

Factors that Affecting Consumer's Behavior of Honda Civic in Bangkok Metropolitan Area

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Abstract

In this day and age, human are always using the car for they diary life, no matter if it's their own car or public car. If looking into Bangkok metropolitan area, there are over fourteen millions people are lived and for last ten years the Japanese car are very famous and the most using in Bangkok such as Honda and Toyota, people always support this two brand and if they had re-purchase they will buy Honda and Toyota car. If look back in this era, the car from Europe are coming and it has a good response from consumers in Bangkok, together with some of Europe car are already has manufacturing hub that will make the price cheaper and along with the preference of consumers thinking it a luxury car. The most Europe car using in Bangkok are Mercedes-Benz, BMW, Audi and Mini Cooper. If we looking at Japanese car market in the next five to ten years, what is the sales are going to be?

This research is a quantitative research and it's a survey research. The method of collecting data the questionnaire from the target group, who are using Honda Civic in Bangkok by distributing at parking lot of department stores amount of respondents are 50 person on 27th – 28th April , 2018. The questionnaires will be statistical analysis was performed using the SPSS program.

The demographic factors from the sampling group, the result shows that, most respondent is male 32, 61 percent. 30-40 years old, which is 26, 50 percent. Single, which is 24, 46.3 percent. Bachelor's degree, which is 32, 62 percent. Freelance, which is 17, 33 percent. Income around 30,001-40,000 Baht, which is 16, 30.76 percent.

Keyword: Cars, Honda Civic, Decision making, Consumer's behavior, Marketing Mix

Introduction

In this era, automobile is a very important factor for diary life because in everyday human has to commute from some places to other, So automobile is the one of most used. Especially in big urban areas with continuous growth, while the mass transit services of government are insufficient. Therefore, it stimulates of consumers

with high demand to have personal cars even the situation with oil price is non-favor. Dominant customer behavior on the automobile market is to buy compact cars (C-segment) include Honda Civic (Sedan+Hatchback, engine 1498-1799 cc.) what is the kind of most popular car in Thailand by consumers opinion and choice.

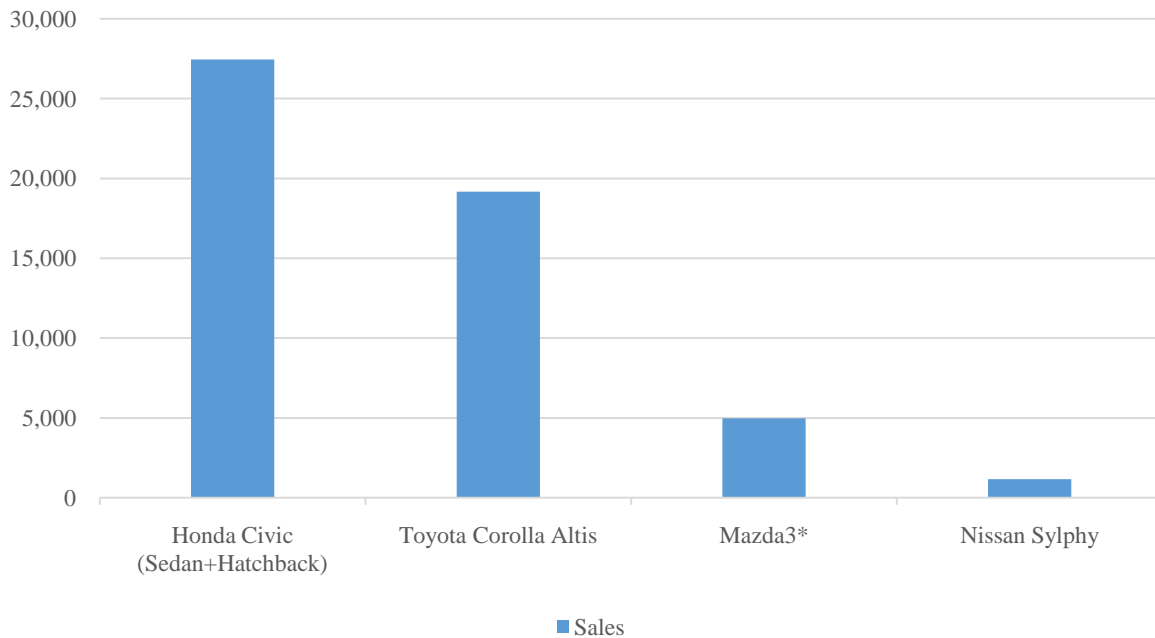


Figure 1 Sales of compact car rank in 2017 in Thailand (source: Headlightmag., 2017)

From the figure 1., can be seen as Honda Civic (Sedan+Hatchback) has the highest sales share 27,448 cars. Second is Toyota Corolla Altis (19,179 cars), followed by Mazda3* (4,979 cars) and Nissan Sylphy (1,155 cars).

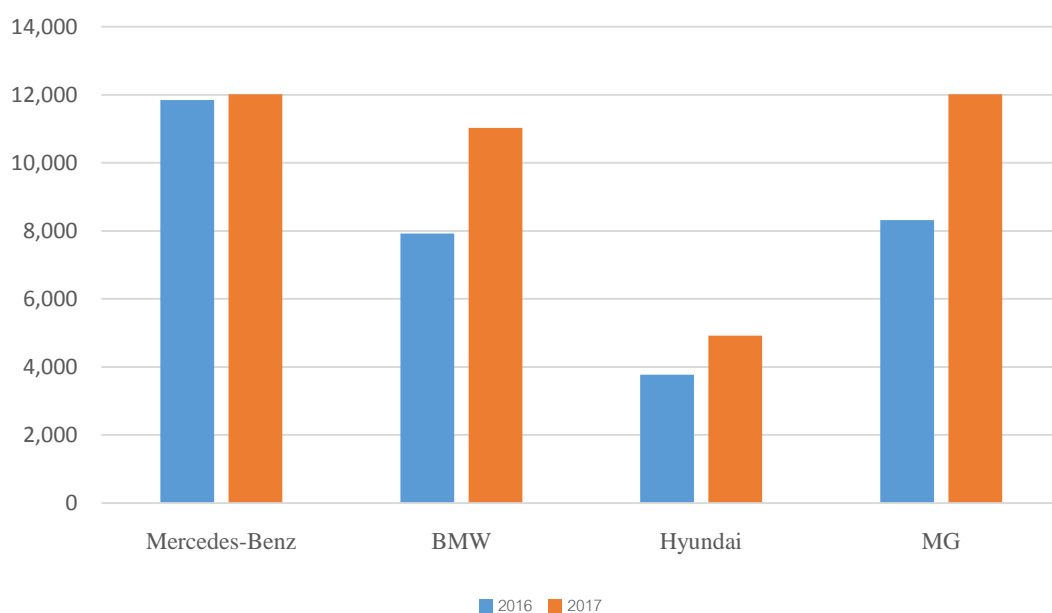


Figure 2 Sale of European cars in 2016-2017 in Thailand (source: Headlightmag)

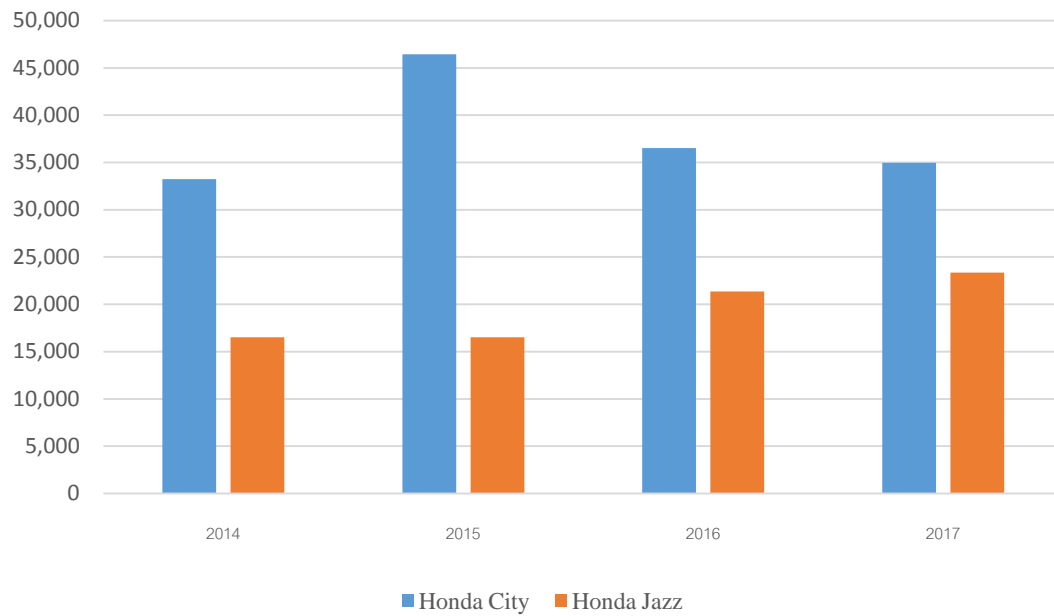


Figure 3 Most popular car models of Honda (source: Thailand Autobook)

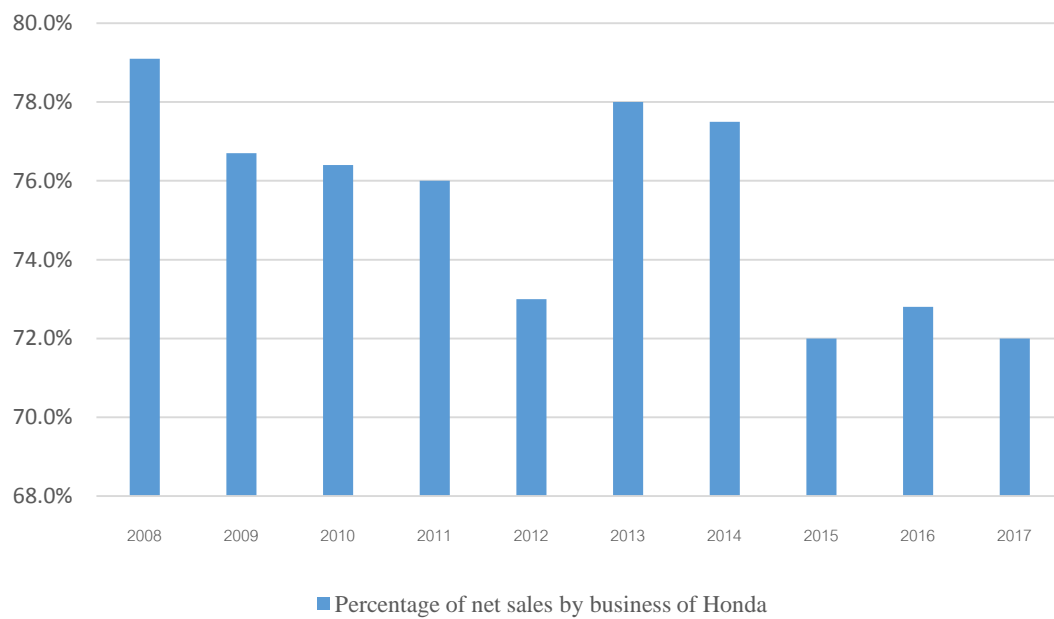


Figure 4 The net sales of Honda by business (source: world.honda)

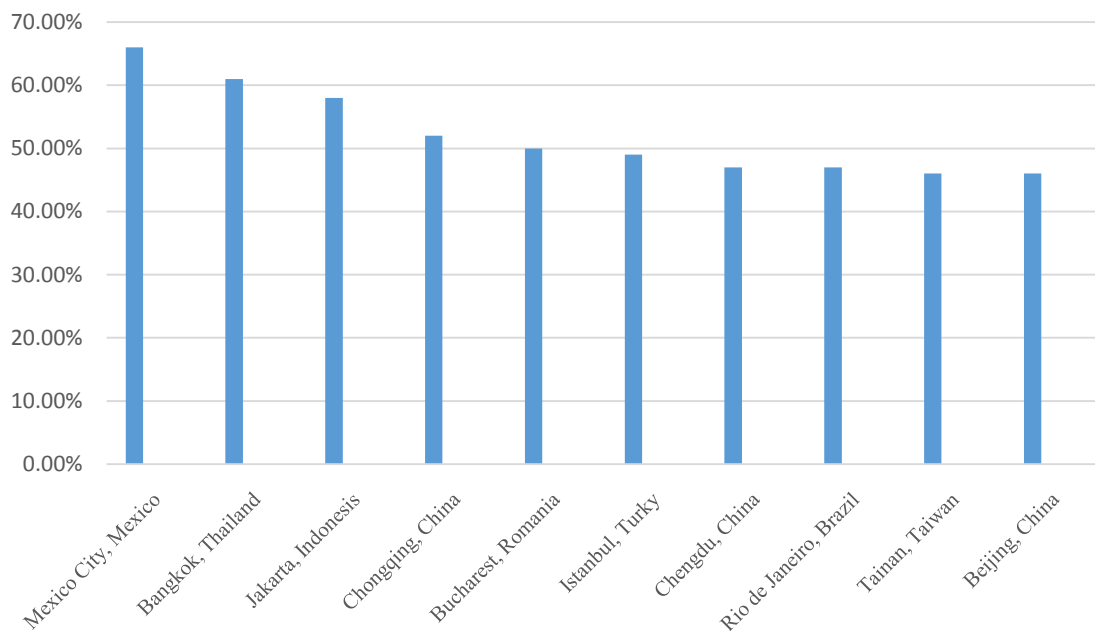


Figure 5 The top traffic jam cities in the world in 2017 (source: BusinessInsiderUK)

Objectives

1. To analyze gender, age, status, education, occupation, and income of Honda Civic buyer's in Bangkok metropolitan area.
2. To consider the marketing mix product, price, place and promotion of Honda Civic buyer's in Bangkok metropolitan area.
3. To analyze relationships between personal features and patterns of consumer's behavior of Honda Civic buyer's in Bangkok metropolitan area.
4. To correlate corporative priorities of Honda company with current trends of Thai car market.
5. To give recommendation on Honda Civic promotion in Thai market.

Purpose

Based on the survey of Honda Civic consumers' behavior to make recommendations on Honda automobile quality features and marketing mix improvement.

Problem Setting

Bangkok Metropolitan area, is a place where over fourteen millions people live and move every day. Auto traffic in Bangkok grow up significantly (Figure5)

For last ten years Japanese car are very famous and the most using in Bangkok (such as Honda and Toyota). Bangkok people also support this two brands, if they want re-purchase. Reasons why Bangkok people choose Honda car are price, services

for order some details, credit line and so on. Cars from Europe are coming to Bangkok market got good response from local consumers, Moreover some European car are already manufacturing in Thailand (BMW, Thailand, Rayong) car sales it makes car sales price cheaper. The most European car using in Bangkok are Mercedes-Benz, BMW, Audi and Mini Cooper. If we look at Japanese car market in the next five ten years, what the sales are going to be? Based on forecasting of modern trends we can suggest decreasing of Japanese car market share together with increase of Thai people wealth income and preferences to buys European cars. Taking into account that Japanese cars sales decrease can negatively impact factories that are mostly located in Thailand (decrease of income, work places, tax payment and so on). The problem of supporting the high level of sales on Thai market of Honda care is very significant and relevant.

Hypothesis

Hypothesis 1: Honda Civic car is not really popular among younger (less than 30 years old) customers of Bangkok.

Hypothesis 2: Consumers care with vary hi-tech gadgets and additional technical value.

Hypothesis 3: Female do not prefer Honda Civic.

Hypothesis 4: Bangkok consumers prefer to buy high fuel saving and eco cars.

Hypothesis 5: Thai consumers makes decision to buy Honda Civic car due to aggressive advertisement campaign and seasonable discount.

Literature Review and Theory

JurairukJansriharaj (2010) that studied about the influence of corporate image on consumers trust and loyalty of Honda Automobile (Thailand). The results show that corporate image of Honda Automobile includes services, security systems, car specifications, eminence and responsibility to social and environment.

SiriphongPreutthipan (2004) depicted consumer's satisfaction is the heart of marketing process of the company that have to measure in a systematic about level of consumer satisfaction because the satisfaction is the important factor to lead to the job to be successful. In addition, executives must make their employees satisfied their work and also must make the consumer satisfied too, because the service progress is an important factor are number of users, so that the manager should to study the factors and element of employees and consumers satisfaction for being beneficial for company.

ThanachaiChalermchai (2015) considered about factors influencing the selection of purchasing luxury cars of people in Samut-prakran province. The research results revealed that most of the questionnaire respondent had used the luxury cars mostly in the brand of Mercedes-Benz and had owned two cars.

CareeyaBhoopat (2008) analysis of factors affecting consumer's buying behavior of Toyota New Vios in Bangkok metropolitan area. Despite the results that consumers with different age, different status, and different education level. That have

different decision making behavior to select and purchase it, and also the marketing mix factors in term of product, price, place, and promotion have a relationship with consumer's decision making behavior to select and purchase Toyota New Vios.

JulinPudtanlek (2002) indicated factors influencing decision to buy passenger car in Bangkok. The study indicated that consumer's value includes safe driving, saving fuel, easy to find parts, warranty, the car design, also includes distribution channel such as reliability, good service and service center maintenance.

TeerapongThephassadinnayudhya (2015) classified of factors affecting the decision to purchasing the ecology car (eco-cars) of the consumers in Bangkok. Despite the most respondent are female, with Bachelor's degree, five members in family. The use of cars most selected eco-cars brand was Toyota. Distribution channel were the sales galleries or showrooms and the payments were made by loans or installments from the financial companies. Most respondent decided to purchase the eco-cars for their first car. The samples overall rated the marketing mix factors at the highest level. Most of them ranked the people factors as the first priority, followed by product, price, place, and promotion.

JurairakJansriharaj (2010) the results show that corporate overall, the level are very loyal. When considering each factors, She found that consumers will tell the good thing that get Honda to someone. If someone that need to buy some new car they will recommend Honda. Next time, if they want to buy some new car will high tendency to buy Honda car again. All of this consumers aspects are very good but consumers aspects of consumer loyalty to Honda are average.

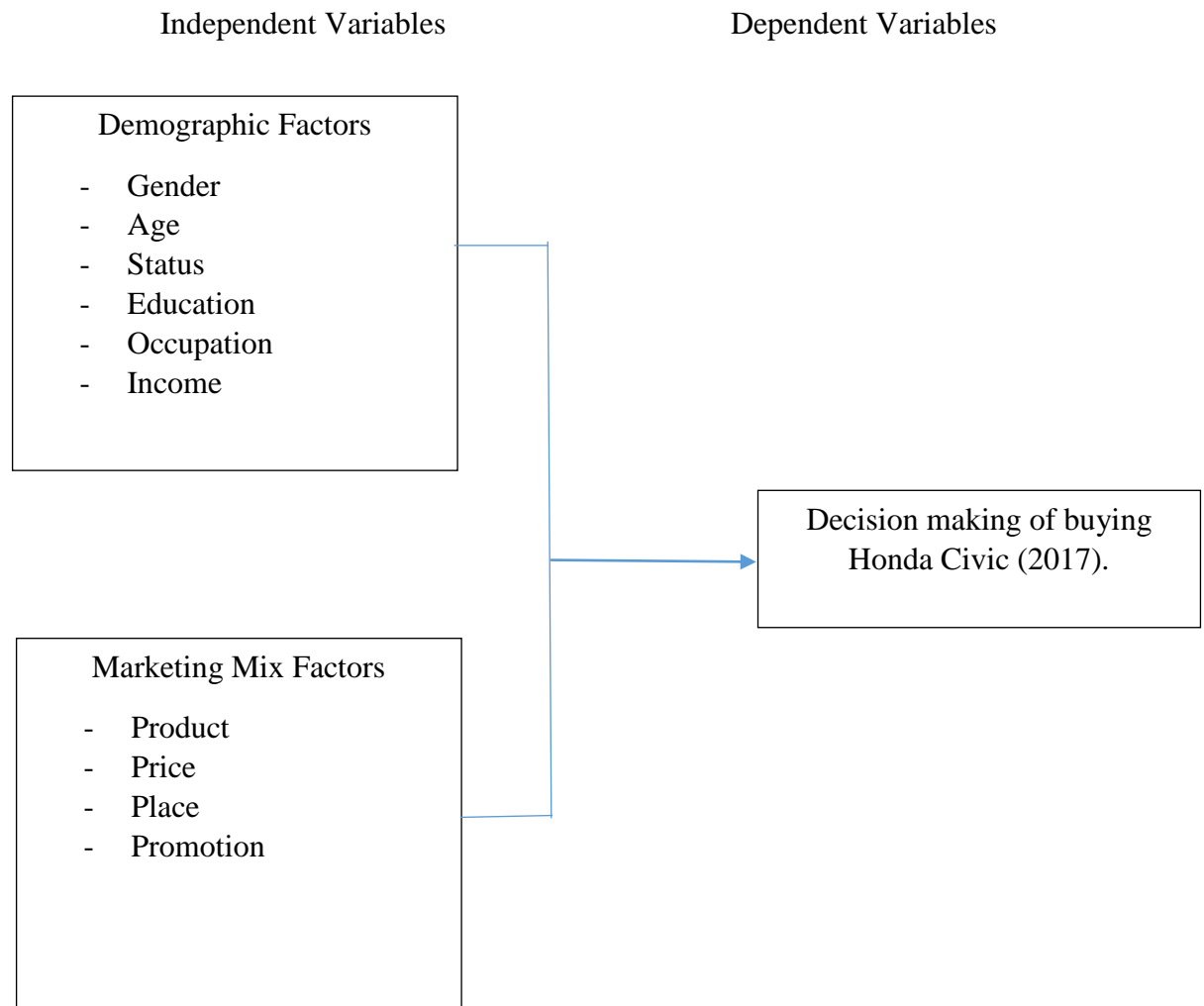
Hill and Alexander (2000) have explained consumer satisfaction is measured that all product can response what level of customer needs. The satisfaction will occur when people can response their needs by reducing their stress and it's what happens to people who are based on basic needs that will relate with the results.

Nita Ditboonchern (2010) the studied about the factors affecting eco car buying decision of consumers in Bangkok. The results show that the demographic factors includes age, education, occupation, and income are having relationship with consumer's behavior buying decision to buy eco cars , except gender do not have relationship. The marketing factors including product, price, place, and promotion do not have relationship with consumer's behavior buying decision to buy eco car.

SiritarSumnienglum (2010) concluded of factors affecting consumer's behavior of Honda and Toyota in Bangkean, Bangkok area. The data show that most of respondent are using Toyota car as new car and the type is compact car via themselves is most influencer to buy. For about the marketing mix factors including product, price, place, and promotion are the influence for consumer's behavior of Honda and Toyota.

Theoretical Framework

From the study of different theories and concepts, involve literature review, the researcher can use the data to be a theoretical framework. For being a guideline to conducting research in topic “Factors Affecting Consumer’s Behavior of Honda Civic on Bangkok Metropolitan Area”.



Methodology

This research is a quantitative survey. The method of collecting data is a questionnaire. Primary data was aggregated and analyzed by using software program such as SPSS, methods of Lankest scale and grouping correlation were used.

Survey was conducted in Bangkok metropolitan area on 27th -28th April 2018, 72 questionnaires were distributed on parking lots of department stores (Central Plaza Pinklao, The Mall Bangkhae), 52 questionnaires were received back and fulfilled correctly.

Results

Table 1 Personal data of surveyed persons (made by author)

Personal Data		Frequency	Percentages
Gender	Male	32	61
	Female	19	36
Age	<20 years old	4	7.7
	20-30 years old	20	38.8
	30-40 years old	26	50
	40-50 years old	2	3.8
Marital Status	Single	24	46.3
	Married	19	36.5
	Divorce	3	5.7
	Not specify	6	11.5
Education	Vocational Certificate	6	11.5
	Senior High School	6	11.5
	Bachelor Degree	32	62
	Master Degree	7	14
	Not specify	1	2
Occupation	Student	7	13
	Government Official	14	27
	Employee/Banker	5	10
	Own Business	9	17
	Freelance/Constructor	17	33
Income	<10,000 Baht	2	3.8
	10,001 – 20,000 Baht	10	19.3
	20,001 – 30,000 Baht	11	21.15
	30,001 – 40,000 Baht	16	30.76
	40,001 – 50,000 Baht	6	11.53
	>50,001 Baht	7	13.46

By distributing 52 questionnaires, the result shows that: the most respondent are male, age 30-40 years old, almost single, has bachelor degree, a freelance and constructor and has income 30,001-40,000 Baht.

Table 2 Factors impacted on surveyed consumer's decision making (made by author)

Factors	Frequency	Percentage
1. Myself	32	61.6
2. Got car from parent	18	34.6
3. Got car from company	2	3.8

By distributing 52 questionnaires, the results shows that the most respondent is making decision by themselves, which is 32 persons, 61.6 percent.

Table 3 Product analysis by surveyed persons (made by author)

Product	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
Appearance of the design, outside and inside of the car	0	0	3,6%	10,19%	39,75%
Use additional gadgets and security system	0	0	4,8%	27,52%	21,40%
High fuel saving	0	0	3,6%	27,51%	22,43%
The engine has an acceleration rate	0	0	37,71%	9,17%	6, 12%

By distributing 52 questionnaires, the result shows that the most respondent of appearance of the design, outside and inside of the car is strongly agree. There are 39 people, which is 75 percent. The most respondent of use additional gadgets and security system is agree. There are 27 people, which is 52 percent. The most respondent of high fuel saving is agree. There are 27 people, which is 51 percent. The most respondent of the engine has an acceleration rates moderate. There are 37 people, which is 71percent.

Table 4 why you make decision to buy by surveyed persons (made by author)

	Strongly disagree	Disagree	Moderate	Agree	Strongly Agree
Good after sales services	0	17,33%	23,44%	8,15%	4,8%
Term of payment	0	2,3%	20,39%	17,33%	13,25%
Showroom and service center has convenient location	0	4,8%	8,15%	23,44%	17,33%
Premium and discounts are also suitable	0	4,7.9%	21,40.3%	19,36.5%	8,15.3%
Public media advertising are through	0	1,2%	20,39%	23,44%	8,15%
Experimental driving makes it possible to make precise decisions	2,3%	12,23%	18,35%	13,25%	7,14%

By distributing 52 questionnaires, the result shows that: the most respondent of good after sales services is moderate. The most respondent of term of payment is agree. The most respondent of showroom and service center has convenient location is agree. The most respondent of premium and discounts are also suitable is moderate. The most respondent of public media advertising are through is agree. The most respondent of experimental driving makes it possible to make precise decisions is moderate.

Conclusion

Hypothesis 1: Honda Civic car is not really popular among younger customers of Bangkok – Accepted.

The results of surveys show that (Table 1) the most respondent are 30-40 years old and made decision to buy by themselves. We can explain it that young people just do not like Honda Civic by quality features or by price. But young generation is very important segment of consumer market because there is a tendency that customer buy the same cars brand even more expensive one if grow up or get additional income. For example 20 years old customer buys second hand Toyota Yaris (cheaper voucher) for 250,000 Baht, when he grow up and get better job or credit line, he would like to buy Toyota Camry for 1,500,00 Baht. So for Honda supporting sales in youth segment is important right now.

Hypothesis 2: Customers care more hi-tech gadgets (Table...) than engine features. – Accepted.

The results show that the most respondents value cars technology system, design, security system. We can suggest that people in urban area have no ability to shoe or to diary use power of engine or advantages of high speed driving so they mostly care convenient design, comfortable seat, TV, Music system, system, security system, technology systems, navigators, Bluetooth, Wi-Fi and also safety.

Hypothesis 3: Female do not prefer Honda Civic. – Accepted.

Because most of respondent is males (Table1). We can suggest that Honda Civic looks more aggressive has big size and not convenient for ladies driving and parking, mostly associated with mainly more rude image. But ladies today are big share of driver in Bangkok who also have income enough to make buyer decision. So we can assume that Honda has to be more concentrated on work with females.

Hypothesis 4: Bangkok consumers prefer to by high fuel saving and eco cars. – Accepted.

High oil price increase popularity of save fuel care, also eco trends support demand on green cars. If gives new opportunities for Honda to increase market share in Bangkok in long term.

Hypothesis5: Thai consumers makes decision to buy Honda Civic car due to aggressive advertisement campaign and seasonable discount. – Rejected.

As survey shows Thai people prefer to buy Honda Civic because they high value in aggressive advertisement campaign and seasonable discount.

Living in the big city increase the value of time, so it's absolutely normal that people in Bangkok want to save money and to get lack of problem after car sales. Other side aggressive advertisement in big city is not effective because people lives in aggressive information environment.

Discussion and Recommendation

Based on conclusion and finding we can recommend some tools of popularity and sales share of Honda Civic increase in Bangkok in long term.

1. Honda company has to focus on younger Thai customer making more fashionable design and promoting fashionable image (like Mazda zoom-zoom or Mini cooper). Young generation everywhere prefer unusual up normal, out of tradition good thing and valued. Honda Civic can apply making cars able for tunny, color change (by rapped), internal design flexibility. Also Honda Civic needs to design sport city cars to attract young customers.

2. Modern city car has to be initially fully equipped by lots of gadgets such as navigators, Wi-Fi, Bluetooth, TV, Music, or Camera record. Honda has to explain advantages of fully equipped cars comparing with “empty” cars with lower price. For example the discount of payment or the upgrade insurance.

3. In addition, if we look into the design and size of the car are response the needs of male customers. And what about the female customers, Honda should design the car are suitable for a girls such as new pink colors, small size of cars or Honda Lady Club is a club exclusive for female such as has an only women, when they wait for car services will provide girls magazine or have some beauty activities like nails coloring, spa or salon.
4. Honda should doing more some CSR campaign for make something save the environment such as Isuzu: Gives water for life, Toyota: Reduce the heat with our hands.
5. Honda have to emphasize on high saving in promotion because of the trends of saving the fuel and saving the time in urban life time is very important like time is money. Honda should making more promotion on TV and more in online channel.

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TERMINOLOGY

1. Consumers: Who has age more than 18 years old, which are interest to buy Honda Civic (2017) in Bangkok metropolitan area?

2. Lifestyle: The way of life, Time for doing any activities and attention to the environment.

2.1 Activities: In any recreation such as shopping, movies, music, exercise, food, party, technology and etc.

2.2 Interest: Interest in technology of the car, car news and car motor show.

2.3 Opinion: Perspectives of themselves and perspectives of environment in term of incentives such as the opinion about making decision to buying Honda Civic (2017).

3. Decision making of Honda Civic (2017): Idea. Decision, behavior of consumer goods.

4. Marketing Mix's factors of Honda Civic (2017) to decision making: The marketing mixes of Honda Civic (2017) in terms of Product, Price, Place, and Promotion that consumers think are important for decision making to buy Honda Civic (2017).

4.1 Product: Consumers opinion of Honda Civic (2017) such as the shape of the car, capability of engines, inside of the car, frugality of energy, quality of car and equipment and brand image.

4.2 Price: Consumers opinion of Honda Civic (2017) such as reasonable price, price on resale, price of spare parts and cheaper maintenance fee.

4.3 Place: Consumers opinion of Honda Civic (2017) such as having a service center throughout, comfortable travel and easy to search on internet.

4.4 Promotion: Consumers opinion of Honda Civic (2017) such as discount for a car price, having a premium like insurance or accessory. Having a variety of advertisement as on television, internet, website or motor show.