FACTOR THAT COME TO COSTOMERS' MINDS WHEN THEY WANT TO PURCHASE VEHICLES FIRST HAND



A THEMATIC PAPER SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF MANAGEMENT COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY 2016

COPYRIGHT OF MAHIDOL UNIVERSITY

Thematic paper entitled FACTOR THAT COME TO COSTOMERS' MINDS WHEN THEY WANT TO PURCHASE VEHICLES FIRST HAND

was submitted to the College of Management, Mahidol University for the degree of Master of Management

on August 21, 2016



Asst. Prof. Prattana Punnakitikashem Ph.D. Advisor Assoc. Prof. Roy Kouwenberg, Ph.D., CFA Chairperson

Assoc. Prof. Annop Tanlamai, Ph.D. Dean College of Management Mahidol University Simon Zaby, Ph.D. Committee member

ACKNOWLEDGEMENTS

The success and final outcome of this thematic paper required numerous of guidance and assistant, who I could, not have done this paper without all of them. Thus, I would like to use this space to express my thankful to all support.

First of all, I would like to thank you for the big support to Asst. Prof. Prattanna Punnikitikashem, Phd who always give a good feedback and comments to make this paper move forward in the right time. I have learned a lot of new thing during process this paper from her and I would use this result to apply with business in the future.

Also, I would like to thank you to my college at the same class, co-worker and friends who always help me working on this paper about questionnaire. Also, people who give an answer on my questionnaire and make it completed.

Last but not least, I would like to express my special thanks to my family who support throughout my study at CMMU.

201300

Amornwan Sakdasavidth

FACTOR THAT COME TO COSTOMERS' MINDS WHEN THEY WANT TO PURCHASE VEHICLES FIRST HAND

AMORNWAN SAKDASAVIDTH 5849075

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASST. PROF. PRATTANA PUNNAKITIKASHEM, Ph.D., ASSOC. PROF. ROY KOUWENBERG, Ph.D., CFA, SIMON ZABY, Ph.D.

ABSTRACT

Automotive industry becomes the major part to rise up the GDP in Thailand. The production of this industry alone could support many segments in Thailand such as labor, manufacturer and many small factories to produce engine part support the large company such as Toyota, Honda, Ford and many more. The trend of customer purchasing decision toward vehicles become competitive when there are a lot of car producer try to compete together to raise up the sale volume. However, there are external factor, which could not control such as the oil price and the economic situation effect to corporate to work hard with marketing campaign.

Thus, there are 4 factors to concern in order to understand the customers minds are; Car performance and Reliability, Affordability, Information influence and Utilitarian Influence that have impact on purchase intention toward vehicle. According to previous research, some of them are not correlation with purchase intention at all. In this paper would find out the new result that could help the corporate, manufacturer and sale marketing section to understand their customer in order to push the right plan to their customers.

KEY WORDS: Vehicles, Car Performance, Affordability, Information Influence Group, Utilitarian Influence

46 pages

CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
LIST OF TABLES	vi
LIST OF FIGURES	viii
CHAPTER I INTRODUCTION	1
1.1 Thailand and its Automotive Industry	2
1.2 Problem Statement	3
1.3 Research Questions	4
1.4 Research Objectives	4
1.5 Research Scope	4
1.6 Expected Benefit	5
CHAPTER II LITERATURE REVIEW	6
2.1 Purchasing Decision Process	6
2.2 Vehicle Characteristic: Performance or Reliability	7
2.3 Vehicle Characteristic: Affordability	8
2.4 Information Influence	8
2.5 Utilitarian Influence	9
CHAPTER III RESEARCH METHODOLOGY	11
3.1 Questionnaire Development	12
3.2 Measurement Values	12
3.3 Data Collection	15
3.4 Data Analysis	15
CHAPTER IV RESEARCH FINDINGS	17
4.1 Car Performance and Reliability	18
4.2 Pricing or Affordability	23
4.3 Information Influence	25
4.4 Utilitarian Influence	27

CONTENTS (cont.)

	Page
4.5 Differences Between Male and Female for Each Factor	28
4.6 Discussion	33
CHAPTER V SUMMARY AND RECOMMENDATION	35
5.1 Recommendation	36
5.2 Limitation and Further Research	36
REFERENCES	38
APPENDICES	40
Appendix A : Sample of Questionnaire	41
BIOGRAPHY	46

LIST OF TABLES

Table		Page
3.1	Demographic Question	12
3.2	Car performance and Reliability	12
3.3	Affordability	14
3.4	Information Influence	14
3.5	Utilitarian Influence	14
3.6	Purchase Intention	15
4.1	Respondents' Profiles	17
4.2	Maintenance Cost	18
4.3	Considering After Sale Services	19
4.4	Availability of Service Station	19
4.5	Fuel Consumption	20
4.6	Safety System of the Car	20
4.7	Exterior designs, Body Kit	21
4.8	Exterior colors	21
4.9	Body Shape of Vehicle	22
4.10	Interior Design	22
4.11	Importance Level of Car Performance and Reliability	23
4.12	Pricing	23
4.13	Overpricing Vehicle	24
4.14	Comparing the Value of Car	24
4.15	Influence by Parents and Relatives	25
4.16	Influence by Friends	26
4.17	Effect of Comments on Purchase Intention	26
4.18	Praise and Reward from Parents and Relatives	27
4.19	Purchasing to Avoid Punishment	27
4.20	Differences between Male and Female for Each Factor	28

LIST OF TABLES (cont.)

Table		Page
4.21	Factor Analysis	28
4.22	Multiple Regression Result	31
5.1	Criteria & Summarize to summarize the overall finding, please refer	
	to table below for more information	35



LIST OF FIGURES

Figur	e	Page
2.1	Brand new car purchasing decision process	6
2.2	Framework of this study	10
4.1	Factor Analysis	30

CHAPTER I INTRODUCTION

Talking about owning a car to drive is what most people desire for. Car has become a symbol to represent status, enhance standard of living, and increase convenience. People can travel longer distance in a shorter period of time. Demand of cars is increasing rapidly and spreading everywhere around the globe. According to OICA (2016), approximately 90,000,000 cars were produced in 2015 worldwide, which worth around 89,000 million baht. From that figures, passenger cars represented at least 75% or 68.5 million vehicles. Other 25% or 21.5 million vehicles were commercial vehicles. As standard of living and rising in wealth accumulation, people are looking to purchase a vehicle; especially in ASEAN countries. As more and more people start to earn more money, they will start to find or purchase something which can help to make their lives better; thus fueling the rise of global vehicle sales, rising 3% year on year.

According to Nielsen (2016), they have conducted a survey to understand the reason why people choose to purchase their cars according to respondents' ages. The main reason Millennial, age between 21 - 34 years old, decided to purchase a car is a symbol of their success. Out of 68% of total respondents believe that the car can represent how successful they are. Especially in Asia Pacific region, the survey result indicated clearly that 75% of respondents decide to purchase car, because of desire for status. So it can be summarized that status is the main motivation.

In the case of Thailand, which Nielsen (2016) stated that 82% of people here purchase the car, because it can symbolize the social status. Many people around the globe regard Thailand as automotive manufacturing hub, there were 799,594 vehicles sold in 2015 alone, decreasing around 9.3% from 2014. Reasons for this decreasing in sales of vehicles were economic situation, lack of confidence in government and future earning, first car buyer scheme, and high household debt. This year, 2016, many experts believe that it will be another bumpy year for automotive industry. According to Post Publishing (2013), many expects another 10% drop in demand which will bring the number of sold vehicles to 720,000 vehicles, 265,000 for passenger cars and 455,000 for commercial vehicles. The situation of automotive industry should improve within the next two years.

To be able to produce all necessary parts for vehicle, this industry alone employed approximately 700,000 workers, including all vehicle and parts related companies in Thailand (ASTV, 2013). So it is quite clear that this industry alone also employ large amount of work force. In the next four years or 2020, government forecasts that the output of this industry will rise from 2.5 million vehicles to 3.5 million vehicles. To be able to produce that much vehicle, this industry will need at least 200,000 more workers.

As more and more people are living in the crowded city, size of the car is getting smaller along with the price to purchase. Currently there are many brands which use various promotions to promote and encourage Thai people to purchase car and try to edge up their shares and try to compete with first and second tiers brands. Apart from promotions which use to attract buyers, car companies also add in various functions and technologies into their cars in order to increase the value perception of their cars and gain more attention from customers. Some functions; such as cruise control, a system which controls the speed of a vehicle automatically, used to equip only prestige or luxurious cars now also available in many models with affordable price.

ขยาลียุ

1.1 Thailand and its Automotive Industry

Thailand is very reputable and well-known in automotive arena. According to statistic from BOI (2015), Thailand ranks as number 9th in term of total vehicles output, slightly behind Mexico. Apart from that, many big names, Honda, Mazda, China's SAIC Motor, and Nissan, have invested significant amount of investment in 2014 alone. All of them either constructed their new plants or expanded their original one to increase production. Their investment also helped to stimulate economy by reducing employment rate, transfer of new technologies, and sourcing parts and services from local firms. Out of their investments, Honda and SAIC invested the most, exceeding one billion US dollars. This is how big names view Thailand, production base to export and huge appetite from domestic side. There are various reasons why they chose to invest big in Thailand as well; excellent infrastructure, supply of skilled labor, support from government, and etc.

Total output of vehicle in 2013 stood at 2.85 million vehicles. From this segment alone, it helped to contribute at least 12% to GDP in that year. From that figure, more than half, 57% or 17,457 million US dollars, of units were exported to many countries around the world; Australia, 13.3%, Indonesia, 8.8%, Malaysia, 6.4%, and lastly but not last Japan, 6.3%. This figures implied that vehicles produced in Thailand has met international standard, and quality was accepted worldwide; including Japanese one.

In term of domestic consumption, the figure was impressive as well. Only the last two months of 2015 alone, Thai people purchased 177,890 vehicles. According to Toyota Thailand (2015), Toyota alone occupied 30% and ranked as number 1, Isuzu, 18%, Honda, 13%, Mitsubishi, 10%, Nissan and Mazda, 6%, Ford, 5%, and Suzuki, 2%. From this figure from Toyota, Japanese brands dominated or occupied big piece of market share of Thailand automotive market. Only Ford, ranked 7th, was the only car maker which is not Japanese one. Reasons for choosing Japanese cars were reliability or performance and maintenance cost (Sumnientlum, 2009).

1.2 Problem Statement

To buy a car, customers need to weight in many things before making any judgment. They need to study and research on brands and models that they like, because the car will be with them for quite a period of time. In order to buy one, it will take huge investment and risks for some people. So they need to consider every aspect carefully. Once the decision is made, they can not turn back or decide to return the car.

At the moment, many companies are promoting heavily in order to pull potential customers to take a look at their cars. Then, they use different kind of promotions to trigger customers to book and to purchase their cars. So what are the reasons or factors which influence Thai customers when they need to decide what kind of vehicle they want to buy for themselves or their families? If one could understand how the mind works, they will be able to influence their decision which can lead to sales and increase bottom line afterward. Apart from that, companies also can allocate their budget more efficient as well. So the aim of this paper is to bring out the motivation factors which can influence buyers or key decision makers. With the result that researcher could identified, car companies will be able to understand customers and able to formulate strategies better.

1.3 Research Questions

- 1. What are factors influence customers' purchase decision toward car?
- 2. What is the relation or effect of each factor toward purchase decision?

1.4 Research Objectives

1. To study factors that can influence car purchase decision.

2. To understand expectation of customers when they want to purchase their cars

3. To make recommendation that can assist car's makers to edge up their market share

1.5 Research Scope

This research will focus on young adults, ages 22 and up, who will purchase their cars in the future to be able to understand their expectation and needs. The scope or population frame will be all young adults who are living in Bangkok or in metropolitan area and who has access to internet, because survey will be distribute through Googledoc for the ease of collection. Apart from that, they have to earn at least 15,000 baht per month in order to be qualified to answer this survey, because it is a minimum requirement from financing companies, in the case of purchasing the car by himself or herself.

1.6 Expected Benefit

Able to understand what customers really need and their expectations before making any decision to purchase their cars will cars' makers to utilize their budget efficiently and to trim their costs of marketing and other unnecessary costs down. This research will help cars' makers to understand more about potential buyers and influence them which in turn affecting their bottom line and market share.



CHAPTER II LITERATURE REVIEW

2.1 Purchasing Decision Process

Before customers purchase their cars, they need to make weight in various factors before final their judgment. Ackaradejruangsri (2015) described consumer-buying process when they want to purchase vehicle as followed:

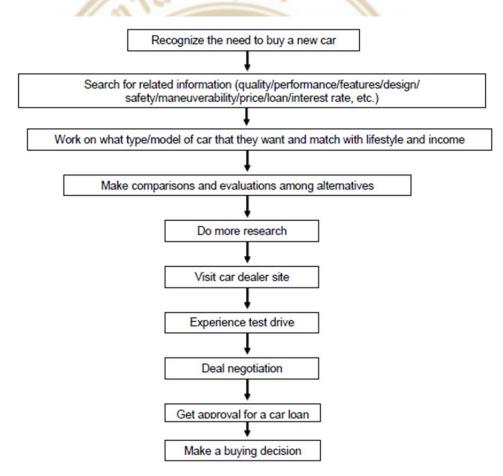


Figure 2.1 Brand new car purchasing decision process

Source: Ackaradejruangsri (2015)

It all starts with need recognition. Customers realize that they need to buy a car in the first step. Then, they will search for any vehicle's related information and try to gather as much information as possible. In the third step, they will try to select the ones that match their life style and income to see whether they can purchase it or not. Then they will try to compare between each alternative or choice to narrow their focus. After that they will do more research by visiting dealer to see the real car and do a test drive. If the car matches or exceeds their expectation, they will start the negotiation to get the best deal for themselves. Once everything is done, they will apply for a loan to purchase car. Once the loan is approved, they will proceed with the buying process.

1115

2.2 Vehicle Characteristic: Performance or Reliability

People decide to purchase car, because of its performance. No one will purchase car with low performance even there are a lot of promotion attached to it. Yousefi (2011) also confirmed this point in this research by stating that performance or reliability is the first priority. Apart from performance or reliability, affordability also plays another important aspect in consumers' minds which ranks 2nd in term of importance. If the price tag of the given vehicle is not affordable, they will not buy it even the performance of the car is superb. Ackaradejruangsri (2015) also confirmed this point as well. According to her research on Thai consumers when they want to purchase their brand-new car, performance and reliability of the car rank as the top criteria which are very important one that can influence Thai people when they need to select the car they want to purchase. Ackaradejruangsri (2015) described performance or quality of the car as safety, designs, features, and fuel consumption. When consumers want to purchase their cars, it seems like they need to weight in many factors in cars' performance and its features and judge which model serve their purpose the most.

Apart from performance, Thai consumers also look for reliability of their cars. Consumers do not want to purchase car which has problems or fails frequently. Lee and Govindan (2014) stated that customers consider a vehicle to be reliable one if and only if it has fewer problems than other vehicles or brands. Woods's research (2010) also pointed out that reliability has positive impact on customers' purchase decision. If the vehicle is perceived to be a reliable one, it can help to foster brand loyalty and very

likely to turn that current customer into a brand promoter. Once the car is reliable, consumer will believe that they will pay less for maintenance cost and have higher resale value.

Hypothesis I: performance and reliability have positive impact on purchase intention

2.3 Vehicle Characteristic: Affordability

When the car performance exceeds customers' expectation, they need to make a decision whether they will purchase it or not. Another criterion which plays an important role in customers' making process is price or affordability. If the price is too expensive or not affordable by customers' incomes, they will not be able to purchase it. Lee and Govindan (2014) stated that price is always a crucial factor which customers need to make any final judgment. When customers comparing many brands or cars, they are trying to compare between the price tag of each car and perceived quality level. According to Deloitte (2009), vehicle price has very heavy impact when customers need to make purchase decision. In any case, they want to buy a car that they can afford without compromising on other important vehicle performance factors; reliability and safety. Due to recession and economic slowdown in many countries recently, price has become the most important factor to many middle class people.

Hypothesis II: price or affordability has positive impact on purchase decision

2.4 Information Influence

When one wants to purchase anything which is significant to them, they need to look for information regarding any product or service. Before purchasing vehicle, customers also need to seek information from their family, friends, loved ones, and other experts in order to make sure that they make the right choice. They seek advice of others in order to reduce risk and reconfirm their decision. Venkatesan (1996) confirmed this point; people tend to receive heavy influence by their reference group when they need to purchase high involvement or high value product. When others' opinions can have influence on customers' purchase decision, it is called peer influence. Peer influence

ขยาลียน

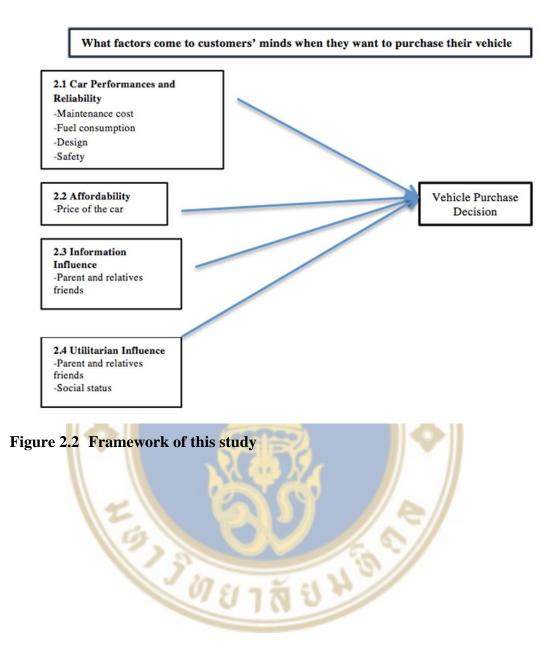
can be described as the amount to which peers can influence on attitudes, actions, and/or thoughts of individuals (John, 2013). From his study, peer influence can

Valeecha and Reza (2013) stated reference group or peer influence can exert different types of influence on individuals; informational influence and utilitarian influence. They described informational influence as craving to make informed decisions and try to optimize one's decision. When they need more information on certain product or service, because they lack knowledge in that area, they may perceive information from their reference group as valuable and credible.

Hypothesis III: Information influence has positive impact on purchase decision

2.5 Utilitarian Influence

On the other hand, reference group can exert their influence on individual by utilitarian influence. This type of influence will work on individual when they seek praise or avoid punishment from the group (Valeecha and Reza, 2013). So it can be said that individual will change their original idea or decision, if their reference group regards that decision as incorrect or inappropriate. This kind of influence will work when individual tries to make oneself associated with certain group or try to gain a position or a place in society. Thus, utilitarian influence is used for advertising themselves to avoid the embarrassing of using each produce from their reference group (Jiaqin Yang, et al., 2007) Hypothesis IV: Utilitarian influence has positive impact on purchase decision



CHAPTER III RESEARCH METHODOLOGY

To understand the effect and magnitude of each factor toward purchase intention of vehicle, causal study was selected as a tool to conduct this research. According to Mcdaniel and Gates (2013), this kind of research method can analyze whether the value of independent factor can effect or alter the value of dependent factor or not. In this study, there are four independent factors or reasons to be tested whether they can impact on purchase intention of young adults toward vehicle or not. Before analyzing the impact of each independent variable toward dependent variable, data needed to be gathered from target population first. In order to collect necessary information to answer or to address the research question, questionnaire will be formed and distributed through Internet.

Mcdaniel and Gates (2013) described questionnaire as a set of questions constructed to collect necessary information to assist researchers to address research objectives. If the questions on questionnaire were designed poorly, it will not help researchers to collect information at all. So it is very crucial to come up with questions carefully to be able to collect required information from respondents.

Before launching questionnaire, researchers must make sure that they will receive answers or responded from interested population only (young adult, age 22 and up). These target group, which has answers, or information that researchers need to answer research objective. If researchers do not define the population of interest correctly, results might mislead and will not be able to yield any effective result during data analysis process.

As for this research, the population of interest is defined as all Thai young adult, ages 22 years old and up, who live in Bangkok area, and express interest to purchase first hand vehicle. The sample size for this survey is 100 people.

3.1 Questionnaire Development

The questionnaire of this research were developed from previous literatures and adapted to fit the target respondents and answering the objective of the research. The list of questionnaire (Appendix A) was designed to gather information about what is in the consumers mind when they want to purchase vehicle first hand. The reference of each questionnaire was from these literatures.

3.2 Measurement Values

5 points Likert scale will be used in this research to measure attitude or feelings of respondents toward one single statement at a time (Mcdaniel and Gates, 2013). Researcher decided to adopt 5 points scale rather than 4 or 7 points, because 7 points scale is slightly yield better result than 5 points scale. And there is no midpoint for 4-point scales; respondents sometime try to answer positively in order to help researchers.

Factors	Questionnaire	References
Gender	What is your gender?	Langwieder, 2005
Age	What is your age?	Langwieder, 2005
Income	What is your monthly	Marc Prieto and Barbara
Income	income in Baht? Caemme	
Level of education	What is your level of	Marc Prieto and Barbara
	education?	Caemmerer, 2013

 Table 3.1 Demographic Question

Factors	Questionnaire	References
	When I want to purchase a vehicle, I always take maintenance cost into my consideration as the most important factor.	Langwieder, 2005
Maintenance Cost	When I want to purchase a vehicle, I always take after sale services into my consideration as the most important factor.	Langwieder, 2005

Maintenance CostWhen I want to purchase a vehicle, I always take availability of service station into my consideration as the most important factorLangwieder, 200When I want to purchase a vehicle, I always take fuel consumption into my consideration as the most important factorLee and Govindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take fuel consumption into my consideration as the most important factorLee and Govindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
Maintenance Coststation into my consideration as the most important factorLangwieder, 200When I want to purchase a vehicle, I always take fuel consumption into my consideration as the most important factorLee and Govindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
station into my consideration as the most important factorLee and Govindan, 2014When I want to purchase a vehicle, I always take fuel consumption into my consideration as the most important factorLee and Govindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
When I want to purchase a vehicle, I always take fuel consumption into my consideration as the most important factorLee and Govindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
Fuel ConsumptionLee and Govindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
always take fuel consumption into my consideration as the most important factorGovindan, 2014Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
Fuel ConsumptionWhen I want to purchase a vehicle, I always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
always take the type of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my consideration as the most important factor.Lee and Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
Gasohol 95, E20, E85) into my consideration as the most important factor.Govindan, 2014When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
consideration as the most important factor.When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
When I want to purchase a vehicle, I always take color into my consideration as the most important factorSeng and Huisin 2015
always take color into my consideration as the most important factor Seng and Huisin 2015
always take color into my consideration as the most important factor 2015
as the most important factor
When I want to purchase a vehicle I
when I want to parenase a veniere, I
Design always take interiors option (eg. seat Seng and Huisin
material) into my consideration as the 2015
most important factor
When I want to purchase a vehicle, I Seng and Huisin
always take car body shape into my 2015
consideration as the most important factor
When I want to purchase a vehicle, I
always take safety system (break system,
airbag, sensor) into my consideration as
the most important factor.
Safety When I want to purchase a vehicle, I
always take car body kit (wheels, spoiler
and bumper car) into my consideration
as the most important factor

 Table 3.2 Car performance and Reliability (cont.)

 Table 3.3 Affordability

Factors	Questionnaire	References
Price	Price of the car is the most important thing I think about when I need to make decision to purchase a car	Lee and Govindan, 2014
	Even I like the car very much, I will not purchase it, if it is too expensive for me	Lee and Govindan, 2014

Table 3.4 Information Influence

Factors	Questionnaire	References	
	My parents or relatives can influence my decision when I ask for their advice prior purchasing a car	Gupta, 2013	
Parents and relatives friends	My friends can influence my decision when I ask for their advice prior purchasing a car	Gupta, 2013	
•	If my parents or relatives or friends say or mention something bad about the vehicle I like, I will not purchase it.	J. Yang, X. He and H. Lee, 2007	
Table 3.5 Utilitarian Influence			

Table 3.5 Utilitarian Influence

Factors	Questionnaire	References
Parents and relatives	I want to buy a car that my parents or relatives or friends like, so they will praise and accept me afterward	J. Yang, X. He and H. Lee, 2007
friends	I prefer to not to buy a car that my parents or relatives or friends dislike, so they will not punish me	J. Yang, X. He and H. Lee, 2007
	Buying a new vehicle would have a positive effect on my self-image	J. Yang, X. He and H. Lee, 2007
Social Status	Buying a new vehicle would say something positive what I stand for	J. Yang, X. He and H. Lee, 2007

 Table 3.6 Purchase Intention

Factors	Questionnaire	References
Purchase Intention	I am very likely to purchase a vehicle in the next 6 months.	Reza & Valeech, 2013

3.3 Data Collection

To collect necessary information, both primary and secondary data collection methods will be utilized to conduct this research. Mcdaniel and Gates (2013) defined primary data as first hand data, collecting through observation, survey, interview, and/or experiment, collect to address research problem or objective. In this research, first hand data was collected by non-probability sampling method through internet, the URL will be create from Google doc survey, set of questionnaire 120 sets altogether will be distribute via Facebook Messenger which already set the target group who age from 22 years and up as well as, Line Application and email.

Apart from primary data, researcher also utilized journals, articles, and other published books and literature to help define the purchase intention of first hand vehicles, including other factors or independent variables which have effect or impact on purchase intention. Mcdaniel and Gates (2013) described secondary data as a data which have been researched, analyzed, and recorded by other researchers in the past, and those results are available for others to study and to adapt to solve problems at hand. Comparing to primary data, this type of data is very useful, because it can helps researchers to save time and very cost effective. It might be able to provide some solutions or alternatives to problems as well.

3.4 Data Analysis

There are two statistic tools, which researchers would adopt to analyze the data. Those tools are descriptive statistic and quantitative analysis. Descriptive statistic will provide a quick look into the overall result of the data. It also can help to reveal some characteristics of respondents. Types of measures of this descriptive statistic are central tendency, means, median, or mode, measure of dispersion, and percentile. For

this study, this descriptive statistic will be used to compute frequency, percentage, mean, and standard deviation to provide a glimpse of respondents.

As for quantitative analysis, SPSS will be utilized to test hypothesis and relationship between independent and dependent factors. Means of each variable will be tested and compared to find out the difference by using F and T tests. Multiple regression and Pearson correlation will also be adopted to find out relationship of each factors, significant level above 95%.



CHAPTER IV RESEARCH FINDINGS

After the questionnaire was collected and use SPSS to analyze the data, all of the questionnaire out of 120 set of samples collected from respondents, researcher chose 100 sets of samples that has no error or missing data to analyze. Before knowing respondents' perspective toward purchasing first hand vehicle, overall profile of respondents is being displayed. According to Table 4.1 below, about 70% of respondents who answered the survey are female, mostly young adult, earning around 35,001 baht and above, holding bachelors degree, and working in private companies. When they need to purchase vehicle, the main reason they will choose first hand vehicle is car performance and reliability. It seems like affordability also play an important role, when respondents need to weight their decision among four factors. On the other hand, information and utilitarian do not much influence their decision.

		Count	Column N %
aender	male	30	30.00%
gender	female	70	70.00%
	22 - 27 years old	45	45.00%
age	28 - 32 years old	39	39.00%
aye	33 - 38 years old	8	8.00%
	39 - 44 years old	8	8.00%
	below 15,000 baht	3	3.00%
Monthly	15,000 - 25,000 baht	26	26.00%
income	25,001 - 35,000 baht	22	22.00%
lincome	35,001 - 45,000 baht	17	17.00%
	above 45,001 baht	32	32.00%
	high school	1	1.00%
education	bachelors	64	64.00%
education	masters	35	35.00%
	phd	0	0.00%
	employee	72	72.00%
occupation	business owner	15	15.00%
occupation	government employee	6	6.00%
	student	7	7.00%
	Car performance and	51	51.00%
	reliability		
	affordability	33	33.00%
Main reason when	information influence		8.000
purchasing vehicle	mornation influence	8	8.00%
	Utilitarian influence	8	8.00%

Table 4.1	Respondents'	Profiles
-----------	---------------------	----------

4.1 Car Performance and Reliability

W	When I want to purchase a vehicle, I always take maintenance cost into my					
	consid	eration as the	most impor	tant factor.		
	Frequency Percent Valid Percent Cumulative					
		Frequency	Fercent	valid Fercent	Percent	
Valid	strongly disagree	4	4.0	4.0	4.0	
	disagree	3	3.0	3.0	7.0	
	neutral	17	17.0	17.0	24.0	
	agree	51	51.0	51.0	75.0	
	strongly agree	25	25.0	25.0	100.0	
	Total	100	100.0	100.0		

Table 4.2Maintenance Cost

Respondents rated this reason quite high. It seems like respondents consider maintenance cost as a very important factor when they need to purchase a car. 76% of total respondents express that they agree with the statement. Only 7% do not agree with this.

Apart from maintenance cost, respondents also asked to rate how important for after sales service and service stations to them. Table 4.3 and Table 4.4 have stated what respondents think or feel toward each statement on service stations and after sale service. It seems like after sale service and availability of service station are very important to respondents as well. For both statements, at least 70% of respondents express that they agree with it. Only minority of respondents does not care about service station or after sale service.

W	When I want to purchase a vehicle, I always take after sale services into my						
	consideration as the most important factor.						
	Frequency Percent Valid Percent Cumulati						
Valid	strongly disagree	2	2.0	2.0	2.0		
	disagree	2	2.0	2.0	4.0		
	neutral	16	16.0	16.0	20.0		
	agree	45	45.0	45.0	65.0		
	strongly agree	35	35.0	35.0	100.0		
	Total	100	100.0	100.0			

Table 4.3 Considering After Sale Services

Table 4.4 Availability of Service Station

When]	When I want to purchase a vehicle, I always take availability of service station into my						
	consideration as the most important factor						
	Cumulative Percent						
Valid	strongly disagree	2	2.0	2.0	2.0		
	disagree	1	1.0	1.0	3.0		
	neutral	21	21.0	21.0	24.0		
	agree	45	45.0	45.0	69.0		
	strongly agree	31	31.0	31.0	100.0		
	Total	100	100.0	100.0			

Apart from service and maintenance, respondents also consider that vehicle fuel consumption is another important factor when they need to purchase vehicle. 76% of respondents agree with this statement. Again only 5% or very small group of respondents does not mind about fuel consumption of vehicle. If vehicle consumes less fuel, it will help them to save their money for other usages.

Table 4.5Fuel Consumption

V	When I want to purchase a vehicle, I always take fuel consumption into my						
	consid	eration as the	most impor	rtant factor.			
	FrequencyPercentValid PercentCumulativePercentPercent						
Valid	strongly disagree	2	2.0	2.0	2.0		
	disagree	3	3.0	3.0	5.0		
	neutral	19	19.0	19.0	24.0		
	agree	49	49.0	49.0	73.0		
	strongly agree	27	27.0	27.0	100.0		
	Total	100	100.0	100.0			

Table 4.6 Safety System of the Car

When	When I want to purchase a vehicle, I always take safety system (break system, airbag,						
	sensor) into my consideration as the most important factor.						
	\$	Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	strongly disagree	2	2.0	2.0	2.0		
	disagree	1	1.0	1.0	3.0		
	neutral	12	12.0	12.0	15.0		
	agree	32	32.0	32.0	47.0		
	strongly agree	53	53.0	53.0	100.0		
	Total	100	100.0	100.0			
		010					

According to Table 4.6, safety system also plays an important role for respondents. They consider this factor to be very important one for them, because at least 80% of respondents express that safety system is another important factor which they need to consider when they purchase a car.

After asking respondents to rate how importance of fuel consumption, maintenance cost and service, and safety, they need to weight how importance of exterior design and interior design to them. As for exterior design, body kit, color, and body shape will be used as criteria to ask respondents. According to Table 4.7, 4.8, and 4.9, more than half of respondents express that they take exterior design, shape, and color

into their consideration when they need to make a decision to purchase a car. Especially body shape and color, at least 75% of respondents agree with the statement.

Whe	When I want to purchase a vehicle, I always take car body kit (wheels, spoiler and bumper car) into my consideration as the most important factor						
	Frequency Percent Valid Percent Cumulative Percent Percent Percent						
Valid	strongly disagree	4	4.0	4.0	4.0		
	disagree	15	15.0	15.0	19.0		
	neutral	31	31.0	31.0	50.0		
	agree	35	35.0	35.0	85.0		
	strongly agree	15	15.0	15.0	100.0		
	Total	100	100.0	100.0			

 Table 4.7 Exterior designs, Body Kit

Table 4.8 Exterior colors

When	When I want to purchase a vehicle, I always take color into my consideration as the most important factor						
Frequency Percent Valid Percent Cumulative Percent Valid Percent Percent							
Valid	strongly disagree	3	3.0	3.0	3.0		
	disagree	3	3.0	3.0	6.0		
	neutral	18	18.0	18.0	24.0		
	agree	44	44.0	44.0	68.0		
	strongly agree	32	32.0	32.0	100.0		
	Total	100	100.0	100.0			

When 1	When I want to purchase a vehicle, I always take car body shape into my consideration						
		as the most	t important f	actor			
Frequency Percent Valid Percent Cumu Percent Valid Percent Percent							
Valid	disagree	4	4.0	4.0	4.0		
	neutral	7	7.0	7.0	11.0		
	agree	55	55.0	55.0	66.0		
	strongly agree	34	34.0	34.0	100.0		
	Total	100	100.0	100.0			
		12 1	104				

Table 4.9 Body Shape of Vehicle

In term of interior design, 68% of respondents also express that they consider about this factor before purchasing according to table 4.10. Only 4% disagree with the statement. So it can be concluded from above statements that both exterior and interior designs play an important role when customers need to decide to purchase a car.

Table 4.10Interior Design

14

When	When I want to purchase a vehicle, I always take interiors option (eg. seat material) into my consideration as the most important factor							
	Frequency Percent Valid Percent Cumulative Percent Valid Percent Percent							
Valid	disagree	4	4.0	4.0	4.0			
	neutral	28	28.0	28.0	32.0			
	agree	45	45.0	45.0	77.0			
	strongly agree	23	23.0	23.0	100.0			
	Total	100	100.0	100.0				

Statistics				
Car Performance and Reliability				
N	Valid	100		
	Mean	4.1242		

Table 4.11	Importance	Level of Ca	r Performance	and Reliability
-------------------	-------------------	-------------	---------------	-----------------

From the mean of what respondents' answers, car performance and reliability is very important, 4.12. It can play an important role on purchase intention. Customers need to weight in many aspects of vehicles before making any purchase.

4.2 Pricing or Affordability

Before making any purchase, customers need to consider the price of vehicle. If the price of vehicle is out of their reach, they will not be able to purchase it no matter how much they like the car. Finding in Table 4.12 can explain what respondents have in their minds. 85% of total respondents agree with the statement, so it is the most important thing, which they need to think when they need to make a decision. Only 2% of respondents do not care about the price of the car. In Table 4.13, most of respondents, 83%, also confirm their original point of view. If the price is just too expensive, they will not try to push themselves to get it.

NEW

Price o	Price of the car is the most important thing I think about when I need to make decision						
		to pu	rchase a car				
	FrequencyPercentValid PercentCumulative Percent						
Valid	disagree	2	2.0	2.0	2.0		
	neutral	13	13.0	13.0	15.0		
	agree	36	36.0	36.0	51.0		
	strongly agree	49	49.0	49.0	100.0		
	Total	100	100.0	100.0			

Table 4.12 Pricing

Even I like the car very much, I will not purchase it, if it is too expensive for me						
		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	strongly disagree	1	1.0	1.0	1.0	
	disagree	3	3.0	3.0	4.0	
	neutral	13	13.0	13.0	17.0	
	agree	26	26.0	26.0	43.0	
	strongly agree	57	57.0	57.0	100.0	
	Total	100	100.0	100.0		

Table 4.13 Overpricing Vehicle

Even the price is right; they need to consider all options and alternatives before making their final decision. According to Table 4.14, 91% of respondents agree that they need to compare the value of the car that they want to purchase in order to find the best alternative which is worth their money. Car is one of luxurious items which people do not purchase often and also require big amount of money. In order to finalize their decision, they need to make sure that they make the right choice.

Table 4.14 Comparing the Value of Car

I need	I need to compare the value of the car to the price I need to pay for it in order to find whether it is worth my money					
	Frequency Percent Valid Percent Cumulative Percent Percent Percent					
Valid	strongly disagree	1	1.0	1.0	1.0	
	Neutral	8	8.0	8.0	9.0	
	agree	46	46.0	46.0	55.0	
	strongly agree	45	45.0	45.0	100.0	
	Total	100	100.0	100.0		

After looking at how respondents review their thought toward affordability and price of vehicle, it is quite clear that most of them agree that pricing is very important to them. They will not try to reach for something, which they can not afford. Although putting this factor along with others four for respondents to choose, it ranks as 2nd most important factor. When researcher separate it and let respondents rate each factor alone. The mean of this factor is 4.33, which indicates that it is the most important factor here.

4.3 Information Influence

By asking respondents whether parents or relatives can have any effect on their purchase intention or not. 62% of total respondents agree that they seek information from their parents and relatives and can affect their purchase intention. Another 38% of the rest either express neutral or disagree with the statement. For those who disagree, they only represent around 11%. This is quite clear that before making purchase, respondents seek advice from parents and relatives.

My p	My parents or relatives can influence my decision when I ask for their advice prior						
		purcha	sing a car				
	Frequency Percent Valid Percent Cumulative Percent Percent Percent						
Valid	strongly disagree	4	4.0	4.0	4.0		
	disagree	7	7.0	7.0	11.0		
	neutral	26	26.0	26.0	37.0		
	agree	38	38.0	38.0	75.0		
	strongly agree	25	25.0	25.0	100.0		
	Total	100	100.0	100.0			

 Table 4.15
 Influence by Parents and Relatives

Apart from parents and relatives, it seems like friends also can play a role in supporting respondents when they need to make a decision, although not as much as parents and relatives. Only 7% of respondent's expresses that they are strongly agree with the statement, comparing to parents and relatives, 25%. Number of those who agree with the statement above drop from 61% to 49%, those who seek advice from friends. So it is quite clear that friends can exert some influence but not as great as parents or relatives. It might have to do with trust and bond between them.

	My friends can influence my decision when I ask for their advice prior					
		purcha	sing a car			
	FrequencyPercentValid PercentCumulative Percent					
Valid	strongly disagree	8	8.0	8.0	8.0	
	disagree	14	14.0	14.0	22.0	
	neutral	39	39.0	39.0	61.0	
	agree	32	32.0	32.0	93.0	
	strongly agree	7	7.0	7.0	100.0	
	Total	100	100.0	100.0		

Table 4.16 Influence by Friends

According to statements above, parents, relatives, or friends can exert an influence on respondents. Table 4.17 below can confirm that if they mention something bad about the car which respondents like, they are very likely not to purchase it. It seems like trust and information from those people can greatly influence respondents.

 Table 4.17 Effect of Comments on Purchase Intention

If	If my parents or relatives or friends say or mention something bad about the						
	vel	nicle I like, I v	will not pure	chase it.			
	Frequency Percent Valid Percent Cumulative						
	Frequency Percent Valid Percent Percent						
Valid	strongly disagree	4	4.0	4.0	4.0		
	disagree	17	17.0	17.0	21.0		
	neutral	39	39.0	39.0	60.0		
	agree	30	30.0	30.0	90.0		
	strongly agree	10	10.0	10.0	100.0		
	Total	100	100.0	100.0			

Although this factor might not be as much important as affordability and vehicle performance and maintenance, but it seems to have some influence on respondents' final decision, when not comparing with other factors at the same time. The mean of this information influence is 3.38, which can consider as moderate important.

4.4 Utilitarian Influence

When respondents were asked whether they will buy a car which is liked by their parents or relatives or friends to get praise or reward afterward or not, only 37% express that they agree with the statement. While another 39% disagree with this, and another 34% do not agree or disagree. It seems like praise or reward from parents, relatives, or friends does not play a big role in respondents' purchase intention that much.

I wa	I want to buy a car that my parents or relatives or friends like, so they will praise and accept me afterward					
	Frequency Percent Valid Percent Cumulative Percent Valid Percent Percent					
Valid	strongly disagree	12	12.0	12.0	12.0	
	disagree	17	17.0	17.0	29.0	
	neutral	34	34.0	34.0	63.0	
	agree	29	29.0	29.0	92.0	
	strongly agree	8	8.0	8.0	100.0	
	Total	100	100.0	100.0		

 Table 4.18
 Praise and Reward from Parents and Relatives

Answers from respondents are quite mix for this case. It seems like they do not mind that much about getting punishment, if they will purchase something, which their parents, relatives, or friends dislike. 40% of respondents express either agree or disagree. The biggest group is those who disagree with the statement, 42%. Only 23% agree to this.

Table 4.19	Purchasing	to Avoid	Punishment
-------------------	------------	----------	------------

I prefe	I prefer to not to buy a car that my parents or relatives or friends dislike, so they will not punish me					
	FrequencyPercentValid PercentCumulativePercentPercentPercent					
Valid	strongly disagree	15	15.0	15.0	15.0	
	disagree	22	22.0	22.0	37.0	
	neutral	40	40.0	40.0	77.0	

	Frequency	Percent	Valid Percent	Cumulative Percent
agree	17	17.0	17.0	94.0
strongly agree	6	6.0	6.0	100.0
Total	100	100.0	100.0	

 Table 4.19
 Purchasing to Avoid Punishment (cont.)

The overall mean of this factor is only 2.90, which also can be rated as moderately important. When respondents need to consider this factor along with others three, it seems like this factor does not have that much effect on purchase intention as all.

4.5 Differences Between Male and Female for Each Factor

To understand difference of what male and female think or perceive, T Test will be used to measure the difference in mean. The mean of both groups has to be significant different at level 0.05 or below. The result shows that there is differences in one thing; body kit of the car. It seems like male takes body kits into consideration when they need to purchase vehicle more than female. They might care more about their image when they need to drive inside that car.

Gender		N	Mean	Std. Deviation	Std. Error Mean	
Body Kit	Male	30	3.8667	0.81931	0.14958	
	female	70	3.2286	1.07907	0.12897	

 Table 4.20 Differences between Male and Female for Each Factor

Table 4.21Factor Analysis

KMO and Bartlett's Test						
Kaiser-Meyer-Olkin Measure of San	.627					
Bartlett's Test of Sphericity	est of Sphericity Approx. Chi-Square					
	df	105				
	Sig.	.000				

C	1	nitial Eigenvalue	s	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings			
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	3.282	21.878	21.878	3.282	21.878	21.878	2.395	15.968	15.968	
2	2.32	15.469	37.346	2.32	15.469	37.346	2.27	15.136	31.104	
3	1.507	10.05	47.396	1.507	10.05	47.396	2.002	13.346	44.45	
4	1.311	8.741	56.137	1.311	8.741	56.137	1.753	11.687	56.13	
5	0.934	6.894	63.031					10011-01	1174	
6	0.923	6.15	69.181							
7	0.839	5.593	74.774							
8	0.734	4.893	79.667							
9	0.677	4.514	84.182							
10	0.549	3.659	87.841							
11	0.51	3.4	91.241							
12	0.44	2.931	94.172							
13	0.357	2.382	96.554							
14	0.282	1.878	98.432							
15	0.235	1.568	100						1	

Extraction Method: Principal Component Analysis.

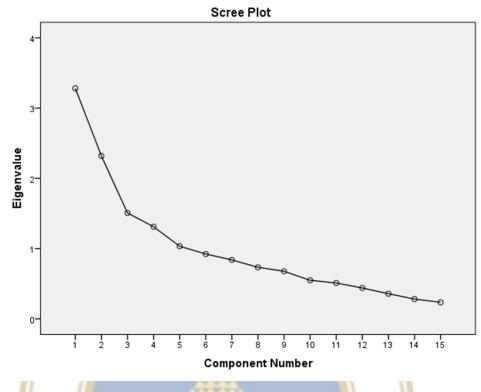
oomponent Analysis.		
	Rotated Component Matrix*	

	Component					
	Information influence	Car Performance and reliability	Affordability	Utilitarian influence		
My parents or relatives can influence my decision when I ask for their advice prior purchasing a car	0.806					
My friends can influence my decision when I ask for their advice prior purchasing a car	0.644					
I always take car body shape into my consideration as the most important factor		0.715				
Even I like the car very much, I will not purchase it, if it is too expensive for me		0.636				
Price of the car is the most important thing I think about when I need to make decision to purchase a car		0.619				
I always take interiors option (cg. seat material) into my consideration as the most important factor		0.612				
When I want to purchase a vehicle, I always take color into my consideration as the most important factor		0.558				
When I want to purchase a vehicle, I always take the type of fuel (Diesel, <u>Benzil</u> , Gasohol 95, E20, E85) into my consideration as the most important factor		0.742				
Comparing value of the car before making purchase			0.735			
Maintenance cost of the car is the most important factor			0.634			
I prefer to not to buy a car that my parents or relatives or friends dislike, so they will not punish me				0.731		
If my parents or relatives or friends say or mention something bad about the vehicle I like, I will not purchase it consideration as the most important factor				0.7		
Safety system of the car is the most important factor				0.587		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iterations.





Factor Analysis was utilized before conducting multiple regressions in order to reduce cross loading data and take out factors, which might have correlation or relation between each independent factor. After removing out all those factors, researcher then proceed with the next stop to analyze the relationship between each factor and purchase intention of first hand vehicle.

Thus, the result of factor analysis proves that the hypothesis is not change from the literature review, which shows as follow:

- **H I:** Performance and reliability have positive impact on purchase intention
- H II: Price or affordability has positive impact on purchase decision
- H III: Information influence has positive impact on purchase decision
- H IV: Utilitarian influence has positive impact on purchase decision

To understand overall relationship or correlation between each factor toward purchase intention, multiple regressions will be utilized to analyze their relationship. Backward method will be adopted to find the best model, which can predict purchase intention.

		Correlatio	ns			
		Purchase intention	Performance reliability	Affordability	Information	Utilitarian
Pearson Correlation	Purchase intention	1.000	.233	.118	.038	.051
	Performance reliability	.233	1.000	.531	.123	.152
	Affordability	.118	.531	1.000	.170	049
	Information	.038	.123	.170	1.000	.462
	Utilitarian	.051	.152	049	.462	1.000
Sig. (1-tailed)	Purchase intention		.012	.127	.357	.311
	Performance reliability	.012		.000	.112	.066
	Affordability	.127	.000		.046	.313
	Information	.357	.112	.046		.000
	Utilitarian	.311	.066	.313	.000	
N	Purchase intention	95	94	95	95	95
	Performance reliability	94	99	99	99	99
	Affordability	95	99	100	100	100
	Information	95	99	100	100	100
	Utilitarian	95	99	100	100	100

Table 4.22 Multiple Regression Result

	Model Summary *									
						Change Statistics				
		R	Adjusted R	Std. Error of the				df		
Model	R	Square	Square	Estimate	R Square Change	F Change	df1	2	Sig. F Change	Durbin-Watson
1	.234ª	.055	.102	.95640	.101	1.293	4	89	.279	
2	.234 ^b	.055	.123	.95111	.123	1.407	1	89	.157	
3	.234°	.055	.153	.94599	.153	1.724	1	90	.075	
4	.233 ^d	.054	.233	.94094	.233	2.019	1	91	.037	2.027

a. Predictors: (Constant), utilitarian, affordability, information, performance_reliability

b. Predictors: (Constant), utilitarian, information, performance_reliability

c. Predictors: (Constant), utilitarian, performance_reliability

d. Predictors: (Constant), performance_reliability

e. Dependent Variable: Purchase_intention

ANOVA ^a									
Model	Sum of Squares	df	Mean Square	F	Sig.				
Regression	4.724	4	1.181	1.287	.281 ^b				
Residual	81.673	89	.918						
Total	86.397	93							
Regression	4.723	3	1.574	1.735	.166 ^c				
Residual	81.674	90	.907						
Total	86.397	93							
Regression	4.721	2	2.361	2.630	.078 ^d				
Residual	81.676	91	.898						
Total	86.397	93							
Regression	4.699	1	4.699	5.292	.024 ^e				

92

93

.888

 Table 4.22
 Multiple Regression Result (cont.)

a. Dependent Variable: Purchase_intention

Residual

Total

b. Predictors: (Constant), utilitarian, affordability, information, performance_reliability

c. Predictors: (Constant), utilitarian, affordability, performance_reliability

81.698

86.397

d. Predictors: (Constant), utilitarian, performance_reliability

e. Predictors: (Constant), performance_reliability

			Co	efficients *		12	074	
		Unstand Coeffic		Standardized Coefficients Beta			95.0% Confidence Interval fo B	
Model		в	Std. Error		t	Sig.	Lower Bound	Upper Bound
1	(Constant)	2.018	.951		2.123	.037	.129	3.906
	Performance reliability	.457	.244	.234	1.876	.064	027	.941
	Affordability	010	.201	006	048	.962	410	.390
	Information	.005	.153	.004	.035	.972	298	.309
	Utilitarian	.013	.115	.013	.111	.912	216	.241
2	(Constant)	2.026	.916		2.211	.030	.206	3.846
	Performance reliability	.456	.242	.234	1.888	.062	024	.937
	Affordability	008	.195	005	042	.967	396	.380
	Utilitarian	.015	.100	.015	.147	.884	184	.214
3	(Constant)	2.011	.843		2.387	.019	.338	3.685
	Performance reliability	.451	.202	.231	2.238	.028	.051	.851
	Utilitarian	.015	.098	.016	.156	.876	180	.211
4	(Constant)	2.036	.823		2.475	.015	.402	3.670
	Performance reliability	.456	.198	.233	2.300	.024	.062	.849

a. Dependent Variable: Purchase intention

According to SPSS analysis, it seems like only car performance and reliability factor can help to predict purchase intention, around 23.3%. The rest of other factors do not have any relationship, significant difference below 5%. So it is quite clear that only hypothesis 1 is accepted. This can be explained as respondents will take a look at the car their interest and consider its performance and reliability first. After listed out all options, which they interest in, price of the car and information from parents and relatives and friends will be taken into consideration.

4.6 Discussion

To influence Thai teenagers to purchase vehicle, it seems like car manufacturer need to understand their needs and wants for performance and reliability of the car first. There is no difference between what both male and female need for performance and reliability, so company can create one single campaign for all of them. After that, companies need to know how much young adult can pay for their cars, so they can set up the price tag, which is not out of reach for young adult

1115

Yousefi (2011) stated that performance or reliability is the first priority. If the performance and reliability of the car is not up to standard, no one wants to purchase that car. No one wants to have a car that they need to fix often. Our finding is similar to what other researchers have found. Respondents rated this factor as the most important one. This factor alone also can explain up to 23% of purchase intention for first hand vehicle. It is the only factor, which has positive relationship with the purchase intention.

Although respondents rated affordability as 2nd most important factor after car performance and reliability, 33%, our finding indicated that it has no relationship with purchase intention that much. Respondents will not try to pick something that is beyond their payment ability. Before purchasing a car, they will not choose or pick the car that they can't buy into their consideration. Our finding is different from what other researchers have found in the past. According to the respondents, there are 48% earned income per month around 15,000 THB – 35,000 THB. Thus, by the condition to purchase the car, people who earned at least15, 000 THB per month could use their payment slip to purchase car then the car's companies in Thailand try to produce car in reachable price. Thus, it can imply that affordability could impact purchase intention.

For information and utilitarian influence, other researchers in the past stated that individual always seek information from those who are closed to them to avoid making the wrong choice. Sometimes those people can influence one's judgment, because he/she wants to avoid punishment or to earn reward or praise from those people (Valeecha and Reza, 2013). However, our finding yields different result, the information influence and utilitarian influence do not have any correlation or relationship with purchase intention of first handcar at all. According from the result show that, respondents does not care about information from their friend and family when they decided to purchase car at first time. 39% of respondents answer natural, it can imply that nowadays people could seek information by themselves via Internet and other channel online. Also, at the showroom there is car available for test drive. Thus, the information from friend and family are not influencing them to purchase the car. Utilitarian influence shows the difference result from the previous as well. More than half of respondents do not feel guilty or praise from their friend if they did not purchase the car according to their friend like or recommend. Further to the result related to the Thai social nowadays, people have their own personality and more confidence then when they choose to purchase any items, its would be the thing that match to them or personalize for them. Thus, social status, friends and family are not in their concern when they want to purchase car first hand.

23018

CHAPTER V SUMMARY AND RECOMMENDATION

To purchase luxurious products, one must spend time and effort to gather information and compare different options to find the best one that meet their needs. Car is one of luxurious items, which people need to spend time to gather information either from sales person or families, relatives, and closed friends in order to find the right one for them. By the result of this research purchasing something which will be with them for a long time, most of respondents do not want to feel regret afterward by making a bad choice. According from the result show many aspects of respondents before purchasing a car, they need to consider many factors; car performance and reliability, affordability, and influence and pressure either from parents, friends and relatives. According to those factors related to purchase decision, here is the final result as follows;

 Table 5.1 Criteria & Summarize to summarize the overall finding, please refer

 to table below for more information:

Item	Accepted/ Rejected	Reason	Significant Level
Hypothesis 1	Accepted	People do consider car performance and reliability when they need to purchase a vehicle	.024
Hypothesis 2	Rejected	Price of the car does not impact purchase intention much, because they will only consider those cars that they have ability to pay	Above 0.05, no significant different
Hypothesis 3	Rejected	Information from parents, closed friends, or relatives do not have much effect	Above 0.05, no significant different
Hypothesis 4	Rejected	People do not select the car, because they want to get reward or avoid punishment	Above 0.05, no significant different

According to Table 5.1, only **Hypothesis I** is accepted. Other hypothesizes are rejected. So it is quite clear that only car performance and reliability is the only factor, which has a positive relation with purchase intention.

5.1 **Recommendation**

To influence customers to purchase a car, companies must understand the needs and wants of customers in performance and reliability first. Once people interest in the car itself, they will try to gather information from their closed ones, although not that much impact on purchase intention. If the company wants to encourage male customers, they need to install body kit to the car, because the result from T-Test shows that they take body kit into consideration when they need to purchase a car more than women, significant different.

Thus, when the marketer do their promotion they should take the car performance to encourage people as well as push the event marketing to create the experience for them to try and believe in the performance by themselves. For example, arrange the road trip focus on key target group and allow them to drive a car from Bangkok to some destination rather than test at the showroom. This event would support the target group to engage with the car performance and influence them to purchase the car

In term of manufacturer, the production line should take the car preformation and reliability into their concern. Because of people always take the safety system and fuel consumption is the major factor for them to purchase the car. According to the result show that male take body kit in to their consideration to purchase car then, corporate should create the marketing strategy related to body kit as the first priority in order to increasing sales volume.

5.2 Limitation and Further Research

There are some limitations to this research; time constraint and budget. Researcher could gather more samples to conduct further analysis. Apart from that, focus group could be conducted in order to understand the true reason why Thai young adult want to purchase vehicles and their needs. Apart from that, all 100 samples were gathered from those who live in Bangkok area only. Due to this point, profile and characteristics of respondents might not be able to represent the whole population of target group.



REFERENCES

- Ackaradejruangsri P. (2015). Thai Consumer Behavior on Brand-New Car Purchasing: Influential Factors and Decision Making - POS Approach. World Review of Business Research, Vol. 5, No.3, p 80 – 90.
- ASTV. (2013). Supplying 200,000 Labors into Automotive Industry within 5 Years. Manager Online. Retrieved from: http://www.manager.co.th/QOL/View News.aspx?NewsID=9570000134041.
- Board of Investment. (2015). *Thailand: Global Green Automotive Production Base*. Retrieved from: http://www.boi.go.th/upload/content/BOI-brochure%202015 -automotive-20150325_70298.pdf.
- Deloitte. (2014). Global Automotive Consumer Study Exploring Consumers' Mobility Choices and Transportation Decisions. Retrieved from: https://www.auto news.com/assets/PDF/CA92618116.PDF.
- John S.F. (2013). Influence of Peer in Purchase Decision Making of Two-Wheelers: A Study Conducted in Coimbatore. *European Journal of Commerce and Management Research*, Vol. 2, No. 1.
- Lee T.W. and Govindan S. (2014). Emerging Issues in Car Purchasing Decision. Academic Research International, Vol. 5, No. 5.
- Mcdaniel C. and Gates R. (2013). *Marketing Research*. Singapore. John Wiley & Son Singapore Pte. Ltd.
- National Science and Technology Development Agency. (2016). *Information on Automotive Industry and Its parts*. Retrieved from: http://www.technology.in.th/industrial -data/doku.php?id=automotive-industry:newstart-status
- Nielsen. (2014, Apr 15). The Heart of the Issue: Emotional Motivators Rev Up Automotive Purchase Intentions Around the World. Retrieved from: http://www.nielsen. com/us/en/insights/news/2014/the-heart-of-the-issue-emotional-motivators rev-up-automotive-purchase-intentions-around-the-world.html.

- Organization International des Constructers d'Automobiles (OICA). (2016). *World Motor Vehicle Production 2011-2015*. Retrieve from: http://www.oica.net/category/ production-statistics/.
- Post Today. (2016, Jan 22). *Lower Demand of Automotive, Toyota Scale Back*. Retrieved from: http://www.posttoday.com/auto/news/411639.
- Sumnientlum S. (2553). Factors Influencing Thai Customers to Purchase Japanese Cars. Master Dissertation. Silpakorn University, Bangkok, Thailand.
- Toyota Motors Thailand. (2015). *Sales of Automotive Industry by Brands*. Retrieved from: http://www.toyota.co.th/salevolume.php?car_type=&month_vol=11&year _vol=2015&month_vol_2=12&year_vol_2=2015&x=27&y=21.
- Valeecha S. and Reza S.A. (2013). Influence of Social Reference Groups on Automobile Buying Decision – Research on Young Executives. World Review of Business Research, Vol. 3, No. 4, p 197 – 210.
- Woods, L. (2010). *New Car Reliability Predicted by Consumer Reports*. Retrieved from: http://www.streetdirectory.com/travel_guide/54446/cars/new_car_reliability_ predicted_by_consumer_reports.html.
- Yousefi E. (2011). The Comparative Analysis of Affecting Factors on Purchasing Domestic and Imported Cars in Iran Market - Using AHP Technique. *International Journal of Marketing* Studies, Vol. 3, no.2.

JUE 18 540



Appendix A: Sample of Questionnaire

"What Factors Come to Customers' Minds When They Want to Purchase Their Vehicles First Hand"

This questionnaire has been developed by Mahidol University's International Student to be used for Thermatic Study. All of the information given by respondents will be treated with high confidentiality and the given information will be used for education purpose only. Please complete all questions truthfully by selecting the answers you prefer or fit with your opinion.

Part 1 Demographic

- 1. What is your gender?
 - □ a) Male
 - □ b) Female
- 2. Age
 - □ a) 22-27 Years
 - □ b) 28-32 Years
 - □ c) 33-38 Years
 - □ d) 39-44 Years
- 3. What is your monthly income in Baht?
 - □ a) Below 15,000
 - □ b) Between 15,000 25,000
 - □ c) 25,001-35,000
 - □ d) 35,001-45,000
 - \square e) 45,001 and above
- 4. What is your level of education?
 - \square a) High School
 - □ b) Bachelors
 - \Box c) Masters
 - \Box d) PhD

- 5. What is your occupation?
 - \square a) Employees
 - \Box b) Business owners
 - \square c) Government employees
 - \Box d) Students

6. What is the main factor which can influence you the most when you need to purchase your first hand vehicle?

- \Box a) Car performance and reliability
- \Box b) Affordability
- □ c) Information influence
- □ d) Utilitarian influence

Car Performance and Reliability

Please rate your opinion toward each statement. Choices range from 1, strongly disagree, to 5, strongly agree

- 5 = Strongly Agree 2 = Disagree
- 4 = Agree

1 = Strongly Disagree

3 = Neutral

Question	5	4	3	2	1
When I want to purchase a vehicle, I always take maintenance					
cost into my consideration as the most important factor.					
When I want to purchase a vehicle, I always take after					
sale services into my consideration as the most important					
factor.					
When I want to purchase a vehicle, I always take availability					
of service station into my consideration as the most					
important factor					
When I want to purchase a vehicle, I always take fuel					
consumption into my consideration as the most important					
factor.					
When I want to purchase a vehicle, I always take the type					
of fuel (Diesel, Benzil, Gasohol 95, E20, E85) into my					
consideration as the most important factor.					

Question	5	4	3	2	1
When I want to purchase a vehicle, I always take safety					
system (break system, airbag, sensor) into my consideration					
as the most important factor.					
When I want to purchase a vehicle, I always take car body					
kit (wheels, spoiler and bumper car) into my consideration					
as the most important factor					
When I want to purchase a vehicle, I always take color					
into my consideration as the most important factor					
When I want to purchase a vehicle, I always take interiors					
option (eg. seat material) into my consideration as the					
most important factor	1				
When I want to purchase a vehicle, I always take car body					
shape into my consideration as the most important factor	5				

Affordability

Please rate your opinion toward each statement. Choices range from 1, strongly disagree, to 5, strongly agree.

5 = Strongly Agree	2 = Disagree
	U

4 = Agree

1 = Strongly Disagree

3 = Neutral

3 = Neutral					
Question	5	4	3	2	1
Price of the car is the most important thing I think about					
when I need to make decision to purchase a car					
Even I like the car very much, I will not purchase it, if it					
is too expensive for me					

Information Influence

Please rate your opinion toward each statement. Choices range from 1, strongly disagree, to 5, strongly agree.

4 = Agree

1 = Strongly Disagree

3 = Neutral

Question	5	4	3	2	1
My parents or relatives can influence my decision when I					
ask for their advice prior purchasing a car					
My friends can influence my decision when I ask for					
their advice prior purchasing a car					
If my parents or relatives or friends say or mention	2				
something bad about the vehicle I like, I will not	~				
purchase it.					

Utilitarian Influence

Please rate your opinion toward each statement. Choices range from 1, strongly

1 = Strongly Disagree

disagree, to 5, strongly agree.

- 5 = Strongly Agree 2 = Disagree
- 4 = Agree
- 3 = Neutral

3 = Neutral					
Question	5	4	3	2	1
I want to buy a car that my parents or relatives or friends					
like, so they will praise and accept me afterward					
I prefer to not to buy a car that my parents or relatives or					
friends dislike, so they will not punish me					
Buying a new vehicle would have a positive effect on my					
self-image					
Buying a new vehicle would say something positive what					
I stand for					

Purchase Intention

I am very likely to purchase a vehicle in the next 6 months.

- \square a) Strongly disagree
- □ b) Disagree
- \square c) Neutral
- \square d) Agree
- □ e) Strongly agree

