



**MARKETING DRIVERS AND MOTIVATORS FOR THE PURCHASE  
INTENSION OF CONSUMERS WHILE PURCHASING  
SECOND-HAND AUTOMOBILES**

A thesis submitted

By

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# DEDICATION

*I dedicate my whole work to my family, and my academic advisor who guided me in making this thesis possible.*

## **ACKNOWLEDGEMENT**

When I write this acknowledgement, lots of names keep on pouring into my mind who have made this tedious journey easier.

Firstly, I owe my deepest gratitude to my advisor. He has been an Ideal Report supervisor. His sage advice, academic experience, kindness, insightfulness criticism, proof reading and patient encouragement added in completion of a teamwork and writing of the report in numerable ways.

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## ABSTRACT

The primary goal of this research is to learn how marketing drivers and motivational factors influence purchase intention of customer attitudes toward second-hand purchase of automobile. Furthermore, how a customer makes a purchasing decision across all factors, as well as the positive and negative effects of Word of Mouth, deviates the customer's purchase intention.

For the purposes of this study, the researcher specifically selected the automotive sector as a relevant industry. The sample size for this study is 442 candidates whose core experience is of trading and importing second hand vehicles in Asia countries particularly India and Pakistan. This study employs a quantitative methodology. SPSS and PLS-SEM were used to gather and analyse the data. In order to evaluate the hypotheses, we chose significance levels of 0.05 and 0.01. Regarding the direct correlations between the variables.

The researcher utilised SPSS and Smart PLS software to perform the test and examine the correlations between the variables. An SPSS-based demographics test was carried out by the researchers. These tests included discriminant validity (the Fornell-Larker criteria), Heterotrait-Monotrait ratio of correlations, outer loadings and convergent validity, the PLS-SEM output and path co-efficiencies, all of which were carried out using the Smart PLS.

The variables as a factors of motivation and drivers used in this research found positive relation with the purchase intention. The findings of this study improve our understanding of the purchasing decision-making process for second-hand automobiles. Additionally, it offers new insight into how to influence customers' purchasing decisions by presenting a fresh point of view.

**Keywords:** *Purchase Intention, Word of Mouth, Critical Motivation, Hedonic Motivation, Perceived Quality, and Economic Motivation.*



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# CHAPTER 1

## RESEARCH OVERVIEW

### 1.0 Introduction

This is the first section of the study, which encloses the background of industry demographics, followed by the problem statement, which discusses the current situation and needs to conduct this study, the purpose of this study, research objectives, the significance of the study, and ends with its limitations, and delimitation.

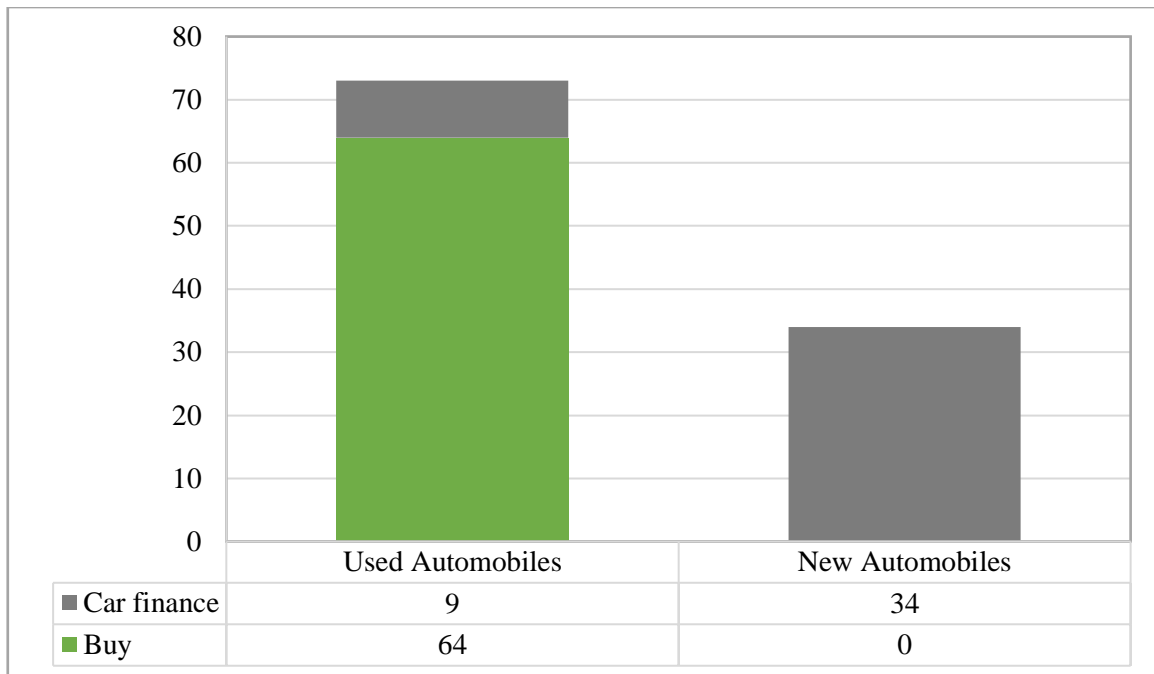
### 1.1 Background of the Study

From 1998 to 2020, with annual growth rate of 2.4 percent, the population of Pakistan has now more than 207 million, and it has been estimated that by the end of 2047, when Pakistan will be celebrating its 100th birthday, the population size is seeming to be double, i.e., 414 million. This intense population growth causes the scarcity in the services as well as all resources, needed by the people of Pakistan, because the population growth is much more rapid than the economic growth (Haq, 2017). At the end of FY20, the GDP growth rate of Pakistan has been contracted to 1.5 percent, about half of the working sector has become unemployed or faces income losses (Altaf, 2021). As a result of this, the frequency of poverty has been increased from 4.4 to 5.4 percent and about 2.3 million people fall below this line (WorldBank, 2021). With the decrease in economic growth, the consumption of used products or second-hand products are now become very common in Pakistan (Bashir, Lodhi, & Atif, 2016).

Human are involved in buying and selling since before the advent of community or society, and from that time the purchasing and selling of second-hand products are the common practice of people all over the world (GERLAUGH, 2011). The Second-hand products are such items or commodity goods that are no longer in the state of fresh or current item but can perform all

the functions that a new product can perform (Tarai & Shailaja, 2020). The purchasing trend of second-hand products had increased during the global economic recession. In which many European countries start second-hand markets where people were start selling their second-hand products at comparatively lower rates (Sulaiman, Mas'od, & Hasbullah , 2019). Countries like Italy, France and Sweden having increased percentage of second-hand purchasing of clothes and domestic products at that time (Seo & Kim, 2019). However, today, in Sweden, people are economically stable, but they still prefer to purchase second-hand products frequently. Similarly, Pakistan lies in the developing phase, and it is a developing country, where majority of people lies below the poverty line (Bashir, Lodhi, & Atif, 2016). Due to the increased population rate their percentage of people below poverty line has increasing daily. In such decreased economic condition of a state, majority of people in Pakistan are using second-hand products in order to fulfil their necessities (WorldBank, 2021). In the year, 2014-2015 the annual import of second-hand products from other countries was about 101.6 million and become increased to 147 million next year (Statistics, 2016).

In Pakistan, there is a huge second-hand automobile market. The factors that mainly drive people to purchase second-hand automobiles is the low production of local automobiles, as well as the huge premium pay on the import's vehicle. In order to get rid of these, people move to purchase second-hand automobiles. In 2019, about 7.5 million second-hand cars were purchased in a country (vehicles, 2021). According to the survey, conducted by Pak Wheels, about 64 percent people in Pakistan prefer more to purchase second-hand automobiles (Zahid, 2018). The summary of their survey is shown below.



*Figure 2.1 Pak Wheels Survey (2019)*

Other than that, there are several motivators that motivate the people to buy second-hand products (Haraldsson & Peric, 2017). According to Haraldsson & Peric, (2017), Critical Motivation and Hedonic Motivation have more significant relationship with Second-hand Purchase Intention. Provided that, consumers are more persuaded to purchase second-hand products as they give them a sense of responsibility toward their environment, as well as price sensitivity make more stronger relationship with purchase intention of second-hand product. While some consumers purchase second-hand products as they want to keep the nostalgic item. The finding of the study of Gerlaugh, (2011), shows that the product quality and the socio-economic factors are the key responsible driver for increasing second-hand purchase intention among the consumers.

Bashir, Lodhi, & Atif (2016), study the factors that impacts the purchase intention of second-hand products among the people of Pakistan. However, the available studies, focused on multiple dimensions and different variables to study the second-hand purchase intention, but no single study is available to measure the second-hand purchase intention of automobiles

among the consumers of Pakistan. Therefore, this study aims to investigate the drivers and motivators for the purchase intention of consumers while purchasing second-hand automobiles in Pakistan.

## **1.2 Problem Statement**

There are several previous studies available in the literature, that show the significant relationship between Critical Motivation, Economic Motivation and Hedonic Motivation and Second-Hand Purchase Intention (PI) (Tarai & Shailaja, 2020). Many studies among them are conducted on clothing, as well as apparel and fashion sectors to find the practical and theoretical relation among into Perceived Quality, Word of Mouth and Second-Hand Purchase Intention (PI). Piprani, Mohezar, & Jaafar, (2020), Yu, Huo, & Zhang, (2020) and Zhao, Linyan, & Baofeng , (2019) in their studies concluded that Critical Motivation, Economic Motivation, Hedonic Motivation and, Socio-Demographic Factors are important variables to gain sustainable environment and increasing Second-Hand Purchase Intention (PI), also with the factor of perceived quality and word of mouth, consumers enhance to purchase second-hand products. Several Studies have measured the Second-Hand Purchase Intention through Internal Hedonic motivation, economic motivation and perceived quality. Delic, Eysers, & Mikulic, (2019) have added the impact of word of mouth in their study-model to measure the Second-Hand Purchase Intention among consumers. The Second-Hand Purchase Intention (PI) is influenced by a variety of different factors which have been described in different research (Syed & Siddiqui, 2019). In addition to this, there are several other research that show the factors which effect the Second-Hand Purchase Intention (PI). In all available research, there is consensus in the findings and the results are harmonious to each other.

However, all these researches are majorly carried out in developed countries, show that one of the biggest factors in the Second-Hand Purchase Intention in these countries is hedonic factor,

ethical consumption, and perceived quality. Few research has been done on developing countries like India and Zimbabwe, etc. The findings of these studies are contrary to each other. Only few studies have done on Pakistan. Bashir, Lodhi, & Atif (2016), studies the brand, price, risk and seller's location and its impact on Second-Hand Purchase Intention on all sector. No other study is available on Pakistan. Moreover, these researches also have limitations as most of them were carried out in other regions than Karachi. Karachi's uniqueness is due to its specific demand and supply factors. It is the hub and backbone of business industry of Pakistan. Most of the biggest second-hand markets are situated in Karachi. In addition to this, these researches are also not specific to Critical Motivation, Economic Motivation and Hedonic Motivation, Perceived Quality, and Word of Mouth.

Based on this, it can be inferred that a gap exists in the available literature that addresses the Second-hand purchase intention specific to the second-hand market of Karachi. The current study aims to address this problem to determine the impact motivations factors and driving factors that impact Second-Hand Purchase Intention (PI) of automobiles in Pakistan. Therefore, the study aims to identify the impact of drivers and motivators for the purchase intension of consumers while purchasing second-hand automobiles in Pakistan.

### **1.3 Research Objective**

This research, therefore, seeks to examine and investigate the motivations factors and driving factors that impact Second-Hand Purchase Intention (PI). To explore every dimension of second-hand purchase intention (PI), in this study, I further divide motivations factors into Critical Motivation, Economic Motivation and Hedonic Motivation, and drivers into Perceived Quality, and Word of Mouth. So, following are the practical, as well as theoretical research objectives of this study:

1. To investigate the impact of Critical Motivation on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.
2. To investigate the impact of Economic Motivation on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.
3. To investigate the impact of Hedonic Motivation on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.
4. To investigate the impact of Perceived Quality on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.
5. To investigate the impact of Word of Mouth (WOM) on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.

#### **1.4 Research Question**

The research questions of the study are.

**Q1.** What is the impact of Critical Motivation on second-hand purchase intention (PI) of second-hand automobiles in Karachi, Pakistan?

**Q2.** What is the impact of Economic Motivation on second-hand purchase intention (PI) of second-hand automobiles in Karachi, Pakistan?

**Q3.** What is the impact of Hedonic Motivation on second-hand purchase intention (PI) of second-hand automobiles in Karachi, Pakistan?

**Q4.** What is the impact of Perceived Quality on second-hand purchase intention (PI) of second-hand automobiles in Karachi, Pakistan?

**Q5.** What is the impact of WOM on second-hand purchase intention (PI) of second-hand automobiles in Karachi, Pakistan?



## **1.5 Contribution of the Study**

This study addresses the driving factors and motivating factors associated with the second-hand purchase intention (PI) of the automotive sector of Pakistan. The study can serve as an addition to the literature available on the topic of second-hand purchase intention (PI). As the literature available on second-hand purchase intention (PI) is a very limited (Mofokeng & Chinomona, 2019). Therefore, this study can be of great significance in filling the literature gap.

Furthermore, the study also extends the area covered by the existing literature as it has focused on the automotive sector particularly to the biggest commercial city, Karachi, of Pakistan. The study can also prove to be of benefit to the researchers who wish to explore the topic of second-hand purchase intention (PI) not only in the automotive sector but also in other sectors.

In addition, this research can also be applied by companies and businesses functioning in different fields to enhance their businesses to get an idea about the necessary factors responsible for second-hand purchase intention (PI). The findings of the study also hold significance for the other developing countries apart from Pakistan and the organizations of other developing countries can also carry out second-hand purchase intention (PI) by adopting the strategies and techniques in consideration of the findings of this study.

## **1.6 Scope of the Study**

The study concentrates on Consumer purchase intention. As such, it understands the importance of Second-Hand Purchase Intention (PI) while purchasing second-hand automobiles in Pakistan and the role of motivational factors and other important factors. The scope of the research is thus restricted to researchers who are interested to explore not only in the second-hand automobiles industry but in other industries, the subject of second-hand

automobiles and Consumer purchase intention. This research can also be applied by organisations operating in various fields to increase their Consumer purchase intention with the aim of improving the efficiency of the purchase intention

### **1.7 Limitations of the Study**

The obvious limitation in this study is the small sample size and limited time allotted for this study. As the research was conducted on a small scale so the questionnaire design limits the source of information and details of questions, which should be, respond to. Limited access to the number of respondents due to less time, so data is collected only from those respondents who are easily accessible. As a result, the findings of this study only applied to a small group of people. Another drawback of this study was the data collection's usability. Exploratory study that employs a predictive analysis approach necessitates a broad sample size in order to provide reliable findings. Based on this, further analysis with a greater sample size and a straight examination of Consumer second-hand purchase intention (PI) would be needed to ensure the development of reliable results.

### **1.8 Organization of the Study**

This study is focused on identifying the drivers as well as motivators that induce the second-hand purchase intention (PI) among the consumers of Pakistan while purchasing automobiles. The drivers I adopt for this study are perceived quality, word of mouth (WOM), and motivators on which the study focus are critical, economic, and hedonic motivation. This study analyses the relationship between drivers, motivators, and second-hand purchase intention (PI), as well as determines the impacts of all variables on second-hand purchase intention (PI). This section gives a brief introduction about the study, enclosing research background, objectives, problem statement, scope, and limitations, while the following sections of this study have an in-depth discussion of the study topic. The rest of the study is sorted out as follows: this section will

give a presentation about the problem, objectives, questions, justification, and related investigation. The subsequent section will clarify the hypothetical development that explains the dependent and independent variables. The third section will introduce the methodological structure that portrays Approach, Design, Population, Data Collection, and factors. The fourth part will introduce Data examination and explanations. The fifth section will introduce outcomes and recommendations.

## **1.9 Operational Definitions**

### **1.9.1 Purchase Intention (PI)**

The intention to buy the specific commodity is a kind of decision making (Edwards & Eriksson, 2020). Morinez et al. (2007) defines buying desire as a circumstance in which consumers in some contexts prefer to acquire a certain commodity. Decision buying is a dynamic mechanism for consumers (Markova & Grajeda, 2020).

### **1.9.2 Second-Hand Purchase Intention**

Second-hand buying intention refers to a person's decision to buying goods that have already been bought and consumed by another consumer (Chipambwa, Sithole, & Chisosa, 2017). Customers choose the similar provider and order the same product based on past experiences of others. An individual's second-hand buying intention is based on their evaluation of the company that best meets their needs and fulfil their cost (Curvelo, Watanabe, & Alfinito, 2019).

### **1.9.3 Critical Motivation (CM)**

According to Roux, Dominique & Guiot (2010), Critical Motivation has significant consequences for the study of habits and actions such as improved communication and

problem-solving techniques implementation in novel contexts. People must de-identify from restrictive social institutions as a critical motivating factor.

#### **1.9.4 Economic Motivation (EM)**

Customers who buy in second-hand markets are looking for low and equal prices in terms of economic motivations (Seo & Kim, 2019). Those consumers are price-conscious and on the lookout for good deals. Poverty is seen as one of the main motivators for second-hand shopping since it is a less expensive option to purchasing fresh goods (Ahmed & Batool, 2018).

#### **1.9.5 Hedonic Motivation (HM)**

Customers enjoy second-hand shopping because of the "adventure of the chase" (Mirza & Manarvi, 2019). This treasure-hunting motivation is best reflected in the words as "the never-ending quest and desire for that unique gem." To put it another way, consumers love the process of looking for one-of-a-kind products, known as Hedonic Motivation (Bashir, Lodhi, & Atif, 2016).

#### **1.9.6 Perceived Quality (PQ)**

Perceived quality refers to a customer's opinion of a product's quality; it reflects the customer's overall assessment of a product's supremacy. The four dimensions of perceived quality are used in this analysis to assess consumers' overall assessment of a good or service: dependability, efficiency, dominance, and accuracy (Cespedes, 1996).

#### **1.9.7 Word of Mouth (WOM)**

People are social creatures that exist in a social environment. People measure themselves against others, aiming for recognition, belonging, and reputation. As a result, their social climate influences customers (Hristova, 2020). Individuals with whom a customer has social

contact are more likely to affect the consumer's purchasing habits than those with whom the consumer has only casual contact (Hussain, 2020).

## **CHAPTER 2**

### **REVIEW OF LITERATURE**

#### **2.0 Introduction**

The objective of this thesis is to look into the Second-Hand Purchase Intention (PI) while purchasing second-hand automobiles in Pakistan. This section provides an analysis of second-hand automobiles' sector of Pakistan. It then goes over the hypotheses that explain the current research. It then goes through the literature review on every dimension of second-hand purchase intention (PI), Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and word of mouth (WOM). The theoretical model and proposed theories are discussed, based on the literature. Finally, a conceptual model was proposed.

#### **2.1 Overview of Second-Hand Automobile Industry**

Let's take Pakistan as point of reference. Pakistan's economy is classified as semi-industrialized economy (Hafiz & Zafar, 2012). Despite significant changes in the country's infrastructure in 2018, the country continues to struggle to maintain macro - economic sustainability (Mirza & Manarvi, 2019). The agriculture industry, the manufacturing industry, the production industry, and the retail industry are the main industries of Pakistan (Ahmed & Batool, 2018). The automotive sector of Pakistan is still in its developing stage, few automakers are available in the country, who are not able to meet the standards of international automobiles (Mirza & Manarvi, 2019). The automotive industry's advancement is critical to a nation's economic stability. The industry can generate a lot of money and employs a lot of individuals. Pakistan's automotive industry is underdeveloped, so the country imports a significant volume of automobiles (Aqil, Fazal, Dilshad, & Qadeer, 2015). Since, globally, there are only few dominant and successful automotive manufacturers in the world, there is little competitiveness,

and as a result, for Pakistan, the vehicle costs are relatively huge (Kemal, Abbas, & Qadir., 2012).

That is why, Pakistan is a largest importer of Japanese and other foreign used automobiles (Hafiz & Zafar, 2012). Pakistan's existing auto market is flooded with used cars because they are affordable and their performance is as per the global standards. Used automobiles are common in every part of our country because they are dependable, high-quality, and safe to drive (Ijaz & Khan, 2019). Along with used vehicles, Pakistan also imports a considerable quantity of used parts from other technologically advanced countries. The majority of vehicles imported into the country are luxury cars with displacements of 1300cc and higher (Javeria & Bhatti, 2016). There's no doubt that used automobiles account for a significant fraction of the Pakistani automobile industry (Hafiz & Zafar, 2012). Because of the heavy taxation imposed on local automobiles, the industry is dominated by high-priced standard models, making it incredibly challenging for consumers to purchase new automobiles. As a result, the used car industry has exploded, with consumers preferring to purchase used cars because they offer more benefit for comparatively lesser investment (Mirza & Manarvi, 2019).

Prior to the introduction of COVID-19, sales figures between July 2019 and February 2020 revealed that new car sales in Pakistan had dropped by as much as 44% when compared to the same months in the previous year (Javeria & Bhatti, 2016). Given these staggering numbers and Pakistan's automotive sector's 4% contribution to the national economy, it's fair to conclude that the national economy has suffered a significant setback as a result of the drop in new car sales (Aqil, Fazal, Dilshad, & Qadeer, 2015). The automotive industry of Pakistan was losing finances due to a significant drop in passenger car purchases (Ahmed & Batool, 2018). Overall, the data indicated that consumer car sales declined by more than 50% from March to October relative to the same timeframe in 2019. However, statistics show that used car trade increased

dramatically during COVID-19, as consumers went all out for the options that fell within their budgets (Hussain, 2020).

## **2.2 Second-hand Purchase Intention**

The intention to buy the specific commodity is a kind of decision making (Edwards & Eriksson, 2020). Morinez et al. (2007) defines buying desire as a circumstance in which consumers in some contexts prefer to acquire a certain commodity. Decision buying is a dynamic mechanism for consumers. The intention to buy is generally linked to customer Behaviour and attitude, understanding and perceptions. Purchasing Behaviour is an important point of entry and evaluation for customers of a particular commodity. Purchase intention, according to Gosh, is a useful method for predicting the purchasing procedure Purchase intentions may be influenced by factors such as cost brand image, and purpose (Haraldsson & Peric, 2017; Tarai & Shailaja, 2020). During the purchasing cycle customers are often influenced by internal and external motives (Guang, Riaz, Zafar, & Shahzad, 2020).

Researchers have identified six phases that consumers go through before making a buying decision: understanding, experience, desire, choice, motivation, and purchasing (Xu, Chen, Peng, & Anser, 2020). Customers believe that because a commodity is offered at a cheap price, the standard could not be entrusted (Younus, Rasheed, & Zia, 2015). Second-hand buying intention refers to a person's decision to buying goods that have already been bought and consumed by another consumer (Chipambwa, Sithole, & Chisosa, 2017). Customers choose the similar provider and order the same product based on past experiences of others. An individual's second-hand buying intention is based on their evaluation of the company that best meets their needs and fulfil their cost (Curvelo, Watanabe, & Alfinito, 2019). Customers' decision to buy second-hand is based on the value they received in previous purchases, such as acceptable performance standards (benefits), competitiveness, and price factors (Szymkowiak,



Borusiak, Horska, Raszka, & Zelichowska, 2020). The second-hand purchasing purpose is the person's opinion that the same good is purchased again (William & Auchil, 2002). Second hand buying includes judging a person about the same product which meets his needs and assessing the potential situation (McDougall & Levesque, 2002). In fact, the purpose for repurchase depends on the valuation derived from other prior acquisitions (Kaynak, 2003), such as: suitable performance requirements (benefits), competitiveness and cost requirements (Kumar, 2002).

Second-hand purchasing intentions also have a strong consumer loyalty partnership (Roux, Dominique & Guiot, 2010). In general, shoppers carry out Second-hand purchases depending on the value derived by previous occurrences or interactions, which is an intermediary for potential benefits preferences (Hobbs, 2016). Study shows that the brand reputation positively impacts consumer second-hand buying intentions, which are moderated by higher and lower prices. The firm is also supposed to offer a reasonably favourable cost of the commodity as well (Seo & Kim, 2019). Further study reveals that presumed incentives do not influence Second-hand purchasing intentions while perceived quality and reliability are the crucial dimensions of Second-hand purchasing intentions. In assessing the intention to purchase, previous satisfaction with a good is key (Delic, Eyers, & Mikulic, 2019). Customer pleasure is often considered to be a direct determinant (Cozer, 2012). Research with automobiles found, among them, a moderator focused on the reliability (Edwards & Eriksson, 2020) and quality standards of products for first class customers and luxurious properties and brand loyalty are necessary (Tarai & Shailaja, 2020; Ramola, Yadav, & Jain, 2018).

The majority of subsequent research has established a strong link between brand and customer purchasing intentions in his research, Zeeshan (2017) discovered that brand recognition has affected individual purchases. According to Divolf (2004), higher brand awareness is more

likely to lead to high brand engagement in the minds of consumers. As a result, further research is needed to determine if customers are able to buy used goods and what factors are preventing them from doing so. This is the information void that this research design is attempting to fill.

## **2.3 Theoretical background**

### **2.3.1 The Means-End Theory**

In 1982, Jonathan Gutman did study on consumer behaviour and proposed a model named, Means-End Theory. In this theory, Gutman proposed the means-end chain model, this model provides investigators with a roadmap for addressing the interconnections between customer expectations and market attributes. The means-end chain is the relation of what a consumer wants to be and how they achieve their desired wants (Gutman, 1982). The ‘means are the want (product/service/activity) that consumers desire to get or perform in their daily lives. While ‘ends’ are the consequences or outcomes/ after-effects that describe as the happiness or accomplishment. By applying the means-end theory in this study, the means are the second-hand automobiles, while ends are the accomplishments are fulfilments the consumers perceive, which motivate them to buy second-hand automobiles and increase the purchase frequency. In his own theory, Gutman (1982) discuss this means-end chain in context with fashion and apparel, but it could be applicable to consumer purchase intention behaviour for every product. The means-end theory describes the purchase behaviour as the sense of accomplishment or fulfilment for the consumer. According to Gutman (1982), consumers have desired wants to buy or avail certain things in their lives on daily basis, the purchase on occur when they have means to fulfil them. However, consumers use these means when they have perception of value they obtain after spending means over them (GERLAUGH, 2011; Bashir, Lodhi, & Atif, 2016). Simply, we say that consumers involve only those purchases which give them maximum values in return. The subconscious values the perception of accomplishments or the sense of gaining

maximum psychological return from their purchase decision (Gutman, 1982; GERLAUGH, 2011; East, Romaniuk, Chawdhary, & Uncles, 2017).

Whether the significance of the buyer's choice to acquisition was optimistic or destructive an act of ingestion must occur before the desired result was realized (Gutman, 1982). Each end user might have observed the same magnitude differently be contingent on his or her values (Haraldsson & Peric, 2017). A buyer may have acquired used autos without be familiar with it because of a certain level of sustainability and/or previous know-how or economic features. Quite often the significances of behaviour are overlooked, however this does not influence the customers' ideals (Tarai & Shailaja, 2020; Seo & Kim, 2019; Gutman, 1982). The use of Gutman's Means-End model conducted this survey by offering a test for evaluating if the user's purchasing intention (buy frequency) towards used autos was influenced by the customer's values (sustainability and monetary values).

### **2.3.2 Theory of Planned Behaviour (TPB)**

Consumer Behaviour is a difficult process (Ajzen, 1991). The Theory of Planned Behaviour (TPB) is the well idea that originated in the psychological literature and is used to explain person's Behaviour with regard to decision (Szymkowiak, Borusiak, Horska, Raszka, & Zelichowska, 2020). The theory, in general, describes the fundamental link between people's beliefs, attitudes, intentions, and behaviours. It is an expansion of the Theory of Reasoned Action (Fishbein & Ajzen, 1975), necessitated by the original model's limits in studying Behaviour over which individuals have insufficient volitional mechanism. The TPB is frequently used for investigating any form of customer Behaviour and is commonly acknowledged as legitimate (Tarai & Shailaja, 2020).

Numerous academics utilized it to explain purchasing and consumption Behaviour, such as predicting healthy eating habits (Alam, 2014) and generally in control consumption

(Haraldsson & Peric, 2017), and Pro-environmental purchasing intents, such as buyers' target to visit green hotels (Cozer, 2012). The TPB model's key principle is that most people's actions are reasonable and within their own controller. The person's desire to agree to a given action is the prime variable in the TPB. All motivational elements affecting an action are supposed to be aggregated by intention, which includes behavioural intentions, subjective norm, and behavioural intention choice (Edwards & Eriksson, 2020). People with countless intents are more likely to participate in a given Behaviour since the incentive elements for doing the Behaviour present. Three variables are proposed by the theory to clarify somebody's behavioural intention: "attitude", "individual norms", and "apparent Behaviour control". The TPB model's last component is definite Behaviour, which, according to Ajzen (1991), may be anticipated from behavioural intent. Unlike the usual view of attitude as a positive or negative appraisal of an item, the TPB construct of attitude is connected to the attitude toward the Behaviour. It indicates that attitude is defined as a good or negative judgement of one's performance of the in-issue Behaviour (Ajzen, 1991; Bashir, Lodhi, & Atif, 2016).

The Theory of Premeditated Behaviour TPB, which has been widely utilized to study consumer Behaviour, posits that consumer Behaviour is the consequence of planned Behaviour rather than spontaneous actions (Markova & Grajeda, 2020). According to the TPB, consumers' behavioural intentions are influenced by their attitude toward the activity, subjective norms (SN), and perceived behavioural control (PBC). Consumer behavioural intention and PBC are both expected to lead to definite behaviour. In the perspective of second-hand automotive buying intention, it is proposed that the following two experiences impact second-hand automotive buying intentions: (1) "Critical motive "(previous experience) (2) "Perceived quality" (3) "Ethical Consumption". The TPB goes on to say that consumers' attitudes about certain behaviours are influenced by their ideas about such Behaviour (Fishbein & Ajzen, 1975; Ajzen, 1991; Chipambwa, Sithole, & Chisosa, 2017).

## **2.4 Motivational Factors of Second-hand Purchase Intention**

People search for second-hand automobiles for a variety of reasons, as previously reported. When it came to second-hand purchases, they made a significant contribution to the sector by identifying and categorising different reasons for purchasing used products (Guiot & Roux, 2010). There are three types of motivation: critical motivation, economic motivation, and hedonic motivation.

### **2.4.1 Critical Motivation**

Using second-hand products has a long history that dates back to the Renaissance period, when society was poor (Haraldsson & Peric, 2017). There is historical evidence of second-hand use from various times that shows its evolving context up to the present day. Prior to the industrial revolution, modern and new automobiles were considered a luxurious item that could only be afforded by the wealthy. Second-hand vehicles were comparatively an inexpensive option for the public, and it was commonly traded through social group (Markova & Grajeda, 2020). Within the industrial revolution period (c. 1700-1850), second-hand automobile trade expanded (Chen & Paulraj, 2014; Markova & Grajeda, 2020). Critical thoughts can significantly impact on habits and actions such as knowledge sharing and implementation of problem-solving skills in new contexts. The key driving factor involves the de-identification of individuals from restrictive social institutions (Barrat & Barrat, 2011). It was acclaimed in the general populace and demanded due to affordable prices, leading to a wide trading network (ibid.). After the industrial revolution, the meaning of second-hand purchases changed. With the implementation of high-tech new vehicle in the mid-end 19th century, providing automobiles of greater variety and lower prices, second-hand trade decreased. Due to this, used vehicles were consumed mostly by poor families and became a sign of the low social class (Halevy, 2016). By this means, it is assumed that second-hand purchases obtained this bad

stigma. Considering Europe, it has not changed until the 1990s, when second-hand purchases gained another meaning in the wider public as retro-styled vehicles became fashionable for the mainstream and the styles from the 1970s revitalised (Xu, Chen, Peng, & Anser, 2020). This has recently gained greater attractiveness since wearing vintage vehicles has become more stylish (Cozer, 2012).

Buyers equate second-hand buying on the basis of critical motivations: saving resources eliminating wasting, handling existing capital wisely and maximising the life of a commodity" (Hobbs, 2016). This crucial aspect is supported by Guiot and Roux (2010), who argued that the second hand buying enables the consumers to circumvent traditional networks, and promotes ethical and environmental issues around reuse and disposal. Others authors agree with the above-mentioned points, arguing that second-hand shopping is a type of ethical and ecological consumerism, reusing usable goods, reducing natural resource depletion, and mitigating negative environmental effects, especially by reducing disposal (Chipambwa, Sithole, & Chisosa, 2017). Those customers buy used cars because of ethical concerns: they are worried with resource shortages and so want to avoid waste and usage (Guiot & Roux, 2010). With regard to acquiring used goods, second-hand consumption of clothing has been increasingly researched in different contexts within the last two decades. Studies of DeLong et al. (2005) and McColl et al. (2012) particularly deal with the context of vintage. Furthermore, it has been studied in the luxury context, for instance, by Turunen and Leipämaa-Leskinen (2015). Apart from research within Western societies, second-hand clothing consumption has also been studied with regard to the Asian market with contributions by Xu et al. (2014) and Chan et al. (2015). Considering the focus on motivations for shopping second-hand, some studies focus on a general context of used goods (Williams 2003; Bardhi and Arnould, 2005; Guiot and Rioux 2010), whereby others focus specifically on clothing (Cervellon et al. 2012; Yan et al.

2015; Ferraro et al. 2016). In connection to the purpose of the current study, a more detailed review of the latter is further set out hereinafter.

The motivations for consuming second-hand products have been studied in different contexts, resulting in various explanations for second-hand products being consumed apart from economic reasons in the Western society. In recent studies, it is referred to both economic and recreational motivations which are interconnected (Bardhi and Arnould 2005; Guiot and Rioux 2010).

Also focusing on clothing, Cervellon et al. (2012) examine motivations of women purchasing vintage versus second-hand. It is one of the studies to explicitly examine the impact of Eco consciousness for shopping second-hand clothing which has not been found out to be directly motivating (ibid.). Yan et al. (2015) examined the behaviour of purchasing second-hand clothing of college students based on different psychographic variables, inter alia environmentalism. They evaluated a difference between second-hand clothing shoppers and non-shoppers considering a positive attitude towards environmentalism and the sustainable perception of second-hand clothing (ibid.). However, the frequency of shopping in second-hand shops has not been influenced by that, if purchasing second-hand clothing is not a reflection of their attitude (Yan et al. 2015). Yet in general, college students who purchase clothing in second-hand stores tend to be more environmentally conscious in comparison to non-shoppers (ibid.). The above literature shows the influence of Critical Motivation on Second-Hand Purchase Intention. We develop hypothesis from above literature.

***H1: Critical Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.***

### **2.4.2 Economic Motivation**

Customers who buy in second-hand markets are looking for low and equal prices in terms of economic motivations (Seo & Kim, 2019). Those consumers are price-conscious and on the lookout for good deals. Poverty is seen as one of the main motivators for second-hand shopping since it is a less expensive option to purchasing fresh goods (Ahmed & Batool, 2018).

Second-hand stores encourage customers to purchase used goods at a lower cost. What's essential, particularly for price-conscious customers? Any customers are looking for bargains and they want to save money or have a good deal (Ajzen, 1991). However, not just the disadvantaged buy used goods at flea markets, car boot sales, or second-hand shops; the rich often do so because it is enjoyable, social, and exclusive. The point at which consumers can collect or purchase physical goods or services is referred to as the market place or venue. It is an essential part of the marketing mix. It may also be referred to as a medium of delivery. The author would concentrate on the end point of this delivery channel in this report (Alam, 2014). A conventional store or an online outlet may serve as the delivery channel's end point. Even if "the utility from the consumption of good is the same, whether the buyer purchased it at a department shop or an Internet store," the market place or venue has a significant impact on customer purchasing conduct (Saunders, Thornhill, & Lewis, 2009). For e.g., if a consumer tries to purchase a product online, the absence of physical proximity to the product makes the customer feel riskier. Furthermore, compared to traditional shoppers, "online shoppers can demand more product detail, more product selection, and more customised or specialised goods." Furthermore, according to study, an online shopper is not as inspired as a regular shopper to buy for pleasure or leisure (Altaf, 2021).

Customers nowadays do not need to visit a department store; in reality, they do not even need to leave the convenience of their homes to look for items in various stores. Customers can also



purchase items from electronic marketplaces via the Internet rather than visiting a physical retail store or conventional market, saving both money and time (Oettmeier & Hofmann , 2017). Customers can now access several retailers over the Internet rather than going to a physical store, which has resulted in decreased browsing time and switching costs (for example, between competing sellers). Previous research has shown that when it comes to price, there is a major gap between online and traditional shoppers (Aqil, Fazal, Dilshad, & Qadeer, 2015). Paying the lowest possible price, for example, is a significant motivator for online shoppers. There have been major studies in the field of consumer purchasing behaviour as well as the decision process, especially on conventional retail channels and Internet-based buying channels, in light of various changes (Ramola, Yadav, & Jain, 2018). However, the majority of research concentrate on Internet shopping, the online buying process, the topic of confidence and risk, and the impact of trust and risk on decision-making. As a result, there is a knowledge deficit in the literature about the relevance of seller position in the second-hand industry (Barrat & Barrat, 2011). There is another information vacuum that will be filled by this study.

Price is one of the most important factors that consumers consider before making a purchasing decision; it is one of the most important factors that consumers consider before making a purchase decision. Price is the cash value of a good or service that a customer would pay for (Aqil, Fazal, Dilshad, & Qadeer, 2015). Price is a sum of money that customers would pay against a commodity in order to obtain possession. The majority of people regard the price as a tool for determining product consistency. Price is the amount of a product's cost and the benefit made by the seller of that product. The consumer associates the price with the advantages or pleasure he derives from the purchase (Chen & Paulraj, 2014).

Pakistan is a developing world where price is the most significant consideration when buying commodities. Many consumers in Pakistan are unable to purchase goods due to high prices.

People intend to purchase products but delay their decision due to high prices. Consumers have access to benefits and convenience in exchange for the price they pay for goods. (Haraldsson & Peric, 2017). Price has an impact on customer repurchase behaviour and brand loyalty. Most customers want a low-cost, high-quality commodity. Local brands occasionally deliver affordable prices and serve as a replacement for high-priced brands for consumers. The literature cited above demonstrates the impact of economic motivation on second-hand purchase intent (Hafiz & Zafar, 2012). We shape hypotheses based on the literature.

***H2: Economic Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.***

### **2.4.3 Hedonic Motivation**

Ferraro, Sands, and Brace-Govan (2016) looked at fashion ability as a justification for purchasing second-hand products, and found that 83 percent of their participants said they purchase second-hand goods because they are trendy. Other reasons that promote second-hand use include treasure seeking and the quest for authenticity, social contact, and nostalgic enjoyment (Mofokeng & Chinomona, 2019). Customers enjoy second-hand shopping because of the "adventure of the chase" (Mirza & Manarvi, 2019). This treasure-hunting motivation is best reflected in her words as "the never-ending quest and desire for that unique gem." To put it another way, consumers love the process of looking for one-of-a-kind products (Bashir, Lodhi, & Atif, 2016). Second-hand shoppers enjoy scouring second-hand stores in the hopes of stumbling across a true gem.

Clothing can take on abstract meanings and serve as a self-expression tool. This can happen because customers knew who the former owner of the clothing was, particularly whether it was an acquaintance or family member, giving the clothing a special significance (Markova & Grajeda, 2020). When it comes to second-hand clothing purchases, however, this does not work

because the buyer does not recognise the original owner and has no emotional connection to the garments. And if receiving memories from clothes is still probable in that situation. Purchasing specific used clothes from a specific period enables the buyer to draw sentimental value from the clothing and to extract context from when and for whom it was made (Borusiak, Szymkowiak, Horska, Raszka, & Zelichowska, 2020).

Second-hand shopping is also a good way to meet new people. Shopping, according to Guiot and Roux (2010), is about socialising with friends, families, and others during the process, and this is true even when shopping second-hand. Furthermore, the writers suggested that the need to buy original or rare pieces that some do not have or that cannot be sold in traditional shops is a reason to buy second-hand (Kemal, Abbas, & Qadir., 2012).

Sustainability emphasises people's well-being and environmental protection; it is thus linked to self-transcendent ideals. Hedonism, aestheticism, affluence, ostentation, and surplus, on the other hand, are more associated with wealth. Individualistic ideals such as hedonism or satisfaction, according to many surveys, have a positive impact on green purchasing behaviour, especially when it comes to green or organic food (Bashir, Lodhi, & Atif, 2016). As a result, hedonism could have a favourable impact on purchasing intentions for green durable goods. Hedonism, on the other hand, is often synonymous with luxury, stressing a person's personal desires and well-being. Several reports indicate that hedonism as a self-improvement value has a negative impact on green purchasing intentions (Styvén & Marian, 2020). Overall, self-enhancement ideals like conspicuousness and hedonism clash with pro-social values like self-transcending values. The following theories are proposed since there is no consensus on the course or magnitude of the effect of hedonic motivations on green car purchasing behaviour:

***H3: Hedonic Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.***

## **2.5 Drivers of Second-hand Purchase Intention**

### **2.5.1 Perceived Quality**

Perceived quality refers to a customer's opinion of a product's quality; it reflects the customer's overall assessment of a product's supremacy. The four dimensions of perceived quality are used in this analysis to assess consumers' overall assessment of a good or service: dependability, efficiency, dominance, and accuracy (Cespedes, 1996). Perceived quality was found to be an important factor in customer loyalty, with the higher perceived quality customers have, the higher their purchasing intention. The study also found a clear link between perceived quality and purchase intent, suggesting that perceived quality may be used to forecast purchase intent (Kemal, Abbas, & Qadir., 2012).

Customer perceptions of product and service quality in relation to the intended intent are referred to as perceived quality. Consumer preferences tend to be based on a measure of quality satisfaction with those of other products. Customers viewed perceived consistency as a more defined term dependent on product and service characteristics (Chen & Paulraj, 2014). Quality can be controlled to some extent by the company. As a result, it is proposed that while perceived quality is viewed as an overall assessment, perceived quality is viewed as a source of satisfaction (Kahn & Mentzer, 1996).

Customers who have access to pricing information can be more or less price sensitive. Low price sensitivity, for example, may be correlated with higher quality expectations, as described in the theoretical section; consumers who perceive higher quality could exhibit lower price sensitivity. Furthermore, a higher level of quality will lead to lower price sensitivity. The use of a brand as a heuristic for making a decision and its impact on perceived quality are two ways that brand awareness can affect (Hafiz & Zafar, 2012). By exploring the impact of brand recognition on customer preference, pioneers' study at the level of individual choices. The

thesis looked at how brand recognition works as a heuristic and how it affects perceived consistency (Haraldsson & Peric, 2017). The aspects of brand value, one of which is perceived consistency, have a favourable association with word-of-mouth contact. Perceptions of competitive pricing and web site credibility influence perceived cost, which influences perceived value; and perceived value, website reputation, and perceived risks influence online confidence, which influences repurchase intentions (Syed & Siddiqui, 2019). The preceding research demonstrates the impact of perceived quality on second-hand purchase intention. We shape hypotheses based on the literature.

***H4: Perceived Quality has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.***

### **2.5.2 Word of Mouth (WOM)**

People are social creatures that exist in a social environment. People measure themselves against others, aiming for recognition, belonging, and reputation. As a result, their social climate has an effect on customers (Hristova, 2020). Consumption not only satisfies individualistic desires, but it also satisfies universal needs such as belonging and social identification. Several studies have been conducted in recent decades that have shown that reference groups have an effect on people's behaviours and decision-making, especially in consumer behaviour (Halevy, 2016).

Individuals with whom a customer has social contact are more likely to affect the consumer's purchasing habits than those with whom the consumer has only casual contact (Hussain, 2020). Differentiate from two kinds of comparison groups: normative and comparative reference groups. Individuals may attempt to achieve and retain approval from a normative comparison community. Since the group sets the criteria for people, recognition is achieved by following the group's perceptions, beliefs, and norms (Haq, 2017). A comparative reference group is a

group from which people make observations and interpretations of themselves and other people.

The majority of recent reference group study has concentrated on constructive reference groups. As a result, user tastes are influenced by dissociative comparison classes. A dissociative comparison group is a derogatory group in which people do not wish to be known or linked. An analysis also discovered two other optimistic comparison groups: the membership reference group and the aspirational reference group. The membership reference group is the new group to which the entity belongs. This party may be a family or a group of peers. The aspirational comparison group is a group from which an individual interacts and is drawn, as well as a group with which the individual desires to be a member, such as celebrities.

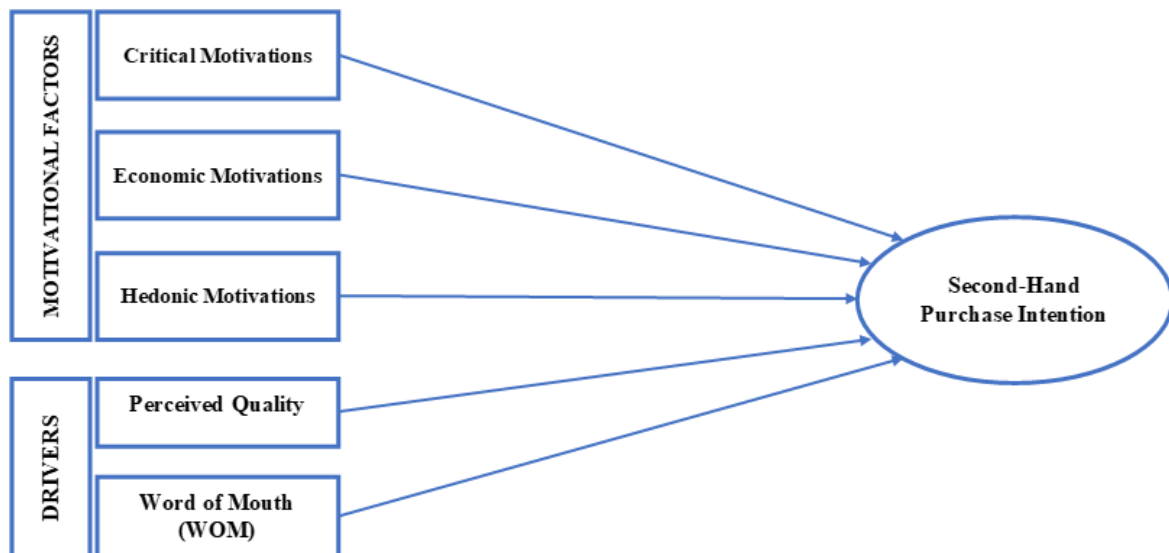
WOM has had an impact on people's thoughts, emotions, and behaviour (Aqil, Fazal, Dilshad, & Qadeer, 2015). WOM is an informal means of contact between users, and much study has been done on organic WOM, which is WOM that happens spontaneously rather than being deliberately sparked by advertisers. Consumers search out insights from other consumers to ensure that they are making the best decisions possible. Consumers often use this method to mould their beliefs and behaviours (Chipambwa, Sithole, & Chisosa, 2017). As a result, word-of-mouth (WOM) may have a huge effect on other people's emotions, opinions, and purchasing decisions. WOM is said to have the ability to sell goods and services for a long time. Trustworthiness, expertise, and facts of the person who talked about a product were found to be important in the report (Javeria & Bhatti, 2016).

While characteristics such as self-perceived awareness and purchase engagement of the person who listened to the recommendations were significant factors in the purchase's completion, finally, they discovered a close correlation between the use of WOM and the attitude toward the suggested commodity (Xu, Chen, Peng, & Anser, 2020). The literature cited above

demonstrates the impact of the Reference Group and WOM on Second-Hand Purchase Intention. We shape hypotheses based on the literature.

***H5: Word of Mouth (WOM) has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.***

## 2.6 Conceptual Model



## 2.7 Research Hypothesis

**H1.** Critical Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan

**H2.** Economic Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan

**H3.** Hedonic Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan

**H4.** Perceived Quality has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan

**H5:** Word of Mouth (WOM) has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan

## **2.8 Chapter Summary**

The related literature on Second-hand purchase intention and its motivational factors and drivers were addressed in this chapter. It also discusses the reasons that undergirds the relationship between second-hand purchase intention (PI), Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and Word of Mouth (WOM).



# CHAPTER 3

## METHODS AND MATERIALS

### 3.0 Introduction

This section of the study comprises of all strategies and methods used as a part of this project to complete efficient examination with a specific end goal and achieve the conclusions. It begins with describing the process of research, design, philosophy, and strategy. Further, it explains the sampling and data collection methods and finally it ends with variables identification and research setting.

### 3.1 Research Process

Research process is the gradual process needed to follow by researcher to achieve the result of research or research paper. Several different steps are involving in the research process that can be rearranging and adjusted according to the feasibility or availability of data and situation and the nature of research (Saunders, Thornhill, & Lewis, 2009).

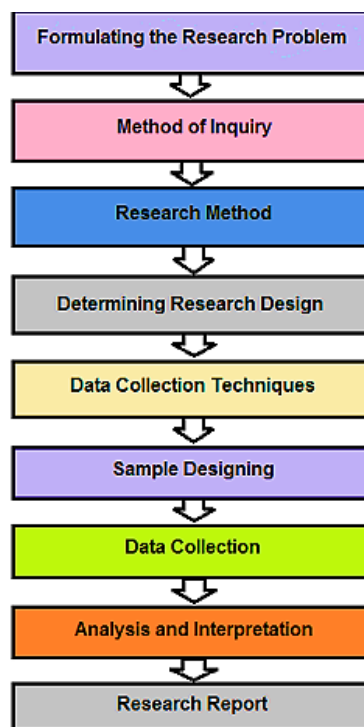


Figure 3.1 Research Process Flow

### 3.2 Research Philosophy

Research philosophy means the knowledge development (Saunders, Thornhill, & Lewis, 2009). Before performing research, it is important to develop a philosophy regarding the concepts because it can influence your view and your assumptions for the concepts are totally based on the philosophy you made (formally or informally). Positivism and interpretivism are mainly two main philosophies (Saunders, Thornhill, & Lewis, 2009).

I have adopted the *positivism* research philosophy in this research. As the decision made based on the research objective i.e., to determine the impacts of Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, Socio-Demographic Factors and Word of Mouth on Second-Hand Purchase Intention (PI) while purchasing second-hand automobiles in Pakistan. Therefore, the positivism approach is most suitable for the study.

### 3.3 Research Approach

Inductive and deductive are the two types of research approaches (Saunders, Thornhill, & Lewis, 2009). Deductive approach is most scientific approach in which the decision is made, based on the observation of existing problems, collecting relevant information through existing knowledge made and help in testing of existing concepts. While on the other hand, Inductive approach is broadly using technique in which the theory is develop through experimentation and analysis. The formulations of new concepts and theories are in inductive approach (Saunders, Thornhill, & Lewis, 2009).

In our study, I have adopted a *deductive approach*, as I am making the analysis on the pre-test concepts by retesting them in my own sample. Through developed and making conclusion by testing of hypotheses.

### **3.4 Research Method**

Quantitative and qualitative are the two approaches that researchers follow in their studies. Quantitative approach is the type in which all the data collected is in the form of numerical and can be calculated and analysed numerically. On the other hand, Qualitative method is a complex one, in which the data collected is verbally and cannot presented in numerical but giving the summary of the results. There are different data collection techniques and procedures i.e., mono-method and multiple or mixed-method. Some researchers use single method (mono-method), while some use multiple methods. There are some researchers who can adopt the mix methods (both qualitative and quantitative) (Saunders, Thornhill, & Lewis, 2009).

In this research, data is collected an, presented and analysed through numerically, that's why this study is following *quantitative method*.

### **3.7 Research Strategy**

Research strategy is the plan of action that describing the steps and procedures needed to follow in your research. It enables the researcher to answer the research questions in order to meet the objectives. The type of research strategy is based on your research approach and research objectives. The availability of data and time for the research also take into consideration while choosing research strategy (Saunders, Thornhill, & Lewis, 2009).

In this research, I have adopted the *questionnaire survey*. Survey allows collecting large amount of data because data will be analysed through quantitative methods and represent in a numerical. Also, through questionnaires data collection can become easy and accurate. The results can easily be explained and understand and can be presented accurately. (Saunders, Thornhill, & Lewis, 2009).

### **3.8 Units of Analysis**

According to Kothari (2004), population is the total amount of people for which the information is required. In our study the population is the *all consumers of Pakistan who purchased and intend to purchase second-hand automobiles*.

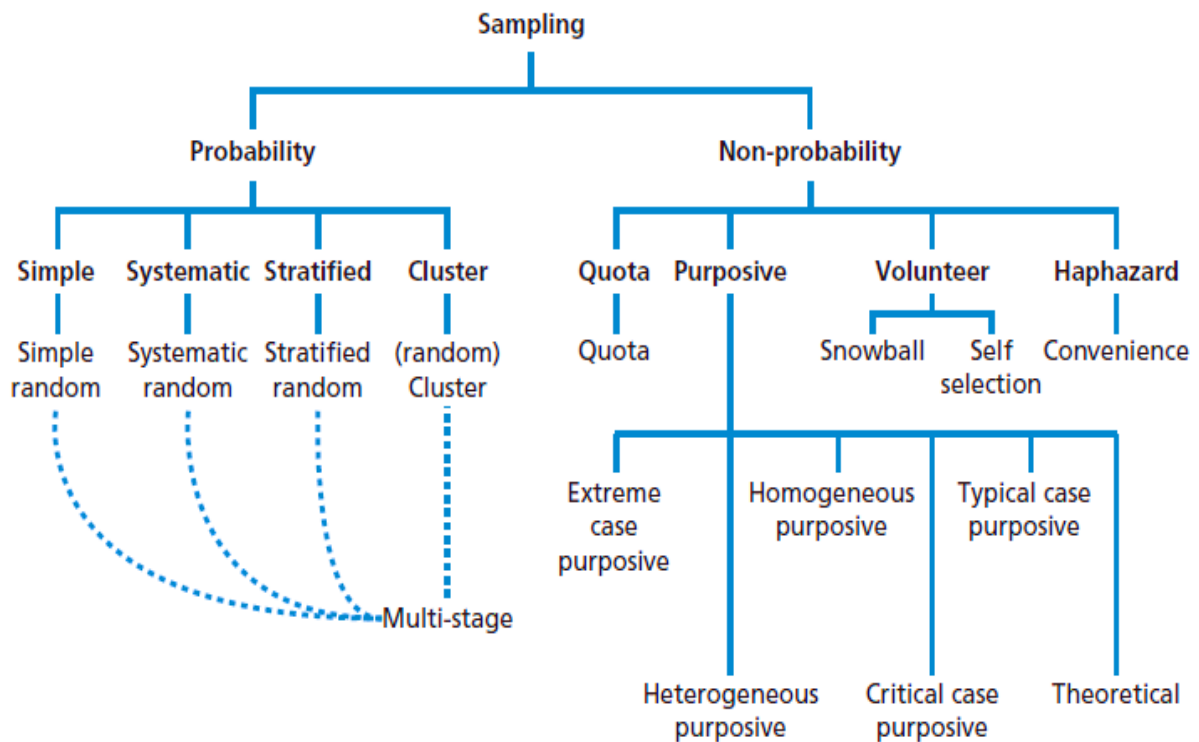
Population may be finite or infinite. Finite population means where the number of respondent is known and we can calculate the total number of people, who are the part of population,. It is easy to estimate the sample from finite population. But when population is very large it become difficult to have the exact number of population, is called as infinite. Approximatley, we can estimate the infinite population as very large finite population (Saunders, Thornhill, & Lewis, 2009). In this study the population is *infinite*; as it is difficult to estimate the exact number of consumers of Pakistan who purchased second-hand automobiles.

### **3.9 Sampling**

Estimation of correct population and sample for research is considered as important characteristic for research for obtaining accurate results. Selected group of people extracted from the estimated population is called sampling.

#### **3.9.1 Sampling Technique**

There are two main types of sampling; probability sampling and non-probability sampling (Saunders, Thornhill, & Lewis, 2009). In *Probability sampling technique* the chances of all respondent of population will have equal chances to be selected and known. On the other hand *non- probability sampling* is the one in which the chances of selection of sampling is unknown.



*Figure 3.2 Sampling Techniques*

The sampling technique we use in this study is **non-probability convenience sampling**. As the time and resources for the research is limited so it is most suitable. We conveniently select those who can easily be approach and participate in our study. Sample continuously select until we reach the approximate number. Questionnaire will be filled by all consumers of Pakistan who purchased second-hand automobiles, directly or we send our questionnaire through emails and other networking sites.

### **3.9.2 Sample Size Determination**

Estimation of sample size for non-probability sampling has no such technique hence sample size can be estimate ambiguously (Saunders et al. 2009). Patton (2002) in his research said that sample size can be estimated depending upon the objectives and research questions. Luckily, according to Crimp and Wright (2009), sample size can be made but larger than 30 and below 500 and regarded as it will be suitable for the research. To ensure statistical reliability and suitability for further study, it is important to choose a reliable and fair sample size. The

appropriate size is measured by the number of factors that have been analysed, as well as the mathematical form of data analysis (Hair, Black, Babin, and Anderson, 2014)

The thesis adopted Roscoe's (1975) principle, which stated that a reasonable sample size for research studies should be at least 30 and no more than 500, as cited by (Sekaran and Bougie, 2003). Furthermore, in a multi - variate study, the sample size should be at least a multiple of the number of indicators. There were seven variables in this study, and the sample size expected was at least 70.

### **3.9.2.1 G\*Power**

The current study used the G\*Power software adaptation to ensure the sample size was sufficient, according to Faul, Erdfelder, Lang, and Buchner (2007), who used the 'multiple times' dependable guideline. "G\*Power is a tool for determining acceptable sampling sizes depending on a statistical boundary. Five predictors were used, with a 0.15 medium impact size convention and a 5% statistical significance. Based on these conditions, a random sample of **146** was estimated, with a statistical power of 0.95. The sampling technique will be used in this research is convenience sampling under the category of non-probability sampling.

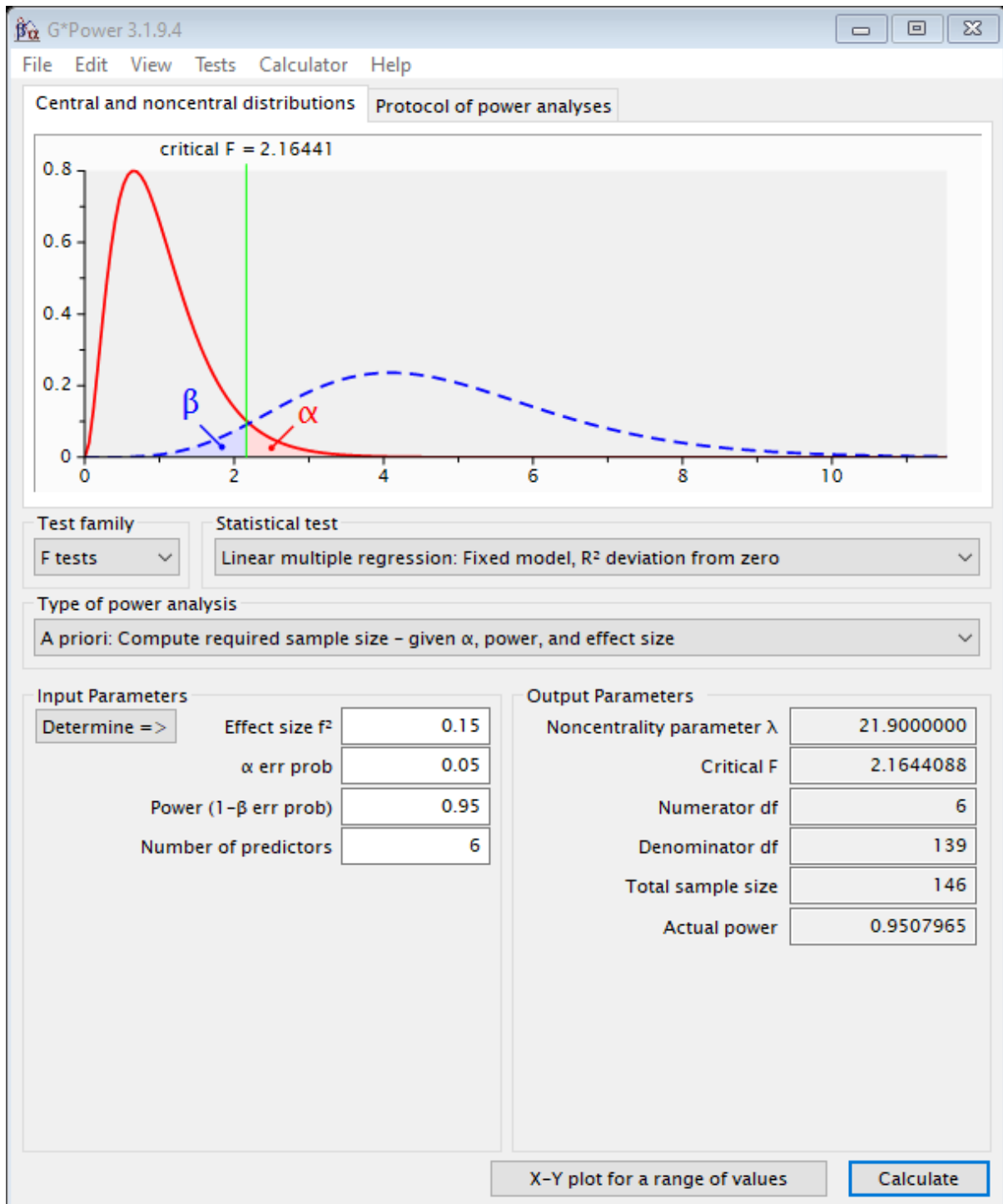


Figure 3.3 G Power

### 3.9.2.2 Daniel Soper Calculator

Given the number of observable and latent variables in the model, the expected effect size, and the desired degree of probability and statistical power, the Daniel Soper calculator may calculate an appropriate sample size for research using a structural equation model (SEM).

Both the minimum sample size necessary to detect a specific effect and the minimum sample size required due to the model's structural complexity will be returned by this calculator.

As per the Daniel Soper calculations, the minimum and recommended sample size required for this study is **403**. However, the minimum sample size for model structure is 110.

Anticipated effect size:	<input type="text" value="0.2"/>	?
Desired statistical power level:	<input type="text" value="0.8"/>	?
Number of latent variables:	<input type="text" value="6"/>	?
Number of observed variables:	<input type="text" value="31"/>	?
Probability level:	<input type="text" value="0.05"/>	?
<b>Calculate!</b>		
Minimum sample size to detect effect: <b>403</b>		
Minimum sample size for model structure: <b>110</b>		
Recommended minimum sample size: <b>403</b>		

*Figure 3.4 Daniel Soper Method*

### **3.10 Research Instrument**

#### **3.10.1 Questionnaire**

A Structured Questionnaires is used as instrument for data collection from the target population and the questions will be close ended that are based on research objectives and questions that are required to test the hypothesis. The poll contains Likert scale, which consists of five categories for the response of respondents from Strongly Disagree (1) to Strongly Agree (5). Our questionnaire consists of total **31 items**, which has been divided into six segments i.e., Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, Word of Mouth (WOM) and Second-Hand Purchase Intention (PI) respectively. As well as the structured questionnaire contain demographic questions like age, gender, annual income, number of family members and number of earners in the family.



Sections B and C summarize the study's research sources and variables. The study's standard reliability metric (Cronbach's alpha) was based on previous investigations. However, in several research (Mahmood and Bashir 2020; Mert et al., 2017; Aramburu1 & Pescador 2017) similar metrics were used (Table 3.1), as can be shown. Questions are graded from 1 to 5, with 1 indicating significant disagreement and 5 denoting strong agreement that all variables should be measured. Validation was done by an expert in the area to increase the validity of the tools and to ensure that the results were reliable. Prior to administering the test, the experts made a few little adjustments to the terminology and questions.

The items of independent and dependent variables were adapted from the following studies:

Section	Variable	Items	Reliability	Source
A	Demographic Profile	7	-	Self-construct
B	Critical Motivation	5	0.83	(Styvén & Mariani, 2020)
	Economic Motivation	5	0.96	(Styvén & Mariani, 2020)
	Hedonic Motivation	4	0.75	(Aycock, 2021)
	Perceived Quality	4	0.909	(Das, 2015)
	Word of Mouth (WOM)	6	0.88	(Tanprajna & Ellyawati, 2020)
C	Purchase Intention	7	0.93	(Almeida, 2020)

***a. Critical Motivation (CM)***

According to Roux, Dominique & Guiot (2010), Critical Motivation has significant consequences for the study of habits and actions such as improved communication and problem-solving techniques implementation in novel contexts. People must de-identify from restrictive social institutions as a critical motivating factor.

<b>Critical Motivation</b>
<b>1.</b> Buying second-hand automobiles helps to save resources
<b>2.</b> Buying secondhand automobiles is a sustainable mode of consumption
<b>3.</b> Buying second-hand is ecological
<b>4.</b> Buying second-hand automobiles is efficient in terms of using energy
<b>5.</b> Buying second-hand automobiles is environmentally friendly

***b. Economic Motivation (EM)***

Customers who buy in second-hand markets are looking for low and equal prices in terms of economic motivations (Seo & Kim, 2019). Those consumers are price-conscious and on the lookout for good deals. Poverty is seen as one of the main motivators for second-hand shopping since it is a less expensive option to purchasing fresh goods (Ahmed & Batool, 2018).

<b>Economic Motivation</b>
<b>6.</b> I can afford latest automobiles because I pay less in second-hand
<b>7.</b> One can have more automobiles for the same amount of money if one buys second-hand
<b>8.</b> I feel that I have lots of advanced automobiles for not much money by buying them second-hand
<b>9.</b> I don't want to pay more for an automobile just because it's new
<b>10.</b> By buying second-hand, I feel I'm paying a fair price for automobiles

**c. Hedonic Motivation (HM)**

Customers enjoy second-hand shopping because of the "adventure of the chase" (Mirza & Manarvi, 2019). This treasure-hunting motivation is best reflected in the words as "the never-ending quest and desire for that unique gem." To put it another way, consumers love the process of looking for one-of-a-kind products, known as Hedonic Motivation (Bashir, Lodhi, & Atif, 2016).

<b>Hedonic Motivation</b>
<b>11.</b> I am attracted to old things compared to new ones.
<b>12.</b> Above all, I buy second-hand automobiles because they are old and have a history.
<b>13.</b> I like buying second-hand automobiles because they evoke examples of the past.
<b>14.</b> I like buying second-hand automobiles because I find them authentic.
<b>15.</b> I am attracted to old things compared to new ones.

**d. Perceived Quality (PQ)**

Perceived quality refers to a customer's opinion of a product's quality; it reflects the customer's overall assessment of a product's supremacy. The four dimensions of perceived quality are used in this analysis to assess consumers' overall assessment of a good or service: dependability, efficiency, dominance, and accuracy (Cespedes, 1996).

<b>Perceived Quality</b>
<b>16.</b> The second-hand automobiles offer products of very good quality
<b>17.</b> The second-hand automobiles offer products of consistent quality
<b>18.</b> The second-hand automobiles offer very reliable products
<b>19.</b> The second-hand automobiles offer products with excellent features

***e. Word of Mouth (WOM)***

People are social creatures that exist in a social environment. People measure themselves against others, aiming for recognition, belonging, and reputation. As a result, their social climate influences customers (Hristova, 2020). Individuals with whom a customer has social contact are more likely to affect the consumer's purchasing habits than those with whom the consumer has only casual contact (Hussain, 2020).

<b>Word of Mouth (WOM)</b>
<b>20.</b> I read review of second-hand automobiles to find out whether they make a positive impression on other consumers
<b>21.</b> Before buying second-hand automobiles, I read reviews from other consumers to ensure my choice was right
<b>22.</b> I ask other consumers to help choose the right second-hand automobiles
<b>23.</b> I gather information from other consumer reviews before I buy second-hand automobiles
<b>24.</b> I am worried about my decision to buy second-hand automobiles if I don't read reviews from other consumers
<b>25.</b> When I buy second-hand automobiles reviews from other consumers make me confident to buy second-hand automobiles

***f. Purchase Intention (PI)***

The intention to buy the specific commodity is a kind of decision making (Edwards & Eriksson, 2020). Morinez et al. (2007) defines buying desire as a circumstance in which consumers in some contexts prefer to acquire a certain commodity. Decision buying is a dynamic mechanism for consumers (Markova & Grajeda, 2020).

<b>Purchase Intention</b>
<b>26.</b> I intend to buy automobiles from friends or relatives in the next years
<b>27.</b> I intend to buy automobiles from second-hand shops in the next years
<b>28.</b> I intend to buy second-hand automobiles online in the next years
<b>29.</b> I intend to exchange second-hand automobiles with friends or relatives in the next years
<b>30.</b> I intend to receive automobiles from friends or relatives in the next years
<b>31.</b> I intend to borrow automobiles to friends or relatives in the next years

### **3.11 Data Collection Method**

Collection of data is the main and only process of research on which the whole research depend on. Research actually means “re-search” means “search again”. Is the process of data collection both fresh and old data was used to obtain result. There are mainly two types of data collection method, i.e. primary data collection and secondary data collection.

#### **3.11.1 Primary Data**

Primary data is the fresh information that a researcher solely collected for their study. In this research, the primary data was collected through survey questionnaires. Data has been collected from consumers of Pakistan who purchased second-hand automobiles. The questionnaire was distributed to respondent. The whole process for data collection took 25 to 30 days to finalize for statistical analysis. To make proper conclusion for a research, it is necessary to carry out analysis from the data obtained through the questionnaire.

#### **3.11.2 Secondary Data**

Data that can be obtained ready-made through some other source and can be used in some others researches also, called as secondary data. In our study, secondary data is collected through journal, papers, books and articles from Emerald, Taylor and Farnicis, ProQuest,

science direct, Springer Link, etc. For secondary data, more than 43 journal articles were considered.

### **3.12 Study Variables**

#### **3.12.1 Independent variables**

Independent variables are those that cannot be affected by any factor but has a significant impact over other variables. In this research **Critical Motivation, Economic Motivation, Hedonic Motivation, and Word of Mouth (WOM)** are independent variables.

#### **3.12.2 Dependent Variables**

Dependent variables as the name indicate are such factors depending on others (independent variables). **Second-Hand Purchase Intention (PI)** is the dependent variable of our study.

### **3.13 Research Analysis & Techniques**

Data will be analysed through SPSS 19.0 for demographics and the descriptive analysis. **SPSS** is a popular statistical analysis software in sociology. It is also used by financial experts, business analysts, polling firms, the government, and anthropologists in education, marketing organisations, information explorers as well as others. The original SPSS guidebook allows ordinary scientists to do a statistical analysis of their own. Data processing and data reporting are the base programme capabilities in addition to quantitative equations.

While, **PLS-SEM** for data analysis including regression and correlation. The partially least squares path modelling (PLS-PM, PLS-SEM) is a structural equation modelling approach that can be used to estimate dynamic cause-effect interaction models with latent variables. PLS path modelling is a variance-based structural equation modelling (SEM) methodology used extensively in social and business disciplines. Because of its capacity to design composites and variables, it is a powerful computational instrument for emerging technology analysis. The

research has first shown analysis providing descriptive statistics, including frequencies to study variables. This was followed by testing simple associations between independent variables separately with the dependent variable, using multiple regression and correlation analysis.

### **3.14 Ethical Consideration**

For conducting any research, it is necessary to keep ethical considerations. Ethical considerations not only make the research ethically reliable but also helps to increase the validity of our findings. Following the ethical considerations that I will follow in my study;

- I should get permission from authorities, before conducting the research. For my study, I required permission from my supervisor and university administration.
- I should respect the norms and values of a culture in which I conduct research. The morals and standard of people of Pakistani society, as well as the norms they follow, all I will keep in my consideration.
- The topic I have selected for my study is beneficial for society as well.
- During data collection, I will mention my objectives for this study. As it is important to inform respondents to know the purpose of the study on which they share their responses.
- I will collect and analyze the data honestly, without any deception in the finding. It makes my study more ethically reliable and validates my results.
- I respect the responses and time; the respondents have given to me. And never disclose their identity and any other personal information to others. I respect the confidentiality and keep their data confidential.
- And lastly, the whole research report I have presented has been written by my own self. I did not plagiarize from any other source. The secondary data I have been using is only for making my point authentic. I did not copy their work.

## **CHAPTER 4**

### **ANALYSIS AND RESULTS**

#### **4.0 Introduction**

The findings and conclusions are presented in this chapter. The statistical package for social science (SPSS) and the partial least square structural equation modelling (PLS-SEM) have been used in this section in order to do an analysis of the data. SPSS has been used in order to conduct an analysis of the demographics and descriptive statistics.

Assessment of the measurement model and the structural model are the two key parts that are involved in the PLS-SEM procedure. Indicator loadings, composite reliability, average variance explained, and cross-loadings are the primary components of the measurement model.

Additionally, the model incorporates cross-loadings, HTMT ratio, and discriminatory validity by making use of the Fornell and Larcker (1981) criteria. Concerning the structural model, an estimated path analysis has been performed for the purpose of testing hypotheses in order to evaluate the direct and indirect link that exists between variables.

#### **4.1 Response Rate**

According to DIIA, University of Texas, the rate of response is more important for the studies where the purpose of the study is to determine the impact (of something) or when the result is, generalize to the larger population, (Division of Instructional Innovation (DIIA), 2008). Gillham (2000), in his book states that the rate of responses in the study is important as if the response rate is below 30 percent the validity and accuracy of the research method and its result are in question. Hence, the minimum response rate is atleast 30 percent.



In our study overall, the rate of response of our questionnaire was 82% (i.e., 491/605); in which 73.0% (442/605) were valid responses and 26.9% (163/605) were invalid (missing and inappropriate). Total 605 questionnaires were distributed among consumers, in which only 491 were received. In 491 questionnaires only 442 questionnaires were able to include in our study as they have met our inclusion criteria. While remaining 49 questionnaires were inappropriate to consider, 37 respondents did not fill the questionnaire completely, remaining respondents were marks two options for the single question.

## 4.2 Demographic Analysis

Table 4.1  
*Profile of Participants*

<b>Demographic variables</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
<b>Gender</b>	<b>Male</b>	171	38.7
	<b>Female</b>	271	61.3
	<b>Total</b>	442	100.0
<b>Marital Status</b>	<b>Married</b>	304	68.8
	<b>Unmarried</b>	138	31.2
	<b>Total</b>	442	100.0
<b>Vehicle Owned</b>	<b>1<sup>st</sup> -hand</b>	127	28.7
	<b>2<sup>nd</sup> -hand</b>	141	31.9
	<b>Not Owned</b>	174	39.4
	<b>Total</b>	442	100.0
<b>Age Group</b>	<b>Below 21</b>	42	9.5
	<b>21-30</b>	331	74.9
	<b>31-40</b>	51	11.5
	<b>41-50</b>	14	3.2
	<b>Above 50</b>	4	0.9
<b>Profession</b>	<b>Total</b>	442	100.0
	<b>Private Employee</b>	231	52.3
	<b>Govt. Employee</b>	33	7.5
	<b>Businessperson</b>	44	10.0

	<b>Unemployed</b>	134	30.3
	<b>Total</b>	442	100.0
	<b>Private Employee</b>	231	52.3
	<b>1-3</b>	100	22.6
	<b>4-6</b>	252	57.0
<b>No. of Family Members</b>	<b>7-10</b>	86	19.5
	<b>More than 10</b>	4	0.9
	<b>Total</b>	442	100.0
	<b>30K – 50K</b>	219	49.5
	<b>51K – 70K</b>	92	20.8
<b>Monthly Income</b>	<b>71K – 90K</b>	51	11.5
	<b>More than 90K</b>	80	18.1
	<b>Total</b>	442	100.0

#### **Interpretation:**

All the respondents were required to place a tick mark in the designated boxes, which shows the demographic profile of them. As it has been observed in the above tables, the frequency of respondents according to their gender, described in numbers along with percent 38.7% respondents are males, while remaining 61.3% respondents are females. In which, 68.8% are married and 31.2% are unmarried. Out of total 442 respondents, 127 (28.7%) have 1<sup>st</sup> hand automobiles, 141 (31.9%) have bought 2<sup>nd</sup> hand automobiles while remaining 174 (39.4%) doesn't have automobiles, however they have intention to purchase in future.

The age group, no. of family members and monthly income of respondents also influences on their responses they made for our research. In order to derive the result based on the perspective of respondents, our questionnaire have a question about the age group, no. of family members and monthly income, according to the above tables, majority of our respondents belong to age group 21-30 (74.9 %), while only 0.9% respondents having age more than 50. Rest member's lies in between these group. According to the data collected, 57% of our respondents have family members 4-6 and highest percentage for monthly income is in the bracket of 30K to

50K (49.5%). Lastly, as regards with profession, 52.3% were private employee 7.5% are government employees.10% are businesspersons, however only 30.3 % were unemployed.

### 4.3 Descriptive Statistics

Table 4.2  
*Descriptive Statistics*

Variable	N	Min	Max	Mean	Std. Deviation	Variance
<b>Critical Motivation</b>	442	1.20	5.00	3.2611	0.79669	0.635
<b>Economic Motivation</b>	442	1.00	5.00	3.3077	0.74674	0.558
<b>Hedonic Motivation</b>	442	1.00	5.00	2.7002	1.02619	1.053
<b>Perceived Quality</b>	442	1.00	5.00	2.9242	0.91901	0.845
<b>Word of Mouth</b>	442	1.00	5.00	3.7809	0.75356	0.568
<b>Purchase Intention</b>	442	1.00	5.00	2.9308	0.88447	0.782

#### **Interpretation:**

Above table shows descriptive statistics of all variables. To get the summary values, a descriptive analysis was performed, in which the highest and lowest values, as well as the standard deviation and the mean for each variable, were all calculated. As shown in table above, the variable is same, i.e., 1 and maximum value (5) is also same for all. According to the table's minimum level, one is (i.e., strongly disagree) the lowest possible score on the survey. While the questionnaire's highest-level shows 5 as (i.e., strongly agree). The mean shows those questionnaires with a score of 3 or above strongly agree with the questionnaire, while those with a score of 2 or below strongly disagree.

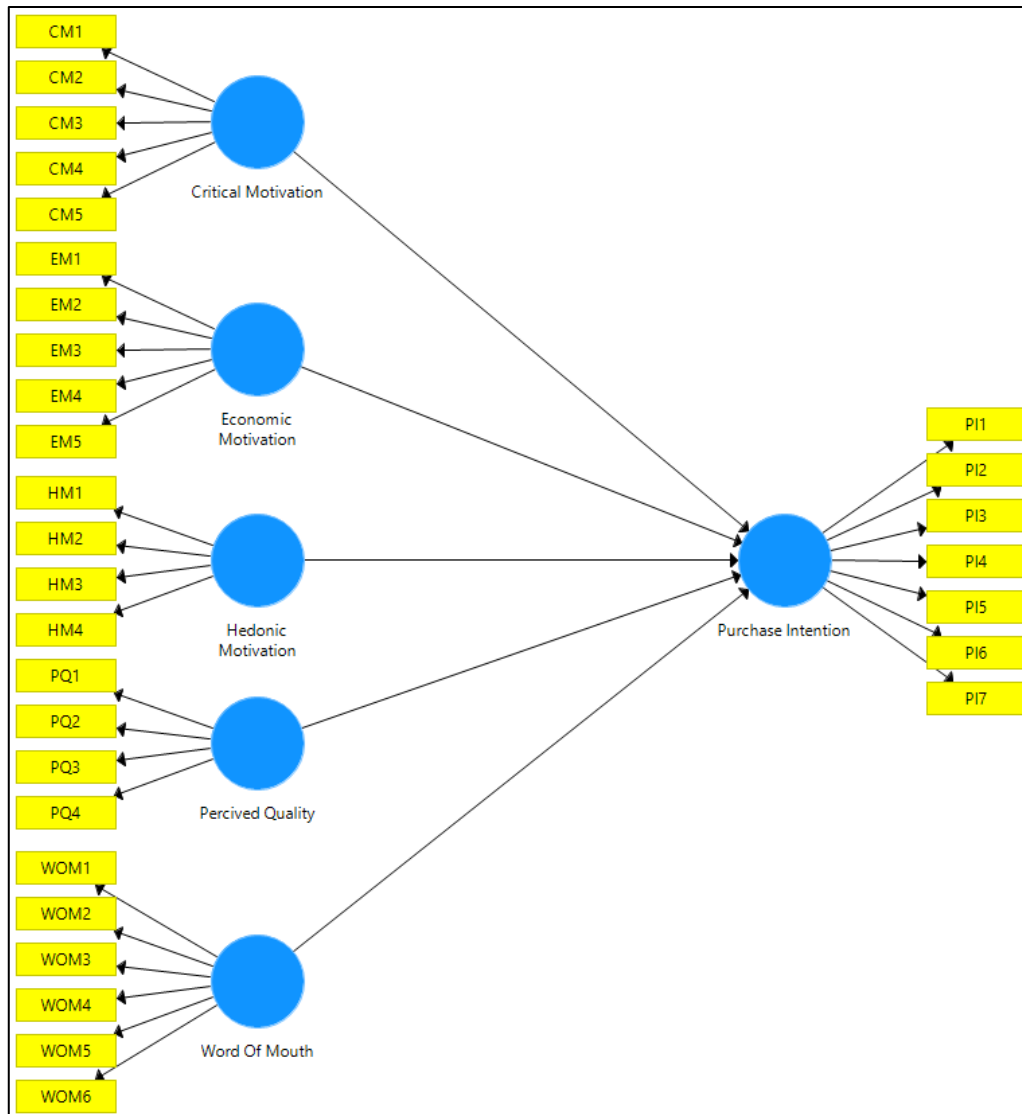
### 4.4 Assessment of PLS-SEM

A technique is used to assess the estimate model's predictive validity, while a blindfolding operation determines the association between variables and a mediator's mediating impact. These steps are all part of the PLS-SEM approach. In order to determine the model's dependability and validity, all of these procedures are necessary.

For the evaluation of PLS-SEM paths, a two-step procedure was adopted based on recent progress on PLS path modelling in model validation unsuitability as suggested by Henseler et al. (2009). The first stage was to determine the validity and reliability of the Measurement Model for the constructs under investigation. The structural model was tested for the predicted structural correlations in the second phase. Using PLS-SEM and the Smart PLS 3.2.8 software developed by Ringle, Wende, and Will, a confirmation factor analysis (CFA) was carried out to verify the measurement model (outer model) and determine the relationships between items/indicators and their respective underlying constructs (2005).

#### **4.4.1 Measurement Model**

The reliability of internal consistency, the reliability of individual items, discriminant validity, and convergent validity are all tested before deciding on the structural model (Hair, Sarstedt, & Ringle, 2019). The research was first measured for the reliability and validity of the constructs used in the present study with the measurement model. This was done before deciding on the structural model. Second, the structural model was assessed for the predicted structural connection by using PLS-SEM in Figure below. This evaluation reveals the findings of the algorithm, which indicates the path coefficient. This evaluation was performed on the structural model that was shown in Figure below.



*Figure 4.1 Research Model*

**a. Convergent Validity**

Prior to the external model surveying, the convergent validity performed an analysis on each item loading. For convergent validity, the models require that every item's factor loading be more than 0.7 and that no one item's loading from another develop item be greater than the construct being assessed. Therefore, in order to improve the validity and dependability of the data, which has a lower loading, the items were eliminated. This resulted in there being less loading (Hair et al., 2019). The findings are shown in below table, and it can be seen that every single item scored higher than 0.7.

Table 4.3  
*Construct Reliability, Cronbach's Alpha, Composite Reliability, and AVE of Latent Variables*

<b>Construct</b>	<b>Items</b>	<b>Loading</b>	<b>Cronbach's Alpha</b>	<b>CR</b>	<b>AVE</b>
<b>Critical Motivation</b>	CM1	0.928	0.910	0.943	0.847
	CM2	0.934			
	CM5	0.899			
<b>Economic Motivation</b>	EM1	0.803	0.824	0.882	0.651
	EM2	0.812			
	EM4	0.786			
	EM5	0.826			
<b>Hedonic Motivation</b>	HM1	0.746	0.837	0.890	0.671
	HM2	0.860			
	HM3	0.878			
	HM4	0.787			
<b>Perceived Quality</b>	PQ1	0.876	0.854	0.900	0.693
	PQ2	0.846			
	PQ3	0.807			
	PQ4	0.798			
<b>Word of Mouth</b>	WOM1	0.830	0.928	0.943	0.735
	WOM2	0.874			
	WOM3	0.854			
	WOM4	0.878			
	WOM5	0.827			
	WOM6	0.878			
<b>Purchase Intention</b>	PI1	0.795	0.924	0.939	0.687
	PI2	0.817			
	PI3	0.818			
	PI4	0.848			
	PI5	0.870			
	PI6	0.870			
	PI7	0.779			

Evaluation of the measurement model is necessary to determine the nature of the connections that exist between the underlying variables that were used in the study. It is necessary for Hair

et al. (2011) to evaluate the measurement model in accordance with which the model examination is finished to measure the construct reliability and validity. Specifically, the Cronbach's alpha and composite reliability must be greater than 0.7 ( $> 0.7$ ), and the average variance extracted (AVE) must not be less than 0.5. The results shown in Table demonstrate that not a single value of Cronbach's alpha and composite reliability is lower than 0.7, and that not a single projected value of the extracted average variance is lower than 0.5.

***b. Discriminant Validity***

In addition, an analysis of the measurement model is carried out in order to confirm the validity of the mean variable and ensure that the construction of the components of the significant variable are appropriate to those components of the significant variable as opposed to the components of other variables. The following three tests are used on a fundamental level in order to investigate the discriminant validity.

The table below illustrates that all AVE are more than 0.5, and the resulting value of for every variable is much more consistent into itself than with the values of the other variables, confirming the validity of the discriminant. It must have an average variance of at least 0.50 in order to be taken seriously (Fornell & Larcker, 1981). No factors were deleted after the PLS Algorithm factor loading calculation, however only one item was cancelled due to a lower loading variance.

Table 4.4  
*Discriminant Validity Matrix (Fornell-Larcker Criterion)*

	CM	EM	HM	PI	PQ	WOM
CM	<b>0.920</b>					
EM	-0.030	<b>0.807</b>				
HM	-0.074	0.148	<b>0.819</b>			
PI	0.118	0.243	0.165	<b>0.829</b>		
PQ	0.089	0.014	-0.468	0.093	<b>0.833</b>	
WOM	-0.066	0.049	0.101	0.255	-0.049	<b>0.857</b>

The table of cross loadings in appendix C illustrates that the factor loading values of generates were considerably greater in number in their own constructs as comparison to the different loadings discovered in the various constructs. This enables for the accomplishment of discriminant validity through the application of cross loadings. The table that follows illustrates loadings that are either highly significant than 0.7 or are close to the level that determines the threshold.

It is seen in the following table that every single one of the structures' values fell below the 0.9 cut-off. According to the findings of the HTMT, the inter-construct ratio values were less than 0.90, with a wide range of confidence intervals that included the value of 1.0. Because of this, the discriminant validity of HTMT may be demonstrated.

Table 4.5  
*Discriminant Validity Matrix (Heterotrait – Monotrait Ratio (HTMT))*

	<b>CM</b>	<b>EM</b>	<b>HM</b>	<b>PI</b>	<b>PQ</b>	<b>WOM</b>
<b>CM</b>						
<b>EM</b>	0.038					
<b>HM</b>	0.094	0.174				
<b>PI</b>	0.130	0.267	0.183			
<b>PQ</b>	0.099	0.036	0.549	0.102		
<b>WOM</b>	0.070	0.064	0.108	0.267	0.069	

#### 4.4.2 Structural Model

##### *a. Direct Relationship Results*

##### *R – Square*

There was a weak correlation between the independent factors and the purchase intention as shown in the following table (R squared value of 0.179). The value of R square is defined as the proportionate representation variance clarified by one or more predictor variables. The path coefficient and t-values are shown in the following tables as a consequence of bootstrapping.



Table 4.6  
*R<sup>2</sup> of Endogenous Latent Constructs*

	<b>R Square</b>	<b>R Square Adjusted</b>
<b>PI</b>	0.179	0.170

Table 4.7  
*Results of Hypothesis Testing: Direct Relationship with PI*

<b>Hypotheses</b>	<b>Relationship</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>	<b>Decision</b>
H1	<b>CM -&gt; PI</b>	2.939	0.002	Supported
H2	<b>EM -&gt; PI</b>	4.295	0.000	Supported
H3	<b>HM -&gt; PI</b>	4.146	0.000	Supported
H4	<b>PQ -&gt; PI</b>	3.049	0.001	Supported
H5	<b>WOM -&gt; PI</b>	5.113	0.000	Supported

Above table shows the t-statistics and the p-value associated with it (less than standard alpha value of 0.05), which predicts that there is a significant relationship between the independent and dependent variables.

The result from the output of the PLS algorithm and bootstrapping showed a positive and significant association between independent variables (Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and Word of Mouth) and dependent variable (Purchase Intention). As p-value is less than 0.005. Therefore, Hypothesis 1, 2, 3, 4, and 5 are accepted.

## CHAPTER 5

### DISCUSSION AND CONCLUSION

#### 5.0 Introduction

This section elaborates the findings of the Drivers and Motivational Factors of Second Hand Purchase Intention as Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and Word of Mouth (WOM).

#### 5.1. Discussion

##### **5.1.1 H1: Critical Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.**

Second-hand purchase intent is **positively correlated** with critical motivation ( $P = 0.002$ ), according to the first hypothesis of this study. Critical Motivation (H1) was shown to be connected with a second-hand car user's PI in this research. The H1 hypothesis was shown to be **acceptable**. The findings show that the PI is heavily influenced by Critical Motivation, which indicates that the accuracy, usefulness, and relevance of data received determine whether or not a second automobile buyer makes a second-hand purchase.

##### **5.1.2 H2: Economic Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.**

Second-hand purchase intent is **positively correlated** with Economic Motivation ( $P = 0.000$ ) according to the second hypothesis of this study. Economic Motivation (H2) was shown to be connected with a second-hand car user's PI in this research. The H2 hypothesis was shown to be **acceptable**. The findings show that the PI is heavily influenced by Economic Motivation,

which indicates that the accuracy, usefulness, and relevance of data received determine whether or not a second automobile buyer makes a second-hand purchase.

**5.1.3 H3: Hedonic Motivation has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.**

Second-hand purchase intent is **positively correlated** with Hedonic Motivation ( $P = 0.000$ ) according to the third hypothesis of this study. Hedonic Motivation (H3) was shown to be connected with a second-hand car user's PI in this research. The H3 hypothesis was shown to be **acceptable**. The findings show that the PI is heavily influenced by Hedonic Motivation, which indicates that the accuracy, usefulness, and relevance of data received determine whether or not a second automobile buyer makes a second-hand purchase.

**5.1.4 H4: Perceived Quality has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.**

Second-hand purchase intent is **positively correlated** with Perceived Quality ( $P = 0.001$ ) according to the fourth hypothesis of this study. Perceived Quality (H4) was shown to be connected with a second-hand car user's PI in this research. The H4 hypothesis was shown to be **acceptable**. The findings show that the PI is heavily influenced by Perceived Quality, which indicates that the accuracy, usefulness, and relevance of data received determine whether or not a second automobile buyer makes a second-hand purchase.

**5.1.5 H5: Word of Mouth (WOM) has positive impact on Second-Hand Purchase Intention (PI) of second-hand automobiles in Karachi, Pakistan.**

Second-hand purchase intent is **positively correlated** with Word of Mouth (WOM) ( $P = 0.000$ ) according to the fifth hypothesis of this study. Word of Mouth (WOM) (H5) was shown to be connected with a second-hand car user's PI in this research. The H5 hypothesis was shown to

be **acceptable**. The findings show that the PI is heavily influenced by Word of Mouth (WOM), which indicates that the accuracy, usefulness, and relevance of data received determine whether or not a second automobile buyer makes a second-hand purchase.

The primary goal of this research is to learn how drivers and motivational factors influence purchase intention of customer attitudes toward second-hand purchase of automobile. Furthermore, how a customer makes a purchasing decision across all factors, as well as the positive and negative effects of Word of Mouth, deviates the customer's purchase intention. In this particular study the investigators are exploring the impact of drivers and motivational factors activities as Critical Motivation, Economic Motivation, and Hedonic Motivation, Perceived Quality, and Word of Mouth (WOM) impact on purchase intention of second-hand automobile.

For the purposes of this study, the researcher specifically selected the automotive sector as a relevant industry. The sample size for this study is 442 people from Karachi, Pakistan. This study employs a quantitative methodology. Researchers conducted the study using the Likert scale approach, which uses a range from 1 to 5, with 1 representing a severe disagree and 5 representing a strong agree.

Data were gathered from Karachi, Pakistani individuals in accordance with the stated aims. A total of 442 out of 491 questionnaires issued to Karachi residents resulted in an 82 percent response rate. SPSS and PLS-SEM were used to gather and analyse the data. In order to evaluate the hypotheses, we chose significance levels of 0.05 and 0.01. Regarding the direct correlations between the variables.

The researcher utilised SPSS and Smart PLS software to perform the test and examine the correlations between the variables. An SPSS-based demographics test was carried out by the researchers. These tests included discriminant validity (the Fornell-Larker criteria),

Heterotrait-Monotrait ratio of correlations, outer loadings and convergent validity, the PLS-SEM output and path co-efficiencies, all of which were carried out using the Smart PLS.

Consumers' desire to acquire a used car is influenced by a variety of factors, including the following: critical motivation, economic motivation, hedonic motivation, perceived quality, and word of mouth (WOM). All of the factors examined by the researcher had a considerable influence on one another, according to the findings. In addition, they observed that all of the factors had a substantial influence on the purchase intention of a second-hand car. Consequently, word of mouth plays a significant role and has a significant influence on online purchase intention.

## **5.2. Conclusion**

This study was designed to examine the theoretical relationships between Drivers and Motivational Factors of Second Hand Purchase Intention as Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and Word of Mouth (WOM). It also examined the Purchase Intentions of consumers while they buy any second hand product. Besides, the impact of Drivers and Motivational Factors of Second Hand on the Second Hand Purchase Intention was investigated. For second-hand automobiles, the new research goes above and beyond by suggesting an additional tool to examine purchasing intention. The findings of this study improve our understanding of the purchasing decision-making process for second-hand automobiles. Additionally, it offers new insight into how to influence customers' purchasing decisions by presenting a fresh point of view.

This study shows that consumers are more receptive to information that is honest and clear, and executives need to be aware of this in accordance with previous research. Customers are more likely to share and recommend the product to others, according to Cui et al. (2014). In light of the fact that the business world has been transformed into the expanding global by the

internet, this study proposes that managers include consumers in their value creation process by enabling them access free and valuable information. Additionally, the data show that a combination of variables, including key motivation and word of mouth, might have a stronger impact on customers' purchasing intentions. Customers are more likely to purchase a product if they have a better understanding of the features and benefits of competing products.

Last but not least, this study examines the use of customers who acquire second-hand automobiles by investigating their purchase intents while making a decision about purchasing one. Analysts need to understand the habits of Pakistani car owners, since word of mouth plays a vital influence in their purchasing decisions.

### **5.3 Managerial Implications**

As a result of our findings, which have a number of practical consequences for businesses that sell goods and services to consumers, we may infer that factors that influence consumer purchase intent have a direct effect on the second-hand market. The study's results may be used by the used car sector to better engage and convince consumers to make a purchase based on their requirements and desires. If you can use the results of this research, no matter what sort of company or business you are in, you may devise efficient marketing tactics for your goods and services once you know what your consumers want and where to find them.

The intention to buy is generally linked to customer Behaviour and attitude, understanding and perceptions. Purchasing Behaviour is an important point of entry and evaluation for customers of a particular commodity. Purchase intention, according to (Guang, Riaz, Zafar, & Shahzad, 2020), is a useful method for predicting the purchasing procedure Purchase intentions may be influenced by factors such as cost brand image, and purpose.

## 5.4. Future Recommendations

This study is based on the opinions of second-hand automobiles in Karachi, Pakistan. This study aims to determine the impact of Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and Word of Mouth (WOM) on second-hand automotive purchase intention (PI). The data for this study was collected from individual second-hand automobiles in a single city. This study is limited to determining how general customers feel about the impact of second-hand vehicle drivers on their purchasing intentions. The data is collected using closed-ended questions; however, the future researcher might add open-ended questions.

If more research is done on the same topic, the following recommendations can be incorporated into the research to yield different results.

- Although the research is limited to Karachi, Pakistan, data from other cities or outside Pakistan can be collected in the future to determine the impact of Critical Motivation, Economic Motivation, Hedonic Motivation, Perceived Quality, and Word of Mouth (WOM) on second-hand automotive purchase intent (PI).
- Second, the study is limited to specific demographic categories, with data collected from only one Pakistani metropolitan city, Karachi.
- Furthermore, due to a lack of time, we did not conduct a thorough analysis of this study. Researchers will be able to find more clear and precise evidence if they are given more time.
- Finally, because this was a quantitative study, the researcher only used questionnaire data for statistical analysis. In the future, qualitative or mixed mode methodologies may be used to investigate in Pakistan.

## CHAPTER 6

### REFERENCES AND APPENDIXES

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## **6.2 Appendixes**

### **Appendix A**

#### **Survey Questionnaire**

##### **SECTION A:**

##### **Socio - Demographic information**

*The information you provide will remain strictly confidential and individual responses anonymous and used for academic purpose only, by the researcher*

- Gender** € Male € Female
- Marital Status** € Single € Married
- Vehicle owned** € First-hand € Second-hand € Not Owned
- Age group**
- € Below 21
  - € 21 – 30
  - € 31 – 40
  - € 41 – 50
  - € Above 50
- Profession**
- € Private Employee
  - € Govt. Employee
  - € Business Person
  - € Unemployed
- No. of Family Members**
- € 1 – 3
  - € 4 – 6
  - € 7 – 10
  - € More than 10
- Total salary/pay in Rs. (Monthly)**
- € 30,000- 50,000
  - € 50,001- 70,000
  - € 70,001- 90,000
  - € Above 90,000

**SECTION B:**

Please read the following statements and **TICK (✓)** the response that closely represents your opinion. The statements are anchored on the following 5-point Likert Scale:

1	2	3	4	5
<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>

<b>Critical Motivation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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1. Buying second-hand automobiles helps to save resources					
2. Buying second hand automobiles is a sustainable mode of consumption					
3. Buying second-hand is ecological					
4. Buying second-hand automobiles is efficient in terms of using energy					
5. Buying second-hand automobiles is environmentally friendly					

<b>Economic Motivation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. I can afford latest automobiles because I pay less in second-hand					
2. One can have more automobiles for the same amount of money if one buys second-hand					
3. I feel that I have lots of advanced automobiles for not much money by buying them second-hand					
4. I don't want to pay more for an automobile just because it's new					
5. By buying second-hand, I feel I'm paying a fair price for automobiles					

<b>Hedonic Motivation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. I am attracted to old things compared to new ones.					
2. Above all, I buy second-hand automobiles because they are old and have a history.					
3. I like buying second-hand automobiles because they evoke examples of the past.					
4. I like buying second-hand automobiles because I find them authentic.					

<b>Perceived Quality</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. The second-hand automobiles have very good quality					
2. The second-hand automobiles have consistent quality					
3. The second-hand automobiles are reliable					
4. The second-hand automobiles have excellent features					



<b>Word of Mouth</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1.</b> I read review of second-hand automobiles to find out whether they make a positive impression on other consumers					
<b>2.</b> Before buying second-hand automobiles, I read reviews from other consumers to ensure my choice was right					
<b>3.</b> I ask other consumers to help choose the right second-hand automobiles					
<b>4.</b> I gather information from other consumer reviews before I buy second-hand automobiles					
<b>5.</b> I am worried about my decision to buy second-hand automobiles if I don't read reviews from other consumers					
<b>6.</b> When I buy second-hand automobiles reviews from other consumers make me confident to buy second-hand automobiles					

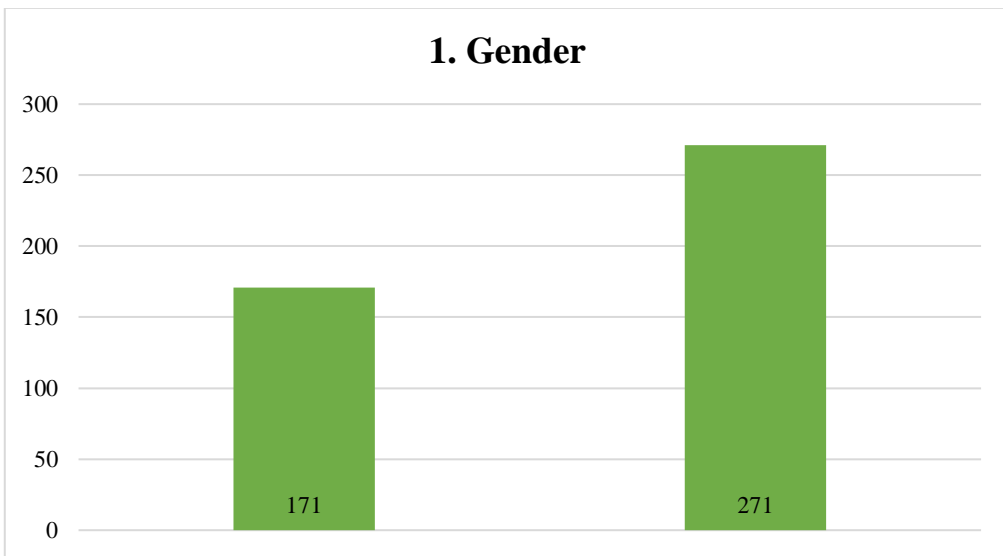
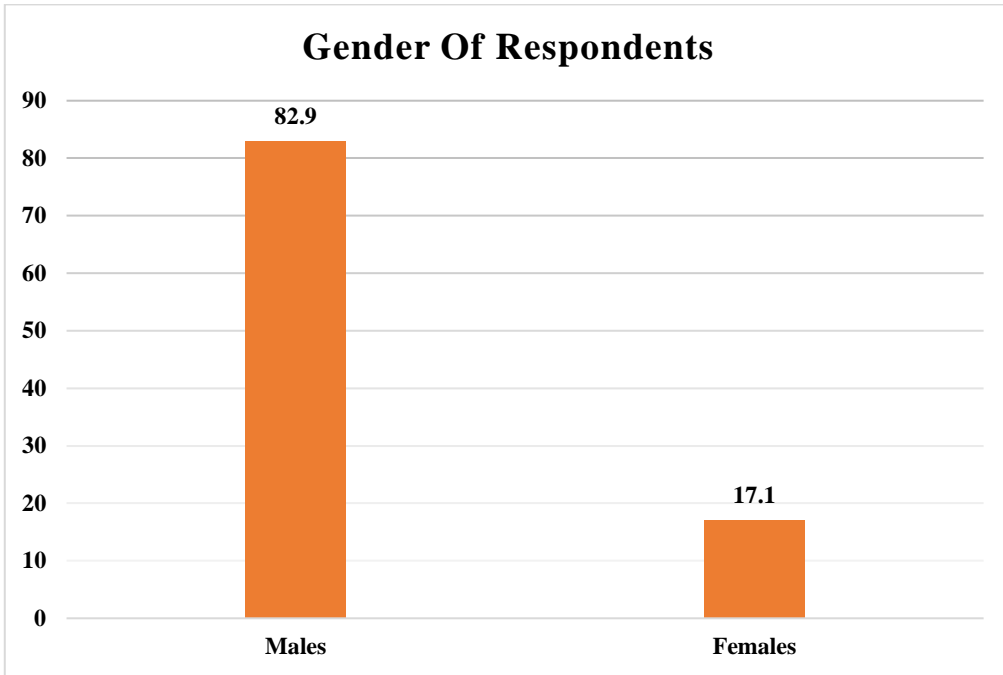
**SECTION C:**

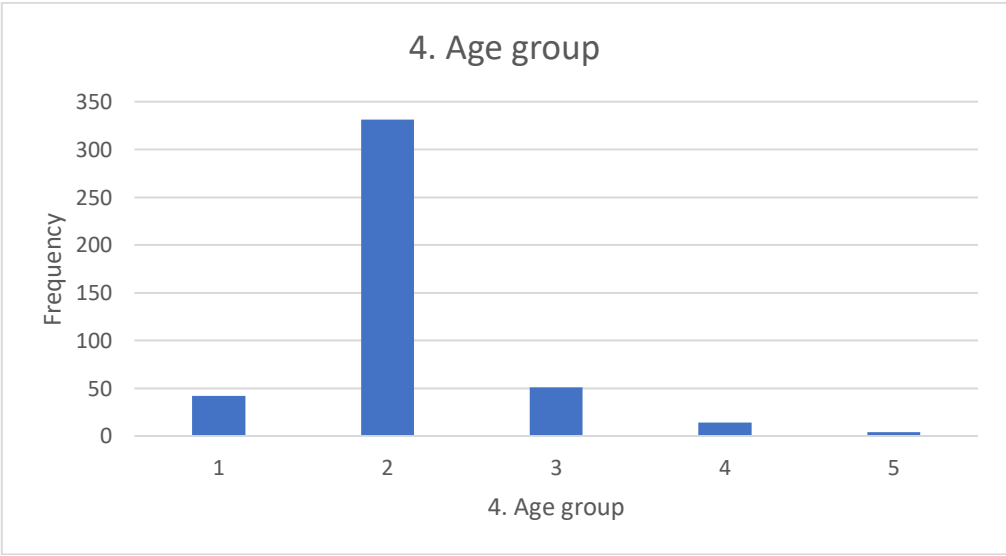
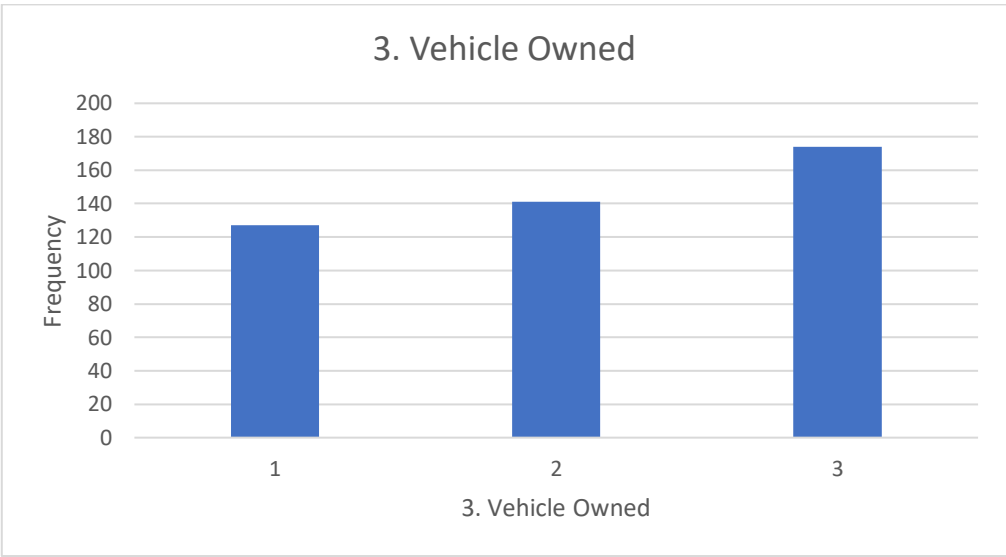
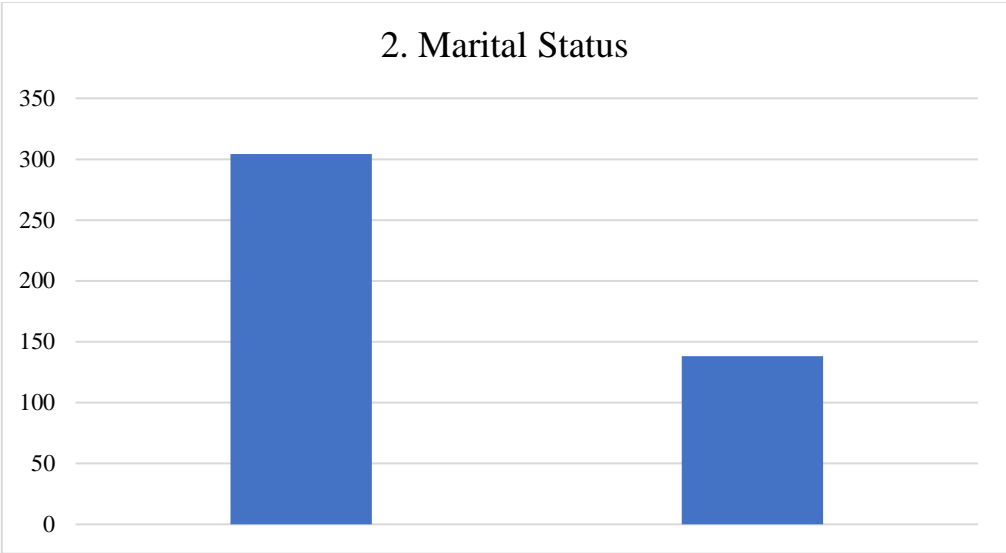
<b>Second-hand Purchase Intention</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1.</b> I intend to buy automobiles from friends or relatives in the next years					
<b>2.</b> I intend to buy automobiles from second-hand shops in the next years					
<b>3.</b> I intend to buy second-hand automobiles online in the next years					
<b>4.</b> I intend to exchange second-hand automobiles with friends or relatives in the next years					
<b>5.</b> I intend to receive automobiles from friends or relatives in the next years					
<b>6.</b> I intend to borrow automobiles to friends or relatives in the next years					
<b>7.</b> I intend to receive borrowed automobiles from friends or relatives in the next years					

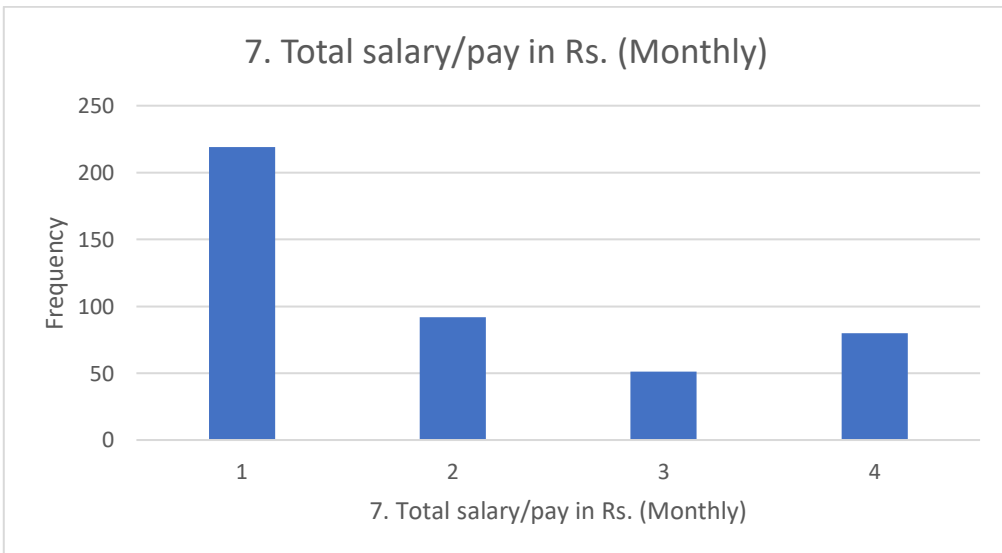
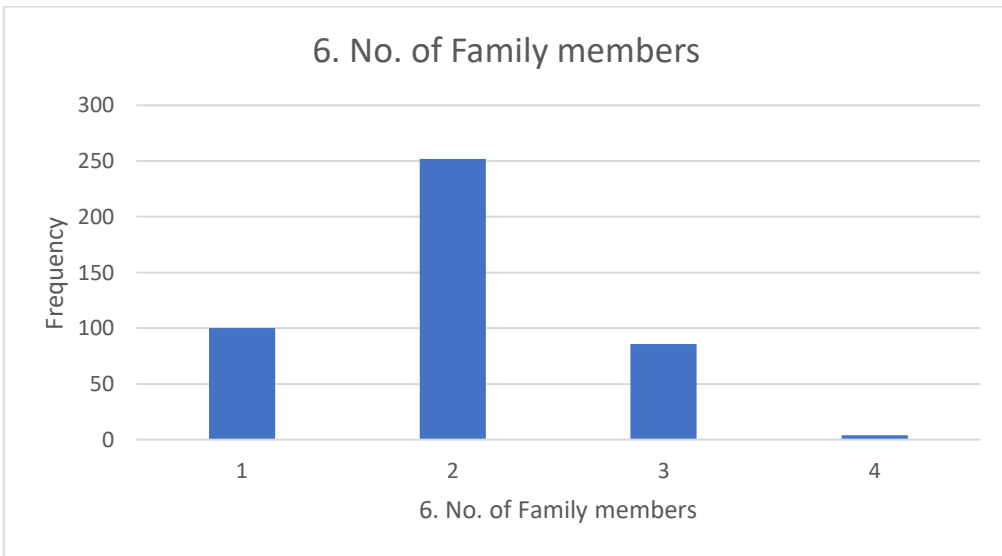
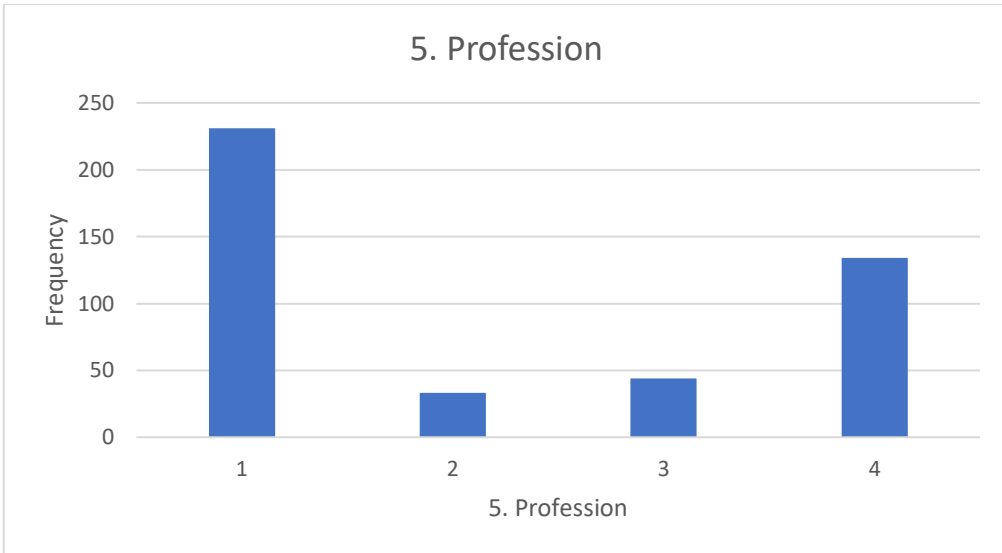
***THANK YOU VERY MUCH FOR YOUR TIME AND EFFORT, IT IS GREATLY APPRECIATED.***

# Appendix B

## Figures and Graphs







## Appendix C

### Cross loadings

Discriminant Validity (cross loadings)

	<b>CM</b>	<b>EM</b>	<b>HM</b>	<b>PI</b>	<b>PQ</b>	<b>WOM</b>
<b>CM1</b>	<b>0.928</b>	-0.032	-0.041	0.116	0.065	-0.057
<b>CM2</b>	<b>0.934</b>	-0.030	-0.080	0.106	0.083	-0.059
<b>CM5</b>	<b>0.899</b>	-0.019	-0.087	0.104	0.099	-0.066
<b>EM1</b>	-0.023	<b>0.803</b>	0.094	0.168	0.028	0.013
<b>EM2</b>	-0.041	<b>0.812</b>	0.141	0.143	0.032	0.009
<b>EM4</b>	0.004	<b>0.786</b>	0.121	0.219	0.016	0.052
<b>EM5</b>	-0.040	<b>0.826</b>	0.122	0.227	-0.018	0.067
<b>HM1</b>	-0.077	0.079	<b>0.746</b>	0.106	-0.337	0.036
<b>HM2</b>	-0.059	0.156	<b>0.860</b>	0.133	-0.365	0.061
<b>HM3</b>	-0.025	0.139	<b>0.878</b>	0.171	-0.423	0.137
<b>HM4</b>	-0.102	0.098	<b>0.787</b>	0.118	-0.404	0.071
<b>PI1</b>	0.129	0.148	0.145	<b>0.795</b>	0.053	0.212
<b>PI2</b>	0.079	0.169	0.133	<b>0.817</b>	0.090	0.227
<b>PI3</b>	0.091	0.227	0.219	<b>0.818</b>	0.046	0.135
<b>PI4</b>	0.065	0.211	0.140	<b>0.848</b>	0.100	0.258
<b>PI5</b>	0.127	0.225	0.074	<b>0.870</b>	0.069	0.215
<b>PI6</b>	0.102	0.256	0.118	<b>0.870</b>	0.057	0.211
<b>PI7</b>	0.099	0.167	0.131	<b>0.779</b>	0.120	0.214
<b>PQ1</b>	0.074	0.007	-0.386	0.088	<b>0.876</b>	0.016
<b>PQ2</b>	0.104	0.009	-0.378	0.076	<b>0.846</b>	-0.057
<b>PQ3</b>	0.046	0.009	-0.376	0.050	<b>0.807</b>	-0.024
<b>PQ4</b>	0.063	0.021	-0.415	0.084	<b>0.798</b>	-0.097
<b>WOM1</b>	-0.109	0.089	0.141	0.259	-0.089	<b>0.830</b>
<b>WOM2</b>	-0.056	0.045	0.052	0.234	-0.041	<b>0.874</b>
<b>WOM3</b>	-0.036	0.048	0.069	0.190	-0.032	<b>0.854</b>
<b>WOM4</b>	-0.038	-0.007	0.058	0.215	0.014	<b>0.878</b>
<b>WOM5</b>	-0.066	0.051	0.142	0.149	-0.074	<b>0.827</b>
<b>WOM6</b>	-0.024	0.022	0.064	0.228	-0.031	<b>0.878</b>

