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**THE MEDIATING ROLE OF RELIGIOUS ORIENTATION  
ON THE RELATIONSHIP BETWEEN LUXURY VALUE,  
ETHICAL VALUE AND BUYING BEHAVIOR**

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**DOCTOR OF PHILOSOPHY  
UNIVERSITI UTARA MALAYSIA  
2016**

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BEHAVIOR**



**UUM**

By

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**Thesis Submitted to  
College of Business,  
Universiti Utara Malaysia,  
in Fulfillment of the Requirement for the Degree of Doctor of Philosophy**

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## ABSTRACT

Consumer behavior issues have become more heterogeneous because of cultural differences. This phenomenon makes it progressively important to understand factors impacting it. As such, this study examined the determinants of consumer buying behavior among Saudis and expatriates living in Riyadh, the capital city of the Kingdom of Saudi Arabia. Initially, this study discovered the role of religious orientation as a mediator between the relationships of luxury values, ethical value, media, word of mouth, price, motivation, and perceived cultural importance taken with consumer buying behavior. Partial Least Squares Method algorithm and bootstrap techniques were used to test the study hypotheses. The results provided support for most of the hypothesized relationships of the study. Specifically, ethical value, luxury values, motivation, price, and religious orientation were found significantly/positively related to consumer buying behavior which benefits the consumers. Also, creating value for the community was significantly/positively related to forms of consumer buying behavior. Additionally, religious orientation mediated between the relationships of ethical values, and perceived cultural importance taken with consumer buying behavior which showed consumers' strong inclinations towards their ethical values and cultural perceptions. However, while creating value for the word of mouth, and price, a lack of significant relationship with religious orientation was found. As a whole, the results of mediation and other variables indicated that most of them were significant. The outcomes of this research seek to support industry and business practitioners in understanding the behavior of Saudis and expatriate consumers, and in using the findings to formulate strategies that enhance their competitiveness in the market. Finally, this research attempts to enrich marketing literature by providing empirical evidence on Saudis' consumption behavior from the perspective of the Muslim population.

**Keywords:** Luxury Values, Ethical Value, Religious Orientation, Consumer Buying Behavior.

## ABSTRAK

Tingkah laku pengguna akan menjadi lebih heterogen kerana perbezaan budaya. Fenomena ini menjadikan pemahaman terhadap faktor-faktor yang memberikan kesan terhadapnya lebih penting. Kajian ini menyelidik penentu tingkah laku pembelian pengguna dalam kalangan rakyat Arab Saudi dan ekspatriat yang tinggal di Riyadh, ibu kota Kerajaan Arab Saudi. Kajian ini mendapati peranan orientasi agama sebagai orang tengah kepada hubungan antara nilai-nilai mewah, nilai etika, media, dari mulut ke mulut, harga, motivasi, kepentingan tanggapan budaya dan tingkah laku pembelian pengguna. Kaedah algoritma kuasa dua terkecil separa atau *Partial Least Squares* (PLS) dan teknik *bootstrap* telah digunakan untuk menguji hipotesis kajian. Keputusan menyokong kebanyakan hubungan hipotesis kajian. Nilai-nilai khusus etika, nilai-nilai mewah, motivasi, harga dan orientasi agama adalah signifikan dan berkait secara positif dengan nilai mewah dan tingkah laku pembelian pengguna yang memberi manfaat kepada pengguna. Walau bagaimanapun, mewujudkan nilai untuk masyarakat adalah signifikan dan berkait secara positif dengan pembentukan tingkah laku pembelian pengguna. Selain itu, orientasi agama mengantara hubungan antara nilai-nilai etika, kepentingan tanggapan budaya dan tingkah laku pembelian pengguna serta meletakkan pengguna secara signifikan dan berkait secara positif dengan nilai-nilai etika, dan mengetahui kepentingan budaya. Tambahan pula, semasa mencipta nilai dari mulut ke mulut, harga dan media (iklan) berkaitan dengan tingkah laku pembelian pengguna adalah signifikan dan berkait secara negatif dengan orientasi agama. Tambahan pula, keputusan pengantaraan dan pemboleh ubah lain menunjukkan bahawa kebanyakan daripadanya adalah penting lebih-lebih lagi apabila hasilnya menunjukkan bahawa orientasi agama mempunyai pengantaraan penuh ke atas hubungan antara nilai-nilai etika; kepentingan tanggapan budaya dan tingkah laku pembelian pengguna. Hasil penyelidikan akan membantu industri dan pengamal perniagaan untuk memahami tingkah laku pengguna Arab Saudi dan ekspatriat dengan menggunakan strategi yang dirangka bagi meningkatkan daya saing mereka di pasaran. Tambahan pula, kajian ini akan memperkayakan literatur pemasaran dengan menyediakan bukti empirikal tingkah laku penggunaan di Arab Saudi dari perspektif masyarakat Islam. Sumbangan, batasan, dan implikasi kajian turut dibincangkan.

**Kata kunci:** Nilai Mewah, Nilai Etika, Orientasi Agama, Tingkah laku pembelian pengguna.

## Dedication

I dedicate this work to my dear *Parents, Brothers and Sisters* for making every efforts asking ALLAH Subhanahu wa ta'ala for me day and night (performing Duaa) to successfully complete my Ph.D. journey, and also for supporting me not only by money but by everything they can to encourage me to finish my Ph.D. I would love to pray to ALLAH Subhanahu wa ta'ala to forgive my *dad* because he just pass away couple of months ago. Moreover I would like to dedicate this work my lovely *Wife* for being patient and give up many things to stand next to me and encouraging me to achieve this utmost dream, magnificently. Finally I dedicate this work to all my friends who were next to me all the time by their feeling, money and time really I am so proud of you friends, especially Dr. Albadri Ali, Dr. Syed Radiuddin, brother Saud Al-jarallah, Hesham Al-haj, Mahmoud Hammad, Saad al-haqbani, Abbas Ramdani, Oussama Saoula and brother Abdul Karim Ghemari, for them and others I am saying, really I am so thankful and I appreciate your help.

## ACKNOWLEDGEMENT

### **“In the Name of Allah, the Most Gracious, the Most Merciful”**

All praise is due to ALLAH Subhanahu wa ta'ala, the Lord of the worlds who gave me the strength and courage to complete this gigantic work. May the peace and blessings of ALLAH Subhanahu wa ta'ala be upon our beloved prophet Muhammad peace be upon him, his household, companions and those who follow him in the righteousness till the Day of Judgment, I believe that anyone who is not thankful for people he will not be thankful for ALLAH Subhanahu wa ta'ala. Therefore I would love to thank my Supervisors Associate Prof Dr. Salniza bt Mohamed Salleh and Prof Dr. Rushami Zien bin Yusoff for assisting and helping me to complete my Ph.D. successfully. Also I would like to thank my internal and external examiner for their time which they cut it from their valid time to assist and help me.

I also would like to be appreciative to Prince Talal bin Abdul-Aziz Al Saud for the kindness and assistance to all of my family especially me during my Ph.D. journey, also I am thankful for Prince Abdulrahman bin Talal for his support and encouragement. Finally, I would like to be grateful to all of University Utara Malaysia (UUM) staff and to any one helped or assisted me during my Ph.D. journey to all of them I present my successful to them trying to show them how much I'm thankful & grateful. Moreover, promising them I will never forget their help all my life.

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## LIST OF ABBREVIATIONS

AMOS	Analysis of Moment Structures
ASUU	Academic Staff Union of Universities
AVE	Average Variance Extracted
CDSI	Central Department of Statistics & Information
CLEEN	Centre for Law Enforcement Education
CMV	Common Method Variance
CWB	Counterproductive Work Behaviour
EFCC	Economic and Financial Crimes Commission
G-20	Group of Twenty
GDP	Gross Domestic Product
PhD	Doctor of Philosophy
PIN	Perceived Injunctive Norms
PLS	Partial Least Squares
Q2	Construct Crossvalidated Redundancy
R2	R-squared values
SEM	Structural Equation Modelling
TPB	Theory of Planned Behavior
SMEs	Subject Matter Experts
SPSS	Statistical Package for the Social Sciences
SRE	Self Regulatory Efficacy

SWT	<i>Subhanahu Wa Ta'ala</i>
KSA	Kingdom of Saudi Arabia
pc	Composite Reliability
MoHE	Ministry of higher education



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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of Study

Scholars worldwide consider consumer buying behavior as a science of individuals wherein different environmental and cultural aspects of people play significant roles in shaping consumer's decisions about buying products or services (Teimourpour & Hanzae, 2011). In that regard, it is useful to notice that the transportation sector is one of the services whose overall performance has been visibly affected by the people's culture worldwide, especially in the Kingdom of Saudi Arabia (KSA). According to the Saudi ministry of higher education (MoHE, 2010), the transportation sector in KSA is a significant and critical channel that provides a satisfactory environment to venture capitalists for investing into different areas.

Nowadays, understanding significant nuances of marketing and its sub stream like consumer behavior has become a very important component for the success of any company, organization or business (Kaplan & Haenlein, 2009). Due to the fact that it contributes greatly to the success of an organization, it basically enables the creation of business awareness and enhances the levels of consumer relationship (Verhoef, 2003). In addition, production and distribution functions are also seen to depend largely on marketing. Nonetheless, deficiency of effective marketing strategies can definitely lead to losing consumers, hence, marketers know that consumer buying

behavior is a huge science (Aldridge, Forcht, & Pierson, 1997) which keeps posing challenges to them from various perspectives.

Consumer buying behavior is a science of individuals' buying customs, such as: what they buy, how they buy, from where they buy, and also why they buy. It is evidently known that consumer buying behavior is a part of marketing, and it also has a strong relation with sociology and psychology. The aim of understanding consumer buying behavior is to know the buying decisions of consumers as well as to understand the steps involved in such decisions. Moreover, any purchasing decision starts from the opportunity available for any product or service in the market which aims to study the market and the customer at the same time, therefore, this is the starting point of marketing strategy (Kotler, 2010). Furthermore, many scholars have studied the phenomenon of consumer buying behavior in US and European context, however, studies to investigate this phenomenon in developing countries are still limited (Echtner & Prasad, 2003).

It is useful to notice that the world economy is moving towards cross-cultural amalgamation. In this regard, since marketers are finding opportunities to enter new international market arena, it is crucial for both marketers and managers to have understanding regarding the influence of culture and religious orientation on consumer buying behavior. Also, globalization and intense competition have caused firms to operate in a multicultural environment, especially in developing countries and more particularly in the Middle East (Luna & Gupta 2001).

Saudi Arabia is a Middle Eastern country which mandates Arabic as an official language despite the fact that English is seen as a commonly spoken language especially in business transactions. In fact, it has become the second compulsory language in Saudi schools. Moreover, more than 200 million people in more than 22 countries in the world use Arabic as language to communicate. Also, the Holy Book of Islam (Qur'an) was written in Arabic language, and also there exist a wide range of other Arab poetry and literature (MoHE, 2010).

Likewise in Saudi Arabia, the way of speaking Arabic equally varies between those living in urban and rural areas. The Kingdom of Saudi Arabia is officially known as the largest Arab state in Western Asia by land area (approximately 2,150,000 km<sup>2</sup>, constituting the bulk of the Arabian Peninsula and the second-largest in the Arab world after Algeria). It is bordered with Jordan and Iraq to the north, Kuwait to the northeast, Qatar, Bahrain and the United Arab Emirates (UAE) to the east, Oman to the southeast, and Yemen in the south (MoHE, 2010). It is the only nation with both a Red Sea coast and a Persian Gulf coast. With regards to the Saudi inhabitants, the country has at least 21 million Saudi nationals and at least 5 million foreigners. It is the second largest source of oil reserves in the world, the sixth largest country in the world that has natural gas reserves, and it was characterized as high income economy with 19th highest GDP in the world (Information, 2012). The country is ranked 20<sup>th</sup> in the most powerful countries in the world being the world's largest oil exporter. It

is the country that is being ranked as the most visible/active regional power within Arabian Peninsula because it continuously seeks to maintain regional hegemony within Arabian Peninsula (Information, 2012).

Saudi Arabia is one of the members of G-20 major economies, Gulf Cooperation Council, OPEC, and Organization of Islamic Cooperation. It is a country that bases its economy on oil industry. Such oil industry accounts for above 95% of exports as well as 70% of government income, even though in recent time the share of the non-oil based industries has been growing gradually. The revenue generated by oil industry enables the revolution of various activities within the Saudi Arabia (MoHE, 2010).

### **1.1.1 Roads and Transportation in Saudi Arabia**

Saudi Arabia's network of internal roads is very contemporary and advanced with a total length of nearby 160 thousand kilometers in which approximately 47 thousand kilometers are linking with major centers (MoHE 2010). Additionally, authorities in Saudi Arabia is continuing to expand country's road network and linking major cities to remote areas for effective movement of goods. Besides, there is a predisposition to involve the private sector in the ownership, operation and maintenance of the road network (MoHE 2010).

The transportation sector within the country is an important channel that provides a satisfactory environment to venture capitalists for investing into different areas. It is

an important avenue considered by the Saudi government in pushing the country's economy by the delivery of good road network services for the purpose of moving goods and passengers. In doing so creating avenues will also appeal private sector ventures in transportation projects and similarly it will create more job opportunities (MoHE 2010). The Saudi policy in the transportation sector has been revised recently and now Saudi administrative authorities is promoting the role of the private sector in investment by dint of permitting investors to perform the operations, supplementary by the development, sustenance and management of railway and road networks while certifying the right of the state to recuperate those development projects after the completion of the contract period (MoHE, 2010). Movement of goods by transportation companies affiliated to the Saudi Arabia Public Transport Co. (SAPTCO), which is a public joint stock corporation and has transmission lines regularly among more than 450 towns (MoHE 2010).

### **1.1.2 Central Department of Statistics & Information**

Literature has shown that Saudi Arabia's imports are more than exports, which force government to spend millions of Saudi Riyals (SAR) every year (Information, 2012). The top importer countries of Saudi Arabia are USA, China, Germany, Japan and South Korea. USA is the top importer country with a value of SAR78770 million at the rate of 13.5% of the total imports with an increase of 27.2% (SAR16827 million) which is higher as compare to 2011 (Information, 2012). The top imported properties from USA are distinctive cars with a value of SAR8345 million at the rate of 10.6%

of the total imports. China is the second top importer for Saudi Arabia with a value of SAR74195 million at the rate of 12.7% of the total imports with an upward increase of 14.4% SAR9366 million which was higher than 2011. Then Germany stands third with a total import value of SAR41367 million at the rate of 7.1% of total imports. Japan comes next as 4<sup>th</sup> largest importer of Saudi Arabia with the figure of SAR38989 million at the rate of 6.7% of the total figure. The last importer in this list is South Korea whose import values have reached to SAR35467 million in 2012 with the rate of 6.1% of total imports. The imports from South Korea have been upsurge to SAR6391 million which is 22% greater than last year. However, it has been observed that the top importing properties from these countries are the luxuries and compact cars by means of the actual number 981890 cars with the total amount of SAR76625 million (Information, 2012). According to CDSI (2012) Saudi Arabia has imported total cars; USA (215759), Japan (188281), South Korea (206933) and Germany (44385).

Below table shows the total value of important commodities like vehicles equipment, spare parts and car values in millions (SAR) from the period of 2008 to 2012:

*Table 1.1: First Vehicles Equipment and Spare Parts*

<b>Vehicles equipment and spare parts values in million SAR</b>					
<b>Year</b>	2008	2009	2010	2011	2012
<b>SAR</b>	77620	62287	73628	77141	103440

(Source: central department of statistics & information, 2012)

It can be seen from the table 1.1, during five years from 2008 to 2012 the total amount in millions (SAR) have augmented from 77620 to 103440. However, this import figure had climbed dramatically in year 2012 by 26299 million (SAR) while from year 2008 to 2011 imports were fluctuating in between 77620 to 77140 million (SAR).

*Table 1.2: Second Hand Cars*

<b>Cars value in millions (SAR)</b>					
<b>Year</b>	2008	2009	2010	2011	2012
<b>SAR</b>	53791	41876	51053	53693	76625

(Source: central department of statistics & information, 2012)

Table 1.2 displays the total amount of imported cars in millions (SAR) which government of Saudi Arabia imported from 2008 to 2012. Table demonstrates that Saudi consumers spent 53791 million (SAR) in 2008, which has increased to 76625 million (SAR) in 2012. This radical increase in imports of previously owned cars, vehicle equipment and spare parts have revealed that the usage patterns of Saudi consumers towards self-owned cars have risen overtime instead of local transportation.

### **1.1.3 Middle Eastern Values & Traditional Norms**

Most of the Middle Eastern societies have diverse traditional norms which are entirely different from the materialistic values that seem to have been emphasized by companies from western countries. However, differentiation in the values of Middle Eastern and western societies makes it difficult for the companies to rely on very

similar marketing strategies if they want to enter Middle Eastern markets. Furthermore, luxury value is the term used in referring to certain services, products or lifestyle. The concept of luxury value differs according to the experiences of different consumers because it has different forms. It is also considered as a good object which requires human involvement and small quantities which are highly recognized by different people. Therefore, luxury objects provide additional pleasure and compliments in all minds at once. However, luxury products strive on the capability to induce uniqueness, product identity, product awareness and consumers' perceived quality perspective, while religious orientation is a basic determinant of customers' behavior and wants, as well as their attitudes and perceptions toward automobile industry.

Moreover, it seems that religious orientations are patterns of behavior customers used to do and are inherent in their past lives; these patterns of behavior affect their behavioral intention to use private cars. Furthermore, religion is an important factor to study because it is one of the most universal and influential social institutions that have significant influence on people's attitudes, values and behaviors at both the individual and societal levels, specifically, what this means is that people who have religion hold certain values that are able to influence their actions and decisions because Islam is a religion that guides Muslims in every aspect of life, not just in specific acts of worship therefore Allah Subhanahu wa ta'ala commands Muslims not

to consume or spend extravagantly. Despite the fact that, in the Middle Eastern societies ISLAM plays a substantial role in buying behaviors of consumers.

Allah Subhanahu Wa Ta'ala said in the Noble Qur'an on buying behavior that:

*“Woe to those who give less [than due], (1) who, when they take a measure from people, take in full. (2) But if they give by measure or by weight to them, they cause loss. (3) Do they not think that they will be resurrected (4) for a tremendous Day - (5) The Day when mankind will stand before the Lord of the worlds? (6).”*

Prophet Muhammad peace be upon him said:

*“I have not been sent except to perfect the ethical system (makārim al-akhlāq).”*

One of the most momentous characteristics of a Muslim life is to have high ethical standards (values). Since the beginning of Islam, Prophet Muhammad peace be upon him was predominantly anxious with the teachings of Islam and encouraging Muslims to have the best personal characteristics and the best manners. His peace be upon him personal life and behavior were thoughtful of his teachings, which had been exposed to Him peace be upon him by Allah. In the Noble Quran, Allah describes Prophet Muhammad peace be upon him saying: *“And indeed, you peace be upon him are of a great moral character.”* [Quran, 68:4].

The high standard of the Prophet peace be upon him manners made Him peace be upon him a royal model for all Muslims to follow. The Prophet peace be upon him

emphasized on the importance of good manners amongst Muslims. He peace be upon him said:

*“The best of you is the best among you in conduct” (Al-Bukhaari & Muslim).*

In another authentic narration, the Prophet peace be upon him mentioned that:

*“The heaviest thing to be placed in the balance of a believing slave on the Day of Judgment will be good behavior. And Allah hates the one who uses bad language” (Al-Bayhaqi).*

Someone asked Prophet Peace be upon him:

*“What deed would lead a man to paradise, and He, peace be upon him answered: “Piety and good conduct.”*

In other narrations the Prophet peace be upon him made distinctions among Muslims based on their behavior; the Prophet peace be upon him said:

*“The most perfect man in his faith, among the believers, is the one whose behavior is the most excellent; and the best of you are those who are the best to their wives”.*

Islamic ethical system is entirely different from other ethical systems. This is because; the source of the Islamic ethical system was a divine source, it is a revelation from Allah. Consequently, such ethical system is not subjected to any manipulation or change in order to fit any selfishness. It is a system that is applicable all over the world regardless of time or place. The Noble Quran detailed clearly the importance of good manners as it mentioned the significance of belief and worship. The Noble Quran identified different kind of good morality acts such as; treating all people with fairness; dealing with parents in the best manner; fulfilling promises with others; being nice to the relatives and neighbors; being sincere in all of our

intentions; being honest; and taking care of orphans and the poor. Even the good manner to walk, the Noble Quran has demonstrated. Allah Says: “And, be moderate in your walking...” [Quran: 31:19] سورة لقمان

Allah also said:

*“And the servants of the most merciful are those who walk upon the earth in modesty, and when the ignorant address them [harshly], they say [words of] peace.”* (Quran, 25:63) سورة الفواقان

Likewise, appropriate time and manner to visit one another has also been revealed by the Noble Quran. Allah Subhanahu Wa Ta'ala Says:

*“O you who have believed! Do not enter houses other than your own houses until you ascertain welcome and greet their inhabitants. That is best for you; perhaps you will be reminded [i.e., advised].”* (Quran, 24:27) سورة النور

The good way and manner to behave in a gathering has been revealed by the Noble Quran, Allah Says:

*“O you who have believed! When you are told: 'Space yourselves' in assemblies, then make space; Allah will make space for you...”* (Quran, 58:11) سورة المجدلة

Therefore, appropriate practice of the sayings and the actions of the Holy Prophet Muhammad peace be upon him can definitely resulted to a lot of positive changes in our daily life activities such as sleeping, drinking, sneezing, eating, yawning, greeting, dressing, travelling, and taking permission and other important acts. Islamic moral system addressed various aspects of human life development, no matter how

bigger or smaller it is. It is a comprehensive and complete package on human life activities, such package has not any defect which may require any amendment.

Islamic religion plays significant roles in guiding towards good morals between individuals, Muslims and non-Muslims, the community at large, how to respect rulers and respective scholars and even how to behave during the time of peace and wars. It also guides humans towards best way of treating animals. Prophet

Muhammad peace be upon him said:

*“Fear Allah when you treat the animals: take care of them, keep them in good health whether you ride on them or are raising them for their meat” (Ahmad).*

Similarly, the Prophet Muhammad peace be upon him said:

*“When you slaughter an animal, make your slaughter in the best manner. Let one of you sharpen his knife and give ease to the animal (in order to reduce the pain)” (Muslim).*

In addition, the companions asked the Prophet peace be upon him:

*“Do we earn reward if we treat animals in a good manner? He peace be upon him answered: “Yes, surely you earn rewards whenever you treat any living being in a good manner.” (Al-Bukhaari & Muslim).*

## **1.2 Problem Statement**

Most of the business failures result due to failure in taking into consideration the issues of cultural dynamics among countries (Steenkamp, 2001). Moreover,

consumer buying behavior is a science of individuals (Kotler, 2010), and religious issue is an important cultural factor to study universally, but most studies on religiosity have been focusing on Christianity only (Allport, & Ross, 1967; Ahmad, Rahman, Ali & Seman, 2008). Undoubtedly, religious sentiments have got significant influence on people's attitudes (Mokhlis, 2009). However, academic studies fail to analyze the predominance of religious issues affecting consumer buying behavior in Saudi Arabia (Alajmi, Dennis, & Altayab, 2011). As such, in order to enter into markets of the KSA, marketers need to duly recognize the components that can potentially satisfy Saudi consumers.

In accordance with the above, the aim of the current study is to determine the relationship between the luxury value, ethical value and consumer buying behavior through religious orientation, however, predominantly within the context of Kingdom of Saudi Arabia (KSA). Automobile industry offers different kind of products which are needed by various consumers regardless of their nationality, social class, gender or age. This study will look into the effect of religious orientation on the buying behavior of consumers.

Predominantly, the study will examine the impact of religious orientation as a mediator on consumer buying behavior with several indicators such as: luxury value, ethical value, media (advertisement), recommendation which is known as word of mouth on consumer buying behavior. Buying behavior concerns with the behavior of

a group, organization or an individual's buying decision process, or it is an act which involves purchase and dispose of goods and services, it is also the satisfaction of people's needs and wants and the impacts that these processes have on the consumer and society. Moreover, national culture, which is influenced by religious orientation has specific characteristics such as luxury value, ethical value, culture history and media (Teimourpour & Hanzaee, 2011).

Different cultural and environmental backgrounds play significant roles in consumer's decisions of buying products or services. Therefore, such different backgrounds affect the level of consumption decision by consumers and their choice of products which in turn results in different needs and wants by the consumers. This creates stimulating situations to the professional marketers in catering to the basic need and wants of different customers with such diverse backgrounds. In this situation, cultural knowledge of a target market is very significant to professional marketers in order to provide the right goods and services that are needed by a particular cultural background. Marketers need to know the impact of national cultures which is influenced by religious orientation on consumer behaviors, and they should also be aware of the differences in international markets and cultural backgrounds (Klein, Waxin, Radnell, 2009).

Since the advent of the second decade of 21st century, the adoption of media has developed rapidly by companies, especially car companies as a communication tool,

in spite of the fact that, the fast espousal of media is well-known among consumers and its influence on their behaviors, but still media has not been used effectively. Although all kind of media currently is important communication tools, and if companies want to gain a competitive advantage, they must make better use of this communication tool (Chaudhary & Jha, 2013). With the emergence of a new era of technology, media and social media have become very important and powerful communication tool for all consumers, especially for car consumers (Chaudhary & Jha, 2013; Stein, 2014).

Moreover, regarding word of mouth, it is one of the important influences that convinces people to act in a specific behavior, because people like to socialize by nature (Jerram, 2003). Marketers need to recognize which components of words of mouth make the utmost striking form of communication (Gheorghe, 2012). With the intention of adopting an appropriate marketing strategy, marketers must need to understand why words of mouth play such an imperative role when customers make a decision to purchase and simultaneously they should recognize which components make words of mouth communication the utmost striking form of communication (Gheorghe, 2012). Words of mouth is more powerful communication tools at the moment than any commercial sources of information used by companies (Derbaix & Vanhamme, 2003), therefore marketers must need to understand why words of mouth play such an imperative role (Gheorghe, 2012).

According to Story and Jeff (2006), price is one of the most important and sensitive variables to influence the consumers purchase behavior. In order to satisfy consumers, price should be examined more in deferent places to see its effect on consumer decision making (Alvarez & Casielles, 2005).

On the other hand, motivation is the foundation of success in dealing with any kind of difficulties and challenges, and plays a significant role & influence when customers decide for ultimate purchase. Above and beyond motivation, the decision-making process of the consumer is affected by numerous other factors in real life (Svatosová, 2013). Therefore, marketing experts should apprehend such effects and their relative importance which can be used in making effectual marketing strategies.

Furthermore, cultural values are the ones which most of the members of the society consider to be important for the culture. This approach is recognized as the important perceived cultural approach. So people believe that they make priorities in values as per the priorities of the social group they fit into (Rohan, 2000). Hence, the prominence of any value in a culture would be important if the members of the group believe that the particular value must be built into the culture. Most of the business failures result due to the failed to take into consideration the issues of cultural changes among countries (Ricks, 1993; Steenkamp, 2001).

Differences in consumer behavior are subject to the environmental characteristics of a country's cultural background. Cultural norms and philosophies are the essential forces that influence the perception of people, behaviors and characters (Markus & Kitayama, 1991). In general, culture or we can say religious orientation reflects tendencies of persistent preferences for precise state of affairs and for specific social processes over others and general rules for selective attention, interpretation of environmental signals and responses (Tse & Wilton, 1988).

Literature shows that consumers drive the market, and consumer needs and wants are impacted by many different factors and these factors vary from one consumer to another based on their demography, psychological, or economic factors etc. Among these factors, one of the factor is consumer buying behavior which is concerned with the decision processes of individuals, organizations or groups relating to the goods or services' consumption. In this regard, by different stages one can understand what consumers need exactly, and one can also know what consumers want exactly which can really happen through personal and social consultation with the consumers (Teimourpour & Hanzaee, 2011).

Moreover, most of the business failures resulted because they failed to take into consideration the issues of cultural changes among countries (Ricks, 1993; Steenkamp, 2001). National culture which is influenced by religious orientation has some specific characteristics such as religion, language, ethnics, cultural history,

racial identity and traditions. That is why, the current study intends to investigate the mediating effect of religious orientation on customer buying behavior which in turn contributes to the success of a firm. Hofstede (2010) carried out a comprehensive research on the effect of culture on values in the workplace. Their study was based on employee's value scores of a large data collected from IBM between the period 1967 to 1973, and they involved more than 70 countries. The study has revealed significance of such culture on the values in the workplace.

Furthermore, most of the marketing characteristics have been established and empirically validated in the Western countries only, more particularly in the USA. However, it still needs to be validated in Middle Eastern context particularly in Saudi Arabia. The question is whether or not the consumers' needs and wants are impacted by religious orientation in an Islamic country like Saudi Arabia. Saudi Arabia is one of the Middle Eastern countries which follows religion Islam and adopts Qur'an as its constitution to follow daily life matters (MoHE, 2010).

In accordance with the above, and as a whole, academic studies fail to analyze the dimensions of national culture, more specifically religious orientation with relation to consumer buying behavior in Saudi Arabia. That is why this study aims to investigate the mediating effect of religious orientation on the relationship between luxury value, ethical value, media advertisements, words of mouth, prices, motivation and perceived cultural importance with consumer buying behavior

predominantly within the context of Saudi Arabia wherein only few or no empirical evidence can be found (Alajmi, Dennis, & Altayab, 2011). The study will provide insights to domestic and international marketers concerning Saudi consumers' buying behavior evaluation. Globalization has entirely changed the manner in which people behave, think and operate their businesses. Therefore, achievement of successful marketing strategies by different marketers requires a clear understanding of the consumer buying behavior by considering the factors that might enhance consumers' consumption decisions such as religious orientation, luxury value, ethical value, media advertisements, words of mouth, prices, motivation and perceived cultural importance.

### **1.3 Research Questions**

In line with the issues discussed above, this study intends to unravel following research questions:

1. What is the extent of relationship between luxury value and consumer buying behavior in Saudi Arabia?
2. Does ethical value have an impact on consumer buying behavior in Saudi Arabia?
3. Does media advertisement significantly relate to consumer buying behavior in Saudi Arabia?
4. Is there any relationship between words of mouth and consumer buying behavior in Saudi Arabia?

5. Is there any relationship between price and consumer buying behavior in Saudi Arabia?
6. Does motivation have an impact on consumer buying behavior in Saudi Arabia?
7. Does religious orientation mediate between the relationships of luxury value, ethical value, media advertisement, words of mouth, price, and motivation taken with consumer buying behavior in Saudi Arabia?

#### **1.4 Research Objectives**

In line with the research questions of this study, the following research objectives are proposed:

1. To examine the relationship between luxury value and consumer buying behavior in Saudi Arabia.
2. To assess the impact of ethical value on consumer buying behavior in Saudi Arabia.
3. To determine the effect of media advertisements on consumer buying behavior in Saudi Arabia.
4. To examine the relationship between words of mouth on consumer buying behavior in Saudi Arabia.
5. To determine the impact of price on consumer buying behavior in Saudi Arabia.

6. To determine the impact of motivation on consumer buying behavior in Saudi Arabia.
7. To determine the mediating effect of religious orientation between the relationships of luxury value, ethical value, media advertisement, words of mouth, price, and motivation taken with consumer buying behavior in Saudi Arabia.

### **1.5 Scope of the Study**

The scope of the study comprises of Saudi people as well as expatriates who are living in Saudi Arabia. This research has provided an empirical assessment of the impact of key success factors on consumer buying behavior. The focus of the current study was based on the impact of religious orientation as a mediator on consumer buying behavior. This study used mall intercept, systematic random sampling wherein 600 respondents were selected from three areas viz. north, south and central of Riyadh. These areas were selected because the majority of people live in these areas, and the mainstream malls are located in very these areas (MOHE, 2010).

### **1.6 Significance of the Research**

This study is expected to contribute to both the theory and practice as well.

### **1.6.1 Theoretical Contribution**

From the theoretical perspective, some scholars suggested that consumer buying behavior studies should be built on marketing strategy (Van Raaij, 1986). In fact, an understanding of consumer buying behavior is required in order to make suitable marketing decisions. These studies have achieved increasing importance in the past decades. Establishing a positive image about using public buses is a way to reduce the traffic jam (Boo *et al.*, 2009). Also, a review of previous studies reveals a lack of understanding between religious orientation and consumer buying behavior. Alajmi, Dennis and Altayab (2011) assert that it is obviously a need to develop a better understanding of religious orientation. In this fashion, the present study adds to the body of knowledge on religious orientation in Saudi Arabia as well as the other Muslims countries, and seeks to fill the contextual gap as previous studies have been mostly conducted in the West. Therefore, this research further contributes to the literature of consumer buying behavior by exploring the impact of religious orientation and other predictors.

This research further contributes to the literature of consumer buying behavior by exploring the impact of religious orientation, luxury values, ethical values, media advertisement, words of mouth, price and motivation. By incorporating these variables in a single study, a better understanding on the differential impacts of the predicting variables on consumer buying behavior could be ascertained. It is thus useful to discover this issue in Saudi in response to the viewpoint which indicates

that empirical findings established in the western countries might not be valid in other countries (Chao-Tung, Chia-Yon, & Jung-Feng, 2009). Also, the study contributes to the body of knowledge by testing the applicability of theory of planned behavior in the context of an Arab country such as Saudi Arabia.

### **1.6.2 Practical Contribution**

From the practical aspect, the study will contribute to the practitioners and marketers by identifying the variables which have effects on consumer buying behavior within Saudi context. The study will also contribute by displaying the effect of religious orientation in the issues concerning consumers buying behavior within Saudi context. The findings of the study are potentially deemed important for the development of public transportation in Saudi Arabia in general and in Riyadh in specific wherein little research has been done before in this area. Automobile markets in Saudi Arabia proves itself to be one of the most successful and dynamic markets. Understanding customers' needs and wants would be really helpful to the marketers and the governments in developing suitable strategies to improve the local markets (Kanagal, 2009).

Competition among automobile industry is usually realized by creating and spreading a favorable image to potential customers in target markets (Goodall, 1990). The results of this study seek to display empirical value and competitive strategies for the locals as well as for the international marketers who are interested

in the Saudi markets. This research also intends to identify the factors contributing to consumers' favorable attitudes and future decisions. The knowledge and insights generated through this research could also help Saudis in designing and implementing appropriate strategies, and enable Saudis to manage their resources more effectively in this endeavor. This study might be of some help in finding out suitable solutions towards decreasing the Traffic jam during the rush hours in Saudis cities.

## **1.7 Definition of Terms**

### **1.7.1 Consumer Buying Behavior**

Customer buying activities are determined as the activities that consumers display in seeking, purchasing, using and analyzing services and products that they expect will fulfill their personal needs. Consumer buying activities entrench with both mental choices and the physical activities that result from those choices (Bloch *et al.*, 1986; Luo & James, 2013).

### **1.7.2 Luxury Value**

Luxury product is defined as a paradigm of fortune, high status, extraordinary quality, high prestige and non-important products' value. Moreover this can be described from different perspectives in different characteristics that include certain symbols of high quality, wealth, price, prestige, status, endowment of pleasure, and

other non-essential items for lifetime (Bearden, & Etzel, 1982; Teimourpour & Hanzaee, 2011).

### **1.7.3 Ethical Value**

Ethical value can be described as a set of ethical principles that distinguish what is right, and what is not. In the Qur'an, the phrase carefully associated to ethical principles. The Noble Qur'an also uses several conditions to describe the related concepts; Goodness, Justice, Equity, Truthfulness, Piety, Virtue, Excellent Actions and Incorrect Methods. However, moral principles in Islam are actually the individuals' relation with Allah (SWTA) (Ali, 2008; Davis *et al.*, 2001; Hashi, 2011).

### **1.7.4 Religious Orientation**

Religious orientation refers to the individuals' attitude and behaviors that integrate with their religious principles, rules and guides (Allport & Ross, 1967). Religious orientation concerns with Islamic ways of doing things with regard to all human endeavors. Moreover, it concerns with Islamic principles and laws that might enable the process of all human endeavors. Islamic civilization reflects the individuals that they are the first building block in the construction of community and their righteous actions judge the entire community.

### **1.7.5 Media**

This is a channel of communication which disseminates various kind of information such as promotional messages, education, entertainment, news etc. Media involved all kinds of broadcasting mediums such as TV, newspapers, radio, magazines, billboards, internet, direct mail, mobile and telephonic calls (Ma, Sian Lee, Hoe-Lian & Goh, 2014)

### **1.7.6 Words of Mouth**

Words of mouth is described as a casual and non-commercial way of communication between person-to-person, where one person would be a speaker and another one would be a recipient. It is between the real or prospective customers and other people (Gheorghe, 2012).

### **1.7.7 Price**

Price is defined as a customer recognized value and prestige which serves as a basis for various commercial transactions; it's a consideration that facilitates the exchange of goods and services of any extent. In commerce, price is ascertained as what a given buyer is willing to pay and at the same time seller is also willing to accept (Omar, 1997; Voss, Parasuraman & Grewal, 1998).

### **1.7.8 Motivation**

Motivation is the process of goal-oriented behaviors in an organization. It happens in different perspectives, for example, employees can be motivated through financial or non-financial incentives which ultimately contribute towards achievement of organizational objectives. Likewise, a customer can equally be motivated in different ways which can definitely affect his consumption buying behavior decisions (Cruz, Pérez, & Cantero, 2009; Graham & Weiner, 1996).

### **1.7.9 Perceived Cultural Importance**

Cross-cultural psychologists assume that core cultural values define to a large extent what a culture is. Typically, core values are identified through an actual self-importance approach, in which core values are those that members of the organizations are strongly obliged to endorse (Wan, Chiu, Tam, Lee, Lau & Peng, 2007).

## **1.8 Structure of the Thesis**

This thesis consists of five chapters. The first chapter presents general introduction about the thesis, the background of the study, problem statement, research questions, research objectives, scope of the study, significance of the study, definition of terms, and structure of the thesis.

Chapter two fundamentally conceptualizes the three major structure of this work: attitude, subjective norms, and perceived behavioral control. This chapter also highlights previous studies on luxury values, ethical value, media, word of mouth, price, motivation, and perceived cultural importance. Moreover, the potentialities of religious orientation as a mediator on the relationship between luxury value and consumer buying behavior are also discussed.

Chapter three discusses the conceptual framework of the study which is proposed after conducting an extensive review of the literature. The direct and indirect relationships between the key constructs are proposed as hypotheses of the research. Moreover, this chapter discusses the research methodology employed for the study.

Chapter four presents the descriptive analysis of the respondents for this study, empirical results, and test of hypotheses of the study.

Finally, chapter five provides recapitulations of the study, discussion on findings, limitations of the study, directions for future research, suggestions for practitioners, and conclusion.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In the previous chapter, discussion has been made concerning brief background of the study, problem statement, research questions, research objectives, and research significance. This chapter will discuss the relevant literature on the origin and evolutions of consumer buying behavior, stages and kinds of consumer buying behavior, luxury value, national culture and also dimensions of national culture which are so important nowadays. With persistent globalization of the world economies, national culture has become an important element of any state's economy, because each state intends to gain competitive edge over other countries in terms of its strengths such as; China, Korea, Japan, Germany, Russia, USA and so on.

#### **2.2 An Overview of Consumer Behavior and Luxury Value**

Globalization has changed the way people think and behave, and it has also encouraged marketers to plan their business strategies with more advance approaches rather than traditional approaches. Therefore, in order to accomplish effective outcome from the marketing strategy, consideration has be given to the factors which motivate consumption behavior of the customers. Even though, the consumption decision of a consumer is more related to consistent patterns of affective and

cognitive responses, but then, individual attitudes and values can equally be influenced by their respective culture (Hofstede, 1984). Such culture has positive impact on decision making style on consumers (Leo, Bennet & Hartel, 2005).

Why should we need to study patterns of consumer buying behaviors? This is because such behavior can no longer be taking for granted. Consumer buying behavior concerns with consumer buying intentions to the specific products and which factors responsible to consumers buying behavior. This goes along with the study which has proven that 77 companies introduced 11000 new products into market in the period of 5 years, and 56% of such products are still present. But only 8% of those products have reached the maturity while the remaining 82% failed to actualize marketing aims (Kuratko et al., 2003, 1993). In such situation, it is important to know the essential factors which are responsible to consumers buying behavior within various societies. Therefore, it is extremely crucial to have knowledge regarding consumers' habits, needs and other buying decisions so that companies can take effective decisions.

The consumer behavior studies deal with the issues and patterns of consumers, such as; what they buy, when they buy, why they buy, from where they buy, how they buy and how often they buy. Therefore, it is essential for global marketers today to employ such consumer-oriented approaches so that meet up with their consumers' demands (de Mooij & Hofstede, 2011).

Cultural factor is significantly influence the consumption patterns of the consumers in terms of personal consumption, house use or family use, thereby, affecting their level of buying behaviors. Cultural factor is an in build value to various individual within a given community. As such, it determines the degree of consumers' needs and wants towards certain goods and services. In this vein, today marketers are utterly concerning about how to exploit certain culture that may enable the introduction of new products that can go along with the culture of a country "national culture" and that can fulfill the needs of customers. It's equally indicated that such consumer buying behavior is also influenced by degree of social factors within the community. Each national culture has many integrated sub-cultures into it, which incorporated to different communities or groups of people who share common values (de Mooij & Hofstede, 2011).

This sub-culture contains groups of people who share very similar geographical locality, nationalities, racial group and religions perspectives. At times, substantial and distinctive market segments are created by sub-culture. For instance, "club culture" or "youth culture" have different buying characteristics and values between them. Moreover, differences and similarities in social class can also lead to different buying patterns of such groups, such as; income levels, education, occupation, wealth etc.

Living has become progressively identical with consumption behaviors. Without any doubt, at the moment people engage with consumption behaviors merely to satisfy

their basic physiological needs but rather to create self-esteem in the society. Furthermore, consumption behaviors have turned out to be the means of self-realization in addition to identification, as consumers no longer only consume products but also they consume the symbolic meanings of those products “image” (Chaudhuri & Majumdar, 2006).

Additionally, luxury consumption is one of the stimulating features of consumption behaviors. Such consumption behaviors do not require those products for the survival of an individual or group, yet it engages consumers in the consumption of luxury products in order to create self-respect in the society. Veblen’s (1899) renowned historical “theory of the leisure class” has thoroughly discussed the consumption patterns of luxury products. Veblen has presented the theory in a period of indulgence when extravagance consumption behaviors were rising in frequency, particularly amongst the social climbers. One medium for dissemination of wealth was the consumption of luxury products. Veblen (1899) has termed the phenomenon of noticeable consumption as the pretentious usage patterns of goods and services to indicate the status symbol to other society members. Further he argued that the leisure class of a society would find pleasure from the reaction of other community members by exposing of their wealth in the means of consuming luxury products conspicuously (Mason, 1981).

This discriminatory contrast offers a foundation for the noticeable consumption of luxury products (Veblen, 1899). Even though the Veblen theory of conspicuous consumption has remained persuasive today, however, still there are various suspicions about its legitimacy. Scholars believe that each and every social group, from the affluent to the underprivileged is involved in such kind of consumption behaviors to some extent (Aciklain et al., 2009). Over the past decades, luxury brands have flourished and recognized their reputation globally. Most of companies' global strategies which own luxuries products is intended to proceed and inflate in developed countries along with to precede the inclination in developing countries. This permits firms to retain large portfolios of various markets with the intention of evade risks, particularly in economic recession, which destructively influence the demands of luxury products (Ferragamo, 2004).

Moreover, Schein (1992) has defined culture as:

*"The patterns of basic assumptions that a group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and to be taught to new members as the correct way to perceive, think, and feel in relation to these problems".*

*Schein (1992)*

Hence, this study has revealed that culture contains certain characteristics that include; religious orientation, cultural history, diversity in race and language as well as traditions and ethnics which have not been studied by previous studies. In addition, Hofstede (1984) classified national culture into four cultural dimensions

which include; power distance index (PDI), uncertainty avoidance index (UAI), individualism index (IDV) and masculinity index (MAS). Various researchers in marketing research employed these dimensions in comparing culture within various countries (Dawar & Parker, 1994; Lynn et al., 1993; Roth, 1995).

Power distance index (PDI) expressed the degree of unfairness in power and deliberates it as usual by the less powerful person in a society. Even though, the degree of inequality varies among different cultures, but such inequalities exist within many cultures (Hofstede, 1984). Unequal distribution of power between people in a society is usually common among the cultures that are high power distance. A society can be refers to the groups which an individual belongs to, such as; schools, families, communities and work places. Therefore, countries which are high power distance, endure high degree of inequality, wealth, status, prestige and desire for more power (Hofstede, 1991).

Uncertainty avoidance index (UAI) states the extent of uncertainty in a country. Therefore, cultures which have high level of uncertainty face a lot of unexpected situations and are less tolerant in vagueness. Their communities are controlled with severe rules for societal behaviors; moreover, these communities act as organized in a very forthright manner. Likewise, when unexpected things happen, intolerance and frustrations are evident. In this vein, communities that have low uncertainty will be

more willing to admit risks and their activities incline more towards entrepreneurial and innovativeness spirit.

Individualism index (IDV) assesses the extent to which individuals perceive themselves and take necessary decision on the basis of 'I' instead of 'We' (Hofstede, 1991). In such countries where individualism is high, individuals are generally concerned with their own outlooks, further they spend their time on their personal activities, additionally, they want sovereignty to adjust their work schedules with their lifestyles, and encounter in terms of attaining an individual goal. Contrary, in cultures where collectivism has been encouraged, members of such culture feel a sense of belonging to large groups and thus they give more importance to the realization of group's objectives rather than their personal objectives. For example; Japanese and Brazilians are reflected as equitable collectivistic cultures, whereas Americans are recognized as individualistics (Hofstede, 1991). In addition, in individualistic cultures like US, usually teenagers take their necessary decisions by themselves or even feel embarrassed to take their decisions without consulting their parents.

Masculinity index (MAS) indicates the amount in which certain culture clearly has their own social roles which are shared between its members. Masculine communities give more value to 'male attributes' such as; status, assertiveness, success, and competitiveness. Feminine communities are more persuaded to

modesty, solidarity, and quality of life and caring. Masculine communities mostly emphasized on those values that include; material success, achievement, wealth and ambition, and feminine communities emphasized on those values such as preserving the environment, kindness, and thoughtful for the weak and equality (Hofstede, 1991). Nevertheless, this element of a culture categorizes the culture of communities on the basis of masculine or feminine i.e. male or female features specified by nature. According to Hofstede's classification, Japan is the most masculine culture.

## **2.3 Definitions of Luxury Value and Consumer Buying Behavior**

### **2.3.1 Consumer Buying Behavior**

Bennett (2001) defined:

*“Consumer buying behavior is the vibrant interface of affect, reasoning, behavior and environmental events by which human beings conduct the exchange aspects of their lives.”*

*Bennett (2001)*

Blackwell et al. (2001) defined:

*“Consumer buying behavior is the activities that people undertake when obtaining, consuming and disposing of products and services.”*

*Blackwell et al. (2001)*

Peter and Olson (2005) expressed that:

*“Consumer buying behavior involves the thoughts and feelings of people experience and the actions they perform in consumption processes.”*

Further Solomon (2009) argued that consumer buying behavior is the investigation of the procedures involved when individuals or groups pick, obtain, consume and dispose of products/services, thoughts, or involvements to satisfy their needs and desires.” Even though the notion consumer buying behavior has numerous explanations, however, there are several prominent cohesions in all those explanations. As an illustration, it is vibrant that consumer buying behavior embraces three fundamental elements or reflections which include; pre-purchase, purchase and post-purchase behaviors. These fundamental elements affect the marketers and the consumers. In the aspect of consumer standpoint, pre-purchase subject matters deal with “how individuals decide that they need a product, moreover, what would be the preeminent sources of information through which they can learn more about alternate selections”. It is important for consumers to know in purchase decision, whether obtaining particular products would bring him/her enjoyable or traumatic experience and what are their opinions about such products. While post-purchase decision would provide consumers the information about the preference, they would know whether the product actually fulfilled their needs or desires or not. Likewise, in the aspect of marketers’ perspective, it is very important to know the attitudes of consumers towards particular products, what is the standard used by the consumers in comparing certain product at the (pre-purchase) point, what are other situational factors that can affect purchasing decision at the (purchase) point, and what factors will determine the consumers’ satisfaction on those products

so that they keep buying such products as well as willing to share their experiences with other consumers and recommend them to purchase of such product.

Decision on consumption is an aspect of buying behavior of consumers, in which consumers buy certain goods. But the questions which should be asked are; what is the influential factor that contributes to consumers' purchase? Why consumers purchase certain goods? And what is the environmental factor that contributes to the consumer buying behavior? Buying process of consumers has different stages, even though not all stages result into consumers purchase decisions. But six stages have been identified as the process of buying decision of consumers. First among the six stages is problem recognition i.e. (awareness of need); this concerns with the questions related to basic needs of the consumers, such as; what are the consumers' needs? How to identify such needs? Second stage is information searching; this concern with how to find such products, i.e. whether through the following options; external search, internal search, memory, words of mouth, friends and relatives or markets dominated sources such as; public sources. Effective information search create various alternatives to the buyers.

Third stage concerns with alternative evaluation of the searching identified in the second stage. Here, the buyer needs to come out with criteria for evaluation, by ranking the identified sources and by equally ranking his/her needs and wants. Fourthly, this concerned with the purchase decision through purchasing the

alternatives which include; method of purchase, product, store, package etc. Fifthly, the purchase decision may vary due to the availability or inaccessibility of the product. Sixth stage deals with satisfaction or dissatisfaction of the products purchased which are referred to outcome of post-purchase evaluation (Alex Brown, 2012).

### **2.3.2 Luxury Value**

The consumption of luxury products has turned to be a vital phenomenon which covers nationwide. Likewise, luxury products and brands are frequently promoted cross-culturally. Perhaps, it can be contended that demands of luxury products have augmented globally. Hence, it raised the interesting question that whether culture plays any significant role in the relevance of purchase decision of luxury products. Several marketing researchers have raised their concerns over the postulation of global markets. These scholars claim that the national culture must be taken into consideration when efforts have been made to understand the behavior of consumers particularly consumer drives which drive them to buy particular products (Antonides, 1998; Kotler, 1986; McCracken, 1989; Suerdem, 1993). The standpoint of these scholars stresses that culture is an imperative element in consumer buying behavior and it will continue to be a source of distinction between consumer markets.

Postulating on the fact that, even though consumers from diverse cultures consume the similar luxury products, it still doesn't indicate that motivational driver for consumers will be the same for consuming those luxury products. Further, scholars argued that cultural values reveal the influence on consumer behavior (Laroche et al., 2005; Malai, 2007; Murali et al., 2005).

In conducting research on culture the first challenge which scholars usually face is to understand the definition of culture, i.e. what culture actually constitute by considering different school of thoughts, dimensions and conceptualizations used in describing the concept of culture (Straub et al., 2002). Additionally, Leung et al. (2005) considered culture as values, beliefs, norms and the behavioral patterns of people in a community for national culture, specific professions for professional culture and employees of an organization for organizational culture. Hall, (1976) emphasized that values and beliefs display the manner in which people behave, think, make decision, solve problem, plan and lay out their family circle and towns. The culture definition varies completely from different cultural perspective; Herskovitz (1955) deliberated culture as a custom which humans create to be part of their environment. Shweder and LeVine (1984) reflected it as meaningful system shared between communities.

Groeschl and Doherty (2000) underlined that definition of culture is highly complex due to its nature, "culture contains numerous elements, out of which some are

implicit and remaining are explicit, most frequently these elements are described by terms, for example; values, norms, behaviors, and basic assumptions”. Furthermore, scholars suggested that culture is coherent sets of beliefs, ideologies, collective will, basic assumptions, and important understandings as well as shared sets of core values (Groeschl & Doherty, 2000; Jermier et al., 1991; Sackmann, 1992). Some of the researchers recommended that culture involves more explicit objects or things, for instance; practices, symbols and norms (Burchell et al., 1980; Hofstede 1998; Groeschl & Doherty, 2000; Jermier et al., 1991). It is also considered as ceremony, myths, language, rituals and ideology (Karahanna et al., 2005; Pettigrew 1979). Mead (1985) described culture as shared patterns of behaviors. Hofstede (1991) outlined national culture as “the collective mindset which distinguishes the members of one group from another”.

In addition, Hofstede recommend that certain group of people enjoy a collective national character which presents their intellectual attitudes. These intellectual attitudes shape the beliefs, values, expectations, assumptions, behaviors and perceptions (Myers & Tan, 2002). Triandis (1972) expresses culture as the peoples’ way of recognizing the artificial portion of one’s environment. It includes the sensitivity of norms, rulers, values, roles that predisposed by different levels of culture for instance; gender, language, religions, race, interpersonal behavior, occupation and place of residence.

Cultural values have transformed gradually over the period of time. Nations do have integrity over their cultural value. It is the beliefs, general attitudes, traditions and values particular to a nation's civilization. Cultural values are generated by individuals, which they transformed to their successive generations over time through be a part of communities, similarly it is absorbed behavior that is shared by others. Therefore, national culture has certain characteristics that include; religion, language, traditions and ethnics.

#### **2.4 The Importance of Consumer Buying Behavior**

Current research in marketing management makes an effort to study the consumption problems of several consumers. In this state, however, it is truly vital for the firms for their survival into the market to have a clear understanding of consumers' recent needs and wants. Therefore, it is an important idea to exploit the marketing opportunities and to overcome the challenges into the Saudi market. Similarly, it is essential for the marketing managers to have a clear understanding of buying behaviors of their consumers because it can enable marketing managers to determine the fortune of their organizations as well as it can bring economic sustainability by knowing the buying patterns and levels of certain products, further it can assist marketing managers to utilize their resources effectively and efficiently (Kotler, 2010).

In addition to that, it can also help in resolving various kinds of marketing management problems in an efficient way. In the recent time, consumers give due consideration on products within their respective environments. They prefer natural products that might improve their fitness, health and sanitation. Consequently, conducting research on forthcoming groups of consumers is very important for the firms.

Despite the fact that, the succeeding movement of consumer protection has enable the urgent needs to detain the buying decisions of consumers and how consumers make their consumption decisions. Consumers' preferences have been transforming over a prior of time with evolving trends and fashions, however, research to study the consumers buying behavior will reveal consumers' preferences and it will help marketing managers to evolve their marketing strategies align with consumers' preferences. Therefore, this study is really important for marketing officials of those firms which are doing business in KSA and particularly in Jeddah for effective market segmentation.

## **2.5 The Importance of Luxury Value**

Since the past few decades, stimulations to buy luxury brands have been evolving increasingly in Asia. However, literature to address luxury products in the context of Asia are still limited (Teimourpour & Hanzaee, 2011). Moreover, Teimourpour and Hanzaee (2011) revealed that business professionals believe that a golden rule for

success of a luxury product can be achieved everywhere as they apply the same golden rule in western context as well as in Asian context. Despite the fact that, consumers from different backgrounds customize the same luxury products, however, motivational drivers to custom such luxury products would be different due to cultural values of those backgrounds.

According to Teimourpour and Hanzaee (2011) literature to acknowledge Asian attitude towards luxury perceptions and motivations is not common. Even though the concept of luxury consumption has been investigated by a number of authors in the past, however, most of those authors were concerned with emerging Veblen's (1899) research. A study of luxury consumption in Asian and Middle Eastern context is still scarce, even if consumer buying behaviors vary according to cultures values and features of markets (Teimourpour & Hanzaee, 2011).

Conferring to this, it offers the foundation of the question of motivational drivers of buying decisions of western luxury products when applying to various cultures and luxury markets other than western culture and markets. However, if researchers find the differences in luxury buying decisions between consumers from different cultures, this might help the researchers and practitioners of such markets where buying decisions of those luxury products have not yet been studied. Confirming whether relationship exists between cultural values and consumption behaviors of luxury products would assist practitioners to form their marketing strategies aligned

with market segments. This would also permit for up-to-date marketing strategy assessments to be made in an extensive range of countries. In general, a study on the luxury consumption in the context of Saudi Arabia such as an illustration of Muslim society would give a broader perceptive of consumer buying behaviors in diverse cultures.

Culture is among the crucial factors which regulate the behavior of the people. Its influence on individuals' behavior is instinctive and natural and its impact on personal behavior is always taken for granted. Individuals who have cultural beliefs will always exhibit different descriptive behaviors than those who do not own any cultural belief (Kau & Jung, 2004). Culture has been described in several ways by means of each classification having its own characteristic. As a whole, culture is an elementary constituent of individuals' behaviors, attitudes, perceptions and wants. It is a critical factor, because it deals with an issue of how people live and behave in their daily lives (Bodmer, 2008).

Culture is a set of components that include values, beliefs, languages, education positions, customs, religion and traditions (Mariana *et al.* 2005). In addition, the term culture has been defined as the similar way of feeling, behaving and thinking among a particular group of people who are living in the same region (El Said & Galal-Edeen, 2009; Luo, 2009). Through the above definition, it seems that culture is a pattern of behaviors which people establish, it inherent in peoples' lives from their past. In addition, peoples' behavior is related to a specific context and is linked to

deep beliefs and values which indicate that the negligence and oversight of the cultural factors will lead to an inability to motivate and attract consumers.

Many studies have considered culture as a fundamental variable of social thought process. In addition to that, these studies undertake culture as unique variable that explains the psychosomatic and interactive variances in diverse societies. Culture doesn't merely impact people's opinions, it also influences their behavioral intent to involve in future behavior. Culture is reflected as one of the vital aspects in marketing research to identify and comprehend how people consider and think towards particular products or services (Liu, Furrer & Sudharshan, 2001; Luo, 2009). Hence, examining and identifying cultural beliefs are the key issues when we strive for consumers' behavioral intent in a marketing research.

Numerous studies have been carried out to show the influence of cultural beliefs on consumer purchase intention. The aim of their study was to comprehend the patterns of individuals' behaviors in numerous groups. The findings of their studies revealed that cultural beliefs which individuals own, do impact on the consumers' buying decisions and that individuals with different cultural beliefs will have different buying behaviors (Jung & Kau, 2004). In a study of culture by Hall (1976) which is cited by Samli (1995) classified culture into two categories; high context and low context. From the aspect of culture in high context, consumers depend upon the interpersonal communications with others, moreover, consumers find information from different communication mediums, such as; friends, documented presentations

or through print and digital media. While in the aspect of culture in low context, consumers rely deeply on mass media and written materials.

In addition, Brislin (1993) provided further classification of the culture. Collectivistic culture is the first in this category, in which individuals who belong to such culture are deeply influenced by other individuals than any mass media when it comes to buying decision. While the second is individualistic culture in this category, in which individuals who belong to such culture are deeply influenced by media than any other influential source when it comes to buying decision.

Grant and Steven (2006) revealed different factors which enhance purchasing behaviors, such as; social factors (family, reference groups, culture and social classes) personal (attitudes, self-image, motivation, learning, personality, beliefs and personality), political, technological as well as economic factors. Similarly, Zimmerman (1996) revealed that Chinese consumers perceived American product with high quality. This is contrary to some countries in the Middle East as they perceived it with low quality. Johnson (1993) distinguished that, consumers from Western Germany value luxurious products while consumers from Eastern Germany do not. In regard to quality and price relation, Raju (1995) considered that there is positive relationship between quantity and price. In this vein, the effect of high inflation force consumers within the developing countries to disregard the price and look for other features to assess the quality of the products.

Rugimbana (2007) evaluated the relative importance of perception and cultural values as factors predicting the determinants of young consumers' buying behavior in light of personal banking services. A set of questionnaires were distributed to 5000 individuals from a commercial mailing list in Australia. The findings indicated that cultural values significantly play a role in predicting buying behavior of their segment. In addition, cultural beliefs as well as other factors such as income, years of working experience and level of education had been tested to show their influence on the adoption of electronic banking services in Nigeria. Data was collected from bank customers in Anambra State. The results clearly demonstrated that cultural beliefs have the highest significant influence on banking customers to adopt electronic banking services (Ubadineke, 2009).

A study carried out by Lee and Kacen (2008) investigated two kinds of purchase decision making, which is influenced by culture; consumers' planned purchase decision and consumer impulse decision. Data was collected from four countries Malaysia, Singapore, U.S.A and Australia. The results highlighted essential differences in consumer's purchase decision in two types of purchases among the four countries. Each country has its own purchase decision, which differs from the consumers in other countries. This differential finding can be interpreted by the different culture each country has. Similarly, in a study conducted by Moon et al. (2008) investigated the influence of many factors such as price, types of product and culture on purchase intention of consumers towards modified products from the

internet. The findings showed a significant effect of culture on consumers' purchase intention to use online website in order to buy personalized products.

Liu et al (2001) investigated how culture influences individuals' behaviors and their intention to use services in cross culture regarding service marketing. They noticed that customers who belong to a culture within lower individualism or at higher uncertainty avoidance, have a great intention to praise if they receive great services and at the same time they do not complain or give undesirable words of mouth if they receive poor services. Similarly, customers which belong to a culture with higher individualism or lower uncertainty avoidance tend to complain or pass undesirable words of mouth if they receive poor services. However, they do not praise when they receive good services. This pattern of behavior shows the important role of culture in guiding human actions.

Another study conducted by Ifinedo and Usoro (2009) in African countries examined the influence of cultural and economic factors on the readiness of Africa's twenty countries for the networked world. Data was obtained from the World Bank. It has been shown that cultural factors played a fundamental role in how these countries adopt technological innovations. However, according to previous studies, there are conflicting findings of the influence of culture on behavior intention. Where some findings about the impact of cultural beliefs on consumers' behavioral intention

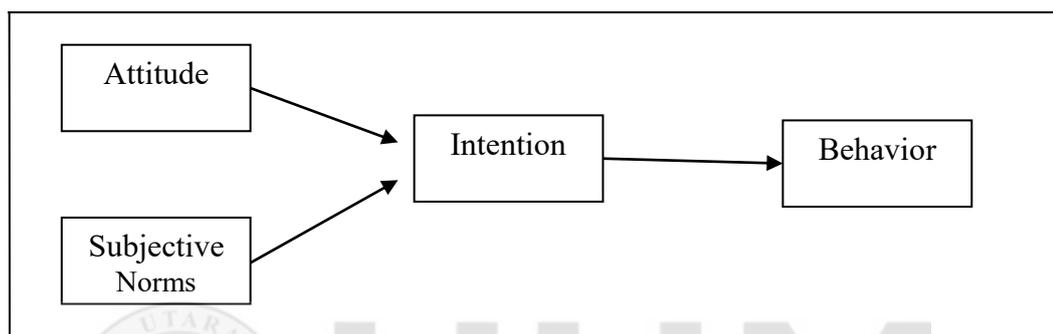
towards a specific service or product is positively significant, there are some other results in a different environment which are either negatively significant or not significant at all, nonetheless, it depends on the culture each society has (Liu & McClure, 2001; Teng & Laroche, 2007).

## **2.6 Theory of Planned Behavior**

Human behavior is quite complicated to explain. That is why many of the researchers have been focusing on this issue as an attempt to understand the behaviors of the people. Therefore, previous studies used many approaches to predict intentions that are extensively used in consumer behavioral intention research. For instance Fishbein (1980) formulated a framework model, and named it the expected-value theory of attitude, which is considered as one of the most well-known models for relating attitudes to behaviors. Several studies had been done in this regard which further led to the development of a model called beliefs, attitudes and intention. This was the first stage in the development of the theory of reasoned action (Ajzen & Fishbein, 1975).

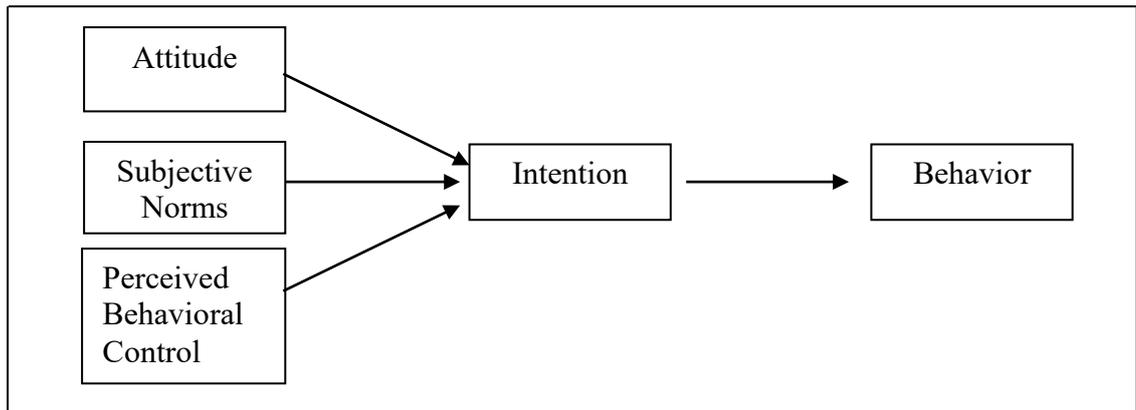
Based on this model, many different theories were created, for example researchers (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) considered the control on behavior exerted by the social and physical environments and proposed the theory of reasoned action (TRA). TRA proposes that consumers' choice of behavior is

founded on rational assessment leading to the most profitable result. In addition, the theory assumes that the behavior being explained is under volitional control (Ajzen & Fishbein, 1980). TRA investigates attitude and subjective norms and how they influence intention which leads to the final behavior. The main constructs of TRA are shown in figure 2.1.



*Figure 2.1 Theory of Reasoned Action Model (Fishbein & Ajzen, 1975)*

Notwithstanding the fact that TRA has proven its effective prediction of diverse behaviors. In other words, since TRA does not explain non-volitional behavior, Ajzen (1991) further enhanced the theory by including the perceived behavioral control which consequently shaped the theory of planned behavior (TPB). TPB reflects the degree to which a person has the chance and intent to perform the behavior of interest (Ajzen, 1991). Figure 2.2, illustrates TPB with the three variables proposed to predict intention leading to the final behavior. The following figure 2.2 below showing the flow of the variables or components of TPB:



*Figure 2.2 Theory of Planned Behavior (Ajzen, 1991)*

As mentioned, TPB was extended from TRA which resulted in the addition of another variable called perceived behavior control, which directly links intention to behavior. This change was crucial due to the original model's limitations in dealing with behavior that is beyond people's control. Perceived behavioral control is assessed by asking people how much control they have over performing a specific behavior. In addition, it reflects people's view of how difficult or easy it is to perform the behavior of interest (Ajzen, 1991). All these theories explain human behavior towards a specific action under different circumstances. In the psychological context, describing human behavior is typically unclear, but at the same time it has always been considered as an important subject (Ajzen, 1985). After several revisions, verifications and improvements of the behavioral intention model, Ajzen and Fishbein (1980) expanded it to the theory of reasoned action (TRA), proposing behaviors, subjective norms, attitudes and intentions as the key constructs of the (TRA).

The theory explores how subjective norm and attitudes determine the behavioral decisions. Various researches embraced their theory and applied it to different research fields such as; consumer behavior, occupational tendency, organizational behavior, learning and motivation (Chuchinprakarn, 2002). Though, the theory has been extensively applied to some fields like marketing, management and finance. Permitting to TRA, individual's behavior is determined by his/her intention, that is whether to engage in a particular action or not. The theory postulated that individuals' behavioral intention depend upon two key determinants which are; personal nature and social influence.

Attitude is the first factor or determinant of behavior which reveals the positive or negative individuals' assessment in performing any behavior. This indicated that individuals who have positive propensity to act would more likely to react positively, while individuals with extremely negative character would more possibly to react destructively (Ajzen, Brown & Carvajal, 2003). Subjective norms were the second factor or determinant of behavior which reveals the perception of individuals on the social pressure which they take to engage or not to engage in certain behaviors (Fishbein & Ajzen, 1980). TRA stated that people who have influence on others think that individuals should engage in the behaviors in which they are interested in. This theory is applied to investigate the beliefs which inspire consumers' attitudes by

comparing consumers' beliefs on different brands. In other words, based on the TRA, the direct influence of behavioral intention are subjective norms and attitudes.

However, direct predictors of behavioral intention are themselves influenced by behavioral beliefs and normative beliefs. Beliefs are the anticipated outcomes of the behaviors. On the other hand, behavioral beliefs create a favorable or unfavorable attitude to the behavior while normative beliefs result in apparent social pressure (Ajzen & Fishbein, 2000). Beliefs are considered as a person's expectations about the consequences of engaging in a given behavior (Teo, Su Luan & Sing, 2008).

The theoretical framework of the current study is grounded on the theory of reasoned action (TRA) which was established by (Ajzen & Fishbein, 1975) and which is extended afterward by Ajzen (1988) to the theory of planned behavior (TPB), however, this research applies TPB for the foundation.

<b>Authors</b>	<b>Country</b>	<b>Year</b>	<b>Field</b>	<b>Finding</b>
Hyllegard, <i>et al.</i>	American	2009	Marketing	Supports TRA
Tsai, Chin, & Chen	Taiwan	2010	Intention of buying Nutraceuticals	Supports TRA
Mir	Pakistan	2011	M-Advertising Acceptance	Supports TRA
Southey	Australian	2011	Business Decisions	Supports TRA

*Table 2.2 Summaries of some studies that used TRA in different areas*

Actions have been used in different ways. Foregoing studies concentrated on the key constructs of the theory such as attitudes, subjective norms and intentions without adding external variables (Warburton & Terry, 2000). This argument is also supported by (Summers, Belleau & Xu, 2006) who addressed that most of studies that used TRA focused only on attitude and subjective norms and their influence on the behavioral intention. As mentioned before, TRA proposed that subjective norms and attitudes are the main predictors of intention, provided that intention is the main factor to predict actual behaviors.

Despite TRA's successful application in many researches, criticisms have also stated that subjective norms and attitudes are not enough as predictors of behavioral intention (Dillard & Pfau, 2002). In line with this, a lot of studies have found additional variables that could influence behavioral intention alongside attitudes and subjective norms, for example; motivation (Lee, 2011), culture (Putit & Arnott, 2007), service quality (Shih & Fang, 2006), self-identity (Sparks & Gthrie, 1998), expertise (Tsai, 2010) and advertisement (Zolait, Mattila & Sulaiman, 2008). Other studies propose that additional variables should be added to TRA, as illustrated in the table 2.3 below:

*Table 2.3 Summary on studies which suggested the need of additional variables in TRA*

<b>Authors</b>	<b>Additional Variable</b>	<b>Area</b>	<b>Finding</b>
Dillard & Pfau (2002)	Prior behavior	Behavioral intention	Significant impact
Putit & Arnott (2007)	Culture	Buying behavior	Significant impact
Yu & Wu (2007)	Age, sex, educational degree, monthly disposable income, Etc	Internet Shopping	Significant impact
Aleassa <i>et al.</i> (2010)	Self-control, self-consciousness, Ethical ideology, relativism and religiosity	Software Piracy	Significant impact
Lee (2011)	Motivation	Hospitality and Tourism	Significant impact

Based on the above tables, it can be hypothesized that TRA has been proven as a powerful predictor of individuals' behavioral intention in different ways. Therefore, additional variables might strengthen the power of TPB theory. The theory recommends a model which can assess how human schedules are directed. It foresees the happening of a particular behavior, provided that the behavior is intentional. Above figure 2.2 indicates those variables which have been recognized by the TPB. The theory predicts that the intention would lead to a behavior.

Ajzen and Fishbein framed the theory of reasoned action (TRA) in 1980 after considering the findings of attitude research from the expectancy value models (EVM). Further, they recognized the theory after trying to make assessment on the inconsistency between behaviors and attitudes. Theory was interconnected to intentional behavior. However, they found that behavior is not always seemed to be

outcome of intention and 100% under control, therefore, it encouraged them to make addition of perceived behavioral control in the theory.

In this manner, by adding perceived behavior control into the theory, it is later well known as theory of planned behavior (TPB). This is a theory which forecasts discretionary behaviors, nevertheless, behavior can be planned or deliberative. All the variables in the theory reveal psychological concepts and they give meaning to the theory. Likewise, TRA recommends that individuals' behaviors are ascertained by their intention to engage in a given behavior, moreover, this intention is sequentially a function of their attitudes with respect to the behavior and subjective norms. Intention is the intellectual demonstration of an individual's willingness to engage in a behavior, and it is considered to be the direct behavioral antecedent.

Intention is ascertained by three things; their perceived behavioral control, their subjective norms and their attitudes towards the explicit behavior. TPB noted that only specific attitudes towards the particular behavior can be anticipated as the projection of that behavior. Additionally, intentions are influenced by the perceived behavioral control which means individuals' perceptions and capabilities to engage in a given behavior. However, we can conclude that, the more satisfactory the subjective norms and the attitudes will be, the superior the perceived control would be and the resilient an individual's intention to engage in a given behavior.

### **2.6.1 Behavior**

In an operational research, certain processes are put in place that might enable individual behavior change. In this case, such target behavior need to be well define by way of time and action. Within the context of transport, the target behavior are the travelers, time here refers to the time taken for the trip, while action here is the trip.

### **2.6.2 Intention**

Despite the fact that, no perfect relationship has been established between actual and intention behavior, but then, proxy can be used in measuring the intention behavior. This remarks constitute one of the most essential contribution of TPB model when compare to previous model of attitude-behavior relationship.

### **2.6.3 Attitudes towards the Behavior**

Attitude with regards to behavior is an overall individual's behavior assessment. Attitude is been postulated to have essentials two components that work collectively: belief in consequence is a given behavior (behavioral beliefs: a new LRT system that will enhance public tours) and the corresponding negative or positive results on each of these characteristics of the behaviors (outcome assessments: decreasing car trips is required).

#### **2.6.4 Subjective Norms**

Subjective norms concerned with the individuals' assessment of the social pressure to engage in a target behavior. These subjective norms are postulated to have an influence on individuals' perception about particular behavior which is influenced by others.

#### **2.6.5 Perceived Behavioral Control**

Perceived behavioral control denotes the degree to which individuals endorse certain behaviors to themselves. This comprises two perspectives: how much self-confident an individual is to be able to engage or not to engage in a certain behavior and how much an individual has a self-control over the behavior. It is evaluated by a belief on the power of both internal and external factors to facilitate the engagement into a given behavior.

#### **2.6.6 The Determinant of Religious Orientation**

There was a significant development of the Islamic fundamentalism around the globe since the past decades. Overman (1994) suggested that Muslims all over the world have to reconsider the Islamic ways of life, the traditions of the Islamic faith, and also means of affirming their identity in addition to the way to combat their political and social unfairness as well as injustice rooted longer ago in their societies. Like any other religion, Islam plays an important role in national culture; it is an influential element in social and political aspects of the society (Tayeb, 1997). Recently, numerous Muslim countries have initiated an effort to re-establish their

regions, their own indigenous traditions in managing their social, educational and business matters.

Endot (1995) stated that the manifestation of the regeneration of Islamic principles in daily life appear noticeably with the setting up of Islamic banking system, insurance services (Takaful), health services, higher education institutions, business outlets, and research foundations. However, it is significant to note that even though Muslim states share a similarity in common, there are also differences among the nations and these differences can be seen in social aspect of life as well as economic and business practices (Tayeb, 1997).

For Muslims, the Qur'an is the words of Allah (SWT), which have been revealed to the Prophet Muhammad peace be upon him 1400 years ago in parts by parts. Therefore, Islam is not a man-made religion and the faith of the Muslim are originated from divine commandments. Although most often non-Muslims perceive Islam is a pessimist religion, but the Qur'an explicitly mentions that men are free to decide and to choose in their destiny. All humans are held responsible for the consequences of their manners. Consequently, Allah Subhanahu wa ta'ala has equipped humans with the Qur'an and the way of the Prophet Muhammad peace be upon him which is called "Sunnah" where these are the most valuable reference and source of guidance that lead humans in running their daily life.

## 2.7 Research Framework

A theoretical framework is a compilation of interconnected conceptions which leads the study, which also determine what will be tested, and what associations will be sought in the data (Borgatti, 1999). Furthermore, according to Nachmias and Nachmias (1996) theoretical framework is a demonstration of reality and it comprehensively explains those factors (variables) of the actual world that the researchers think to be related to the problem identified as well as it demonstrates the significant association among them. Therefore, regarding the present study, consumer buying behavior of cars in Riyadh is increasingly important, not just for organizations or investors. It becomes essential for the individuals trying to decide how to reach their offices or houses in time and safely.

The TPB is the underpinning theory which has been employed in this research. As indicated above that, TPB has been employed by various researches and it has been confirmed as an effective predictor of behavioral intention, even within various locations and environments. Various researches revealed positive support for the practice of TPB (Alajmi, 2010; Sadeghi & Farokhian, 2011; Sparks et al., 1995; Tsai et al., 2011; Wu & Liu, 2007). Even though, those studies which have practiced TRA in understanding behavioral intention of customers in different industries (Aleassa, 2010; Mir, 2011; Southey, 2011; Tsai et al., 2010).

### **2.7.1 Theoretical Framework**

First part of the research framework is consumer buying behavior towards buying cars in Riyadh, which is the dependent variable of this research. The whole model is designed to discover the core factors that enhance the actual behavior of buying vehicles. Furthermore, it explores the main determinants of decision making among Saudi consumers regarding the purchasing vehicles. The second part of the theoretical research framework consist of subjective norms, attitudes and behaviors which are the independent variables. The attitude or behavior is defined as individual's assessment about the consequences of engaging in a given behavior. In another word, it refers to individuals' negative or positive feelings about such behaviors (Sadeghi & Farokhian, 2011). In this context, the research tries to discover the attitudes of Saudi consumers regarding the buying vehicles and attitude towards car industry its quality. All these variables are expected to influence Saudi consumers' intention to purchase automobile.

The subjective norm states to the perceived influence of social pressure which may affect an individual's intention to engage or not engage in the behavior (Sayar & Wolfe, 2007). In the context of this study, consumers' subjective norms consist of social influence, advertisement, a recommendation by others in purchasing cars and cultural beliefs. According to the definition of the subjective norm, the items related to this variable will be tested to show the impact of social influence,

recommendation by others in automobile industry, car advertisements and cultural beliefs on consumer's intention to purchase cars in Riyadh.



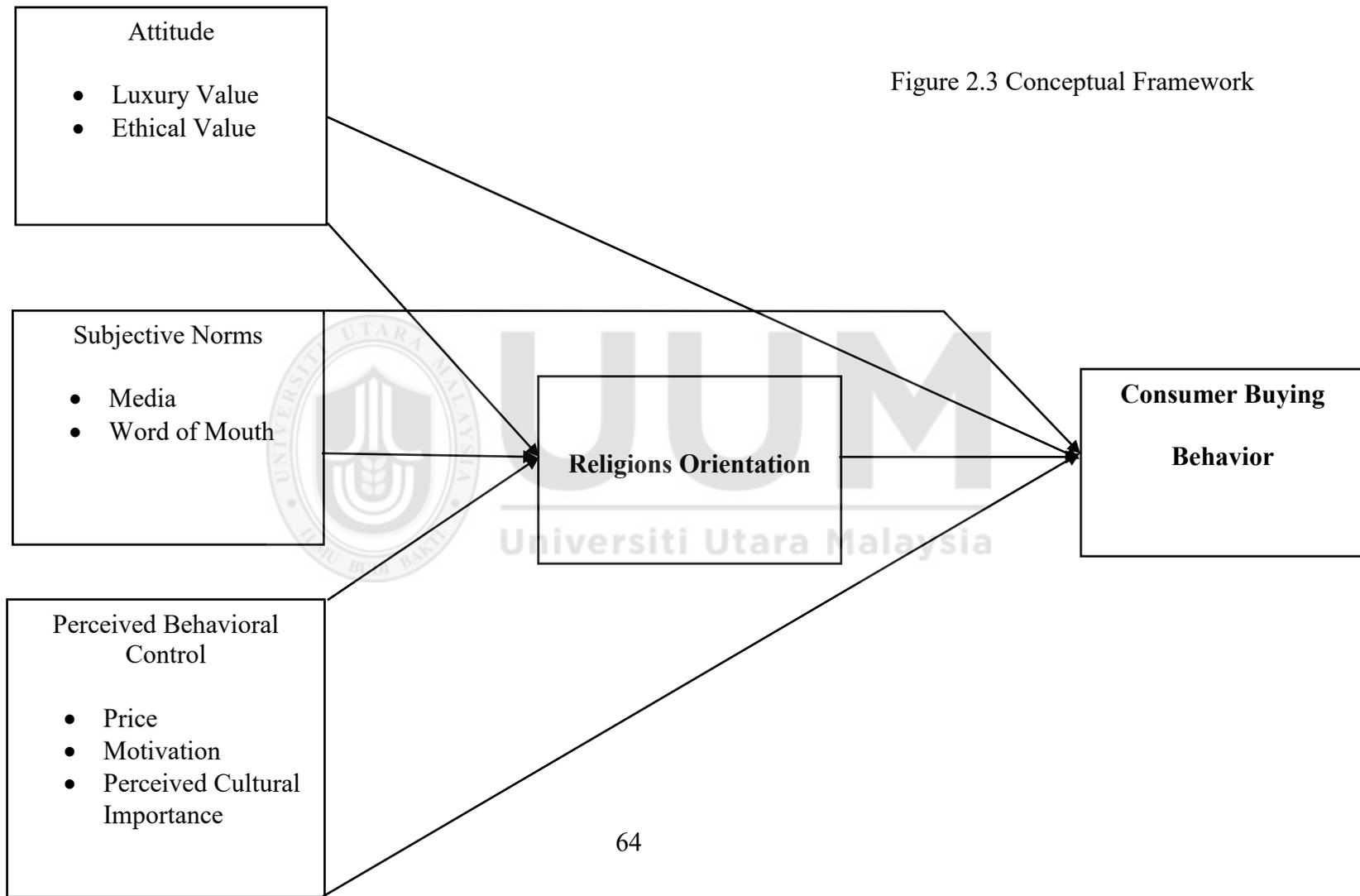


Figure 2.3 Conceptual Framework

## **2.8 Relationship between Luxury Value and Consumer Buying Behavior**

Luxury value, the term used in referring to certain services, products or lifestyle. The concept of luxury value differs according to the experiences of different consumers' because it has different forms. It is also considered as a good object which requires human involvement and small quantities which are highly recognized by different people (Cornell 2002; Granot & Brashear, 2008). Therefore, luxury objects provide additional pleasure and compliments in all minds at once. Luxury value is the supplement of the governing class (Kapferer 1997; Silverstein & Fiske, 2003). Necessities are useful substances that release an unfriendly state of distress. While in this manner, luxury value is categorized as an object of wish that delivers pleasure (Berry, 1994).

Luxury products can equally be considered as commodities which can bring esteem to the producers, moreover, luxury goods enable the psychological satisfaction of consumers and their functional needs. This psychological satisfaction can be considered as the key factor that unique luxury goods from non-luxury goods (Nia & Zaichkowsky, 2000). An idea of exclusiveness is properly documented in the luxury literature (Pantzalis, 1995). High categorized producers might prepare luxury products that could be used to indicate status and wealth.

Generally, luxury goods are defined as goods that compete in the market in terms of price and quality (Word & IQ, 2004). While necessities are those useful substances

that give an unfriendly state of distress, luxuries are categorized as substances of wish that offer good pleasure (Berry, 1994). The idea of a luxury products is considered to be the ultimate end for the esteem type group where brand identity, loyalty, perceived quality and awareness are essential constituents (Phau & Prendergast, 2000). Luxury products can be considered as those items whose quality and price proportions are the top in the market (McKinsey, 1990). Despite the fact that the proportion of efficiency to price may be low with respect to specific luxury products, but then, the proportion of imperceptible and situational utility to price is reasonably extraordinary (Nueno & Quelch, 1998).

However, luxury products strive on the capability to induce uniqueness, product identity, product awareness and consumers' perceived quality perspective (Phau & Prendergast, 2000). Hence, description of luxury goods should not be narrow to certain goods but rather should be consider in wider sense of the luxury concepts, as luxury value is a multidimensional and subjective construct. Therefore, established on the definition of luxury value above, it is clear that luxury value can be explained from different perspectives with different features comprising symbols of status, wealth, price, high quality, prestige and non-essential items as well as providing pleasure. Luxury value dimensions are also revealed in this definition.

Undergoing the fast fluctuation in the business environment globally and in national culture in different countries, luxury value can be considered as a special

intercontinental component of a culture. It symbolizes a system of tangible and intangible components involving; beliefs, ideas and expected behaviors in a group value system. In a comprehensive market, there is no considerate definition of luxury value, it is a conceivable belief that is bound nationally or regionally. In this context, the issues concerning “in which countries luxury goods are more recognizable or less recognizable” do not have any impact on the perceptions for the basic dimensions of luxury value (Wiedmann, Hennigs & Siebels, 2007). Therefore, to the researcher’s limited knowledge, this study is among the first of its kind that examine the luxury value dimensions, moreover, the concern given to the religious orientation and cultural factors that enhance consumer behavior in Saudi Arabia. The study will explore the both domestic and international marketers’ perspective of consumers’ luxury value evaluation in Saudi Arabia.

Motivation of buying luxury products within the Asian consumers are relevantly increasing recently. But then, only limited studies have addressed luxury products within the backgrounds of such markets. Due to the fact that, motivation of purchasing the luxury products is mainly constructed on Western considerations and markets. Perhaps, those professionals who engage in the luxury products industry consider that a unique rule of victory in the luxury business spread over the world. Though, the motivating factors for identical luxury goods’ consumption vary between countries’ consumers. That is why, cultural values have been identified by the various studies as a factor which enhance consumer behavior. Literature has also

addressed that the motivation and perception of luxuries consumptions among Asians consumers are not common (Teimourpour & Heidarzadeh, 2011).

Despite the fact that, various studies have been conducted on luxury consumption. But then, most of those studies have given more emphasis on comparing the consumption status with other kinds of consumptions. Even though, there is variation in consumers' behavior in terms of features of markets and culture. Nevertheless, research is scarce in the aspect of luxury consumption in the context of Saudi Arabia. As part of the Muslim nation, Saudi Arabia has its own cultural values. It is believed that religious values drive a sub-culture that enhances the perceived values of customers, besides it enhances the beliefs on certain products and motivate the consumption of certain products that are luxury in nature.

This study targeted consumers' and expatriates' life in Saudi Arabia, among most of them are Muslims. The religion Islam is the most prominent cultural feature of Saudi people. As such, the consumers of such markets are more unique. However, it initiates the question that the motivations or drivers of Western luxury-purchase can be valid for cultures such as Saudi Arabia or not? In this regard, existence of consumer's differences from diverse parts of the globe might enable the sale of certain goods in the market such as Saudi market (Teimourpour & Hanzae, 2011).

It would be expedient for policy makers and marketers if research studies would establish whether the associations do exist among cultural values and motivations for consuming luxury goods (Teimourpour & Hanzaee, 2011). Additionally, it would permit marketers to create more conversant marketing strategies' decisions in diverse cultures. Furthermore, current study can be an evident sample for Muslim societies such as Saudi, as it would provide a profound understanding of consumer behaviors in diverse cultures.

Consuming luxury goods is a circumstance which covers national borders (Teimourpour & Hanzaee, 2011). Luxury products are frequently promoted cross-culturally. Further, Teimourpour and Hanzaee (2011) contended that demands of luxury products are constant globally. However, it increases the significance of testing the relationship between cultural values and consumption of luxury products. Few researchers have cross-examined the postulation of worldwide marketplaces. Those scholars claim that whenever there is need to understand the behaviors of consumers and their inspirations, the cultural perspectives must need to be addressed (Antonides, 1998; Kotler, 2010; McCracken, 1989; Suerdem, 1993).

These scholars expose their standpoint concerning that culture plays a vital role in consumer buying behavior and it will remain as a basis of distinction among different markets. Even though, consumers of diverse cultures use identical luxury goods, however, it does not indicate that inspiration of those diverse consumers for

using same luxury goods will be identical. Therefore, it demonstrate that cultural values play a significant role in influencing consumer buying behavior (Laroche et al., 2005; Malai, 2007; Murali et al., 2005).

Since few decades, the market of luxury products have been growing in Saudi Arabia. Numerous illustrations that can support this phenomenon. The entrance of international luxury brands in Saudi market, such as; Gucci, Tommy Hilfiger, Thomas Pink, Rolex, Calvin Klein, Guess, Quiksilver and Versace products. Car sales of luxuries brands have correspondingly reached to the highest in the history of Saudi Arabia, and it is the utmost apparent and noticeable example of consumption of luxury products in Saudi Arabia. One may find many luxuries brands on the roads of Saudi Arabia, such as; Mercedes Benz, Bentley, Audi, Porsche and BMWs.

Besides, we can witness many luxury products in the business of real estate in Saudi Arabia, among top of them are; luxury towers, luxury apartments and luxury villas which are equivalent to the finest architectural houses worldwide. Moreover, luxury services in Saudi Arabia contain; beauty salons, spas, luxuries gyms and elegant restaurants. Several reasons have been observed that maybe recorded as prominent elements for fluctuating consumer arrangements in Saudi Arabia.

**H1a:** There is a relationship between luxury value and consumer buying behavior

**H1b:** There is a relationship between luxury value and religious orientation

**H1c:** Religious orientation mediates the relationship between luxury value and consumer buying behavior.

## **2.9 Relationship between Ethical Values and Consumer Buying Behavior**

Ethical values refer to the values related to customs and norms. Additionally, it defines the nature of descriptive behaviors which individuals must exhibit, for instance; guidelines of knowing what is right or wrong, difference between good or evil, exertion of justice and crime as well as what we can or cannot do. Individuals often find difficulties in their daily life matters once they do not own any ethical value, however, ethical values assist individuals to behave within the society. They need to consider ethical and moral values, which play a momentous role when they take ethical decisions (Ferrell, Fraedrich & Ferrell, 2007). Due to the nonexistence of ethical values, the upsurge in ethical, environmental and social issues among consumers across worldwide have been well recognized in the literature of marketing (Shaw & Clarke, 1999).

Research studies on consumer ethics are relatively scarce (Al-Khatib, Vitell & Rawwas, 1997). Till the date, the limited research which has been done in this discipline is mainly into four extensive categories. Primarily, few scholars empirically have studied specific behaviors that have ethical inferences. The two utmost frequently examined areas are stealing (Kallis et al., 1986; Moschis & Powell, 1986) in addition to organically connected consumption (Antil, 1984;

Haldeman et al., 1987). Secondly, a group of scholars have concentrated on offering normative procedures for consumers and businesses on ethical connected issues, for instance; Stampfl (1979) drew a code of ethics for buyers and Schubert (1979) established a set of policies for contending consumer exploitation.

Moving forward, several researchers have dedicated their focus on emerging a theoretical foundation for considerate ethical decision-making by customers. Grove et al. (1989) has presented a theoretical model, grounded on the methods of nullification developed by Sykes and Matza (1957) which assists to clarify how specific individuals might validate non-normative consumer behaviors. Given the scarcity of investigations in this research area, the methods of nullification might be proficient enough to give certain directions for reviewing consumer's ethical judgments. Last group of scholars have tried to empirically understand the ethical decision-making of consumers. Nevertheless, merely a small number of researches can be exposed that have examined the ethical judgments of the ultimate consumer (Al-Khatib et al., 1997).

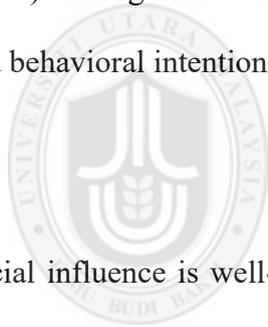
Grounded on US president's (John F. Kennedy) "Consumer Bill of Rights", Davis (1979) explored the fact that how much individuals are willing to take their responsibilities agreeing to their rights as patrons. She further originated that most of individuals were most likely to claim their rights as consumers as compare to they were keen to consent their responsibilities (Vitell & Muncy, 1992).

In another study by De Paulo (1987) has examined perceptions of students about certain behaviors. In the study, students were asked to evaluate particular behaviors of sellers and buyers in given situations. However, students found pairs of behaviors which were similar conceptually, but it contrasted whether buyer or seller is engaged in unethical behavior while dealing with each other in terms of (Davis, 1979).

Conversely, Wilkes (1978) inspected consumers' decisions regarding how "incorrect" specific actions are. Wilkes's study was first of its kind which observed individuals' perceptions regarding such behaviors. Nonetheless several duplicitous actions were objected and they were been perceived as being incorrect. Nevertheless, there were few actions that customers perceived as acceptable. Those acceptable points seemed to relate with such actions where seller was at mistake instead of the consumer.

Another study by Vitell et al. (1993) studied the consumers' perceptions of 20 situations given to consumer which potentially were having ethical implications. Respondents had asked to rate all the given situations grounded on whether they think actions taken were inappropriate or not. Likewise, Muncy and Vitell (1992) scrutinized 27 consumers' perceptions of numerous consumers' quandaries including ethics, and they further tested numerous demographic variables relation to these perceptions.

In addition, Yahya and Pour (2008) has highlighted how individuals expect others to behave toward a specific action or the level of pressure they take to execute or not execute a specific behavior. Furthermore, the level of influence on an individual to use a particular product was proved to be one of the significant factors in various aspects of the individuals' lives, and it is expected to be a very powerful predictor of consumers' intention in the context of marketing (Shafi & Weerakkody, 2009). This argument is also supported by the theory of planned behavior (TPB), which predicts human behavior in many aspects including marketing (Bock, Zmud, Lee & Kim, 2005; Chiou, 1998; Ravi, Carr & Sagar, 2007). Thompson, Haziris and Alekos (1994) findings demonstrated a robust link between attitude-evaluation of attributes and behavioral intention.



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Social influence is well-defined as the perceived social pressure to either carry out the behavior or not (Ajzen, 1991). And it may depend on the organizational unit wherein the worker performs his tasks in the expectations of meeting customers' needs. Moreover, social influence has also been considered as the level of the individuals' perception of what other thinks he should execute (Venkatesh, Morris, Davis & Davis, 2003). The higher the individuals' perception of the peoples' positive beliefs, the higher the intention will be to perform the task on the basis of his normative beliefs.

**H2a:** There is a relationship between ethical values and consumer buying behavior.

**H2b:** There is a relationship between ethical values and religious orientation.

**H2c:** Religious orientation mediates the relationship between ethical value and consumer buying behavior.

## **2.10 Relationship between Media (Ads) and Consumer Buying Behavior**

Since the evolution of internet in 1990s, internet has been used as a source of getting information. Statistics confirms that the majority of the people use internet with the purpose of acquiring information as regards to products or services (Baker, Wagner, Singer, Bundorf & Jama, 2003). However, people like to obtain information of any product or service through social media. However, social media marketing discusses about the process of attainment of website traffic through social media sites. Social media marketing plans generally make efforts to create information that appeals devotion and inspires viewers to make their social ties to be a part of it (Trattner & Kappe, 2013). Nevertheless, utmost existing statistics does not state by what means consumers custom media and which information they look for. There are several online sources of information, for instance; companies' websites, different E-communities and blogs etc. The notion of social network marketing and blogging are fairly new phenomena at the present time and it has not been discovered previously.

On the other hand, magazines currently are important communication tools and if companies want to gain competitive advantage over their competitors they must make better use of this communication tool (Chaudhary & Jha, 2013).

Since the advent of second decade of 21<sup>st</sup> century, the adoption of social media has developed rapidly by companies as a communication tool. Despite the fact that, the fast espousal of social media is well-known among consumers and its influence on their behaviors (Stein, 2014). With the emergence of a new era of technology, social media has become a very powerful tool for straight brand customer interface, however, some companies have succeeded in this while others are not. Stein (2012) argued that business environments have transformed into more subtle competition, however, companies must need to thrive their brand image through social media campaign to regulate marketplace. Therefore, it involves numerous diverse facets, predominantly by presenting a social identity to their brands they can increase customer base. According to Aksoy, Bhatnagar and Malkoc (2004) the necessity for corporations to discover innovative ways of realization of their customers have encouraged them to expand interest in adoption of nontraditional tools of communication. Aksoy and Schrum (2004) classify the conjunction of influence through commercial and entertainment advertisements is one of a blurry communication at the present time.

**H3a:** There is a relationship between media and consumer buying behavior.

**H3b:** There is a relationship between media and religious orientation.

**H3c:** Religious orientation mediates the relationship between media and consumer buying behavior.

## **2.11 Relationship between Words of Mouth and Consumer Buying Behavior**

Recommendation or words of mouth indicates the passing of information among people. The term basically refers to oral communication such as telephone, email, face to face interaction and so on. In addition, it is one of the important influence that convince people to act in a specific behavior, because people like to be socialize by nature. They like to talk about experiences either good or bad (Jerram, 2003). Recommendation always relates to consumers' satisfaction for the reason consumers who are pleased with the product are more likely to recommend those products to potential consumers by positive words. In other words, they will tell each other about the benefits and advantages of the products they use and recommend to the potential consumers.

This type of communication in marketing discipline is a concrete subject matter nowadays especially when the concept "consumer behavior" is intensely moving and becoming extra resistant to outdated resources of marketing communications for example advertising (Gheorghe, 2012). With the intention of adopting an appropriate marketing strategy, marketers must need to understand why words of mouth play

such an imperative role when customers make a decision to purchase and simultaneously they should recognize which components make words of mouth communication the utmost striking form of communication (Gheorghe, 2012).

Understanding words of mouth communication is vital in marketing since the alteration that happened in consumer behavior explicitly building a defense alongside outdated approaches of marketing communications. Words of mouth is the utmost significant casual resources of communication among customers (Filser, 1996).

Words of mouth is more powerful communication tools at the moment than any commercial sources of information used by companies (Derbaix & Vanhamme, 2003). Additionally, they argued that most of our daily discussion is certainly with our friends, family members, people we trust the most and whose goal is not to promote any particular company. Words of mouth tend to flow both ways which is actual communication and it offers prospective customers with a depiction of how their experience would be with the product, in addition to that, this type of communication is reflected to be a risk-free particularly for experienced products (Filser, 1996; Wilkie, 1990). Words of mouth either can be positive or negative communication (Buttle, 1997).

**H4a:** There is a relationship between words of mouth and consumer buying behavior.

**H4b:** There is a relationship between words of mouth and religious orientation.

**H4c:** Religious orientation mediates the relationship between words of mouth and consumer buying behavior.

## **2.12 Relationship between Price and Consumer Buying Behavior**

Price refers to an element of exchange or deal that takes place among two parties normally indicate as a buyer and a seller, it denotes as what must be given up by the buyer to the seller in order to attain something presented (Kotler, 1994; Omar, Ogenyi & Ejye, 1997). Price is certainly the utmost imperative market variable (Jany, 2009). It remains deceptive from the previous literature that there are plentiful techniques of price setting. Precisely, price setting is described as how the prices offered have been communicated to the customers (Briesch, Krishna, Lehman & Yuan, 2002). Framing the identical information in diverse means can impact significantly on consumers' decision making and behaviors. One might see various price strategies all over the places in the recent civilizations through TV or radio advertisements or through newspaper or magazines. Advertisement offers us by means of latest information about the most recent products, it is a good mode for manufactures to present and endorse their fresh products.

The objective of advertisements is to stay in people's mind and keep them mindful of a particular product. Attractive advertisements often encourage consumers to buy such things that they do not really need, especially when these advertisements carry a good message and features of the product, such as price. Blair and Landon (1981) discovered that marketed reference price effects on floating consumers' assessments related to advertisers' normal selling price. However, consumer's reference price is strongly influenced by marketer's advertised price. Reference price is an idea of customer's standard value contrary to which they compare the prices (Kalyanaram & Winer, 1995). DelVecchio, Krishnan and Smith (2007) invented that price frames affect perceptions of consumers' promoted price and the value they carry in the promoted price.

**H5a:** There is a relationship between price and consumer buying behavior

**H5b:** There is a relationship between price and religious orientation

**H5c:** Religious orientation mediates the relationship between price and consumer buying behavior.

### **2.13 Relationship between Motivation and Consumer Buying Behavior**

Motivation is the foundation of success in facing any kind of difficulties and challenges. It is a process of decision-making, through which individuals select the preferred results and exhibit the behaviors which are suitable for them (Riley, 2012).

The issues regarding consumer buying behavior exist in the literature of management directly or indirectly. It includes psychosomatic and societal methods which pay momentous consideration to motivation. The topic of interest of such methods is mainly due to the concerns of the management style, interpersonal communication and focus on the employees of the company. Despite the fact that, in theory it is similarly probable to discover some stimulations for understanding the principles and motivations of consumer buyer behaviors.

Those management experts who support such style of philosophy are, for instance; McGregor, Maslow, Herzberg, Alderfer, McClelland, Vroom and Porter (Blažek, 2011). However, management philosophers give emphasis to an individual's development as basic needs of a person such as Maslow's hierarchy of needs. Nonetheless, there are individuals, who are not concerned with self-improvement, yet they are just inspired by existence of social needs (Bělohávek et al., 2001).

Maslow articulated the hierarchy of needs according to the five ranks of important needs. The elementary needs come at the bottom of the hierarchy which are physiological needs while at the top of hierarchy are the needs of self-actualization. Nonetheless, these needs do not need to be completely fulfilled. It is global dilemma that the more we get, the lesser the proportion of satisfaction will be which is essential for upper needs to arise (Anderson et al., 2006). Maslow had faith into that the endowment of physiological and safety needs are not enough for motivation of

an individual. Maslow's theory can be applied effectively in the discipline of marketing especially when it comes to market segmentation and preparation of advertising. As marketing campaigns intend to fulfill the satisfaction of each rank of needs and utmost needs are shared by huge segments of customers (Anderson et al., 2006).

Above and beyond motivation, decision making process of consumer is affected by numerous other factors in real life (Svatosová, 2013). Therefore, marketing experts should apprehend such affects and their relative importance permissible to be capable of making effectual marketing strategies. At this juncture a significant role played by social conditions, demands and supplies, habits, and finally the selling techniques as well as technology. Staring from the thought process of buying till the purchase decision, the job of a marketing specialist is to recognize the process of stimulation in customers' mind. Moreover, basically we can divide the factors which influence consumer behavior into two groups, external and internal factors. External factors comprise of cultural, social and demographic factors while the internal factors contain subjective and psychosomatic factors. However, purchasing decision of each individual is inspired by four psychosomatic factors, which are; learning, motivation, perception and attitude.

The fundamental needs of the customers remain same, however, the products which fulfill those needs might fluctuate through time. Therefore, companies make sure

that they remain as the customers' first priority in fulfilling those needs. In this fashion, companies probably will survive into even intense competition and they will develop the contrary economic conditions (Schiffman & Kanuk, 2004). Motivation plays a significant role when customers decide for ultimate purchase however, it epitomizes one of the factors which influence consumer buying behavior.

**H6a:** There is a relationship between motivation and consumer buying behavior.

**H6b:** There is a relationship between motivation and religious orientation.

**H6c:** Religious orientation mediates the relationship between motivation and consumer buying behavior.



## **2.14 Relationship between Perceived Cultural Importance and Consumer Buying Behavior**

In the present study, we follow an unconventional approach to identify the cultural values which is recommended by Wan et al. (2007). This approach argue that cultural values are the ones which most of the members of the society consider to be important for the culture. This approach is recognized as the important perceived cultural approach. Conferring to this approach, people believe that they make priorities in values as per the priorities of the social group they fit into (Rohan, 2000). Hence, the prominence of any value in a culture would be important if the members of the group believe that the particular value must be built into the culture.

Additionally, this approach is drawn from the notion of culture as widely shared and distributed knowledge (Rohner, 1984; Sperber, 1996; Triandis, 1995). Keesing (1981) defined culture as a collective system of aptitude between a group of people involving individual's beliefs, norms, values and behaviors. People in a culture interrelate with each other at diverse levels, such as; from one to one communication to collective negotiation. In such communications, people take the standpoints of their interactive associates and progress shared symbols of the culture. However, these shared symbols are raised to institute the collective ground in succeeding social processes (Krauss & Chiu, 1998; Lau, Lee & Chiu, 2004).

The ultimate outcome of a culture is a set of beliefs which frequently detained by members of a culture. For instance, Prentice and Miller (1993) in their study found

that merely a small proportion of college freshmen discover drinking alcohol is pleasant, while the most of them believed that majority of other freshmen adore drinking alcohol.

In another research on personality by Terracciano et al. (2005), individuals from 49 cultures regarded a typical member of their identical culture on the basis of big five personality traits' dimensions. The assessments were accumulated across individuals in every culture and matched with the combined self-report personality assessments of members in the same culture. However, there was an inadequate relationship among perceived and concrete personality, when those two sets of aggregate assessments were matched across cultural groups.

**H7a:** There is a relationship between perceived culture importance and consumer buying behavior.

**H7b:** There is a relationship between perceived culture importance and religious orientation.

**H7c:** Religious orientation mediates the relationship between perceived culture importance and consumer buying behavior.

## **2.15 Chapter Summary**

This chapter addressed the relationship between luxury value, ethical value, consumer buying behavior and the other main factors that proposed to influence it.

Furthermore, the chapter highlighted the influence of these factors namely: attitude (luxury value and ethical value), subjective norms (media and words of mouth) and perceived behavioral control (price, motivation, and perceived cultural importance). The researcher reviewed some of the prior studies carried out on luxury values, ethical value, media, words of mouth, price, motivation, and perceived cultural importance, and also on how these factors affect consumer buying behavior. Moreover, the researcher pointed out the important role of religious orientation as a mediator between the relationships of IVs with DV. Furthermore, the chapter proposed a theoretical framework based on TPB. Twenty-two research hypotheses were developed for the model.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the approaches applied to test the variables in the research framework and its hypotheses. The purpose of the research design is to provide an evaluation of the strength and direction of relationship between behavioral intention and consumer buying behavior in the Kingdom of Saudi Arabia. Moreover, this research also seeks to test the effect of Religious orientation as a mediator between IVs and DV. The operationalization of variables is also presented in this chapter. Finally, discussion on the research method is highlighted.

#### **3.2 Research Design**

There are many types of research designs, and each one has its own advantages. Therefore, using any of these methods depends on the research problem, objectives and hypotheses of the study. Hence, using the right approach absolutely reinforces the value of the research findings (Sekaran, 2010). In order to achieve the objectives of the present research, quantitative research design is used for data collection.

#### **3.3 Quantitative Approach**

Quantitative approach results are based on numbers and statistics that are presented in figures, measuring and analyzing numerical data using appropriate statistical tools

(Hossein, 2007). Quantitative research design is carried out because it assists the researcher to examine a large sample of respondent's opinions about the proposed phenomenon deeply. Moreover, the researcher can take an accurate perspective of human behavior (Lakshman, Sinha, Biswas, Charles & Arora, 2000).

For the present study, the questionnaire is designed according to the objectives, problem and hypotheses of the study to determine the relative importance of factors that may influence Saudi consumers to buy cars and how these customers have perceived car markets from their viewpoint. The questionnaire is the main tool used in this research to understand the Saudi consumers' attitudes and adoption behavior towards cars purchase.

The steps involved in designing a questionnaire are the selection of appropriate measurement scales, content and wording of questions, response format and finally, the sequence of questions. Additionally, Sekaran (2003 & 2010) stated that a structured questionnaire is a suitable method for collecting data when the researcher clearly knows what is necessary and the way to measure the variable of interest. Furthermore, questionnaires can be easily being administered cheaply, and can reduce matter as researchers cannot influence on the respondents' answers (Sekaran, 2000).

The questionnaire used in present study contains two sections. The first section formed to have questions for the measurement of 'Subjective Norm Factor' which consists of luxury value and ethics, then, 'Attitude Factor' which consists of media (Ads) and word of mouth, and finally perceive behavior control factor is measured which is price, motivation and perceived cultural importance. The second section of the questionnaire is designed to gather information about personal information of the respondents.

In first section, respondents are requested to indicate their response on a five-point Likert-type scale, ranging from (1) showing strongly disagree to (5) "representing strongly agree, on the questions being asked. A Likert item is simply a statement which the respondent is asked to evaluate according to any kind of subjective or objective criterion; generally, the level of agreement or disagreement is measured. It is considered symmetric or "balanced", because, there are equal numbers of positive and negative positions (Alvin & Ronald, 2008). Often, five ordered response levels are used, although, many psychometricians advocate the use of seven or nine levels. A recent empirical study found that items measured on five or seven levels may produce slightly higher mean scores relative to the highest possible attainable score, compared to those produced with the use of 10 levels, and this difference is statistically significant (Dawes, 2008).

### **3.4 Population and Study Sample**

The target population for this study is individual consumers who are visiting car showrooms and malls in Riyadh. The reason for selecting car showrooms and malls in Riyadh is that it is an ideal platform to test the model at hand. This is for the reason that this business (1) vastly faces competitive marketplace, (2) is an extremely employment intensive business, and (3) involves relatively long-term relationships with consumers, mostly this group of consumers have jobs and monthly income. Furthermore, this type of customers comes from different region of the country.

Thus, it is advantageous to know and understand their attitude towards customer buying behavior in Saudi Arabia from different points of view, and, the results can be generalized to a large number of people. Moreover, it is cost-efficient and easy to access this population and distribute the questionnaire to a large number of individuals (Sekaran, 2010). In addition, the quality of answering the questionnaire is often better with this segment. Finally, this market segment is considered as a huge opportunity for the researcher to collect the data, customers who do not use car now, are potential consumers in the future. Hence, the understanding of their preferences and needs is very important. Therefore, the findings of this study can be generalized to a large population.

### 3.5 Data Collection Method

The total population of Riyadh, the capital city of Kingdom of Saudi Arabia is about five million and out of which two and half millions are car consumers (Information, 2012). From this, the population of the study was two and half million car consumers based on the official report of traffic department of Riyadh (MoHE, 2010). According to the generalized scientific guidelines for sample size decisions by Krejcie & Morgan (1970) the appropriate sample size of 1,000,000 individuals is 384 individuals which is acceptable for research as determined by several researchers (Cavana, Delahaye 2001 & Sekaran, 2001; Krejcie & Morgan, 1970).

*Table 3.1 Sample Size for a Given Population Size*

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

90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	348

Due to the expectation of a low response rate the researcher decided to implement over sampling method, this method of over sampling method is not new to the field of social sciences where sampling sizes are increased 50% to make up for unusable responses and low response rate (Salkind, 2006). Therefore, in order to achieve the maximum number of usable samples which is 384, the number of questionnaires sent out was 600 questionnaires.

In addition, the chosen sample was based on previous studies in the field of information flow and communication policy in Kuwait and Egypt by Alajmi, Dennis and Altayab (2011) as well as the study conducted in Iran by Teimourpour, Heidarzadeh and Hanzaee (2011) in terms of consumption behavior where the researcher investigated consumer buying behavior. Moreover, it is also based on a study conducted in Belgium measuring cognitive determinants of speeding: an application of the theory of planned behavior by Helmut Paris and Stephan Van den Broucke. The questionnaires were distributed to all participating Malls equally. This technique was used to make sure that the questionnaires must be distributed fairly in all malls. This approach has been used in previous studies.

Mall intercept, systematic random sampling is used in this study to obtain the sample where respondents are intercepted in shopping in malls. Mall intercept sampling is a

type of non-probability sampling technique which is applicable when the study covers a large size of sample, the population is not homogeneous, and the sampling frame is not available.

In order to collect the required data, 600 questionnaires were distributed by the researcher to the customers in several malls in Riyadh, with three or sometimes five assistants in each mall. The researcher will visit the malls in order to distribute and collect the questionnaires. After distribution of the questionnaires to the customers, filing boxes were provided at each exit in the malls to collect the completed questionnaires.

In order to make sure a good response rate from the respondents, some steps were taken as follows; (1) contact numbers of the researchers and his assistants were provided to the respondents in case of any enquires, (b) reminders were given to the respondents about the importance of questionnaires to the respondents.

### **3.6 Translation**

The questionnaire was written in English language and was translated into the Arabic language by a professional translator who was fluent in both languages. Furthermore, the researcher used back to back translation in order to avoid any mistake or problem in the translation, and then two Arab doctors in the field of business administration

and familiar with business terminologies revised the draft to recheck it (Brislin, 1970; Douglas, 2007; Ozolins, 2009).

### **3.7 Pilot Test**

A pilot study is an essential part of the research to evaluate the survey instrument as it is useful to carry out a pilot study prior to the collection of data (Bryman et al., 2004 & Bryman 2015; Saunders, 2011). The purpose of doing this step was to determine whether the survey needs any further adjustment and modification, so that, a clear and understandable questionnaire will enable the respondents to answer all the questions.

In this research, in order to recognize whether the questionnaire is properly constructed and the questions are easy to understand, a pilot study was carried out by distributing questionnaire to some UUM PhD, Master or undergraduate students in the library of our university. They were asked to answer the questions and provide their comments in order to test the validity and clarity of the questionnaire and avoid any confusion.

### **3.8 Operationalization of Variables**

Most of the items used in the questionnaire are operationalized by the variables in the theoretical framework and are taken from prior studies. The association among the variables is assessed by data analysis that is useful for understanding which of

the variables are more influential towards behavioral intentions regarding use of cars.

The present framework consists of the variables as shown below.

### 3.8.1 Behavioral Intention

Behavioral intention is the main objective of this research, which indicates that customers are willing to buy car in the future (Fishbein & Ajzen, 1975). There are many studies that were developed by well-established theories that consider behavioral intention as an essential dependent variable such as, Davis, Bagozzi, and Warshaw (1989), Ajzen and Fishbein (1980), and Ajzen (1991). However, as explained in the previous chapter, the researcher noted that the theory given by Ajzen (1991) is the best means to describe the way the researcher can operationalize “behavioral intention”. In this study, the researcher utilized the intention to use consumer buying behavior as the key dependent variable. Items adapted from previous studies are shown in Table 3.2:

*Table 3.2 behavioural intention Items (Luxury)*

No.	Items	Source
1	Cars are a luxury for everyone.	Bearden and Etzel (1982)
2	Cars are a luxury for almost all people.	
3	Cars are a luxury for the majority of people.	
4	Cars are a necessity for the majority of people.	
5	Cars are a necessity for almost all people.	
6	Cars are a necessity for everyone.	

### 3.8.2 Attitude

A number of studies have measured attitude and used a variety of measurement methodologies, and have observed a significant link between attitude and behavioral intention (Cauberghe & Pelsmacker 2011). Attitude is the expression of the customers from expected benefits from markets. The measurement of attitude is adapted and modified from Davis, Andersen and Curtis (2001). Study that used a nine-step Likert scale with the assigned values of (1) for “strongly disagree” to (9) for “strongly agree”. However, for consistency, the present study used a five-step range instead. As far as the motive of ethical consumption is concerned, it has to be stated that the notion of buying to impress others, still more or less serves as an Islamic ethic and outlines of its principles and scope (Hashi, 2011).

Referring to the ethics, many authors have shown and demonstrated that ethics deal with those standards that describe what individuals ought to do. It also addresses virtues, duties and attitudes of the individuals and the society as a whole. In addition, ethics is related to the customs, traditions and beliefs as well (Al-Khatib, Vitell, Rawwas, 1997; Hashi, 2011; Saeed, Ahmed & Mukhtar, 2001).

Often used as evidence for judging quality, status-conscious consumers tend to use a price cue as a surrogate indicator of prestige (Berkowitz *et al.*, 1992; Groth & McDaniel 1993). Thus, prestige pricing refers to setting a rather high price to suggest high quality and/or high status which is not ethical sometimes (McCarthy &

Perreault, 1987) may even make certain products or services more desirable (Groth & McDaniel, 1993).

Nevertheless, it is important to realize that a product or service does not have to be expensive to be a luxury good or is not luxurious just because of its price. Luxury consumers demand more value along with their luxury. Some items may, for example, be regarded as luxury goods not in terms of a price tag or label, but in their sentimental value (i.e., a wedding ring as part of personal history, ancestral heirloom). Thus, consumers can and do distinguish between objective price (i.e., the actual price of a product) and perceived price (i.e., the price as judged by the consumer) (Jacoby & Olson, 1977). The items of attitude are shown in table 3.3:

Table 3.3 Attitude Items (Ethics)

No.	Items	Source
1	It is never necessary to sacrifice the welfare of others.	Davis, Andersen, and Curtis (2001)
2	Using car should never psychologically or physically harm another person.	
3	If using private car harm an others, then we should not use it.	
4	Moral behaviors are actions that closely match ideals of the most “perfect” action.	
5	Should not perform an action which might in any way threaten the dignity and welfare of another individual.	

### **3.8.3 Subjective Norm**

Subjective norm has been used to measure the degree of social pressure put on the customers to purchase a car, which could be high in present research. Influential people, peers, friends, parents, other customers, advertisement and cultural belief influence customers and such individuals approve the potential consumers in automobile industry.

In other words, subjective norm is connected to the intention to do the behavior because the behaviors of the human beings are often based on their perceptions of what others think they should do (Lee, 2003). The dimensions of subjective norm are social influence, recommendations by others on using cars, cars advertisements and cultural beliefs.

### **3.8.4 Media “Advertisement”**

Advertising refers to the way the customers receive information about their activities such as products or services, pricing and delivery channels, (Ennew *et al.*, 1995). Moreover, it is a level to which a person perceives that people who have high value believe he or she should follow them. In this context, this study tries to investigate the influence of advertisement on the customers of automobile industry in order to facilitate their daily life needs. The measurement for advertisement is adapted and modified from Green and Brock (2000) who used seven-point Likert scale from 1 representing strongly disagree to 7 showing strongly agree. However, for the purpose

of consistency, the range was changed to a five-point Likert scale. These items are shown in Table 3.4:

*Table 3.4 Items of Cars Advertisements*

No.	Items	Sources
1	news shared in media influence people to have private cars	
2	people like to visit car show rooms to get new news about cars	
3	I like to rate and contribute to car advertisement	Green and Brock (2000); Ma, Sian Lee, and Hoe-Lian (2014)
4	When I want to buy car, I'd like to find out all car advertisement	
5	car advertisement are attractive	
6	When I want to buy car, I tend to car showrooms advertisement	

### **3.8.5 Word of Mouth (Recommendation by Others)**

Recommendation is a social pressure of people such as parents, customers, classmates, peers and lecturers, etc. (Omar, 2007). Word-of-mouth (WOM) is the most important informal means of communication between consumers (Filser, 1996). It is defined as "the informal communication directed at other consumers about ownership, or characteristics of particular goods and services and/or their sellers" (Westbrook, 1987).

The reasons justifying the power of WOM are that WOM is more credible than commercial sources of information controlled by companies (e.g. advertising, sponsorship). Most of our discussions are indeed with friends, and family i.e. with people we trust and whose goal is not the promotion of a specific company. Second, WOM is really communication, i.e. the message flow tends to be two-way. Third, WOM provides potential consumers with a description of what the experience would be and is, thus, considered to be a risk reliever, especially, for experience goods (Filser, 1996; Wilkie, 1990).

To assess the recommendation factor, six items were adapted from both Goyette, Ricard, Bergeron and Marticotte (2010) and measured on a seven-point Likert scale, where the extremes are (1) for strongly disagree and (7) for strongly agree. However, for the purpose of consistency, the range was changed to five-points where (1) shows strongly disagree and (5) shows strongly agree. The items for this scale are shown in Table 3.5:

*Table 3.5 Items of Recommendation*

No.	Items	Source
1	I spoke about car advertisements much more frequently than about any other advertisements.	Goyette, Ricard, Bergeron, and Marticotte (2010)
2	I recommended car advertisements	
3	I strongly recommend people to buy cars.	
4	I mostly say negative things about car advertisements to others.	
5	I discuss the prices of products offered.	
6	I speak about some car companies notoriety	

### **3.8.6 Cultural Belief (Religious orientation)**

A Religious orientation is a basic determinant of customers' behavior and wants, as well as their attitudes and perceptions toward automobile industry. It seems that Religious orientation are patterns of behavior customers used to do and are inherent in their past lives; these patterns of behavior affect their behavioral intention to use private cars (Kau & Jung, 2004). Furthermore, religion is an important cultural factor to study because it is one of the most universal and influential social institutions that have significant influence on people's attitudes, values and behaviors at both the individual and societal levels (Mokhlis, 2009). Religion is a set of beliefs that are taught since childhood, and people gradually commit to the religion as they have greater understandings towards its teachings. According to Kotler (2001), religion is a part of culture that can shape the behavior of the people. Specifically, what this

means is that people who have religion hold certain values that are able to influence their actions and decisions.

Islam is a religion that guides Muslims in every aspect of life, not just in specific acts of worship. For instance, in the Quranic verses, Al Isra':26-27, Allah commands Muslims not to consume or spend extravagantly, but, to spend in way of Allah. Some other guidance which have been provided by Islam are how and what to trade, how to interact with others and what can be consumed. Eating and drinking are strictly followed according to the Islamic rules in everyday life in the Muslim society. The items for this scale are shown in Table 3.6:

*Table 3.6 Religious orientation*

No.	Items	Source
1	I pray because I have been taught to pray.	
2	The primary purpose of prayer is to secure a happy and peaceful life.	
3	It is important for me to spend periods of time in private religious thought and meditation.	
4	If not prevented by unavoidable circumstances, I attend mosque.	Allport and Ross (1967)
5	I try hard to carry my religious into all my other dealings in life.	
6	The whole religious approach is creating my religious beliefs.	
7	Religious is very important to me because it answer many questions about the meaning of my life.	

### **3.8.7 Price**

Many scholars has debated on price as Story and Jeff (2006) stated that price is one of the most important and sensitive variables to influence the purchase behavior. Price is one of the factors that assist in making choices or decisions towards purchase behavior. The impact of price and purchase behavior depends on the choice of the decisions, but, other factors can also influence, such as, testimonials, price insensitivity and willingness of brand to be the favorite.

Price is a factor that makes the customer happy with product, and, it can influence an individual's purchase behavior again and again. Satisfaction alone cannot be forecasted by the price factor, but, in order to satisfy consumers, the consumer price is one of the important factors that influence consumer satisfaction. Customers in personal relationships, with low functional connections, would be willing to pay higher prices, and, they have low price sensitivity.

The price of a product at the time of purchasing forms a phenomenon of interest that acts to prefer or reject a specific product. Importantly, consumers usually constitute a reference price, and make a decision after comparing the price on offer with the reference price. The techniques of sales promotions have an effect on consumers before making a decision, consumers take into account whether or not a promotion exists that helps to decide which product to purchase when two products are

equally attractive (Alvarez & Casielles, 2005). The items for this scale are shown in Table 3.7:

*Table 3.7 Price*

No.	Items	Source
1	I am happy with the price offered by car showrooms.	Voss, Parasuraman, and Grewal (1998)
2	Overall, I am satisfied from the private car prices.	
3	I appreciate car prices.	
4	I am contented by the prices I pay for car showrooms	
5	I am satisfied with the Offered Price for private cars.	

### 3.8.8 Motivation

The relevant variables to this study are extrinsic motivation and intrinsic motivation. To capture the dimensions of these variables, a set of multi-item instruments that draw on previous empirical research was used. A construct for extrinsic motivation was developed, which is defined as external rewards, that includes four items based on prior empirical studies; expense account and allowances linked to the activity performed (high-powered incentives) (Balkin & Gomez-Mejia, 1990; Collins & Yeager, 1988; Finkelstein & Hambrick, 1989), labor stability (stability) (Delaney & Huselid, 1996), the organizational recognition (recognition) (Guallino & Prevot, 2008), and promotion (promotion) (Challagalla & Shervani, 1996; Delaney & Huselid, 1996).

Intrinsic motivation, identified with the satisfaction that a person receives from his or her position or work environment, was measured using four items: self-confidence and self-fulfillment (Self-confidence) (Oliver & Anderson, 1994; Challagalla & Shervani, 1996), involvement and sense of belonging (Membership) (Leete, 2000), the feeling of working for an honest organization (Honesty) (Robinson, 1996; Tyler, 2003), and, autonomy in the performance of activities (Autonomy) (Das & Joshi, 2007).

To assess the motivation factor, six items were adapted from Cruz, Pérez and Cantero (2009) and measured on a seven-point Likert scale, where the extremes are (1) for strongly disagree and (7) for strongly agree. However, for the purpose of uniformity, the range was changed to five-points where (1) represents strongly disagree and (5) represents strongly agree. The items for this scale are shown in Table 3.8:

Table 3.8 Motivation

No.	Items	Source
1	The car showroom offers me the possibility for promotion.	
2	The car showrooms has stability for car services	
3	I consider car showrooms honest and coherent with their mission.	
4	I feel myself as a car showrooms member, loyal to them.	Cruz, Pérez, and Cantero (2009)
5	I learn new things about cars that only car showrooms know	
6	In general, all the decisions that affect my car choice are taken by consensus.	

### 3.8.9 Perceived Cultural Importance

Cross-cultural psychologists assume that core cultural values define to a large extent what a culture is. Typically, core values are identified through an actual self-importance approach, in which core values are those that members of the culture as a group strongly endorse (Wan, *et al.*, 2007).

Values that are important to a culture guide how members of that cultural group should lead their lives and are at the center of association of many cultural practices. The importance of a value to a culture can be defined by the degree of importance that cultural members as a group believe the value to be in the culture.

Humans are cultural beings, by virtue of living in a collaboratively constructed symbolic environment. People have acquired knowledge of how widely shared different values are in their community, such knowledge makes up a shared reality and provides individuals with a frame of reference to make sense of their social experiences as well as valuable cultural resources that individuals appropriate in their cultural identification process.

To assess the perceived cultural importance factor, eight items were adapted from Wan, Chiu, Tam, Lee, Lau and Peng (2007) and measured on a seven-point Likert scale, where the extremes are (1) representing strongly disagree and (7) showing strongly agree. However, for the purpose of uniformity, the range was changed to five-points where (1) represents strongly disagree and (5) represents strongly agree. The items for this scale are shown in Table 3.9:

*Table 3.9 Perceived Cultural Importance*

No.	Items	Source
1	Enjoying life	Wan, Chiu, Tam, Lee, Lau, and Peng (2007)
2	Successful.	
3	Family security.	
4	True friendship.	
5	Healthy.	
6	Mature love.	
7	Social recognition.	
8	Self-respect.	

### **3.8.10 Consumer Buying Behaviour**

Consumer behavior refers to the study of how individuals buy things, what they buy, from where they buy, and why they buy as we know consumer buying behavior is a part of marketing, but also, it has a strong relation with sociology and psychology. The aim of consumer buying behavior is to understand consumer buying behavior decision, and also to understand the steps of that decision.

Moreover, any purchasing decision starts from the opportunity available for any product or service in the market which is aimed to study the market and the consumer at the same time, therefore, this is the starting point of any marketing management (Kotler, 2010).

Marketers, nowadays, understand very well that they can no longer take the customers for granted. Consumer buying behavior determines how our consumers decide to buy our product and what are the various factors responsible for this decision? What we need to understand here is why consumers make the purchases that they make and what factors influence consumer purchases.

The central focus of marketing is the consumer. In order to devise good marketing plans, it is necessary to examine consumer behavioral attributes and needs, lifestyles, and purchase processes and then make proper marketing-mix decisions. To assess the consumer buying behavior factor, six items were adapted from Bloch, Sherrell, and Ridgway (1986), and measured on a five-point Likert scale, where the extremes

are (1) for strongly disagree and (5) for strongly agree. The items for this scale are shown in Table 3.10:

*Table 3.10 Consumer buying behaviour*

No	Items	Source
1	Often I visit car showrooms, just to look around or get information rather than to make a specific purchase.	
2	Usually each month, I look to car catalogs	
3	Often I talk to friends and acquaintances to get information or advice concerning car styles	Bloch, Sherrell, and Ridgway (1986)
4	Often I use internet browser to find out new information about cars.	
5	Am subscribe with many car magazine.	
6	private cars fits the individual personal requirements	

### 3.9 Demographic Profile

Six items were used to explain the demographic profile of respondents. The respondents were asked to tick (✓) on the suitable box.

- 1- Age
- 2- Gender
- 3- Nationality
- 4- Level of Education
- 5- Place of Residence
- 6- Income

### **3.10 Data Analysis Procedure**

To test and evaluate the theoretical framework and its hypothesis, the researcher used SPSS (statistical package for social sciences Version 17) as it is more flexible. There are many techniques employed in the analysis namely, data screening and the selection of appropriate data analysis strategy (Churchill & Lacobucci, 2004; Sekaran, 2003). Data screening will be performed to identify data entry errors and to examine how well the data meets the statistical assumptions which involve missing data, treating outliers, descriptive statistics of variables, normality, linearity, homoscedasticity, multicollinearity and reliability.

#### **3.10.1 Data Screening**

Data screening process consist of a number of steps in order to ensure that the influence of the characteristics of data may not negatively influence the results. Going via the screening is essential, as former steps usually affect the decisions to be made on the latter ones.

#### **3.10.2 Missing Data**

Examination of the missing data is an essential step before testing the collected data. It is considered a vital part before data analysis, since data is often riddled with mistakes and data entry errors which could completely mess up the analysis result (Hair, Anderson, Tatham & Black, 2006; Pallant, 2005). Prior to examining the research hypothesis, variables were tested for accuracy of missing values, data entry

and satisfaction of the assumptions for multivariate analysis. Missing data refers to the cases where valid values of one or more variables are entered by mistake or are not available for data analysis, especially, in a multivariate analysis (Hair *et al.*, 2006).

In addition, lack of understanding of some items of the questionnaire, unwillingness to answer or an oversight of some items are issues that must be taken into consideration because of their negative impact on the analysis result. The issue of missing data is also mentioned by many researchers, particularly, when dealing with human beings. Thus, many approaches to deal with missing data are proposed.

The first approach is the elimination of the cases with missing data whereby only cases with complete data on all variables are included in the analysis. In this case, the remaining cases with valid data must be enough for the analysis. Secondly, exclude the cases where data is missing. Thirdly, change the missing value with the sample mean. This choice is harmful when the data set has many missing values as it severely messes up the findings of an analysis.

In this research, the data has been collected using five point Likert scale ranging from 1 representing strongly disagree to 5 showing strongly agree. The data has been examined to find out whether answers are within the range of 1 to 5 for all 800 respondents.

Moreover, respondents may avoid answering particular questions relating to their age, income or others. Likewise, some respondents may not be competent to answer due to lack of information towards a particular topic.

### **3.10.3 Normality**

It is a statistical technique that shows the shape of data distribution of the sample. Testing the normality of the data is one of the initial steps and a fundamental assumption for multivariate techniques such as multiple regressions. The aim of the normality test is to make sure that data is normally distributed. There are two common techniques used to describe the distribution of a data set - skewness and kurtosis. The more the values of skewness close to zero and the value of kurtosis close to 3, the more the data is normally distributed (Hair *et al.*, 2006).

### **3.10.4 Linearity**

Linearity is a statistical technique that tests to what extent the change in independent variable is linked with the dependent variable. According to Hair *et al.* (2006), and Pallant (2005), the use of P-P plots can be used to test the relationship between variables. When the plots are close to the diagonal line, it indicates that a strong relationship exists.

### **3.10.5 Multicollinearity**

Multicollinearity indicates the situation in which the independent variables are extremely correlated (Pallant, 2001). According to Hair *et al.* (2006), correlation values of any study must be under the threshold of 0.80. Whilst, any correlation values that are higher than 0.80 is considered as multicollinearity.

In services studies, there are two measures for examining multicollinearity, either by tolerance (R) value and the variance inflation factor (VIF) value and the recommendation value of tolerance is 0.10 and for VIF is 10, or, through the correlation matrix between each two variables.

### **3.10.6 Descriptive Statistics**

The descriptive statistics option in SPSS 17.0, such as frequency and standard deviation, is used to understand the profile of the respondents as well as to get a feel for data. This technique presents a description of the overall responses obtained, and at the same time, it will be used to examine the data for erroneous entries.

### **3.10.7 Factor Analysis**

Factor analysis is a helpful technique used to investigate the underlying patterns and relationships among a number of variables and to find out if the variables can be reduced into a smaller set of factors (Hair *et al.*, 1998). Factor analysis is used to recognize those items that do not belong to the specified field. Therefore, the main

idea behind using this technique is data reduction (Hair *et al.*, 2006). Two main techniques are used in analyzing factors: the confirmatory factor analysis (CFA) and the exploratory factor analysis (EFA). According to Nunnally and Bernstein (1994), the aim of CFA lies in seeking to validate some prior hypothesized structure among items or variables, while EFA aims to identify the underlying structure. This study used EFA technique to achieve the needed analysis. According on Hair *et al.* (2006), some assumptions to be carried out for factor analysis are as follows:

- 1- The test of Kaiser-Meyer Olkin (KMO) values more than 0.50 is acceptable.
- 2- The Bartlerr's test of sphericity should be significant and at least at 0.05.
- 3- The acceptable level of the anti-image correlation of items is above 0.50.
- 4- A measure of sampling adequacy must be greater than 0.50.
- 5- The lowest requirements for factor loading range between 0.30 and 0.40, and loadings of 0.50 or greater are considered significant.

### **3.10.8 Reliability Analysis**

The reliability analysis procedure provides information about the relationships among individual items in the scale and their internal consistency and examines the properties of a measurement scale and the questions that make it (Nunnally, 1978). The reliability analysis of the factors was tested using Cronbach's Alpha in order to test the internal consistency reliability of the scales. For the purposes of the research, any Alpha value that is 0.6 or less generally indicates unsatisfactory internal consistency reliability, those exceeding 0.7, indicate acceptable reliability, and those

over 0.80 are considered good. Thus, the higher the Alpha value or the closer the reliability coefficient to 1.0, the higher the reliability of the measurement items will be.

### **3.10.9 Correlation Analysis**

Correlation analysis is used to determine the strength of the linear relationships between the variables (Pallant, 2001). In this study, the relationship between purchase intention of cars and subjective norm and customer's attitude toward private cars is examined using this analysis.

### **3.10.10 Multiple Regressions**

Multiple regression analysis is the study of how a dependent variable (DV) is related to two or more independent variables (IV). Multiple regression analysis is used to measure the relationship between several independent or predictor variables and the dependent or criterion variable (Man, 2006). Multiple regression analysis is also used to analyze the collected data in the study because Elazar and Pedhazur (1997) argued that multiple regression analysis is appropriate when studying the collective and separate contributions of two or more independent variables (Wampold & Freund, 1987) Multiple regression analysis was used to examine the direction of the correlation between the customers' attitude, subjective norm and their intent to use private cars.

### **3.10.11 Hierarchical Multiple Regressions**

Moderator variable is as a function that influences the strength and direction of two variables (IV and DV). In other words, the relationship between IV and DV are affected depending on various levels of the moderator (Cavana *et al.*, 2001). To analyze the moderating effects, the researcher used three-step hierarchical multiple regression approach.

The first equation presents the relationship between the six independent variables with the dependent variable (customer's behavioral intention). In the second step, the moderator is included. In the third step, the interactions of the moderator with the independent variables are entered accordingly into the model (Baron & Kenny, 1986; Coan & Allen, 2004).

### **3.11 Chapter Summary**

The current chapter discussed the research design, which is based on the quantitative approach through the use of a structured questionnaire. In addition, random sampling is applied in this study consisting of a sample of 600 participants. The chapter also dealt with the validity issues through the use of a pilot study. Moreover, the population, sample size, and the survey procedures were discussed along with the minimum sample size requirements. Also, the current chapter dealt with the statistical techniques used in the study such as correlation analysis, multiple regression and hierarchical multiple regression.

## CHAPTER FOUR

### DATA ANALYSIS AND RESULTS

#### 4.1 Introduction

In the previous chapter, an explanation on how the present study is practically carried out was offered. Based on the data analysis, this chapter displays the results of the study hypotheses. This chapter first looks at the variables which have been described in this study, then it tests the non-response bias, descriptive statistics, multicollinearity test, and normality. In addition to that, the demographic profile of the respondents (age, gender, nationality, educational background, and monthly income in Saudi riyals) has been exhibited in this chapter. This study further employs structural equation modeling (SEM) technique through Smart PLS 3.0 to assess the measurement model in two stages; which are goodness-of-measure (GoM) and goodness-of-fit (GoF) assessments (Hair, Tatham, Anderson, & Black, 2007b). These stages in PLS-SEM are also termed as “measurement model and the structural model (Deal, 2006; Hair et al., 2012; Henseler, Ringle & Sinkovics, 2009). Measurement model has been recognized as outer model, which is a structural association amongst latent variables and their indicators (Anderson & Gerbing, 1988; Tabachnick & Fidell, 2007). In consistency with Henseler et al. (2009), measurement model must be measured and built on convergent as well as discriminant validities by taking into consideration the values of composite

reliability and average variance extracted (AVE). Additionally, the indicator's reliability is measured by means of outer loadings and cross loadings. Precisely, current study recognizes the need of achieving goodness of fit (GOF) for the constructs associated to this study. As soon as the construct validity is ensured, the next process is to examine the excellence of the structural model, and to test the hypotheses, as presented in the end of this chapter.

#### **4.2 Survey Instrument Response Rate and Data Collection Process**

For this study, the unit of analysis was car consumers in Riyadh. A survey package was distributed to 600 people in the car markets in Riyadh started from Thursday 5<sup>th</sup> of March 2015. Researcher adopted face to face medium to reach to the respondents. Furthermore, the respondents have been provided with the contact information of the researcher in a given situation where they need time to respond to the questionnaire and if they need further explanation and clarification. All 600 questionnaires have been returned to the respondents, in which 178 questionnaires were incomplete and 422 questionnaires were usable which makes response rate of 70.34%. According to Sekaran (2006), this response rate is acceptable. Table 4.1 presents the response rate.

*Table 4.1 Sample Study Response Rate*

<b>Questionnaire response</b>	<b>Frequency</b>	<b>Percent Rate</b>
Number of questionnaires distributed	600	
Returned questionnaires	600	100.00
Unusable questionnaire	178	29.67
Usable questionnaire	422	70.33

### **4.3 Demographic Profile of Respondents**

Table 4.2 provides background information of the respondents who participated in the survey. As respondents, general characteristics of the respondents include; age, gender, nationality, educational background and monthly income.

*Table 4.2 Respondents' Demographic Information (n = 422)*

<b>Demographics</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Age</b>		
1. 18-25	66	15.64
2. 26-30	89	21.09
3. 31-35	75	17.77
4. 36-40	68	16.11
5. 41-45	40	9.48
6. 46-50	35	8.29
7. 51-55	23	5.45
8. More than 56	26	6.16
<b>Gender</b>		
1. Male	353	83.65
2. Female	69	16.35
<b>Nationality</b>		

1. Saudi	180	42.65
2. Non-Saudi	242	57.35

**Educational level**

1. Elementary	5	1.18
2. Secondary school	18	4.27
3. High school	47	11.14
4. Diploma	50	11.85
5. Graduate	227	53.79
6. Postgraduate	75	17.77

**Monthly income**

1. Less than SAR 3000	74	17.54
2. SAR 3001-SAR 10000	206	48.82
3. SAR 10001- SAR 15000	58	13.74
4. SAR 15001- SAR 20000	43	10.19
5. SAR 20001- SAR 25000	17	4.03
6. More than SAR 25000	24	5.69

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As shown, 353 respondents were males (83.65%) and 69 respondents were females (16.35%). Slightly more than half of them were non-Saudis (57.35%), most of the respondents were graduates (53.79%) and 206 (48.82%) respondents earn a basic salary of 3001 up to 10000 Saudi riyals per month. Almost 70% of the respondents belong to the range of 18 to 40 years. Out of which 15.64% are from the age of in between 18 to 25 years, 21.09% are from 26 to 30 years, 17.77% from 31 to 35 years and 16.11% from 35 to 40 years.

Additionally, sample representativeness is a key requirement for using stratified sampling to meet the objective which denotes sample is a representative of the

population of interest (Hail et al., 2010). Whether upward classification, looking for relationships and simplifying data, stratified sampling results are not generalizable from the sample unless representativeness is established (Hail et al., 2010).

All issues concerned with data collection were addressed adequately to ensure that the sample was the representative of the whole population which represents Riyadh. Thus, the sample findings can be safely extended to the whole population which signifies the Kingdom of Saudi Arabia.

#### **4.4 Testing Non-Response Bias**

As indicated earlier, this study employed a survey questionnaire for data collection process. The questionnaires were self-administered in all the locations. However, it was necessary to conduct non-response bias for the reasons that many respondents responded only after many reminders and after many visits were given.

In order to assess non-response bias, t-test statistic has been conducted to make comparison of primary and later respondents on the key variables. Researchers (Armstrong & Overton, 1977; Kannan, Tan, Handfield & Ghosh 1999) suggested that if the differences between primary and later responses are discovered to be significant, non-response bias might occur and hence may invalidate the findings.

In this study, 71 respondents were classified as late responses while 351 as early responses in all variables; luxury value, ethical value, media, words of mouth, price, motivation, perceived cultural importance, religions orientation and consumer buying behavior. Table 4.3 and 4.4 provide the results of the independent sample t-test.

*Table 4.3 Group Statistics of Independent Sample t-test*

Variables	Early/Late responses	N	Mean	Std. Deviation	Std. Error Mean
LV	Early Responses	351	3.181	.7429	.0397
	late Responses	71	3.284	.7572	.0899
ETH	Early Responses	351	3.696	.7242	.0387
	late Responses	71	3.775	.5450	.0647
MD	Early Responses	351	3.316	.6681	.0357
	late Responses	71	3.380	.7021	.0833
WOM	Early Responses	351	2.922	.6977	.0372
	late Responses	71	2.610	.7082	.0840
RO	Early Responses	351	4.176	.8256	.0441
	late Responses	71	4.223	.6859	.0814
MOT	Early Responses	351	2.992	.7720	.0412
	late Responses	71	2.718	.8134	.0965
PRC	Early Responses	351	2.513	1.0244	.0547
	late Responses	71	2.090	.9567	.1135
CBB	Early Responses	351	2.804	.8196	.0437
	late Responses	71	2.538	.7513	.0892
PCI	Early Responses	351	4.567	.7047	.0376
	late Responses	71	4.526	.4561	.0541

Table 4.3 shows small differences of the mean scores between the two groups in each variable, which were not significant. It can be safely said that the two groups had similar characteristics and hence non-response bias was not a threat (refer also the

Levene's test for fairness of variance in Table 4.4).

*Table 4.4 Results of Non-Response Bias for Independent Sample t-test*

Variables	Levene's Test for Fairness of Variances		t-test for Fairness of Means		
	F	Sig.	T	df	Sig. (2-tailed)
LV	.286	.593	-1.058	420	.290
ETH	3.225	.073	-.863	420	.389
MD	.033	.856	-.730	420	.466
WOM	.001	.978	3.420	420	.001
RO	2.346	.126	-.454	420	.650
MOT	.556	.456	2.699	420	.007
PRC	.460	.498	3.209	420	.001
CBB	1.238	.267	2.536	420	.012
PCI	1.206	.273	.461	420	.645

#### 4.5 Descriptive Statistics

Sekaran and Bougie (2010) maintained the argument that the descriptive analysis of the variables through mean, standard deviation and variance can give researcher a detailed idea of patterns of responses from the respondents for each question in the study. Consequently, a descriptive statistics has been directed to define and review the key characteristics of a data set from the respondents' perspective on each variable; luxury value, ethical value, media, words of mouth, price, motivation, perceived cultural importance, religions orientation.

Table 4.5 shows the findings of descriptive analysis of the variables. Most of the variables have the mean scores above the average range from 2.759 to 4.560 and the standard deviation range from 0.669 to 1.025. Only the variable which has mean score below than the average is price with the mean score of 2.442. The minimum and maximum values on the variables are also presented in Table 4.5. As a result, it was found that on the basis of respondents' beliefs most of the variables are above the threshold acceptance level. In other words, almost all variables are above satisfactory level.

*Table 4.5 Descriptive Statistics of the Variables (n = 422)*

Variables	Minimum	Maximum	Mean	Std. Deviation
LV	1.00	5.00	3.199	.745
ETH	1.00	5.00	3.709	.697
MD	1.00	5.00	3.327	.674
WOM	1.00	5.00	2.869	.708
RO	1.00	5.00	4.184	.803
MOT	1.00	5.00	2.946	.785
PRC	1.00	5.00	2.442	1.025
CBB	1.00	5.00	2.759	.814
PCI	1.00	5.00	4.560	.669

#### **4.6 The Rationale behind Choosing PLS-SEM technique for the current Study**

The aim of the current study is to examine the relationships between latent variables; therefore, the latent analysis technique was the right option. It is a choice to use

either covariance-based SEM (CB-SEM) or partial-least-square SEM (PLS-SEM) technique, but in any way the data must be normally distributed (Byrne, 2010; Hair et al., 2010). The following assumptions have been tested in SPSS 17.0 before choosing the technique of the analysis.

#### **4.6.1 Multicollinearity Test**

The test of multicollinearity between variables is highly recommended before beginning of testing the proposed model (Hair et al., 2010). It indicates the existence of relapse of the correlation matrix in which one independent variable is highly and significantly correlated with another independent variable. In addition, the revelation of multicollinearity can be detected when the correlation value is more than 0.90 (Hair et al., 2010). Multicollinearity test is assisted by examining the variance influence factor (VIF) and the tolerance value.

Moreover, the value of the VIF is the amount of inconsistency of the particular variable which is described by other predicting variables whereas the tolerance is the inverse of VIF (Hair et al., 2010). The VIF and tolerance values cut-off points are 10 and 0.10 respectively, which indicates that VIF closer to 1.00 represents little or no multicollinearity.

Table 4.6 shows the multicollinearity test for all independent variables. The correlation between variables are less than 0.90 which indicated that there is no

problem in multicollinearity. Additionally, VIF values are between 1.086 and 1.523, whereas tolerance values range between 0.657 and 0.921. The results meet and exceed all the minimum threshold, however, findings report that there is no violation of multicollinearity assumptions.

*Table 4.6 Multicollinearity Test*

Model	Collinearity Statistics	
	Tolerance	VIF
LV	.921	1.086
ETH	.863	1.159
MD	.725	1.380
WOM	.757	1.322
RO	.817	1.223
MOT	.657	1.523
PRC	.703	1.422
PCI	.901	1.110

#### 4.6.2 Assumption of Normality

The normality test refers to symmetrical curve which has the highest regularity of scores in the middle with tinier recurrence towards the extremes (Gravetter & Wallnau, 2007; Pallant, 2005). Few researches (Kline, 1998; Pallant, 2005) recommended that by measuring the normal distribution of the values for the dependent and independent variables by investigating Skewness and Kurtosis values we can see if data is normally distributed or not. For Skewness and Kurtosis, data would not be normally distributed if the z-value exceeds +/-2.58 (Hair et al., 2007). Further, Tabachnick and Fidell (2007) suggested that normality test must be done through

graphical representation and statistics, for instance; normal probability plots (Q-Q Plot), scattered plot and boxplot, in addition to Skewness and Kurtosis. In social science research, the essence of the variables may have numerous scales as well as measures which may be skewed positively or negatively (Pallant, 2005). Furthermore, kurtosis is a score for assessing dispersal that characterizes the amount to which interpretations around the mean are collected. Despite the fact that, SEM through PLS does not need normal distribution of data (Lohmöller, 1989), however, it is really evident to estimate and recognize the distribution of the data before testing inferential statistics (Hair *et al.*, 2007). Current study has followed guidelines of Pallant (2011) to determine the normality of data.

Hair *et al.* (2006) recommended that the values of Skewness in the range of +1.00 to -1.00 are considerably skewed distribution. However, Kline (1998) proposed the cut off values in between +3.00 to -3.00 are acceptable. Established these standards, the skewness values are inside the range advocated by Kline (1998) which is; +3.00 to -3.00, nonetheless, these values are not acceptable conferring to Hair *et al.* (2006). Likewise, the values of Kurtosis are in acceptable range as per the recommendations of Coakes and Steed (2003), who also proposed the range in between +3.00 to -3.00. Below Table 4.7 shows the results of Skewness and Kurtosis.

Constructed on above discussion, the findings exhibit that few of Skewness values are not normally distributed. Consequently, to test the hypothesized relations from abnormal and skewed data, current study applied SEM technique through PLS as per

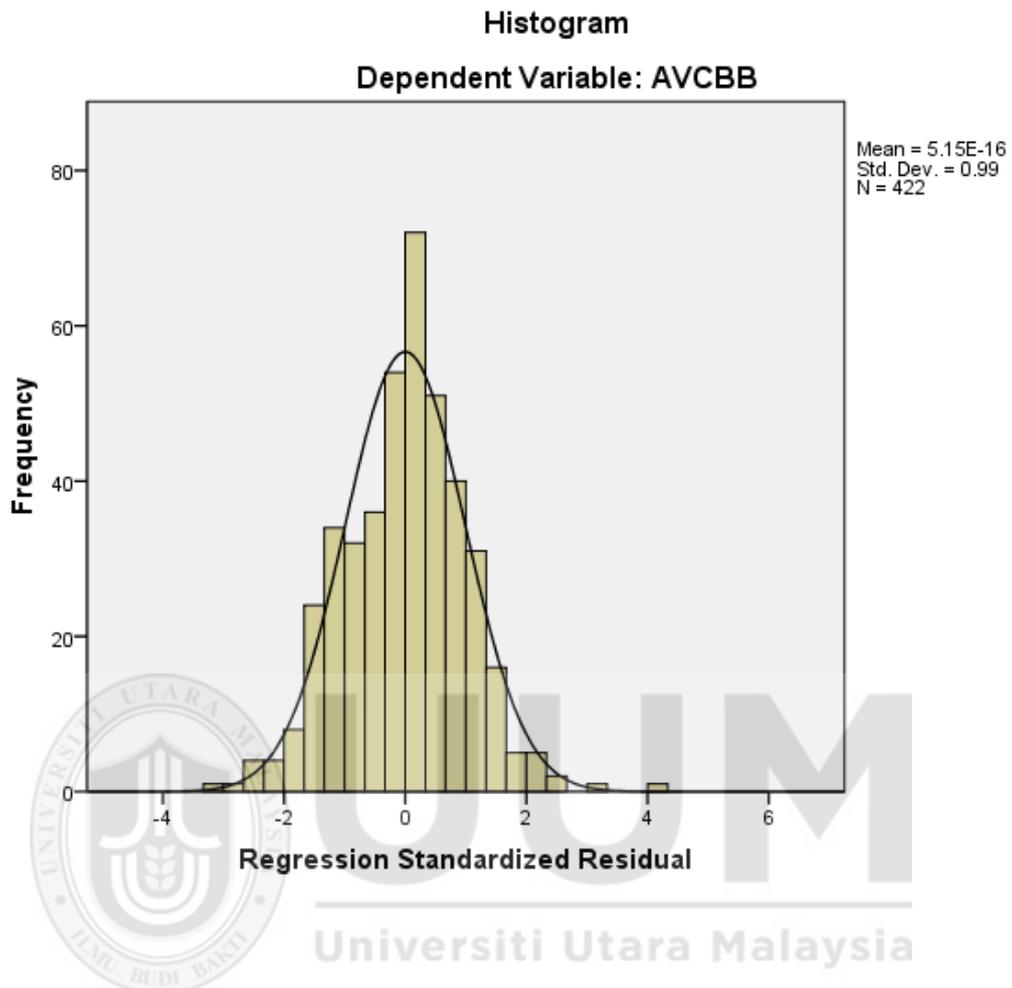
stated earlier SEM PLS technique works well even with abnormal and diverse skewed data (Chen, 1998; Hair et al., 2007; Lohmöller, 1989).

*Table 4.7 Results of Skweness and Kurtosis for Normality Test*

Variables	Skewness	Kurtosis
LV	.266	.050
ETH	-.885	1.332
MD	-.235	.099
WOM	-.023	-.023
RO	-1.580	2.909
MOT	.070	.242
PRC	.213	-.813
CBB	-.034	-.384
PCI	-3.268	12.600



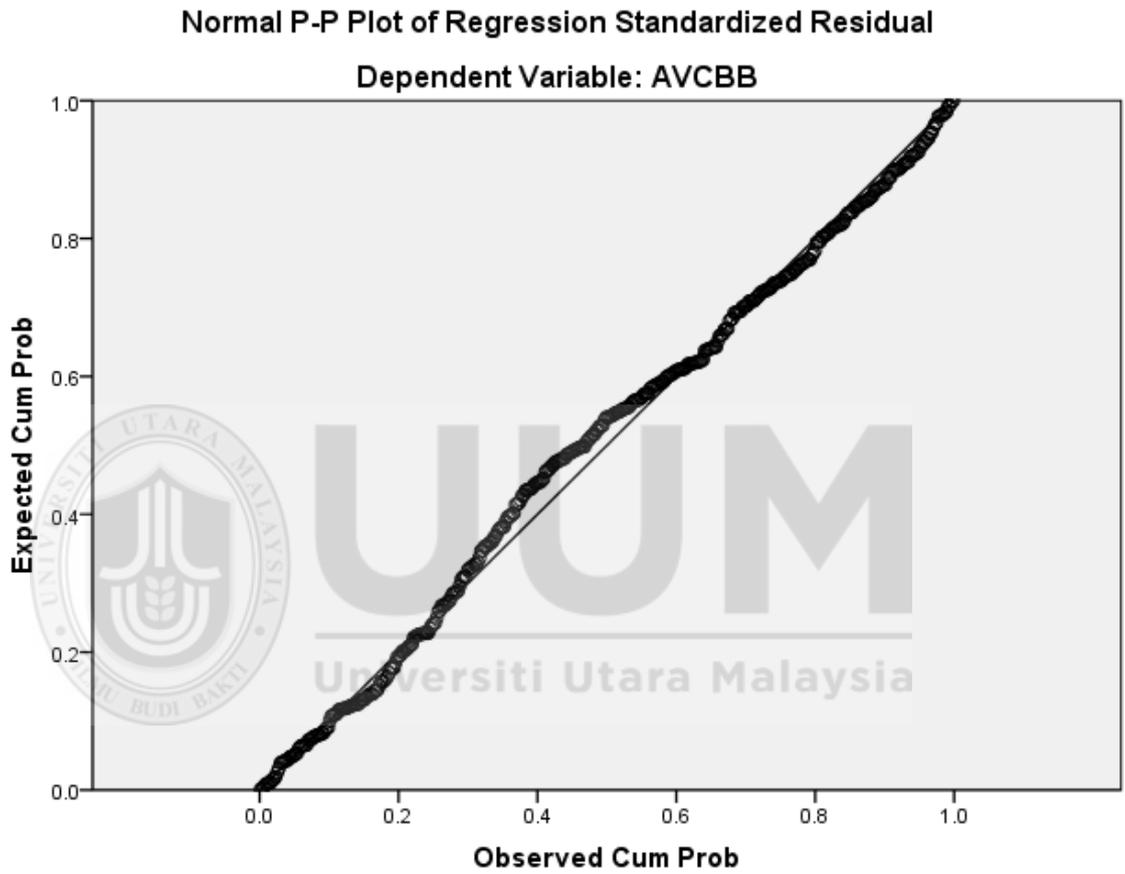
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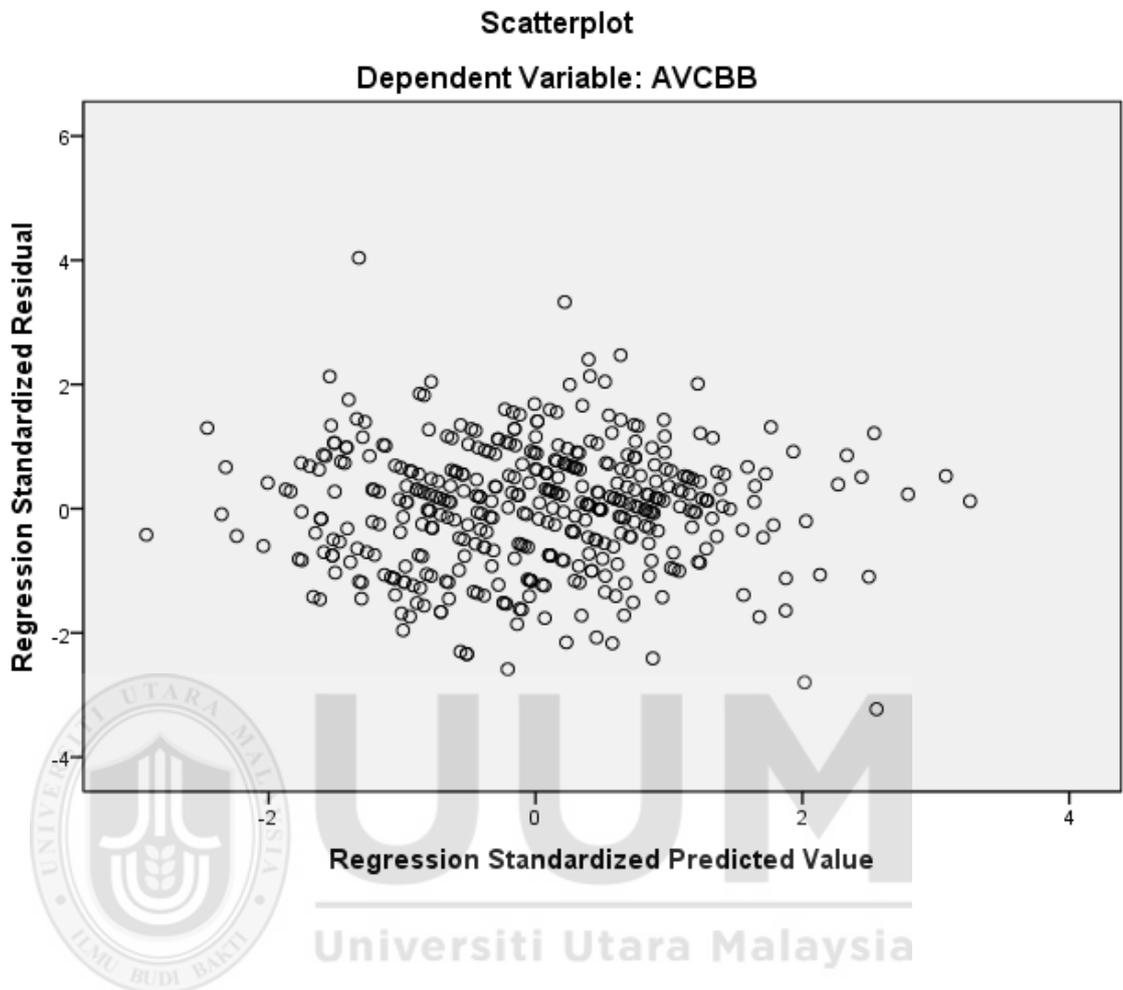


#### 4.6.3 Test of Linearity

Linearity testing detects the association of independent variables with dependent variable which predicts the hypotheses' right direction; therefore, the positive values indicate the relationship is considered positive. According to Hair et al. (2006), the partial regression plot is used for every variable when there has been additional independent variable to guarantee the best demonstration in the equivalence. To achieve this purpose, the normal P-P plot of standardized residual was imposed for

independent variables on dependent variable. The results showed that the normal distribution was achieved.





#### 4.7 Testing the Measurement Model

Prior to test the hypotheses of the current study, the outer model has been determined through PLS-SEM. In general, two steps are pursued to apprehend the goodness of fit (GOF) of the model. Convergent and discriminant validity have been assessed by measuring the values of composite reliability and average variance extracted (AVE). Additionally, the indicator reliability is measured by cross

loadings and outer loadings. Measurement model is assessed based on particular threshold proposed by (Fornell & Larcker, 1981; Hair et al., 2014; Hair et al., 2011; Hair et al., 2010; Henseler et al., 2009). Figure 4.2 shows the measurement model with its structural dimensions.

#### **4.7.1 Construct Validity**

Construct validity denotes to the amount to which a set of questions which were designed to measure a construct can actually measure the appropriate theoretical latent construct (Hair et al., 2010; Sekaran & Bougie, 2009). More precisely, all those questions which have been premeditated to measure a latent construct, their loadings on their corresponding constructs must be higher than their loadings on other constructs. This argument is established based on ample literature review to develop the items which have been already entrenched and tested in previous studies.

However, constructed on the factor analysis, items were appropriately assigned to each latent construct. Construct validity is ascertained in two stages. Primarily, the items showed higher loadings on their relevant constructs when distinguished with other constructs. And then the item loadings significantly loaded on their relevant constructs (Chow & Chan, 2008). Table 4.8 and 4.9 exhibit the findings.

Table 4.8 cross loading

	<b>CBB</b>	<b>ETH</b>	<b>LV</b>	<b>MD</b>	<b>MOT</b>	<b>PCI</b>	<b>PRC</b>	<b>RO</b>	<b>WOH</b>
CBB42	<b>0.797</b>	-0.030	0.169	0.270	0.249	-0.138	0.318	0.046	0.367
CBB44	<b>0.877</b>	0.053	0.165	0.281	0.266	-0.096	0.296	0.124	0.425
CBB45	<b>0.736</b>	0.037	0.071	0.314	0.169	-0.034	0.085	0.085	0.272
ETH10	0.089	<b>0.716</b>	-0.036	0.208	0.177	0.062	0.136	0.267	-0.024
ETH11	0.034	<b>0.844</b>	-0.007	0.193	-0.048	0.193	-0.054	0.433	-0.115
ETH8	-0.069	<b>0.704</b>	-0.056	0.071	-0.071	0.119	-0.117	0.302	-0.137
LV1	0.187	-0.005	<b>0.914</b>	0.092	0.059	-0.185	0.088	-0.011	0.105
LV2	0.160	-0.070	<b>0.920</b>	0.081	0.046	-0.219	0.081	-0.060	0.175
LV3	0.083	-0.027	<b>0.758</b>	-0.031	0.157	-0.094	0.093	-0.055	0.117
MD15	0.323	0.182	0.065	<b>0.866</b>	0.161	-0.038	0.066	0.143	0.218
MD16	0.285	0.181	0.057	<b>0.862</b>	0.235	0.001	0.104	0.199	0.216
MOT34	0.144	-0.025	0.040	0.177	<b>0.723</b>	-0.067	0.385	0.013	0.162
MOT35	0.304	0.021	0.089	0.212	<b>0.951</b>	0.005	0.210	0.090	0.237
PCI49	-0.094	0.124	-0.143	0.019	0.049	<b>0.903</b>	-0.153	0.185	-0.159
PCI50	-0.106	0.176	-0.209	-0.050	-0.049	<b>0.920</b>	-0.231	0.221	-0.199
PCI52	-0.110	0.108	-0.174	-0.039	-0.008	<b>0.921</b>	-0.139	0.156	-0.120
PCI55	-0.113	0.212	-0.198	-0.008	-0.047	<b>0.886</b>	-0.153	0.244	-0.177
PRC38	0.269	-0.042	0.086	0.088	0.301	-0.213	<b>0.900</b>	-0.072	0.220
PRC39	0.289	-0.003	0.098	0.099	0.245	-0.121	<b>0.910</b>	-0.047	0.236
PRC40	0.278	-0.031	0.082	0.079	0.274	-0.183	<b>0.914</b>	-0.044	0.260
RO24	-0.012	0.195	0.002	0.096	0.052	0.167	-0.021	<b>0.584</b>	-0.082
RO26	0.070	0.434	-0.051	0.159	0.028	0.182	-0.053	<b>0.836</b>	-0.072
RO27	0.117	0.267	-0.055	0.165	0.133	0.080	-0.004	<b>0.715</b>	-0.022
RO28	0.137	0.354	-0.030	0.155	0.091	0.184	-0.006	<b>0.841</b>	-0.036
RO29	0.075	0.425	-0.026	0.173	0.014	0.240	-0.119	<b>0.832</b>	-0.077
WOM18	0.365	-0.164	0.190	0.168	0.188	-0.219	0.222	-0.098	<b>0.850</b>
WOM19	0.408	-0.058	0.075	0.261	0.229	-0.104	0.232	-0.033	<b>0.874</b>

Table 4.9 Significance Level of Factor Loadings

Variables	Items	Loading	Standard Error (STERR)	T Value	P Values
<b>Consumer</b>					
<b>Buying Behavior</b>	<b>CBB</b>	0.797	0.026	30.445	0.000
	<b>CBB</b>	0.877	0.014	63.431	0.000
	<b>CBB</b>	0.736	0.044	16.552	0.000
<b>Ethical Value</b>	<b>ETH</b>	0.716	0.054	13.211	0.000
	<b>ETH</b>	0.844	0.030	28.320	0.000
	<b>ETH</b>	0.704	0.052	13.622	0.000
<b>Luxury Value</b>	<b>LV</b>	0.914	0.052	17.607	0.000
	<b>LV</b>	0.920	0.039	23.453	0.000
	<b>LV</b>	0.758	0.074	10.247	0.000
<b>Media</b>	<b>MD</b>	0.866	0.023	37.129	0.000
	<b>MD</b>	0.862	0.025	33.949	0.000
<b>Motivation</b>	<b>MOT</b>	0.723	0.078	9.287	0.000
	<b>MOT</b>	0.951	0.026	36.829	0.000
<b>Perceived</b>					
<b>Culture</b>	<b>PCI</b>	0.903	0.025	36.797	0.000
<b>Importance</b>					
	<b>PCI</b>	0.920	0.021	44.315	0.000
	<b>PCI</b>	0.921	0.031	29.976	0.000

	<b>PCI</b>	0.886	0.024	36.391	0.000
<b>Price</b>	<b>PRC</b>	0.900	0.017	52.430	0.000
	<b>PRC</b>	0.910	0.013	71.414	0.000
	<b>PRC</b>	0.914	0.014	64.395	0.000
	<b>RO</b>	0.584	0.056	10.492	0.000
<b>Religious Orientation</b>	<b>RO</b>	0.836	0.022	38.281	0.000
	<b>RO</b>	0.715	0.037	19.519	0.000
	<b>RO</b>	0.841	0.022	37.500	0.000
	<b>RO</b>	0.832	0.027	31.132	0.000
	<b>WOM</b>	0.850	0.025	34.279	0.000
<b>Words Of Mouth</b>	<b>WOM</b>	0.874	0.019	45.250	0.000

#### 4.7.2 Convergent Validity of the Measurement

Table 4.10 displays that the values of composite reliability for each variable is in between 0.800 to 0.949. These values exceeded the minimum threshold value 0.70 which is recommended by researchers (Fornell & Larcker, 1981; Hair et al., 2010). On the other hand, AVE values for each latent construct is in between 0.573 and 0.824, which indicates a decent level of construct validity of the measurement which is used for this study (Barclay et al., 1995). These findings approve the convergent validity of the outer model.

Table 4.10 Convergent Validity Analysis

Variables	Items	Loading	Cronbach's Alpha	Composite Reliability	AVE
<b>Consumer Behavior</b>					
<b>Buying Behavior</b>	<b>CBB</b>	0.797	0.730	0.846	0.648
	<b>CBB</b>	0.877			
	<b>CBB</b>	0.736			
<b>Ethical Value</b>	<b>ETH</b>	0.716	0.635	0.800	0.573
	<b>ETH</b>	0.844			
	<b>ETH</b>	0.704			
<b>Luxury Value</b>	<b>LV</b>	0.914	0.839	0.900	0.752
	<b>LV</b>	0.920			
	<b>LV</b>	0.758			
<b>Media</b>	<b>MD</b>	0.866	0.661	0.855	0.747
	<b>MD</b>	0.862			
<b>Motivation</b>	<b>MOT</b>	0.723	0.641	0.830	0.713
	<b>MOT</b>	0.951			
<b>Perceived Culture Importance</b>					
<b>Culture Importance</b>	<b>PCI</b>	0.903	0.929	0.949	0.824
	<b>PCI</b>	0.920			
	<b>PCI</b>	0.921			

	<b>PCI</b>	0.886			
<b>Price</b>	<b>PRC</b>	0.900	0.894	0.934	0.824
	<b>PRC</b>	0.910			
	<b>PRC</b>	0.914			
<b>Religious Orientation</b>	<b>RO</b>	0.584	0.823	0.876	0.590
	<b>RO</b>	0.836			
	<b>RO</b>	0.715			
	<b>RO</b>	0.841			
	<b>RO</b>	0.832			
<b>Words Of Mouth</b>	<b>WOM</b>	0.850	0.655	0.853	0.743
	<b>WOM</b>	0.874			

Note.

<sup>a</sup> Composite Reliability (CR) =  $(\sum \text{factor loading})^2 / \{(\sum \text{factor loading})^2 + \sum (\text{variance of error})\}$

<sup>b</sup> Average Variance Extracted (AVE) =  $\sum (\text{factor loading})^2 / (\sum (\text{factor loading})^2 + \sum (\text{variance of error}))$

#### 4.7.3 Discriminant Validity of the Measurement

Discriminant validity of the measurement was endorsed by using the technique of Fornell and Larcker (1981). In table 4.11 it is displayed that the square root of AVE for all the latent constructs are positioned at the diagonal matrix of the correlation matrix. Since the diagonal values are greater than the supplementary elements of the

rows and columns in which they are positioned, this ratifies the discriminant validity of the outer model.

*Table 4.11 Discriminant Validity Analysis*

	CBB	ETH	LV	MD	MOT	PCI	PRC	RO	WOH
<b>CBB</b>	<b>0.805</b>								
<b>ETH</b>	0.024	<b>0.757</b>							
<b>LV</b>	0.175	-0.038	<b>0.867</b>						
<b>MD</b>	0.352	0.210	0.070	<b>0.864</b>					
<b>MOT</b>	0.289	0.008	0.084	0.228	<b>0.844</b>				
<b>PCI</b>	-0.117	0.177	-0.203	-0.021	-0.020	<b>0.908</b>			
<b>PRC</b>	0.307	-0.028	0.098	0.098	0.300	-0.189	<b>0.908</b>		
<b>RO</b>	0.106	0.455	-0.044	0.198	0.075	0.227	-0.060	<b>0.768</b>	
<b>WOH</b>	0.449	-0.126	0.151	0.251	0.243	-0.184	0.263	-0.074	<b>0.862</b>

#### 4.8 Goodness of Fit (GOF) of the Model

To provision the validity of the PLS model, GOF value was assessed by using the formula. However, the GOF value is 0.639 obtained.

$$Gof = \sqrt{(R^2 \times AVE)}$$

$$\text{GOF} = \sqrt{0.573 \times 0.713} = 0.639$$

Table 4.12 Goodness of Fit of the Model

Variables	R-Square	AVE
CBB	0.325	0.648
ETH		0.573
LV		0.752
MD		0.747
MOT		0.713
PCI		0.824
PRC		0.824
RO	0.248	0.590
WOM		0.743
<b>Average</b>	<b>0.573</b>	<b>0.713</b>
<b>GOF</b>		<b>0.639</b>

According to suggestion of Wetzels et al. (2009), comparison has been made with the standard values of GOF, small (0.1), medium (0.25) and large (0.36). Table 4.12 indicates that the model's GOF value is large, which indicates a satisfactory level of PLS model validity.

#### 4.9 Predictive Relevance of the Model

Findings relating to the predicting excellence of the model is demonstrated in Table 4.13, which indicates that the cross-validated redundancy of consumer buying behavior and religious orientation are 0.194 and 0.137 respectively. These values are greater than zero, which demonstrate an acceptable projecting validity of the model grounded on the standards recommended by Fornell and Cha (1994).

*Table 4.13 Predictive Quality of the Model*

<b>Variable</b>	<b>Variable type</b>	<b>R-square</b>	<b>Cross-validated communality</b>	<b>Cross-validated redundancy</b>
<b>CBB</b>	Endogenous	0.325	0.521	0.194
<b>RO</b>	Endogenous	0.248	0.370	0.137

#### 4.10 Hypotheses Testing and Assessing the Inner Model

After the GOF of the outer model has been determined, the subsequent step is to examine the hypotheses. By running the PLS algorithm, the hypothesized model has been tested. Furthermore, path coefficients are generated, as per shown in figure 4.1 and 4.2.

Figure 4.1 Path model results

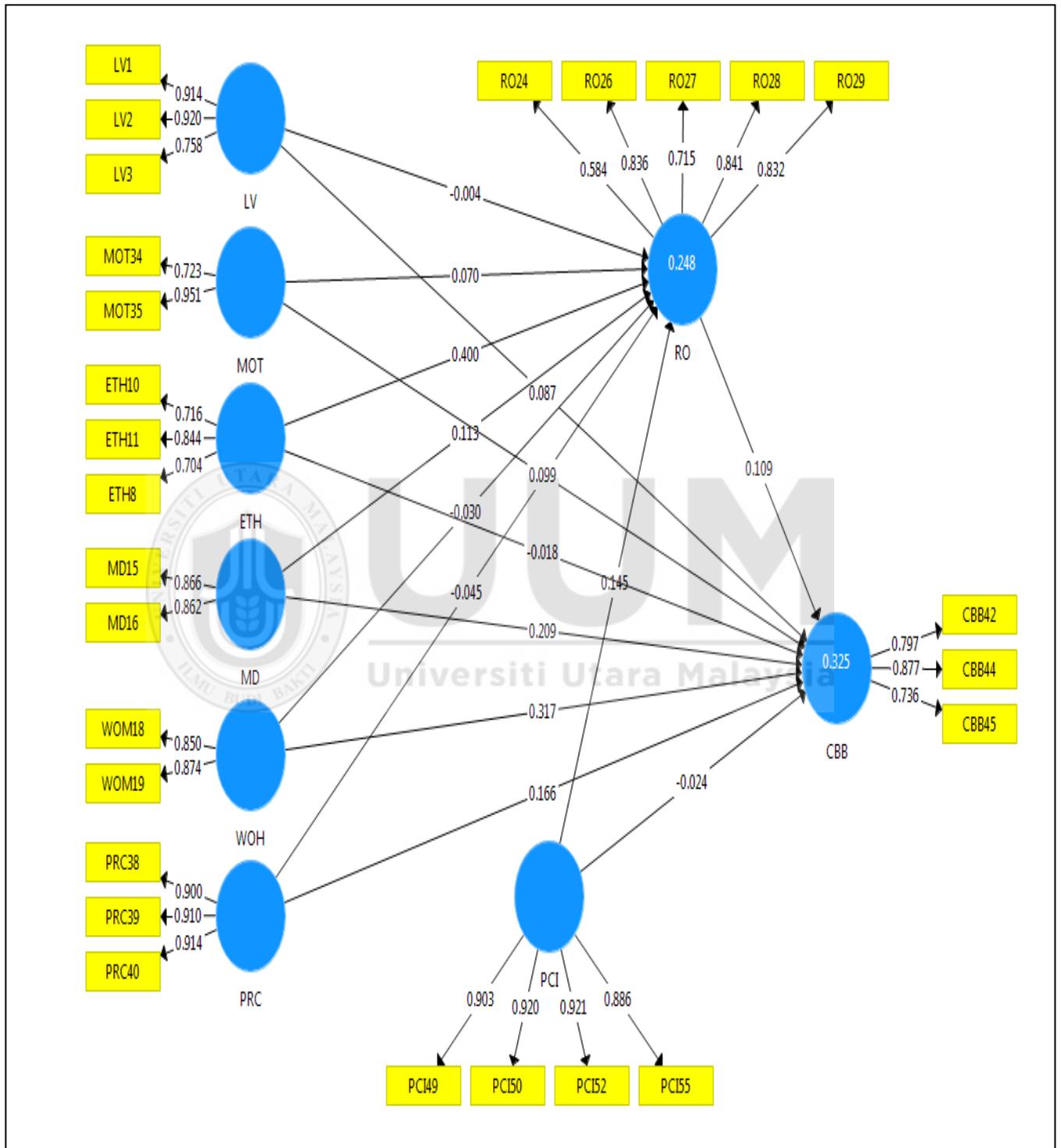
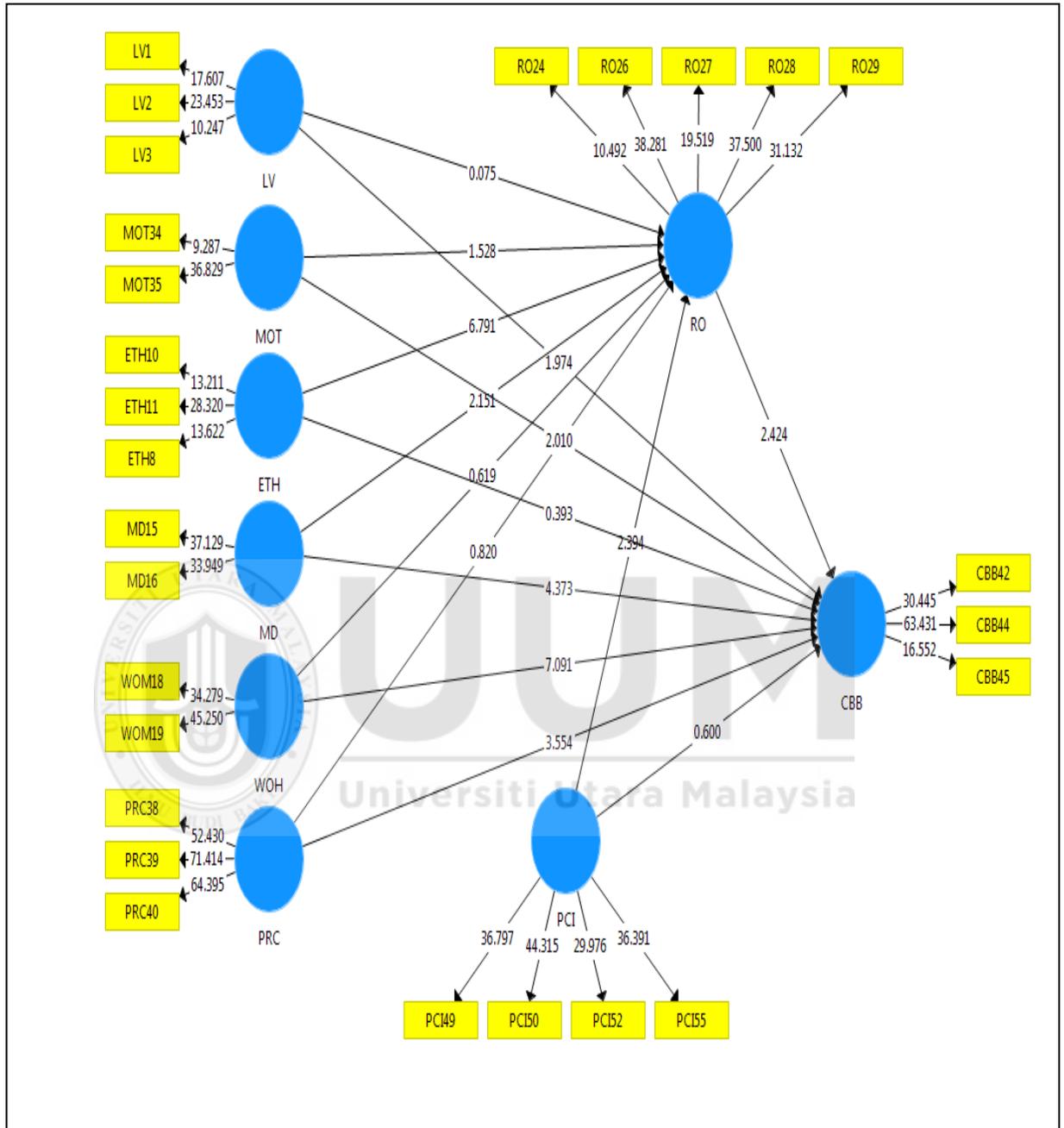


Figure 4.2 Path model Significance results



To conclude either the path coefficients are statistically significant or not, current study applied bootstrapping technique entrenched with the Smart-PLS 3.0. Moreover, with the intention of obtaining the statistical t-value and the standard error, the bootstrapping was run with 5000 samples and 395 cases and subsequently p-values are also created, as stated in table 4.14.

This study concludes that ethical value is not significant and has a negative impact on consumer buying behavior at one percent level of significance ( $\beta = -0.018$ ,  $t = -0.39$ ,  $p = 0.001$ ). Despite the fact that, the relationship between ethical value and religious orientation is supported at one percent level of significance ( $\beta = 0.4$ ,  $t = 6.74$ ,  $p = 0.000$ ) while the religious orientation mediates the relationship between ethical value and consumer buying behavior one percent level of significance ( $\beta = 0.0436$ ,  $t = 2.26$ ,  $p = 0.012188$ ). Luxury value has a positive and significant impact on consumer buying behavior at one percent level of significance ( $\beta = 0.087$ ,  $t = 1.97$ ,  $p = 0.025$ ). Luxury value has a negative impact on religion orientation at 10 percent level of significance ( $\beta = -0.004$ ,  $t = 0.07$ ,  $p = 0.470$ ). Whereas the mediating impact of religious orientation in between luxury value and consumer buying behavior is not significant and its negative relationship at one percent level of significance ( $\beta = -0.0004$ ,  $t = -0.07$ ,  $p = 0.470558$ ). Media (Adds) has a positive and significant impact on consumer buying behavior at one percent level of significance ( $\beta = 0.209$ ,  $t = 4.42$ ,  $p = 0.000$ ).

In addition to that, media (Adds) has positive and significant impact on religious orientation at one percent level of significance ( $\beta = 0.113$ ,  $t = 2.16$ ,  $p = 0.015$ ). While religious orientation does not mediate the relationship between media (Adds) and consumer buying at one percent level of significance ( $\beta = 0.01232$ ,  $t = 1.55$ ,  $p = 0.061408$ ). Moreover, there is a negative impact of motivation on religious orientation at one percent level of significance ( $\beta = 0.07$ ,  $t = 1.58$ ,  $p = 0.057$ ). Motivation has a positive impact on consumer buying behavior at one percent level of significance ( $\beta = 0.099$ ,  $t = 2.01$ ,  $p = 0.022$ ). Whereas motivation, religious orientation and consumer buying behavior has no significant relationship at one percent level of significance ( $\beta = 0.00763$ ,  $t = 1.26$ ,  $p = 0.104725$ ). The relationship between perceived culture importance and consumer buying behavior is not supported at one percent level of significance ( $\beta = -0.024$ ,  $t = 0.59$ ,  $p = 0.279$ ). Moreover, perceived culture importance has positive impact on religious orientation at one percent level of significance ( $\beta = 0.145$ ,  $t = 2.44$ ,  $p = 0.007$ ) While religious orientation mediates the relationship between perceived cultural importance and consumer buying behavior at one percent level of significance ( $\beta = 0.01581$ ,  $t = 1.64$ ,  $p = 0.050658$ ). Also, the relationship between price and consumer buying behavior is supported at one percent level of significance ( $\beta = 0.166$ ,  $t = 3.47$ ,  $p = 0.000$ ). Price has no significant relationship with religious orientation at one percent level of significance ( $\beta = -0.045$ ,  $t = 0.82$ ,  $p = 0.205$ ). Whereas religious orientation as a mediator is not significant in between the relationship of price and consumer buying behavior at one percent level of significance ( $\beta = -0.0049$ ,  $t = -0.72$ ,  $p = 0.235379$ ).

Religion orientation has a positive impact on consumer buying behavior at one percent level of significance ( $\beta = 0.109$ ,  $t = 2.41$ ,  $p = 0.008$ ). Words of mouth has a positive and significant impact on consumer buying behavior at one percent level of significance ( $\beta = 0.317$ ,  $t = 6.92$ ,  $p = 0.000$ ). Finally, there is no impact of words of mouth on religious orientation at one percent level of significance ( $\beta = -0.03$ ,  $t = 0.61$ ,  $p = 0.270$ ). While religious orientation does not significantly impact on the relationship between words of mouth and consumer buying behavior at one percent level of significance ( $\beta = -0.0033$ ,  $t = -0.55$ ,  $p = 0.290938$ ).

*Table 4.14 Results of the Inner Structural Model*

Note.

\* $p < 0.05$ ; \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Variables	Beta	Standard Error	T Statistics	P Values	Finding
ETH -> CBB	-0.018	0.046	0.39	0.349	Not supported
ETH -> RO	0.4	0.059	6.74	0.000	Supported
LV -> CBB	0.087	0.044	1.97	0.025	Supported
LV -> RO	-0.004	0.05	0.07	0.470	Not Supported
MD -> CBB	0.209	0.047	4.42	0.000	Supported
MD -> RO	0.113	0.052	2.16	0.015	Supported
MOT -> CBB	0.099	0.049	2.01	0.022	Supported
MOT -> RO	0.07	0.044	1.58	0.057	Not Supported
PCI -> CBB	-0.024	0.042	0.59	0.279	Not Supported

PCI -> RO	0.145	0.06	2.44	0.007	Supported
PRC -> CBB	0.166	0.048	3.47	0.000	Supported
PRC -> RO	-0.045	0.055	0.82	0.205	Not Supported
RO -> CBB	0.109	0.045	2.41	0.008	Supported
WOH -> CBB	0.317	0.046	6.92	0.000	Supported
WOH -> RO	-0.03	0.049	0.61	0.270	Not Supported
ETH -> RO->CBB	0.0436	0.019298	2.26	0.012188	Supported
LV -> RO->CBB	-0.0004	0.005899	-0.07	0.470558	Not Supported
MD -> RO-> CBB	0.01232	0.007966	1.55	0.061408	Not Supported
MOT -> RO-> CBB	0.00763	0.00607	1.26	0.104725	Not Supported
PCI -> RO->CBB	0.01581	0.009625	1.64	0.050658	Supported
PRC -> RO-> CBB	-0.0049	0.006795	-0.72	0.235379	Not Supported
WOH -> RO-> CBB	-0.0033	0.005934	-0.55	0.290938	Not Supported

#### 4.11 Summary of the Findings

This research employed structural equation modeling (SEM) through partial least squares (PLS) as the main analysis technique, since PLS-SEM is a relatively new analytical technique in construction. Prior to testing the model of the study, rigorous procedures to establish the reliability and validity of the outer model were followed. Once the measurement model was proved to be valid and reliable, the subsequent stage was to test the hypothesized relations. Before examining the hypothesized

relationships, the predictive power of the model was investigated and reported in addition to the goodness of model was confirmed. After that, the structural model was examined and the results were reported in details. As shown in Table 4.15, the hypotheses H<sub>1</sub>, H<sub>5</sub>, H<sub>6</sub>, H<sub>7</sub>, H<sub>8</sub>, H<sub>10</sub>, H<sub>13</sub>, H<sub>16</sub>, H<sub>20</sub>, H<sub>21</sub>, and H<sub>22</sub> were statistically supported by the findings of the study, and hypotheses of, H<sub>2</sub>, H<sub>3</sub>, H<sub>4</sub>, H<sub>9</sub>, H<sub>11</sub>, H<sub>12</sub>, H<sub>14</sub>, H<sub>15</sub>, H<sub>17</sub>, H<sub>18</sub>, and H<sub>19</sub> (double check once again) were not supported. H<sub>22</sub> showed that religious orientation had a full mediation effect according to Baron and Kenny (1986).



Table 4.15 Summary of the Results

<b>Variables</b>	<b>Beta</b>	<b>Standard Error</b>	<b>T Statistics</b>	<b>P Values</b>	<b>Finding</b>
ETH -> CBB	-0.018	0.046	0.39	0.349	Not supported
ETH -> RO	0.4	0.059	6.74	0.000	Supported
LV -> CBB	0.087	0.044	1.97	0.025	Supported
LV -> RO	-0.004	0.05	0.07	0.470	Not Supported
MD -> CBB	0.209	0.047	4.42	0.000	Supported
MD -> RO	0.113	0.052	2.16	0.015	Supported
MOT -> CBB	0.099	0.049	2.01	0.022	Supported
MOT -> RO	0.07	0.044	1.58	0.057	Not Supported
PCI -> CBB	-0.024	0.042	0.59	0.279	Not Supported
PCI -> RO	0.145	0.06	2.44	0.007	Supported
PRC -> CBB	0.166	0.048	3.47	0.000	Supported
PRC -> RO	-0.045	0.055	0.82	0.205	Not Supported
RO -> CBB	0.109	0.045	2.41	0.008	Supported
WOH -> CBB	0.317	0.046	6.92	0.000	Supported
WOH -> RO	-0.03	0.049	0.61	0.270	Not Supported
ETH -> RO->CBB	0.0436	0.019298	2.26	0.012188	Supported
LV -> RO->CBB	-0.0004	0.005899	-0.07	0.470558	Not Supported
MD -> RO-> CBB	0.01232	0.007966	1.55	0.061408	Not Supported
MOT -> RO-> CBB	0.00763	0.00607	1.26	0.104725	Not Supported
PCI -> RO->CBB	0.01581	0.009625	1.64	0.050658	Supported

PRC -> RO-> CBB	-0.0049	0.006795	-0.72	0.235379	Not Supported
WOM-> RO-> CBB	-0.0033	0.005934	-0.55	0.290938	Not Supported

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#### 4.12 Chapter Summary

This chapter presented data analysis, and results of hypotheses. The data used in this study was obtained from 422 respondents which represented a response rate of 70.33 % and several tests were conducted to analyze the data. Normality test was carried out which showed that the variables are normally distributed. All of the variables obtained reliable Cronbach's alpha values which supported internal consistency, and the assumption of factor analysis was met. Multiple regression analysis was conducted to determine the significance of relationships, as well as to determine the contribution of IVs in predicting consumer buying behavior as dependent variable. Hierarchical regressions were used to test the effect of religious orientation as a mediator variable on the relationship between IVs and consumer buying behavior. The next chapter presents discussion, and concludes the findings of this study.

## CHAPTER FIVE

### DISCUSSION AND CONCLUSION

#### 5.1 Introduction

This chapter offers a summary of the present study. The first part of this chapter summarizes the study beginning with the issues and the motivations behind the research followed by the research design, and ends with the statistical analysis procedures used. It also discusses the results of statistical tests conducted in the previous chapter, and highlights the contribution of the study and explains the potential implications of the results. The last part reports the limitations of this study and highlights the possible directions for future research.

#### 5.2 Recapitulations of the Study

This study was set up to investigate the mediation effect of Religious orientation (RO) on the relationship between Luxury Values (LV) and Consumer Buying Behavior (CBB) as reflected in Riyadh. Fundamentally, this research was significantly driven by the results in the recent literature with reference to the association between Luxury Values (LV), Ethical Values (ETH), Media (MD), Words of Mouth (WOM), Price (PRC), Motivation (MOT) and Perceived Cultural Importance (PCI). Moreover, unresolved issues related to these relationships still called for further research to be conducted (Teimourpour & Hanzae, 2011; Vitell &

Muncy, 1992; Ferrell, Fraedrich & Ferrell, 2000, 2007; Aksoy, Bhatnagar & Malkoc, 2004; Gheorghe, 2012; Jany, 2009; Riley, 2012; Wan *et al*, 2007).

Universally, in the last few decades consumer satisfaction has been widely and globally acknowledged, and it has become the basis of business success. Moreover, consumer satisfaction is one of the most popular and commonly practiced management philosophy adopted by organizations to fight the competition in the market and enhance their overall satisfaction to gain a big market share, but also those organization cannot ignore beliefs of the people everywhere, especially, when they want to do their business in Muslim countries such as Kingdom Saudi Arabia, a country which has Islam religion as their constitution. Therefore, Religious orientation play an important role not only in their daily life, but, also in different types of business and organizations such as manufacturing, service industry, banking sector and buying and selling products in the whole market.

According to Allport and Ross (1967), Religious orientation refers to the individuals who assimilate their religion in their lives, for instance, their attitude and behavior is based on religious values, rules and guides. Devout religious nature refers to the persons that assimilate their religions in their lifetime. For illustration, their attitudes and behaviors are based on religious philosophies, rules and guides.

Like any other religion, Islam plays an important role in daily life of all Muslims; it is a significant element in social and political aspects of the society (Tayeb, 1997). Recently, countless Muslim countries have initiated an effort to reinstate in their regions their own indigenous traditions in managing their social, educational and business organizations based on Religious orientation. Additionally, an extensive research work has been conducted by researchers to study the Religious orientation in different types of life and organizations such as manufacturing, service industry, banking sector and transportation sector.

This study investigates luxury values and consumer buying behaviour relationship in the context of the transportation sector in Riyadh. In Saudi Arabia, number of cars used by individuals increasing year by year. Literature review have shown that Saudi Arabia import products more than export products, which is pushing government of Saudi Arabia to spend millions of Saudi Riyals every year (Information, 2012).

The most imperative countries that Saudi Arabia imported from are: USA on first rank with a value of SAR (78770) million at the rate of 13.5% of the total imports with an increase of SAR (16827) million at the rate of 27.2% greater than 2011 (Information, 2012). The utmost imports from US are special second hand cars with a value of SAR (8345) million at the rate of 10.6% of the total country's imports.

China is on second rank with a value of SAR (74195) million at the rate of 12.7% of the total imports with an increase of SAR (9366) million which is 14.4% greater than 2011.

Germany comes at third rank with a value of SAR (41367) million at the rate of 7.1% of the total imports with an increase of SAR (7403) million which is 21.8% greater than 2011. Japan was ranked fourth with a value of SAR (38989) million at the rate of 6.7% of the total imports with an increase of SAR (7924) million which is 25.6% greater than 2011. Japan most imported goods were second hand Jeeps and cars with a value of SAR (9309) million at the rate of 23.9% (Information, 2012).

Fifthly, the value of South Korean imports reached SAR (35467) million at the rate of 6.1% of the total imports with an increase of SAR (6391) million at the rate of 22% greater than 2011. The utmost imports from South Korea are second hand cars with a value of SAR (7334) million at the rate of 20.7% of its total imports (Information, 2012).

Concerning the group's volume of the superior imported goods in line with the classification of Harmonized System (H.S); Transport equipment with a value of SAR (103544) million at the rate of 17.7% of the total imports value with an increase of SAR (26403) million which is 34.2% greater than 2012 and their weight was (2526) thousand tons (Information, 2012). The value of imported cars to Saudi

Arabia during 2012 was SAR (76625) million and the numbers of cars were (981890). US is the top country in this list with a value of SAR (20589) million and their number of cars was (215759). Japan comes next with a value of SAR (18673) million and their number of cars was (188281), South Korea is at third with a value of SAR (10373) million and their number of cars was (206933) and at the last Germany with a value of SAR (5561) million and their number of cars was (44385).

The spare parts imported to Saudi Arabia for all kind of transportation started from year 2008 until year 2012. The value of these imported spare parts in 2008 was SAR (77620) million, while in 2009 they spent SAR 62287 million. In 2010, they spent 73628 million Saudi Riyals and this number jumped to SAR (10344) million in 2012. From above mentioned statistics, we can understand that how the government of Saudi Arabia is increasing their imports of spare parts every year, for the reason that they spend in year 2008 more than 77600 million Saudi Riyals to jump to 10344 million Saudi Riyals in year 2012 (Information, 2012).

Moreover, government of Saudi Arabia imports cars every year from the all over the world. The researcher selected five years only as a sample, the Saudi consumers spent SAR (53791) million in year 2008 to purchase cars, while in year 2009, the customers spent SAR (76625) million on imported cars. In year 2012, this amount increased further (Information, 2012). Therefore, we can realize how Saudi consumer used car more than any other kind of transportation.

Fundamentally, this research is significantly driven by the results in the recent literature with reference to the association between Religious orientation (RO) and consumer buying behavior (CBB). Religious orientation (RO) has a considerable influence on Muslims and people living in Islamic countries. In addition, Religious orientation (RO) encourages individuals for having commendable ethical values and good behavior not only with other people but also with whole society, commitment and devotion to work creatively, and forbid unethical means of profitability and dealings (Ali & Al-Kazemi, 2007).

Though, consumer buying behaviour is the key variable in the consumption decision (Luo & James, 2013). Very few studies have investigated this crucial aspect by applying the variables of luxury values as well as with the incorporation of a mediating variable. Even though, the consumption decision by consumers are more related to consistent pattern of affective and cognitive responses, but then, individual attitudes and values can equally be influenced by their respective culture (Hofstede, 1984). Such culture has positive impact on decision making style of consumers (Leo, Bennet & Hartel, 2005). This called for further empirical research to validate the previous findings.

Therefore, this research was conducted in order to find out the factors that might be affecting the consumer buying behaviour among the Saudi consumers and expatriates in Riyadh. Consumers face many problems that prevent the achievement

of quality job performance, motivated workforce, improved society, good environment and general development of the public system.

Therefore, this study was undertaken to help solving some problems faced by Saudi and expatriate consumers in Riyadh that are a hurdle in achieving quality job performance, good achievement environment and general development of the public system. Saudi citizens and expatriates are not able to give the government the required confidence, so that, they would allocate budget and spend resources in an appropriate manner (Kayed & Hassan, 2011). Over the past few years, it has been reported that more than SAR (76,600) million are spent by the government of Saudi Arabia to purchase cars (Information, 2012). This indicates lack of using public transportation in Riyadh. Therefore, we can realize how Saudi consumers and expatriates in Saudi Arabia use cars more than any other kind of transportation.

To help in solving the above stated problem related to car congestion and rush hour traffic in Riyadh, this study tested 22 hypotheses related to the objectives of this study. After analysis, only 11 hypotheses were supported and 11 were not supported.

Based on the problem statement of present study and the comprehensive review of the relevant literature, this study aimed to achieve the following main objectives:

1. To examine the relationship between Luxury values and Consumer Buying Behavior.
2. To examine the mediating effect of Religious orientation on the relationship between Luxury Values and Consumer Buying Behavior.

### **5.3 Discussion of Results and Key Findings**

The following sub-sections reports the findings presented in the same order as of objectives of the study. In order to achieve the first objective of this study, i.e., to examine the relationship between all variables luxury values, ethical values, media, word of mouth, motivation, price, perceive cultural important, with consumer buying behavior, a descriptive statistics analysis was conducted as reported in Table 4.5 in Chapter 4. The descriptive statistics report mean and standard deviation (SD). The results of hypotheses testing of the relationship between all variables with consumer buying behavior are presented in following sub-sections:

#### **5.3.1 H1a. Luxury Values and Consumer Buying Behavior**

In case of the relationship between luxury values and consumer buying behavior, as given in Hypothesis 1a, the result supported this relationship as mentioned in Table 4.15 in Chapter 4, at one percent level of significance.

The results indicate that luxury values is considered to be one of the most important determinants of using private cars in Riyadh. Moreover, the findings related to the effect of luxury values dimensions on the consumer buying behavior in this case is in line with the theory of planned behavior (TPB), which shows that to some extent luxury values can determine consumer buying behavior.

These results are also in line with previous studies (Granot & Brashear, 2008; Stegemann, 2011; Teimourpour & Hanzae, 2011; Wiedmann, Hennigs & Siebels, 2007) who studied the relationship between luxury values and consumer buying behavior. These studies established a significant positive relationship between facets of luxury values and consumer buying behavior. The positive and significant effect of luxury values and consumer buying behavior can be discussed in the light of the following possible justifications:

Firstly, consumer buying behavior is a set of behaviors shown by a person towards his or her luxury products or how competent he or she has become after having a luxury products or any luxury values which other people can see it (Teimourpour, & Hanzae, 2011). Consumer buying behavior is a part of marketing, but also, it has a strong relation with sociology and psychology and measured according to these disciplines. Moreover, the aim of consumer buying behavior is to understand the consumer buying behavior decision and the steps taken to reach that decision (Kotler, 2010).

Secondly, the results obtained in this study are in line with some earlier studies, that reported relationship between both luxury values and consumer buying behavior is on products-related issues. Without a doubt, the construct of luxury values and consumer buying behavior are conceptually related and can be measured through the same behavior. In other words, customers who used luxury products in their daily life are feeling more happiness and enjoyment for their lifestyle (Teimourpour & Hanzaee, 2011).

Finally, in a related study, Wiedmann, Hennigs and Siebels (2007) described luxury values motivation as a process of arousing, energizing, directing and sustaining behavior and performance. Attitude directly affects luxury values while attitude stresses on consumer behavior towards luxury values and luxury products as a whole (Stegemann, 2011).

### **5.3.2 H1b. Luxury Values and Religious orientation**

Based on the discussion on methodology, this study expected a positive relationship between luxury values and Religious orientation as shown in Hypothesis 1b. However, this result is not supported as mentioned in Table 4.15 in Chapter 4.

This finding shows that the variable 'luxury values' is not at par with standards of the Religious orientation. This result is not in line with the previous studies (Khan,

Watson & Habib, 2005) who found that Religious orientation or culture which is derived from religious has impact on consumer buying behavior. This result is due to the less importance given from customers to their religion, which is not acceptable, especially, from Muslims consumers, because Islam as religion influence their daily lives as well as consumer buying behavior. However, this result indicates the importance of some other factors in enhancing the Religious orientation in the Riyadh.

One possible explanation of the insignificant relationship between luxury values and Religious orientation is that some consumers tried to follow European lifestyle in which they pay more attention to their wants, although sometimes it is not allowed by the religion (Allport & Ross, 1967). Second possible explanation of the insignificant relationship between luxury values and Religious orientation is the wrong understanding or insufficient information about our religion and what is exactly the religion want from us to do.

### **5.3.3 H1c. Luxury Values, Religious orientation and Consumer Buying behavior**

Based on theory and previous studies, this study hypothesized that there is a positive relationship between luxury values, Religious orientation and consumer buying behavior. However, the outcome revealed a negative significant relationship shown by the sign of the beta value.

Therefore, this finding is not supporting hypothesis 1c as shown in Table 4.15 in Chapter 4. It means that when Religious orientation appears as a mediator between luxury values and consumer buying behavior, the relationship between all three variables will be weak or we can say it is not supporting the relationship.

One possible explanation of insignificant negative relationship between luxury values, Religious orientation and consumer buying behavior is the new style of life which many people start to use, especially, in the Kingdom of Saudi Arabia because some people tried to use western lifestyle (Al-Hyari, Alnsour, Al-Weshah & Haffar, 2012). Second possible explanation of insignificant negative relationship between luxury values, Religious orientation and consumer buying behavior is that some religious scholars have no clear information or sufficient about the religion to give and explain it to the ordinary people. Consumers can only be motivated and willing to be loyal to certain products or boycott it when they understand the religion explanation clearly or when they have a sufficient religious information (Al-Hyari, Alnsour, Al-Weshah & Haffar, 2012). In addition, the consumer buying behavior is not merely influenced by societal, political and economic factors; nevertheless it's also impacted by culture and Religious orientation which affects the consumer buying behavior especially when religion is at the core of this behavior (Al-Hyari, *et al.*, 2012).

Finally, probable clarification of insignificant negative relationship between luxury values, Religious orientation and consumer buying behavior is that many consumers have wrong or insufficient information about the religion as a mediating variable on the relationship between luxury values and consumer buying behavior. They think religion just to be in holy places which is completely wrong. Because, when we talk about Islam as a religion, we talk about a complete system of life. Islam is recognized by means of a civilization, customs, values as well as several additional things. Some of this is simply an outcome of the misperception shaped with the similar term for diverse portents (Ali & Al-Kazemi, 2007; Voll, 1994).

#### **5.3.4 H2a. Ethical Values and Consumer Buying Behavior**

With regards to the relationship between ethical values in Riyadh, as in hypothesis 2a, the hypothesis is not supported as mentioned in Table 4.15 in Chapter 4. This result indicates that ethical values are not considered to be one of the most important determinants of consumer buying behavior.

This result does not correspond with past research (Hashi, 2011; Yurtsever, 2013) which found that ethical values are very important to all Muslims and they are sensitive about ethical issues. Moreover, religion is a vital and unique facet of cultures in Arab societies. Numerous scholars have acknowledged religion as a prevailing variable which influences maximum features of Arab cultures (Kalliny & Gentry, 2007; Shahin & Wright, 2004).

One possible explanation of negative and insignificant ethical values and consumer buying behavior is that the most critical challenges faced by Muslim today are the lack of the spiritual ethical dimension of life, (Rahim, 2013). Therefore, there are several opportunities for improving the consumer buying behavior in Riyadh if they pay more attention to the Islamic rules and regulations.

### **5.3.5 H2b. Ethical Values and Religious orientation**

As far as examination of the relationship between ethical values in Riyadh and Religious orientation is concerned, shown in hypothesis 2b, the hypothesis is supported as mentioned in Table 4.15 in Chapter 4, at one percent level of significance.

This result indicates that ethical values are considered to be one of the most important determinants of Religious orientation. This result is in line with previous studies (Khan, Watson & Habib, 2005; Sia, 2008) which found that ethical values an important contributor to Religious orientation and ultimately, ethical values leads to Religious orientation. Therefore, ethical values can affect Religious orientation of the consumer behavior in Riyadh significantly.

### **5.3.6 H2c. Ethical Values, Religious orientation and Consumer Buying Behavior**

Regarding the relationship between ethical values, Religious orientation and consumer buying behavior, this is shown in hypothesis 2c. This hypothesis is supported as mentioned in Table 4.15 in Chapter 4 at one percent level of significance.

This result indicates that ethical value and Religious orientation is considered to be one of the most important determinants of consumer buying behavior in Riyadh. This result is in line with some previous studies (Essoo & Dibb, 2004; Khan, Watson & Habib, 2005) which concluded that Religious orientation is positively related with discretionary behavior that promotes the effective functioning of the consumer buying behavior.

One possible explanation of positive relationship between ethical values, Religious orientation and consumer buying behavior is positive relationships at marketplace between sellers and buyers, and the relationship built upon Religious orientation which encourages all people to have a good and positive relationship with each other.

### **5.3.7 H3a. Media (Ads) and Consumer Buying Behavior**

Hypothesis 3a tests the relationship between media (Ads) and consumer buying behavior, which was positive and supported as mentioned in Table 4.15 in Chapter 4, at one percent level of significance.

This means that the media (Ads) used by the car agencies in the Saudi media is successful and it is encouraging people to purchase their own cars. This result is in line with previous studies (Abu-ELSamen, Akroush, Al-Khawaldeh & Al-Shibly, 2011; Stein, 2014) which found that media helps in targeting messages to the target people. Moreover, media can allow people to know, what they have achieved, easily to spread message crossways to audience around the world. Furthermore, media offers free promotional activities and revelation for not only news, announcements, events or requests, but for different groups and organizations as well. Moreover, media can enhance people's profile among the general public and decision makers in your organization. It was expected that hypothesis 3a of the study will be supported, which shows that consumers in Saudi Arabia are giving importance to media to keep their consumer buying behavior high in the context of Saudi Arabia.

### **5.3.8 H3b. Media (Ads) and Religious orientation**

In addition, regarding the relationship between media (Ads) and Religious orientation mentioned in Table 4.15 in Chapter 4, hypothesis 3b which is positive and supported at one percent level of significance.

This result is in line with previous studies (Hirschkind, 2011), which found that media is very important for consumers. Furthermore, media usually focuses on efforts to create satisfied consumers that can attract the attention of the consumers and encourages them to have good information about products and services (Trattner & Kappe, 2013). Also, media suggested that promotion can bring motivation, and eventually, motivation can lead to push consumers to buy their own cars.

Conceivably, one possible explanation of positive and significant relationship between media (Ads) and Religious orientation is that people using media in the Saudi Arabia generally have confidence about good quality for the product they have and they believe in truth; consequently, consumers can feel it in their advertisement. Moreover, Muslims should not lie to any one, because our messenger Mohammad (PBUH) said Islam forbids lying.

#### **5.3.9 H4a. Word of Mouth and Consumer Buying Behavior**

For the relationship between word of mouth in Riyadh and consumer buying behavior, the constructed positive hypothesis is supported as mentioned in Table 4.15 in Chapter 4, at one percent level of significance.

The findings regarding the effect of word of mouth on consumer buying behavior, as expected, are in line with the SET.

This result indicates that word of mouth is considered to be one of the most important determinants of consumer buying behavior. This result is in line with the previous studies (Ahmad, Vveinhardt & Ahmed, 2014) which found that the words of mouth reveal that for buying products, frequently consumer trust on the words of mouth. Customers give the impression as they influence on other consumers' decisions, those consumers can be their family members and close friends in addition to their colleagues. Moreover, there are two things that might be the cause to creating hitches for a firm, which are; bitter experience of company's products or services and any negative comments from others which can strongly influence consumer buying decision than any positive comments. Word of mouth is an important factor in Saudi market, commitment of consumers in the Saudi market will subsequently lead to high level of purchasing.

One possible explanation of positive and significant relationship between word of mouth and consumer buying behavior is that in the Kingdom of Saudi Arabia, especially, in Riyadh, there are a lot of people who are driving cars and there are huge car showrooms. This means that the word of mouth affects the car consumers in Riyadh. In other words, car consumers in Riyadh are very sensitive with words of mouth and they prefer to ask each other before buying car from various car showrooms. Therefore, the word of mouth factor affects consumer buying behavior in Riyadh significantly.

#### **5.3.10 H4b. Words of Mouth and Religious orientation**

With regards to the relationship between words of mouth and Religious orientation in Riyadh, as shown in hypothesis 4b, the hypothesis is not supported and shows no impact as mentioned in Table 4.15 in Chapter 4. This result indicates that word of mouth is not considered to be one of the most important determinants of the Religious orientation. This result is not in line with the previous studies (Greenacre, Freeman, Cong & Chapman, 2014) which found that the word of mouth is revealed to have a positive impact on consumer buying behavior. Moreover, consumers usually trust word of mouth and seem like to have an impact on consumers' decision and close family, close friend, and other associates, but, when things come to influence their religion, they need to have this kind of influencing from religious scholars.

One possible explanation of word of mouth and Religious orientation is that friendly word of mouth, in general, are more capable of helping an individual and give them what he or she exactly wish to have, which is not acceptable in the religion, because, sometimes he or she want the thing to be acceptable to do it, but, in the religion it is forbidden.

#### **5.3.11 H5a. Price and Consumer Buying Behavior**

In case of the relationship between price and consumer buying behavior, as represented in hypothesis 5a, the result supported this relationship as mentioned in Table 4.15 in Chapter 4, at one percent level of significance.

This result indicates that price is considered to be one of the most important determinants of consumer buying behavior in Riyadh. Moreover, the finding regarding the effect of price dimensions in this case “work” on consumer buying behavior is in line with the theory of planned behavior (SET), which shows that to some extent perceived behavioral control can determine consumer buying behavior.

This result is also in line with previous studies (Jany, 2009; Oeconomiae, 2008) which studied the relationship between price and consumer buying behavior. These studies established a significant positive relationship between various facets of price and consumer buying behavior. The positive and significant effect of price on consumer buying behavior can be discussed in the light of the following possible justifications: Firstly, price strategies can be seen everywhere in the modern society. Whenever we turn on the TV, look through a newspaper, or listen to the radio advertisements, different price strategies immediately jump into our sight. Consumer buying behavior is a set of behaviors shown by a consumer towards his or her purchasing (Oeconomiae, 2008).

Secondly, the results obtained in this study are in line with some earlier studies that reported that the relationship between both price and consumer buying behavior is on market related tasks. Without a doubt, the construct of price and consumer buying behavior are conceptually related and can be measured through the same behaviors.

Finally, in a related study, Jany (2009) partitioned that prices decreases consumers' recalled total cost and increases their purchase intentions. Partitioned pricing can be defined as the main price, which serves as an anchor, in this context an effect of price information and price cognitions on positive and neutral emotions and an effect of positive and neutral emotions on consumer behavior. At the same time, the promotion affects scale comprises both positive negative effects (Honea & Dahl, 2005).

### **5.3.12 H5b. Price and Religious orientation**

Based on discussion on methodology, this study expected a positive relationship between price and Religious orientation as shown in Hypothesis 5b. However, the result is not supported as mentioned in Table 4.15 in Chapter 4.

This finding means that the price given to the car consumer's is not at par level as compared to the standards in the industry to improve the consumer buying behavior.

This result is not in line with the previous studies (Gauri, Sudhir & Talukdar, 2008; Jany, 2009; Oeconomiae, 2008) which found that price affects the consumers' behavior and effect of price information and price cognitions on positive emotions, an effect of positive emotions on consumer behavior. At the same time, the promotion affects scale comprises both positive negative effects. This result is due to the less importance clearly has been given to price in Riyadh for influencing Religious orientation. However, this result indicates the importance of some other factors in enhancing the Religious orientation,

One possible explanation of the insignificant relationship between price and Religious orientation is that most of the people or we can say that, the car sellers want to have a lot of money in the short time, while Religious orientation encourages people to have reasonable price for any product. As Almighty Allah said:

*“Woe to those who give less [than due], (1) Who, when they take a measure from people, take in full. But if they give by measure or by weight to them, they cause loss. Do they not think that they will be resurrected for a tremendous Day - (5) The Day when mankind will stand before the Lord of the worlds?”* (Noble Qur’an, Sura 83 Aya 1-6).

### **5.3.13 H6a. Motivation and Consumer Buying Behavior**

With regards to the relationship between motivation in Riyadh and consumer buying behavior, as shown in hypothesis 6a, the hypothesis is supported as mentioned in Table 4.15 in Chapter 4, at one percent level of significance.

This result indicates motivation is considered to be one of the most important determinants of consumer buying behavior. This result corresponds with past research work (Chen, Kirkman, Kim, Farh & Tangirala, 2010) who found that motivation may automatically develop owing to the close proximity at work, interactions and shared experiences which can lead to the improvement of consumer buying behavior.

One possible explanation of significant positive relationship between motivation and consumer buying behavior is that people are motivated by many things. Some motivating factors can move people only for a short time, like hunger, which will last only until you are fed. Others can drive a person onward for years like brand new cars, especially, when it have suitable prices and convenient installments. Therefore, there are several opportunities for improving the consumer buying behavior in Riyadh, but they have to improve the way of motivation to motivate consumer buying behavior (Kellett, 2013).

Finally, possible explanation of positive and significant motivation and consumer buying behavior is that motivation is the step that you take to get motivated. It is a process, that when followed produces incredible results. It is amazing what you can do if you are properly motivated, and getting properly motivated is a matter of following the motivational process. Like any other process, it takes a little work and foresight and planning on your part. However, the return on your investment of time is significant, and it is important when needing extra motivation that you apply the motivational process (Chen et al., 2010; Kellett, 2013).

#### **5.3.14 H6b. Motivation and Religious orientation**

Hypothesis 6b tested the relationship between motivation and Religious orientation in Riyadh, which was not supported as mentioned in Table 4.15 in Chapter 4.

This finding means that the motivation given to the Religious orientation in Riyadh is not at par as compared to the standards in the industry to improve the consumer buying behavior. These results are in conflict with the previous studies (Chen et al., 2010; Kellett, 2013) which found that if motivation has a full impact on Religious orientation and its support and motivate consumers in their daily life. It was not expected that hypothesis “6b” of the study will be not supported, which shows that Religious orientation does not motivate car consumers in Riyadh.

Perhaps, the possible explanation of the insignificant relationship between motivation and Religious orientation in the current study is that many car consumers are looking to their religion as a holy thing which is out of motivation, because they have to accept what the religion said since its came from ALLAH (SWT) and by the messenger (PBUH) which ALLAH (SWT) send Him (PBUH).

#### **5.3.15 H7a. Perceived Cultural Importance and Consumer Buying Behavior**

For the relationship between perceived cultural importance in Riyadh and consumer buying behavior, as shown in the hypothesis 7a is not supported as mentioned in Table 4.15 in Chapter 4. The findings concerning the effect of perceived cultural importance on consumer buying behavior are unexpected.

This result indicates that perceived cultural importance is not considered to be one of the most important determinants of consumer buying behavior. This result is not in

line with the previous studies (Jam, Saeed, Ullah, Arif & Gul, 2013) which show that cultural factors significantly influence consumers' impulsive buying behavior. Specifically, the theory of individualism and collectivism holds important insights about consumer behavior that can help us to gain a better and more complete understanding of the impulsive buying phenomenon.

One possible explanation of insignificant negative relationship between perceived cultural importance and consumer buying behavior is that in Riyadh, especially, in car markets, there is a weak customer-focused culture. This means that the car sellers do not care about their culture or even other customer's culture, they just want to have money. In other words, car sellers are not focusing on satisfying their clients. Therefore, perceived cultural importance factor does not significantly affect consumer buying behavior in Riyadh. Hence, car sellers have to improve the cultural care.

#### **5.3.16 H7b. Perceived Cultural Importance and Religious orientation**

Regarding the relationship between perceived cultural importance and Religious orientation, as in hypothesis 7b, the examined hypothesis is supported as mentioned in Table 4.15 in Chapter 4 at one percent level of significance.

This result indicated that perceived cultural importance is considered to be one of the most important determinants of Religious orientation in Riyadh. This result is in line with some previous studies (Mokhlis, 2009) which suggested that religion is an

important cultural factor to study, because it is one of the most universal and influential social institutions that have significant influence on people's attitudes, values and behaviors at both the individual and societal levels.

One possible explanation of this positive relationship between perceived cultural importance and Religious orientation is that Religious orientation is a part of the culture that can shape people's behavior. Specifically, what this means is that people who have religion holding certain values that are able to influence their actions and decisions. Moreover, religion is a set of beliefs that are taught since childhood, and people gradually commit to the religion as they have greater understandings towards its teachings (Mokhlis, 2009). Furthermore, Islam is a religion that guides Muslims in every aspect of life, not just in specific acts of worship. For instance, in the Quranic verse, Al Isra':26-27, Allah commands Muslims not to consume or spend extravagantly, but, to spend in a way of Allah.

#### **5.4 Mediating Effect of Religious orientation (RO)**

To achieve the second objective which is related to the mediating effect of Religious orientation on the relationship between all variables (luxury values, ethical values, media (Ads), word of mouth, price, motivation and perceive cultural importance) and consumer buying behavior, the following sub-sections explain the findings:

#### **5.4.1 The Mediating Effect of RO in the Relationship between all variables and Consumer Buying Behavior**

This section explains to what extent the mediation effect of Religious orientation enhances the relationship between luxury values and consumer buying behavior. The mediation effect of Religious orientation on the relationship between luxury values, ethical values, media (Ads), word of mouth, price, motivation and perceived cultural importance relationships with consumer buying behavior has been represented by hypothesis 1c, 3c, 4c, 5c and 6c. Based on the results of this study, the mediating effect of RO is not supported, as reported in Table 4.15.

This shows that luxury values, media (Ads), word of mouth, price and motivation relationships in car markets in Riyadh are not significant, which means that car showrooms are not creating such an environment in which consumers can improve their buying behavior. These findings also show that the higher the level of RO is, the higher the level of consumer buying behavior. On the other hand, with regards to the mediation effect of RO in the relationship between ethical values, perceived cultural importance and consumer buying behavior, hypothesis 2c and 7c is supported at one percent level of significance as reported in Table 4.15. This finding indicates that in Riyadh, consumers are more concerned about their ethical values and perceived cultural importance which assertive consumers to keep their ethical values and culture anywhere everywhere.

One possible explanation of this finding is that Muslims people like the people lives in Riyadh either Saudis or expatriates. Islamic values are expected to enhance their ethics and reputation anywhere, with any one and in all their life. However, there is a difference between the self-religiosity and the Religious orientation. This is one of the main issues in the Muslims culture and all Muslim consumers' should exert their time to enhance RO in the daily life.

Finally, possible clarification of this finding is that Religious orientation (OR) can create a valuable difference and mediate the relationship between luxury values, ethical values, media (Ads), word of mouth, price, motivation and perceived cultural importance relationship with consumer buying behavior. If car showroom owners and staff give importance and more attention to RO, and if they can strategically apply RO in the cars' market to encourage consumers, then RO can be seen playing key role in influencing consumer buying behavior. This can be derived by the argument grounded on RO that morally, Muslims should deliver the best level of their behavior and attitude with all people either Muslims or non-Muslims or even with the business environment as long as they have accepted the Islam as their religion.

### **5.5 Contributions of the Study**

Throughout this study, many insights regarding the issues related to the consumer buying behavior in Riyadh have been reported. Consumer buying behavior confronts

several problems such as: incompetency, lack of modern skills, lack of awareness, lack of understanding towards the spirit of Islam, negligence of each other, and what is the main message that Islam as a religion wants from us to do.

As to date, this study is one of the very few studies conducted in Riyadh to examine the effects of luxury values on consumer buying behavior in car industry. In addition to that, this study attempts to expand the boundary of the current literature as it investigated the mediating effect of RO to improve the relationship between the luxury values and consumer buying behavior in Riyadh using PLS. By integrating the effect of luxury values and RO, this study has attempted to make several contributions to the literature and to the practice as well. Some of the contributions of this study are elaborated in the following sub-sections.

## **5.6 Theoretical Contributions**

Theoretically, this study makes two major contributions to the research by: (a) demonstrating RO as a mediator in the relationship of luxury values and consumer buying behaviour; and (b) further, indicating the effect of luxury values on consumer buying behaviour in a different context as suggested by Teimourpour and Hanzaee, (2011).

A review of previous studies reveals a lack of understanding between Religious orientation and consumer buying behavior. Alajmi, Dennis and Altayab (2011)

asserted that there is obviously a need to develop a better understanding of Religious orientation. In this manner, the present study adds to the literature on religious orientation in Saudi Arabia as well as other Muslims countries, and attempts to fill the existing contextual gap as previous studies have been mostly conducted in the West.

This research further contributes to the literature of consumer buying by exploring the impact of Religious orientation, luxury value, ethics, media advertisement, word of mouth, price, motivation. By incorporating these variables in a single study, a better understanding of the differential impacts of the predictor variables on consumer buying behavior could be ascertained.

Moreover, this study attempts to contribute in expanding researches that includes findings from many countries by adding the Saudis perspective about consumer buying behavior. It is significant to discover this issue in Saudi in response to the viewpoint which indicates that empirical findings established in the western countries might not be valid in other countries (Wong & Yeh, 2009). This study also plays a part in describing about causal effects, unidirectional as well as reciprocal, among luxury values and consumer buying behavior that it can be a bit limited in magnitude than what was believed in the past as these relationships are approximately half spurious.

Furthermore, the integrated theoretical model presented new information related to the association existing among the variables used. In particular, the integrated model described that Religious orientation completely mediates the association among the luxury values and consumer buying behavior. This study aimed at observing two effects. Foremost is to investigate the link among luxury values and consumer buying behavior and to evaluate the decrement in magnitude of the relation by taking into consideration all differences. Another reason was to observe a theoretical model consisting of the variables that was used in observing spuriousness. Basically, the aim was to see if an integrated theoretical model is in accordance with the data. Findings depicted that the model fit well, and, is one of the noteworthy representations of the association between the variables. Finally, this study helps in filling the gaps in previous researches with the use of Religious orientation in developing countries, especially, in Saudi Arabia (Alajmi, Dennis & Altayab, 2011).

### **5.7 Practical Contributions**

From the practical aspect, the study contributes by identifying the variables that have effect on consumers' buying behavior within Saudi environment. The study also contributes by displaying the effect of Religious orientation in the issues concerning consumers buying behaviour within Saudi environment. The study has shown that consumers' buying behavior within Saudi environment depends upon the research independent variables, and on the mediating effect of Religious orientation. The findings of the study are important for the development of public transportation in

Saudi Arabia in general, and in Riyadh in specific, where little research has been done before. The findings from the study can help in the development of human capital policies, management practices and management development programmes that can elicit consumer buying behaviour. Thus, this study can potentially assist in the transformation process towards effective public transportation.

Automobile markets in Saudi Arabia proves itself to be one of the most successful and dynamic markets. For that reason, this study provides evidence for the application of the conceptual model and contributes to the existing body of knowledge on Religious orientation and its influence on consumer buying behavior. Understanding customers' wants and need is really helpful to the marketers and the governments to develop suitable strategies to improve the local markets (Kanagal, 2009).

Competition among automobile industry is usually realized by creating and spreading a favourable image to potential customers in target markets (Goodall, 1990). The results of this study will display empirical value to destination planning for Saudis as well as competitive strategies of other overseas parties interested in the Saudi market. Also, this research helps to identify and assess the customer factors contributing to consumers' favourable attitude and future decision. The knowledge acquired from this research could also help Saudis to design and

implement appropriate image formation strategies, and enable Saudis in managing their resources more effectively in this endeavour.

## **5.8 Limitations**

Though, this study attempted to offer useful insights, the interpretations of the results obtained and the conclusions drawn, accordingly, should be taken into consideration in the light of the limitations it encountered. This study had many limitations that are recognized and are explicitly reported in this section. The main restrictions of this study can be addressed through three main categorizations namely: generalizability, causality, and methodology. These three categories are further discussed as follows:

### **5.8.1 Generalizability**

There exist some constraints pertaining to generalization due to some factors in which the researcher had no control. Firstly, the results of this study and consequently the conclusions drawn are based on the data collected from consumers of car markets in Riyadh based on their perception about luxury values factors at one point of time. This study did not consider the continuous changes in the psychological human aspects that could have taken place on car consumers in Riyadh due to their continuous exposure and growing experience. This was so, since the data was based on the cross-sectional approach and no follow-up data was collected. Based on that, the conclusions of the study could have been different if the research design was longitudinal rather than cross-sectional.

Finally, although this study examined the mediating effect of RO on the relationship between luxury values and consumer buying behavior on the car consumers in Riyadh, this effect is difficult to generalize. Since, this result may be generalized on Islamic societies and countries, however, it might be different in other non-Islamic countries. However, it is suggested to non-Islamic countries as well to test this relationship by implementing Religious orientation as “Islamic system”, since, “Islam is the way of life for everyone including non-Muslims”.

### **5.8.2 Causality**

The research design employed in the present study was a survey questionnaire research design that uses cross-sectional data collected at a particular point of time to test the hypotheses. As is always the case in the survey research design, the information obtained only show the degree of association between variables. Therefore, whilst the causal relationships can be inferred based on the results obtained, they cannot be strictly ascertained.

Additionally, a comprehensive review of luxury values, ethical values, media (Ads), word of mouth, price, motivation, and perceived cultural importance and mediation factor RO reveal that it is best to measure the overall aspects/effects. Given this fact, examining the association between luxury values and consumer buying behavior at one point of time will lack the accuracy, since, the results will be dependent on the time of their implementation. This implies that, in order to be able to examine the

effect of these factors on the consumer buying behavior, it is strongly advised that longitudinal studies should be conducted to examine this effect.

### **5.8.3 Methodology**

Similar to other research work, this study has innate limitations pertaining to the methodological aspects. One of the major limitations of this study is that this study used five-point Likert scale in which the respondents measured their degree of agreement towards statements connected with luxury values and Religious orientation on consumer buying behavior. Using such measure may cause the patterned response, for example, respondents may tend to answer the questions automatically without paying careful attention to their statements. This happens since different individuals have different interpretation to the numbers used to measure their perceptions. It is also difficult to assume that all the questions have been understood completely, and the quality of the data might have been affected accordingly.

Moreover, as is the case in quantitative research design, one of the limitations of this study is that respondents were requested to translate their perception about the statements in the survey questionnaire into numbers using Likert-type scale. However, the answers of the respondents may be influenced by the biased perception of the situation (Macinati, 2008). Since the biases might be present in the data collected, this study recommends that future research design investigating the effect

of luxury values and RO on consumer buying behavior should consider mixed research design, since, quantitative as well as qualitative research design complement each other.

From another methodological perspective, this study employed perceptual measures to measure the consumer buying behavior of car consumers in Riyadh. Although, this measure has gone through rigorous validity and reliability examination, either while it was being developed and protected, pilot study, or prior to testing the hypotheses based on the real data collected. The results of such measures are still questionable compared to the outcomes of objective measures. Therefore, future research work can benefit from using both perceptual and objective measures to be able to draw reliable conclusions about the consumer buying behavior construct in Riyadh.

Finally, another limitation of this study is the lack of accurate data in developing countries like Saudi Arabia. This is to say that the unavailability of public databases limited the researcher's ability to compare his findings with other sources. Moreover, in the context of Saudi Arabia, according to limited knowledge of the researcher, there has been no other study that previously examined the effect of RO in the relationship of luxury values and consumer buying behavior. Thus, the researcher had to proceed without the advantage of having other findings to be benchmarked against or to be used in further explanations.

## 5.9 Directions for Future Research

Throughout the progressive work of the current study, many future research opportunities have been prompted. Firstly, it has been discussed in the limitations section that this study employed the survey questionnaire research design to collect the data required for this study. However, the nature of cross-sectional data collected at one point of time limited the researcher from observing and subsequently examining the dynamic relationship of the effect of luxury values factors as well as of the levels of consumer buying behavior from a long-term perspective. Thus, a case study approach could be a potential choice to explore this relationship. The case study approach will enable the researcher in carrying out a deeper investigation of the complex relationship existing between luxury values factors, RO, and consumer buying behavior.

Secondly, to further examine the joint effect of factors such as luxury values and mediation effect of RO on consumer buying behavior, a longitudinal research could be extended. It is suggested that longitudinal approach could explain this complex relationship over a longer period of time. This approach could reveal the development of the variables over time and detect the changes in their relationships through the process.

Thirdly, this study deeply focused on luxury values in Kingdom of Saudi Arabia. Further research can study the consumer buying behavior by considering other

determinants of behavior. Finally, this study has also opened the door for future research to incorporate the effect of many other variables to further explain the behavior. In addition, future studies in Kingdom of Saudi Arabia or other Islamic countries may examine the same model of this study with few changes in other sectors, such as, service sector and industry sector. In addition to that, for further investigations, this model can also be tested empirically using data collected from other Islamic countries.

### **5.10 Conclusion**

In conclusion, the luxury values of any products or services has become one of the most investigated areas in the field of marketing in today's competitive environment. This study found that consumers are deemed as crucial for any products and services to achieve successes. The organizations have to make consumers satisfied to grow or even to survive in their market.

The findings of present study have highlighted on the significant impact of luxury values on the consumer buying behavior in the car showrooms in Riyadh. In addition to that, there were 11 hypotheses supported, namely: the relationship between ethical values and Religious orientation; the relationship between luxury values and consumer buying behavior; the relationship between media (Ads) and consumer buying behavior; the relationship between media (Ads) and Religious orientation; the relationship between motivation and consumer buying behavior; the relationship

between perceived cultural importance and Religious orientation; the relationship between price and consumer buying behavior; and the relationship between Religious orientation and consumer buying behavior. Furthermore, the relationship between word of mouth and consumer buying behavior, the mediating effect on the relationship between ethical values, Religious orientation and consumer buying behavior and the mediating effect of the relationship between perceived cultural importance, Religious orientation and consumer buying behavior were also found significant. Afterwards, there were 11 hypotheses not supported which are: the relationship between ethical values and consumer buying behavior: the relationship between luxury values and Religious orientation; the relationship between motivation and Religious orientation; and the relationship between perceived cultural importance and consumer buying behavior. Moreover, the relationship between price and Religious orientation, the relationship between word of mouth and Religious orientation were also tested and found not supported. Furthermore, the mediating role between luxury values, Religious orientation and consumer buying behavior, the relationship between the mediating role of media (Ads), Religious orientation and consumer buying behavior, the relationship between the mediating role of the motivation, Religious orientation and consumer buying behavior, the mediating role between price, Religious orientation and consumer buying behavior and the mediating role of the relationship between word of mouth, Religious orientation and consumer buying behavior were also found not supported.

The study investigated the variables that could influence the religious orientation to use private cars instead of public transportation in the kingdom of Saudi Arabia. Furthermore, this research employed PLS-SEM which is considered as a new analysis approach and technique in marketing and management sciences. From theoretical perspective, the study added to the body of knowledge on religious orientation in Saudi Arabia and attempted to fill the contextual gap as previous studies were mostly conducted in the West. The study also contributed to the practitioners and marketers by identifying the variables that might have effect on consumer buying behavior within Middle Eastern context. Finally, this study accomplished its objectives, and supported the notion and applicability of the theory of planned behavior in the Kingdom of Saudi Arabia environment.



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UUM  
Universiti Utara Malaysia

## Appendix A

### Research Questionnaire English version

School of Business Management  
Universiti Utara Malaysia  
06010 UUM Sintok  
Kedah Darul Aman, Malaysia  
Tel: (+604) 928 3930 | Fax: (+604) 928 5220



#### Dear Respondents

I am Mohamed Abu Auf, Ph.D. candidate at UUM under supervision of Assoc. Prof Dr. Salniza M. Salleh ([sal1029@uum.edu.my](mailto:sal1029@uum.edu.my)). The researcher would appreciate your help, in this survey which is created to provide an understanding of Religious Orientation on the relationship between luxury value and buying behavior and knowing their purchase intention and Actual Behavior of private cars. Therefore, the precision and impartiality of your responses carefully reflect the extent of your interest and concern to our access to accurate and precise results that will benefit everyone.

The present survey is a part of my study for Ph.D. degree that tries to determine the factors that affect using private cars in the Kingdom of Saudi Arabia.

Please be assured that your response will be treated confidentially and will be used for the purpose of the research only. Please read the questions carefully, then reply to them.

Thanking you in advance

Best Regards

Sincerely

PhD Candidate

Email: [mabuauf@gmail.com](mailto:mabuauf@gmail.com)

**PART A: Dear Respondents**

**In your rating please don't forget the following points.**

- 1- Please put (O) alongside the cell that describe your answer.
- 2- Some of the questions may appear to be similar, please read each question carefully.
- 3- Please answer all questions.
- 4- Please don't circle more than one answer.

		1	2	3	4	5
<b>Luxury Value (LV)</b>		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	I believe cars are a luxury for everyone.	1	2	3	4	5
2	I think cars are a luxury for almost all people.	1	2	3	4	5
3	I consider cars are a luxury for the majority of people.	1	2	3	4	5
4	I believe cars are a necessity for the majority of people.	1	2	3	4	5
5	I think cars are a necessity for almost all people.	1	2	3	4	5
6	I consider cars are a necessity for everyone.	1	2	3	4	5
<b>XX Ethics (ETH)</b>						
7	I believe it is never necessary to sacrifice the welfare of others.	1	2	3	4	5
8	I think using car should never psychologically or physically harm another person.	1	2	3	4	5
9	I think if using private car harm an others, then we should not use it.	1	2	3	4	5
10	I consider moral behaviors are actions that closely match ideals of the most "perfect" action.	1	2	3	4	5
11	I believe should not perform an action which might in any way threaten the dignity and welfare of another individual.	1	2	3	4	5

<b>XX</b>		<b>Media (Ads)</b>				
12	I think news shared in media influence people to have private cars	1	2	3	4	5
13	I believe people like to visit car show rooms to get new news about cars	1	2	3	4	5
14	I believe I like to rate and contribute to car advertisement	1	2	3	4	5
15	I think when I want to buy car, I'd like to find out all car advertisement	1	2	3	4	5
16	I consider car advertisement are attractive	1	2	3	4	5
17	I think when I want to buy car, I tend to car showrooms advertisement	1	2	3	4	5
<b>XX</b>		<b>Word of Mouth (WOM)</b>				
18	I spoke about car advertisements much more frequently than about any other advertisements.	1	2	3	4	5
19	I recommended car advertisements	1	2	3	4	5
20	I strongly recommend people to buy cars.	1	2	3	4	5
21	I mostly say negative things about car advertisements to others.	1	2	3	4	5
22	I discuss the prices of products offered.	1	2	3	4	5
23	I speak about some car companies notoriety	1	2	3	4	5
<b>XX</b>		<b>Religious Orientation</b>				
24	I pray mainly because I have been taught to pray.	1	2	3	4	5
25	I think the primary purpose of prayer is to secure a happy and peaceful life.	1	2	3	4	5
26	It is important for me to spend periods of time in private religious thought and meditation.	1	2	3	4	5
27	If not prevented by unavoidable circumstances, I attend mosque.	1	2	3	4	5
28	I try hard to carry my religious into all my other dealings in life.	1	2	3	4	5

29 The whole religious approach is creating my religious beliefs. 1 2 3 4 5

30 Religious is very important to me because it answer many questions about the meaning of my life. 1 2 3 4 5

**XX Motivation (MOT)**

31 The car showroom offers me the possibility for promotion. 1 2 3 4 5

32 The car showrooms has stability for car services 1 2 3 4 5

33 I consider car showrooms honest and coherent with their mission. 1 2 3 4 5

34 I feel myself as a car showrooms member, loyal to them. 1 2 3 4 5

35 I think am learning new things about cars that only car showrooms know 1 2 3 4 5

36 In general, I think all the decisions that affect my car choice are taken by consensus. 1 2 3 4 5

**XX Price (PRC)**

37 I think am happy with the price offered by car showrooms. 1 2 3 4 5

38 Overall, I am satisfied from the private car prices. 1 2 3 4 5

39 I appreciate prices offered by car showrooms. 1 2 3 4 5

40 I am contented by the prices I pay for car showrooms 1 2 3 4 5

41 I am satisfied with the Offered Price for private cars. 1 2 3 4 5

**XX Consumer Buying Behavior CBB**

42 Often I visit car showrooms, just to look around or get information rather than to make a specific purchase. 1 2 3 4 5

43 Usually each month, I look to car catalogs 1 2 3 4 5

44 Often I talk to friends and acquaintances to get information or advice concerning car styles 1 2 3 4 5

45	Often I use internet browser to find out new information about cars.	1	2	3	4	5
46	Am subscribe with many car magazine.	1	2	3	4	5
47	private cars fits the individual personal requirements	1	2	3	4	5

Rate how important each of the following values is in your culture.  
**Perceived cultural importance (PCI)**

	Nugatory	Unimportant	Neutral	Relatively important	Very important
<b>Enjoying life</b>	1	2	3	4	5
Successful.	1	2	3	4	5
Family security.	1	2	3	4	5
True friendship.	1	2	3	4	5
Healthy.	1	2	3	4	5
Mature love.	1	2	3	4	5
Social recognition.	1	2	3	4	5
Self-respect.	1	2	3	4	5

**Part B: Demographic profile of the Respondent's**

**Please tick (✓) in the boxes where appropriate or fill in the details in the spaces provided.**

	18 - 25	26 - 30
<b>Age</b>	31 -35	36 - 40
	41 -45	46 -50
	51 - 55	more than 56
<b>Gender</b>	Male	Female
	<b>Nationality</b>	Saudi
<b>Educational level</b>	Elementary	Secondary school
	High school	Diploma
	Graduate	Postgraduate
<b>monthly income in SAR</b>	less than 3000	3001 - 10000
	10001 - 15000	15001 - 20000
	20001 - 25000	more than 25000

**THANK YOU**







5	4	3	2	1	عادتهل شهر، لظ إلى الراج الخصب معارض البريات.
5	4	3	2	1	في الفير من يانأت حدث إلى ا قاء ول معارف لمعومة م عمل ومات و خصرلأنواع البريات.
5	4	3	2	1	عادت مأسخدم تنزل معوقم عمل ومات جيدة عن البريات.
5	4	3	2	1	لأمشرك في اليعيد منال لخصب البريات.
5	4	3	2	1	لبريات الالخص قن بل بال تطلب اتالفن خصرلأنوع فرية.

### ما مدى أهي ةكل من قلي طلاتي في ثقاتك.

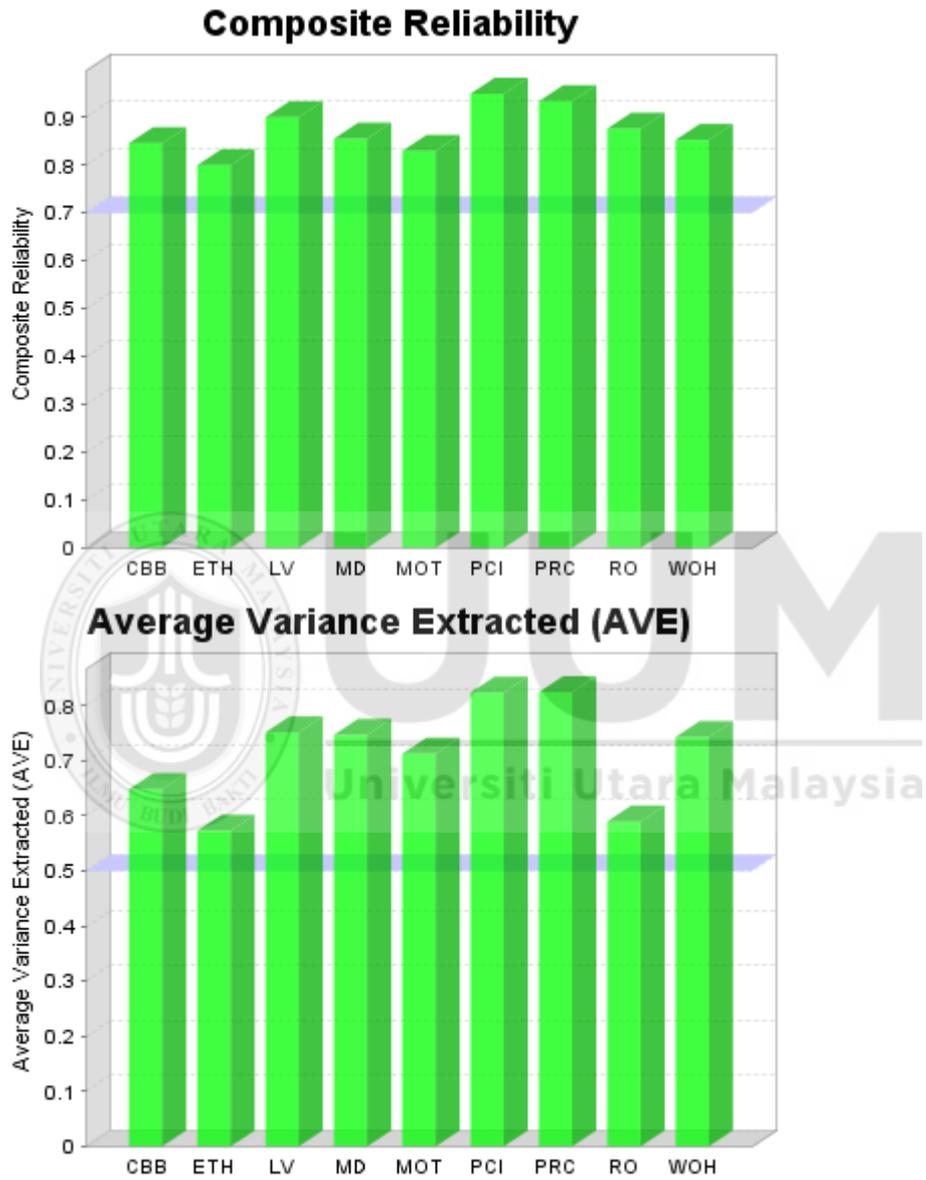
5	4	3	2	1	
مهم جداً	مهم نسبياً	معتدلاً	غير مهم	لهي ل هوية	
5	4	3	2	1	تتبع ال حياة .
5	4	3	2	1	للناج.
5	4	3	2	1	من ري.
5	4	3	2	1	لصديق فائقة.
5	4	3	2	1	الصحة ال جيدة.
5	4	3	2	1	للحبل لصادق.
5	4	3	2	1	العرف بجامعي.
5	4	3	2	1	للبرامال ذات.

من فضل لضع ع دة (٧) في لبرعات ل لاسب ةل خبارك لفضل

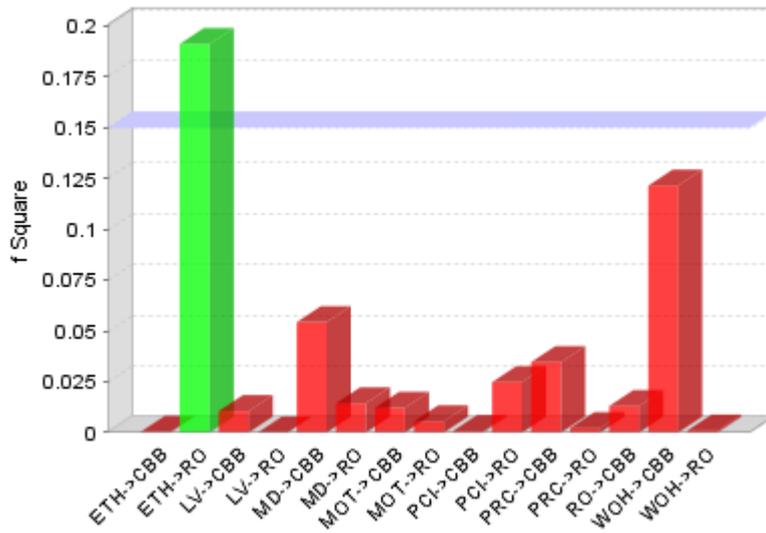
18 - 25	26 - 30	لا عمر
31 - 35	36 - 40	
41 - 45	46 - 50	
51 - 55	56 - 60	
ثني	ثكر	لنوع
سعودي	غير سعودي	جنسية
بأنتطاي	متوسط	لمستوى الدخل لناعي مي
تانوني	بلوم	
جامعي	فوقال جامعي	
أقل من 3000	3001 - 10000	مستوى لدخل بل ال سعودي
10001 -	15001 -	
15000	20000	
20001 -	أكثر من	
25000	25000	

## Appendix C

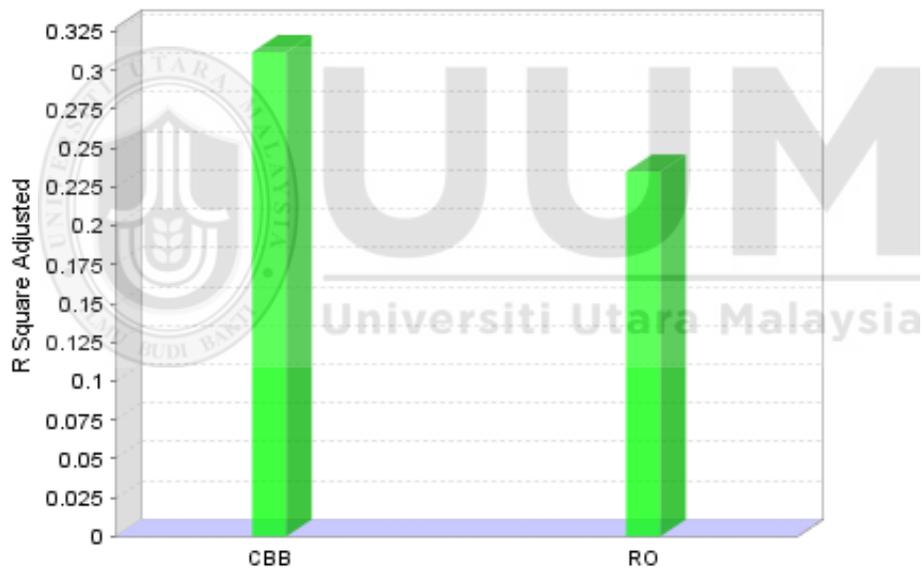
### Measurement Model

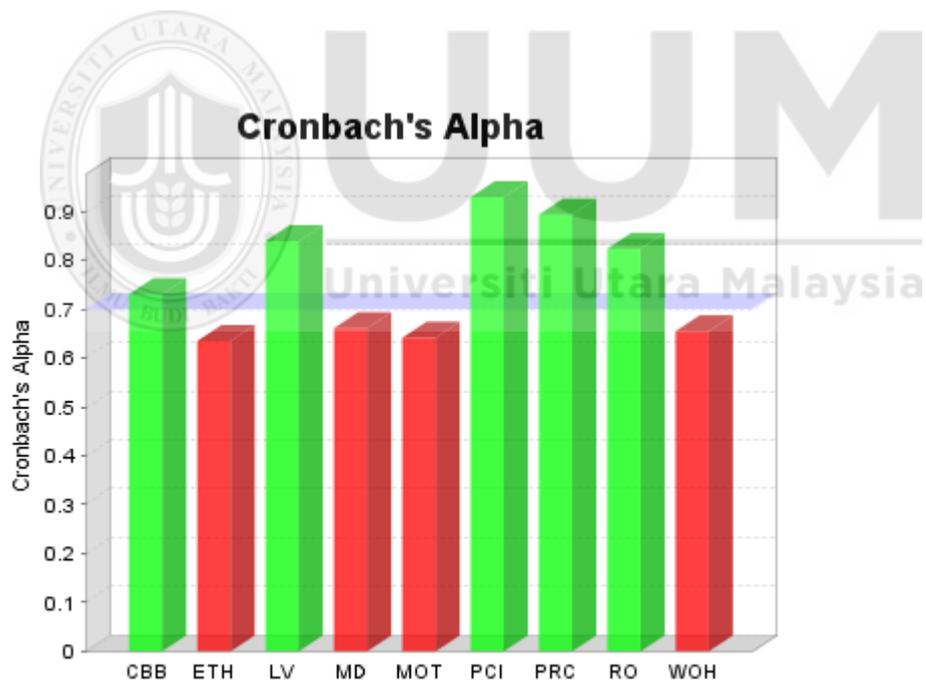
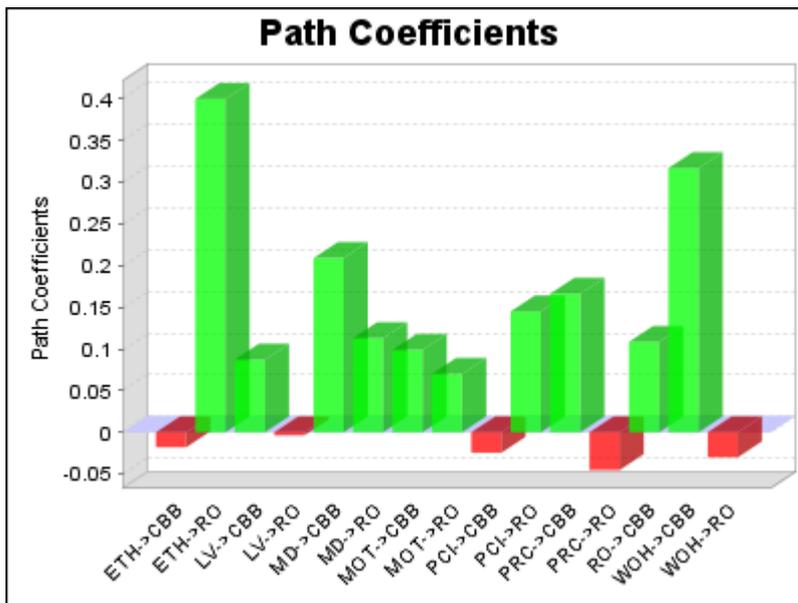


### f Square



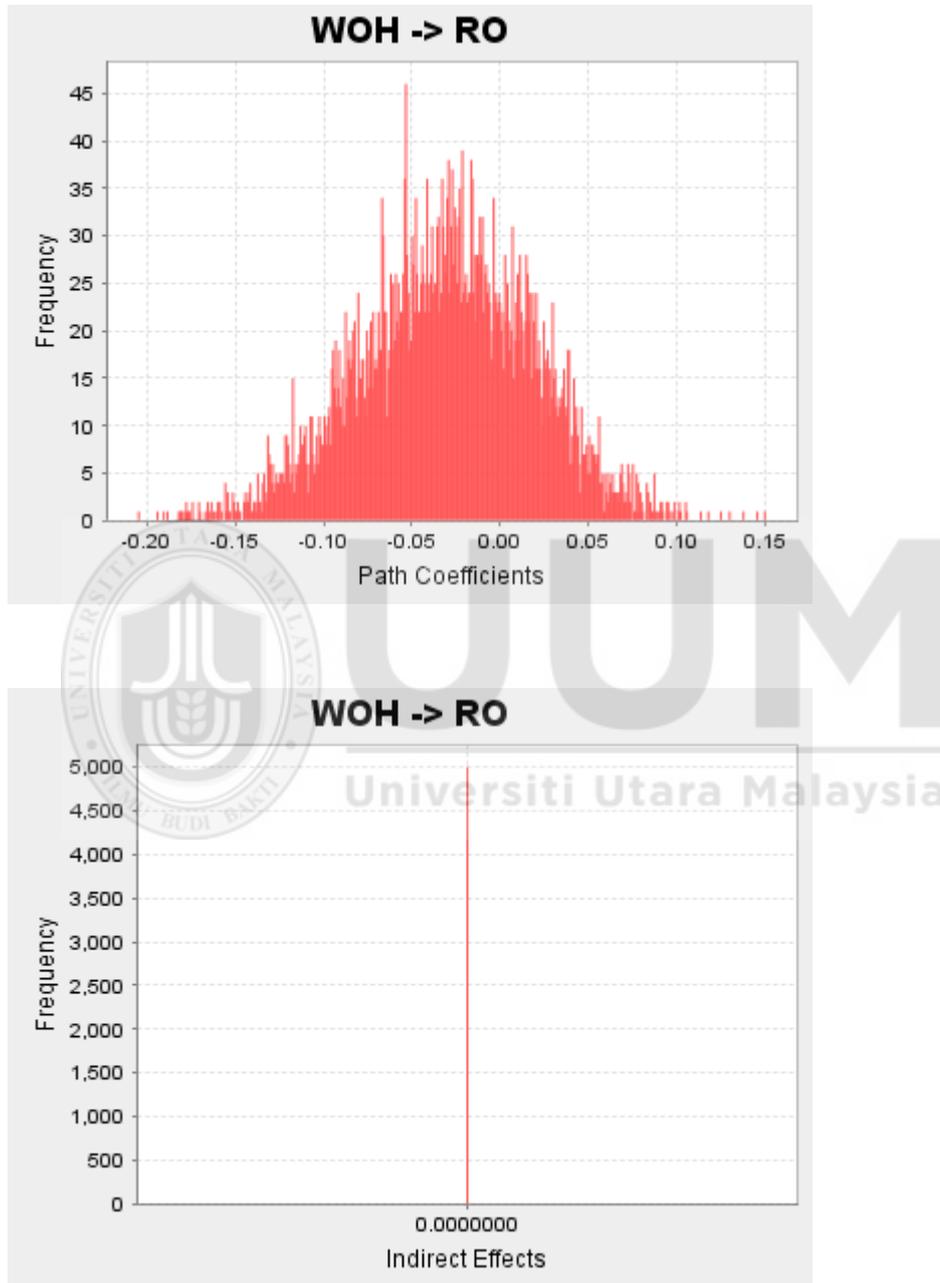
### R Square Adjusted

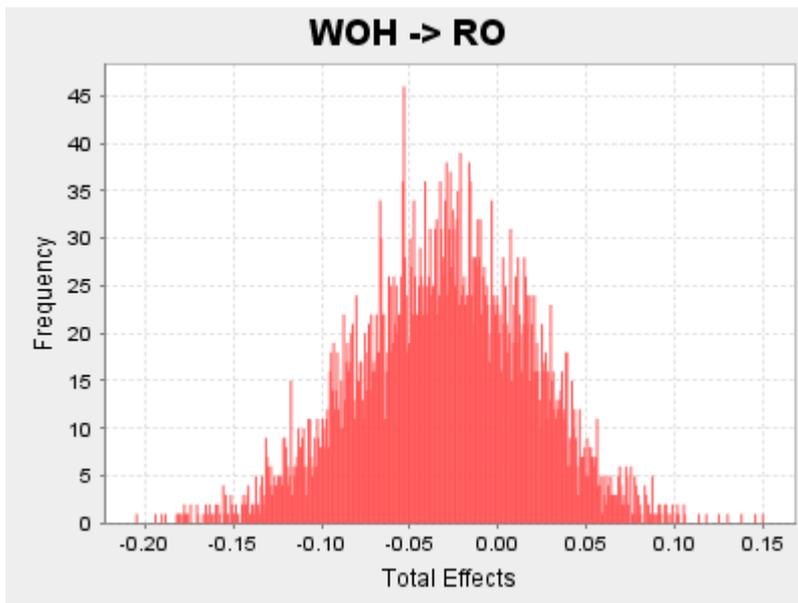




## Appendix D

### Structural Model





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