

**FACTORS THAT INFLUENCE THAI GEN Y'S
DEBTS AND SAVINGS**



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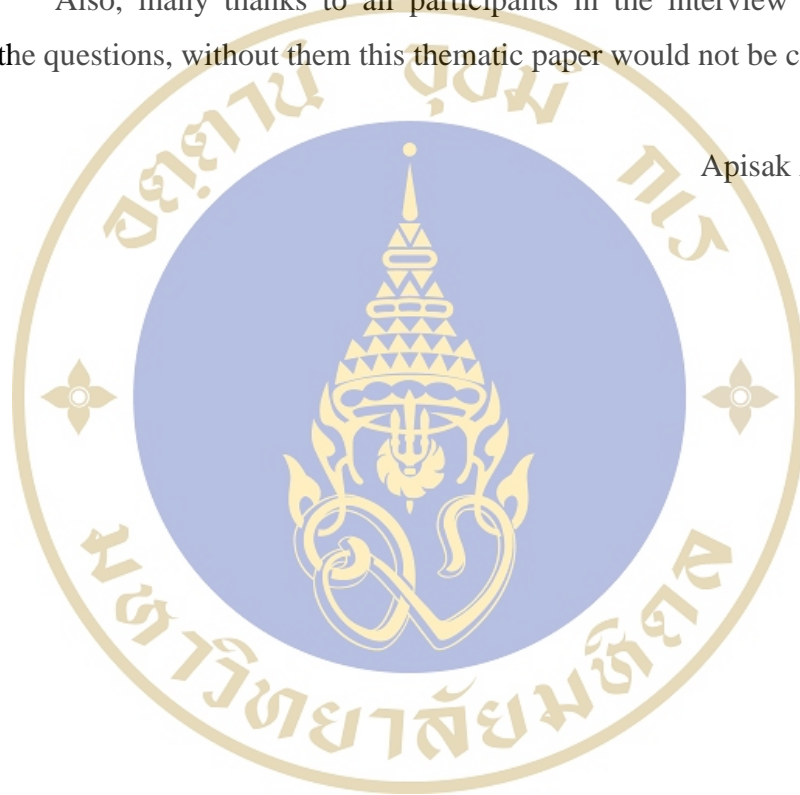
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FACTORS THAT INFLUENCE THAI GEN Y'S DEBTS AND SAVINGS

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ABSTRACT

The purpose of this study was to test the hypotheses of the factors that influence Thai Gen Y's debts and savings. The factors were the characteristic of Thai Gen Y, the pursuing of the identity in the society and the demand effect from social networks. The hypotheses were tested by deeply analysis of data collected from 10 Thais Gen Y in Bangkok city, Thailand.

The result of this study showed the facts and the insight of Thai Gen Y on their spending and saving behaviours which benefits to the government and financial private sectors that can provide the effective campaign for Thai Gen Y to spend wisely and save more for the future.

KEY WORDS: Thai Gen Y/Debts/Saving/Spending Behaviour

32 pages

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CHAPTER I

INTRODUCTION

1.1 Background

Thailand just became the country that reached the highest ratio of household debts in 8 years. The household debt was reaching eighty-one percentage of Thailand GDP in year 2016. People's debts mostly came from a car hire-purchase and consumption goods spending. In 2016, a leasing business and loan shark company performance were very well and had a great profit. They were still the main providers for those who are in trouble need of money. Moreover, personal savings (Household Savings) ratio in 2016 was decreased to only eight percent correspond to the net disposable income. National Credit Bureau reported that the majority of credit loan in Thailand were from Generation Y (20-34 years old), they were the group that have been requesting significantly of home loan, car loan, credit card and personal loan.

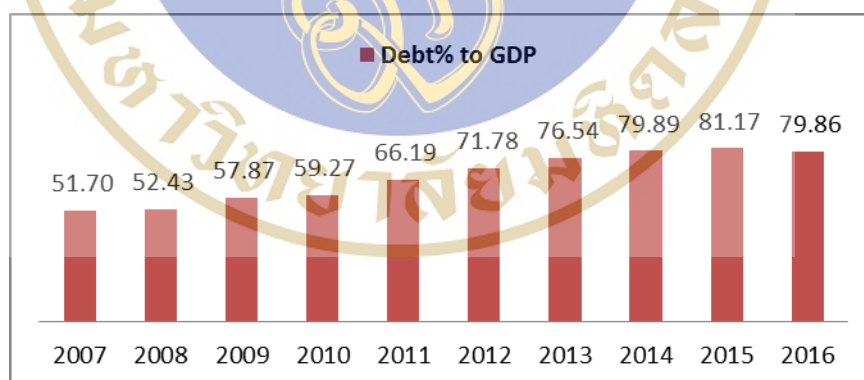


Figure 1.1: Thailand household debt % to nominal GDP from year 2007 to 2016
(Source: www.ceicdata.com | CEIC Generate)

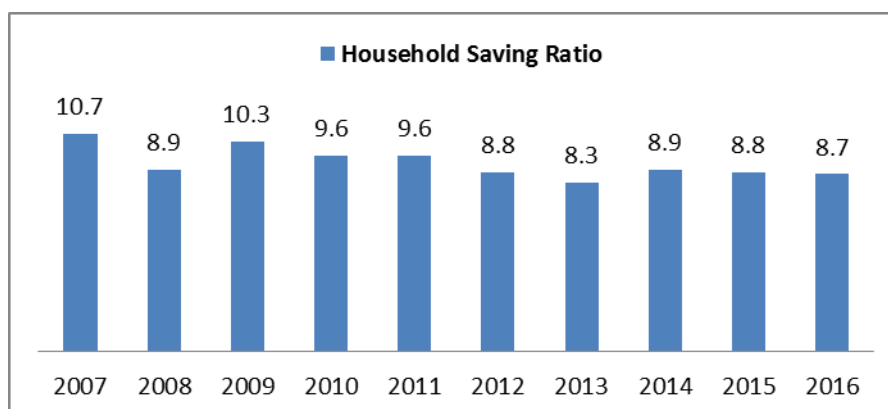


Figure 1.2: Thailand household saving ratio from year 2007 to 2016

(Source: www.tradingeconomics.com | Bank of Thailand)

This information is very interesting because Thai Generation Y is the group of people that has such a quantitative impact to Thai's economy. The reasons are that Thai Gen Y is the largest majority in Thailand. They are 16.6 million people or 25% of the total population. Their total spending in year 2015 is about THB3.4 trillion (USD110 billion), it is 40% percent greater than what Baby Boomers spent and slightly higher than Thai Gen X's consumption. Thai Gen Y was the majority of home loan in 2015. They were 50% of the total home loan, 46% increasing from 2014. They were the biggest group of car loan in 2015, 48% of total numbers and 41% higher than the previous year. They also were the most spending on credit card in 2015, 53% of the total debts and 50% higher compared to year 2014.

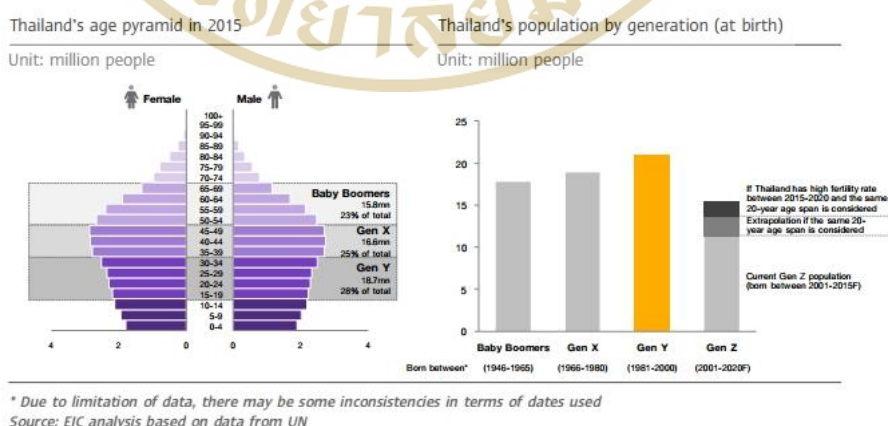


Figure 1.3: Thailand's age pyramid in 2015 and Thailand's population by generation

(Source: <https://www.scbeic.com>)

In addition, in the report of *Happiness Watch in Thailand 2015* from *Institute for Population and Social Research, Mahidol University* mentioned that 50% of working people in Gen Y have no saving, 48% have overpaid debts, 45% have more spending than incomes and 45.6% have debts to pay every month. The report concerned about the future spending and debts of Gen Y that will create a huge national debt per GDP as the slowdown of world economy that caused people have lower incomes.

From this information, the researcher would like to find out the factors that influence Thai Gen Y's debts and saving. Baby Boomers and Gen X always concern about being indebted, they do not use credit card but prefer paying by cash. Therefore, it is vital to know the reasons that change Thai Gen Y's characteristics, spending behaviors, and how they look toward being indebted as well as how they plan to save for the future.

After the answers are clarified, this research will benefit to the government and private financial sectors that can use this insight to solve the overspending problem. They can get direct to the point that changes Thai Gen Y's spending and saving behaviors by launching the interesting campaign or promoting the usefully financial knowledge for them. The research is also useful for the business in the digital age that has the target customer in Gen Y. They can use this insight to adapt their advertisements and increase the product awareness to them. The researcher strongly believes that the factors that influence the largest group of spending in Thailand are very important. If people have no right mindset to spend carefully, the debt of Thailand will be increasing every year. Consequently, it will become the obstacle for Thailand economy development in a long-term.

CHAPTER II

LITERATURE REVIEW

The researcher has reviewed many literatures to find out what could be the factors that influence Thai Gen Y's debts and savings. There are three major frameworks that can lead to the answer which are the characteristics of Thai Gen Y themselves, Maslow's Hierarchy of Needs psychology theory and social network influencing.

2.1 Definition of Gen Y

“Gen Y or Generation Y is the segment that follows Generation X in age. They are people who are currently in the middle-age at the beginning of 2000s. Demographers place their birth between 1978 and 1994. They are the children of the younger baby boomers or the children of the upper reaches of Generation X.” (Marconi, 2000)

2.2 Characteristics of Thai Gen Y

The characteristics of Thai Gen Y are different by region, depending on culture, social and economic conditions. From the report named *'Insight Capturing Thai Gen Y consumers'* survey conducted by *Siam Commercial Bank Economic Intelligence Center*, remarked that there are five characteristics of Gen Y in Thailand.

2.2.1 Thai Gen Y is technology ingenuity

Thai Gen Y has the basic understand of information technology and reply on it; most of them know how to access to the information and options through internet. A smartphone and tablet help Thai Gen Y to connect the world better than

people in Baby Boomers and Gen X. It would be a problem if Thai Gen Y lives without these kinds of application.

In daily life, they can read news from websites and also update the current issue from social media. From this research, 90% of Gen Y spends time on the smartphone, only few percentages use laptop and other devices. They spend 2 hours a day on social media such as Facebook, Instagram, Twitter, and they use the chat application such as Line, WhatsApp and Facebook Chat to communicate instead of phone call. Moreover, this group of people prefers online shopping which they can use credit card or make cash prepaid by transferring the money into seller's account and the product will be delivered to their home. They also use online review to make purchasing decisions in a variety of product. For example, they can find the information of the car they are interested, and then make the comparison without going to the showroom. Some kinds of review are very powerful such as cosmetics, foods, traveling, sight-seeing places and hotel reviews. Thai Gen Y women always read the cosmetic review on the Thai popular column such as 'PANTIP' website before making the online purchasing.

2.2.2 Thai Gen Y likes to socialize

The trend of taking a photo whatever they do in daily life and share on social media such as Facebook and Instagram are widely separated for Thai Gen Y. It can influence their decision making behaviors. For example, when one person posts photo sharing the moment they travelled to Japan as well as checks-in at the famous place, a friend who see this post would like to go to this place too. It can create the market demand, meanwhile, it creates the debt for those who cannot afford and have to use credit card or go for personal loan eventually.

Thai Gen Y prefers to have a social life at work too. They like working at a place with energetic colleague and go for a challenging and interesting job. They do not learn from a book or manual in the computer but prefer talking with co-worker and learning from them. The people at workplace not only give them a lesson for working but they share living lifestyle together such as they go for shopping, exercise and travel at the weekend so that they seem to be the same in many aspects of life.

2.2.3 Thai Gen Y is information-urging

Thai Gen Y is using the information from the internet to make the comparison and select the best option within their criteria. It is different from Baby Boomers and Gen X that they mostly ask from friend and family who have ever experienced that product before.

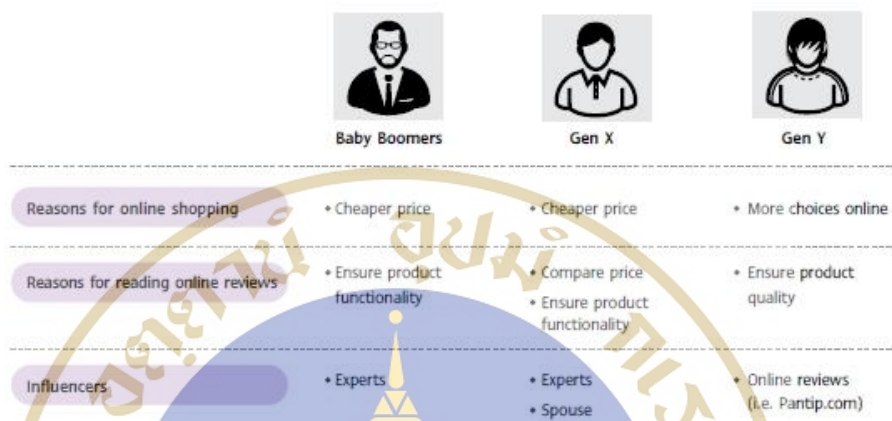


Figure 2.1: Reasons for online shopping, reading online review and influencers for each generation

(Source: <https://www.scbeic.com>)

We can see that Baby Boomers and Gen X firstly concern about the price for shopping. Since they didn't have another channel to shop like today such as online shopping, they chose the lowest price product first. Baby Boomers read the review to ensure the product functionality while Gen X compares more about the price. Thai Gen Y focuses on the product quality and the product mix such as color, type, limitation of the product, production year, and etc. For the influencers of the purchasing-decision, Baby Boomers and Gen X believe in the experts. They buy what the expert recommend and need the certificate or something to verify the product standard. In contrast, Thai Gen Y believes what the blogger write on the online reviews. The reviews would be more reliable and more powerful when received popular votes, highest people views, and good comments from the others.

2.2.4 Thai Gen Y is choosy

Thai Gen Y wants the best in everything they can have and take more time to consider before buying something. Because they live in the world of information,

they can search and compare the product before making a decision easily. This already made Thai Gen Y became demanding shoppers who seek for what exactly they want. Only the product quality itself, the aftersales service and the method of payment are what Gen Y concern when shopping online. The seller has to provide home delivery service as well as at least 1-year product warrantee. 80% of Thai Gen Y uses cash as the regular payment term while credit card is used only 20%.

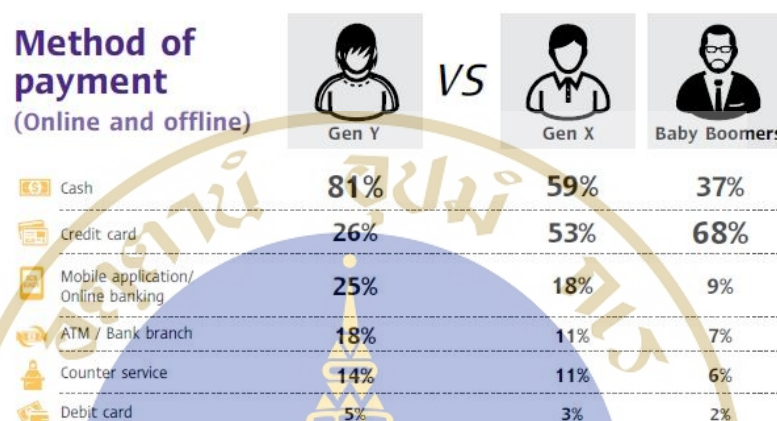


Figure 2.2: Method of payment among Baby Boomers, Gen X and Gen Y
(Source: <https://www.scbeic.com>)

In addition, Thai Gen Y is very concerning about their jobs. Their job turnover rate is higher aggressively than the older people. They want to get paid according to the skills and personal performance, not just the company remuneration scheme. It is not surprising anymore in Thailand that people around 20 to early 30s have the high job turnover rate. They are challenging to the new job that have higher advanced career path and greater compensation. They are sick of the traditional culture in the long-history established company that has many strict regulations. They prefer sometimes working outside the office and change the working environment in order to think out of the new ideas. The below graphic shows the most important factors when each generation chooses a job.

Most important factor when choosing job

Unit: % of total surveyed in each generation

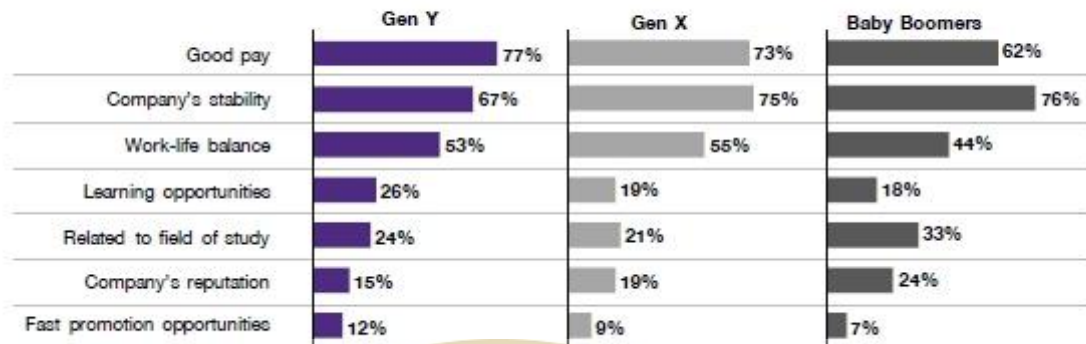


Figure 2.3: The factors for choosing job of Baby Boomers, Gen X and Gen Y

(Source: <https://www.scbeic.com>)

The difference between Gen Y and the previous generation is that they concern less about company's stability. They prefer to work with Startup or SME who let them show the idea without any rules. They feel belonging to the small company because a less number of employees make them feel more like working with family. The last thing is that Thai Gen Y is selective in the motivation at work. Compared to Baby Boomers who concern about the appreciation of work or effort and being trust by the manager, Thai Gen Y prefers more enthusiastic colleagues and challenging tasks. They definitely want a high income but the job should not overlap their free time after work. They value colleague highly and like learning from others at work.

Unit: % of total surveyed in each generation

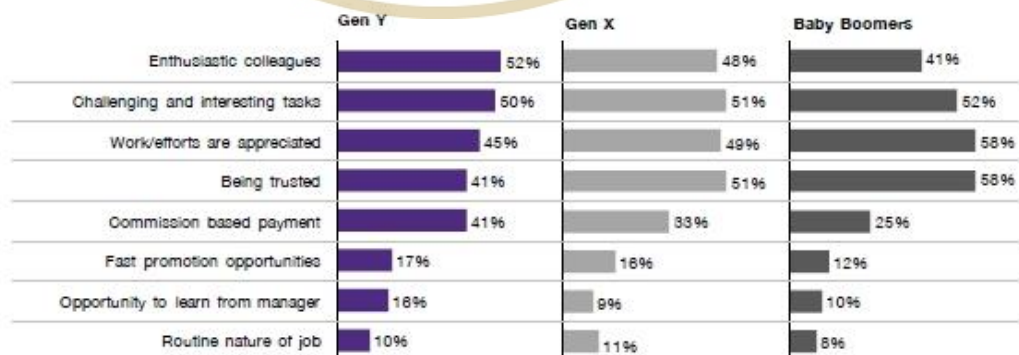


Figure 2.4: Source of motivation at work of Baby Boomers, Gen X and Gen Y

(Source: <https://www.scbeic.com>)

2.2.5 Thai Gen Y is financially literate

Thai Gen Y was learnt how to manage and invest in their money, but it is in the basic knowledge level. They have the knowledge of how to save money in the bank account to get the interest, but they do not invest this way since the interest rate for Thailand saving account is very low. (Lower than 1%) They are aware of the financial policy from the government especially about the tax reduction scheme. When the government launched the program such as shopping at the end of the year and can bring the receipt to get the personal tax reduction, Thai Gen Y is the most powerful buyer who joined this program. Some people have no need to buy anything at that moment but they bought somethings back home to get a few tax reduction. In some cases, they used the credit card for the installation payment to buy a big thing, but finally they cannot afford the monthly payment. Therefore, many debts that happened to Thai Gen Y mostly is from the underestimation of the money effort in the future as well as they were influenced by the government scheme to buy what they cannot afford compared to the current income.

From the 5 characteristics that can explain how Gen Y in Thailand looks like, Maslow's Hierarchy of Needs can describe why Thai Gen Y are the group of demanding by the rapid changes of social and environment due to the information technology.

2.3 Maslow's Hierarchy of Needs Psychology Theory

Maslow divides human needs into 5 different stages. The basic needs are 'Physiological Needs' (Such as food and accommodation) and 'Safety' (To live without fear of danger). After the two basic needs are fulfilled, people will go for belongingness and Love. They want to belong in a society they live in; they need friends or such the intimate relationships. In the upper stage which is 'Self-esteem', they need to be recognized and respected by others. They need a uniqueness of individual to show that they exist and people can remember them. The highest need of human being is 'Self-actualization', the pursuit of personal potential, self-fulfillment and seeking the personal growth and peak experience.

Thailand as the developing country, people in urban area are already fulfilled the basic needs, they have been looking in the stage of love, belonging, and self-esteem. That could be one of the reasons that people in Gen Y who are the largest population have the same behavior that are finding own identity and want a place to be in the society.

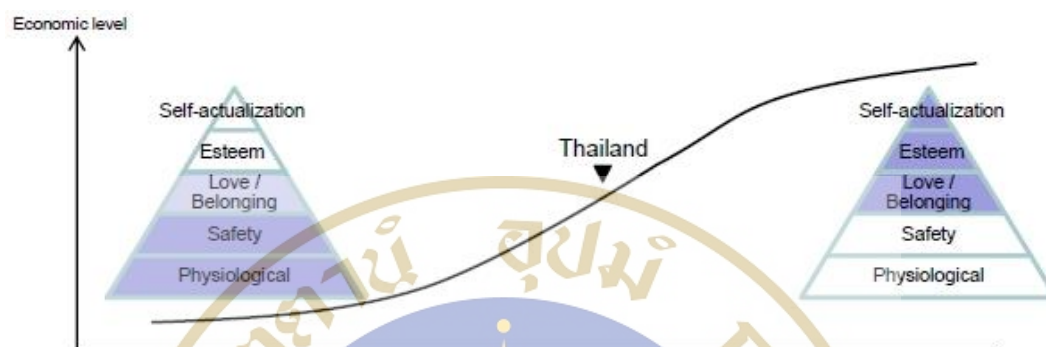


Figure 2.5: Economic development and need enhancement based on Maslow Theory

(Source: www.cdiasiabusiness.com)

There is a gap to be answered that why Thai Gen Y, who is looking for the upper stage of needs and influenced by the trend of social media, do not save for the future and become the financially risk taker. (Willing to be indebted) The answer would be benefit for Thai's economy and the coming business model. There would be the insight of what Gen Y actually thinks and how to solve or educate people to have the better perspective toward saving and debt.

2.4 Social Network Influencing

According to the booming trend of social network in Thailand and the characteristics of Thai Gen Y, they spend at least 7 hours per day on internet surfing. More than 60% of them use mobile phone to access social network such as Facebook and Instagram to update their friend's life and follow the idol page such as celebrity and singer they love. They have the similar behavior. For example, when the friend got the new iphone7, they posted the photo onto Facebook. When people see this, they feel that they would like to have it too. It is no problem for those who can afford, but

some of them have to borrow or use the credit card to make the installation payment. Finally, they are indebted for just want to be the same as their friends.

2.5 Hypotheses

From the three above factors, the researcher can set up the hypothesis of the factors that influence Thai Gen Y's debt and saving as follows.

2.5.1 The characteristics of Thai Gen Y themselves that always follow the trend in social network. Whatever they get motivated from Facebook, Line, Instagram, or the blogger reviews, they think it is reliable and willing to pay for the products that are promoted.

2.5.2 Thai Gen Y who mostly stay in the urban area such as Bangkok, their basic need (in Maslow's Theory) such as food, accommodation and safety are fulfilled, so they are looking for the acceptance from the society. They spend their money to buy unnecessary things that they cannot afford. Eventually, the increasing debt is developing and the saving is declined.

CHAPTER III

RESEARCH METHODOLOGY

This research aims to understand the factors that drive Thai people overspending and have no willing to save for the future same as Baby Boomers and people in Generation X.

3.1 Research Design

To answer the questions, a qualitative method is used to explore what Thai Gen Y really thinks about this topic. The researcher would not use quantitative approach since it is the close-ended questions and does not reflect any insight of the interviewees. According to qualitative method, the mini-interview will be conducted to ask Thai Gen Y the questions and let them explain in-depth in the open-answers which is no right or wrong. The interviewers will be asked from the general information such as education, family, job, monthly income and expense until the future plan as well as a personal goal that they would to achieve in their lives.

3.2 Sample and data collection

The research targets Thai people in Gen Y who ages from 20-30 years old and live in Bangkok. The total numbers of interviewee are ten persons. It does not limit the age, income or occupation of the interviewees in order to receive the wide range of the opinions of Gen Y. The targets would be separately selected into three groups by the range of age and ask the same set of questions.

3.2.1 First Group: 20-23 years old

This group is the latest group of generation Y. They are youngest and have few experiences compared to the whole group. These people just finished the university and started the first job in their lives. The researcher would like to receive their opinions whether they start thinking of their spending and saving. They will be asked what are the factors or influencers of their financial behaviors.

3.2.2 Second Group: 24-27 years old

This group is the middle age of Gen Y. They should have a working experience at least one or two years. They may have more incomes as well as more spending. They probably go hang out after work and shopping at the weekend. The credit card usage and overdue payment would be initially created within this group. They would buy the first car and ask for the hire purchasing. The group of people can advise how they manage their accounts and how they save for short or long term plan.

3.2.3 Third Group: 28-30 years old

These people are the oldest group of Gen Y in this research. They have the most working experiences. Some people already realized their preferred career path after changing two or three jobs. They start planning about the future, own family, marriage, and buying house. Someone may goes to study Master Degree abroad. They definitely have more ideas about the spending and saving which could reflect Thai Gen Y thinking and the factors that influence their behaviors.

3.3 Instrument

The semi-interview will be conducted to collect the data from Thai Gen Y samples. The questions that will ask them in detail will be open-ends questions. They are comprised of three parts.

Part I: Personal background:

Example question:

- What is your gender?
- What is your age?

- What is your highest education degree you have ever achieved?
- How many family members? Do you have the sister or brother?
- Who do you stay with? Do you stay with family or stay alone?
- What is your hobby or activity in the free time?

Part II: Income, spending and saving behaviors

Example questions:

- What is your current work? How many jobs do you earn now?
- How much income do you earn per month?
- Do you have the extra bonus or commission for your work?
- What is your monthly spending? What do you pay each month?
- Do you have any debt that we have to pay each month?
- After paying all spending, do you still have some amount for saving?
- What is your saving plan?

Part III: Influencers

Example questions:

- For the thing you buy in your life, do you have any influencers such as family member, friends, people on social network (Facebook, Instagram, Twitter) or a blogger?
- How are they influence you? Why do you follow them?
- Do you know that sometimes the influencers are getting paid for promoting the product on their pages? They do not really use it in the daily life. If yes, why do you still follow them?
- Why don't you save first and pay later when you are ready like your father and mother?
- Have your parent ever mentioned about being indebted or saving for the future? If yes, do you follow them for all instruction?

CHAPTER IV

FINDINGS AND DATA ANALYSIS

After interviewed all targets, the answer can be classified into three topics. They are personal background, income, spending and the factors that influence their behaviors.

4.1 Findings

The participants were interviewed one-by-one without revealing their real identity in order to avoid the privacy issue and let them willing to open the information as realistic as possible. All participants are living in Bangkok. They were born and grew in urban area, and live with the family.

4.1.1 Personal Background

Below table shows general information such as gender, age, highest education, monthly income, monthly spending and monthly saving.

Table 4.1: Participants Information

No	Gender	Age	Education	Occupation	Income (Baht)	Spending (Baht)	Saving (Baht)
1	Male	20	Bachelor Degree	Student	10,000	10,000	0
2	Male	22	Bachelor	Student	15,000	20,000	-5,000
3	Female	22	Bachelor	Student	20,000	15,000	5,000
4	Female	23	High school	Freelance voice actress	30,000	27,000	3,000
5	Male	24	Bachelor	Office worker	40,000	40,000	0

Table 4.1: Participants Information (cont.)

No	Gender	Age	Education	Occupation	Income (Baht)	Spending (Baht)	Saving (Baht)
6	Male	25	Master	Student	30,000	25,000	5,000
7	Female	26	Master	Office worker	34,000	32,000	2,000
8	Male	28	Bachelor	Office worker	42,000	35,000	7,000
9	Male	29	Master Degree	Office worker	48,000	40,000	8,000
10	Female	30	Master Degree	Business Owner	80,000-100,000	50,000-80,000	20,000-30,000

4.1.2 Income, spending and saving behaviors

Income

The interviewees in youngest Gen Y, age around 20-23, are Bachelor Degree students. They do not earn any salary because they have not started working yet. The only income they earn is the pocket money from their parents. The parents give them the monthly salary at the beginning of the month and let them manage their own spending. The pocket money is starting from 10,000 to 20,000 Baht depending on the family's affordability. Only one interviewee who finished high school and did not go for university, she started working as the freelance voice actress since 20 years old. Recently, she has income totally 30,000 Baht per month.

The interviewees in mid Gen Y, age around 24-26, are the first job seekers. Two of them are working in the private company in Bangkok business area such as Sukhumvit, Silom and Sathorn Road. Their incomes are based on the company salary which is not so high. They have no working experiences so that they cannot get paid better than the senior workers in the company. Their salary is around 25,000-32,000 Baht per month. Another one person is studying Master Degree at Chulalongkorn University without doing any jobs. His income is come from their parent support as well. His pocket money is around 40,000 Baht per month.

The last group of interview is the oldest Gen Y, age around 28-30. Two of them are senior sales staff in the private company. One is graduated in Bachelor, get paid around 42,000 Baht per month. Another one got the Master Degree in the international program, he get paid around 48,160 Baht per month. The last person in this group is the woman who just got married at the end of year 2016, now she is helping her husband business at home. She is Master Degree graduate and earn the income around 80,000-100,000 Baht per month.

Spending

Group of youngest Gen Y almost spend on food, clothes, shopping, cosmetic and educational things such as stationary, books, report, and presentation. Male students mainly pay for food, movie, drink and party. They have no money left at the end of the month. They sometimes have to ask their parents for additional packet money. On the other hand, one freelance girl in this group, she is very concern about her spending because she knows the value of money that she has to work to earn it herself. She lives at apartment with her boyfriend and share the room rental and other utility fees such as water and electricity fees. She does not go for shopping every week same as other Thai girls at the same age but she prefer to use what she has and modify it to wear in several occasion. She does not go to eat in the expensive restaurant, but she normally buy somethings at the market and go back to eat with her boyfriend at the room for dinner.

For the second group, mid-Gen Y, they are mostly spending on unnecessary things such as buying new mobile phone when it is launched the new version. They go to club at night every Friday and see the new movie at the weekend. These people spend most of the time with their friend more than a family. One of the interviewees in this group, he spend all free time with his girlfriend, and pay everything for her. Three interviewees in this group started using the first credit card after they earn the salary. They use credit card for paying gasoline, foods at restaurant in the department store, shopping and traveling spending such as hotel and air ticket. They like to spend on the online shopping with the small amount of product. The maximum price that they buy things online is not greater than 400 Baht. They do not believe that the online shopping is 100 percent reliable, but as the value is not much they are willing to pay

for it. They prefer to transfer the money to the merchant account more than using credit card.

The last group is the earliest Gen Y. They spend every day on good foods and coffee. They tend to stay with family more than friends, so their spending is not similar to the young Gen Y. They do not go out for party every week but they go for such a special occasion of the special person in their life. They are not interesting much in the new technology, so they do not change the mobile phone every year. They spend on the big amount for travelling with their friend and family. They go for abroad trip at least two times per year. The favorite places that they like to travel are Japan, Singapore, Hong Kong and Taiwan. These countries are popular because the airplane tickets are always at promotional price and no need visa to apply to entry the country. These groups of people pay for life insurance every year and have the additional expense for car maintenance.

Debt

For all interviewees, there are only 3 out of 10 person have debt. The first person is indebted for brand name bag, cost 35,000 Baht. She does not have enough money, so she used credit card and make the 12-month installation payment. She has to pay around 3,000 Baht per month for this debt. She mentioned that this is the only way she can own the favorite bag she wants. If there is the offer to use credit card with the installation payment that she can afford, she is willing to pay. If not doing this way, she cannot buy by cash at one time since her salary is not much. Next person is the man who is 25 years old, working as the office worker. He bought Macbook laptop for 55,000 Baht by 10-month installation payment. He has to pay 5,500 Baht per month. After payment this monthly debt, he does not have any saving left. The reason he made the decision is because he love the design of Macbook. He can buy the cheaper laptop with the same spec with Macbook but he does not like it. The last one who has debt is the man age 29 years old. He bought the 3 million Baht condominium at Rama 9 downtown. He made a loan from the bank and has to pay 15,000 Baht per month for the principle and interest. The reason that he bought the condominium is he wants to start the new family with his girlfriend as he has the plan to marry in year 2018.

Saving

People in different ages in the range of Gen Y also have the different mindset toward saving. We can classify into 3 groups as always.

Newly Gen Y age 20-23: Their incomes are not much compared to the older Gen Y. After spending the daily expenses such as foods and transportation cost, they have nothing to save. They are all university students, their incomes are always from the parents who give them just the amount that enough to pay for basic spending. The first interviewees has no saving, he spends all money he has every month. He has no financial responsibility to take care since he lives with the family. The second interviewee usually has the overspending from the salary that he gets from the parent. He said the money he gets from his father is not enough to pay for the car gasoline and other expenses for education such as books, printing sheet and tutorial class outside the university. He has to ask for more every month. By the way, it is lucky that his father can still afford this and pay more for him. The last interviewee in this group is freelance voice actress. She said as the economy in Thailand is not good, so the numbers of her job are lesser compared to previous year. The company decreased the budget to hire her to record the voice for advertisement and movie. It caused her income to decrease consequently. Although she tried to spend on only necessary things, but she cannot have more saving at this moment.

When asking them about the saving mindset, all mentioned the same that they were educated from their parents but it is not the age that they can do anything. Their parents always teach them to know the value of money and spend it carefully. One parent of the interviewees opened the saving account for the child and has been keeping the money in every month. This behavior influences that interviewee to know the value of money and she always has some money left for saving by her own every month.

Mid-Gen Y age 24-26: These people almost have no saving in every month. They are totally agreed that the salary they received from the company is not enough for using in Bangkok which is the high-living cost city. The first interview is the guy who works in famous beverage company in Thailand. He said he has to go for hangout with colleagues and customers every day. It is hardly to refuse them every time they invite. It is about the relationship to maintain and sometimes his boss goes together so

he has to accompany to take care. He does not have the plan to save money for basic investment such as buying the Long Term Equity Fund (LTF) or Retirement Mutual Fund (RMF) which can be used for saving the personal tax at the end of the year. He does not have a separated account for saving and spending and he never did the monthly balance sheet. He said he is working in the big company which is very stable. Therefore, he has no concern to save the money for the future since he never thinks about resigning and finding the new job. The next interviewee is the Master Degree student who is not working. He stays at home and helps her mother's business. He can save at least 5,000 Baht per month if he does not have any extra spending at that time. The last one is women who work as the sale position in the export company. She always has 2,000 Baht left for saving every month. She think that it is a good proportion after she spend for own happiness such as buying clothes, cosmetic, ticket for concert. She has no plan to do with this saving, but she is studying how to invest in LTF to save the personal when she gets the higher income in the future.

Late Gen Y age 28-30: This group of people is quite conservative. They have the pattern for saving explicitly and know what to do with the saving. First interviewee who is 28 years works as the senior marketing in the advertising company. He separate 8,000 Baht saving per month for buying LTF & RMF, investing in the stock market, paying life and car insurance and car maintenance cost. He said he study the stock investment for three years because he think it is very important to invest in the stock market which can create a return greater than bank saving account. Moreover, he can use this saving after he retired from the company. Next guy is the person who has debt for house loan. His saving is 15,000 Baht per month; he uses this to pay for house loan only. He said he plan for starting his own business with his wife in the next two years after married, so he will have more income to pay for their baby in the future. He said his mother is the role model for saving for the future and having plan for family. He is closed to his mother and she always takes care of her spending. She does not buy unnecessary things but always save money for him. Therefore, he would like to have the good family and be the good father in the future. The last one is the women who already got married and now is helping her husband's business at home. She is the one who take care all accounting for the family. She manages money-in and out for the company. She separates the saving into three parts; saving for baby

in the future, saving for travelling and saving for emergency cases. By the way, her husband is helping her to make the decision when need to spend on their saving.

The researcher found that the late Gen Y does not rely on any social network to make the decision on spending and saving. They have their own lifestyle, thinking, preference and they will find the information on the internet for what they want to know. The social network will affect when they find the information that related to their flavor. They will follow only the details that benefit to them. For example, they like to go to travel because they really like the nature of the country they go. They do not go there because they follow their friends in the Facebook.

4.2 Data Analysis

For the information that was interviewed from the samples, they can be analyzed as following topics

4.2.1 Income

The income of Thai Gen Y in Bangkok area is depended on several factors such as age, educational background, working experiences, abilities to speak English or the third language, working industry, specific skill that is demanding in the market, position, a number of job that earn per month and incentive or extra bonus per year.

Table 4.2: Participant's profiles

No.	Job Title	Working experience (Year)	Industry	Monthly Income (Baht)	Bonus (Month)
1	Sales Rep	1	Petrochemical	25,000 – 30,000	4 – 6
2	Export Sales Rep	3	Foods	32,000 – 43,000	5 – 6
3	Senior Sales Rep	6	Building Materials	40,000 – 50,000	2 – 4

Table 4.2: Participant's profiles (cont.)

No.	Job Title	Working experience (Year)	Industry	Monthly Income (Baht)	Bonus (Month)
4	Senior IT technician	4	Banking and investment	42,000 – 50,000	4 – 6
5	Sales Administration	2	Electricity parts	20,000 – 25,000	1 – 2
6	Purchasing	4	Textile	35,000 – 40,000	1 – 2
7	Business owner	3	Utility pole Contractor	80,000 – 100,000	Depending on performance

4.2.2 Spending

As per the data that the researcher received from the interviewees, it can be seen the spending in Thai Gen Y in urban area can be classified into 2 categories which are a basic spending for daily use and other spending such as the cost of entertaining themselves.

For the basic spending in daily life, the largest amount in this category is foods and drinks. They pay 100-500 a day for breakfast, lunch and dinner. For the office workers who live in business area such as Sathon and Sukhumvit Road such as Chitlom and Pleonchit, the cost of foods and drinks are pretty higher than other areas. The cost of food per dish starts at 60 – 100 Baht. Moreover, the office worker usually buy a cup of coffee in the morning before getting to work and one more cup of sweet drink or juice after lunch. For those who do not live with the family, they rent a studio-type of condominium or one-bedroom apartment to live, the rental fee is started at 5,000 – 10,000 Baht including water and electricity fees. Thai Gen Y has to pay for telephone and internet package fee around 500 – 1,200 Baht per month. For those who own a car for driving to work every day, the cost of gasoline is 3,500 – 7,000 Baht per month. (They drive about 50 kilometers per day.)

For those who do not use the personal car, but prefer using a sky train and underground, they spend for 2,500 – 5,000 Baht per month for the transportation fees. Beside these costs, the researcher found that for those who own the car has to pay for car insurance every year, the cost is around 10,000 – 30,000 Baht depended on the car's model and car's usage. In addition, Thai Gen Y who is 27 years old up begin to pay for life insurance which can give them a return in the future as well as can use for personal tax saving.

Table 4.3: Basic spending of Thai Gen Y

No.	Spending	Amount
1	Foods and drinks	100 – 500 Baht per day
2	Accommodation (for those who live separately from a family)	5,000 – 10,000 Baht per month (including water and electricity fees)
3	Telephone and internet package fee	500 – 1,200 Baht per month
4	Gasoline (For those who own a car)	3,500 – 7,000 Baht per month
5	Transportation cost (BTS, MRT card)	2,500 – 5,000 Baht per month
6	Life insurance	10,000 – 30,000 Baht per year
7	Car insurance	13,000 – 20,000 Baht per year
8	Car maintenance	15,000 – 20,000 Baht per year

Beside the daily life spending, Thai Gen Y pays a lot after work for entertain themselves. They see movie every week especially at the weekend. They spend around 800 – 1,000 Baht per month for the new movie. The largest proportion for Thai Gen Y is the cost of hanging out with friends and colleague. For those who study in the university and stay at dormitory, they go out at night for drinking a beer in front of the university every day. On the weekend, they go clubbing at Thonglor road and RCA (Rama 9 Road), spending around 3,000 – 6,000 Baht per month. For women, they have a cost of buying new clothes and cosmetics every month around 1,000 – 5,000 Baht. And they also pay 500 – 1,000 Baht for a small gift to their friends for such a special occasion such as birthday, anniversary and Graduation day.

Table 4.4: Other spending of Thai Gen Y

No.	Spending	Amount
1	See movies	800 – 1,000 Baht per month
2	Hang out with friends and colleagues	3,000 – 6,000 per month
3	Exercise/outdoor activities	1,000 – 3,000 per month
4	Buy clothes and cosmetics	1,000 – 5,000 per month
5	Play online games	500 – 1,000 per month
6	Buy a gift for a special occasion	500 – 1,000 per month

4.2.3 Saving

Thai Gen Y is saving for several propose but the same thing that all interviewees mentioned is saving for travel. They save 1,000 – 5,000 Baht per month to spend on the short trip abroad such as Japan, Taiwan, Hong Kong and Singapore. These countries are very popular because they allow Thai people to get in without a VISA and the air-ticket is not too expensive. Many airways such as Thai AirAsia, Nok Air, Lion Air always launch the promotional advance ticket, Thai Gen Y always buy in this period and plan for a trip on the long holiday such as new year, Songkarn holiday and labor day. The second thing that they save to buy is smartphone. As they are addicted to social media, the smartphone is a must application that we cannot leave. They tend to buy the new phone every year. The price of one smartphone is around 25,000 – 35,000 Baht. For those who like technology and start the own business such as a freelance, they have to pay for a laptop which is a tool for working around 25,000 – 40,000 Baht per three year. For women, they save for buying a brand name bag at least one bag a year. The price is about 10,000 – 30,000 Baht per piece. The last item is for men who is watch lovers, they save to buy a good brand name watch which cost around 10,000 – 60,000 Baht per piece.

Table 4.5: The wish list that Thai Gen Y saves money for

No.	Saving for	Amount
1	Travelling (In domestic and abroad)	3,000 – 30,000 Baht per year
2	Smartphone	25,000 – 35,000 Baht per year

Table 4.5: The wish list that Thai Gen Y saves money for (cont.)

No.	Saving for	Amount
3	Laptop	25,000 – 40,000 Baht per three year
4	Brand name bag	10,000 – 30,000 Baht per year
5	Brand name watches	10,000 – 60,000 Baht per year

4.2.4 Influencers

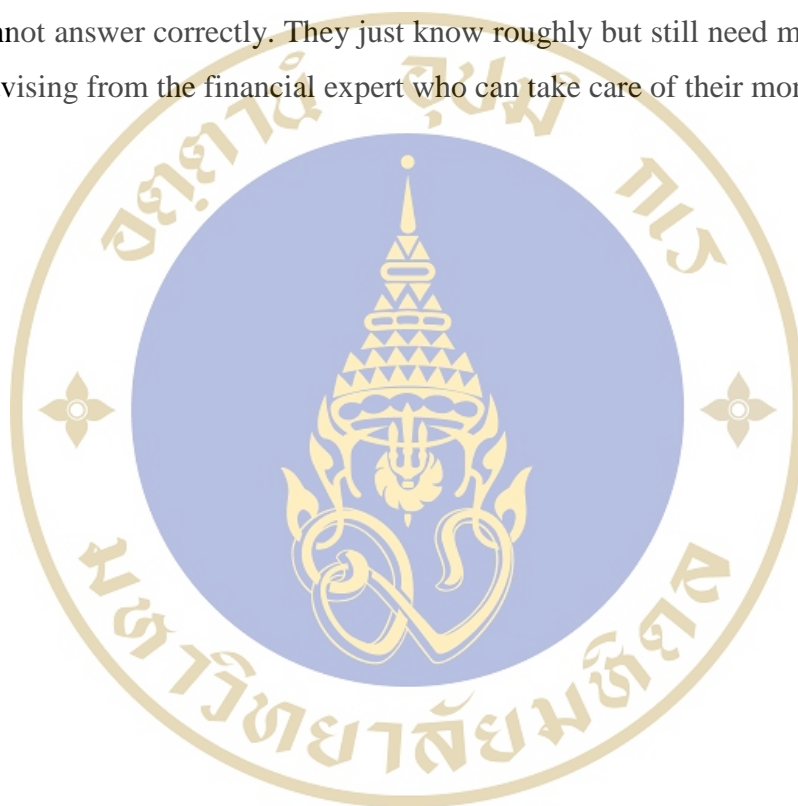
The person or a factor that has the most influencing on Thai Gen Y's buying decision can be ranked as following 1) Social Network, 2) Friend, 3) Family and 4) Own decision making.

Social Network is the most influencing factor because Thai Gen Y spends 1/3 day on social network or 8 hours per day. They start the day with checking Facebook and Instagram's feed to see what are the things that their friends talking about, current situation, popular items on the blogger reviews and the most views video clip on YouTube. These are the factors that affect to Gen Y's thinking. They get used to search and find the information before buying something and they believe that what is on review is reliable and that product should be a good. They are influenced with the viral marketing on social network that the producer builds for selling their products. The interviewee said that if their friends upload the picture of new item such as new sneaker that matches with his preference, he want to buy it. Another example is the travelling destination. Thai Gen Y always follows to explore the places that are reviews by famous blogger and their friends. When their friends checked-in on Facebook at some cool places such as Bali Beach at Indonesia, they also provides and reviewed how to go there, what the best hotel is, what the coolest activity that people cannot miss and the expense summary of the trip. It motivates people to go there too.

Moreover, for the expensive item such as brand name bag and watch, some interviewee admitted that they bought because of the social influence. In the working environment, their colleagues are using the brand name product. To be friend with them and being admired in the social, Thai Gen Y thinks that they should have something in common. The luxury item can help them easily be reminded and people want to talk to them.

For saving, most of interviewees did not mentioned about the key influencer who teaches them how to save for future. Only one mentioned that his mother is the role model for keeping and spending because she has never bought unnecessary things and save money for the children. The other said that they read an article on the internet that mentioned about how to save for investment in the long-term. They like to read a short article that directly recommends where they should put the money on such as the stock market, Long-term equity fund (LTF) and Retirement Mutual Fund (RMF).

However, when asking them in-depth details about each kind of investment, they cannot answer correctly. They just know roughly but still need more education or more advising from the financial expert who can take care of their money.



CHAPTER V

CONCLUSION

5.1 Summary

From the finding and analysis, they can prove the two assumptions as per below details.

5.1.1 Thai Gen Y is addicted to social network and it is one of the significant factors that influence the increasing debt and decreasing saving. They follow the trend in the social media, buying the things that are in-trend but actually not a necessary thing in their lives. This cause they to borrow money from other people to pay for or use the credit card to make the installation payment. Eventually, it creates the increasing debt that they cannot afford because they are overspending. The expense is more than income.

5.1.2 Thai Gen Y needs to be accepted in the society, so they try to spend on what the other people do. They buy the luxury item just in order to show other people that they are rich and have a good taste. It can prove according to Maslow's hierarchy that when the basic needs such as food, accommodation, and safety are completely fulfilled, they are searching for accomplishment, love, social acceptance, and individual goal in their lives. By the way, Thai Gen Y has no enough financial knowledge to execute their financial planning for the future. Few people do the income statement, and have a properly plan for saving in the future.

5.2 Recommendation

Debts and saving of Thai Gen Y are concerned as the major issue of Thailand devolvment nowadays. As Thai Gen Y is the largest group of people in Thailand that has the largest proportion of credit loan and debt, it will affect to

Thailand's economy in the short-term. Therefore, the recommendations can be involved in the public sectors in the nation who have authorization to set up the policy which can impact most of people in the country.

5.2.1 Thai government should consider and realize that this issue is very important and set up the team and policy to look after Thai Gen Y debt and promote their saving. For example, the nation credit bureau should increase the regulation to inspect the credit card user profile before giving the approval to limit their overspending.

5.2.2 Thai public sector in the finance department should create the viral marketing video clip that tell the story about the drama when their parents are sick and they have no money to pay for the hospitality. Because Thai Gen Y use social network 8 hours a day, the content will be easier get reach to them and the story is very touching which will let them concern about their spending and saving.

5.2.3 The private company can support by setting up the compulsory saving program by automatically deduct the saving from monthly salary for LTF & RMF program. This method will help Thai Gen Y has a big amount when they quite the job or retire. They also can get the money support from the company after they save for the period of time.

5.3 Limitation

5.3.1 Limit of time

As this is the thematic paper with conduct the research only for 4 months, it cannot reach to the large number of samples which can nominate the finding and analysis in wider perspective.

5.3.2 Number of the samples

There are 10 samples who were chosen to be the interviewee of this research. It cannot refer to the whole picture of Thai Gen Y in all country.

5.3.3 Educational background

Most of the samples are Bachelor and Master Degree graduate. They cannot refer to the whole Thai Gen Y thinking which also have the lower education level. It can imply that the higher education people may have the higher financial knowledge.

5.3.4 Location of sample living

All samples are living in Bangkok which cannot represent to Thai Gen Y who lives in other province or rural area. The living behavior as well as the cost of living between urban and rural areas can affect to the spending and saving too.



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