

# [Factors affecting consumers](https://assignbuster.com/factors-affecting-consumers/)

The topic of this study, namely factors affecting consumer’s purchasing decision on hybrid cars in Malaysia. Hybrid cars are developed to reduce the level of gas emissions into the air and increase fuel economy. As fuel prices rise to the point where many consumers can no longer afford to drive as much as they once have, automobile manufacturers have been faced with many new challenges. Hybrid car are very similar to the gasoline powered automobile most people drive today, the difference is the hybrid cars on the road right now are gasoline-electric hybrids. Many gas powered hybrids are and will be in the available in market today and some that will be coming to Malaysia, that include Honda Civic Hybrid, Honda Insight, Toyota Prius, Hyundai Sonata Hybrid and etc. However, there are very few hybrid cars is to be seen in Malaysia. Only 327 hybrid cars were sold in 2010 (Ahmad, 2011) and 297 total units sold in the whole 2009 (Mahalingam, 2011).

## BACKGROUND OF STUDY

To investigate the relation between independent variables which are price, design, excise duty, fuel economy, consumer’s environmental consciousness and dependent variable which is consumer’s purchasing behavior in purchasing a hybrid car.

This research study is to examine the association of the independent variables that impulse buying behavior of consumers on purchasing a hybrid car in Malaysia.

## RESEARCH PROBLEM

The innovation of the fuel efficient and environmental friendly hybrid vehicles is becoming popular nowadays. Today, many consumers include Malaysians are becoming more sensitive to rising oil prices and becoming more environmentally friendly, Malaysians are considering the option to buying hybrid vehicles which that can saves them money and make a positive impact on our environment. A research is conducted to find out the consumer behavior of Malaysians and to investigate the factors affecting the consumer’s purchasing decision of hybrid cars. The questions arise are: Will customers consider hybrid cars are actually worth the money they spend? Will the rising of oil prices leads them to pay more attention to a car’s fuel economy? Does the design of the hybrid cars affect their purchasing decision? Does the removal of excise duty for hybrid cars affect their purchasing decision? Or will their environmental consciousness suggest the purchasing of a hybrid car.

## RESEARCH OBJECTIVE

The main objective is to find out the factors that affect consumer’s purchasing decision of hybrid cars in Malaysia.

Through the application of many new and innovative technologies, the hybrid is an extremely efficient vehicle that also significantly reduces emissions. As a result, hybrid vehicles have been gaining in popularity because they are cheaper and consumer enjoys numerous incentives for purchasing a hybrid vehicle. However, the prices of hybrid vehicles in Malaysia are far more expensive compared to the prices in other foreign countries.

## RESEARCH QUESTION

This study is only going to focus on the determinants of consumer’s purchasing decision of hybrid car in Malaysia.

How price of the hybrid cars influence consumer’s purchasing decisions? What is the relationship between the design of the car and the influence it posses to consumers during decision making to purchase? Does excise duty on hybrid cars affects consumer’s purchasing decision? How a car’s fuel economy will influence the purchasing decisions of consumers? Will a consumer’s environmental consciousness plays a role in their decision making to purchase a hybrid car?

## 1. 6 SIGNIFICANCE OF STUDY

Our study focused on the factors that affect consumer’s purchasing decision of hybrid cars. This study will determine whether price, design, excise duty, fuel economy, and environmental consciousness will affect consumer’s decision to purchase hybrid cars. It is important to find out how a consumer is willing to pay for a hybrid car and to know will the design; fuel efficiency and the removal of excise duty on hybrid car influence their purchase decision. There are consumer who will buy a hybrid car because it can save fuel and money, but there are consumers who are not willing to pay a high price for the hybrid car as well. It is crucial to determine the perspective of consumers since they are the end users of products and services. Hence, this study is important to analyse the various factors that influences consumer’s idea on purchasing, so that it is easy for manufacturers to take vital decisions to fulfill the demand of the consumers.

## 1. 7 SCOPE OF STUDY

This study will be focusing on the factors affecting consumer’s purchasing decision on hybrid cars in Malaysia. The study also focuses mainly on the automobile manufacturers such as Toyota and Honda. Nowadays, vehicles serve as a very important role in our current society where everyone needed transportation to continue their daily lives. Acquiring a car nowadays is considered a necessity, compared to the past where it was considered a luxury (CorpeduCar, 2010). At present time, a car has become our need for easier and faster transportation and to be on time with our daily activities (Harvey, 2011).

Surveys have been done by individuals as it is always a best and direct way to obtain opinions from the consumers. This research will be focusing on generation X and Y. Survey questions to understand more about consumer’s behavior on purchasing a hybrid car will be distributed to consumers from generation X and Y. Generation X and Y were born between the years in 1960 till around 2000 according to Mark Winburn (2010) (as cited in White, 2010, p. 4). This study carries out for respondents who are living in Peninsular Malaysia.

Consumers from generation X and Y, being the largest generational demography is more concern about the looks and price of the vehicles. Full of gleaming sports cars and eco-friendly vehicles aimed at consumers from generation X and Y. (White, 2010)

## 1. 8 ORGANISATION OF REPORT

Chapter 1

This chapter shows the definition of the topic which is about hybrid cars. The factors affecting consumer’s purchasing decision of hybrid car is examined by using the independent variable that are price, design, excise duty, fuel economy and environmental consciousness. We tend to understand the problems before we conduct our research. After understanding the research problem, we conduct 5 objectives to study on.

Chapter 2

We focus on literature review for this chapter. We define the terms of our research variables and also describe further about how and why is these variables related to this research.

Chapter 3

For this chapter we are focusing on research methodology. Operational definition of research variable is done in this chapter. Besides that, we did some hypothesis in this research and also the description of the sources use in the research data. After that we describe about the sampling design of our research and also defining the instrument and measurement used in the research. Lastly is to explain how data is analyzed.

Chapter 4

This chapter shows the results of the research. In this chapter we include descriptive analysis or demographic analysis and mean analysis. After that we did the normative test to every research variable. Then, we test hypothesis we did earlier end finally, we end up by doing the regression analysis.

Chapter 5

This chapter shows some discussion and conclusion of the research. Besides that it shows the suggestion for future, limitation of study and etc.

## 1. 9 SUMMARY

In this introduction, a brief overview is given about hybrid cars. This chapter has also identified the research problem and research objectives for this study. The independent variables and research questions are stated for this study. The next chapter gives a more detailed explanation and a literature review for the topic.

## Chapter 2

## Literature Review

## 2. 1 INTRODUCTION

This study finds out factors that influence consumer’s purchasing decision on hybrid cars. Through this research, there are five variables that influence consumer’s purchasing decision on hybrid cars which are pricing, design, excise duty, fuel economy, and environmental consciousness. The purpose of this study is to determine the factors that affect consumer’s purchasing decision on hybrid cars. In this chapter, literatures from past researchers are cited to support and explain the given variables in this study.

## 2. 2 OVERVIEW OF LITERATURE

This chapter will provide a description of the literature relevant to this study. This research seeks to examine the influence of price, design, excise duty, fuel economy, and environmental consciousness on consumer’s purchasing decisions. A theoretical framework will show the independent variables and dependent variables that is explained through this chapter as well as giving an overview of what has been reviewed by past researchers.

## 2. 3 THEORETICAL FRAMEWORK

Figure 2. 1 Factors that affects consumer’s purchasing decision on hybrid cars

Independent Variable Dependent Variable

Price

Purchasing

Decision H1

Design H2

Excise Duty H3

Fuel Economy H4

Environmental

Consciousness

H5

Source: Adapted for this study

## 2. 4 INDEPENDENT VARIABLES

## Price

Price is one of the variables in this research. Product price are demonstrated to be the variables affecting consumer’s decisions. According to Chang (2009), price plays several roles in consumer’s purchasing decision making. For example, price can be an indicator of the degree of perceived sacrifice needed to purchase a product and an indicator of the level of quality. A higher perceived price leads to higher perceived quality and consequently to a greater willingness to buy. At the same time, the higher perceived price represents a monetary measure of what must be sacrificed to purchase the product, leading to a reduced willingness to buy. Consumer’s purchase decision are affected by price, a particular product may seem too expensive at its regular price, but a good value when it is discounted. Similarly, consumers will be motivated to shift to another brand or use a product less with an increase in price (Litman, 2004). Consumers make their choice, based on the information regarding all the products available on the market and price is an important factor of decision making (KazaKevitch, Torlina & Hendricks, 2005). Price is always an important attribute in the decision-making process (Hermann et al., 2007; Lalwani & Monroe, 2005; Chang, 2009; Webb, 2011). Playing a more complex role than often attributed to it, price has been a determining factor in consumer choice (Monroe, 1990; Chang, 2009). Consumers remembered information on past and present price and are able to acquire complete information on the attributes of products being considered as options, the objectives of which are to minimize the price paid (Chang, 2009). Progressive Insurance and NADA conducted a poll shows 46% respondents stated that price is still number one concern in their most important new-car attributes ranking (Bryant, 2006). “ In an interview showed that car buyers indeed consider price an important factor in their purchase decisions” (Herrmann, Xia, Monroe & Huber, 2007, p. 51). In an analysis of consumer’s willingness to buy a hybrid car, the purchase price would influence the willingness to buy according to (Tanaka et al.) as cited in (Kishi & Satoh, 2005). “ A study published in UK found as many as 71% of customer said that price was the most important factor that influences car purchase” (Bikash, Pravat & Sreekumar, 2010, p. 51). In a survey of 1, 524 adults by the Japanese motoring organization JAF, 61% said it was important that the car was ‘ economical’ (JAF, as cited in Okamura & Cairns, 2003). Consumers in Generation Y are concerned with price and getting a good value (Wolf, Carpenter & Petrela, 2005). Most of the interviewees in the study conducted by Webb (2011) are very price conscious and that price is an extremely important factor and is the bottom-line when purchasing a product. The biggest concerning factor for purchasing a product was determined to be price (Webb, 2011). Hence, it is reasonable to suggest that price is one important component in influencing consumer’s purchasing decisions taken by all age groups, including young adults on hybrid cars. By referencing the existing literature on price, it is hypothesised that:

H0: There is no relationship between the price of hybrid car and consumer’s purchasing decision.

H1: There is a relationship between the price of hybrid car and consumer’s purchasing decision.

## Design

Design is one of the variables in this research. Consumers have expectations when buying a product. Through what consumers have acquired from their cultural environment, consumer’s motivation to buy and even to pay a high price is based on a value judgment, like and dislikes of a sociological and psychological nature. In Webb (2011) studies, majority of respondent in strongly agree (UK-31%, US-39%, Other-38%) and agree (UK-48%, US-46%, Other-46%) that the design of the product is a considering factor when buying. According to Jung et al. (2010), it is known from consumer surveys that the design of cars greatly influences on consumer’s affection and therefore leads to their purchasing decisions. Additionally, Jung et al. (2010) study provides a basis of understanding underlying consumer’s affection in terms of user-centered design. In order to improve consumer’s affection and influencing their purchase decisions as consumer spends more and more time in cars, manufactures are developing interior design requirements to achieve positive results (Cho, 2005; Jung et al., 2010). There are hundreds of designs available on the market and it is difficult for consumers to choose one that catches their interest. Therefore, a car’s body design plays a very influential factor (Hagemann, 2011). Dull and ugly cars do not sell, consumers will not be attracted to design that just does not look particularly good at all (Cato, 2009). Designs have a certain positive causal relationship with purchase intention indirectly and are important factors affecting purchase decision. Therefore, automobile manufacturers should consider designing heterogeneously and individually for vehicles to satisfy consumer’s fashion and individual needs on the basis of the quality assurance (Wang & Li, 2010). In Nielsen (2010) online survey, the Nielsen Company looked at the factors most important to consumers when choosing new cars in the current economy. Surprisingly, 85% will consider buying if the new car were available now and met the key requirements such as design, dependability and durability. 12% of the respondents will consider buying the hybrid car if it had a unique design that set apart from existing car models. Design adds value to the product, giving it distinction to attract consumers who are more focused on the design and brand name. By far, price is a big indicating factor within any demographic group for buying products, alongside with the design of the product itself (Webb, 2011). Marketers should design the brand or product to match the way consumers understand, utilise, and emotionally connect themselves to a product. Hence, it is reasonable to suggest that design is one of the important factors in influencing consumer’s purchasing decisions. By referencing the existing literature on design, it is hypothesised that:

H0: There is no relationship between the design of a hybrid car and consumer’s purchasing decision.

H2: There is a relationship between the design of a hybrid car and consumer’s purchasing decision.

## Excise Duty

Excise duty is a tax or sometimes called duty in its simplest form and it is defined as levy and collection of duty on manufacture of goods (Kanak, 2002). Excise is imposed on consumption that is discouraged by the government such as alcohol and cigarettes, the production or sale of certain goods, normally luxury items as well as on gasoline and other fuels. On the other hand, excise is considered an indirect tax, meaning that the producer or seller who pays the tax to the government try to recover the tax by raising the price paid by the buyer. The Webster’s New International Dictionary, as mentioned in Kanak (2002), excise duty is any duty, toll, tax or an inland duty or impost levied upon the manufacture or sale or consumption of commodities within the country or tax upon pursuit of certain sports, trades, or occupations usually taking this in the form of fees or licenses. In Malaysia, excise duty is imposed on automobiles. Cost is a major barrier to adoption. For example, a Toyota Prius is priced slightly under RM 180, 000 before excise duty exemption. As cars are more of a necessity these days, overpriced cars are inhibitive for consumers. Before the exemption of excise duty, hybrid cars are considered expensive. Although they don’t cost as much as a sports car but they are by no means cheap for consumers. In Malaysia, existing taxes on cars, particularly excise duties are high. Excise duties should be exempted by the government for all hybrid cars if they are serious about encouraging hybrids (Yeoh, 2010). The government decision to grant full excise duty exemptions on hybrid vehicles below 2, 000cc until year end that had been announced during the tabling of Budget 2011 in October 2010 had lower the prices of hybrid cars. Public awareness of the benefits of hybrid cars has picked up considerably with lower price after excise duty waiver, and with that, sales of such cars has increased (Mahalingam, 2011). Toyota Prius is priced at RM 139, 900 in Peninsular Malaysia after full exemption of excise duty which lasts till the end of 2011, makes it an attractive proposition for Malaysian drivers (“ Standing a hybrid apart”, 2011). “ Excise duty exemption on hybrid cars is like a shot in the arm to this vehicle segment” (Mahalingam, 2011). The spike in demand for hybrids has been fuelled primarily by the Government’s decision under Budget 2011 to grant full excise duty exemptions on hybrid cars below 2, 000cc unti Dec 31, 2011. Representative from UMW Toyota stated that the company had received over 470 bookings for Toyota Prius and 946 bookings for the Honda Insight since the Government’s budget announcement (Mahalingam, 2011). “ Since the Government announced the exemption of excise duties (at Budget 2011) last year, demand for hybrid cars have shot up,” said MAA President Datuk Aishah Ahmad in Mahalingam (2011) news article. The sales of hybrid cars had risen and consumers in Malaysia are more aware of the benefits of hybrid cars since the exemption of excise duty. Hence, it is reasonable to suggest that exemption of excise duty on hybrid cars is one of the important factors in influencing consumer’s purchasing decision on hybrid cars. By referencing the existing literature on excise duty, it is hypothesised that:

H0: There is no relationship between excise duty and consumer’s purchasing decision on hybrid cars.

H3: There is a relationship between excise duty and consumer’s purchasing decision on hybrid cars.

## Fuel Economy

Fuel economy refers to the fuel efficiency relationship between distance travelled by an automobile and the amount of fuel consumed. Fuel economy indicates how far a vehicle travels on a unit of fuel. Fuel economy is one of the variables in this study. When it comes to making their final decision about which vehicle to buy, fuel economy is one of the factors that consumers focus on. Fuel economy is the number one factor driving consumer decisions about green vehicles (named by 57% of respondents) and more respondents in China and the U. S. pointed to fuel economy (Dixit et al., 2009). According to the 2008 Advanced Automotive Features Study, it is reveals that some 38% respondents indicate that they would sacrifice vehicle performance for better fuel economy (“ Fuel economy”, 2008). Eighty percent of consumers surveyed by the latest research from ExchangeandMart. com. uk in “ Fuel efficiency” (2011) article said that a car’s fuel efficiency directly affects their purchasing decision. Consumer Reports, 2009 in Jeffrey Gonder (2011) article found that prospective vehicle buyers listed fuel economy as a top factor of interest. Power Asia Pacific, (2010) found improved customer satisfaction with auto dealers in cases where those dealers provided advice for maximizing fuel economy when driving (Jeffrey Gonder, 2011). This further supports the thesis that consumers have some interest in fuel economy with the right encouragement. Increasing fuel economy standards encourages greater automobile use by reducing the cost per kilometre travelled (Thorpe, 1997; Agostini, 2010). Due to fuel price increases, consumers purchase more fuel efficient vehicles (Litman, 2004). A report comes from Market Intelligence research performed by the online arm of Kelley Blue Book reports that fuel economy has become a much more important part of the criteria buyers use to select their next vehicle (Bain, 2011). In the midst of escalating concerns about the dangers of greenhouse gas emissions, environmentalists hailed the superior fuel economy and wide range of the hybrid-electric engine as a critical breakthrough that could help save the environment without inconveniencing consumers (Thatchenkery, 2008). According to a survey by the Consumer Federation of America, fuel economy ranks near the top in consumer priorities in general (Zhuang, 2009). The survey found that 76% of customers intend to buy a vehicle with fuel economy averaging five miles per gallon greater than the mileage of their current vehicle. Hence, it is reasonable to suggest that fuel economy is one of the important factors in influencing consumer’s purchasing decision on hybrid cars. By referencing the existing literature on excise duty, it is hypothesised that:

H0: There is no relationship between fuel economy and consumer’s purchasing decision on hybrid cars.

H4: There is a relationship between fuel economy and consumer’s purchasing decision on hybrid cars.

## Environmental Consciousness

Environmental conscious can be known as affective traits that can signify an individual’s likings, dislikes, worries and consideration about the environment (Yeung, 2004; Sinappan & Rahman, 2011). The consumer’s spending pattern and preference has been growing and changing over time. People nowadays are more aware of the environmental issues. Generally, consumers tend to have a positive attitude towards green purchasing when they are aware of the environmental issues (Sinappan and Rahman, 2011). According to Soonthonsmai’s study in (Sinappan & Rahman, 2011), a green consumer is defined as consumers who are conscious of and interested in ecological issues. All products and services that have environmental impact are put into their considerations and these consumers initiative is to reduce them to the minimum. As mentioned in Sinappan & Rahman (2011), few studies were done on environmental consciouness (Barr et al., 2003; Milfont and Duckitt, 2004). The study done by Lee as cited in (Sinappan & Rahman, 2011) among Hong Kong’s young consumers revealed that environmental consciousness is the 2nd top predictor of green purchasing behaviour. This result is consistent with Sinappan & Rahman (2011) study where environmental consciousness is the 3rd top predictor of green purchasing behaviour. Consumers who have high concern on the environment often consider on how the quality of the environment can be improved and they would definitely engage themselves in buying environmentally friendly products, such as a hybrid car. According to Köszeghy, (2004), a study performed in the United States levels of consumer’s environmental consciousness was identified. There are the true-blue greens who are firmly environmentally conscious persons, exhibiting this in their actions. They crisply refuse products of firms having doubtful environmental performance and give preference to environment friendly products. Greenback greens are the youngest and best educated people who support environmentalism with money rather than with any action or their time. These are wealthy people, ready to pay extra cost for environment friendly products. Demand for environment friendly products appears among environmental conscious consumers. The quality of the environment is important, which is taken into considerations in their purchase decision. Firms should take segments formed by the level of consumer’s environmental consciousness into account in their decision making process (Köszeghy, 2004). Business today had changed, they are acknowledging that being environmentally conscious is being competitive and green products provide competitive advantage (“ Introduction to Environmental”, 2006). Hence, it is reasonable to suggest that environmental consciousness is one of the important factors in influencing consumer’s purchasing decision on hybrid cars. By referencing the existing literature on environmental consciousness, it is hypothesised that:

H0: There is no relationship between environmental consciousness and consumer’s purchasing decision on hybrid cars.

H5: There is a relationship between environmental consciousness and consumer’s purchasing decision on hybrid cars.

## 2. 5 DEPENDENT VARIABLES

## Purchasing Decision

The purchasing decision process is a stage that a buyer passes through in making decisions about which product or service to buy. Every day consumers are faced with purchasing decision. A better understanding of how consumers decide what to purchase is critical to the success of a product. Purchase decision occurs when the consumer actually makes the purchase. It includes the product, method of payment, package, location of purchase and all other factors that are associated with purchasing the product (Wolf, n. d). It is insufficient to understand how consumers arrive at their purchase decision because there are personal, psychological and social factors that influence the purchase decision. Understanding of these factors is essential to effectively market products. In this study, we focused on five variables, which are price, design, excise duty, fuel economy, and environmental consciousness as the factors that affect consumer’s purchasing decision on hybrid cars. As mentioned in the literature review, these five factors are reviewed and explained on how they affect consumer’s purchasing decision. This is important to marketers and they need to understand clearly about their consumer to be able to market their product with a good understanding of these purchasing decision processes.

## 2. 6 ITEMS OF MEASUREMENTS

## 2. 6. 1 Price

## 2. 6 SUMMARY OF LITERATURE

Table 2. 1 Summary of literature

## Dimension

## Authors

Price

Chang, 2009; Litman, 2004; KazaKevitch, Torlina & Hendricks, 2005; Hermann et al., 2007; Lalwani and Monroe, 2005; Webb, 2011; Monroe, 1990; Bryant, 2006; Herrmann, Xia, Monroe & Huber, 2007; Kishi & Satoh, 2005; Bikash, Pravat & Sreekumar, 2010; Okamura & Cairns, 2003; Wolf, Carpenter & Petrela, 2005

Design

Webb, 2011; Jung et al., 2010; Hagemann, 2011; Cato, 2009; Wang & Li, 2010; Nielsen, 2010

Excise Duty

Kanak, 2002; Yeoh, 2010; Mahalingam, 2011; Ahmad, 2011

Fuel Economy

Dixit et al., 2009; Jeffrey Gonder, 2011; Agostini, 2010; Litman, 2004; Bain, 2011; Thatchenkery, 2008; Zhuang, 2009

Environmental consciousness

Yeung, 2004; Sinappan and Rahman, 2011; Barr et al., 2003; Milfont and Duckitt, 2004; Köszeghy, 2004; Lee, 2008

Source: Adapted for this study

## 2. 7 SUMMARY

The five variables, which are, price, design, excise duty, fuel economy, and environmental consciousness plays an important role in consumer’s purchase decision. This study explored the five variables, which are, price, design, excise duty, fuel economy, and environmental consciousness by referencing the existing literature on how they affect consumer’s purchasing decision on hybrid cars. On the previous research, price plays an important role in purchasing an automobile. Price is always an important attribute in the decision-making process. Designs have a certain positive causal relationship with purchase intention indirectly and are important factors affecting purchase decision. It is known from consumer surveys that the design of cars greatly influences on consumer’s affection and therefore leads to their purchasing decisions. With a lower price after excise duty waiver, public awareness of the benefits of hybrid cars has picked up considerably and leads to more sales. Fuel economy has become a much more important part of the criteria buyers use to select their next vehicle. In business today, environmentally conscious is being competitive and it provides competitive advantage. The quality of the environment is important, which is taken into considerations in consumer’s purchasing decision.

## Chapter 3

## Methodology

## 3. 1 INTRODUCTION

The main objective of this research was to determine the factors affecting consumer’s purchasing decision on hybrid cars in Malaysia. In this chapter, various topics was discussed includes hypotheses development, research design, sampling technique, sources of data, scales and measurement, questionnaire design, data collection method, and statistical data analysis. After identifying the various independent variables, a hypothesis to test the validity of the relationship with dependent variable was developed. Next, the research design and sources of data were also elaborated. As this study was using the survey method of questionnaires, therefore the sampling technique, questionnaire design and measurement was in explained detailed. Finally, data collection method and statistical data analysis was also explained.

## 3. 2 RESEARCH DESIGN AND PROCEDURE

## 3. 2. 1 Type of study

This study will take place in urban areas in Malaysia where transportation is a necessity for consumers to travel around from place to place. Consumers like working adults who need vehicle to go to work and travelling in the urban area are more concern about the vehicles they drive.

## 3. 2. 2 Nature of study

This study found that design was positively correlated with price. Consumers have expectations when buying a product. Consumer’s motivation to buy and even to pay a high price for a product is based on value judgment. Value can and has been added in several different ways. For example, through recognizable mark or signature of the designer that can ‘ add value’ to the product. Another way to adding value is through symbolic capital, which refers to the enhancement or the power that emanates from the designer’s name, which in turn evolves into a signature, mark or brand of the designer or manufacturer. Design adds value to the product, give it distinction. As a result, consumers are willing to pay a premium for the product. Independent variables in this study which are price, design, excise duty, fuel economy, and environmental consciousness are all positively correlated to the dependent variable, which is purchasing decision. Consumers concern of the price and whether the product is worth what they paid for. This brings a positive relation that influenced consumer’s p