. A qualitative methodology dealt with non-numerical data, whereas a quantitative methodology treated numerical data relevant for this study.

Target Population

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. The target population of this study comprised of all the 2011 customers who bought vehicles from Toyota Kenya. As per company records, 1,129 customers classified into five categories: private companies, government, Non Governmental organization individuals and parastatals. This formed the population of interest in this study.

Sampling Frame

From the above population of 1,129 a sample of 113 respondents was selected using stratified random sampling method. A 10% of the total population was selected because of the high homogeneity among the strata. This ratio also gave more than 30 respondents which according to Mugenda and Mugenda (2003) was sufficient for generalization of findings on the whole population. Stratified random sampling technique was used when population of interest was not homogeneous and could be subdivided into groups or strata to obtain a representative sample. According to Sproul (1998), a self administered questionnaire is the only way to elicit self report on people's opinion, attitudes, beliefs and values. In addition, since majority of the target

respondents were learned people, they were in a position to read and understand the questionnaire hence provided accurate data required.

Instruments of Data Collection

The researcher used questionnaires as the main tool for data collection. The selection of this data was guided by the nature of the data to be collected, the time available as well as the objective of the study. This was a set of few questions asked in a logic sequence but put in a writing form. They required brief and direct answers. The questionnaire was both closed and open questions. The structured questions was used in an effort to conserve time and money as well as to facilitate an easier analysis as they were in immediate usable form; while the unstructured questions was used so as to encourage the respondent to give an in-depth and felt response without feeling held back in revealing of any information. A questionnaire was used since the study was concerned with variable which could not be directly observed such as views, opinions, perceptions and feeling of the respondents. Such information is collected through the use of questionnaires (Touliatos & Compton, 1988).

The study considered questionnaires for they had advantages over other types of research instruments in that they were cheap, did not require as much effort from the questioner as verbal or telephone surveys, and often had standardized answers that made it simple to compile data. The questionnaire designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent. The second part was devoted to the identification of the main issues of the study.

The study utilized both primary and secondary data. Primary data was gathered through questionnaires, while secondary data was obtained from published documents or materials such as journals, periodicals, magazines and reports obtained from the Toyota Kenya annual reports. These supplemented the primary data received from questionnaires.

Data Collection Method

This study collected quantitative data using a self-administered questionnaire. Nevertheless, where it proved difficult for the respondents to complete the questionnaires immediately, the questionnaire was left with the respondents and picked later. Before the questionnaire was finally administered to participants, a pilot study was carried out to ensure that the questions were relevant, clearly understandable and made sense. The pilot study aimed at determining the reliability of the questionnaire including the wording, structure and sequence of the questions.

A cover letter from JKUAT was taken along to enable the administering of the questionnaire. The respondents were assured of confidentiality of their names and responses and that the responses would not be handled by any other person but rather was used purely for academic

purposes. Each questionnaire was coded and only the researcher knew which person responded. The coding technique was only used for the purpose of matching returned, completed questionnaires with those delivered to the respondents.

Pilot Study

The pilot study involved pre-testing the questionnaire on 10 respondents from the sample. The respondents were conveniently selected since statistical conditions were not necessary in the pilot study (Cooper and Schindler, 2003). The purpose was to refine the questionnaire so that respondents in the major study would have no problem in answering the questions. The results of the pilot study were not included in the actual study.

Data Analysis Procedures

Before processing the responses, the completed questionnaires were edited for completeness and consistency. This is a process that starts immediately after data collection and ends at the point of interpretation of the process results (Obure, 2002). This included data sorting (rearrangement of data questionnaires to allow some systematic handling), data editing to identify errors that occurred during data collection, cleaning of data to check for accuracy and completion. Data collected was purely quantitative and it was analyzed by descriptive analysis such as measure of central tendency and measure of dispersion. The descriptive statistical tools helped in describing the data and determining the extent used. Data analysis used SPSS and Microsoft Excel to generate quantitative reports through tabulations, percentages, and measures of central tendency.

Tables and graphs were used to present responses and facilitate comparison. Cooper and Schindler (2003) notes that the use of percentages is important for two reasons; first they simplified data by reducing all the numbers to range between 0 and 100. Second, they translated the data into standard form with a base of 100 for relative comparisons. This generated quantitative reports through tabulations, percentages, and measure of central tendency.

RESEARCH FINDINGS

Effect of Terrain on Motor Vehicle Model Choices

The study found that 88% (74) of the customers agreed that terrain affected the choice of their Toyota motor vehicle model to a great extent. The study established that the type of terrain influenced the speed of the motor vehicle model and hence the choice of that model; the terrain had an effect on the extent of wear and tear the vehicle hence vehicles with high resilience to depreciation were chosen for rough terrains; vehicles that had a low fuel and lubricant consumption over different terrains were favored by customers; and all terrain vehicles were likely to be chosen by many customers due to their ability to serve over a range of activities. According to Abaynayaka, (1976 cited in Patricia, 2000), the terrain of the road be pursued by motor vehicle buyers before deciding on which model to purchase for their daily use in order to

minimize total transport costs for the individual road links and for the road network as a whole. The function of the vehicle operating cost sub model is to simulate the effects of the physical characteristics and condition of a road on the operating speeds of various types of vehicles, on their consumption of fuel and lubricants, on their maintenance requirements and so on, and to determine their total operating costs. The quantities of resources consumed, such as liters of fuel, numbers of tires, man-hours of labor, etc., are determined together with vehicle speeds as functions of the characteristics of each type of vehicle and the geometry, surface type, and current condition of the road (Abaynayaka, 1976 cited in Patricia, 2000).

Influence of Product Attributes on the Decisions of the Consumers to Buy

The study also established that 96% (81) of the customers agreed that consumers' choice was influenced by the product attributes to a great extent. The study also found that a new feature added greater value and increased the probability of consumer brand choice to a great extent; a product that had relatively inferior existing features, a product with perceived quality and a product that had a higher price affected consumer choice of Toyota vehicles to a great extent. This finding is supported by Gatignon and Robertson (1991) that Product attributes have been shown to influence the consumer choice in any market place. Nowlis and Simon (1996) investigated the factors that moderate the impact of new product features on brand choice. Nowlis et al., (1996) sought to determine if the product characteristics to which the feature is added to moderate the impact of the feature on brand choice. They further found that a new feature adds greater value and increases the probability of brand choice where the brand: has relatively inferior existing features; is associated with lower (Perceived quality); has a higher price; is both high priced and high quality.

Effect of Price on Consumer Choice of Products

The study found that most 99% (83) of the respondents agreed that price affected consumer product choice such as Toyota Motor vehicle models to a very great extent. The study established that the vehicle price influenced customers' choice of the car they drove to a very great extent; the price of the car was a major determinant in their purchase of the car to a very great extent; and customers considered the gasoline consumption of the car before settling on which car to buy to a great extent. According to McConnell & Brue (2004) prices may weigh heavily in vehicle choice, but the price itself may influence perceived quality of the vehicle. The value that consumers place on vehicle price affects their evaluation of the car based on a car's price. Consumer experiences and satisfaction are essentially influenced by the different attributes of the car. If a good is considered to be a luxury rather than a necessity, the greater is the price elasticity of demand (McConnell & Brue, 2004). If the price of a Toyota vehicle increases, the demand for that vehicle will decrease because many substitutes are available. If the income of Toyota customers were to increase by 10%, it would be expected that the demand would increase by about 10% as well. This rational is based on the concept that "the higher the price of a good

relative to consumers' incomes, the greater the price elasticity of demand" (McConnell & Brue, 2004).

Influence of Awareness Resulting From Advertisement to Product Choice in the Market

The study found that 88% (74) Toyota Kenya advertisement efforts influenced the consumer product choice to a great extent. The study also found that advertising worked through attracting switchers but did little in modifying the repeat purchase probabilities of who had just purchased the brand; Sales promotion contributed efforts would be best focused on non-user of the brand; Mere exposure were not effective strategies to influence brand choice against well- established competitors; advertising was most likely to influence brand choice when it was both relevant and accessible; advertising's influence on brand choice could be moderated by consumer's attitude towards brand. Baker & Lutz (2000) concluded that advertising is most likely to influence brand choice when it is both relevant and accessible. Peripheral advertising cues were found to influence brand choice (Miniard sirdeshmukh and Innis, 1992). Miniard et al. (1992) found that peripheral persuasion altered both consumers' choices as well as their attitudes. It has also been found that advertising's influence on brand choice can be moderated by consumer's attitude towards brand. They concluded that attitude towards an advertisement has an independent effect on brand choice. Mitra, (1995) argues that considerations sets can be affected by advertising as advertising was found to have a stabilizing effect on consideration set composition. Advertising effect on consideration set size was researched by (Mitra, 1995) who found that reminder- type advertising increased consideration set size.

CONCLUSIONS

On factors influencing choice of motor vehicle model, the study concludes that both internal and external factors influence consumers' choice of the motor vehicle they buy. The internal and external factors include attractive payment arrangement, variety of vehicles to choose, popularity of the vehicles and heavy advertising from the company, family size; rough roads in rural areas and security purposes.

The study concludes that terrain affects the choice of motor vehicle model. The study also concludes that the type of terrain influence the speed of the motor vehicle and hence the choice of that model; the terrain has an effect on the extent of wear and tear the vehicle hence vehicles with high resilience to depreciation are chosen for rough terrains; vehicles that have a low fuel and lubricant consumption over different terrains are favored by customers; and all terrain vehicles are likely to be chosen by many customers due to their ability to serve over a range of activities.

The study concludes that consumers' choice is influenced by the product attributes as it creates comfort, utility, and prestige. The study also concludes that a new feature adds greater value and

increases the probability of brand choice; a product with perceived quality and a higher price affects consumer choice of vehicles.

Consumer product choice is influenced by the price of the vehicle; the price critically matters when deciding which vehicle to buy; for corporate, budget allocation determines which vehicle they buy; and for NGO/UN bodies, donor funding determines the type of vehicle they buy. The study also concludes that the vehicle price influence the choice of the car one drives; the price of the car is a major determinant in the purchase of the car; and the gasoline consumption of the car is considered before settling on which car to buy.

Vehicle advertisement efforts influence the consumer product choice. The study also concludes that advertising works through attracting switchers but did little in modifying the repeat purchase probabilities of who had just purchased the brand; Sales promotion contributes efforts would be best focused on non-user of the brand; Mere exposure are not effective strategies to influence brand choice against well- established competitors; advertising is most likely to influence brand choice when it was both relevant and accessible; and advertising's influence on brand choice can be moderated by consumer's attitude towards brand.

RECOMMENDATIONS

From the findings and conclusions, the study recommends that companies should take advantage of internal and external factors such as attractive payment arrangement, variety of vehicles to choose, popularity of the vehicles, heavy advertising from the company, family size; rough roads in rural areas and security purposes to influence consumers' choice of buying motor vehicles from their company.

On the effect of terrain on motor vehicle model choices, the study recommends that consumers should consider terrain before making the choice of motor vehicle model and the type of terrain should influence the speed of the motor vehicle and hence the choice of that model; and all terrain vehicles should be chosen by many customers due to their ability to serve over a range of activities. The study recommends that motor vehicle manufacturers should come up with high quality vehicles and enhance products attributes of vehicles by adding new features since they influence consumers' choice in terms of comfort, utility, and prestige. The Company should take note of price they set on their products and gasoline consumption of the car as they determine consumer product choice such as Toyota Motor vehicle models. This is because consumers perceive products with high price are of high quality.

The study recommends that companies should invest heavily on vehicle advertisements because it influences consumer product choice. The study also recommends that advertising should work through attracting switchers and encourage the repeat purchase probabilities by being relevant and accessible; Sales promotion efforts should focus on non-user of the brand; and advertising's influence on brand choice should be moderated by consumer's attitude towards brand. The

respondents' recommended that advertising of a vehicle can be very effective especially if there is demonstration on how it works.

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