

**FACTOR THAT INFLUENCES MAKING DECISION
TO BUY A LUXURY USED CARS
INSTEAD OF A BRAND NEW IN THAILAND**



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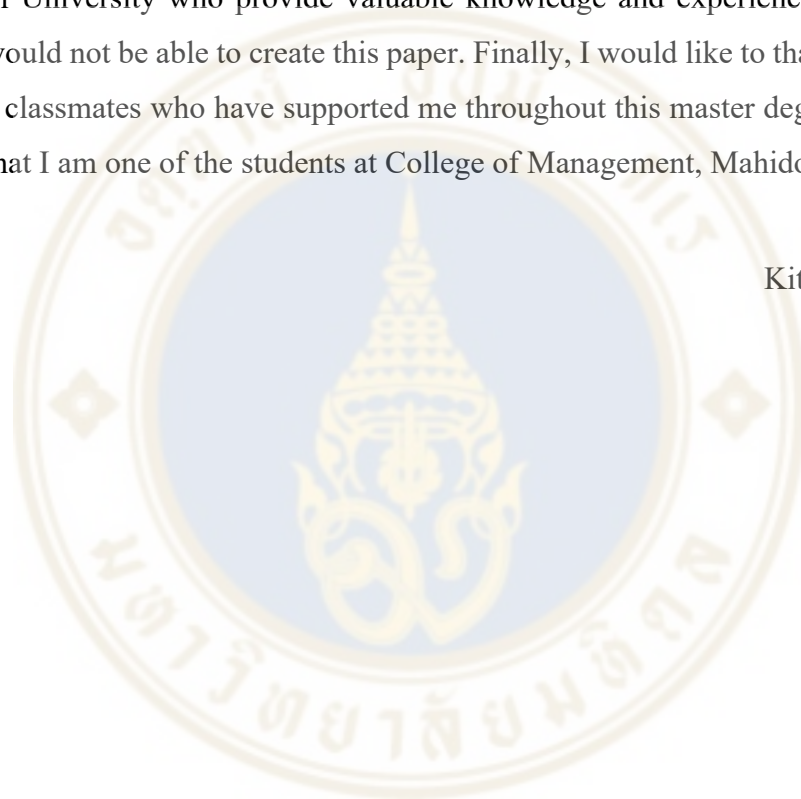
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ABSTRACT

The automotive industry is growing steadily when comparing data from the past to the present. This includes the private car market new cars hand and second-hand cars. This research will focus on the luxury used car market in Thailand. The thematic paper aimed to investigate the key factors in motivating consumers to purchase luxury used cars instead of a new car because the decision to buy a used car is a risk of being deceived by the seller.

This research used consumer behavior, consumer decision style, after-sale service and brand credibility as a framework to help to find the answers of this research. In addition, this thematic paper was conducted in a qualitative method with in-depth interviews with consumer groups and distributors to get perspectives from both sides. To analyze what factors are seen as a key factor in buying a luxury used car in Thailand. The result show that there are six factors that would motivate people to buy luxury used car instead of brand new which are price, internal factor, social factor, economic factor, brand credibility and sale representative.

KEY WORDS: Luxury used car/ Consumer Behavior/ Brand Credibility/ Consumer Decision Style/ Purchasing Decision

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CHAPTER I

INTRODUCTION AND INDUSTRY BACKGROUND

The world's first automobile was made in 1886 by Carl Benz. Moreover, after that, the competition in the automotive industry began. Many companies have developed cars for distribution. In 2020, there are more than 77 million cars produced worldwide. Today's cars are considered a convenience for humans for more than 100 years. It helps human to get to your destination faster and more safety. The consumers have different purchase purposes, such as buying as a reward for themselves, as a gift to their children or bought to replace the old car. Many people may have a question, where will their old car be taken? The answer is a car that is in a condition that can no longer be used. It may be taken to separate parts and sell them as second-hand parts or sent to a car disposal facility. However, in the car that is still in good condition. It will be sold which these cars will be called second-hand cars or used cars. Moreover, second-hand cars are of various types such as second-hand vans, used pick-up and used a taxi. Nevertheless, in this research, the focus will be on passenger used cars.

According to the statistical data of worldwide automobile production in the year 2010 to 2020. It has shown that the automotive industry was growing continuously. Nevertheless, there has been a slowdown in production in 2020, and many factories have to stop production during the pandemic of the Covid-19. Therefore, the growth of automobile production each year reflects the increasing demand for automobiles because we can say that automotive is an essential part of driving economics, such as transporting goods and people to the destination.

Nowadays, the automotive industry is highly competitive. Leading brands such as BMW, Mercedes-Benz, Volkswagen, Toyota, Honda, etc., are developing new inventions to stimulate the need and wants of the consumer. For example, the current trend of electric vehicles (EV cars) is becoming popular worldwide. And including in Thailand car dealers in each brand has begun to be imported to sell and the new model of cars are being launched all the time. In Thailand automotive industry are also highly competitive. Many brands have promotions to attract customers. Such as installment

payment with zero percent interest rate or have a warranty within three years with unlimited distance. However, this research was conducted during the pandemic of the Covid-19 period causing the overall economy of Thailand to slow down. According to the analysis of Krungsri Bank, the leader in car leasing in Thailand, has analyzed that although new car sales in the year 2020 have dropped to about thirty percent. However, it is predicted that in 2021-2023, the automotive industry in Thailand will have an average growth rate of four percent per year, supported by the economy that has begun to recover from the Covid-19 situation. Krungsri also mentioned that second-hand cars were affected by the outbreak in the early as well.

Although, the used car and new car market in Thailand have slowdown at the beginning of the Covid-19 outbreak in early 2020. But according to KKP Research (Kiatnakin Phatra Financial Group, 2020), the situation of the used car market in Thailand in 2021 tends to recover and has more sales than new cars. KKP Research has stated that People who have used public transportation see it as a risk of contracting with Covid-19. As a result, they began to look for personal vehicle travel. However, many people do not have enough resources to buy a new car. Therefore, look for alternatives such as used cars that are cheaper. Therefore, the KKP analyst team sees that the second-hand car industry in 2021 has gained more attention from consumers. Mr. Pattanadesh, chairman of the FAST auto show, has also mentioned that the pandemic can be view as an opportunity for private passenger cars because people are worried about infections in public transportation and may decide to buy their cars. However, when buying a used car, many risk factors are often seen in the news, such as being convinced to make a deposit, but the product does not exist. Moreover, fraud from second-hand car dealers such as forge the used distance or car has been in a severe accident before.

According to the data in the year 2013, there were more than 25,000 used car dealers in Thailand (Thai Auto, 2013). The second-hand car industry in Thailand, at present, is highly competitive. Due to many factors, such as the increasing number of entrepreneurs, this causes competition in the used car bidding. That sometimes causes the entrepreneurs to buy cars at high prices resulting in decreased profitability. Although, the number of second-hand car dealers in Thailand is more than 25,000. In this number, each dealer's business size varies in sizes, such as a small dealer that may use their house as a business location, a medium-sized business located in a used car

center, and a large size that has full service like a first-hand car dealer. Therefore, in this research, the researcher would like to divide second-hand car dealers into two categories. The first, second-hand car dealer without after-sales car service centers. And the second used car dealers with after-sales service such as maintenances and auto body paint repair center.

This research aims to allow the readers to understand consumer behavior in purchasing decisions to buy a second-hand luxury car instead of a new car in Thailand. Although used cars in Thailand are risky. Such as cars that do not meet the standards as advertised or sell post on the online platform. Moreover, the consumer may be scammed by the used car dealer, as mentioned above. Despite cars are the second most expensive and significant product for consumers, as is characteristic of durable products. Consumers are becoming more careful when purchasing an automobile as a result of the extended operating life of the vehicle (Rijnsoever, Castaldi, and Dijst, 2012). And from the problems mentioned above, there was a motivation to conduct this research. And more than that, on the personal basis of this researcher, the researcher has had the opportunity to work in the second-hand car industry in Thailand for more than five years. And many times, the researcher have seen the customer that has enough potential to buy a new car, but why do they choose to purchase a luxury used car instead of the new one.

Therefore, at the end of this research, the researcher wants to summarize the key factors affecting the decision to buy a second-hand luxury car in Thailand. Those are necessary for existing entrepreneurs and those who are interested in doing business related to used cars. And from this research, the author believes that understanding the factors and needs and wants of consumers affect the decision to buy a second-hand car. It can help entrepreneurs to create a marketing campaign and determine their target audience more effectively and successfully.

CHAPTER II

LITERATURE REVIEW

Relevant Definition

Used car or Second-hand car is an automobile that has previously had one or more owners. Second-hand cars are sold through many channels, such as car dealers, authorized dealers, auctions and private sales. Some car dealers offer certified used cars and extended service plans and warranties (Anonymous, 2021). In this research, the researchers focused only on a used passenger car.

Luxury car will have to add various features to the vehicle for the comfort of the driver and passenger. And the price of luxury cars will be more expensive than general cars when compare with similar size (Farlex Financial Dictionary,2009).

2.1 Consumer Behavior

This research relates to purchasing decisions as part of consumer behavior. People buy goods and services when they want to satisfy a specific need. In satisfying these needs, the customer follows a buying process. This process is considered a problem-solving process that a customer must solve to fulfill their need and want (Solomon 2009). From this point of view, consumers decide to buy second-hand cars to fulfill their need and want. However, consumers' purchasing is driven by several factors. (Ramya, N., & Ali, M., 2016). Which are internal or psychological, social, cultural, economic and personal factors. These factors are having an impact on purchasing decisions.

2.1.1 Internal Factor

2.1.1.1 Motivation, human motivation is explained by Maslow's hierarchy of needs theory. Maslow's theory has divided this theory into five levels of needs: physiological needs, safety needs, love and social belonging, self-

esteem and self-actualization (Abraham Maslow, 1943). In previous consumer and marketing research, Maslow's theory can help in understanding consumer motives and actions.

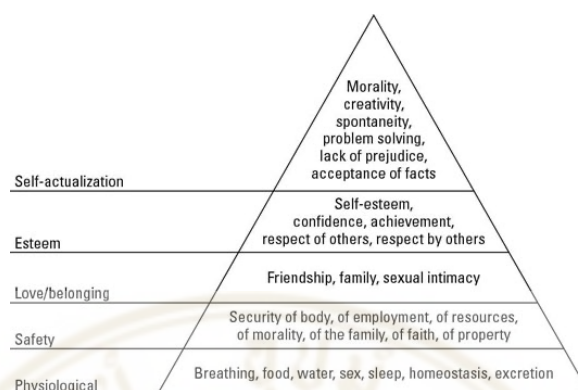


Figure 1 Maslow's hierarchy of needs Theory

2.1.1.2 Perception, the perceptual process consists of individuals receiving, organizing, and interpreting information to ascribe meaning. This perception can be perceived in terms of risks, products and others. Previous research has found that consumer perception is an essential factor for purchase intention (He, X., Zhan, W., & Hu, Y., 2018).

2.1.1.3 Prior Experience, Proper and Adequate information collection is essential for the consumer to make a purchasing decision. There are two sources of information: external and internal (Schiffman & Kanuk, 2007). Which consumer prior experiences and related knowledge contained in human memory is considered as internal information. Human nature when need to make a decision to buy a product or service. It usually is to recall their own past experiences in decision making before seeking out from external. However, when consumers do not have experience, they tend to find external information to decide. Usually, peoples make decisions relying on both internal and external sources. Finally, prior experience is an important factor in making decisions because the more experience you have, the less external information you need to have to make the right decision (Schiffman & Kanuk, 2007).

2.1.1.4 Attitude Dr. Lars Perner said that attitude influences purchasing decisions. He explained that consumer attitudes consist of consumer

behavior, beliefs, and feelings toward some object in the context of marketing (Perner, 2010). So, many marketers are interested in Attitude because marketers can change the consumer attitude by creating unique campaigns that can motivate purchasing decisions (Jisana, 2014).

2.1.2 Social Factor

2.1.2.1 Reference Group, the reference group was divided into primary and secondary groups, where family and close friends were classified as primary. Moreover, neighbors, colleagues and common acquaintances are considered to be in the second group, which in each group can affect consumer behavior either directly or indirectly (Jisana, 2014).

2.1.2.2 Family, family is considered in primary group influence. Family is one of the strong influential factors in decision making, especially husband, wife and children. (Jisana, 2014). For example, previous research has found that the family is the most influential external factor in purchasing a car. Moreover, they have advised marketers to market to the whole family (Mirzaei, H., & Ruzdar, M., 2010).

2.1.2.3 Role and Status, consumers are in many groups like clubs and organizations. In each group has different roles and statuses which affect the consumption of consumers. Because they choose products to make themselves feel fit in their group (Ramya, N., & Ali, M., 2016).

2.1.3 Cultural Factor

2.1.3.1 Culture, culture is the set of basic behaviors that a person has learned from family as essential institutions. The influence of culture on purchasing behavior varies from country to country, so marketers have to understand different groups and regions (Jisana, 2014). In previous research, it was discovered that different cultures between Korea and America affect the choice of hybrid cars (Oliver, J. D., & Lee, S. H., 2010).

2.1.3.2 Sub-culture, culture including of smaller sub-culture that has uniqueness for their member (Ramya, N., & Ali, M., 2016). For example,

Thailand is divided into six parts: northern, northeastern, central, eastern, western, and southern. In each part will have its sub-culture.

2.1.3.3 Social class, nowadays, there are three types of social classes: upper class, middle class, and lower class, in each class having different consumption behaviors. For example, the upper class wants to consume upper goods to maintain their status. Factors used in social division class come from many factors such as occupation, income, education and property (Ramya, N., & Ali, M., 2016).

2.1.4 Economic Factor

The economic factor is another factor that affects consumer behavior. Because the overview of the economy, whether personal income, family income and the economic situation in each period. For example, in the situation of COVID-19, consumer behavior has changed, saving more to spend only on the essential product.

2.1.5 Personal Factor

Personal is another factor that affects consumers' behavior which personal Influence consists of age, occupation, lifestyle, income and personality (Ramya, N., & Ali, M., 2016). By buying products in each brand with different brand personalities, consumers buy products that reflect their personalities (Sarker, Bose, Palit, & Haque, 2013). Therefore, when marketers want to identify the target audience to suit the product. It often brings the personality factor to help determine the target audience (Leon G. Schiff man and Leslie Lazar kanuk 2008).

In this research, consumer behavior theory has been applied to understand the key factors that motivate consumers to make a purchasing decision on a second-hand car.

2.2 Consumer Decision Style

Consumer decision style is also a part of consumer behavior. It is important to identify consumer decision-making styles. Sproles and Kendal have been developed and classified into eight categories which are perfectionist, brand-conscious, recreation-

conscious, price-conscious, novelty, impulsive, confused and brand loyal (Sproles, G. B., & Kendall, 1986).

Perfectionist: The consumer who is very careful and thorough in searching information. And is often compared in many stores to get the best quality.

Brand-conscious: A person who is concern about a well-known product such as a brand name and best seller product. Moreover, the product must be expensive because it is believed that it must be a high-quality product.

Recreation-conscious: The shopper who shopping for recreation and entertainment, shop just for the fun of it.

Price-conscious: The consumer who pays attention to the sale price and low price. They will be trying to find one that feels the best value for money.

Novelty: A person who likes new inventions. Whether it is the technology and fashion products, the products you buy must be new models and up-to-date collections.

Impulsive: The buyer who tend to buy on impulse and not worry about how much they are spending or whether they are getting the best deals.

Confused: The consumers who perceive too many product choices and stores to choose from and are likely to overload the product information in the marketplace.

Brand loyal: A person who likes to shop from their favorite stores or favorite brands. By making decisions, they are not interested in shopping around.

In this study, if we can understand the decision style of consumers. It will help determine the marketing plan and select the target audience of people who decide to buy a used car effectively.

2.3 After-Sale Service

Service can be divided into pre-sale service, sale service and after-sale service (Handi Irawan D, 2002). So, this research will focus on after-sale service because this research study is about used cars. From the previous research have said that purchasing decision in car industry highly depends on after-sale service (Saeed R., 2013). Moreover, to maintain the relationship with customers is to provide after-sales

services. Buyers will feel confident in purchase decisions because it increases product lifetime. Zenithal, Berry, and Perasuraman (2013) have found that consumers can be stimulated to buy a particular product by higher service quality. And also, the after-sale service quality of passenger cars is highly affected by retaining the customer (Saeed R., 2013).

In this research, they are having after-sales service, such as a full-service garage. Is it important to buy a second-hand car or not? Because in Thailand, most used car dealer does not have full-service.

2.4 Brand Credibility

Brand credibility is defined as the credibility that a brand can deliver the goods and services as advertised or promised (Erdem & Swait, 2004). The research of Baek, Kim & Yu (2010) found that both brand credibility and brand prestige play an important role in consumer behavior. Therefore, understanding the combinatorial mechanism of brand credibility and brand prestige in stimulating brand purchase intention is very important and helpful for marketing strategies. Brand credibility intends to explain post-consumption behavior. A number of previous studies relate brand credibility to future response variables such as repurchase intention, risk perception, and advocate loyalty behavior (Ok, Choi, & Hyun, 2011). Moreover, Erdem and Swait (2014), have found that brand credibility can increase the probability of customer consideration.

In this study, brand credibility is defined as the ability to deliver what the seller has promised or advertised to the buyer. Brand credibility can also reflect the trustworthiness of the brand in the risk perception of the customer. Because buying a second-hand car is the risk of being deceived.

CHAPTER III

RESEARCH METHODOLOGY

This paper has used the qualitative method to gain related information on the topic and understand stakeholders' different perspectives. The researcher was collected the data in the form of a phone call because this research was conducted during the Covid-19 pandemic. The interview of this research is divided into two main parts: a perspective from the seller's side and the consumer side. And will collect data from five people, three consumers and two sellers. Each interviewee has different qualifications to understand the main factors that influence the decision to buy a second-hand luxury car in Thailand. The criteria of the interviewee will be described in the interview selection criteria section in the next part of this research.

For this reason, the qualitative research will provide quality information from the experiences of the interviewees. The in-depth interviews with people will provide opinions, knowledge, and insights to identify important information. In the interview, questions are used to allow the interviewee to express their opinions independently. And it may provide information that is diverse and useful for finding answers to this research.

The purpose of this research is to investigate how consumer behavior, consumer decision style, after-sale service and brand credibility affect customer's intention to make purchasing decisions on a second-hand luxury car. However, this research also has the limitation of the scope of the study. In fact, consumer purchasing decisions can be driven by many factors apart from the four frameworks that the researcher has mentioned before. However, the questions in this research are based on the framework that the research authors see as important factors in deciding to buy a used car. Moreover, at the end of this research, another important factor may be discovered from the interviewee. The questions were divided into two sets. It will be a question on the consumer's part and the seller's part. Information gleaned from in-depth interviews with various groups of people would aid the writer in avoiding bias because the researcher would be able to gather insight from various perspectives.

Interviewee Selection Criteria

In this research, the researcher chose to interview five people. They were divided into two groups and each interview took approximately 30 minutes. And each person must have experience related to buying/selling a car. The group will be an interview from the seller's perspective and in the second group interview from the consumer perspective. Each interviewee will be called by a pseudonym. The details of the interviewees are as follows.

Selected used car dealer

Seller 1:

Interview date: 19 June 2021

Personal information: Seller1 was a successfully used car dealer. Her business is located in the Ramintra area, Bangkok, Thailand. Seller1's business model is trading, there is no maintenance service center or after-sales service. The Seller1 She is both a sales consultant and a business owner. It makes her close to customers and understands the influence that can make the decision to buy a used car

Seller 2:

Interview date: 19 June 2021

Personal information: Seller2 is a sales representative for a car dealer located in the Ratchada area, Bangkok, Thailand. This car dealer is a successful car dealer for second-hand. It is a large car distribution center and has a maintenance service center and quality standard ISO 9001:2015. This will enable to understand the needs of our customers and important factor that motivate consumer behavior deeply.

Selected customer

Customer 1:

Interview date: 20 June 2021

Personal information: He works as a lawyer with an average income of 300,000-500,000 per month. His car-buying experience only new cars. The interview with Consumers1 to obtain information and opinion that what factors make him choose only to buy a new car.

Customer 2:**Interview date:** 20 June 2021

Personal information: The customer2, it is an interview with couples who are self-employed, monthly income of 200,000 baht. Their car buying experiences were both new and used car consumers.

Customer 3:**Interview date:** 20 June 2021

Personal information: Customer3, his occupation is self-employed with an average income of 150,000 baht per month. He is in the car business and has much knowledge of cars. His car buying experience only chooses to buy second-hand car cars.

Table 3.1 Research Question

Topic	Question
Question for Dealer	<ol style="list-style-type: none"> 1. What do you think are the main factors that drive customers to buy a used car instead of a new car? 2. Do you think it is important to have maintenance service center for customers? Why? 3. Do you think having brand credibility is important for customer on buying a used car or not? 4. Does the customer has a detailed car model in mind before coming to see the car or not?
Topic	Question
Question for Customer	<ol style="list-style-type: none"> 1. Please tell your personal background? 2. Have you ever had experience buying a used car? And what are the factors that influence you to buy/not buy used car? 3. Do you think used car dealer having a maintenance service center is important for purchasing a used car or not? 4. Do you think brand credibility have an effect to the decision to buy a used car or not? 5. If you were to identify yourself, what kind of decision style do you have? (For example, price-conscious, brand-conscious and impulsive)

CHAPTER IV

FINDINGS ANALYSIS

The interviews are conducted via telephone to reduce the risk of the spread of Covid-19, with interviews taking an average of around 30 minutes for each person. And after interviewing the five interviewees to find out the factors affecting the decision making to buy a luxury used car instead of a new car in Thailand. There has much interesting information to consider and analyze. The researcher will mention below a compilation of internal and external factors and key themes that could significantly influence consumers' used car consumption in Thailand.

4.1 Consumer Behavior

4.1.1 Internal Factor

According to the interview with two car dealers, who have had success in business with different post-services styles. But from interviews with both of them, when analyzed the internal factors, according to the Maslow's Hierarchy of need theory. The seller sees as influence decisions are at the level of self-belonging and self-esteem. Seller1 has stated that *"customers tend to buy used cars in premium car segments such as Mercedes-Benz and BMW because they need to be recognized and trusted to create an image for their business"*. Because it is usual nowadays that people pay more attention to the objects. Moreover, online media is very influential in stimulating consumer demand. Furthermore, more than that, people tend to take pictures with luxury cars and post them on social media because they need to be accepted and belong to society. Moreover, they use premium cars to give them a feeling of confidence and acceptance from their business partners. However, according to Maslow's theory, from the consumer interviews, they pay more attention to the safety level. Because customers2 and 3 have said that used cars are cheaper, giving consumers access to

European cars. Because they think that European cars are more safety than Japanese cars.

The researcher has found that perception and prior experience affect the consumer's decision to buy a used car from the interview. They understand it is a used product that may require maintenance depend on use. Customer2 stated that *"I understand that used cars require more maintenance than new cars. So, I will find a used car that has been used around for a year or two and low mileage."* And in terms of prior experiences, from the interviews with Consumers 1 and 3 shows that experience influences decision-making on a second-hand car. Because Customer1 is the person who has never bought a used car, he has reasoned that he does not know cars led he does not make the decision to buy a used car. But on the other hand, Customer3 has knowledge of cars and much experience with cars. He has said that *"He only chooses to buy a used car because it is cheaper and he can see if the car is good or bad before making a purchase."*

4.1.2 Social Factor

From the interview, the researcher has found that social factors are affected the decision-making to buy a used car from both seller and customer. Seller2 believes that family is one of the most impactful social factors influencing purchasing decisions on a used car. He stated that *"From my experience, I have meets with many customers who come to buy used cars. Because of the larger family, the need for a bigger car, but cannot buy a new car because it is too expensive for them."* But on the other hand, Seller1 believes that role and status are the most impacts on social factors. The Seller1 mentions that *"She has many customers buy the luxury used car because it creates a better image when they have to business negotiations. Because some customers cannot effort the new car."*

According to the data gained from the interview with three customers, they viewed that family is one of the most social factors. Although customer1 never buys a used car, the factor that drives him to buy a new car is also his family. However, customer3 He also said that role and status were the factors that led him to buy a used car because he was in the classic car group. Which to buy a classic car means that you need to buy a used car.

4.1.3 Cultural Factor

From the interviews, culture was a factor that did not found an interesting point. It does not affect the decision to buy a used car. Only the sub-culture that seller1 stated that *“each part of Thailand has different demands for different types of cars, for example, pick-up is popular in suburb area.”*

4.1.4 Economic Factor

According to the interview with two dealers and three customers, they all agreed that economic factors influence making the decision to buy a used car. From the interviews, there were some interesting things from the Seller1 and Seller2. Both of them have mentioned that *“economic affect consumer decision-making like during the Covid-19 pandemic with making used cars sell performance better than normal situations.”* The results of this interview may surprise readers. But after listening to the interview of Customer2, who had only bought a new car all the time. But now they have turned to buy used cars. It will help readers to understand why economic factors that make used cars sell better. The Customer2 stated that *“They needed to buy a car to use in their business. But due to the economic slowdown situation, we have to turn to second-hand cars that are cheaper.”* Which these reasons may happen to the other consumers as well.

4.1.5 Personal Factor

Personal factors are consisting of age, occupation, lifestyle, income and personality. According to the interview with three customers, they viewed that income is the most important personal factor. The Customer3 stated that *“The reason why I bought a used car is that the price is lower. And because the income that I have earn is not much when compared to the expenses. Therefore, second-hand cars are the appropriate choice.”* But on the other hand, vice Seller2 consider that income is not very important. He argued that he had found many potential customers with enough money to buy a new car, but they chose the second-hand car. However, the researcher believes that it also depends on consumer decision style.

4.2 Consumer Decision Style

The reason for separating the consumer decision style from the consumer behavior topic in order to find information and analyze it in more detail. This is can be a benefit for readers to understand more about the behavior of consumers who choose to buy used cars. Identifying the decision style of second-hand car consumers will also give a better understanding of what drives them to make a decision.

According to the interview with Seller1 and Seller2, the results are in the same direction. The Seller1 mentions that *“It is normal when a new car is driven out of the showroom the price has gone by at least 30 percent. And for this reason, many consumers are known. So, they do not feel worth it. As a result, they choose to buy a used car instead of by choosing a car that has not been used much”*. Which from this makes consumers feel worth to spent the money. Moreover, from the interview also found that used cars, were used for about four to five years and then sold them again. The price may drop by ten to fifteen percent. From the answer of Seller1, it can be seen that the price and value for money also affect purchasing a used car. And in addition, the answer from the Seller2 also supports this factor. He stated that *“Price is an important part, for example, if you have 700,000 baht, you can buy a new eco-car (Honda City, Toyota Yaris, etc.). But if you spend 700,000 on a used car. You will get an executive car (Honda Accord, Toyota Camry, etc.)”*. And from the interview with Customer3 has commented that when buying a used car, they feel that the price has an important effect as well and feel worthiness. He said that *“when buying a new car, it unacceptable when thinking of selling it”*.

From the interview, the researcher has found another interesting point. Those who buy used cars are quite a perfectionist decision style. Because from the interview with Dealer, they say that most customers tend to find information of the car model that customer is interested in from the internet. Sometimes they have better knowledge of the model than the seller, Seller2 said. Moreover, from the interview with Customer 2 and Customer3, they decide to buy a used car. They compare interested car models from many dealers before making a purchase decision. Because second-hand cars are not like new cars. There are differences in price and quality of the product. But on the other hand, from the interview with Customer1 who have to buy only a new car. He did not pay much attention to the price but was more interested in the car's quality.

Because he believes that if he pays more to buy a new car, he will get more quality stuff and is less likely to be broken.

4.3 After Sale Service

In terms of after-sale service, the dimension of maintenance services from used car dealers. According to the opinions given by two dealers, they all agreed that after-sale service does not affect the decision to buy a used car. Seller2 stated that *"customers tend to focus more on the previous maintenance. And normally used car customer, they usually have a regular garage. So, they do not care about after-sales service."* For the customer, Customer3 gives an opinion that he usually does not expect much from a used car dealer's service because he has a garage that he trusts and uses regularly. And more than that, Seller1 has said that many companies in Thailand have released new products nowadays. It is a warrant for those who buy used cars. This product duty is to be responsible maintenance fee if the vehicle has a problem, whether it is the engine or the drive system.

4.4 Brand Credibility

Nowadays, online shopping has become more common and accepted. This includes the car industry as well. The interviews with Seller1 and Seller2 indicate that most of the customers' ninety percent come from online channels such as websites and Facebook. And from these channels, consumers can receive product information only from the photos and details that the seller has posted on the online platform. According to Seller1 and Seller2, they all agreed that brand credibility influences purchase decisions on a second-hand car. The Seller1 stated that *"detail and information about the car including images used in the advertising must be the real. Because otherwise if the customer decides to come and visit the car and it is not the same as advertised on the internet. Customers are often dissatisfied and may view this dealer as untrustworthy."* And more than that, Seller1 also said that location and building are important to consumer decision-making she said that it makes reliable as well. In

addition, the Seller2 mention that *“brand credibility also affects pricing, with used cars sold by this dealer more expensive than the average market around five to ten percent.”*

According to the interview with the customer group, they all agreed that brand credibility is affected by purchasing decisions on the used car. The Customer2 mentioned that *“The reason they decided to buy a used car was that the seller seemed credible. And they looked at the car on the internet before going to the dealer. And when they saw the product, it was perfect and exactly as advertised. So, they decided to buy it right away.”*

4.5 Unexpected Finding

From the interview with customers and sellers, the research has found another factor that is important to influence purchasing decisions on the used car. That factor is “sales representative” by Seller1, who is the business owner and is also a sales representative. She said that *“the sales that have the ability to provide good information and reliability is another factor that drives consumers to make purchasing decisions.”* Like Seller2, he also mentions *“a sales representative who can create stories and good at convincing people it is a catalyst need of consumers and makes purchasing decision faster.”*

CHAPTER IV

CONCLUSION & RECOMMENDATION

Conclusion

The study of this research is to understand why people buy luxury used cars instead of new cars. Even though second-hand cars have more risk factors, whether it is being deceived and the product is not as advertised. And by using the qualitative research method to collect data and information that influence consumers' decision-making on used cars. The researchers selected five interviewees who were relevant and with varying experiences to approach information in multiple perspectives and in-depth information.

According to the interview session, the writer has found six factors influencing decision-making on the used car, which are internal factors, social factors, economic factors, price, brand credibility and sales representative.

Internal factors affect customers' purchasing decisions on a luxury used car. As consumers choose a used car. Because of their need to travel to their destinations safety which is at the second level of the Maslow's hierarchy of needs theory. However, in some people, there is a need that wants to be accepted by society. Nowadays, society likes to focus on objects such as luxury cars. And second-hand cars make them more accessible to luxury cars because it was cheaper than a new car. And another important thing in the internal factor is the prior experience or knowledge of the consumer. According to interviews, if the buyer knows the car, they are more likely to buy a used car instead of a new one. For example, Customer1 does not know cars. So, he was afraid to buy a second-hand car.

The external factor also plays an essential factor that influences buying a luxury used car. Especially from family because the family is considered an important institution for Thai people, so if the family needs to use a car. And because it may be a problem that new cars are more expensive than used cars. Therefore, consumers have to consider a used car instead. And one more thing that makes social factors affecting the

decision to buy a used car is role and status because we have to admit that sometimes cars can help and create credibility to the user. For example, when they were going to meet a business partner or meeting customers. The fact that the driver has a luxury car in Thailand can create a sense of trustworthiness.

The economic factor is another factor that significantly affects the purchasing decision to buy a used car. Because during the Covid-19 pandemic, many businesses have a slowdown. But on the other hand, the second-hand car business is not affected and has a better trend than the normal situation. This is because people still want to buy a car, but this made them afraid to spend money during the bad economic situation due to the uncertain economic situation. So, they are looking for less expensive options like used cars. Moreover, people who buy used cars still see price as an important factor. Because from the interview has found that the consumer decision style of people who buy used cars will become characteristic as price-conscious and perfectionist. They will look for something cheap and feel value for their money. Moreover, they will prepare the product from many dealers before making the decision. This is different from those who only buy new cars, because in this group of people, the quality of the product comes before the price.

From the analysis of interviews, brand credibility is another factor that motivates people to buy a used car. Because buying a used car has a very high risk of being scammed by sellers. Therefore, if consumers feel that this dealer can be credible, it will be easier to make purchase decisions. As Erdem and Swait (2014) have said, brand credibility can increase the probability of customer consideration. Because from the interview, it was also discovered that the business has a secure building and location. It makes them feel more comfortable buying a car from a dealer that qualifies, as mentioned earlier. The last factor that researcher has found during the interview is sales representative. It is seen that if there is a sales team who is expertly and can provide information. It can also convince and encourage the consumer to make a decision to buy a used car. However, from the interview, the researcher discovered an interesting point. People who buy used cars do not pay attention to the seller's after-sale service or maintenance service because they have a garage that is used regularly.

The conclusion, according to this research, it can be said that the most attractive to consumers is the price of the used car that is cheaper than new cars. However, cars are expensive products, even if they are second-hand. Therefore, the purchasing decision to buy a used car requires a combination of many factors. As this research found, the price, internal factor, social factor, economic factor, brand credibility and sale representative

Recommendation

From this research, the author would like to suggest that the exiting entrepreneurs and those who are interested in entering the business of used cars. Should pay attention to the pricing of the product to appropriate with the condition of cars. Because customers in the used car group are customers who have a price-conscious decision style. And entrepreneurs should invest and develop the sales skills of the sales department to have much knowledge about cars. And should invest and give attention to building business area to look credible to make customers feel confident and easy to convince to make purchasing decisions.

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