

Thesis Title Decisions to Purchase Durable Goods of
Consumers in Amphoe Muang, Changwat Loei

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Abstract

The major objectives of the study of decisions to purchase durable goods of consumers in Amphoe Muang Changwat Loei are : to investigate into the pattern of ownership and consumer behavior of durable goods, and to design an appropriate model that can explain influences of economic and social factors on the part of the consumers on their decisions to purchase durable goods of consumers in the sample.

The sample of 450 households in Amphoe Muang Changwat Loei was chosen to represent the population of the area. A systematic random sampling was used for selecting individual households to be interviewed by means of a questionnaire. The data were analyzed, using descriptive statistics to answer the first objective, and for the second one, the tobit model was used with

the maximum likelihood estimator as a tool for analysis of the relation between dependent and independent variables. The hypothesis is that the decision to purchase durable goods is determined by their economic, social and personal factors.

From the study it appears that the head of families are 50 years old on the average and those who finished primary education (Prathom 7) account for 77 percent; 52 percent are farmers and have 5 persons per family. These people live in single houses, 88 percent of them own the house and land. In 1992 the average annual income was 59,926 Baht per family or 14,981 Baht per head.

The durable goods in possession range from television set, electric fan, radio and stereo set, electric rice-cooker and motor cycles, the percentage of households that own these goods are 91, 89, 74, 73 and 71 respectively. The goods that are owned by the smallest percentage of household are air conditioner, microwave oven, video set, washing machine, motor car and electric thermos, the percentage are 3, 10, 12, 20 and 30 respectively.

In the model that was used to explain factor relationship that influent the decisions to purchase durable goods it was found that factors that had positive influence on decisions to purchase were: the present income, the ownership of property, the household setting of one year or less, the availability of consumers' credit, marital status and duration of marriage of one year or

less. These factors were found to have significant influence on the decisions to purchase electrical appliances. For non electrical appliances it was found that the coefficients of these variables have the same sign as the first group except for marital status and newly married for one year or less that show negative coefficient. For all consumers durable goods taken a whole, the coefficients have the same signs as those in the electrical goods group.

The results above have indicated the behavior and factors that have influence on the purchasing habit. The durable goods can be regarded as necessities for their everyday life and the average household owns several items of the durable goods, the most essential goods are mentioned above. The present income is the most influencing factor in the decision. As these goods are considerably expensive in comparison with their income the availability of consumers' credit is the most important factor in their final decision to purchase.