

DECLARATION

**APPLICABILITY OF TROCCHIA'S FOUR NON-FINANCIAL
MOTIVATIONS FOR MOTOR VEHICLE LEASING IN
SOUTH AFRICA: A COMPARATIVE CASE-STUDY**

by

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**CAPE TOWN
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Declaration

I, Randel Beneke, hereby declare that the contents of this dissertation represent my own unaided work, and that the mini dissertation has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

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Signature

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Date

Acknowledgements

To my father Arthur Reginald Beneke and my mother Annie Margrieta Beneke. Thank you for the sacrifices you made so that we as your children could access tertiary education. *It He bestowed on me.*

- My Pastors, Raymond and Sharon Le Fleur for their continuous support and the excellent example that they are to me. They taught me to walk by faith and not by sight and to do everything with excellence.
- My late cousin, Joseph Vries, or Josie as I called him, thank you for showing me how to live life with the zeal and enthusiasm that it requires.
- My supervisor who is an academic of note, Dr Harry Ballard, for his expertise and commitment towards the completion of this thesis.
- My family, Cynthia, Reginald, Patrick, John and Janice for their unconditional love and encouragement.
- Godfrey Swans for his guidance.

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Summary

The research study explored the growing phenomenon of consumption without ownership, by addressing the individual's motivations for leasing rather than financing motor vehicles.

The research is a replicative study of a similar study undertaken by Trocchia in 1997 in the Southern and Midwestern United States of America (USA). Trocchia's (1997) study revealed that there were other reasons for selecting to lease, rather than finance, despite the cost implications. Trocchia (1997) referred to these reasons the motivational variables. Burgess (1999:22) also referred to these variables as the soft issues.

The four motivational variables that were identified, either because they appeared frequently or infrequently but still possessed analytical impact were: desire for variety; desire for simplified maintenance; desire for gratification; and desire for social approval.

The formulated research question was to assess, whether the four motivational variables for leasing in the USA were also applicable in the South African motor vehicle finance market.

The research population included all the sales employees that were employed at car dealerships that advertised their services in Issue 320 of the Cape Town Auto Free Way.

The results indicate that individuals that lease vehicles in South Africa will not do it for all the same reasons as identified in Trocchia's study. The only motivational variable that supported Trocchia's hypothesis was the desire for variety. The respondents who select to lease a vehicle because of their desire for variety would also consider leasing so as to satisfy their desire for gratification. Interestingly, it emerged that there was no relationship between the respondents marital status and the financing option that the respondents would select. The research findings also indicate that there is no relationship between the respondents age and the financing option selected.

It is recommended that qualitative research should be conducted to determine what other motivational variables influence South African consumers in their consumption decision making process with regards to leasing.

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Chapter 1

Introduction and background

1.1. Introduction

The chapter explains the background to the study and briefly introduces the research methodology and approach undertaken.

1.2. Background to the research study

The research study explored the growing phenomenon of consumption without ownership, by addressing the individual's motivations for leasing rather than financing motor vehicles.

This is a replicative study of the study undertaken by Trocchia in 1997 in the Southern and Midwestern United States of America. Trocchia (1997:1-178) found that there were four non-financial motivations for vehicle leasing. In order to understand the context of the non-financial motivations for leasing a literature study was conducted on the journal articles published on this subject and the relevant statutory legislation pertaining to South Africa. The literature study undertaken by Trocchia (1997:1-178) serves as the premise for the literature study.

When a vehicle is bought, the owner essentially pays for the entire value of the car. Leasing costs amount only to the expected loss in value while it is leased. According to McCormally and Goldwasser (1991:53) there is specific terminology that is only associated with leasing and it is deemed necessary to provide the definitions of these leasing terms.

Lease

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to utilise an asset for an agreed fixed period of time.

Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards to the lessee.

Operating lease

Operating lease is a lease other than a finance lease.

Lease term

The lease term is the non-cancellable period of time for which the lessee has contracted to lease the asset.

1.3. Research question

The formulated research question was to assess whether the four non-financial motivations for vehicle leasing namely, desire for variety, desire for simplified maintenance, desire for gratification and desire for social approval are applicable in the South African motor vehicle finance market?

1.4. Research methodology

The research survey approach that Trocchia (1997:1-178) adopted was followed. Trocchia's (1997:1-178) questionnaire was adopted for this replicative study and adapted for the South African environment.

1.5. Rationale for the research

The *Credit Act (75 of 1980)* has been amended in 2006 and the provisions will come into force in June 2007. The amended Credit Act will permit private individuals to lease vehicles and will therefore stimulate the leasing market. The stimulation of the leasing market will result in increased revenue for the retailers and sales people. The results of this study will enable the retailers to develop improved advertising campaigns since they will know if the four non-financial motivations that Trocchia (1997: 1-178) identified motivate the South African consumer. The sales people would be able to adapt their sales presentations based on the outcome of this study to address the consumers financial and non-financial motivations for leasing.

1.6. Plan of the study

Chapter 2: Literature study

The literature study provides an overview of leasing and examines leasing in South Africa. It discusses the relevant statutory legislation applicable and explains the financial motivations for leasing.

Chapter 3: Overview and explanation of Trocchia's research study

The chapter explains the research methodology and data collection approach that Trocchia (1997:1-178) utilised. The theory that supports Trocchia's four non-financial motivations for vehicle leasing is also discussed.

Chapter 4: Research approach and methodology

The research approach and the distinction between Trocchia's (1997:1-178) and this research study is presented. It further explains how Trocchia's (1997:1-178) questionnaire was adapted for the replicative study in South Africa and stipulates which statistical tools were used to analyse the data.

Chapter 5: Findings and analysis

In this chapter the data is analysed and the results are compared to Trocchia's (1997:1-178) results.

Chapter 6: Conclusion and recommendations

The chapter consolidates the research by drawing conclusions, stipulating the limitations of the study and providing a detailed formulated recommendation.

Chapter 2

Literature study

2.1. Introduction

The literature study includes an overview of vehicle leasing and explains the relevant statutory legislation. The financial motivations for leasing are presented before proceeding with the non-financial motivations.

2.2. Overview of vehicle leasing

When financing a vehicle there are two primary financing options available to the consumer. Firstly, the consumer can purchase the vehicle through the conclusion of an instalment sale agreement or secondly, the consumer can choose to lease the vehicle. Henry Ford introduced the instalment sale agreement for vehicles in the first half of the twentieth century and leasing became common in the second half of the twentieth century (Burton and Fan, 2001:1).

The instalment sale agreement enables the consumer to acquire the vehicle on extended credit and to pay for it over an agreed fixed period. Ownership is subject to a suspense condition and transferred to the consumer when the vehicle is fully paid. The lease agreement on the other hand allows the consumer the usage of the vehicle without necessarily obtaining ownership of

the vehicle at the end of the leasing term. The terms of the lease agreement will determine if ownership is transferred at the end of the leasing period.

Although ownership might not be transferred, numerous studies found that the popularity of vehicle leasing has consistently increased in the United States of America (USA). De Vaney and Bechman (1997:22) indicated that in 1984 only 11.6% of vehicles were leased in the USA, in 1995 this total increased to nearly 33%. The robust growth of leasing continued even further and in 1997, it accounted for 40% of the new vehicle sales in the USA according to Peters (1999:10), Zerega (1997:122) and Starr-McCluer and Alzorbe (1997:34).

The increase in vehicle leasing is not only limited to the USA, this trend is being followed in South Africa. The South African leasing market is now analysed so as to understand its origin, development and current position.

2.3. Vehicle leasing in South Africa

According to Jackson (1977:7) when leasing was introduced in South Africa it had the reputation of being an expensive financing alternative. Although leasing was expensive consumers used leasing for the following reasons:

- The consumers who did not have a good credit record with the bank and therefore had limited access to other forms of finance.
- Due to the fluctuation in the market consumers had trouble to obtain long-term funds to purchase vehicles and reverted to leasing.

- According to Biggs (1979:50) consumers also used leasing in 1967 as a method to evade tax.
- The lease agreement required a deposit of between 20% and 25% compared to the instalment sale agreement that required a deposit of 33.33%. Less capital was therefore required to conclude a lease agreement.
- The maximum repayment period for a lease was three years and the maximum repayment period for the instalment sale agreement was two years.

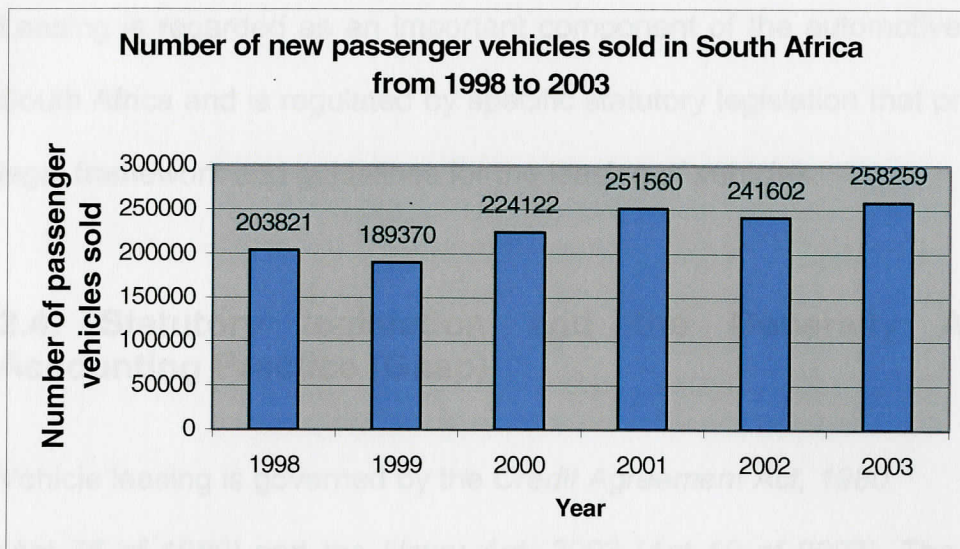
Only a few companies offered vehicle leasing in South Africa when it commenced and it was therefore easy to keep record of the statistics. According to Wall (1978:13) the value of leases were R47.2 million in 1968 and ten years later this amount increased to R838.4 million. According to Anthony Calcutt (2006) of Kondile and Associates Management Consultants, Port Elizabeth, there is no available complete record of the overall South African leasing market. Kondile and Associates Management Consultants have been appointed by the Southern African Vehicle Rental and Leasing Association (Savralla) to establish a centralised statistical database for vehicle leasing in South Africa. Savralla is the trade association for the vehicle rental, leasing and fleet management industries and represents approximately 90% of the companies operating in these sectors within South Africa. The predecessor association, the South African Vehicle Rental Association (Savra) was founded in the mid-seventies and was expanded to include leasing and fleet management companies in the mid-eighties.

According to Calcutt (2006) there are currently 55 leasing companies registered with Savrala. Refer to appendix 1 for the Savrala members directory. The major players in the vehicle leasing industry today are Standard Bank, ABSA Vehicle Management Solutions, Avis, Contract Lease Management, Debis, Fleet Africa, Fleet Support Services (Imperial; McCarthy), NedFleet and Viamax. Calcutt (2006) further states that in 2003 these companies managed approximately 250 000 vehicles and in 2005 this total increased to 300 000 vehicles.

As indicated there is no available complete record of the overall South African leasing market. The South African automotive yearbook & industry databases release annually the sales figures of passenger vehicles. The sales figures include both the leased and purchased vehicles but does not indicate the percentages for each. The sales figures are used to determine if the automotive industry in South Africa is growing or declining. The importance of this trend is significant as the outcome of this study will not be significant if the industry is declining. Conversely, should the trend be positive then the outcome of this study would be significant in re-defining the leasing market.

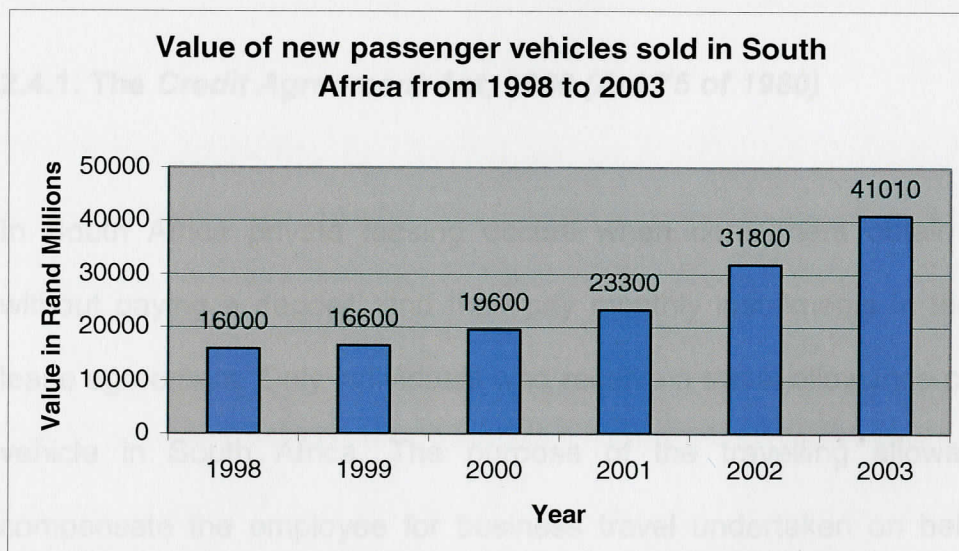
Since 1998 to 2003 the number of new vehicles sold increased with more than 25% and the value increased with more than 150% as illustrated in figure 2.1 and figure 2.2.

Figure 2.1: Number of new passenger vehicles sold in South Africa from 1998 to 2003



Source: South African automotive yearbook & industry databases, 2005

Figure 2.2: Value of new passenger vehicles sold in South Africa from 1998 to 2003



Source: South African automotive yearbook & industry databases, 2005

The number of new vehicles sold is represented in figure 2.1 and the value of the new vehicles sold is represented in figure 2.2.

The foregoing information shows that the leasing market is increasing. Leasing is regarded as an important component of the automotive market in South Africa and is regulated by specific statutory legislation that provides the legal framework and guidelines for the leasing of vehicles.

2.4. Statutory legislation and the Generally Accepted Accounting Practice (Gaap)

Vehicle leasing is governed by the *Credit Agreement Act, 1980* (Act 75 of 1980) and the *Usury Act, 2003* (Act 10 of 2003). The Generally Accepted Accounting Practice (Gaap) lists and details the principles and conceptual issues of South African accounting. Gaap Principle AC105 and Gaap Principle AC107 apply specifically to lease agreements.

2.4.1. The *Credit Agreement Act, 1980* (Act 75 of 1980)

In South Africa private leasing occurs when consumers obtain a vehicle without paying a deposit, and then pay monthly instalments in terms of the lease agreement. Only individuals who receive a travel allowance can lease a vehicle in South Africa. The purpose of the travelling allowance is to compensate the employee for business travel undertaken on behalf of the employer (Deloitte & Touche, 2005:95). Annexure "A" of General Notice 956 as issued by the Department of Finance (South Africa, 1992:2) stipulates that a deposit of 10% is required when a vehicle is purchased. Regulation 2 of the *Credit Agreement Act, 1995* (Act 79 of 1995) stipulates that an individual who

receives a travel allowance is exempt from paying a 10% deposit if it is a lease transaction.

As previously stipulated, the right to lease a vehicle in South Africa is subject to the consumer receiving a travel allowance. The industry leaders argue that this requirement affect the automotive market negatively as it limits the number of consumers for leasing. The consequences are that the consumers must first have a deposit of 10% before they can buy a vehicle and also do not qualify for the lower monthly premium that is associated with leasing.

2.4.2. The *Credit Agreement Act, 1980 (Act 75 of 1980)* versus the *Usury Act, 2003 (Act 10 of 2003)*

McCormally and Goldwasser (1991:53) accurately conclude that the leasing market differs from the purchasing of vehicles due to the differences in terminology associated with leasing. Due to the differences there is confusion regarding vehicle leasing as manifested by the contradiction between the *Credit Act (75 of 1980)* and the *Usury Act (10 of 2003)*.

The *Credit Agreement Act, 1980 (Act 75 of 1980)* defines a lease as a process by which goods are leased by a lessor to a lessee for payment over a specific time period. The *Credit Act (75 of 1980)* specifically indicates that the lessee does not have the right to become the owner of the goods.

The above provision, however, contradicts the provisions contained in the *Usury Act, 2003 (Act 10 of 2003)*. The aim of the *Usury Act (10 of 2003)* is to prevent high interest rates, it limits the maximum interest that can be charged and it governs all leases. The *Usury Act (10 of 2003)* stipulates that the lessee will have the right to acquire ownership of the asset when all lease payments have been paid-up.

Due to this contradiction the agreement can be constructed in order to allow or prevent the transferral of ownership. Although there is a difference in the statutory legislation regarding the ownership component of a lease Gaap principles AC105 and AC107 clearly detail how a lease should be recorded in the financial statements.

2.4.3. Gaap Principle AC105

The purpose of Gaap Principle AC105 is to ensure that leases are reflected on the company's financial statements in order to fairly represent the financial position of the company. Gaap Principle AC105 distinguishes between two different types of leases, namely the finance lease and the operating lease.

Von Well and Wingard (2004:192) state that according to Gaap Principle AC105, a finance lease transfers substantially all the risks and rewards that are part of owning an asset to the lessee. The finance lease is regarded as an on balance sheet agreement and the asset is reflected below the asset column on the balance sheet.

According to Von Well and Wingard (2004:192) Gaap Principle AC105 describes an operating lease as a lease other than a financial lease. The risks and rewards of ownership are not transferred to the lessee. The goods are not capitalised on the balance sheet and is regarded as an off balance sheet funding. According to Faul, Pistorius, Van Vuuren, Vorster and Swanevelder (1997:481) off balance sheet financing is when companies attempt not to show liabilities on their balance sheets. The aim is to present a more favourable situation to the readers of the financial statements than is actually the case. Faul *et al.* (1997:481) further state that off balance sheet financing is not a desirable practice, since it could lead to the financial statements being redeemed unreliable. The accounting profession requires that the off balance sheet items should be disclosed as a contingent liability in a note to the balance sheet. A contingent liability in an accounting context refers to a potential obligation. The monthly payments are shown as an expense on the income statement.

2.4.4. Gaap Principle AC107

As indicated Gaap Principle AC105 prescribes that there has to be a disclosure on the financial statements as to whether a lease is a financial lease or an operating lease. Gaap Principle AC107 details how an operating lease should be administered. The payments due for the current financial year and the amount still outstanding on the contract are disclosed as a contingent liability in a note to the balance sheet. Once the balance sheet is scrutinised the note will enable the reader to make an informed decision.

The financial motivations why consumers choose to lease will now be discussed so as to provide the context for non-financial motivations, which are explained in chapter 3, paragraph 3.3.

2.5. Financial motivations for leasing

Trocchia (1997:1-178) states that there is financial and non-financial motivations that influence the lease versus buy decision. According to Trocchia (1997:1) the academic literature, with the exception of Berry and Maricle (1973:44-46) and a study undertaken by Durgee and O'Connor (1995:89-104) have focussed mainly on the financial motivations for leasing. The academic literature is limited on non-financial motivations for leasing.

Trocchia (1997:1-178) cited the following reasons for focussing on non-financial motivations for leasing. Firstly, the motivations assist manufacturers to better target their programmes to particular target segments. Secondly, retailers use the motivational variables to develop improved advertising campaigns. Thirdly, knowledge of the motivational variables equip sales people to tailor their presentations of the different financing options to the consumers.

The main financial motivation for leasing is the lower monthly payments. The payments are less since the lessee is only paying for the expected loss in the vehicles value. The following examples, which exclude additional costs and interest charges, will explain the above statement. If consumer A should lease

a vehicle with an initial cost of R100 000 and the expected loss in value over the leasing period is R30 000, the consumer will pay R30 000 for the lease. Further, if consumer B should also lease a vehicle with an initial cost of R100 000 but the expected loss in value is R45 000, the consumer would pay R45 000 for the lease.

Burgess (1999:28) states that since the lessee pays for the expected loss in the vehicles value it is wiser to select a vehicle that retains its value. Burgess (1999) argument is applicable in the USA and in South Africa. Potential lessees can access the trade and retail value of all the vehicle models available in South Africa in the Auto Dealers Guide that is issued by Mead & McGrouther. Mead & McGrouther are members of the Audit Bureau of Circulation of South Africa and have been producing the Auto Dealers Guide for more than forty years. The Auto Dealers Guide is issued on a monthly basis and distributed to registered car dealers and financial institutions. This guide enables the consumer to assess the retention value of the vehicle selected.

Leasing a vehicle requires no deposit, the maximum repayment period is sixty months and the lease payments are tax deductible, and are all financial motivations for leasing.

Trocchia's (1997:1-178) methodology identified four non-financial motivations for leasing as discussed in chapter 3. The theory that underpin these variables is also presented.

2.6. Conclusion

The automotive market is growing internationally and in South Africa. Although vehicle leasing has grown substantially buying a vehicle through the conclusion of an instalment sale agreement is still more popular.

Financial and non-financial motivations exist that influence the lease versus buy decision. When leasing commenced in South Africa the companies adopted leasing for financial reasons. The companies could not qualify for any other form of finance. Therefore, it was easier to obtain a lease due to the lower deposit that was required and the monthly instalments were less due to the longer repayment period.

The popularity of leasing will increase even further in South Africa when consumers that do not receive a car allowance are allowed to lease vehicles. The reason for this statement is two-fold. Firstly, the consumer would not be required to pay a deposit of 10%. Secondly, the repayment period would increase from fifty-four months to sixty months. These factors would also increase the affordability of the vehicles in South Africa.

The leasing market is well regulated and this reduces the possibility of consumers being exploited by leasing companies. Gaap Principles AC105 and AC107 is specifically useful to the leasing companies and financial institutions since it enables them to make informed decisions before granting credit facilities to the consumer.

The research approach and methodology adopted by Trocchia (1997:1-178) is examined in the next chapter.

Overview and explanation of Trocchia's research study

3.1. Introduction

The chapter explains the approach and methodology that Trocchia (1997:1-178) adopted to identify the four non-financial motivational variables, as well as the data collection approach. The theory that underpins the four non-financial motivations for leasing is also discussed.

3.2. Research approach and methodology adopted by Trocchia

Trocchia (1997:1-178) utilised the following research methods to conduct his study: Interviews, pre-text questionnaires and data collection techniques.

3.2.1. Interviews

Trocchia (1997:36) utilised qualitative methods to understand the respondents' motivations for leasing. Trocchia (1997:1-178) conducted 46 exploratory interviews with individuals that were leasing their vehicles. Trocchia himself conducted 22 of these interviews and the remaining 24 interviews were conducted by postgraduate students from the University of Alabama. The students received course credits for conducting the interviews. The interview duration ranged between 25 minutes and 60 minutes. According to Trocchia

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(1997:35) the interviewers guaranteed confidentiality to all the participants in order to promote an open and honest response from the participants. Trocchia (1997:1-178) employed an inductive evaluative approach.

Trocchia (1997:35) also conducted member checks on the respondents that were interviewed. Lincoln and Yvonna (1985:373) recommend that a members check should be carried out in order to test the credibility of the respondents responses. The purpose of a member check is not only to provide evidence of the information's credibility, it is also to validate that the facts were correctly interpreted. The respondents received copies of their typewritten interview transcripts and were asked to provide feedback on whether their responses were correctly recorded and to add any further comments they felt would enhance the clarity of their previous thoughts. Several respondents were also asked to respond to a series of follow-up questions.

Furthermore, Trocchia (1997:37) followed a coding scheme procedure suggested by Strauss (1990) and Ely, Anzul, Friedman, Garner and Steinmetz (1992). Trocchia (1997:11) utilised a strategy that Patton (1990) recommended to identify the non-financial motivations. The significant ideas and findings were categorised by content. The categories were developed into themes if they appeared frequently or if they appeared infrequently but still carried important analytical impact.

Finally, Trocchia (1997) presented the emergent themes, based on the research participants quotes, to certain respondents. The research respondents were asked whether the quotes attributed to them were taken in their proper context, and whether the themes represented their thoughts.

In addition to the 46 interviews that were conducted with vehicle lessees, another 10 interviews were conducted with individuals that chose to purchase rather than to lease a vehicle. These individuals were interviewed in order to compare the differences between lessees and financiers.

3.2.2. Pre-test questionnaires

Trocchia (1997:52) conducted a literature search to obtain examples of scales that he could use in the questionnaire. The scales were altered to increase their relevance to his study by measuring emergent themes and to minimise the length of the questionnaire. Trocchia employed the following method to alter the scales.

The emergent themes that emerged from the interviews and information that was obtained through a literature search was used to generate an initial pool of information. Trocchia used a group of experts to examine the items for content validity and the degree to which the items measured the intended construct. During this process several items were altered or deleted. Once certain patterns emerged from the data, the appropriate theory was provided

to explain the patterns. The experts included three faculty members and five doctoral students at the University of Alabama.

Trocchia (1997) distributed the pre-test questionnaires to 39 vehicle lessees that were selected from a list of vehicle registrations that were obtained from the Alabama County Courthouse. The individuals were contacted and the survey questionnaire was mailed to those who agreed to participate in the study. Trocchia included a postage paid envelope and a cover letter with the questionnaire. The cover letter described the importance of the research and the importance of the respondents answers. The cover letter was personally signed to reinforce the importance of the survey and the sincerity of the researcher. The respondents were requested to record the time that it took to complete the questionnaire and to comment on the comprehension and interpretability of the questionnaire so as to refine the variables in the study.

3.2.3. Data collection technique

Trocchia used 120 college students to recruit an additional sample of 240 lessees. Each student was requested to recruit two respondents for the research study in question.

3.3. Non-financial motivations for leasing

Trocchia (1997:1-178) identified the four non-financial motivations for vehicle leasing through the processes explained in paragraphs 3.2.1 and 3.2.2. The

above four motivations are: desire for variety; desire for simplified maintenance; desire for gratification; and desire for social approval. The theory that underpins the four non-financial motivations is explained under separate headings.

3.3.1. Desire for variety

Consumers believed that leasing allowed them the opportunity to drive a variety of vehicles with a less financial burden if they wished to terminate the lease and change to another vehicle. In a study conducted by Krits (1991:56) it was found that consumers that lease intend to change their vehicle every two to three years. The consumers desire to drive a variety of vehicles motivate them to lease, due to the flexibility of the leasing agreement that permits early termination. Christie (1997) confirmed this behaviour by stating that it was better to lease a car if you get bored with it.

Kahn and Menon (1995:285) conducted research to explain the phenomenon of variety seeking. The consumer who concludes the lease or instalment sale agreement is making a decision to drive the vehicle. The decision made provides stimulation to the consumer. Every time when the consumer drives the vehicle they will experience a certain level of stimulation. Raju (1980:272) investigated this occurrence and found that every individual prefers a different level of stimulation. Raju (1980:272) further states that individuals will make decisions based on their optimum stimulation level. The consumer continuously monitors the stimulation level that is experienced, if below

optimum, the individual will increase stimulation and when it is above optimum, the individual will reduce the stimulation.

According to Trocchia (1997:25) individuals believed that for the same According to Trocchia (1997:1-178) consumers with a high optimum stimulation level will be more likely to change their vehicles regularly in order to explore new stimulations. Consumers with low optimum stimulation levels are likely to feel more comfortable with the same vehicle and they will prevent changing their vehicles. Kahn and Menon (1995:285) confirmed that making routine decisions also reduces stimulation.

Patrick (1924-40) states that the gratification that individuals derive is not

3.3.2. Desire for simplified maintenance

Trocchia (1997:56) states that individuals expressed the belief that leasing made their lives simpler, since they could drive a new car with less possibility of the car giving problems. The individuals believed that with the new car, they avoided the inconvenience associated with a previously owned car.

Berry and Maricle (1973:45) identified three burdens that are associated with ownership, one of them support this finding submitted by Trocchia. The burden that Berry and Maricle (1973:45) identified was that the owner is responsible to maintain the product. Certain individuals will therefore avoid owning the vehicle as they did not want to assume this responsibility. Leasing removes this burden as the lessee can instruct the leasing company to maintain the vehicle. In South Africa the terms of the lease agreement will determine who is responsible to pay for maintenance.

3.3.3. Desire for gratification

According to Trocchia (1997:93) individuals believed that for the same payment or a lower payment they could lease an improved vehicle. The vehicles would be regarded as more comfortable, as it will have all the luxury features such as, airconditioning, power steering and electric windows. The improved vehicle would thus be able to provide more gratification to the lessee.

Patrick (1924:409) states that the gratification that individuals desire is self directed and orientated on the present moment. Gratification refers to individuals hedonic or pleasure seeking needs. Hedonism is taken from the Greek word meaning pleasure. In its simplest form hedonism is based on the doctrine that pleasure is the highest good. If the individual decides to lease due to hedonism, the individual would do so in order to attain a vehicle that would better please his senses.

The consumer is therefore motivated to lease due to gratification and are not concerned about owning the vehicle at the end of the agreement.

3.3.4. Desire for social approval

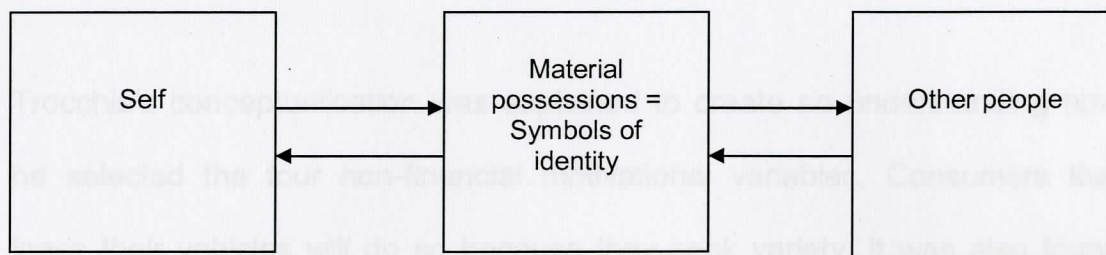
In Trocchia's (1997) study numerous lessees expressed sentiments that their leased vehicles could help project a more favourable image of themselves to

others and were therefore seen as status symbols. Burton and Fan (2001:1) refer to this phenomenon as status consumption.

Status is a form of power and it includes the respect, consideration and envy of others. The person with status sets the standards and norms by which other people will act. Csikszentmihalyi and Rochberg-Halton (1981:29) indicate that objects that indicate status are diverse and appear in almost all cultures. According to Csikszentmihalyi and Rochberg-Halton (1981:29) status will cause people to act to it accordingly and its owner who possess it. Dittmar (1992:11) states that there must be socially shared beliefs about the object, if the individual wishes to express his or her identity through material possessions. An expensive car may convey the message that its owner should be respected and socially approved only if the other members of the relevant social group share the owners belief that the vehicle is indeed expensive.

According to Dittmar (1992:7) consumers use products to define them. The possessions do not only symbolise the personal qualities of the individual, it also symbolises the social standing of the individual. The products are used to communicate a message to other people. This argument can be expressed schematically and is shown in figure 3.1.

Figure 3.1: Material possessions as symbols of identity



Source: Dittmar (1992:11)

Dittmar (1992:12) states that before the industrial revolution, a person's identity was mainly derived from their family ties or clan that they belonged to. Today, the individual's identity is no longer group based. McAlister and Pessemier (1982:311) further state that the consumer has a desire for group affiliation and they also have a desire to be socially accepted. Although the individual wants to develop his/her own identity they have a need to be accepted by a group. The acquisition of material possessions and wealth is therefore an important element of a person's achieved identity.

Belk (1985:265) defines materialism as the importance that a consumer attaches to worldly possessions. The consumer with a high level of materialism allows these possessions to assume a central place. Belk (1985:265) believes that these items provide these consumers with the greatest source of satisfaction. According to Belk (1985:265) materialism is not limited to the United States of America. Belk (1985:265) compared the material themes of Japanese and USA advertisements in advertising magazines and found that the Japanese advertisements were equally materialistic as USA advertisements.

3.4. Conclusion

Trocchia's conceptualisation was explained to create an understanding how he selected the four non-financial motivational variables. Consumers that lease their vehicles will do so because they seek variety. It was also found that they have a high optimum stimulation level and get tired of driving the same vehicle. In order to accommodate this desire for variety consumers will lease since the lease agreement permits early termination.

The desire for simplified maintenance was justified as being a motivation for leasing. The vehicle is leased under the manufacturers warranty and the lessee can thus instruct the leasing company to maintain the vehicle.

Leasing allows the lessee to obtain a vehicle with more luxurious features that would better please his senses. Although the vehicle would not be owned, depending on the terms of the lease, the lessee does not focus on ownership but rather on his pleasure seeking needs.

A theoretical explanation was provided to support the view that consumers use leasing as a means to obtain a more expensive vehicle in order to impress other people. The more expensive vehicle would generate a more favourable image with others. However, the people that the lessee wants to impress need to believe that the vehicle is indeed a symbol of success.

The research approach and methodology of the updated replicate study is presented in the next chapter.

Research approach and methodology

4.1. Introduction

The chapter includes the research approach and methodology and the distinction between this research study and Trochim's (1997:1-178) study. The chapter further explains how Trochim's questionnaire was adapted for this replicative study and the applicability of the selected questions contained in the questionnaire.

4.2. Research approach

The research survey approach as adopted by Trochim (1997:1-178) was followed and is detailed hereunder.

The National Department of Transport, Pretoria was approached to obtain contact details of lessees in South Africa so as to develop an database for the research study. The National Department of Transport is responsible for the maintenance of the National Traffic Information System that is the central register for all motor vehicles. The National Department of Transport, Pretoria, do not capture the financing option used to acquire a vehicle.

Chapter 4

Research approach and methodology

4.1. Introduction

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As a result of this constraint it was deemed necessary to approach car sales people who work in car dealerships that were advertised in Issue 320 of the Cape Town Auto Freeway dated 31 August 2006. The Cape Town Auto Freeway is an Auto Trader publication that is distributed on a weekly basis to retailers in the Western Cape. In this specific issue fifty car dealerships advertised who were geographically represented in the Northern and Southern suburbs of Cape Town. The fifty managers of the car dealerships were contacted telephonically to explain the purpose of the study and were requested to complete the questionnaires. Seventeen managers granted permission for their sales personnel to participate in this study. The dealers were situated in the following areas: Brackenfell, Bellville, Parow, Goodwood, Paarden Island and Cape Town central.

4.4 Questionnaire

The sales persons were selected as the target population as they advised consumers on a daily basis regarding financing options. The sales persons were informed as to the reasons why the consumers selected specific options. Mouton (1996:132) states that consumers decide what vehicle to lease or buy based on their own and other peoples experiences. Therefore, when sales persons decide on whether to lease or buy they will be more informed on this topic due to their market exposure.

No member checks were conducted as this is dependent on the discretion of the researcher. Trocchia (1997:35) did member checks with 46 respondents that participated in the interviews to ensure that the facts were correctly

interpreted. Trocchia (1997) did not do member checks on the respondents that completed the 240 questionnaires.

4.3. Research population and sample

The research population is representative in the Western Cape and can be compared to the findings of Trocchia's (1997) study, whose research population represented the state of Alabama in the USA. Keller and Warrack (2004:6) confirmed that it is acceptable to draw conclusions regarding the population if the conclusions are based on information provided by the sample of the population.

4.4. Questionnaire

Trocchia's (1997:1-178) questionnaire was adapted for the following reasons explained hereunder. Bless and Achola (2000:114) state that the vocabulary used in a questionnaire should be adapted for the respondents so as to ensure the correct pitch. All the jargon that was used in the USA study was removed, so as to prevent the respondents from misunderstanding the questions. Trocchia included questions regarding the respondents occupation, this could not be asked in this study since all the respondents were car sales persons.

In addition to the non-financial motivations for leasing Trocchia (1997) attempted to ascertain whether the lessees differ from financiers in terms of

their relationship with the car dealer and their showroom experience. Trocchia also attempted to determine if lessees and financiers displayed different feelings towards their vehicles. This study did not investigate these three variables, as the focus was only on the non-financial motivations.

Statistics

Trocchia (1997:1-178) utilised the seven point Likert scale in his questionnaires. Riley, Wood, Clark, Wilkie and Szivas (2004:121) state that the objective of the Likert scale is to determine the positive or negative tendency towards the question and the mid-point is the dividing line between the positive and the negative. The seven point Likert scale was subsequently used in this study and the values were assigned in the following manner.

- | | |
|-------------------|---|
| Strongly disagree | 1 |
| Disagree | 2 |
| Slightly disagree | 3 |
| Neither | 4 |
| Slightly agree | 5 |
| Agree | 6 |
| Strongly agree | 7 |

Neuman (2003:197) recommend that several Likert scale questions should be combined into a composite index if the questions measure the same construct. The researcher will then be able to calculate the arithmetic mean for each construct. Wegner (2000:194) explains that the arithmetic mean is the value that lies at the centre of a set of data. The arithmetic mean is also

called the average and it is calculated by summing all the individual values and dividing the total by the number of data values in the sample. Wegner (2000:201) states that the arithmetic mean is a reliable and a widely used central location measure for both descriptive statistics and inferential statistics.

According to Oppenheim (1992:197) it is important to be consistent and meticulous when a response is scored. The following steps were followed to ensure consistency. The questionnaires were coded in order to calculate the arithmetic mean. Each question was then scored from 1 to 7, the question scores were added to obtain the total score, and the total score was divided in the amount of questions that related to the motivational variable to obtain the arithmetic mean. A table containing the arithmetic mean for each motivational variable was developed to make comparison possible, see appendix 5 and appendix 6. Each category contains the overall opinion of each respondent for each motivational variable.

The questionnaire consisted of two parts. The format and structure was designed and developed as follows:

Part 1

- Question 1 assessed the respondents knowledge relating to leasing.
- Question 2 assessed whether the respondent would lease their next vehicle.
- Questions 3 to 6 refer to the desire for simplified maintenance.

- Questions 7 to 14 refer to the desire for gratification.
- Questions 15 to 18 refer to the desire for variety.
- Questions 19 to 25 refer to the desire for social approval.

Part 2

- Questions 1 to 6 placed the respondent in a particular category according to gender, marital status, age and educational level.

4.5. Statistical tools used to analyse the data

This was a replicative study and the data had to be analysed in such a manner that the results of this study could be compared to Trocchia's (1997:1-178) results in order to answer the research question. The research question was to assess whether the four non-financial motivations for vehicle leasing namely, desire for variety, desire for simplified maintenance, desire for gratification and desire for social approval are applicable in the South African motor vehicle finance market? The following statistical tools were used to achieve this objective.

In addition to the non-financial motivations for leasing Trocchia (1997:1-178) found that there was a relationship between marital status and leasing. Trocchia (1997:1-178) also found a relationship between age and leasing. In order to establish if these relationships existed in this population the chi-square test was done. Wegner (2000:550) states that the chi-square test examines if responses within and between categorical random variables are

related or not. The chi-square test always claims that there is no relationship and the counter claim needs to be tested.

Statistical inference were used in order to answer the research question on whether the four non-financial motivations that Trocchia (1997:1-178) identified for vehicle leasing are applicable in South Africa. Keller and Warrack (2004:6) define statistical inference as the process of making an estimate, prediction or decision about a population based on sample data. When the statistical inference is calculated the researcher selects a confidence level. Keller and Warrack (2004:6) state that the confidence level is the frequency for the estimate, prediction or decision to be regarded as correct. The confidence level selected was 95%. This means that the estimates, predictions or decisions regarding the population, based on this statistical inference, will be regarded as 95% correct.

4.6. Conclusion

By not capturing the financing information the Department of Transport also negatively influenced the study.

The questionnaire was successfully adapted to focus on the four motivational variables as identified by Trocchia (1997:1-178). The elements that were removed from the questionnaire did not compromise the extent to which the four motivational variables were measured.

The statistical tools were specifically selected to analyse the data in such a manner that permitted comparison to Trocchia's (1997:1-178) results. The findings and analysis are presented in the next chapter.

5.1. Introduction

The questionnaires were distributed to 119 participants, 67 respondents completed the questionnaire and comprised of 15 financiers and 52 lessors.

5.2. Characteristics of the respondents

Table 5.1 is a summary of the characteristics of the respondents.

Table 5.1: Characteristics of the respondents: Study

Characteristics	Financers		Lessors	
	Frequencies	Percentage	Frequencies	Percentage
Gender				
Male	10	67	36	73
Female	5	33	16	27
Marital status				
Never married	7	47	27	52
Married	8	40	20	38
Divorced	2	10	5	10
Separated	0	0	0	0
Widowed	0	0	0	0

Chapter 5

Findings and analysis

5.1. Introduction

The questionnaires were distributed to 119 participants, 67 respondents completed the questionnaire and comprised of 15 financiers and 52 lessees.

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Female	5	33	14	27
Marital status				
Never married	7	47	27	52
Married	6	40	20	38
Divorced	2	13	5	10
Separated	0	0	0	0
Widowed	0	0	0	0

Table 5.1: Continue

Characteristics	Financers		Lessees	
	Frequencies	Percentage	Frequencies	Percentage
Age				
Under 25	2	13	4	8
25 - 34	10	67	28	54
35 - 44	2	13	9	17
45 - 54	0	0	8	15
55 - 64	0	0	3	6
65+	1	7	0	0
Education				
Less than high school	0	0	1	2
Completed high school	9	60	24	46
Completed tertiary education	5	33	25	48
Other	1	7	2	4

In both samples the males were the majority to select a specific financing option. If the males were only the majority to select a specific financing option in one sample then the conclusion would be that there is a relationship between the males and that specific financing option. It can therefore be concluded that there is no relationship between gender and the financing option that the respondents selected. Gender does not play a role on the consumers decision to finance or lease.

The majority of the financers highest level of education was completed high school and the majority of the lessees highest level of education was completed tertiary education. The consumers that chose to lease had a higher

educational level. This finding was supported by what Burton and Fan (2001:4) found in his study. Burton and Fan (2001:4) found that education is positively correlated with the probability of leasing. The higher the consumers educational level the higher is the probability that the consumer would lease.

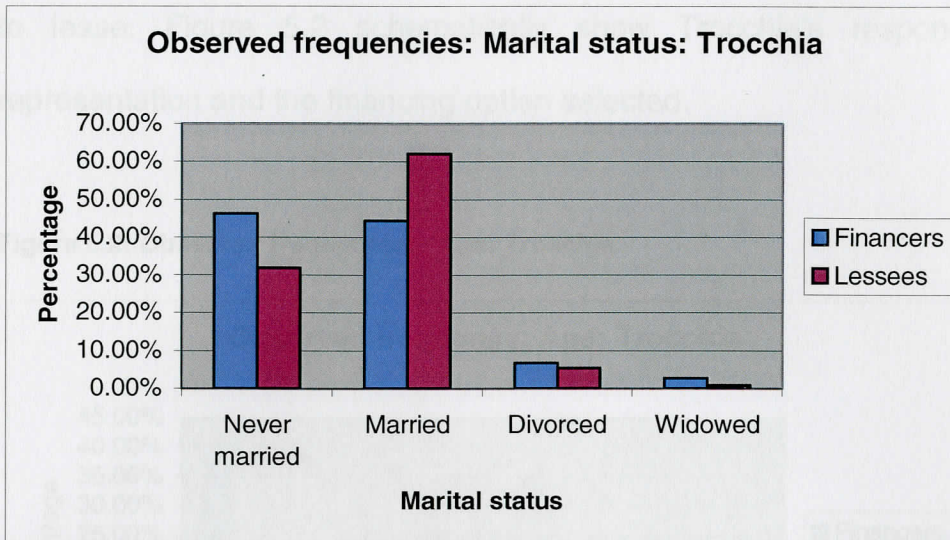
As explained in the methodology, Trocchia (1997) found that leasing had a positive relationship respectively with marital status and with the age of the consumer. In order to establish if these relationships existed in this population the chi-square tests were done. If these relationships exist then the variables would be dependent on each other. If they are independent it means that the outcome of one random variable is in no way influenced by the outcome of the second random variable.

Trocchia found that married people are more likely to lease rather than finance. Figure 5.1 schematically show Trocchia's respondents marital status and the financing option selected.

	Financers	Leasees	Total
Married	26,38504	29,1791	55
Divorced	1,567164	5,482836	7
	15	52	67
P-value: Chi-square for marital status	0.893814		

According to the chi-square test results represented in table 5.2 there is no relationship between marital status and the financing option that the respondents selected, with a 95% confidence level. It is therefore concluded that the financing option that car sales people select is not dependent on their marital status.

Figure 5.1: Observed frequencies: Marital status: Trocchia



The chi-square test was done on the observed frequencies of this study's respondents to test if there is a relationship between leasing and the marital status of the respondent. The results are represented in table 5.2.

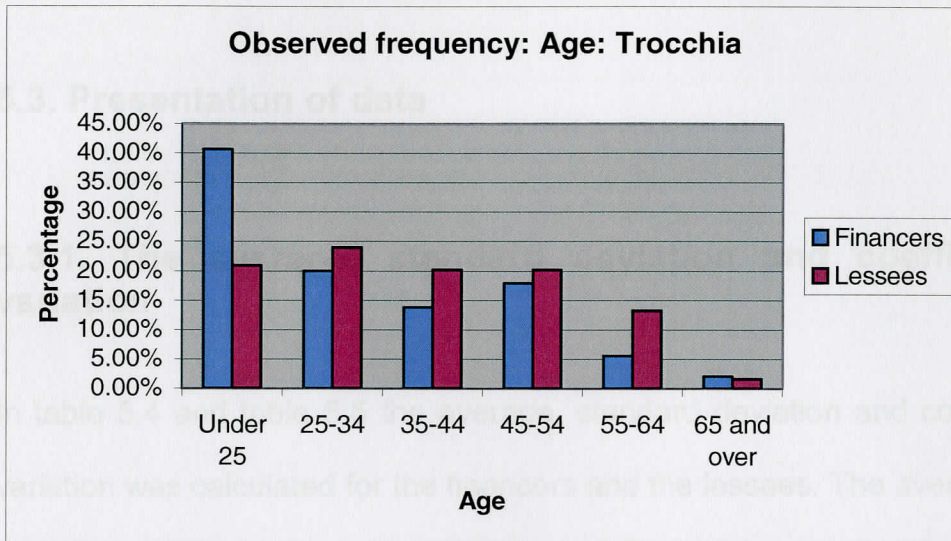
Table 5.2: Expected frequencies: Marital status: Study

	Financers	Lessees	Total
Single	7.61194	26.38806	34
Married	5.820896	20.1791	26
Divorced	1.567164	5.432836	7
	15	52	67
P-value: Chi-square for marital status	0.893814		

According to the chi-square test results represented in table 5.2, there is no relationship between marital status and the financing option that the respondents selected, with a 95% confidence level. It is therefore concluded that the financing option that car sales people select is not dependent on their marital status.

Trocchia found that the younger the consumer is the more likely he or she is to lease. Figure 5.2 schematically show Trocchia's respondents age representation and the financing option selected.

Figure 5.2: Observed frequencies: Age: Trocchia



The chi-square test was done on the observed frequencies of this study's respondents to test if there is a relationship between leasing and the age of the respondent. The results of the chi-square test are represented in table 5.3.

Table 5.3: Expected frequencies: Age: Study

	Financers	Lessees	Total
Under 25	1.343284	4.656716	6
25-34	8.507463	29.49254	38
35-44	2.462687	8.537313	11
45-54	1.791045	6.208955	8
55-64	0.671642	2.328358	3
65 or older	0.223881	0.776119	1
	15	52	67
P-value: Chi-square for age	0.18585		

According to the chi-square test results represented in table 5.3, there is no relationship between the age of the respondent and the financing option that the respondents selected, with a 95% confidence level. It is therefore concluded that the financing option that car sales people select is not dependent on their age.

5.3. Presentation of data

5.3.1. The average, standard deviation and coefficient of variation

In table 5.4 and table 5.5 the average, standard deviation and coefficient of variation was calculated for the financiers and the lessees. The average that is reflected in table 5.4 and table 5.5 is the arithmetic mean for all the respondents for each motivational variable. The standard deviations indicate to what extent the financiers and lessees disagree towards the specific motivational variable. The coefficients of variation indicate how consistent the answers of the financiers and lessees are.

Table 5.4: Coefficient of variation: Financers

	Desire for simplified maintenance	Desire for gratification	Desire for variety	Desire for social approval
Average	5.5833	5.7917	4.6000	4.4095
Standard deviation	1.2944	1.1365	1.5113	1.1840
Coefficient of variation	23%	20%	33%	27%
Amount of respondents	15	15	15	15

Table 5.5: Coefficient of variation: Lessees

	Desire for simplified maintenance	Desire for gratification	Desire for variety	Desire for social approval
Average	4.9760	6.2188	5.9087	4.4121
Standard deviation	1.2220	0.7812	1.2882	1.2440
Coefficient of variation	25%	13%	22%	28%
Amount of respondents	52	52	52	52

In the financiers sample desire for gratification and desire for simplified maintenance had the highest averages. This means that the financiers are motivated more by these two motivational variables.

In the lessees sample desire for gratification and desire for variety had the highest averages. This means that the lessees are motivated more by these two motivational variables.

It was found that the motivational variables with the highest averages also had the lowest coefficient of variation. This means that there was more consensus amongst the respondents regarding these motivational variables.

The highest consensus in both samples was for the desire for gratification. There is no difference between the financiers and lessees in terms of consensus for desire for gratification.

5.3.2. Statistical inference Chapter 6

Conclusion and recommendations

The two samples were compared using the statistical inference in order to answer the research question. If the interval in the results span over zero, it means that there is no significant difference between the financiers and the lessees. The results are summarised in table 5.6.

Table 5.6: Statistical inference: Financiers & lessees: Study

	Desire for simplified maintenance	Desire for gratification	Desire for variety	Desire for social approval
Lower	-1.34184	-0.18601	0.467512	-0.68546
Upper	0.127101	1.040178	2.149796	0.690586

Based on table 5.6 it is concluded that there is no significant difference between the responses of the financiers and the lessees for desire for simplified maintenance, the desire for gratification and the desire for social approval.

The only motivational variable where the financiers and lessees answers were significantly different was for the desire for variety. There is a 95% confidence that leasing respondents are seeking variety. Out of the four motivational variables that Trocchia (1997) identified desire for variety was the only one that is applicable in South Africa.

The research project will be consolidated in the next chapter.

Chapter 6

Conclusion and recommendations

6.1. Introduction

The objective of this research project was to assess whether the four motivational variables for leasing that Trocchia (1997) identified namely, desire for variety, desire for simplified maintenance, desire for gratification and desire for social approval are applicable in the South African motor vehicle finance market.

This chapter presents the limitations, conclusion and recommendations based on the findings of the research project.

6.2. Limitations of the research

It would have been too expensive and time consuming to investigate each member of the population and therefore a sample was selected. As a result of this constraint encountered with the National Department of transport it was deemed necessary to approach car sales people who work in car dealerships. The majority of the respondents were vehicle lessees, and this might have influenced the results.

6.3. Conclusion

The study revealed that the automotive industry and more specifically the leasing market is growing. The statistical database that is currently being developed will enable the industry leaders to quantify this growth. It is anticipated that the leasing market will grow even more when the legislation is adapted to permit private leasing. It was proven that the South African leasing market is well regulated from a legislative point of view. The legislation in South Africa makes provision for the lessee and the lessor.

Trocchia's study was explained in great detail and theory was provided to support the four non-financial motivations for leasing that he identified. The processes that were followed to adapt Trocchia's questionnaire were validated. The questionnaires were distributed to financiers and lessees. The data was analysed and the following conclusions were drawn.

The individuals that choose to lease have higher educational backgrounds, this finding is supported by Burton and Fan (2001:4). It was discovered that marital status, gender and age does not influence the decision to lease in South Africa.

Interestingly, the results indicated that individuals would not lease vehicles in South Africa for all four reasons that Trocchia identified. The only motivational variable that supported Trocchia's findings was the desire for variety. The other three motivational variables namely, desire simplified maintenance,

desire for gratification and desire for social approval are not applicable in South Africa.

6.4. Recommendations

The following recommendations are formulated for consideration.

6.4.1. Dealers and financial institutions

Burgess (1999:25) recommends that the consumer should be taken through a consultation session on the differences between leasing and financing. The findings of the research will equip the sales people and financial advisors to explain the financial and non-financial motivations for leasing. It is recommended that they use the questionnaire of this study to assist the consumer in making a decision between leasing and financing.

The industry leaders should re-invest a certain percentage of their profit into research.

6.4.2. Future research

This study only focussed on the applicability of the four non-financial motivations that Trocchia identified. It is recommended that qualitative research should be conducted to determine what motivational variables influence the South African consumers when deciding whether to lease or

buy. Savrala should inform all the members of their association of the research and encourage them to participate.

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Appendix 5. The finance samples means of opinions
for each motivational variable

Appendix 1: Savrala members directory **Appendices**

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8 BMW SA

9 Budget Rent a Car

10 Bynx Africa

11 Combined Motor Finance

12 Contract Lease Management

13 Control Instruments

14 DaimlerChrysler SA

15 Debia Fleet Management

16 Delta Motor Corporation (General Motors South Africa)

17 Europcar Southern Africa

18 Fiat Auto South Africa

19 Fleet Africa

20 Ford Motor Company of Southern Africa

21 Hertz Rent a Car

22 HFG Automotive

23 Honda South Africa

Appendix 1: Savrala members directory

- 1 Abba Car and Combi Hire cc
- 2 Audi SA
- 3 Avis Fleet Services
- 4 Avis Rent a Car
- 5 Bankfin Fleet Management
- 6 Barloworld Leasing
- 7 BMW Financial Services SA
- 8 BMW SA
- 9 Budget Rent a Car
- 10 Bynx Africa
- 11 Combined Motor Finance
- 12 Contract Lease Management
- 13 Control Instruments
- 14 DaimlerChrysler SA
- 15 Debis Fleet Management
- 16 Delta Motor Corporation (General Motors South Africa)
- 17 Europcar Southern Africa
- 18 Fiat Auto South Africa
- 19 Fleet Africa
- 20 Ford Motor Company of Southern Africa
- 21 Hertz Rent a Car
- 22 Hi-Q Automotive
- 23 Honda South Africa

- 24 Hyundai Automotive SA
- 25 Imperial Car Rental
- 26 Imperial Fleet Services
- 27 Iveco South Africa
- 28 Key Vehicle Hire
- 29 Khaya Car Hire
- 30 LeasePlan Fleet Management
- 31 McCarthy Fleet Services
- 32 National Car Rental
- 33 Nedlease / Nedfleet
- 34 Nissan South Africa
- 35 080 Car Hire
- 36 PG Autoglass
- 37 Renault
- 38 Sizwe Car Rental
- 39 Springs Car Wholesalers cc t/a Sani Rentals
- 40 Standard Bank Fleet Management
- 41 Supa Quick
- 42 Tempest Car Hire
- 43 Tiger Wheels Limited t/a Tiger Wheel and Tyre
- 44 Toyota SA Marketing
- 45 Toyota SA Trucks
- 46 Tracker Network
- 47 Trentyre
- 48 U-Drive Rent a Car

- 49 Vaal Car Hire
- 50 Viamax Fleet Management
- 51 Vincemus Investments t/a Kempston Group
- 52 Volkswagen of SA
- 53 Vuka Municipal Services
- 54 VW and Audi National Dealer Advisory Council
- 55 Wesbank First Auto

This research study explores the motivations for car leasing. A similar study was conducted in the USA, it was found that there were other reasons for selecting to lease other than finance cost and above the cost indicators. The research question is to assess the applicability of the USA motivational variables in South Africa.

The completed questionnaires will be collected on Thursday, 7 September 2006. Winners will be announced on 8 September 2006.

Your response will be treated with the strictest confidentiality and will only be used for the purpose of this study.

Please do not hesitate to contact me for any enquiries or clarification. I am grateful for your co-operation.

Yours faithfully

Randall Denner
(Cell) 082 7301133

Appendix 2: Hard copy questionnaire

Complete a 2 minute questionnaire and you could win cash!

1st prize = R500

2nd prize = R250

3rd prize = R150

The study is a partial requirement for the attainment of my M- Tech in Business Administration qualification at Cape Peninsula University of Technology.

This research study explores the motivations for car leasing. A similar study was conducted in the USA, it was found that there were other reasons for selecting to lease rather than finance, over and above the cost implications. The research question is to assess the applicability of the USA motivational variables in South Africa.

The completed questionnaires will be collected on Thursday, 7 September 2006.

Winners will be announced on 8 September 2006.

Your response will be treated with the strictest confidentiality and will only be used for the purpose of this study.

Please do not hesitate to contact me for any enquiries or clarification. I am grateful for your co- operation.

Yours faithfully

Randel Beneke

(Cell) 082 7301113

Part 1

Please make a tick in the appropriate box.

1. Did you know that only individuals that receive a car allowance can lease a vehicle

Yes

No

2. If individuals that does not receive a car allowance could lease a vehicle would you lease your next vehicle

Yes

No

Please tick your response on the scale, with a "1" indicating strong disagreement and a "7" indicating strong agreement with the statement. There are no right or wrong answers. We are only interested in your opinions.

- | | Strongly Disagree | | | Neither | | | Strongly Agree |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 3. Older cars are a hassle to maintain | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 4. I hate worrying about my car breaking down | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 5. I don't want to think about maintaining my car | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 6. Older cars are more likely to break down | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 7. It is important to have a vehicle that is fun to drive | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 8. It is important that my passengers are happy | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 9. Driving can be a thrilling experience | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 10. I like to drive a vehicle with the most current features | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 11. I want to drive a vehicle that my passengers will be comfortable | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 12. I like to drive a vehicle with lots of options | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 13. I don't care about driving pleasure | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 14. Comfort and convenience features are not that important to me | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |

	Strongly Disagree		Neither		Strongly Agree		
15. I get tired of having the same vehicle for a long time	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
16. It's boring to drive the same vehicle for more than a few years	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
17. I like to change cars every couple of years just to have something new	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
18. I like to have a new car every couple of years so I won't get bored	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
19. I like to have a new car so it fits in with the neighbourhood	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
20. I like to drive a vehicle that impresses my neighbours and colleagues	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
21. I don't care about what my friends think about the car I drive	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
22. The vehicle will make me feel unique, not just like everyone else	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
23. The vehicle will be a statement of who I am	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
24. The vehicle will fit my self image	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
25. It is worth the extra cost to drive an attractive and attention-getting car	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>

Part 2

The remainder of the questions will be used to classify your responses. Please make a tick in the appropriate box.

1. Your gender

Male Female

2. Your present marital status?

Never married Married Divorced Separated Widowed

3. Your present age

Under 25 25-34 35-44 45-54 55-64 65+

4. Which is the highest level of education that you have completed?

Less than High School Completed High School Completed Tertiary

Education

Other

Thank you for your co- operation.

Yours faithfully

Randel Erasmus

(Cell) 082 7301173

Appendix 3: E- mail questionnaire

Complete a 2 minute questionnaire and you could win cash!

1st prize = R500 2nd prize = R250 3rd prize = R150

The study is a partial requirement for the attainment of my M- Tech in Business Administration qualification at Cape Peninsula University of Technology.

This research study explores the motivations for car leasing. A similar study was conducted in the USA, it was found that there were other reasons for selecting to lease rather than finance, over and above the cost implications. The research question is to assess the applicability of the USA motivational variables in South Africa.

The completed questionnaires needs to be emailed back by Thursday, 7 September 2006. Winners will be announced on 8 September 2006.

The completion of the questionnaire should only take 2 minutes of your time. Please open the attachment, save it under your initials and then complete the questionnaire by making a tick in the appropriate box. **E- mail the completed questionnaire to, randel_beneke@yahoo.com**

Your response will be treated with the strictest confidentiality and will only be used for the purpose of this study.

Please do not hesitate to contact me for any enquiries or clarification. I am grateful for your co- operation.

Yours faithfully

Randel Beneke
(Cell) 082 7301113

Part 1

Please click in the appropriate box.

1. Did you know that only individuals that receive a car allowance can lease a vehicle

Yes

No

2. If individuals that does not receive a car allowance could lease a vehicle would you lease your next vehicle

Yes

No

Please click your response on the scale, with a "1" indicating strong disagreement and a "7" indicating strong agreement with the statement. There are no right or wrong answers. We are only interested in your opinions.

- | | Strongly Disagree | | | | | | Strongly Agree |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 3. Older cars are a hassle to maintain | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 4. I hate worrying about my car breaking down | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 5. I don't want to think about maintaining my car | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 6. Older cars are more likely to break down | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 7. It is important to have a vehicle that is fun to drive | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 8. It is important that my passengers are happy | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 9. Driving can be a thrilling experience | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 10. I like to drive a vehicle with the most current features | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 11. I want to drive a vehicle that my passengers will be comfortable | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 12. I like to drive a vehicle with lots of options | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 13. I don't care about driving pleasure | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |
| 14. Comfort and convenience features are not that important to me | 1 <input type="checkbox"/> | 2 <input type="checkbox"/> | 3 <input type="checkbox"/> | 4 <input type="checkbox"/> | 5 <input type="checkbox"/> | 6 <input type="checkbox"/> | 7 <input type="checkbox"/> |

	Strongly Disagree		Neither		Strongly Agree		
15.I get tired of having the same vehicle for a long time	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
16.It's boring to drive the same vehicle for more than a few years	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
17.I like to change cars every couple of years just to have something new	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
18.I like to have a new car every couple of years so I wont get bored	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
19.I like to have a new car so it fits in with the neighbourhood	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
20.I like to drive a vehicle that impresses my neighbours and colleagues	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
21.I don't care about what my friends think about the car I drive	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
22.The vehicle will make me feel unique, not just like everyone else	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
23.The vehicle will be a statement of who I am	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
24.The vehicle will fit my self image	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
25.It is worth the extra cost to drive an attractive and attention- getting car	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>

Part 2 Appendix 4: Trocchia questionnaire

The remainder of the questions will be used to classify your responses. Please click in the appropriate box.

1. Your gender

Male Female

2. Your present marital status?

Never married Married Divorced Separated Widowed

3. Your present age

Under 25 25-34 35-44 45-54 55-64 65+

4. Which is the highest level of education that you have completed?

Less than High School Completed High School Completed Tertiary

Education

Other

Thank you for your co- operation.

Appendix 4: Trocchia questionnaire

Part 1

Please indicate the year, make and model of your most recently leased vehicle. It is important that you refer to this vehicle when responding to questions regarding a specific vehicle.

1. Year :
2. Make :
3. Model :

Please circle your response on the scale, with a "1" indicating strong disagreement and a "7" indicating strong agreement with the statement. There are no right or wrong answers. We are only interested in your opinions.

	Strongly Disagree			Neither			Strongly Agree
1.Older cars are a hassle to maintain	1	2	3	4	5	6	7
2.I enjoy dickering with sales people	1	2	3	4	5	6	7
3.I don't mind trading in my old cars	1	2	3	4	5	6	7
4.I don't like to waste time haggling with salespeople over the price of vehicles	1	2	3	4	5	6	7
5.It's a hassle to trade your car in	1	2	3	4	5	6	7
6.I don't like to digger over the price of new cars	1	2	3	4	5	6	7
7.I hate worrying about my car breaking down	1	2	3	4	5	6	7
8.I don't want to think about maintaining my car	1	2	3	4	5	6	7
9.Older cars are prone to break down	1	2	3	4	5	6	7
10.It is important to have a vehicle that is fun to drive	1	2	3	4	5	6	7
11.It is important that my passengers are happy	1	2	3	4	5	6	7
12.Driving can be a thrilling experience	1	2	3	4	5	6	7
13.I like to drive a vehicle with the most current features	1	2	3	4	5	6	7
14.I want to drive a vehicle that my passengers will be comfortable	1	2	3	4	5	6	7
15.I like to drive a vehicle with lots of options	1	2	3	4	5	6	7
16.I don't care about driving pleasure	1	2	3	4	5	6	7
17.Comfort and convenience features are not that important to me	1	2	3	4	5	6	7
18.It is important that my passengers are as comfortable as possible	1	2	3	4	5	6	7

	Strongly Disagree		Neither			Strongly Agree	
	1	2	3	4	5	6	7
19. I feel very knowledgeable about cars	1	2	3	4	5	6	7
20. If a friend asked me about cars, I could give them advice about brands	1	2	3	4	5	6	7
21. If I had to purchase a car today, I would need to gather very little information in order to make a wise decision	1	2	3	4	5	6	7
22. I feel very confident in my ability to tell the difference in quality among different brands of cars	1	2	3	4	5	6	7
23. I like to keep my cars a long time so that I can get used to them	1	2	3	4	5	6	7
24. I get tired of having the same vehicle for a long time	1	2	3	4	5	6	7
25. It's boring to drive the same vehicle for more than a few years	1	2	3	4	5	6	7
26. I like to keep a vehicle until it wont run anymore	1	2	3	4	5	6	7
27. I like to change cars every couple of years just to have something new	1	2	3	4	5	6	7
28. I like to have a new car every couple of years so I wont get bored	1	2	3	4	5	6	7
29. I like to have a new car so it fits in with the neighbourhood	1	2	3	4	5	6	7
30. I like to drive a vehicle that impresses my neighbours and colleagues	1	2	3	4	5	6	7
31. I don't care about what my friends think about the car I drive	1	2	3	4	5	6	7

Part 2

Please select the response that you believe most accurately describes your showroom experience while leasing the vehicle you described at the beginning of the questionnaire.

	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
1.I felt pressure to lease rather than buy the vehicle	1	2	3	4	5	6	7		
2.I was told by the salesperson that leasing was the best method of payment	1	2	3	4	5	6	7		
3.The salesperson pressured me to lease the vehicle	1	2	3	4	5	6	7		
4.My interactions with the sales personnel were positive	1	2	3	4	5	6	7		
5.The salesperson who leased the vehicle to me was difficult to deal with	1	2	3	4	5	6	7		
6.I'm happy with the way I was treated in the showroom	1	2	3	4	5	6	7		
7.The salesperson took advantage of me when I leased the vehicle	1	2	3	4	5	6	7		
8.I felt that the salesperson didn't adequately explain the terms of the lease to me	1	2	3	4	5	6	7		

Please circle the number that corresponds most closely to your feelings.

	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
9.I think of the vehicle as mine	1	2	3	4	5	6	7		
10.I don't feel like this vehicle really belongs to me	1	2	3	4	5	6	7		
11.I feel as if I own the vehicle	1	2	3	4	5	6	7		
12.I feel like someone is watching the way I drive this vehicle	1	2	3	4	5	6	7		
13.I feel like someone is watching the way I take care of this vehicle	1	2	3	4	5	6	7		
14.I often think about the number of miles I am putting on the vehicle	1	2	3	4	5	6	7		
15.I don't like to take long trips in this vehicle because I'll put too many miles on it	1	2	3	4	5	6	7		
16.I worry about the mechanical condition of the vehicle	1	2	3	4	5	6	7		
17.It bothers me when other people drive this vehicle	1	2	3	4	5	6	7		
18.I'm not concerned about this vehicle becoming dented	1	2	3	4	5	6	7		
19.I get worried when someone else drives this vehicle	1	2	3	4	5	6	7		

	Strongly Disagree			Neither			Strongly Agree
20. I am concerned about the number of miles I am putting on this vehicle	1	2	3	4	5	6	7
21. I rarely think about the vehicle's mechanical condition	1	2	3	4	5	6	7
22. I don't worry about spilling beverages in the vehicle	1	2	3	4	5	6	7
23. The vehicle make me feel unique, not just like everyone else	1	2	3	4	5	6	7
24. The vehicle is a statement of who I am now	1	2	3	4	5	6	7
25. It fits my self image	1	2	3	4	5	6	7
26. This vehicle remind me of good times with family and friends	1	2	3	4	5	6	7
27. This vehicle reminds me of a person who is important to me	1	2	3	4	5	6	7
28. I think of family and friends when I drive this vehicle	1	2	3	4	5	6	7
29. I think of this vehicle as a friend	1	2	3	4	5	6	7
30. I feel like this vehicle is part of me	1	2	3	4	5	6	7
31. I feel attached to this vehicle	1	2	3	4	5	6	7

The following questions relates to the vehicle that you described at the beginning of this survey. Please respond by checking either yes or no to the statements below.

	Yes	No
32. I use only brand name fuel in this vehicle
33. I use only brand name oil in this vehicle
34. I am careful not to leave this vehicle in the sun for long periods of time
35. I try to park this vehicle away from other vehicles to avoid accidents
36. I have at least one bumper sticker on this vehicle
37. I allow passengers to smoke in this vehicle
38. I allow pets in the vehicle
39. I change the oil at least every 3 000 miles
40. I vacuum or sweep the vehicles interior at least once a month
41. The vehicles exterior is waxed at least once a year

Part 3

1. Are the lease payments on your vehicle a business expense or a personal expense?
Business Personal Neither (Please specify)

Please circle the number that corresponds most closely to your feelings.

2. Please indicate the month and the year that the lease on your vehicle began and the month and the year in which your lease will end.

Month/ Year lease began :

Month/ Year lease ends :

Please circle the number that corresponds most closely with your actions or beliefs regarding the lease of the vehicle that you described at the beginning of the survey.

At the time I made the decision to lease this vehicle:

	Strongly Disagree				Neither			Strongly Agree
	1	2	3	4	5	6	7	
3. I calculated that leasing and then purchasing the vehicle was less expensive than simply purchasing it	1	2	3	4	5	6	7	
4. Even though I intend to keep this vehicle for a long time, I calculated that leasing was less expensive than financing	1	2	3	4	5	6	7	
5. I made extensive calculations that showed leasing this vehicle will save me money compared to financing it	1	2	3	4	5	6	7	
6. I made extensive calculations that showed leasing this vehicle was cheaper than buying it outright	1	2	3	4	5	6	7	
7. I couldn't afford to buy a new vehicle	1	2	3	4	5	6	7	
8. My monthly income was too low to make payments on the vehicle that I wanted	1	2	3	4	5	6	7	
9. My only other alternative would have been to buy used vehicle	1	2	3	4	5	6	7	
10. I didn't have the money to buy a new vehicle	1	2	3	4	5	6	7	
11. My monthly income was too low to buy a new vehicle	1	2	3	4	5	6	7	
12. My money was tied up in other investments	1	2	3	4	5	6	7	
13. I planned to spend the money that I saved in monthly payments on things that were important to me	1	2	3	4	5	6	7	
14. I planned to invest the money that I saved in monthly payments	1	2	3	4	5	6	7	

21. Renting or leasing a car is more appealing to me than buying one

22. I tend to hang on to things I should probably throw out

Please circle the number that corresponds most closely to your feelings.

	Strongly Disagree		Neither			Strongly Agree	
15. I'm glad I leased	1	2	3	4	5	6	7
16. I'm satisfied with my decision to lease	1	2	3	4	5	6	7
17. I wish now that I hadn't leased this vehicle	1	2	3	4	5	6	7
18. Leasing is generally not a smart thing to do	1	2	3	4	5	6	7

Please check the option that you think is most appropriate.

19. When the lease is up, I am most likely to:
- purchase the vehicle and keep it for at least two years.
 - purchase the vehicle and sell it within two years.
 - give it back to the dealership.
 - Other: Please specify.....

19a. Please indicate your level of certainty with the above answer.

Very Uncertain	Neither			Very Certain		
1	2	3	4	5	6	7

20. When I purchase or lease another vehicle, it will be from:

- the dealership where I leased this vehicle.
- another dealership.
- a private individual.
- I have no plans to purchase or lease another vehicle.
- Other: Please specify.....

20a. Please indicate your level of certainty with the above answer.

Very Uncertain	Neither			Very Certain		
1	2	3	4	5	6	7

The following questions refer to your general attitudes. Please circle the response that most closely corresponds to how you feel.

	Strongly Disagree		Neither			Strongly Agree	
21. Renting or leasing a car is more appealing to me than owning one	1	2	3	4	5	6	7
22. I tend to hang on to things I should probably throw out	1	2	3	4	5	6	7

	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
23.I get very upset if something is stolen from me, even if it has little monetary value	1	2	3	4	5	6	7		
24.I don't get particularly upset when I lose things	1	2	3	4	5	6	7		
25.I am less likely than most people to lock things up	1	2	3	4	5	6	7		
26.I would rather buy something I need than borrow it from someone else	1	2	3	4	5	6	7		
27.I worry about people taking my possessions	1	2	3	4	5	6	7		
28.When I travel I like to take a lot of photographs	1	2	3	4	5	6	7		
29.I never discard old pictures or snapshots	1	2	3	4	5	6	7		
30.Cars give me relaxation and fun when life's pressures build up	1	2	3	4	5	6	7		
31.Sometimes I get to wrapped up in my car	1	2	3	4	5	6	7		
32.Driving my car is one way I often use to relieve daily pressure	1	2	3	4	5	6	7		
33.Driving along an open road seems to "recharge" me in body, mind and spirit	1	2	3	4	5	6	7		
34.Driving my car is one of the most satisfying and enjoyable things I do	1	2	3	4	5	6	7		
35.It is worth the extra cost to drive an attractive and attention- getting car	1	2	3	4	5	6	7		
36.I prefer to drive a car with a strong personality of its own	1	2	3	4	5	6	7		
37.I don't like to think of my car as being ordinary	1	2	3	4	5	6	7		
38.When I borrow something I make sure to return it in as good condition as when I received it	1	2	3	4	5	6	7		
39.When driving it's up to me to make sure that my passengers are wearing safety belts	1	2	3	4	5	6	7		
40.People that don't give 100 percent on the job are doing a disservice to their employers	1	2	3	4	5	6	7		
41.I feel bad when I have failed to finish a job I promised to do	1	2	3	4	5	6	7		
42.When I borrow something I always return it promptly	1	2	3	4	5	6	7		

... Between \$700 000 and \$245 700

... Over \$250

2. In what State do you reside?

3. Your gender: Male Female

Please circle the number that most closely corresponds to your feelings regarding the dealership where you purchased or leased the vehicle that you described at the beginning of the survey.

	Strongly Disagree			Neither			Strongly Agree
43.If a friend were in the market for a vehicle, I would recommend that he or she go to this dealership	1	2	3	4	5	6	7
44.The people at the dealership are honest	1	2	3	4	5	6	7
45.The people at the dealership treat me well	1	2	3	4	5	6	7
46.I feel like the service personnel might rip me off	1	2	3	4	5	6	7
47.The service personnel will never take advantage of me	1	2	3	4	5	6	7
48.I am happy with the service that I've received at the dealership	1	2	3	4	5	6	7
49.I would purchase or lease another vehicle from this dealership	1	2	3	4	5	6	7
50.I would prefer not to deal with this establishment anymore	1	2	3	4	5	6	7
51.Overall, my interactions with the dealership have been positive	1	2	3	4	5	6	7

Part 4

The remainder of the questions will be used to classify your responses. Please check the appropriate response.

1a.Do you own or rent your place of residence?OwnRent

1b.If you own your residence, what is its approximate value?

....Under \$50 000

....Between \$50 000 and \$99 000

....Between \$100 000 and \$149 000

....Between \$150 000 and \$199 000

....Between \$200 000 and \$249 000

....Over \$250

2.In what State do you reside?

3.Your gender:MaleFemale

4. Your present marital status?

....Never marriedMarriedDivorcedSeparatedWidowed

5. Your present age (including the one that you turned?)

....Under 2525-3435-4445-5455-6465+

6. What was your approximate gross family income from all sources, before taxes in 2004?

....Less than \$50 000 (If you had a total net income, please do so in the space below. Thank you)

....Between \$50 000 and \$99 000

....Between \$100 000 and \$149 000

....Between \$150 000 and \$199 000

....Between \$200 000 and \$249 000

....Over \$250 000

7. Which is the highest level of education that you have completed?

....Less than High School

....Completed High School

....Some College

....Completed College

....Some graduate work

....A graduate degree

8. Which is the general occupational category of the primary wage earner in the household?

.....Managerial/ Administrative

.....Machine operator/ Skilled Labour

.....Sales

.....Service worker

.....Retired

.....Student

.....Professor/ Teacher

.....Clerical

.....Unemployed

.....Self employed

.....Professional (Physician, Lawyer, Engineer

.....Other

9. Do any family members, neighbours, or close friends lease vehicles?

.....YesNo

10. Have you leased a vehicle before?

.....YesNo

10a. How many vehicles, including this one, have you leased?

.....

11. If you want to make any additional comments, please do so in the space below. Thank you for your co operation.

.....
.....
.....
.....

Appendix 5: The lease samples means of opinions for each motivational variable

	Desire for maintenance	Desire for gratification	Desire for variety	Desire for social approval
1	5.2500	4.7500	5.2500	3.0000
2	5.5000	6.0000	6.2500	4.4286
3	6.0000	6.2500	7.0000	4.0000
4	3.5000	5.6250	6.5000	4.2857
5	4.2500	5.0000	6.0000	5.5714
6	6.0000	5.6250	3.5000	3.0000
7	4.7500	6.5000	5.0000	5.1429
8	6.2500	6.7500	5.2500	5.1429
9	4.0000	6.8750	6.2500	5.4286
10	4.5000	4.5000	3.7500	2.4286
11	4.0000	7.0000	7.0000	7.0000
12	5.0000	4.5000	4.2500	3.5714
13	5.0000	5.0000	3.7500	2.2857
14	5.2500	5.2500	2.5000	5.0000
15	4.0000	6.8750	7.0000	5.5714
16	4.0000	7.0000	7.0000	5.0000
17	4.0000	7.0000	7.0000	5.0000
18	5.5000	7.0000	7.0000	5.0000
19	4.0000	7.0000	7.0000	5.0000
20	4.0000	6.5000	7.0000	5.0000
21	4.0000	7.0000	7.0000	4.5714
22	4.0000	7.0000	7.0000	5.1429
23	4.0000	7.0000	7.0000	5.0000
24	4.0000	7.0000	7.0000	5.0000
25	4.0000	7.0000	7.0000	4.5714
26	4.0000	7.0000	7.0000	5.0000
27	4.0000	7.0000	7.0000	5.0000
28	7.0000	6.7500	7.0000	1.8571
29	5.2500	6.0000	6.0000	5.8571
30	6.7500	5.1250	4.0000	5.0000
31	6.5000	7.0000	7.0000	5.0000
32	5.5000	5.5000	4.0000	4.1429
33	7.0000	7.0000	6.5000	5.0000
34	4.7500	5.7500	6.2500	4.7143
35	5.7500	7.0000	7.0000	4.2857
36	4.0000	5.7500	6.0000	3.1429
37	6.5000	7.0000	7.0000	6.7143
38	4.7500	7.0000	7.0000	4.4286
39	7.0000	6.2500	5.5000	6.5714
40	5.7500	6.2500	6.5000	5.0000

	Desire for maintenance	Desire for gratification	Desire for variety	Desire for social approval
41	7.0000	6.7500	7.0000	2.4286
42	4.0000	5.6250	3.2500	4.7143
43	4.0000	5.5000	5.5000	1.4286
44	2.5000	5.5000	5.2500	3.4286
45	3.2500	6.2500	5.7500	5.0000
46	5.0000	6.6250	4.5000	2.4286
47	7.0000	6.1250	4.2500	3.7143
48	2.7500	5.2500	3.5000	2.4286
49	4.2500	5.6250	6.0000	3.8571
50	6.2500	5.3750	6.2500	6.0000
51	6.5000	6.6250	7.0000	2.7143
52	7.0000	5.7500	6.0000	4.4286

Appendix 6: The finance samples means of opinions for each motivational variable

	Desire for maintenance	Desire for gratification	Desire for variety	Desire for social approval
53	5.0000	3.1250	1.5000	4.1429
54	7.0000	6.1250	5.0000	5.8571
55	7.0000	5.8750	5.0000	5.7143
56	6.0000	5.0000	3.2500	2.2857
57	7.0000	7.0000	7.0000	6.2857
58	7.0000	6.7500	2.7500	4.2857
59	4.7500	6.1250	3.7500	3.4286
60	7.0000	6.5000	7.0000	4.4286
61	4.0000	4.1250	4.7500	4.5714
62	4.0000	7.0000	6.2500	4.4286
63	6.7500	6.8750	5.5000	5.1429
64	4.7500	5.7500	4.0000	4.2857
65	3.7500	6.0000	5.0000	5.0000
66	4.2500	4.5000	4.2500	2.0000
67	5.5000	6.1250	4.0000	4.2857