Decision-making factors for purchasing a new car in Algeria: A Descriptive Analysis

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Abstract

L’objet de cet article est d’analyser d’une manière descriptive les facteurs déterminants dans la prise de décision d’acheter et de choisir une marque de voiture neuve en Algérie. La littérature dans ce domaine ne cesse d’introduire de nouveaux facteurs capables de changer la prise de décision en fonction de facteurs internes et externes.

Keywords: Buyer – car brand - decision - Algeria

1. Introduction:

The study of consumer behavior has become an important and essential practice in all marketing studies whether theoretical or practical. Since the company by understanding its customers can make reliable marketing decisions. Indeed, the behavior of consumers as Engel, Blackwell and Minard (1968), includes activities implemented to obtain, use and disposal of products or services, including decision-making processes that precede and follow these actions (Engel and al, 1968). Itamar Simonson and, et al (2001) defines it as a discipline that aims to analyze how individuals, groups and organizations select, buy and use goods, services, ideas or experiences to satisfy their needs and desires (Kotler and al, 2009).

While the study of consumer behavior as other studies human behavior, trying to explain the behavior of individuals through a limited number of variable. However, the study of consumer behavior focuses advantage of the activities of choice, acquisition and use (consumption) of goods or service. The consumer chooses his products based on many criteria, he can do choice on the brand for example. Many factors contribute to brand equity (brand awareness, brand loyalty, brand association and perceived quality), and for the product (implication, familiarity…etc.). Research in the field of consumer behavior has tried to identify and model the psyche of consumers, and that in order to study the variables that determine each consumer.

Consumers are constantly taking decisions. Which product must be bought? Which quality? Where? When? Which brand? With what price? …etc. our study has an objective to determine the factors of the purchase decision in Algeria and to test these factors in the case or when you purchase a new tourist car.

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In addition, we try to explain the key concepts of the purchase decision, the brand and product. For this, the central research question can be formulated as follows: **what are the factors with influence the purchase decision?**

To answer this problem, we have based our analysis to reach of a theoretical outline on the dependent variable (the purchase decision), and the explanatory variables. However, we are going to see the case study in which we have to purchase a new tourist car.

### 2. Literature review

If the firm really wants to interfere as an expert and evaluate its interventions, it must retrace the way followed by the buyer (Vandercammen and Gauthy-sinéchal, 2006). Yet, researchers like Van Vracem and Janssens-Umflat (1994) suggest that the buyers response is not limited by sold quantities and by the parts taken by the firm, but especially to the whole process of buying. According to these researches, the study of process to buy with many types, products and services bought, chosen marks, the use of the consumers and their buying…etc.

From this fact, the decision is known as **« a choice done at a given moment, in a given context, among many possibilities to boost great actions of various changes »** (Charron and Separi, 2004). The purchase decision is a choice of product (or service) very precise among many choices, at a given moment. (AMINE Abdelmadjid, 1999) explains the purchase decision process as **« a psychological way followed by the consumer once he knows that the need is not completed of his choice, use of the good and the evaluation of the performances of the latter »**.

This psychological way followed by the consumer is considered as a representation of the steps and events which happen during the purchase decision. Researchers in the field have made a purchase decision model which contains five organized and consecutive steps, the knowledge of the problem, research for information, evaluation of the changes, the choice of one of these changes (consumption and use) and evaluation after the purchase (behavior after purchase). (Figure n°1) D’Astous and al (2006) suggest that by constructing this purchase decision process we can latter put the point of the brand choice. That is to say that the brand is among the factors which influence the consumer purchase decision.

In this case, many researchers have been to show the importance of the brand during the purchase decision. Thus Diallo (2011) has observed after the test of a hypothesis that the perception of the consumers of the image of the shop has positive influence directly the purchase intention the distribution brand’s (Diallo, 2011). However Aker (1991) has confirmed the influence of the value of the brand on the consumption of product “purchase intention” (Aker, 1991). Keller (1993) in a research on the conceptualization, the measure and the management of the value of brand has shown the importance of this latter on the purchase decision. Thus (Keller, 1993. PP 1-12), Pappu and al (2006) have studied the relationship based on the value of the brand side and the country of origin on the other side. These researchers have proved that the brand is very important factor of decision (Pappu and al, 2006) Ratier (2005) has observed also after having done a study to show the importance of the factors of decision to buy a car through the qualitative study, that the factors of decision are mainly linked to the characteristics of use (reliability, comfort, security, performance economy in use and the functionality), then the psychological dimensions (especially the aesthetics of a car, finish, positives antecedents, by word of mouth), and finally the marketing’s variables (the price, brand image…etc.). This study has been realized by French consumers and among 14 brands. The causes of the choice of the brand could be considered as factors of purchase decision (Raier, 2005).
According to Rajneesh Suri and al (2003), the brand allows the consumers to identify the provider of a product or a service; it simplifies the purchase process and reduces the perceived risk. Indeed, the clients express what they are through the brand they buy (Rajneesh Suri, 2003). According to Kotler and al (2009), the brand can influence the way in which the clients receive the performance of the products and through the great participation to the evaluation and the intrinsic characteristics and even extrinsic of the products by the consumers. This means that the brand influences the psychological way that the consumer follows (Kotler and al, 2009).

The most known definition of the brand is that of l’AMM which defines « it as noun, term, a sign, a symbol, drawing or any combination of these elements which serve to identify the goods or services of a seller or a group of seller and to differentiate then from the competitors ». Yet, the brand is a very expensive concept which was defined in many contexts, legal, economical, advertising… etc.).

The juridical definition « the trade mark, the trade or service is a good sign of a graphic representation serving to distinguish of a moral or physical person » (Cit in in laporte-legeais M. E, 2005). The economists say that the brand is a sign to differentiation and monopolistic profit. Whereas, the specialists in advertising say that the brand is a way of selling in the future in the subconscious of millions of people (Kapferer and Thoening, 1994).

Pappu Ravi and al (2006) explain that the capital brand is the value that the client gives to the brand. This value is reflected on the dimensions and the notoriety of the brand, the association to the brand, the perceived quality and brand loyalty. This study has been done on the work of Aker (1991).

Indeed, Keller (2012) gives the following definition « a brand equity based on the client like the difference provoked by the knowledge of the brand in the manner in which the consumers react to the product and its marketing ».

Many model have helped to the evaluation of the brand equity, among there, the model of Brand Asset Valuator (BAV), the Brandz model and model of Aaker. The latter is based on the identity of the brand as an essential element to build brand equity. According to this research of, the identity of the brand is based on 8 to 12 dimensions like the quality of the brand, country of origin, its personality… etc. (Kotler and al, 2009. P:317). Aaker defines the brand equity as a collection of active and passive, brand awareness, brand association, the perceived quality and brand loyalty. For him, these four dimensions are the most important for the consumers (Aaker, 1991).

**Brand awareness** is the capacity of a potential buyer to recognize or to remember that the brand is a member of a certain category of products. There is a link between the class of the product and the brand (Pappu and al, 2006). This notoriety influences the purchase decision. But it is not sufficient for Nedungadi (1990), the brand is then a double spade arm, since the consumers also remember the brand that they do not like.

A study done among 10300 consumers in 9 European countries by the GFK association (2008) has proved that Spanish, Italians, polish and Russians base their purchase decision rather on the brand. This study has confirmed that there is a link between the personal values of the investigation and brand awareness.

Aaker (1991) has identified 4 levels of notoriety classified in sequential way. At first, level zero (the individual has completely forgotten the brand), then the after assist notoriety (a simple knowledge of the brand). The next level is the instantaneous notoriety (the biggest brand that is to say the most known by the consumer) and finally the instantaneous notoriety of the first level (top of mind, these brands come instantaneously to the mind of the consumer when we speak about a specific product, ex: gaseous drinks – Coca Cola) (Aaker, 1991).

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According to Ratier (2003) on the base of Aaker’s model for brand equity evaluation, there are four factors of notoriety which give a value to the brand. Before all, notoriety is essential for the aspect of brand image. He creates a feeling of familiarity and brands and it make simply the brand preferred by clients (Ratier, 2003). Aaker (1991) explain that Brand association (attachment to the brand) according to is anything kept in the mind, leaked to the brand. This concept linked to the brand equity has been noticed by many researchers, Onkvisit and Shaw (1987), Park and al (1991), Park and Srinivasan (1994), Fournier (1994), Aurier and al (2001), Merunka (2002), Michel and Vergne (2004), Matzler and al (2006) … etc. The first work has been done by Bowly in 1979 concerning relations between parents and newborn kids (Smaouifatma, 2008).

Indeed, according to Lacoeuilhe (2000) the attachment is a psychological factor which translates an evaluating relation guided towards a specific stimulus, which is the brand (Lacoeuilhe, 2000). For this researcher, the brand can be described as a system of communication with the others but also be a sign for oneself. For Cristau (2003) the brand association is « psychological and emotional relationship strong and last to a brand witch comes from a mixture of friendly feelings and dependence to the brand » (Cristau, 2003).

Many researchers have identified the dimensions of the attachment, thus Thomson and al (2005) identify three dimensions of the attachment, affection, passion and connections (Thomson and al, 2005). Whereas Heilbrunn (2001) has identified six facets of the attachment, hedonic, epistemic, interpersonal substitution, lasting, distribution of values and expressivity (Heilbrunn, 2001).

Smaoui (2008) in a study on the emotional brand association has determined two categories of the explicative variables of the brand attachment. The relational variables and the variables linked to the product. The first category describes the relationship of the consumer to the brand, there are for variables for this category: satisfaction, confidence, nostalgic connections and image-individual relationship. The second category contains three variables, category of the product, implication in the category and country origin of the brand. Brand loyalty is defined as an attachment; a constancy of the relation in time (Noye, 2004). That is to say this brand is a first choice of the loyal consumers. Aaker has proved that fidelity of the consumers is the essential element of the brand equity. This fidelity depends on the consumer’s satisfaction, of the costs of the passage from one brand to another, and of affective relationship between the brand and its consumers (Ratier, 2003).

Brand loyalty provokes a total change of purchase behavior. However, Olivier (2006) has defined loyalty as « a profound engagement to purchase or to consult again a product or service against the situational factors and efforts of the market which can provoke a change in the purchase behavior » (Kotler, 2009).

There are two forms of loyalty according to Lehu (2003), the induced loyalty and sought loyalty. The first form relates to the product. Certain categories of products are good to be used in the natural development of a process of loyalty when the consumer’s choice is limited by continuing tp purchase the same product/ or service of the same brand. the second from contains all the elements aiming at seducing the consumer freely until his complete loyalty. Kotler (2009) distinguishes two types of loyalty, one linked to the behavior (it means the buyer always purchases the same brand), and the other linked to the attitude (based on the great brand association) (Lehu, 2003, P: 43 – 68).

Researches on the brand loyalty are numerous. The subject has been discussed in many researches. Pessemier (1959), Cunningham (1967), Newman and Werbel (1973), Jacoby and Chesnut (1978), Drigotias and Rusbult (1992), Dick and Basu (1994), Olivier (1997)… etc. N’goala (2003) in a study on the measure of the brand loyalty of the consumer in a relative perspective thinks that there is a lasting engagement of the brand loyalty on one side, the answers this loyalty facing the critical incidents which come to show the relationship for example continuity / change, cooperation / conflict, loyalty / disloyalty. This researcher has measured loyalty according to two approaches, relational and multidimensional (N’goala, 2003).

The perceived quality is an essential element of the brand equity, it’s the idea that me get think of the sensation and opinion that we have. According to Giordano (2006) there are two explications of the perceived quality especially for the material products. The first American explanation considers that the perceived
quality makes the consumers satisfaction and represents a global system of judgment, and the second European explanation which considers the immediate, relational and subjective perceptions of the detail, that the consumer has towards the product (Giordano, 2006).

Indeed, studies on the perceived quality are numerous, thus Grönroos (1984) and Parasuraman and al. (1988), Cronin & Taylor (1992) have studied the quality as a result of a process of evaluation where the clients compare their dealing with the received service. Other researchers have participated in creating models on the perceived quality. Parasuraman and al (1985) and (1988), Jougleux (2005), Loiacconoandal (2002), Wollfingbarger M. and Gilly M. C (2003); Jayawardhena (2004), Ming-Hui (2005), Parasuraman, Zeithaml and Malhotra, (2005)…etc. (Balin and Giard, 2007).

The concept of the perceived quality is multidimensional. Chumpitaz and Swaen (2004) has proposed two dimensions: quality of the product (dealing with the performance of the brand), and quality of service (dimensions of the service), this study is based on the work of brady and Cronin (2001), Grönroos (1984), Parasuraman (1985) and others. Other researchers have proposed another concept of the perceived quality in three dimensions or even five. Thus, Grönroos (1984), Rust and Olivier (1994) showed that there were three (03) dimensions of the perceived quality (technical quality, functional quality and environment). Parasuraman and al. (1991) suggest five dimensions (helpfulness, empathy, reliability, assurance and the presence of tangible elements (Chumpitaz and Swaen, 2004)). Aaker has proved that the perceived quality gives a reason to purchase and a looked for differentiation. It also allows increasing the prices and other parts in the market.

From these four variables linked to the brand equity especially the brand awareness, brands association, brand loyalty and perceived quality, we propose the following hypothesis to answer all the problems of our research:

\[ H0: \] the variables linked to the brand equity are seen as variables for the purchase decision.

Tili (2010) in a study on the explicit antecedents of the nature of the choice of a product, confirms from his study that the variables concerning the individual (need to know, and affective orientation) and the variables linked to the products (implication, familiarity and nature of motivations) can totally explain the nature of the evaluation wanted by the individual. Yet, the same research confirms the necessity to look at these variables especially the variables linked to the product in the analysis of behavior in choice of the consumers (Tili, 2010). Our study deals with the variables linked to the product.

The implication is one of the most important concepts that we consider in the objective to explain the consumption’s behaviors. It can be defined as «characterized motivation of the importance, interest and the attraction of the consumer towards a product» (Dubois and Jolibert, 2005). According to Volle (1995), the implication varies depending on the types of consumers, products and situations in purchase. It can be moderated by the perceived risk linked to the purchase of product or its destination (Volle, 1995. PP: 39 – 56). The subject of the implication has been used in many studies in marketing after its introduction by Krugman (1966). Indeed, the subject has been tackled by many researchers, Houston and Rothschild (1978), Costely (1988), Eagly and Johnson (1989), Petty and Cacioppe (1990), Millar and al (1990), Edward (1990), Strazzieri (1994)…etc. (Volle, 1995).

According to the researchers, the implication has three types and three approaches. Thus, Costely (1988) identifies three approaches of the implication, cognitive approach based on the state of the individual and the other approach based on the answer. Eagly and Johnson (1989) give three types of the implication (an implication linked to the treatment of the individual, an implication linked to the value of the individual and the one linked to the impression) (Tili, 2010).

Different scales have been made to measure the implication. The scale of Kapferer and Laurent (1986), and scales of Zaichkowsky (1985) and Strazzieri (1994). The first scale prefers the measure of five antecedents (degree of personal interest, value of the pleasure, perceived importance of risk, appreciation of the
probability to a mistake and the value of the sign given by the consumer. The other scales are much easier because they consider the implication as a dimensional concept (Dubois and Jolibert, 2005).

**The familiarity** as a concept was not neglected by researches in marketing. Many researches have been done for this subject, Russo and Johnson (1980) and (1984), Marks and Olson (1981), Bettman and Parks (1980) and Hitchinsonet Alba (1987) on the cognitive or affective evaluation, Brucks (1985), Rao et Sieben (1992)...etc. (Tlili, 2010).

Familiarity is a rich concept to which many definitions can be given. Its shows «all that the consumer knows about a category of products » (Russo and Johnson, 1980). It is also defined according to Alba and Hutchinson (1987) as a number of experiences linked to the product gathered by the consumer

According to Tlili (2010), the familiarity which is the experience that the consumer possesses towards a product has an important impact on the complexity of its processes of decision (Tlili, 2010). This research is based on the fact that an individual who thinks he knows a category of products can evaluate differently from the one who has the feeling that he know little. Its means that familiarity with product reduces the cognitive effort to evaluation. Then, the consumer purchases the product almost automatically.

**The nature of the motivations** is a variable linked to the product which is interesting in the analysis of the consumer’s behavior in their choice. The motivation towards a product according to the work of Tlili (2010) is a concept which gives a better explanation of the behaviors of choice and the processes of decision.

Literature has given many definitions of the motivation; all these definitions have nearly the same sense. But there are many other theories which explained the needs and motivations, it depends on the perspectives. Indeed, Dubois and Jolibert (2005) proposes the following definition «motivation is the psychic force which incites the individual to act, to behave to reduce the state of tension and satisfy his needs by guiding there to one object»(Dubois and Jolibert, 2005). «the motivation indicates the process which incites the individual to act, when we need something. It creates a tension which incites the person to act in order to satisfy his need» (Solomon and al, 2005).

Many theories have suggested the subject of the motivations and the needs, for example the Freud theory (1916), Neo-Freud theory Adler (1958), the theory of the awakening of the needs, the theory of Maslow (1954), the theory of the self-concept Surgy (1982), the theory of value and the theory of the implication ...etc.

Other researches have put the stress on the nature of the motivations as a starting element in the basis of the behaviors. Thus, Vallerand and Thill (1993) has suggested that motivation represents « the hypothetical build base used to describe the external and internal forces producing the start, direction, intensity and persistence of behavior » (Vallerand and Thill, 1993). In the same context, many researches have been done like the types of motivations and its influence on the processes of decision, DeciansRayn (1985), Deci (1975), Holbrook and Hirschman (1982), Maclnnis (1985)...etc. (Vallerand and Thill, 1993).

From the analysis of these three variables linked to the product especially the implication, familiarity towards a category of product and the nature of the motivations, we proposes the following hypothesis to us:

**H1:** the variables linked to the product are studied as variables of the purchase decision.

The combination of all the variables leads as to propose the following conceptual model:
According to Aaker (1991), a brand capital (brand equity) contains the brand awareness, brand association, brand loyalty and perceived quality. And the model of Tili (2010), the variables linked to the product are implication, familiarity towards the category of motivations, and after combination of two models our conceptual model can be detailed in the following way:

**3. Sample and source of data**

We conducted a survey among a random sample of 748 car buyers during the period of November and December 2013.
We took advantage of the auto fair to question the maximum of buyers. After a rigorous control of various questionnaires, we have in our database only 748 valid questionnaires. Our questionnaire concerns socioeconomic characteristics of buyers and perceived quality after purchase decision.

4. Descriptive results

The descriptive results of the survey are as follows:

Regarding the kind of buyers, the table below shows that nearly 80% of buyers are male.

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<tr>
<td>Man</td>
<td>594</td>
<td>79,4</td>
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<tr>
<td>Women</td>
<td>154</td>
<td>20,6</td>
<td>20,6</td>
<td>100,0</td>
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<td>Total</td>
<td>748</td>
<td>100,0</td>
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In terms of age, we notice the dominance of young buyers less than 40 years. They account for 70% of buyers in our sample. The rest is divided among the other age categories.

The car models chosen by buyers show that French cars still occupy first place with 20% for the Renault brand and 17.25% for the Peugeot brand. Hyundai and Chevrolet are the second and third position respectively.
For brand loyalty, the results of the survey explain a large non-loyalty 87.7%. This is mainly due to the young age of buyers. This shows that the variable age tend to be brand loyal.

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<tr>
<td>Yes</td>
<td>671</td>
<td>89.7</td>
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<td>89.7</td>
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<tr>
<td>Valid No</td>
<td>77</td>
<td>10.3</td>
<td>10.3</td>
<td>100.0</td>
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<tr>
<td>Total</td>
<td>748</td>
<td>100.0</td>
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If we consider the involvement, commitment to the brand and reputation, we can see that the buyer is involved in general with nearly 90% and is looking for brand awareness, but this does not make it attached to that brand. Which leads us to conclude that there’s other factors that may influence their purchasing decision?

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<tr>
<td>Yes</td>
<td>54</td>
<td>7,2</td>
<td>7,2</td>
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<tr>
<td>No</td>
<td>694</td>
<td>92,8</td>
<td>92,8</td>
<td>100,0</td>
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<tr>
<td>Total</td>
<td>748</td>
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In terms of perceived quality, the buyer receives 90% this quality. Only 10% of respondents admitted to not perceive the product quality.
5. Conclusion

The objective of this paper was to know the factors that influence the decision to buy a new car in Algeria, through a random sample of buyer. The results show that the decision was based on several socioeconomic and environmental factors. If age is a determining factor in the choice of the car, the brand perception in turn is based on other multidimensional factors. These descriptive findings can help manufacturers and sellers to understand the buying trends of new cars in Algeria.

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Un état de tension en marketing, est l’état désagréable d’une personne dont les besoins de consommation ne sont pas satisfaits.


