

CHAPTER FIVE

CONCLUSION, DISCUSSION AND RECOMMENDATIONS

This chapter presents a summary of the study, a summary of the findings, discussions of factors influencing Bangkok motorists' decision to buy hybrid cars conclusions, and recommendations for further research.

5.1 SUMMARY OF THE STUDY

This section summarizes the results of a survey conducted to explore the most influential factors that affected the buying decision of Bangkok motorists in purchasing a hybrid car.

5.1.1 Objectives of the Study

The objective of the study was to find out the most influential factors that affect Thai motorists' decision to buy hybrid cars, with the two sub-objectives which were (1) to find out the most influential marketing activity that interests most Bangkok motorists into buying hybrid cars; (2) to find out potential behaviors that stimulate the buying decision of hybrid cars.

5.1.2 Subjects, Materials, and Procedures

The subjects of this study were 100 males and females aged not less than 18 years and could drive car and usually commuted inside Bangkok. The subjects were from different education levels, marital statuses, occupations, and income levels. The research material employed was a self-administered questionnaire which was distributed to the subjects using the accidental sampling technique. There were three main parts in the questionnaire. The first part was designed to collect demographic data of the respondents which includes gender, age, education level, marital status, occupation, income level, number of family members in their household,, car ownership status and car engine type. The second part was to examine the respondents' purchasing decisions of hybrid cars in terms of marketing mix activities namely product attributes, pricing strategies, place of purchase and sales promotion. The third part was to explore the influential factors that would most affect the respondents' buying behavior of hybrid cars in terms of internal influences, situational influences, and social influences.

5.2 SUMMARY OF THE FINDINGS

The results of the study can be summarized as follows:

5.2.1 Demographic Information of the Respondents

There were a total of 100 respondents in which 55% were male and 45% were female with a majority (53%) aged between 26-35 years old. Most of the respondents (74%) were single, held a bachelor degree (60%), worked for private companies (48%), and had a household income between 15,000-35,000 baht (41%). 57% of them lived with 3-5 other family members. 74% of the respondents owned a car in which the most common engine type (62%) was a benzene one.

5.2.2 Opinion on the Marketing Activities for Hybrid Car

Respondents were asked to rate their interest towards the marketing activities for hybrid cars. Based on the values assigned in Chapter 3, the results showed that fuel consumption and emission rates which were categorized in the product attributes was the marketing activity with most interest (mean = 4.37). The remaining activities received much interest respectively and by the highest mean score were car performance (mean = 4.09), exterior and interior design (mean = 3.91), th pricing (mean = 4.13), showroom and after sales services (mean = 4.10), and sales promotion activities (mean = 4.04).

The fuel consumption and emission rate, car performance, and design were product attribution factors following the marketing mix concept. After combining their three mean values and calculating the total average value, the total mean score was 4.12 which demonstrates that respondents' had much interest in product attribution.

Positions of the influential factors were rearranged with pricing strategy gaining the highest mean score (mean = 4.13) closely followed by product attribution (mean = 4.12). Place of purchase and service was ranked third (mean = 4.10) while promotional activity (mean = 4.04) was in the last position.

5.2.3 Opinion on Behaviors Influencing Buying Decision for Hybrid Car

In terms of the internal influences, similar to the marketing activities, respondents were asked to rate how much the given personal opinions influenced their purchasing decision of a hybrid car. The most influential factor was the opinion that the car could help reduce air pollution and reduce fossil fuel (mean = 4.24). The

remaining internal opinions received much influential value in order as follows: owning hybrid car contributes to saving the environment for the next generation (mean = 4.18), receiving sufficient information about hybrid technology was important to buying decision (mean = 4.13), and purchasing or using a hybrid car would enhance buyer's image of environment-consciousness (mean = 3.19). Total mean score of all internal influences was 4.12 which rated as "much" influence.

As for the situational influences, the situation that most affected the respondents' buying decision was a shortage of crude oil that caused a rise in petrol prices in Thailand (mean = 4.28) followed by the situation that pricing was supported by the government from a reduction of excise tax and import tax (mean = 4.22). According to the mean value of both situations, they were rated among the most affected influential situations. The remaining two factors were among the much influential ones air pollution crisis (mean = 4.07), and a promotional campaign to urge more usage of hybrid cars by the Thai Government such as income tax reduction (mean = 3.85). Total mean score of all situation influences was 4.11 which was rated as "much" influence.

Regarding the social influences, the highest affected situation influenced by a group of activities or the society concerning environment conservation was the situation that Thailand had become an environment-conscious country that strongly promoted the use of green vehicles (mean = 3.90), next was the situation if respondents were members of specific environment conservation clubs such as Greenpeace (mean = 3.60), then followed by a situation in which the respondents' community or neighbors as a whole owned hybrid cars (mean = 3.71), and a situation that influential people in society such as researchers, journalists, or celebrities recommended respondents' to use hybrid cars (mean = 3.71). Being rated with the value score in Chapter 3, all situations had much influence on the respondents' buying decision. Total mean score of all social influences was 3.60 which was rated as "much" influence.

Of all the three major influencing behaviors, the most influential one was internal influences (total mean = 4.12) followed by situational influences (total mean = 4.11), and social influences (total mean = 3.60).

5.2.4 Suggestion Toward the Promotion of Hybrid Car

The majority of respondents (24.3%) suggested that the government should reduce import tax followed by the suggestion to provide more knowledge about hybrid cars (21.8%), to provide enough after sales service centers (20.9%), to manufacture hybrid cars in Thailand to avoid import tax cost (18.2%), and to study the possibility to market hybrid cars in Thailand (14.8%).

5.3 DISCUSSION

This section concerns significant results from the summary of the findings in this study.

5.3.1 According to demographic profile of the respondents, the survey focused on those who could drive and found the majority of them (74%) owned a car. When further examining which engine type is the most popular among automobile users, the results showed that benzene engine cars (62.2%) had the highest proportion followed by diesel engine ones (33.8%) while other types of engines accounted for only 4.1%. These figures reflected current engine type of automobile in Bangkok as revealed by Land Transportation Bureau that cumulative numbers of car categorized by engine types in Bangkok until December 2007 accounted for 94% of the total. The figure significantly indicated how fossil fuel is important to Thailand's energy and automobile market. Anyway, currently, as the Thai government is promoting the usage of the other alternative fuels such as natural gas, liquid petroleum gas, bio-ethanol and etc, it is very interesting to see how Thai motorists will respond to this policy.

5.3.2 For which marketing activity most attracted respondents' buying decision, pricing (mean = 4.13) was the factor that drew most interest once respondent would like to buy a hybrid car. Pricing concerns exist due to the high import tax rate which is 200% of the price. (Thai Customs Department) This result showed respondents paid high attention to the pricing of hybrid cars in terms of their buying decision process. However, as the majority of the respondents had an average household income of between 15,001-35,000 baht, to buy a car for three million baht would cause a financial problem. The automobile companies' interest to promote

hybrid cars in Thailand should be closely studied so as to define who their target group would be.

5.3.3 The respondents' environmental consciousness resulted in their positive decision to buy hybrid cars with an average mean at 4.12. This internal influence was stimulated by the information searching stage as supported by Blyth (2005) regarding the buying decision process. By getting enough technology knowledge of hybrid cars and their benefit to the environment, respondents then positively evaluated the product. After the evaluation stage, consumers could move on to buying a hybrid car. As knowledge about hybrid cars has not been promoted much in Thailand, marketers should consider providing more information to potential consumers through appropriate communications channel and places of purchase.

5.3.4 In terms of situation influences, high petrol prices in Thailand was the most influential situation among other situations like excise and import tax reduction causing the car to be cheaper, the roads full of dangerous emissions, and government tax reduction for those who bought a hybrid car. The study implied that the motorist considered high oil pricing to be the crucial situation that stimulated their choice of product selection. As the pricing situation could directly affect consumer expense behavior, marketers should closely monitor how the government could resolve this problem. Therefore, the market plan regarding hybrid car selling could be established in compliance to the necessary situations.

5.3.5 Reaction and involvement from peer groups had much influence on respondents' buying decision with a total mean score of 3.60. If closely looked at what kind of group that most influenced their buying decision for hybrid car, the researcher found that Thailand's direction to promote environment conservation cars stimulated respondents' buying decision the most. This fact was supported by Solomon (2004) that government policy was the key factor that greatly affects consumers' buying decision making. Other group activities displayed similar importance to consumer opinion of hybrid purchasing like being a member of environment care groups, being suggested and advised by journalists or celebrities. To effectively promote hybrid cars in Thailand, marketers could involve these influential people in the communication stage. This will stimulate consumers' information

searching stage with appropriate messages delivered through a group to which the consumer belonged.

5.4 CONCLUSION

The Thailand automobile industry has been actively developing for almost 50 years along with the development of engine technology from automobile entrepreneurs abroad. As the country is now becoming a hub for automobile production with investment from foreign manufacturers, large amounts of automobiles are produced to meet global and domestic needs. Thai people purchased hundreds of thousands of new cars each year resulting in a high consumption of fossil fuels which are both imported from gulf countries and manufactured in Thailand.

Starting from the 2000's, oil price have been rising so drastically that the automobile users in Thailand have sought alternative fuels. To solve this situation, the Thai government has announced the introduction and promotion of various alternative fuels namely, bio-diesel, Liquid Petroleum Gas, Natural Gas, solar cell, water power, and etc. In response to the new policy, automobile manufacturers in Thailand have tried to find an alternative to cope with the situation such as configuring engines to support the new fuel formula such as E20 petrol (ethanol 20%, gasoline 80%),

On the international level, most of the world has also been affected by the same oil pricing problems. Among this crisis, hybrid cars have become popular with car users in European countries and the United States of America. For Thailand, automobile companies conducted trials for this vehicle type, but as the pricing was quite expensive, there has been no introduction of this car in the market yet.

This research was an attempt to explore which factors could contribute to the buying behavior of Thai's motorists with a hope that it would bring attention to this new vehicle market.

From the study, the results showed that most of the consumers owned a car which had a fossil fuel engine, but the high price of hybrid cars would directly affect their ability of purchasing one. Thus, automobile marketers should study this demographic data to find the most appropriate pricing for the major group of potential automobile buyers.

Regarding the marketing mix activity for those who want to buy hybrid cars, Thai consumers paid attention to how much the price was set first followed by car specification like engine performance, emission rate, and design. Automobile manufacturers should survey the population's income and set affordable price for Thai users.

However, consumers' buying decisions were likely to be influenced by the three major factors: internal influences, situation influences, and social influences. This study found that Thai consumers were mostly influenced by internal situations, especially environment consciousness. Therefore, to increase the level of need for Thai consumers, marketers should set a strategic communication plan to educate potential buyers about hybrid cars. This could stimulate Thai consumers to consider this product segment when wanting to buy a new car.

The current oil crisis was the most influential situation influence which stimulates consumers' decisions to change from traditional engined cars to a hybrid one. However, this factor is rather difficult to control for it would affect a large group of people in the same society. To cope with this, marketers should set a flexible communication plan of hybrid car to the market.

As for social influences, the researcher found the motorists tend to seek information from Thai government policy of environment conservation before buying a car. This reflected that Thai consumers listened to opinions from a large group rather than from smaller groups such as journalists or celebrity. This factor is quite challenging for the marketer to educate Thai people as a whole.

A suggestion by the motorists that Thailand should manufacture hybrid cars to help keep the cost down for this fuel efficient vehicle was quite interesting but would take a lot of effort and involvement from the automobile business and Thai government. To sum up, automobile companies could study more about the hybrid market to open the opportunity to one of the environment friendly technology to Thai consumers.

5.4 RECOMMENDATIONS FOR FURTHER RESEARCH

Based on the study, in terms of demographic information that pricing directly affected the buying decision, the researcher would like to recommend those who are

interested to further study the correlation between pricing and income levels for making any decision of hybrid cars.

Also, a larger research area should be conducted for more accurate such as in rural areas. As for the influencing factors, some theories have mentioned that culture could also affect the buying decision. As this study has not explored this variable, it is recommended for other researchers to further examine this factor.