



Identifying the Formative Factors which Shape Individual Intention to Prefer Imported Used or Locally Assembled Cars: A Survey on Pakistan

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Abstract: *The current study intended to examine the consumer intention while purchasing locally assembled and imported cars. Hence, the study proposed a model which is underpinned with social identity theory. The research model employed consumer ethnocentrism, self-congruity product characteristic, perceived relative price, brand personality and service quality. The current study identify research gap and found to the best knowledge of researchers that past study is lacking the determinants which motivate consumer intention, separately, to select local or imported cars. Moreover, aforementioned studies reported inconsistent results about consumer inclination towards automobile selection. The sample size of the study was 396. The proposed model was analyzed using structural equation model. The finding of the study revealed that consumer intention to purchase locally assembled and imported cars are shaped by both factors like rational and emotional. In addition to the results unveiled the fact that consumer purchase intention towards locally assembled cars highly influenced by ethnocentrism, brand personality as well as product characteristics. In continuation with the brand personality has highest explanatory power for making consumer intention towards imported cars. In contrary to that while purchasing imported cars the consumer influenced by self-congruity and brand personality. In addition to perceived relative price and service quality having insignificant effect on both cars. The present study confirmed that in collectivism society the purchase of automobile shaped by emotions and social influences. Although the study contributed in literature with theoretical and practical implication nevertheless suggested some future research direction.*

Keywords: *Consumer ethnocentrism, self-congruity product characteristic, perceived relative price and service quality, brand personality and intention.*

Introduction

The statistics witnessed that the automotive industry of Pakistan is pioneer in Asian countries (Pakistan Economist, 2018). In addition to the automotive industry of Pakistan is considered to be the sixth biggest manufacturing industry which is contributing in economy

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and having GDP worth Rs. 12 billion in the fiscal year 2016-17. Moreover, to encourage the growth of Pakistan economy the automotive industry of Pakistan is donating almost Rs. 30 billion. In continuation with, the automotive plant of Pakistan is manufacturing passenger vehicles for middle and high income customers and to achieve the market demand Suzuki, Toyota and Honda companies are having major shares. Furthermore, to facilitate the customer and to manage price as well as quality competition in market previous governments of Pakistan has provided some relaxation in importing cars (German Pakistan Trade and Investment, 2015). In contrary to that the current ruling party is facilitating local automotive industry as compare to imported used cars. Therefore, the customer has both options while purchasing cars from Pakistani market. Owing to the availability of imported cars the rising trends observed in imported cars and according to statistics in 2013 it was US \$ 18 million which increased in 2017 up to US \$ 43 million.

The changing trends observed at global level in automotive industry and similar behaviors noticed among Pakistani consumers towards auto industry products. Hence, the governmental regulations are also in transformational phase in Pakistan. The aforementioned studies reported the increasing preferences of customers towards imported cars as compare to locally assembled cars and the cause of this change is reliability and efficiency of imported automotive product. The researchers and practitioners are intended to identify the determinants which are effecting on the changed behavior of customer intention because studies mentioned the fact that industry survival is based on consumer perception. The inconsistent results of past studies motivated researchers to examine consumer intention towards selection of passenger cars because the reported results about automotive product selection varies from region to region and most often country to country. The involvement of emotions and/or rational motives can not be ignored. Although statistics revealed the rising tendency of automotive industry and their contribution for the growth of Pakistani economy, notwithstanding there is a dire need to identify the factors which make consumer intention to choose locally assembled or imported cars. The aforementioned studies advocated the decisiveness of various determinants like after sales service, price and product attributes. Some of the studies employed the significance of social references for the purchase of cars. In contrary to that some of the scholars investigated the impact of self-image, social influence and environmental concerns.

Henceforth, researchers of the present study proposed factors such as consumer ethnocentrism, perceived relative price, service quality, brand personality, self-congruity and product characteristics to identify consumer intention towards locally assembled cars and imported cars. In addition to the present study proposed same constructs for both locally assembled cars and imported used cars to examine which factor shape consumer intention towards local and imported used cars.

Literature Review

It is human nature that they make choices among the product while fulfilling their routine need. Similarly world has become a global village therefore products produced in one corner of the world available in every part of world. More specifically, the market development

has increased consumer choices and consumer interaction with multiple choices with same brand has made difficult in selecting “right” and “wrong” choices. Consumer choices are shaped by multiple factors and social identification is one of them. In social identification concept consumer sense of belonging with products most often play vital role in selecting multiple products of the same brand (Udall, de Groot, de Jong, & Shankar, 2020). In addition to the usefulness of social identify concept is more applicable while selecting the product which demand high consumer involvement (Vel, Captain, Al-Abbas, & Al Hashemi, 2011) and vehicle purchase is one them (Reza & Valeecha, 2013; Derikx & Lierop, 2021). Furthermore, individual purchasing demonstrate their preferences, economic position and social connection (Isa, Saud, & Ismail, 2016).

Individual who are the resident of collectivist society face the phenomena because they are more interdependent (Al Zubaidi, 2020). The choices are made with emotional stimula which are more relevant to their social identity (Isa et al., 2016). The idea of social identity was introduced by Tajfel (1974) with the name social identity theory. The theory demonstrate that individuals’ decisions are affiliated with their specific groups and their actual behaviors represent to their concern groups. The applicability of theory test by multiple marketing scholars to examine the consumer behavior towards any object. In addition to it was also investigated that how social identity shape a mechanism of purchase among individuals regarding various products (Ilaw, 2014). Similarly, some of the aforementioned schoalrs employed scoial identity concept while examining consumer preference for automotive products (Isa et al., 2016).

In the category of collectivist country Pakistani is also included and Pakistani customer make choices according to emotional stimuli which are concurrence with social identity theory (Reza & Valeecha, 2013). Henceforth, the proposed model of present study underpinned with social identity theory and the predictors employed to examine the customer intention towards locally assembled cars and imported used cars were consumer ethnocentrism, perceived relevant price, service quality, self-congruity and product characteristics (Isa et al., 2016). In continuation with identical constructs used to investigate two different behaviour of customer towards two different brands of same automotive companies of Pakistani market.

The concept of ethnocentrism is associated with the definition “beliefs held by consumers about the appropriateness and indeed morality of purchasing foreign-made products” (Shimp & Sharma, 1987). The definition has gained fame and attention among marketing scholars. In presence of foreign product which is having high quality and market reputation, the individuals having high rating about ethnocentrism prefer domestic manufactured products (Lew & Sulaiman, 2014). In addition to past studies demonstrated that ethnocentric concept brings into investigation with multiple dimensions to get decisiveness of ethnocentric impact on consumer purchase decisions. Moreover, some of the scholars have linked the philosophy of ethnocentric with other various concepts such as nationalism, culture, lifestyle and corporate identity (Thomas, Singh, & Ambady, 2020). In continuation with individuals remains in the quest of social identity which motivate them to achieve social desirability while purchasing domestic products (Isa et al., 2016). On the other hand the ethnocentrism varies from country to country. Developed nations are less ethnocentric as compare to developing and Asian nations. More specifically collectivists are lean to-

wards strong ethnocentric whereas individualists are less inclined. In Pakistan which comes under the category of collectivist nations having strong tendency towards ethnocentric behaviour while purchasing local products as compare to imported products. Moreover, the ethnocentric behaviour of Pakistani consumer reported only in FMCG products whereas in automotive product there are other motivational factors rather only ethnocentric. The ethnocentric variable examined as a predictor of customer intention towards selection of automotive products (Isa et al., 2016; Siahaan, Suhud, & Purwohedhi, 2021) and results reported the effect of country specific product in the preference of customer (Chandrasen & Paliwoda, 2009). Moreover, the empirical study conducted in Thailand revealed that customer prefer locally assembled cars as compare to foreign imported cars (Davvetas & Diamantopoulos, 2016). In contrary to that some of the studies accounted that vehicles are the high involvement products and customer preferences are based on products performance, security and maintenance cost therefore ethnocentric effect is insignificant (Carter & Maher, 2014; Chinen, Endo, Matsumoto, & Han, 2021). Therefore, the inconsistent past results have motivated current researchers to bridge the gap with following hypothesis:

H_{1a}: Customer ethnocentrism significantly effect on consumer purchase intention towards locally assembled cars in Pakistan.

H_{1b}: Customer ethnocentrism significantly effect on consumer purchase intention towards imported used cars in Pakistan.

The second variable of the present study was self-congruity. The concept of self-congruity was introduced in 1982 with the definition that “in context of consumer behavior refers to the process where customers buy those products or brands whose symbolic image goes with the image they have of themselves” (Sirgy, 1982). According to the philosophy of self-congruity individuals most of the time consider products as human persona and the products features evaluated as per human characteristics. They make product image as human being and compare it with their own personality traits while choosing these products (Ilaw, 2014). The likes and dislikes of individuals form by some specific characteristics of product which is the composition of multiple salient features. The aforementioned studies have accounted for that the self-congruity significantly effect on consumer behaviour while choosing products. Similar effect found while examining consumer behaviour towards selection of automotive (Hahnel, Gölz, & Spada, 2014). In contrary to that the self-congruity association not always found to be significant in purchasing every product (Isa et al., 2016; Babu & Prabakar, 2020), the monetary aspect with offered products features also compared and evaluated the cost benefit analysis. The customer demands extensive and comprehensive informative decisions from automotive sector because customer concerns are high while making their intention towards cars. In addition to studies witnessed that Pakistani consumer make products choices with personal and social self-concept congruence (Sarwary & Chaudhry, 2015). Therefore, the current study hypothesized that;

H_{2a}: Self-Congruity significantly effect on consumer purchase intention towards locally assembled cars in Pakistan.

H_{2b}: Self-Congruity significantly effect on consumer purchase intention towards imported used cars in Pakistan.

The third construct of the present study was product characteristics. Although patriotism and self liking can make consumer mind for the selection of product nevertheless the product feature must be convincing and attractive (Xu et al., 2020) and play vital role in choices. Owing to the high prices involve while purchasing automotive products customer consider product characteristics before making final decision (Isa et al., 2016; Zimmermann, Ferreira, & Moreira, 2020). In addition to while comparing the characteristics of locally assembled and imported used cars the differences are noticeable in Pakistani market. Studies advocated through empirical findings that imported cars are designed with ultimate passenger protection features and safety features are by default available within the cost of automotive product price whereas in locally assembled cars same feature are available with customized and on demand strategy with premium payment. Similarly some of the studies accounted that imported cars are more fuel efficient as compare to locally assembled cars. In contrary to that the maintenance cost and availability of spare parts is more economical for locally assembled cars and compare to imported used cars. These contradictory results of past studies regarding the impact of various product characteristics in forming consumer decision making towards locally assembled cars and imported used cars have motivated current researchers to investigate the following hypothesis;

H_{3a}: Product Characteristics significantly effect on consumer purchase intention towards locally assembled cars in Pakistan.

H_{3b}: Product Characteristics significantly effect on consumer purchase intention towards imported used cars in Pakistan.

The fourth construct of present proposed model was perceived relative price of the product. In cost benefit analysis of the product customer evaluate the product features with product offering price. Moreover, price is considered to be the rational and significant factors for the purchase of any product (Amaldi, 2020). According to the definition of price, the price is a “price encoded by the customer by referencing the price of the product relative to the price of other substitute products” (Jacoby, Olson, & Haddock, 1971). In addition to in automotive products the comparison of product price among locally assembled cars and imported used cars are inevitable (Pogson, 2020). Even customer most often compare price differences between locally assembled one brand to similar brand of other companies which are assembled in local market. Moreover, sometime it was also noticed in past studies that automotive utility benefits compared with price of the product. In contrary to that there are few studies which demonstrated that perceived relative price considered to be a source of information while purchasing any car.

The relation of perceived relative price and perceive value of product is negative in some studies (Grodzicki & Skrzypek, 2020). It indicates that customer’s preferences and priorities not only oriented by perceive price of the product but the benefit of product

features also matters. Similarly, it is evident from market surveys that price subsidies sometime create negative image about product and erode product market image. Therefore, practitioners suggest to avoid over emphasize on price reduction in some products and automotive products are one of them. Moreover, the contradictory results also reported in past studies which unveiled that price is also one of the factor among others like time, effort and service quality which consumer intention towards any product (Huber, Herrmann, & Henneberg, 2007). The impact of price perception investigated in numerous studies in different countries including Pakistan. Moreover, results depict that customers found willing to pay premium amount in purchasing cars if their required attributes exist in cars such as design, color and performance (Yongtao, Pengyun, Lin, Xiaoli, & Junping, 2021). Therefore, it was realized that even high prices and high maintenance cost of imported used cars their sales are mounting due to their upgraded features.

H_{4a}: Perceived relative price significantly effect on consumer purchase intention towards locally assembled cars in Pakistan.

H_{4b}: Perceived relative price significantly effect on consumer purchase intention towards imported used cars in Pakistan.

The fifth factors of the current proposed model was service quality which was investigated for the explanation of consumer intention to purchase locally assembled cars and imported used cars. The aforementioned studies highlighted that service quality in automobile play vital role for grabbing consumer intention whether for locally assembled cars (Xu et al., 2020) or imported cars (Isa et al., 2016). The nature of automotive product is to require frequent after sales service for long lasting and consistence performance therefore service quality is the expected attribute of cars (Kar, Jena, Chakraborty, & Bhuyan, 2020). Customer evaluate the overall image of automotive company with after sales service quality. Although service quality is a competitive edge for any companies nevertheless in Pakistan service quality deficiencies are reported in multiple studies. There is need to investigate the impact of service quality for both locally assembled cars and imported used cars. Therefore, the current study hypothesized that;

H_{5a}: Service Quality significantly effect on consumer purchase intention towards locally assembled cars in Pakistan.

H_{5b}: Service quality significantly effect on consumer purchase intention towards imported used cars in Pakistan.

Many scholars have gauged the concept of brand personality effect on consumer choice of products. The brand personality dimensions which were introduced by Aaker, Benet-Martinez, and Garolera (2001) have grabbed special attention for practitioners and scholars and the dimensions are sincerity, excitement, competence, sophistication, and ruggedness. According to the formal definition the brand personality is “Naturally, consumers with certain personality traits are drawn to brands influenced by to the extent that they can

identify with the values and traits which are being communicated by the brands. These set of human characteristics associated with brands". The brand personality is considered to be typical promotional tool to target the customers. Moreover, prior studies indicate that brand personality play significant role for making consumer intention towards any products and the effectiveness of brand personality found positive and significant regarding automotive products. In addition to consumer preferences regarding product selection not only based on the functionality of the products but symbolic image of the product also associated (Topuz, Çam, & Bilgili, 2020) and symbolic image is linked with brand personality (Varol & Marquez, 2020). Moreover, brand personalities perform their task as human personality therefore the more strong personalities are connected with human like personality traits the more powerful impact would be of product on consumer purchase intention. Most of the automotive product features are associated with human personality traits like prestige, trust, performance, outdoorsy and efficiency therefore the automotive brands which comprised of the strong impact of these human like personality traits significantly and positively form consumer intention (Ghosh, 2018). In contrary to that some of the empirical results unveiled that brand personality effect significantly only on imported big brands of automotive instead of locally assembled cars (Wu, Li, & Peng, 2020). Similarly few of the prior studies witnessed that in automotive products the country of origin is linked with brand personality in shaping consumer intention (Alam, Senik, Omar, & Ali, 2018). To the best knowledge of present researchers multiple studies conducted in past decades regarding the investigation of brand personality effect on automotive selection. Nevertheless yet no study found which examined the brand personality impact of locally assembled cars and imported used cars of the same brand in developing countries. Therefore, the present study hypothesized that;

H_{6a}: Brand personality significantly effect on consumer purchase intention towards locally assembled cars in Pakistan.

H_{6b}: Brand personality significantly effect on consumer purchase intention towards imported used cars in Pakistan.

Theoretical Framework

The proposed model is underpinned with social identity theory (Tajfel, 1974). According to Tajfel (1974), the social identity is decisive for business because marketing strategies devised as per the consumers' behaviours which are influenced by their social groups. Similarly studies revealed that social identity play vital role in examining individual behaviour towards expensive products. Therefore, the researchers of the present study employed ethnocentrism, self-congruity, product characteristics, perceived relative price and service quality as predictor of the consumer intention towards locally assembled cars and imported used cars. Same predictors used for the investigation of locally assembled and used imported cars. The figure 1 and 2 are the proposed model of current study.

Figure 1
Determinants of locally assembled cars

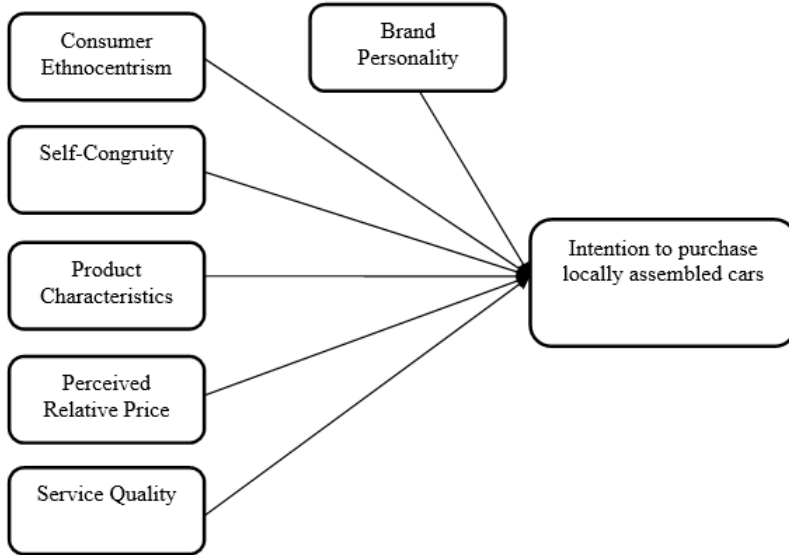
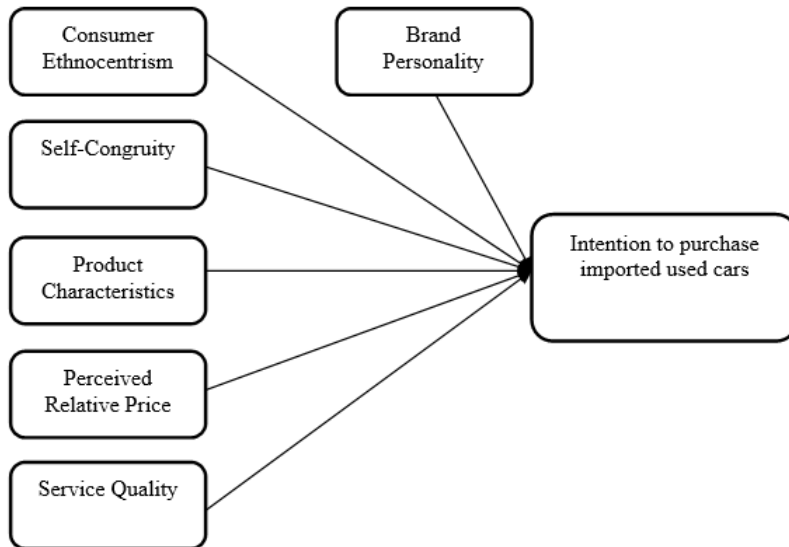


Figure 2
Determinants of imported used cars



Research Methodology

Data Collection

Researchers of the present study involved car service center managers and academicians to gauge the initial screening of instruments regarding reliability and validity of adapted research instrument (Srinivasan & Lohith, 2017). To ascertain the applicability, reliability and precision of research instrument authors distributed the questionnaire among 20 car customer using convenience sampling technique. In addition to it was easy to collect data from customers who are using local assembled cars but in contrary to that no formal platform available to approach the customers who are using imported used cars. Moreover, all engine capacity ranges are available in market in both local assembled and imported used cars and it is very difficult to involve all category of cars in present study. Therefore, researchers have collected data from the cars having engine capacity 650-1500cc for locally assembled cars whereas for imported used cars the data collected from customer who were having cars of 1500cc. The primary reason to select 1500cc imported cars was that in Pakistan customer prefer 1500cc cars while purchasing imported used cars. Therefore, for comparing the same capacity with locally assembled cars are also available (German Pakistan Trade and Investment, 2015).

The car dealers maintained record of their customers who purchases locally assembled cars but on the other hand the imported used cars are purchases through auctions from abroad which is most often un-documented. Therefore, to collect data from customer who prefer imported used cars through snow ball sampling technique. In contrary to that the data regarding locally assembled cars was collected through car dealers. There are three big automotive companies are operational in Pakistan like Suzuki, Honda and Toyota therefore researchers of the current study involved the dealers of these companies to target the population. The initial sample size of the current study was 384 (Krejcie & Morgan, 1970). Although authorized dealers maintained the data of all customers but it is very difficult to involve all customer in a study due to some resource constraints (Sekaran & Bougie, 2016). To achieve the minimum threshold regarding sample size dealers have emailed to 800 customers. The detail about research objective was discussed with concern authorized dealers. The authorized dealer emailed the questionnaires to their customers for formal permission. It was also mentioned in email that customer also refer at least one person who is using imported used cars of the same brand.. The authorized dealers received the consent of 650 customers to participate in survey and out of 650 there were 410 participants refer persons who are using imported used cars. After initial screening the usable questionnaire for locally assembled cars and imported used cars were 396 which gained the sample size. The aforementioned studies witnessed that participants are willing to fill questionnaire manually as compare to digital. Therefore, for the convenience of participants the questionnaires were also posted at their postal addresses. Moreover, in received questionnaire researchers asked age, gender and income level of respondents. Therefore, the female participation was 81% male and 19% female whereas the average age of female was 31 and male was 39. As far as the financial condition is concern 60% participants having monthly income 75000-100000, 30% having income level range from 100000 to 120000 and only 10% participants

having income level above 150000.

Measurement Tool

The adapted research instrument was used for data collection. The questionnaire was comprised of 53 items. The questionnaire was taken from past established studies. The questionnaire was on five point Likert scale with the range “strongly disagree” to “strongly agree”. Table 1 is having the measures of variables and table 2 is having the data regarding each variable items.

Table 1

Measures for Variables

Construct	Source
Purchase Intention	Oliver & Lee (2010)
Consumer Ethnocentrism	Shimp & Sharma (1987)
Self Congruity	Sprott, Czellar, & Pangenberg(2009)
Product Characteristics	Kressmann et al (2006)
Perceived Relative Price	Oosthuizen, Spowart, & De (2015)
Service Quality	Isa et al (2015)
Brand Personality	Aaker (1997)

Results

Measurement Model Validation

To investigate the reliability and validity of measurement model constructs the researchers used confirmatory factor analysis (Millsap & Everson, 1991) for both locally assembled and imported used cars. The researchers run the Cronbach alpha before conducting confirmatory factor analysis to test the preliminary reliability of constructs. The minimum threshold value is 0.70 (Nunnally, 1978) to achieve the scale internal reliability.

For the operationalization of the study construct validity is required (Davis, 1989). To measure the construct validity researchers conducted convergent and discriminant validity test. The aforementioned studies suggested factor loading, composite reliability and average variance extraction to measure the convergent validity (Fornell & Larcker, 1981). In continuation with to achieve the suggested convergent validity the value of factor loading should be 0.50 whereas the preferred value for strong validity is 0.70 (Hair, Black, Babin, Anderson, & Tatham, 2006). The strength of factor loading indicates the strength of items internally. The researchers have reported the factor loading results in table 4. In table 4 to attain the construct validity of instrument and model fitness the researchers of the current have deleted items which were having less than 0.60 factor loading.

To measure the latent concept of variables studies suggested to conduct composite reliability(CR) test. According to rule of thumb the minimum value for CR is 0.70 or greater (Hair et al., 2006). The CR results are reported in table 2 which represents that all variables attain the minimum value. Moreover, there were two variables such as product characteristics and perceived relative price which are having value of 0.67 and 0.68 respectively. These values were near to the suggested value 0.70 therefore researcher of the study

retain these variables. Moreover, for average variance extraction (AVE) the value should be 0.50 or greater. The results reported in table 2 describe that current model achieve the minimum value regarding AVE. These AVE values indicates that the variance among constructs are more than the measurement error (Fornell & Larcker, 1981).

Furthermore, the aforementioned studies have facilitated in attaining the construct validity through discriminant validity. To gain the discriminant validity the square root of AVE value should be higher than the correlation value which exists between one construct to another. The values reported in table 3 represent the discriminant validity.

Table 3
Descriptive Statistics, Correlations and Square Root of AVE

Construct	Mean (SD)	α	CR	AVE	CE.L	SC.L	Construct				
							PC.L	PR.L	SQ.L	PI.L	BP
Locally Assembled Cars											
CE.L	2.64 -1.43	0.89	0.82	0.55	0.73						
SC.L	3.47 -1.52	0.96	0.77	0.63	0.53**	0.77					
PC.L	3.34 -0.89	0.78	0.81	0.51	0.47**	0.43**	0.75				
PR.L	4.8 -0.59	0.71	0.73	0.65	0.29**	0.27**	0.39**	0.76			
SQ.L	4.32 -1.32	0.86	0.87	0.59	0.26**	0.21**	0.55**	0.47**	0.76		
PI.L	2.67 -1.45	0.88	0.81	0.68	0.39**	0.45**	0.41**	0.25**	0.31**	0.83	
BP	2.76 (1.89)	0.9	0.78	0.69	0.45	0.36	0.33	0.4	0.3	0.29	0.77
Imported Used Cars											
CE.I	2.48 -1.41	0.82	0.82	0.6	0.71						
SC.I	3.45 -1.29	0.92	0.93	0.66	0.56**	0.74					
PC.I	4.6 -0.51	0.77	0.69	0.53	0.40**	0.29**	0.7				
PR.I	4.21 -0.66	0.74	0.7	0.56	0.25*	0.16**	0.26**	0.77			
SQ.I	4.47 -1.21	0.81	0.88	0.57	0.39**	0.22**	0.49**	0.34**	0.72		
PI.I	4.38 -1.63	0.82	0.8	0.69	0.32**	0.42**	0.28**	0.22	0.28**	0.81	
BP	3.45 (1.76)	0.85	0.81	0.7	0.34	0.39	0.3	0.27	0.21	0.3	0.75

**Correlation is significant at the .01 level (2-tailed).

*Correlation is significant at the .05 level (2-tailed).

Note: The bold figures represent square root of AVE. The vertical figures are the square of correlations among the constructs, with original correlations in brackets.

Measurement Model Fitness

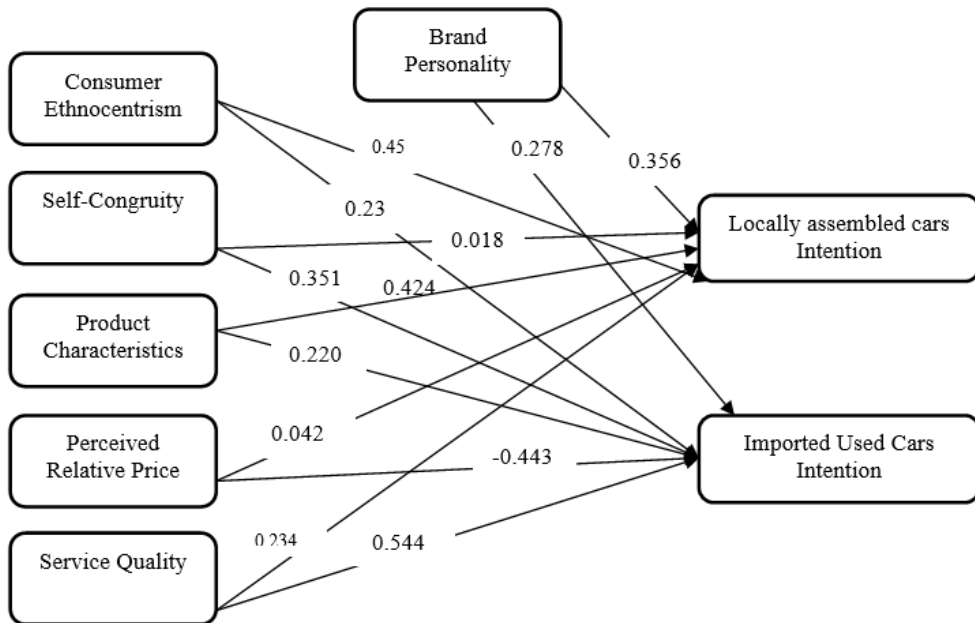
For model fitness the measurement models achieved reasonable values of indices such as, RMR= 0.12, SRMR= 0.05, GFI= 0.89, AGFI= 0.86, CFI=0.95, TLI= 0.95, RMSEA= 0.05 and Normed Chi-Sqaure= 1.55 for locally assembled cars and RMR= 0.12, SRMR=

0.05, GFI= 0.91, AGFI= 0.88, CFI=0.97, TLI= 0.96, RMSEA= 0.05 and Normed Chi-Square= 1.46 for imported used cars. The GFI and AGFI values are sample sensitive values which improved through increase of sample size but in current study both indices are in their acceptable range with sample size 216. However TLI and CFI, insensitive to sample size indices (Aimur, Sayang, Jannoo, & Yap, 2017) are within the good fit range. RMR value is near 0.1 i.e. 0.12, however SRMR is supporting the model fitness with a value of 0.05.

Regression Analysis

To test the hypothesized relationship the researchers of the study conducted regression test to examine the structural model after taking the satisfactory results regarding validity, goodness of fit measurement model and reliability. The regression model fitness results of both locally assembled cars and used imported cars are graphically represented in figure 3.

Figure 3
Structural Models



The results of path model explaining 38% variance about consumer intention towards locally assembled cars. Similarly, the regression outcome confirm the H1a and H3a regarding locally assembled cars. In addition to consumer ethnocentrism ($\beta = 0.357$, $p < 0.05$) and product characteristics ($\beta = 0.323$, $p < 0.05$) significant and positive effect on intention for locally assembled cars. In contrary to that self-congruity, service quality and perceived

relative price having insignificant effect in making consumer intention towards locally assembled cars.

The authors of the current study employed same construct for the investigation of consumer intention towards selection of imported used cars. Therefore, the proposed model for imported cars has explained 35% variance for consumer intention in selection of imported used cars. The regression results about imported used cars confirmed two hypotheses such as H2b and H3b. More specifically the value of self-congruity and product characteristics were positive and significant like ($\beta = 0.320$, $p < 0.05$) and ($\beta = 0.241$, $p < 0.05$) respectively. In contrary to that consumer ethnocentrism, perceived relative price and service quality were found insignificant for making consumer intention towards selection of imported used cars. In addition to the regression results confirmed H6a and H6b significant for shaping consumer intention towards selection of locally assembled cars and imported used cars. Moreover, the explanatory power brand personality is higher for imported used cars as compare to locally assembled cars.

Table 4
Standardized Regression Results

Hypotheses	Variables	Locally Assembled Cars			Imported Used Cars		
		β	t-value	Hypotheses status	β	t-value	Hypotheses status
H1	Consumer Ethnocentrism	0.457	3.577*	Supported	0.232	1.03	Not Supported
H2	Self Congruity	-0.018	-0.186	Not Supported	0.351	2.566**	Supported
H3	Product Characteristics	0.424	2.344*	Supported	0.22	3.792**	Supported
H4	Perceived Relative Price	-0.042	-0.136	Not Supported	-0.032	-0.443	Not Supported
H5	Service Quality	0.234	1.501	Not Supported	-0.021	-0.544	Not Supported
H6	Brand Personality	0.278	1.97	Supported	0.356	2.102	Supported

Discussion

The objective of the current study was to investigate that which factor motivate consumer while purchasing locally assembled cars and imported used cars. The proposed model was underpinned with social identity theory and the predictors of consumer intentions were based on self-congruity, ethnocentric, perceived relative price, service quality and product characteristics. The results of present study revealed that Pakistani customer are ethnocentric while purchasing locally assembled cars. Similar results have been accounted in past studies which reported that customer purchase intentions shaped by ethnocentric motives who are living in developing and collectivist society in comparison of developed countries or individualistic customer (Isa et al., 2016). The collectivist societies most often prefer local products and similar behaviour observed in automotive products. The locally assembled cars are the product of industrialised nations which make ranking high on ethnocentrism as the present results unfolded. Similar results witnessed in past study which was carried out in Thailand (Chandrasen & Paliwoda, 2009) and respondents reported their inclination towards locally assembled cars. The customer who are ethnocentric preferred cars which are assembled in their own country as compare to company's own parent country and their priorities are the products which belong to their own culture and society (Shah & Amjad, 2011).

Moreover, the current study unveiled that product characteristics and ethnocentrism play vital and significant role for predicting consumer intentions towards locally assembled and imported used cars. In addition to Pakistani customer feel tranquility while purchasing locally assembled cars because it provide availability of spare parts, warranty and low maintenance cost as compare to imported used cars. Similarly the locally assembled cars are designed as per the requirement of domestic market. Furthermore, the local assemblers follow the guidance of auto development policies of 2016 and these policies are designed for the improvement of automotive products.

The statistics evident that in Pakistan the sale of imported used cars are mounting because the enhanced salient features of foreign assembled cars are the triumph factor. The imported used cars are facilitating customer with various state of the art features such as airbags, central locking systems, naviagtions, automatic transmissions as well as cimate control systems and local assembled cars having deficiencies regarding these benefits. The high prices of fuel is another factor in promoting imported used cars because foreign assmbled cars are fule efficient in contrary to local assmbled cars.

The self-congruity and product characteristics significantly predicted the consumer intention towards locally assembled cars and imported used cars. The Pakistani customers are status conscious regarding imported products therefore imported used cars are also a status symbol which is becoming the cause of increase sale of imported used cars. Although imported used cars not only having high maintenance cost but also having high prices but products features and social status are devising consumer intention. In social status driving imported used cars demonstrate individual's economic strength. In contrary to that self-congruity has significant impact on locally assembled cars. The rational of this result is the price of the products as well as economical maintenance cost. In addition to in Pakistan limited variety available in imported cars which are economical and affordable in comparison with local substitute cars.

The aformentioned studies define the concept of perceived relative price such as “Consumers use their personal perceptions of relative price as their observed reality in order to determine the perceived value of a product, which will subsequently influence their decisionmaking process to determine whether or not to purchase a product (Schiffman, Kanuk, & Wisenblit, 2010)”. The fourth construct was perceived realtive price which was examined for consumer intention towrads local assembled car and imported used cars. The result revealed the insignificant effect of this construct in Pakistani environment. As it was mentioned that ethnocentric is the decisive factor in selecting automotive products therefore consumer has no effect in comparing price in both options. The percived raltive price most often useful for the product in which customer compare the utility of the product. The aformentioned studies have reported that ethnocentric customer is willing to pay some premium amount while purchasing local made product. Similar results found in current study where customer's intention not shaped by perceived relative price.

It is observed empirically in current study that service quality is not significantly effecting in forming consumer intention while purchasing locally assembled cars or imported used cars. The current study results are supported by a study conducted in Malaysia which has reported that service quality was the insignificant predictor for purchasing car products whether locally assembled or imported (Khamis & Abdullah, 2014). Some of the

past studies witnessed that in Pakistan consumer most often prefer product performance attributes as such as fuel efficiency, drive excellence, comfort, safety and value for money as most imperative. On the other hand product possession cost and resale values are at their second priority. More specifically, according to Japanese International cooperation survey report of 2011 about Pakistani market consumer satisfaction graph regarding service quality of automotive is at lowest level. Pakistani consumers are not satisfied from local assembled automotive authorized dealers services and for imported used cars the service quality is poor. In addition to poor after sales service quality reported regarding imported used cars because lack of separate service spots for imported used cars the local assembled car dealers are catering the need of both cars.

Henceforth, the present study revealed the fact that purchase intention of developing country's resident is different from developed country individualist customer. Pakistani culture is not only rational but also having emotional and social boundaries which play vital role in shaping consumer intention towards imported cars and locally assembled cars.

Implications

The present study not only contributed in literature but also suggested some measures to practitioners. The study provided insights about the factors which effect consumer intentions. These factors can assist practitioners in devising competitive strategies to target their customers. The study revealed the decisiveness of factors which are separately effecting on locally assembled cars and imported cars purchase decisions. Moreover, the study advised some measures which can be helpful for improving the indigenous competitiveness in automotive industry as compare to imported car market. The product attributes and service quality can grab consumer intention to purchase locally assembled cars. Similarly, the ethnocentric can be a best tool to target local Pakistani market and local companies can exploit consumer patriotism towards local manufactured cars. In addition to government policies regarding import of used cars are also very supportive. The flexible government policies regarding imported used cars making healthy competitive but it is also very decisive to equipped local automotive industry so that they can manufacture cars according to the imported used cars standards.

Limitations and Future Research Direction

The proposed model of the current study examined in automotive sector of Pakistan. The result of present study has contributed in existing literature by providing Pakistani consumer's intention towards locally assemble and imported used cars. The selected sector was considered to be intricate regarding the product nature. The selected industry was country specific therefore the disparities among consumer choices are obvious. Therefore, the results of current study cannot be generalized in other countries. The current researchers postulated to test the robustness of same model in other developing countries to examine the impact of current study constructs on locally assembled and imported used cars. The comparison of other developing countries' results with present reported results will confirm the model effect. The current study results reported the insignificant effect of perceived

relative price on consumer intention towards both locally assembled and imported cars. Although the present study collected data regarding income level of participants but did not examine the income effect. Future researchers should involve demographical factors such as income and gender for the same model because gender preferences in products also witnessed in past studies. The current study collected quantitative data with Likert scale. The Likert scale confined respondents within limited options and most often participants are unable to express their views in detailed manner. Therefore, it is suggest for future study to complement with mixed method like qualitative and quantitative data. The unstructured in-depth interviews will provide an opportunity to respondents to reply in detail about their opinion towards imported used cars and locally assembled cars. The technological advancements are effecting on every industry and automotive industry also taking benefits. The electric cars are being introduced in market which is available in Pakistani market as well. The Nishat mill has joined hand with Hyundai motor to facilitate Pakistani market with electric cars. In addition to the availability of electric cars in Pakistani market will influence consumer intention and behaviour. Therefore, it is suggested for future researchers to involve electric cars as an option for consumers regarding investigating consumer intention towards locally assembled cars, imported used cars, electric cars and hybrid cars.

Conclusion

The present study contributed in existing literature by identifying the factors which determine consumer intention to purchase locally assembled and imported cars. The study examined the intention of Pakistani consumers. The proposed model was underpinned with social identity theory (Tajfel, 1974). The empirical finding of the current study revealed the fact that emotional and rational factors are the most concerned determinants which shape consumer intention towards the purchase of automotive in Pakistani market. More specifically the ethnocentric and product attributes better shape the consumer intention to purchase locally assembled cars. In contrary to that product attributes and self-congruity significantly predict consumer intention to purchase imported cars. The current study conducted in collectivist society. The results confirmed that difference between individualist society behavior and behavior of collectivist society towards the selection of cars. The finding unfolded the fact that in collectivist society purchase decisions are influenced by both rational and emotional factors (Isa et al., 2016).

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