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**INFLUENCE OF CONSUMER DECISION FACTORS ON REVENUE GROWTH OF
USED VEHICLE ENTERPRISES IN NAIROBI COUNTY**

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MBA/055643

**A research thesis submitted in partial fulfilment of the requirements for the Master
in Business Administration at Strathmore Business School**



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Nairobi, Kenya

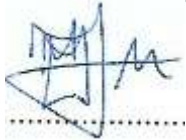
May 2020

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree to this or any other university. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the thesis itself.

James Mbugua Thuo

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Signature

Date 26th May 2020

This thesis has been submitted with my approval for as a university supervisor.



Dr. Evelyne Makhanu

LECTURER

STRATHMORE UNIVERSITY



Signature

Date 26th May 2020

ABSTRACT

The used car market is a significant part of the motor vehicle industry as it contributes 8% to the Gross domestic products and creates employment to approximately 59 % of the micro, small, and medium enterprises labour force in Kenya. The sector saw a positive trend in growth for the past two decades but has seen a significant reduction in growth in the last 5 years. This study sought to explore the influence of consumer decision making factors on revenue growth of used motor vehicle enterprises in Nairobi County. The study was guided by three specific objectives: (i) to determine the influence of economic factors on revenue growth of used motor vehicle enterprises in Nairobi County; (ii) to determine the influence of psychosocial factors on revenue growth of used motor vehicle enterprises in Nairobi County; (iii) to determine the influence of functional factors on revenue growth of used motor vehicle enterprises in Nairobi County. The study adopted a descriptive research design. There is no database of used car consumers and thus used car dealership managers were used as provide average numbers for consumers. The target population was 357 consumers of used cars from used car dealerships in Nairobi County from which a sample size of 191 respondents was extracted. A structured questionnaire was used to collect data from the final sample of 125 respondents. The research assistants randomly administered the instrument to consumers and the owners/managers of used car dealerships. The data was analysed using descriptive, correlation, and multiple regression analysis. The findings indicated that economic factors had a positive and significant effect on revenue growth; psychosocial factors had a negative but insignificant effect on revenue growth; and functional factors had a negative and significant effect on revenue growth of used car dealerships. The study thus concludes that buyers of used vehicles are influenced by economic factors such as price and their level of income which contributes to the sales of these enterprises as they provide cars that are in the price ranges of their consumers. The study also concludes that image and status associated with vehicles is not a variable that influenced consumers' choice for used vehicles; that durability and fuel efficiency of used cars is an important variable for buyers which if provided would lead to increased revenue growth for used businesses in Nairobi County; and that used car enterprises should strive to offer market prices and rates for used vehicles to boost their revenue growth. The study further recommends that used car dealerships to pay more attention towards providing units that are more fuel-efficient and durable. The study was limited to Nairobi County and there is a need to conduct a similar study on a national scale. The study was limited to used cars. However, there is a need for future research to consider other categories of cars including brand new cars in the Kenyan market.

Keywords: *Decision making, revenue growth, economic factors, psychosocial factors, functional factors*

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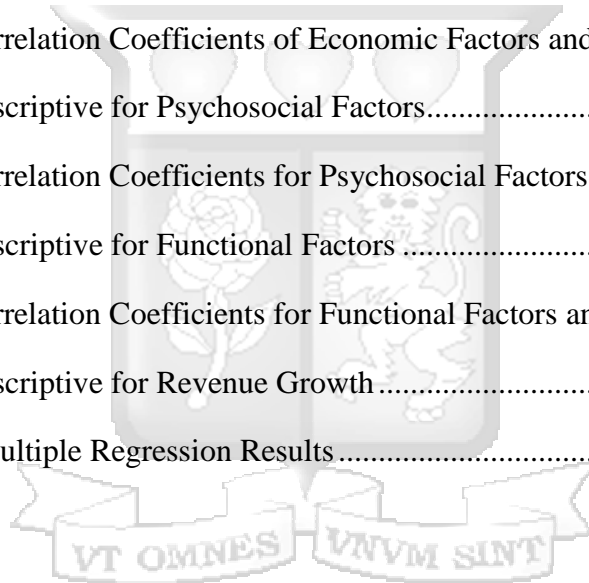
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DEFINITION OF TERMS

Economic factors – These refers to the financial situation of a consumer and how these can influence their decision to make a purchase (Prieto & Caemmerer, 2013). In this study, economic factors include the level of income, credit availability, attitude towards spending, family income, income expectations, savings, liquid assets of the consumer, and consumer credit,

Psychosocial factors - This is the combination of social and physiological elements that influence consumer decision making (Hitesh, 2015). In this study, psychosocial factors include perceived status, brand association, quality, peer/family influence, symbolic motives, enjoyment, and conformity

Functional factors – These refers to the functional advantages that are brought about by the instrumental value of the good or its ability for delivering functional, utilitarian, or physical role (Al-Mamun, Rahman, & Robe, 2014). In this study, functional factors refers to fuel proficiency, great quality, up-to-date technology, durability, performance, comfort, and utility functions.

Revenue – These refers to the profits a business acquires through running its normal activities usually from the sale of goods and services to customers (Alade, 2015). In this study, revenue refers to sales growth, customer retention, market share, and new orders/customers.

Used vehicles – These refers to vehicles that have had a previous owner and have been utilized as opposed to brand new cars with zero mileage. The vehicles are then resold to new consumers as used/secondhand cars (Shimpi, 2014). In this study, used vehicles are cars sold by used car dealerships in Nairobi County.

ABBREVIATIONS AND ACRONYMS

ACEA	European Automobile Manufacturers Association
DOPU	Drop-off-and-pick-up
KABA	Kenya Auto Bazaar Association
KIPPRA	Kenya Institute For Public Policy Research & Analysis
KMIA	Kenya Motor Industry Association
KNBS	Kenya National Bureau of Statistics
KRA	Kenya Revenue Authority
MSMEs	Micro Small and Medium Enterprises
NACOSTI	National Commission for Science, Technology, and Innovation
OEC	The Observatory of Economic Complexity
OICA	Organisation Internationale des Constructeurs d'Automobiles
SPSS	Statistical Package for Social Sciences
SU-IERC	Strathmore University Institutional Ethics Review Committee
TPB	theory of planned behavior
TRA	Theory of Reasoned Action
UN	United Nations



CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background Information

The nineteenth century was the beginning of the motor vehicle industry sector when engineers designed fuel-powered engines ranging from oil, gas, and coal which were installed in carriages, moving from horse-pulled ones that dominated the era. Among the most popular investors in the motor vehicle industry included Karl and Berth Benz and Nikola Otto (Nyamwange & Nyamwange, 2014). The mass production of vehicles by Henry Ford was the revolution of the sector as the Model T vehicles were affordable to the majority of the citizens (Hutchison & Gordonson, 2005). Over the years, the motor vehicle industry has developed into one of the largest economic sectors in the world with sales of over 95 million units in 2018 (Organisation Internationale des Constructeurs d'Automobiles [OICA], 2019). The leading countries in the manufacturing of motor vehicles are China, United States, Japan, Germany, and India (European Automobile Manufacturers Association [ACEA], 2019). Notable motor vehicle manufactures include Toyota, Volkswagen, Ford, and General Motors (Chouillou, Garay, & Villamizar, 2012).

The year 1903 saw the first motor vehicle imported to Kenya and this number had risen to over 1,000 units by 1919. In order to provide solutions for road transport and motorists, the Royal East African Automobile Association was created. In 2012, the number of cars imported into the country stood at 77,229 units and by 2016 had grown to 91,071 units (Kenya National Bureau of Statistics [KNBS], 2017). The Kenya Institute for Public Policy Research and Analysis (2017) reported that 7.8 % of entire imports to Kenya were motor vehicles and 96 % of these were used vehicles with only 4,308 units being locally assembled vehicles (Baskin, 2018). The Kenya Motor Industry Association (2018) estimated that there are over 2.5 million motor vehicles operating in Kenyan roads which have created a lively sector for maintenance and repairs with a labour force of more than 4 million workers. Approximately 59 % of all employees in the industry are based in the Micro Small and Medium Enterprises (MSMEs) (KNBS, 2017).

The used vehicle market is thriving in different nations whether developed or developing countries. The amount of used car transactions is more than three times the purchase of new vehicles in the United States (US). The largest exporter of used cars has been the US with approximately 14 % in 2014. The number of used cars which were mostly passenger vehicles which saw an increase from 252,000 to 4.7 million from 2000 – 2012 indicative of a 19 times year-on-year growth resulting to an income of 263.626 Billion Yuan (Wu & Zheng, 2016).

The used vehicle market in India is a major industry with a demand of an average of 1.4 million with almost 55 ‘new’ used vehicles which have been introduced in the Indian market. Most consumers prefer to get newer brands to replace their older vehicles and have thus resulted in large revenue for dealers (Shimpi, 2014). In Indonesia, the increasing demand for used cars has been associated to the high prices of new cars. The price of used cars is influenced by the age factor car, car mileage, color car, car transmission, and car type (Puteri & Safitri, 2020).

In the region of West Africa, used vehicles made of personal fleet of cars constitute more than 85% of the total number of automobiles in the region. The demand for used vehicles is partly driven by low-income consumers who have a weak power of purchase among local citizens to afford new cars. These cars are imported from France with their original source from Europe where these cars are seen as part of the industrial waste of these developed nations (Essoh, 2013).

In Kenya, majority of the consumers have favoured used cars owing to the low prices despite higher costs of maintenance they expose the economy and contribute to the loss of foreign exchange due to imports that aren’t available locally and the higher failure rate in comparison to new cars. Kenya’s motor vehicle sector is controlled by 84 % of the used car market segment (Lithaa, Ngugi, & Njagi, 2014). The used car venture is a major industry in Kenya’s capital contributing 8 % to total Gross Domestic Product (GDP). Small and medium enterprises (SME) and the sector has had a continued growth owing to the use of E-commerce technologies in Kenya (Manyeki, 2018).

As a result of the growth, there has been an increase in the number of used vehicle dealerships in Kenya's major cities. Different factors seem to influence the consumers' decision to purchase used vehicles as would be consumers take considerable time in car dealerships to make a choice on which car to buy. Used vehicle dealerships have different types of vehicles, different prices, and individual payment arrangements. This study aims to examine the factors influencing consumer purchase decisions that lead to an increase of revenue for used car dealerships.

1.1.1 Consumer Decision Making Process

Decision making is an important daily activity that human beings perform every day (Morara, 2016). It includes routine decisions such as choice of clothes to wear to work, what to eat for lunch and which brand of bread to buy in the supermarket. The thought process used to make these decisions is simple and usually little effort is expended. However, a more complex decision-making process is required for major activities such as the purchase of a residential house, career choices, and relocation to a new county or country (Cadet, 2018). Such decisions are made very few times in the life of a person and the effects are long term. Sometimes such decisions carry a heavy financial burden on a person; one such major decision is purchasing a motor vehicle.

The first complete model of buyer behaviour is associated with Nicosia's model which comprises of consumption, feedback, storage, experience, communication of information to affect the consumer's attitude, a decision, evaluation and search process, and outcomes in terms of behaviour (Jones, Shaw, & McClean, 2011). The model is based on a seven phase process which includes post-purchase reflection (dissatisfaction and satisfaction), purchase, divestment, search of information, need recognition, consumption, and pre-purchase evaluation of alternatives (Bray, 2008). A stimulus that is received and processed by the customer influences these decisions in tandem with the memory of previous experiences. Secondly, there exist external variables in the form of individual or environmental differences. However, the model has been critiqued for being too limiting to have an adequate accommodate consumer decision circumstances.

Kotler and Keller (2006) proposed the five-phase model of consumer buying also referred to as the consumer information processing model which conceives of post-purchase behaviour, evaluation of alternatives, problem recognition, purchase decision, and information search (Qazzafi, 2019). A purchaser can utilize the five phases in the decision-making course in buying a product. Possibly, a purchaser may miss one of the phases and this is dependent on the mind of the consumer and the level of involvement in making a purchase (Kotler, Kartajaya, & Setiawan, (2017). This consumer decision-making process works more so for new purchases or heavily involving purchases (Qazzafi, 2019).

Previously discussed models have focused more on the purchase of new products. There is therefore a need to document the models proposed by other scholars of the variables that influence the purchase of used cars. Monga and Chaudhary (2011) assert that at the time of purchase of used cars, customers not only include price factor but they take care of other factors like fuel efficiency, look, condition, and model. Wu and Zheng (2016) found that information about the real condition of the car was the most important factor influencing customers when purchasing used cars, followed by price, vehicle model, brand, and after-sales service as the least influencing factor. Shimpi (2014) revealed that family income, make of the car; gender, colour of the car, and selling price influenced consumer decision to purchase a used vehicle.

Based on the above literature, consumer decision making when purchasing a used car can be classified into economic, psychosocial factors, and functional factors which will be the focus of this study. Economic factors relate to the financial capabilities of consumers. Price is a significant market variable when buying a used (Owusu-Bempah, Bennet, Okyere-Kwakye, & Amoako, 2013). Psychosocial factors that consumers consider when purchasing a motor vehicle consist of customer perceived value of quality, design brand, and status symbol (Dhanabalan, Subha, Shanthi, & Sathish, 2018). The consumer's perceived value speaks to the perceived status the customer acquires after buying the motor vehicle (Nelissen & Meijers, 2010). The functional factors include fuel consumption, comfort, performance, and capacity (Gómez-Vilchez, Harrison, Kelleher, Smyth, & Thiel, 2017).

1.1.2 Revenue Growth

The concept of revenue has varying definitions with different scholars proposing different definitions of the concept (Alade, 2015). Dixon (2000) defines revenue as the entire amount acquired from the sale of services or merchandise to consumers. Fayemi (2001), on the other hand, defines revenue as all fortunes, penalties fines, duties, fees, rates, impress, tolls, and all other types of government fees received from any source over a specific period. Alade (2015) sees revenue as the increases in an owner's equity in a firm by the provision of services or goods for its consumers. This study adopts Alade's definition of revenue which is attributed to the growth of an enterprise in sales to customers.

Studies (Simon, Gomez, McLaughlin, & Wittink, 2009; Munjuri, 2013) have explored the association between the performance of companies and customer satisfaction. The evidence shows that there are economic benefits of customer satisfaction for the organization. Customer satisfaction is thus used as an indicator of revenue growth in this study. According to Adefulu (2015), market share has also been used as an indicator of revenue growth in firms. The gain of market share through word of mouth enhances the revenue of a firm without any associated costs in marketing expenses. The market share compares to firm revenues with the total revenue of the industry or market in a specific period. Strategic implementation of competitor and market analysis provides a glimpse of how adjusting marketing strategies can meet and exceed the revenue targets and goals of profitability of an organization which is a task for the small business executives (Desai, 2013).

The growth of company sales has been widely used as a measure for revenue growth in the firm performance literature. The literature shows that the growth of sales is the most used form of measuring revenue (Gilbert, McDougall, & Audretsch, 2006; Shepherd & Wiklund, 2009). Sales growth is also used in different industries and organizations and is not affected by investments. For instance, Achtenhagen, Naldi, and Melin (2010) used the following statements to measure firm revenue: sales revenues have either stayed the same or slightly decreased, sales revenues have reduced significantly, sales revenues have grown considerably, and sales revenues have grown slightly.

1.1.3 Overview of Car Yards in Nairobi

Globally, the used motor vehicle market is estimated at 60–70 Billion (United Nations [UN], 2018). In Kenya, car yards specialize in selling used automobiles which account for over 85% of all car sales (Kenya Auto Bazaar Association [KABA], 2017). Imported motor vehicles are preferred among consumers due to their low pricing as compared to the brand new vehicles even though they are in modest conditions than the locally used vehicles (Kenya Motor Industry Association, [KMIA], 2018). The most popular used motor vehicles cost between Ksh 350,000 and Ksh 500,000 (Deloitte, 2018). There are over three hundred registered car yards in Kenya with the majority located in Nairobi (Manyeki, 2018).

1.2 Problem Statement

The used motor vehicle industry forms an important part of the Kenya economy as it contributes over 8 % of the county's GDP (The Observatory of Economic Complexity [OEC], 2017). Despite this, the past five years have shown a reduction in the sector whereby the number of units that are imported have decreased in number from 94,017 in 2013 to 91,077 in 2017 (KNBS, 2018). This has translated to a decline of 27.0 % to Ksh 85.8 Billion in 2017 (KIPPRA, 2017). The reduction has in turn affected the sales turn-over of the used motor vehicle businesses. Over time it is not clear whether the customer decision making has evolved and preferences have changed leading to the decline in car sales.

Despite the popularity of used cars among most Kenyans, the evidence shows that there has been a decline in the number of used car sales even as the number of used dealerships increased across the country. The conventional model of selling motor vehicles has experienced a reduced trend hence increasing used car dealerships out of the market resulting in the closure of used car dealerships in Kenya (Manyeki, 2018). There are several studies that have been conducted into used dealerships. For instance, In China, Cheng (2015) conducted a study on the decision-making model of buying a used motor vehicle and found that the objective of used car merchants is not on the quality of vehicles but on the customers which has become a major competence of dealers. The sales volume of used cars is the major actor to the development and survival of used car dealerships and the importance of sales is the analysis of making a decision.

According to Cheng (2015), the crux of a marketing strategy is the buyer, and used car dealers have to take into consideration the buyers to arrive at the decision to purchase a used car. This includes the means in which they acquire the information and how they reform and adjust their decision. Understanding the factors that influence decision making influences the purchasing actions that give strategic direction for used car dealers in relation to pricing, positioning, and market strategy making. This research, therefore, aims to examine consumer decision making in the purchase of used vehicles on revenue growth among used car dealers in Nairobi County.

In India, Monga and Chaudhary (2011) studied the decision-making process of the consumers when replacing their two-wheeler bikes with used motor vehicles. In Kenya, Lithaa et al. (2014) conducted a study on the effect of regulation practices on the increase of used car salespeople in Dagoretti Sub-County. Suter and Bwisa (2013) conducted a study on the entrepreneurial attributes which have an impact on success among the Kenyan used motor vehicle dealers. However, these studies did not measure the influence of consumer decision making on revenue of used vehicle dealerships in Nairobi County which is a research gap that this study intends to fill.

1.3 General Objectives

The goal of this research was to examine the influence of consumer decision factors on revenue of used vehicle enterprises in Nairobi County.

1.4 Specific Objectives

The study was guided by the following specific objectives;

- i. To determine the influence of economic factors on revenue growth of used motor vehicle enterprises
- ii. To determine the influence of psychosocial factors on revenue growth of used motor vehicle enterprises
- iii. To determine the influence of functional factors on revenue growth of used motor vehicle enterprises

1.5 Research Questions

The study aimed to answer the following research questions;

- i. What economic factors influence the revenue growth of used motor vehicle enterprises?
- ii. What psychosocial factors influence the revenue growth of used motor vehicle enterprises?
- iii. What functional factors influence the revenue growth of used motor vehicle enterprises?

1.6 Significance of the Study

This study will be of importance to used vehicles business owners and managers as recommendations from the study will enable them to consider specific factors that influence consumer purchase of used vehicles. The information from the study will enlighten used vehicle dealerships on the most significant factors, divided into economic, psychosocial, and functional, to pay attention to increase their sales and revenue. Secondly, the research study will also be advantageous for the customers who want to buy the used cars as it will provide them with information to help them in the process of decision making and identifying which factors are important to making their purchase of used vehicles. This information will be shared with dealerships and recommendations from the study will assist them to adopt best practices. Lastly, the study contributes to the discussions on the influence of consumer decision making processes on revenue growth of firms while suggesting areas of further study on motor vehicle consumer purchase decision making on revenue growth of firms.

1.7 Scope of the Study

Although used dealerships can be found in many of the country's 47 counties, this study limited its investigation to used dealerships in Nairobi County as it has the largest number of dealerships. Secondly, the study collected data from owners and managers of selected used auto dealerships because they had the required revenue data for their enterprises. Thus the study did not include sales agents and other employees of these enterprises. Thirdly, this study only focused on economic, psychosocial, and functional factors. The study did not focus on other factors that can affect the revenue of used car enterprises such as government policies, taxation, location of the businesses, exchange rates, credit access by banks for consumers.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed researches done by other scholars both internationally and locally. A theoretical review was done which was followed by an empirical overview. In addition to this, a conceptual framework was introduced to connect the independent variables to the dependent variables along with the research gaps that the study intended to fill.

2.2 Theoretical Review

This section presented the theories under which the study was underpinned. The study adopted the rational choice theory, theory of consumption values, and theory of planned behavior. The theories are linked to the objectives of the study and each is used to measure the variables.

2.2.1 Rational Choice Theory

Key ideas of the rational choice theory are associated with Adam Smith. The rational choice theory argues that customers aim to maximize utility of their purchase decisions. This utility is exploited by consumers' assignment of a specific value to each service or product which is guided by their personal evaluation service/product capability to meet desires and needs. The rational choice theory proposes that consumers do not make random selections and that their decisions are influenced by rationality which is a reasonable clarification for their action to modifications in relative prices. The proponents of rational choice theory did not report any irrationality (Maingi, 2014).

The epitome of rational choice theory is the image of a self-centered economical individual and has its beginnings with Adam Smith's and John Stuart Mill (Bălău, 2012). The key elements of all rational choice explanations are individual beliefs, preferences, and constraints. The theory is founded upon a number of important assumptions on social action (Scott, 2000). These actions can be distinguished into three main groups: that the individual is the right unit of analysis for the social action; the fact that the choice is rational; and those choices are made according to their own, individual interest (Bălău, 2012).

A noteworthy critique of the rational choice theory is that it ignores the psychological factors that manipulate a person's decision to make a purchase. The rational choice theory has been used in other studies that analyzed the effect of economic factors on car purchase intentions. For example, Maingi's (2014) study on internal and external factors impacting the decisions on choice of motor vehicle models and Goyal and Sadasivam's (2010) research on a vital assessment critical analysis of rational plus emotional approaches in the selling of cars.

The rational choice theory is adopted in this study as used car buyers make a rational decision based on their individual economic capability whilst also being influenced by the interest. The rational choice was used to understand the effects of the economic considerations that a consumer makes before purchasing a used car. The considerations include the price of the used vehicles, resale value, level of income of the consumers and payment options. The rational choice theory was used to influence the creation of the indicators used in the study to measure the variable on economic factors as shown in the conceptual framework.

2.2.2 Theory of Planned Behaviour

The second theory for this study is the theory of planned behaviour (TPB) which was introduced to academia in the 1980s as the Theory of Reasoned Action (TRA). The TPB is adopted as a model for predicting a person's intent to participate in an action at a specific place and time. Ajzen (1985) proposed the TPB. The TRA was also put forward by Ajzen and Fishbein (1970), which suggested that if an individual regards a behavior favorably (attitude) and believes that significant people in his social circle would approve of him performing that behaviour (subjective norms), then his intention (motivation) to perform that action will be strong and, consequently, it is highly likely that the person will engage in that action (behaviour).

The TPB is a conceptual framework used for identifying human social behaviour complexities (Ajzen, 1991). The model is used extensively to rationalize behavioural patterns and comprehend better the process of making behavioural decisions among people (Xiao & Wu, 2008). The TPB opines that the behavior of an individual is developed by intention and is a direct influence of attitude towards the action. This implies that attitudes towards a motor

vehicle are significant in understanding car purchase decisions. TPB postulates that the buying intentions of a consumer are influenced by consumers' beliefs and attitudes, intentions, and ultimate behavior. The theory has been verified and tested under different contexts and on a vast array of purchase intentions and buying behaviours (Rizvi, Memon, & Amir, 2018).

The theory has been used in several studies to understand the psychological and social factors influencing the decision to purchase a motor vehicle are explained by the subjective norms that an individual subscribes to and attitudes that an individual has towards owning a vehicle. Belgiawan, Schmöcker, Abou-Zeid, and Walker (2017) adopted the TPB in examining the psychological determinants for car-ownership decisions. Hamilton and Terblanche-Smit's (2018) study on consumer purchase intention towards environment-friendly cars in South Africa; and Rizvi, Memon, and Amir's (2018) study on increased comprehension of intent to purchase in the motor vehicle buying.

The TPB was adopted in this study owing to the psychosocial factors variable which is associated with the feelings and perceptions of consumers before purchasing a vehicle such as perceived status, brand of the vehicle, peer/family influence, quality and enjoyment. The TPB was used to create indicators for the psychosocial factors that influence consumers to make a used car purchase. These indicators were derived from subjective norms, motivation, and behaviour components of the TPB as seen in the study's conceptual framework.

2.2.3 Theory of Consumption Values

The third theory guiding the study is Sheth, Newman, and Gross's (1991) theory of consumption values (TCV), which dominates the study of perceived values among consumers. The model is founded on five dimensions that are used as distinct constructs when assessing the functional relationship of values with its outcomes and determinants. Sheth et al. (1991) identify these constructs as functional, conditional, emotional, social, and epistemic that can predict a customer's choice which is characterize the TCV.

Functional value is derived from the essential capacity of a product to perform physically. The epistemic value is described as the capability of a product to satisfy a need for knowledge, provide novelty, or arouse curiosity. The social value construct is identified as the ability of a product to be linked with a specific demographic, social, or cultural group. The emotional value constructs deal with the extrinsic features of consuming a product and its ability to influence a state or arouse feelings. The conditional aspects deal with the ability of a product to give short-term social or functional value in a unique context or situation (Kalafatis, Ledden, & Mathioudakis, 2010).

Several studies have adopted the TCV in examining car purchase decisions. These include Wen's (2015) research on consumers' attitudes, consumption values, brand preference, and the intent of buying towards hybrid car in Malaysia. However, TCV has not been adopted in examine consumer purchase intention to buy a used vehicle, a research gap that this study aims to fill. Thus, the TCV is used as it incorporates the functional needs of used car buyers.

The TCV is adopted in this study to support the functional factors variable on consumer decision making when buying a car such as vehicle utility, comfort, fuel consumption, vehicle performance, and customized features. The TCV was used to create indicators for which the functional factors variable could be measured in this study. The functional construct of the TSV was used for this purpose to generate the indicators for functional variables as shown in the conceptual framework.

2.3 Empirical Review

This section is a review of previous studies that review the determinant factors of purchasing used vehicles. The empirical literature is presented in terms of the global, regional, and local perspectives of studies that have explored the relationship between car consumer purchase decisions on revenue growth of firms dealing in car sales where available.

2.3.1 Economic Factors and Revenue Growth Used Motor Vehicle

Biswas, Mukherjee and Roy (2014) studied the leveraging factors for consumer car purchasing decisions. The study was conducted through a survey of 100 individuals in West Bengal, India.

The findings of the study showed that consumers who are price conscious are still high however other factors such as technical specifications were gaining more prominence. These meant that the consumers considered the price of the vehicles as a critical factor in purchasing the vehicles. However, the study did not demonstrate to what extent the technical specifications were getting prominence. The study was limited to mainly the purchase of new motor vehicles whereas the current study seeks to investigate the market for the used motor vehicles.

Yallapragada (2017) studied the automotive industry and the challenges the industry faces. The study focused on consumers' purchase behaviour of Toyota motors in the United Arab Emirates (UAE). The study applied the generic model of decision making among consumers which consists of post-purchase behaviour, assessing alternatives, the decision to buy, information search, and need recognition. The findings of the research showed that consumers prefer to purchase Toyota vehicles due to the good looks, resale value, safety, and spare parts availability. The findings of the research also demonstrated that the highest consideration for purchasing a Toyota in the future by consumers was the resale value. The study did not comment on the income levels of the consumers and their ability to purchase the vehicles. The study focused on one make of motor vehicles in the UAE while the current study considers all makes in Nairobi County.

Hitesh (2015) researched on determinants of consumer purchase decisions of motor vehicles in Kenya. An explanatory research design was applied and used simple random sampling to select 100 respondents from a population of 2,913. A structured questionnaire was used to gather the data and information was analysed using both the inferential and descriptive statistical analysis. The findings revealed that economic factors, psychological factors, social-cultural factors, and demographic factors influenced motor vehicle consumer purchasing decisions among Toyota consumers. The economic factors included the price of the vehicles, resale value, repair costs, and income categories of the consumer. The study did not measure the impact of decision making on revenue growth. The study focused on new motor vehicles while the current study focuses on used imported motor vehicles.

2.3.2 Psychosocial Factors and Revenue Growth Used Motor Vehicle

Sreelal and Chandrachoodan (2016) studied the brand choice on the purchasing behavior of consumers for passenger cars in the state of Kerala in India. The study explored the social, cultural, and physiological factors in consumer buying behavior. The social and cultural factors include the perceived status of the consumers as well as the peer/family influence in the selection process. The research employed a convenience based random sampling method and target 600 sample subjects. The findings of the research revealed that family had an important part to play in the purchasing decision of passenger type cars and this was followed by friends and social status influence. In reference to cultural factors, the findings indicated that size, design, color, and shape influenced motor vehicle purchase decisions. The research also showed that the brand image, model, quality, dealer, class of the car, earlier experience, and type of the car under psychological factors had equal importance in car purchase decision and choice of brands. The study mainly focused on the social, cultural, and physiological influences while the current research also includes economic and functional influences.

Dhanabalan, Subha, Shanthi & Sathish (2018) conducted a research on determinants of purchasing decisions among consumers of motor vehicles in the automobile industry in India. The investigation focused on exploring the attributes that had the greatest effect on the consumer purchase decision-making process. The sample of the study was 547 customers in the Tamilnadu region. The study used both primary and secondary sources of data which were analysed using the Structural Equation Model (SEM) to determine the association between variables. The outcome of the study indicated that price, brand, technical specifications, utility, design, and quality had a positive and considerable influence on the perceived value of motor vehicles. The study was influenced by the locally assembled brands of vehicles in Tamilnadu, India while the current research focuses on used motor vehicles that are imported into Kenya.

Doshi and Parmar (2016) studied the factors affecting consumer decisions while purchasing hatchback cars. It focused on the mechanisms which influenced the brand preference of the consumers for rear door cars in Saurashtra, Gujarat region of India. The study considered factors such as safety, aesthetics, performance, and value were considered by consumers on the choice of brands. The study employed a random sampling technique. A web survey

instrument was used to collect information from a sample of 200 respondents. The results indicate that the factors above positively influence the customers' decisions especially the price and fuel efficiency. The study focused on a specific car segment while the current study cuts across all segments.

Boonyanuson (2018) conducted a study on the factors affecting the buying decision of the consumers toward luxury vehicles. The research was a case study of Porsche cars in Bangkok, Thailand. The research was conducted among 400 consumer survey of Porsche owners in Bangkok. An instrument based on a 5 point Likert scale was designed and administered to study participants' selected using convenience sampling from racing and test drive trials, motor shows, and via customer emails circulated via Porsche Thailand Customer Relationship Management (CRM) channels. The data was analysed using one-way ANOVA, multiple linear regression, and independent samples t-tests. The study found psychological factors had an encouraging and significant effect on the purchasing decision of the consumers. This study was limited to luxury cars whilst the present study focuses on used vehicles. The study did not explore the relation between purchase decision and revenue growth of car dealerships which this study aims to achieve.

Šefara, Franěk, and Zubr (2015) studied the socio-psychological factors influencing car inclination among undergraduate students in the Czech Republic. The research examined the socio-psychological factors which were categorized as motives for the use of motor vehicles, materialistic values, enjoyment, and conformity along with personality dimensions among a sample of 383 students. The findings indicated that there were inconsistent and weak associations between preferences for car brands and types and personality traits of students. The results showed that the socio-psychological factors included in the model only had a meager effect on the motor vehicle preference of the respondents and could thus be explained by other factors not included in the present study. This study did not measure the influence of consumer purchase decision making on revenue growth of car companies which is a gap that this study aims to fill by conducting the study among used dealerships.

2.3.3 Functional Factors and Revenue Growth Used Motor Vehicle

Wu and Zheng (2016) did a study on the impact of social factors on the consumer decision making process for used cars in China. The study was founded on the Engel-Kollat-Blackwell model. The research design for this study was a cross-sectional research which was based on the quantitative approach. The analysis consisted of one-way ANOVA and cross tabulation analysis. The study found that the condition of the motor vehicle was the most significant determinant influencing the purchase decision of used cars and the price, followed by model and brand. The study did not consider other determinants such as the utility and comfort of the vehicles. The study focused on the used car Chinese market while the present study focuses on the Kenyan market.

Zhan and Vrkljan (2010) conducted a study on elder drivers' view of motor vehicle safety and how this influenced the purchase of vehicles. A focus group of drivers aged 70-90 (n = 27) was used to answer questions on resources used, vehicle purchasing process, the perceptions of vehicle safety and design. The outcome indicated that participants highlighted the prominence of several standard safety standards. However, safety had little effect on the overall purchase decision. Factors such as price were considered more highly than safety. Other factors that affected the purchase decision are inclusive of poor interaction between the car dealers and customers as well as poor information on motor vehicles by the customers. The study mainly focused on the safety features of motor vehicles by elderly customers while this study includes customers of all ages and does not concentrate on the safety features of used motor vehicles.

Setiawati, Protopan, and Yuliat (2018) conducted a study on the problems of used car products in Palembang. The research aimed to verify the impact of the marketing mix on the purchasing decision of used cars. The study used Probability Sampling with purposive sampling and the data analysis techniques exercised simple linear regression analysis. The results of the research showed that the marketing mix has a significant effect on the purchasing decision variable. The marketing mix included targeted campaigns for different segments based on the purpose of the vehicle, running costs, and performance. The study focused on one motor showroom while the current study will center its attention on a large number of used car motor showrooms.

Srivastava and Tiwira (2011) studied the behavior of consumers while purchasing motor vehicles and also analyzed the qualities of the motor vehicle which were thought of as significant. The sample of the study was selected using non-probability sampling procedures and included 100 owners of Maruti SX4 and Honda city cars with both owners consisting of 50 members of the sample. The study was based on primary data and analyzed through descriptive statistical tools, chi-square to test the connection between the two characteristics and ANOVA to compare the means of ranks for different communication mediums. The results indicated that customers gave more prominence to safety, the brand name of the car and driving, and sitting comfort. The study focused on two specific car models while the current study focuses on all car models which are in the used market.

Yen, Qing, Yee, Kiat, and Yong (2018) conducted a study on determinants of purchase intention towards foreign motor vehicles in Malaysia. The study implemented the TCV model of perceived value which consists of the social value, conditional value, functional value, emotional value, and epistemic value adding brand image to the model. The test size of the study was 402 residents from four regions of Malaysia who were exposed to a self-administered questionnaire. The results showed that functional value, epistemic value, emotional value and brand image had a positive and significant effect on the purchase intention of foreign automobiles. However, this study did not examine the influence of customer purchase decisions on revenue growth of used car dealers. The study also focused on foreign automobiles while the present study aims to focus on used vehicles.

Wen and Noor (2015) investigated the determinants that influence purchase intent towards a hybrid car in Malaysia. The variables considered in the study were conditional value, symbolic value, functional value, novelty value, emotional value, and on purchase intention. The data was collected with a self-designed questionnaire based on the 7-point Likert scale which targeted residents of Klang Valley. The findings showed that functional value had the greatest effect on the purchase intent of a hybrid car. Emotional value, symbolic value, and novelty value did not have any effects on the purchase intention of a hybrid car. The study focused on factors that affected the decisions of the consumer to purchase hybrid cars whilst the present study aims to focus on the purchase of a used motor vehicle in the Kenyan market.

2.4 Summary of Literature and Research Gaps

The table below presents the knowledge, empirical and methodological gaps that the present study sought to satiate. The table indicates the author of the research, the title of the research, findings of the research, and the research gap that the study aims to fill.

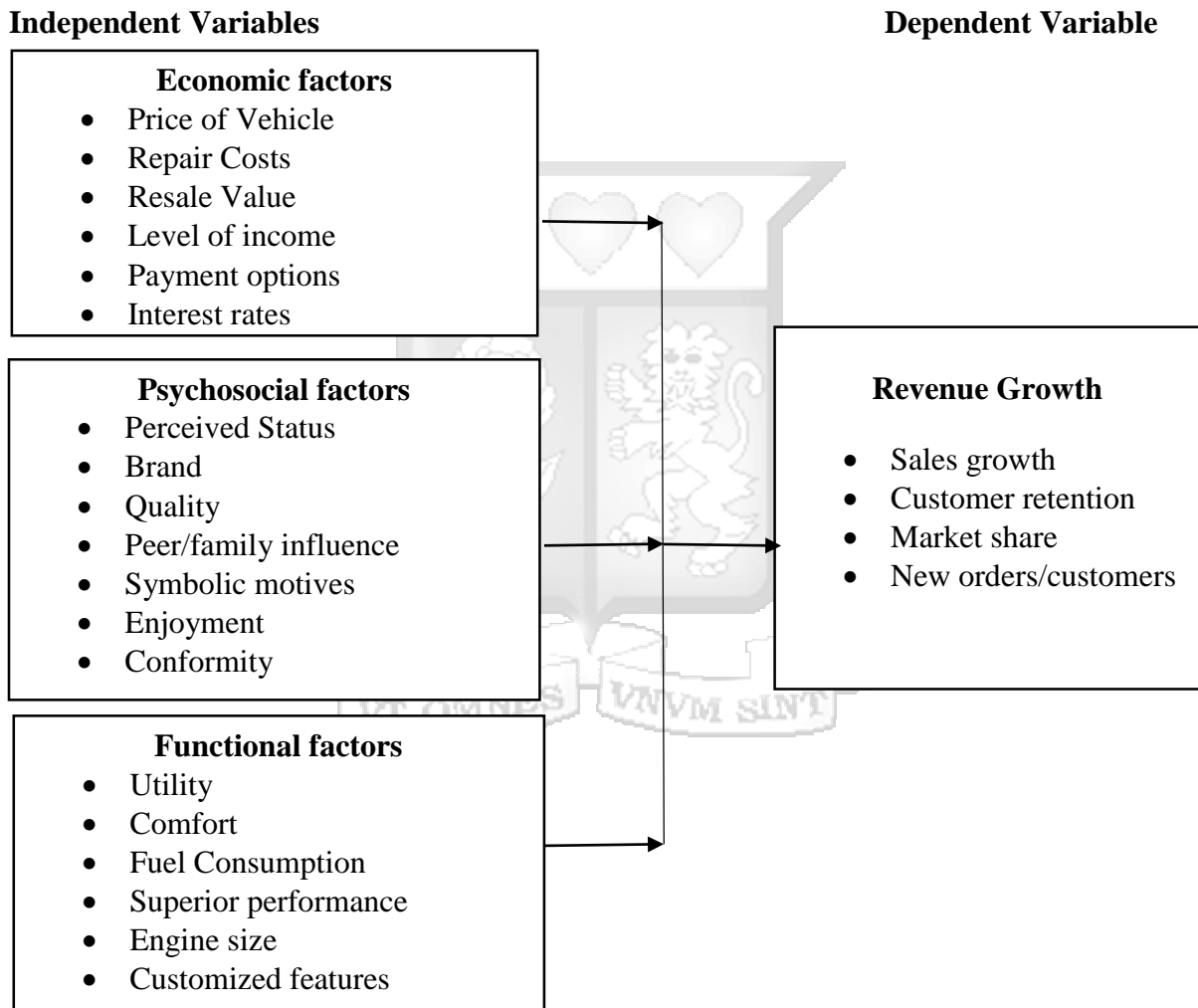
Table 2.1: Summary of Literature and Research Gaps

Author	Title	Findings	Research Gap
Biswas, Mukherjee & Roy (2014)	Leveraging Factors for Consumers' Car Purchase Decisions- A Study in an Emerging Economy	The findings of the study showed that consumer prices are still high however other factors such as technical specifications were gaining more prominence.	The study was limited to mainly the purchase of new motor vehicles whereas the current study seeks to explore the used motor vehicle market.
Hitesh (2015)	Factors Affecting Consumer Purchasing Decision In Kenya's Motor Industry: Case Of Toyota Kenya Customers	The results of the study indicated that psychological social-cultural, economic, and demographic features affected consumer purchasing decisions of motor vehicles	The study focused on new motor vehicles while the current study focuses on used imported motor vehicles.
Sreelal & Chandrachoodan (2016)	Brand choice on consumer buying behavior for passenger car.	The results indicated that family influenced purchasing decision followed by social status and friends.	The study mainly focused on the social, cultural and physiological influences while the current research also includes economic and functional influences.
Wu & Zheng (2016)	Social factors that influence consumers' decisions when buying second-hand cars in China.	The results of the research showed that the real condition of the car was the most important factor of the purchasing decision followed by the price.	The study focused on the China market while the current study focuses in the Kenyan market.
Zhan & Vrkljan (2010)	Exploration into determinants of car buying decisions of older drivers: where does safety fit?	The results revealed that few safety standard characteristics had little effect in the overall purchase decision.	The study mainly focused on the safety features of motor vehicles by elderly customers while this study includes customers of all ages and does not concentrate on safety features of motor vehicles.
Srivastava & Tiwira (2011)	A Study of Behaviour of Maruti SX4 and Honda City Customers in Jaipur	The results indicated that consumers had a focus on brand, seating comfort, driving, and safety characteristics	The study focused on two specific car models while the current study focuses on all car models.

Source: Researcher (2020)

2.5 Conceptual Framework

Based on a conceptual framework, the study endeavored to elucidate the consumer decision factors affecting the growth of revenue for used motor vehicle businesses. The independent variables were economic, psychosocial, and functional variables for customer decision making. The variables are detailed in Figure 2.1.



Source: Researcher (2020)

Figure 2.1: Conceptual Framework

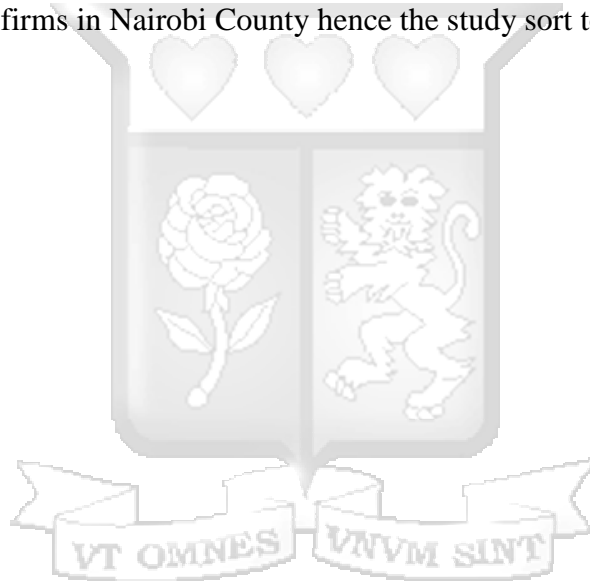
Table 2.2: Operationalization the Variables

Objective	Variable	Measurement	Data collection tool	Data analysis	Citations
To determine the economic factors that influence customer decisions to purchase used motor vehicle in Nairobi County	<ul style="list-style-type: none"> •Price of Vehicle •Repair Costs •Resale Value •Level of income •Payment options •Interest rates 	Quantitative	Structured Questionnaire	Descriptive Correlation tests Regression tests	Yallapragada (2017). Biswas, Mukherjee and Roy (2014).
To determine the psychosocial factors that influence customer decisions to purchase used motor vehicle in Nairobi County	<ul style="list-style-type: none"> • Perceived Status • Brand • Quality •Peer/family influence • Symbolic motives • Enjoyment • Conformity 	Quantitative	Structured Questionnaire	Descriptive Correlation tests Regression tests	Sreelal and Chandrachoodan (2016). Dhanabalan, Subha, Shanthi & Sathish (2018). Šefara, Franěk, and Zubr (2015).
To determine the functional factors that influence customer decisions to purchase used motor vehicle in Nairobi County	<ul style="list-style-type: none"> •Utility •Comfort •Fuel Consumption •Superior performance • Engine size •Customized features 	Quantitative	Structured Questionnaire	Descriptive Correlation tests Regression tests	Wu and Zheng (2016). Zhan and Vrkljan (2010). Setiawati, Protopan, and Yuliat (2018).
Revenue growth	<ul style="list-style-type: none"> •Sales growth •Customer retention •Market share •New orders/customers 	Quantitative	Structured Questionnaire	Descriptive Correlation tests Regression tests	Alade (2015)

Source: Researcher (2020)

2.6 Chapter summary

Chapter two of the study reviewed the relevant theoretical and empirical literature that informed the study. The study is grounded on the Rational Choice Theory, Theory of Planned Behaviour, and Theory of Consumption Value. The review of previous empirical literature identified knowledge, contextual, and methodological gaps that the research seeks to fill by examining the decision-making factors in the purchase of used cars in Nairobi County. The factors will include economic, psychosocial, and functional categories thereafter determine the effects of those factors to the revenue of the car yards. From the literature review, it is evident studies have been undertaken on the effects of decision making in the motor vehicle sales; however, the results are inconclusive on the decision making factors and their effects on the revenue for car yards firms in Nairobi County hence the study sort to expand on the gap.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents an outline of the adopted research design, the sampling procedures, the target population, the tools used to gather data as well as the data collection methods. Ethical considerations, data analysis, and the quality of the research were looked into. This study aimed to determine the influence of consumer decision factors on revenue growth of used vehicle enterprises in Nairobi County. The study concentrated on the three objectives: to determine the economic, functional and psychosocial factors that influence customer decisions to purchase used cars and establish the extent to which those factors influence the revenue for motor vehicle yards in Nairobi County.

3.2 Research Design

The study adopted an explanatory research design. The explanatory research design aims to discover a novel world that has not received much research prior. This design focuses on “why” or the “causes” about some phenomenon. The design aims to examine the relationship between two or more variables. The objective of explanatory research is to recognize any links between causal relationships between variables that are related to the problem being studied (Cooper & Schindler, 2006). Thus, the research design is used in this research as it focuses on the effect of consumer decision making factors on revenue growth of used vehicle enterprises.

3.3 Population and Sampling

3.3.1 Target Population

According to KNBS (2017) there are 357 used car dealerships in Nairobi County. The target population was thus conceptualized as used car dealers in Nairobi County as the research site which has more than 60 % of used car dealerships.

The units of observation were 357 used dealerships where customers successfully made a purchases. The distribution of the population is shown in Table 3.1.

Table 3.1: Population Distribution

Location	Population
Ngong Road	93
Mombasa Road	51
Thika Road	64
Langata Road	77
Jamhuri Grounds	72
Total	357

Source: (Manyeki, 2018).

On the consumer side there is no up-to-date database that shows the number of buyers for used vehicles in Kenya. In order to overcome this hurdle, the researcher inquired from the dealerships the average number of consumers that visited and purchased used motor vehicles from their yards. For the Sunday Car Bazaar at Jamhuri grounds the average number of consumers who purchased cars were 100 on any particular Sunday, while 240 consumers purchased from the used car dealerships per day collectively.

3.3.2 Sampling Technique

The study applied the probability sampling methods. In this approach of sampling, the chance of inclusion of members of a population into the sample is known and can be calculated. Specifically, the study used the stratified random selection of used dealerships into the final sample size of the study. This approach involves categorizing the population into groups from which a simple random is then drawn. In the research the locations were used to group the dealers. A simple random selection of managers of used dealerships was then drawn from these groups using Microsoft Excel. To determine the sample size, Krejcie and Morgan's (1970) sample size table was used to determine 191 as the final sample size of the study as summarized in Table 3.2.

To administer the questionnaire to the buyers, the researcher assistants randomly approached prospective car buyers at the Jamhuri Grounds and requested them to fill the questionnaires after explaining the purpose of the research & gaining their consent. The assistants were also

stationed at the car yards after been granted consent by the car dealership owners where they also randomly approached the buyers to fill in the questionnaires when they visited the yards.

Table 3.2: Sample Size Distribution

Location	Population	Sample Size
Ngong Road	93	50
Mombasa Road	51	27
Thika Road	64	34
Langata Road	77	41
Jamhuri Grds	72	39
Total	357	191

3.4 Data Collection Methods

The research adopted primary data sources. Primary data has its advantages as it is gathered directly from the source of information which minimizes the likelihood of doctored information or data. A self-administered questionnaire was used to collect the data (Appendix 1). The questionnaire consisted of respondent information section, economic, functional, psychosocial sections, and the revenue section. Close-ended and Likert type questions were used in the instrument which required respondents to select an option from a list of responses and to indicate their agreement level with each statement respectively. The questionnaire was filled by the consumers to provide information on the economic, functional, and psychosocial factors variables of the study. Revenue growth was the dependent variable of the study and this section of the questionnaire was filled by the used dealership owner or manager.

The questionnaire was administered by the research assistants where the consumers were randomly approached to fill the questionnaires as well as the used car dealership owners. Although the approach is resource and time demanding than any other form of techniques for conducting a survey and is associated with increased completion rates (Riley & Kiger, 2002) which reduces likely issues linked with non-response partiality (Singer, 2006). This approach was thus utilized for this study to enhance the research's response rate. The administration of the questionnaire was done for a period of three weeks. Out of the 191 questionnaires

administered, the researcher was able to get back 125 questionnaires that fulfilled the criteria for data analysis. This means that the study was able to achieve a response rate of 65.4 %. Mugenda and Mugenda (2003) assert that a response rate of at least half of the sample size is adequate and as such, the response rate is thus adequate for the research.

3.5 Research Quality

The research sought to ensure the quality of the research which will aim to achieve validity, objectivity, and reliability. The research quality was enhanced through validity and reliability and objectivity.

3.5.1 Validity

Validity aims to establish the accuracy of an instrument to measure what it aims to measure. Internal validity and external validity are the major components of validity whereby external validity is described as the ability of findings to be generalized to a larger population. Internal validity can be described as the degree to which an instrument contributes to accurate conclusions and inferences (Kimberlin & Winterstein, 2008). The external validity of the study was maintained by including only customers who successfully completed a purchase of a used car from the dealership thus excluding customers who only viewed vehicles at the yard or at the Jamhuri Grounds. The internal validity was established by adapting indicators from constructs from the rational choice theory, theory of consumption values, and theory of planned behavior.

3.5.2 Reliability

Kimberlin and Winterstein (2008) describe reliability as the capacity of an instrument to lower the likelihood of errors arising in a research instrument and give a true and actual measure. Basically, reliability means that an instrument should be able to reach similar results when used in similar circumstances by different researchers. To achieve this state, a pilot study was conducted with 10 members of the final sample size who were not involved in the actual study to avoid any contamination to the findings. The pilot study gauged the appropriateness of the survey instrument in regard to the responses given so that the modifications needed can correct

these issues. Using the Cronbach's Alpha for measuring reliability, the researcher aimed to achieve a reliability coefficient of equal to or greater than 0.7 (Nachmias & Nachmias, 1996).

3.6 Data Analysis

Saunders, Lewis, & Thornhill (2016) opined that there are different approaches for data analysis. The first step of quantitative data analysis is to make sure that the surveys are completed. The second step is to code and enter the data into computer software for analysis. In this case, the study analyzed the data using the Statistical Package for Social Sciences (SPSS) software. To summarize the data meaningfully, descriptive statistics was applied and these included frequency distributions, standard and mean deviation. The study further applied correlation and multiple regression analysis to evaluate the association and direction of effects among the study variables respectively. The study developed composite scores for each of the variables used so as to perform inferential analysis. The data was presented in tabular format and supported by interpretation and discussions from the researcher. The proposed regression model was:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where;

Y – Dependent variable (Revenue growth)

α - Is a constant; the concept explaining the level of growth achieved when all the predictor values (X_1 , X_2 , X_3) are zero

β_1 , β_2 , β_3 , – Regression coefficients representing condition of independent variables to dependent variable

X₁ – Economics factors

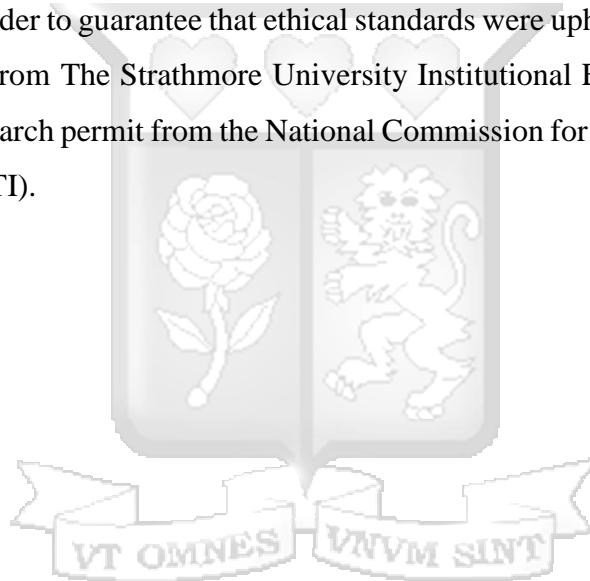
X₂ – Psychosocial factors

X₃ – Functional factors

ϵ - (Extraneous) Error term

3.7 Ethical issues in Research

There were several ethical standards and principles that the study aimed to maintain during the course of the study. Firstly, informed consent was upheld by informing respondents of the intentions of the study and that participation in the study was voluntary. This meant that participants could exit the study at any point and were also allowed the authority to decline any participation. The informed consent letter was attached to each of the survey instruments administered. Secondly, the anonymity of the information given was guaranteed when respondents were asked not to indicate their names on the instrument but instead a unique code was used for each of the instruments. Third, the confidentiality of information was ensured by having the filled questionnaires under lock and key with access only being to the researcher and data analyst. In order to guarantee that ethical standards were upheld, the researcher sought an ethical clearance from The Strathmore University Institutional Ethics Review Committee (SU-IERC) and a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI).



CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter is a culmination of the data analysis process whereby the data is presented in tables and supported by interpretation and discussions with past studies reviewed in the literature. The chapter consists of a section on the study's response rate, descriptive statistics, demographic information, and inferential statistics sections.

4.2 Study Response Rate

A study's response rate is achieved by a division of number of questionnaires that are used by the sum of questionnaires administered (Fincham, 2008). The survey response rate was thus calculated as the amount of questionnaires that were returned divided by total sample sent initially. The actual sample size for the study was 191 respondents. Out of these, the researcher was able to get back 125 questionnaires that fulfilled the criteria for data analysis. This means that the study was able to reach a response rate of 65.4 %. There are different recommendations for acceptable response rates. Barcuh (1999) research proved that the average response rate was 55.6 for academic studies. Mugenda and Mugenda (2003) recommend that researchers should always strive to get a response rate of at least 50 %. The response rate met threshold of these recommendations and thus acceptable.

Table 4.1: Response Rate

Questionnaires	Frequency	Percent
Administered	191	100.0
Returned	125	65.4

4.3 Demographic Information

The demographic information was significant in the study as it helps to understand the description of the Nairobi used car customer. The information sought from respondents in this section was their gender, age, education level, and occupation.

Table 4.2: Respondents' demographic Information

Gender	Frequency	Percent
Male	78	62.4
Female	47	37.6
Total	125	100.0
Age		
25-29	13	10.4
30-34	49	39.2
35-39	33	26.4
40-45	30	24.0
Total	125	100.0
Education Level		
Secondary level	33	26.4
Polytechnic level	13	10.4
College level	15	12.0
Bachelor degree	30	24.0
Postgraduate degree	34	27.2
Total	125	100.0
Occupation		
Formal employment	75	60.0
Informal employment	14	11.2
Business owner/entrepreneur	21	16.8
Student	15	12.0
Total	125	100.0

Table 4.2 shows a larger proportion of the sample were male respondents as they represented at 62.4 % with their female counterparts standing at 37.6 %. In terms of their age, results show that most of the study participants were between 30-34 years recording 39.2 %, 26.4 % belonged to the 35-39 age group, 24.0 % fell in the 40-45 years, and 10.4 % were in the 25-29

age group. 27.2 % of the respondents had a postgraduate degree, 26.4 % had a secondary level of education, and 24.0 % had a Bachelor's degree, 12.0 % had a college level of education with 10.4 % having a polytechnic education level. Respondents in formal employment represented 60.0 %, 16.8 % were business owners/entrepreneurs, 12.0 % were students, and 11.2 % were in informal employment

4.4 Influence of Economic Factors on Revenue Growth of Used Motor Vehicle Enterprises

The first variable of the study was economic factors which were measured with 11 statements to which respondents were asked to specify their level of agreement.

Table 4.3: Descriptive for Economic Factors

Economic factors	N	Mean	Std. Deviation
The price of a motor vehicle is considered before making the purchase	125	4.30	1.264
The price of fuel is considered before making the purchase	125	3.43	1.370
Level of income is a critical factor influencing decision on the motor vehicle to purchase	125	4.37	0.629
The family income is considered before making a vehicle purchase	125	3.49	1.255
The relation between income growth and quality of car is a fundamental issue in purchasing decision.	125	3.53	0.988
Level of income influences the willingness to pay marginally higher prices for a used vehicle	125	4.20	0.916
Maintenance/repair costs influence the decision of the motor vehicle to selected for purchase	125	4.68	0.576
The resale value of a car is a critical factor considered when purchasing a motor vehicle	125	3.54	0.778
Payment options (such as hire purchase, lease) are considered when purchasing a motor vehicle	125	2.84	0.979
The ease of finding a mechanic to repair the specific car brand influences the motor vehicle purchase decision.	125	4.30	0.721
Low interest rates are critical in influencing the decision to purchase a motor vehicle	125	3.55	1.462
Overall mean score		3.84	0.994

The findings show that the overall mean score was 3.84, which suggests that most respondents agreed with economic statements. The results indicate that respondents strongly agreed that the price of vehicle (M=4.30), level of income (M=4.37), maintenance costs (M=4.68), and

ease of finding mechanic services (M=4.30) were all factors that they considered before making a purchase of used vehicles as shown in Table 4.3.

4.4.1 Economic Factors and Revenue Growth

Table 4.4: Correlation Coefficients of Economic Factors and Revenue Growth

		Economic factors	Revenue growth
Economic factors	Pearson Correlation	1	.190*
	Sig. (2-tailed)		0.034
	N	125	125
Revenue growth	Pearson Correlation	.190*	1
	Sig. (2-tailed)	0.034	
	N	125	125

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.4 shows that there was a positive and statistically significant association between economic factors and revenue growth ($r = 0.190$, $p = 0.034$). This finding suggests that an increase in economic factors resulted in an increase in revenue growth. This finding suggests that there is a need for further examination between the variables to understand the causation using regression analysis.

4.5 Influence of Psychosocial Factors on Revenue Growth of Used Motor Vehicle Enterprises

Psychosocial factors were the second independent variable for the study to which 10 statements were presented to respondents to denote their level of agreement.

Table 4.5: Descriptive for Psychosocial Factors

Psychosocial factors	N	Mean	Std. Deviation
The perception about the car and brand influence the purchase decision of a motor vehicle	125	3.82	1.160
Motivation from friends and family on a specific brand influence the purchase decision for the motor vehicle	125	2.92	0.947
Attitude towards the brand of car affects the purchase decision for the motor vehicle	125	4.10	0.734
The status exhibited to others in a car is something considered before making a purchase	125	2.42	0.872

The brand of a vehicle is a concern considered when purchasing a motor vehicle	125	3.90	0.653
Personal beliefs are an important factor in the purchase decision of a motor vehicle	125	3.55	0.856
Knowledge shared from friends and colleagues influence the purchase decision of a motor vehicle	125	3.72	1.044
Expressing oneself through the motor vehicle purchased, showing oneself through the car	125	1.74	0.717
Consider the enjoyment of driving a car before making the purchase	125	3.18	0.640
Conforming to society and social network is something considered when purchasing a car	125	1.85	0.976
Overall mean score		3.12	0.860

The results show that the overall mean score was 3.12 which suggests that respondents moderately agreed with these statements. A closer examination of the results shows that respondents' strongly agreed that their used car purchase was influenced by their attitude towards the brand (M=4.10) as shown in Table 4.5. The findings also show that the respondents did not let social status and symbol influence their choice to buy a used vehicle. Some of the least ranked statements were "I can express myself through my car, my car shows what I am" (M=1.74), conforming to society and social network is something I consider when purchasing a car (M=1.85), and the status I exhibit to others in a car is something I consider before making a purchase (M=2.42).

4.5.1 Psychosocial Factors and Revenue Growth

Table 4.6: Correlation Coefficients for Psychosocial Factors and Revenue Growth

		Psychosocial factors	Revenue growth
Psychosocial factors	Pearson Correlation	1	-.244**
	Sig. (2-tailed)		0.006
	N	125	125
Revenue growth	Pearson Correlation	-.244**	1
	Sig. (2-tailed)	0.006	

N	125	125
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** Correlation is significant at the 0.01 level (2-tailed).

Table 4.6 A negative and significant association was found between psychosocial factors ($r = -0.244$, $p = 0.006$) and revenue growth. This means that a decrease in psychosocial factors leads to an increase in revenue growth. These findings suggest that there is a need for further examination between the variables to understand the causation using regression analysis.

4.6 Influence of Functional Factors on Revenue Growth of Used Motor Vehicle Enterprises

The third independent variable was functional factors to which respondents were asked to denote their level of agreement with the 10 statements.

Table 4.7: Descriptive for Functional Factors

Functional factors Descriptive Statistics	N	Mean	Std. Deviation
The durability of a vehicle is something considered when making a purchase	125	4.64	0.514
The high fuel proficiency of vehicle is something considered when purchasing a car	125	4.17	0.704
The power of the car engine is something considered before purchasing a car	125	3.70	0.815
The up-to-date technology of used cars is something considered when making a purchase	125	3.37	1.175
The customized features of car is something considered before making a purchase	125	3.30	1.138
Value for money is an important factor considered when making a purchase of a car	125	4.47	0.736
A good product for the price is something considered when purchasing a car	125	4.48	0.725
The economic value of a car is an important function considered when buying a car	125	3.71	0.831
The superiority performance of a vehicle is something considered when purchasing a car	125	3.70	0.741
The usability/utility of a vehicle is something considered when purchasing a car	125	3.54	0.500
Overall mean score		3.91	0.788

The overall mean score for these statements was 3.91 which indicates a perception towards agreeing with the statements. An in-depth look at the statements revealed that respondents strongly agree that vehicle durability (M=4.64), fuel proficiency (M=4.17), and value for money (M=4.47) influenced purchase intention for a used car as shown in Table 4.7.

4.6.1 Functional Factors and Revenue Growth

Table 4.8 shows the correlations between functional factors and revenue growth.

Table 4.8: Correlation Coefficients for Functional Factors and Revenue Growth

		Functional factors	Revenue growth
Functional factors	Pearson Correlation	1	-0.166
	Sig. (2-tailed)		0.064
	N	125	125
Revenue growth	Pearson Correlation	-0.166	1
	Sig. (2-tailed)	0.064	
	N	125	125

A negative but insignificant association was found between functional factors ($r = -0.166$, $p = 0.064$) and revenue growth. This finding means that a decrease in functional factors resulted in an increase in revenue growth. These findings suggest that there is a need for further examination between the variables to understand the causation using regression analysis.

4.7 Revenue Growth

The dependent variable was revenue growth which was measured using 7 statements which asked respondents to denote their level of agreement for the last 12 months.

Table 4.9: Descriptive for Revenue Growth

Revenue growth Descriptive Statistics	N	Mean	Std. Deviation
The company sales have increased slightly	125	2.54	1.043
The company sales have been on a stable trend	125	3.26	1.009
The company has been receiving increasing orders for cars	125	2.84	0.928
The company's market share has been on an increase	125	3.06	1.042
The company has been able to retain most of its customers	125	3.15	0.814
The company's sales revenues have decreased substantially	125	2.74	1.206
The firm's sales revenues have remained stable/decreased slightly	125	2.62	0.680
The company's sales revenues have increased substantially	125	2.76	1.117
Overall mean score		2.30	0.784

The overall mean score for revenue growth is shown as 2.30 which indicates that most used dealers disagreed with the statements on revenue growth as seen in Table 4.9. The results show that respondents disagreed that sales had increased slightly (M=2.54), company has been receiving increasing orders for cars (M=2.84), and company sales revenues have increased substantially (M=2.76). The findings also show that respondents moderately agreed that market share had increased (M=3.06) and the enterprise was able to retain most of its customers (M=3.15).

4.8 Overall Regression Analysis

Tables 4.10 show the results of the regression analysis which is three tables one which shows the model summary, ANOVA, and Coefficients results.

Table 4.10: Multiple Regression Results

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.345a	0.119	0.097	0.68145		
a Predictors: (Constant), Economic factors, Psychosocial factors, Functional factors						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.575	3	2.525	5.437	.002 ^b
	Residual	56.19	121	0.464		
	Total	63.765	124			
a Dependent Variable: Revenue						
b Predictors: (Constant), Economic factors, Psychosocial factors, Functional factors						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.914	0.683		4.269	0.000
	Economic factors	0.486	0.172	0.326	2.831	0.005
	Psychosocial factors	-0.042	0.188	-0.028	-0.223	0.824
	Functional factors	-0.455	0.210	-0.302	-2.168	0.032

a Dependent Variable: Revenue growth

The model summary indicates that the coefficient of determination (R²) is 0.119 which implies that the model explains only 11.9 % of the variation in revenue growth of used enterprises in

Nairobi County. The ANOVA outcomes from the regression analysis tell us more about the significance of the model in explaining variations in the dependent variable. The Sig. column reads 0.002 (< 0.05) which means that the model is statistically considerable. The F statistic is positive ($F = 5.437$) which confirms the suitability of the model. The final table shows the coefficients' results which indicate that a unit increase in economic factors resulted in a 0.486 increase in revenue growth and this was statistically significant ($p < 0.05$). A unit increase in psychosocial factors resulted to a -0.042 decrease in revenue growth and this was insignificant ($p > 0.05$). A unit increase in functional factors resulted in a -0.455 decrease in revenue growth and this was significant ($p > 0.05$). The proposed regression model thus becomes;

$$Y = 2.914 + 0.486 X_1 - 0.042 X_2 - 0.455 X_3 + 0.683$$

Where Y = Revenue Growth

X_1 = Economic factors

X_2 = Psychosocial factors

X_3 = Functional factors

4.9 Chapter Summary

The findings indicate that customers to used car dealerships were more likely to be male, in formal employment, have at least a secondary level of education, and are above 30 years of age. The regression coefficient results indicated that economic factors had a positive and considerable effect on revenue growth; psychosocial factors had a negative but insignificant effect on revenue growth; and functional factors had a negative and significant effect on revenue growth of used car dealerships.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter entails a discussion, conclusion, and provides recommendations of the study. The discussion is presented along with the study objectives and so are the conclusions, and recommendations of the study. Additionally, areas of further research are recommended in this chapter.

5.2 Summary of Research findings

The study sought to determine the influence of consumer decision factors on revenue growth of used vehicle enterprises in Nairobi County. The factors were grouped into economic, psychosocial, and functional sub-areas. A questionnaire was administered to gather the data from the used motor vehicle buyers and owners of the car yard enterprises. The results indicated that economic factors highly influenced the revenue growth of the used vehicle enterprise, while the psychosocial factors had little influence on the revenue growth and the functional factors had a negative influence on the revenue growth of the used vehicle enterprises.

5.3 Discussion

5.3.1 Economic Factors Influence on Revenue Growth of Used Car Enterprises

The first objective of the study was to establish the effect of economic factors influence on revenue growth of used car enterprises. The correlation findings indicated that there existed a positive and statistically significant linkage between economic factors and revenue growth of used car enterprises. This was further confirmed by the regression results which showed that an increase in economic factors resulted in an increase in revenue of used car enterprises. The findings suggest that economic variables are the most important elements that influence the consumer's decision making in the used car market in Kenya. The findings also show that these factors had an impact on the revenue growth of used car businesses as more buyers look toward buying cheaper cars from dealers than new ones from distributors.

This finding agrees with past studies that have found that economic factors have a crucial role in influencing purchase decisions for used products. Alam (2014) found that price is a very significant determinant that influenced consumers when making a purchase of used products. Moreover, the literature shows that economic and rational choices are the most important factors that influence the purchase of used products and this is no different for used motor vehicles. Similarly, Prieto and Caemmerer (2013) findings suggested that economic characteristics had an effect on the car segment choice, along with the decision of whether to purchase a used car or a new one. Oprea (2010) research on the decision making process on buying used cars in the market using data mining techniques found that used car prices was an important factor that influenced the decision to buy a used car. Lee and Govindan, S. (2014) research also provided evidence that the main characteristics consumers considered in their vehicle purchase decision was the buying price of used cars. The evidence thus suggests that when used dealerships sell cars that meet the economic threshold of buyers, this would have an impact on their revenue growth. This means that the price of used cars should match the expectations and needs of the consumer.

5.3.2 Psychosocial Factors Influence on Revenue Growth of Used Car Enterprises

The second objective of the study was to determine the effect of Psychosocial Factors influence on revenue growth of used car enterprises. The correlation findings indicated that there existed a negative but insignificant association linking psychosocial factors and revenue growth of used car enterprises. This was further confirmed by the regression results which showed that an increase in psychosocial factors resulted in a decrease in revenue of used car enterprises but this was insignificant. The findings suggest that psychological and social factors did not have an impact on used car businesses in Nairobi County.

The findings further showed that respondents' perceptions towards the brand of a car affected their purchase decision for a used motor vehicle. These findings supported earlier studies that found that the brand of car was a chief part of the decision making for buying the car. For instance, Sreelal and Chandrachoodan (2016) research showed that brand image under psychological factors had equal importance in the purchase decision of the motor vehicle and choice of brands. Similarly, Dhanabalan et al. (2018) found that among the factors influencing

consumers' car purchasing decision was positively influenced by the brand of the vehicle. The findings agree with Hitesh (2015) research which found that psychological factors have an impact on the purchasing decisions of the consumers in the motor vehicle industry in Kenya.

Other research has found that psychological factors have a limited effect on the consumer purchase decision for a used car. For instance, in their study, Šefara et al. (2015) measured the impact of motives for car use, materialistic values, and personality dimensions on the influence of preference for motor vehicles found that these socio-psychological factors included in the model only had a meager effect on the motor vehicle preference of the respondents and could thus be explicated by other factors not included in the present study. The findings revealed that the consumer psychological factors did not have a significant influence on the revenue growth of used businesses. This finding implies that psychosocial factors are not as important in influencing decision making for purchasing used cars in Nairobi County. The psychosocial factors are predominantly influenced by the relationships that the buyer has and what influence that these relationships in their network have on their decision making. Moreover, the brand of the car and image it portrays are not important factors for purchasing a used car and therefore does not have an effect on the revenue growth of used car dealerships. The finding of the study can be deduced that used dealerships should focus on not the aesthetic factors of a car as social status is not a factor that influences the purchase of a used car and may not have a positive impact on the revenue growth of the firm.

5.3.3 Functional Factors Influence on Revenue Growth of Used Car Enterprises

The third objective of the study was to find out the influence of functional factors on the revenue growth of used car enterprises. The correlation findings indicated that there existed a negative and statistically significant association between functional factors and revenue growth of used car enterprises. This was further confirmed by the regression results which showed that an increase in functional factors resulted in a decrease in revenue of used car enterprises and this was significant. The results suggest that when consumers of used focus more on the functionality of the used vehicles; there is a reduction in the revenue growth of these enterprises because consumers are less likely to complete a purchase.

The descriptive findings indicated that the durability of the vehicle is one of the key functional factors that the respondents considered when purchasing a used vehicle. This finding supports those of Lacetera, Pope, and Sydnor (2012) which concluded that used cars are treasured durable products and consumers often invest effort and time in their purchase. The durable product feature of motor vehicles makes sure that a person buying a motor vehicle with a mileage lower than a threshold will use the car until it crosses the threshold. Higashida and Mai (2015) concur that the durability of used products in developing countries is higher as customers have to select from used and new products when purchasing durables as motor vehicles.

The results also indicate that fuel efficiency was an integral functional factor for buyers of used cars. This result supported Doshi and Parmar (2016) research which found that fuel efficiency positively influenced the customers' decision to purchase a used vehicle. This was also confirmed by Monga and Chaudhary (2011) study which found that at the time of purchasing the used car, the consumer considered fuel efficiency of the car. According to Lee and Govindan (2014), there are four significant determinants for used or new cars that influence consumer purchase decisions for motor vehicles: fuel economy, safety, reliability, and price. The findings suggest that the revenue growth of used vehicle enterprises is dependent upon the availability of used vehicles that are durable and efficient in fuel consumption as these are the important factors influencing purchase decisions. The finding of the study is that used dealerships should aim to meet the expectations of functionality for used consumers and this will boost their sales and see a growth in their overall revenue.

5.4 Conclusions

5.4.1 Economic Factors Influence on Revenue Growth of Used Car Enterprises

The first objective of the study was to establish the influence of economic factors on the revenue growth of used car enterprises. The findings from the study show that economic factors had a positive and considerable effect on the revenue growth of used enterprises in Nairobi County. The study thus concludes that buyers of used vehicles are impacted by economic factors such as price and their level of income which contributes to the sales of these enterprises

as they provide cars that are in the price ranges of their consumers. The study concludes that friendly consumer' prices provided by used businesses will contribute to promoting sales and revenue growth for these businesses in Nairobi County.

5.4.2 Psychosocial Factors Influence on Revenue Growth of Used Car Enterprises

The second objective of the study was to determine the effect of psychosocial factors influence on revenue growth of used car enterprises. The findings showed that psychosocial factors did not have an effect on the revenue growth of used car businesses in Nairobi County. The study therefore concludes that consumers did not purchase used cars influenced by social and psychological variables. The study thus concludes that image and status associated with vehicles is not a variable that influenced consumers' choice for used vehicles.

5.4.3 Functional Factors Influence on Revenue Growth of Used Car Enterprises

The third objective of the study was to determine the effect of functional factors influence on revenue growth of used car enterprises. The findings indicated that functional factors had a negative effect on the revenue growth of used businesses in Nairobi County. The study, therefore, concludes that functional factors of used vehicles are an important factor considered by buyers of used cars which may not be adequately provided for by the used market in Nairobi County. The study concludes that durability and fuel efficiency of used cars is an important variable for buyers which if provided would lead to increased revenue growth for used businesses in Nairobi County.

5.5 Recommendations

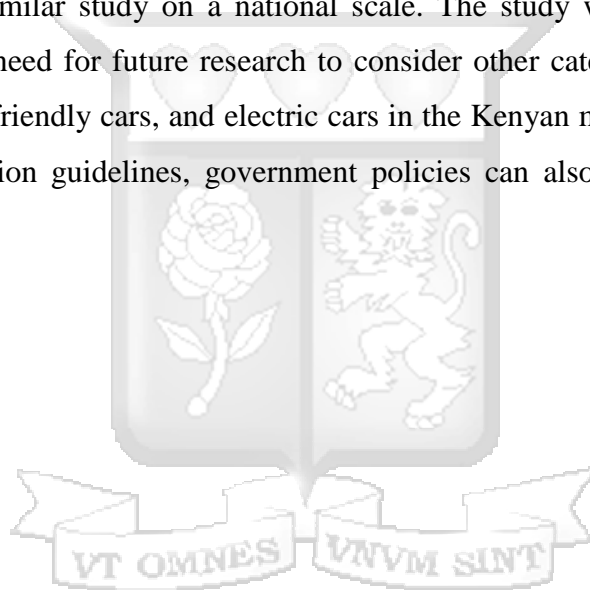
The study recommends:

1. For used car enterprises to offer market prices and rates for used vehicles to boost their revenue growth and minimize on high end used vehicles as psychosocial factors had little influence on the sales
2. Since economic variables had the most influence on the positive growth of revenue. This means that used car dealers should target vehicle markets that will be cheaper and pocket friendly for most consumers in Nairobi County.

3. For used dealerships to offer attractive payment packages for used car buyers to be able to get new customers and retain existing customers which the study found was poor for most enterprises.
4. For used car dealerships to pay more attention towards providing units that are more fuel-efficient and durable. The study found that used buyers were more concerned with the functional performance of vehicles in terms of durability and their fuel efficiency.

5.6 Suggested Areas for Further Research

The study aimed to establish the influence of consumer decision factors on revenue of used vehicle enterprises in Nairobi County. The study was limited to Nairobi County and there is a need to conduct a similar study on a national scale. The study was limited to used cars. However, there is a need for future research to consider other categories of cars including, brand new cars, eco-friendly cars, and electric cars in the Kenyan market. Other factors such as taxation, importation guidelines, government policies can also be considered in future studies.



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APPENDICES

Appendix I: Introduction Letter

To the Car Yard Owner

Street Name

Dear Sir/Madam

Ref: **Request to Collect Research Data from your Motor Vehicle Yard**

Greetings, I am James Thuo a Master's in Business Administration Student at Strathmore Business School. As part of partial requirements for the award of my Degree, I am obliged to conduct a study that will fill enhance my professional practice within a specific sector in the country. I am currently undertaking a study on the INFLUENCE OF CONSUMER DECISION FACTORS ON REVENUE OF USED VEHICLE ENTERPRISES IN NAIROBI COUNTY. I kindly request you to allow me to access relevant information that will help in solving the research problem from your business.

The collected research data will be utilized only for academic purposes. If requested, the findings of the research will be made available to your reputable office.

With Regards,

James Thuo – Researcher

Email: thuo.james@strathmore.edu

Phone number: 0722756540

Appendix II: Questionnaire for Used Car Consumers and Car Yard Owners

Instructions:

Please supply the required data by filling in the blanks where space is provided or by ticking [✓] against the most appropriate answer.

SECTION A: RESPONDENT INFORMATION

1. Please indicate your gender
Male Female

2. Please indicate your age group
18-24 years
25-29 years
30-34 years
35-39 years
40-44 years
45-49 years
> 50 years

3. Please indicate your highest education level
Primary level
Secondary level
Polytechnic level
College level
Bachelor degree
Postgraduate degree
Other (*Specify*)

4. Please indicate your occupation
Formal employment
Informal employment
Business owner/entrepreneur
Student
Other (*Specify*)

SECTION B: ECONOMIC FACTORS

Kindly tick as appropriate in the spaces provided the extent to which you think the following factors influence your decision to buy a used car. 1-Strongly Disagree, 2 – Disagree, 3 – Moderately agree, 4 – Agree, 5 – Strongly Agree

Economic factor statements		1	2	3	4	5
5	The price of a vehicle is something I always consider before making a purchase					
6	The prices of fuel is something I consider when making a purchase of a vehicle					
7	My level of income is a critical factor influencing my decision on the car to purchase					
8	The family income is something I consider before making a vehicle purchase					
9	The relation between income growth and quality of car is a fundamental issue in purchasing decision.					
10	My level of income influences the willingness to pay marginally higher prices for a used vehicle					
11	Maintenance/repair costs influence my decision of the motor vehicle to select to purchase					
12	The resale value of a car is critical factor I'd consider when purchasing a motor vehicle					
13	Payment options (such as hire purchase, lease) are a concern I'd consider when purchasing a motor vehicle					
14	The ease of finding a mechanic to repair the specific car brand influences my motor vehicle purchase decision.					
15	Low interest rates are critical in influencing my decision to purchase a motor vehicle					

SECTION C: PSYCHOSOCIAL FACTORS

Kindly tick as appropriate in the spaces provided the extent to which you think the following factors influence your decision to buy a used car. 1-Strongly Disagree, 2 – Disagree, 3 – Moderately agree, 4 – Agree, 5 – Strongly Agree

Factors		1	2	3	4	5
16	My perception about the car and brand influences my purchase decision of a motor vehicle					
17	Motivation from friends and family on a specific brand influences my purchase decision for the motor vehicle					
18	My attitude towards the brand of car affects my purchase decision for the motor vehicle					
19	The status I exhibit to others in a car is something I consider before making a purchase					
20	The brand of a vehicle is a concern I consider when purchasing a motor vehicle					
21	My personal beliefs are an important factor in the purchase decision of a motor vehicle					
22	Knowledge sharing from friends and colleagues influences my purchase decision of a motor vehicle					
23	I can express myself through my car, my car shows what I am					
24	I consider the enjoyment of driving a car before I make a purchase					
25	Conforming to society and social network is something I consider when purchasing a car					

SECTION D: FUNCTIONAL FACTORS

Kindly tick as appropriate in the spaces provided the extent to which you think the following factors influence your decision to buy a used car. 1-Strongly Disagree, 2 – Disagree, 3 – Moderately agree, 4 – Agree, 5 – Strongly Agree

Factor	1	2	3	4	5
26 The durability of a vehicle is something I consider when making a purchase					
27 The high fuel proficiency of vehicle is something I consider when purchasing a car					
28 The power of the car engine is something I consider before purchasing a car					
29 The up-to-date technology of used cars is something I consider when making a purchase					
30 The customized features of car is something I consider before making a purchase					
31 Value for money is an important factor I consider when making a purchase of a car					
32 A good product for the price is something I consider when purchasing a car					
33 The economic value of a car is an important function I consider when buying a car					
34 The superiority performance of a vehicle is something I consider when purchasing a car					
35 The usability/utility of a vehicle is something I consider when purchasing a car					

SECTION E: COMPANY REVENUE – TO BE FILLED BY USED DEALERSHIP

OWNER/MANAGER

Kindly tick as appropriate in the spaces provided the extent to which you think the following factors influence your decision to buy a used car. 1-Strongly Disagree, 2 – Disagree, 3 – Moderately agree, 4 – Agree, 5 – Strongly Agree

Revenue	1	2	3	4	5
36 The company sales have increased slightly					
37 The company sales have been on a stable trend					
38 The company has been receiving increasing orders for cars					
39 The company's market share has been on an increase					
40 The company has been able to retain most of its customers					
41 The company's sales revenues have decreased substantially					
42 The company's sales revenues have either remained stable/decreased slightly					
43 The company's and sales revenues have increased substantially.					

Appendix III: Sample Size Table

Table 3.1									
<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

Appendix IV: Strathmore University Ethical Approval



25th February 2020

Mr Thuo, James
thuo.james@strathmore.edu

Dear Mr Thuo,

RE: Influence of Consumer Decision Factors On Revenue of Used Vehicle Enterprises in Nairobi County

This is to inform you that SU-IERC has reviewed and **approved** your above research proposal. Your application approval number is **SU-IERC0629/20**. The approval period is **25th February, 2020 to 24th February, 2021**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,



for: Dr Virginia Gichuru,
Secretary; SU-IERC

Cc: Prof Fred Were,
Chairperson; SU-IERC




Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email info@strathmore.edu www.strathmore.edu

Appendix V: NACOSTI Permit



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

RESEARCH LICENSE



Date of Issue: 16/March/2020

This is to Certify that Mr. James Mbugua Dito of Strathmore University, has been licensed to conduct research in Nairobi on the topic: INFLUENCE OF CONSUMER DECISION FACTORS ON REVENUE OF USED VEHICLE ENTERPRISES IN NAIROBI COUNTY for the period ending: 16/March/2021.

License No: NACOSTI/P/204170


Applicant Identification Number: 618518

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Director General

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



Appendix VI: Turnitin Report

