



MARKETING STRATEGIES OF THE “PJ MOTORBIKE” TO INCREASE SALE VOLUME OF USED MOTORCYCLE BUSINESS, KHONKAEN

Pisit Jirapornkul¹

Ruchirat Patanathabutr²

¹ College of Graduate Study in Management Khon Kaen University 123 Mitraparp Rd. Khon Kaen Thailand, 40002, (+66)891759492, mr.pisty@gmail.com

² Asst.Prof./ Ph.D. / College of Graduate Study in Management Khon Kaen University

Abstract

This independence study was an applied research with the method of descriptive research. The objectives were to find out demographic information, customers' behavior and the customers' opinion on marketing mix in order to create the appropriate marketing strategies for the PJ Motorbike used motorcycle business, Khonkaen. Index of consistency of the questionnaire was assessed by an expert panel and the reliability was established with a Cronbach's alpha coefficient of 0.72. The convenience sampling was applied to the samples with self-administrative. The results revealed that 76.8% of the customers were male with 48% of age 35-59 year-old, 21.5% had the education of the middle school, 30.5% had the occupation of an independence job or an employee. The income range was between 9,000-20,000 baht for 56.2%. The most important thing for used motorcycles observation was the color faring and its context seems to be new with the reasonable price. The most influence advertisement was a local radio. The difference of the type, gender, age, education level, occupation and monthly income of the customers had no effect on levels of satisfaction on the marketing mix with the level statistical significance at 0.05. The results of the study were used for planning the marketing strategies and they were resulted in 3 projects; 1) Advertise on point, 2) Official website launch and 3) No competitive price but competitive services. The total budget was for 55,500 baht. After the projects implementation, the expectation was to increase the sale revenue and kept running the proper strategies that meet the real customer needs.

Keywords: PJ Motorbike, Used Motorcycle, strategy, marketing strategy

Introduction

There are so many factors that impacts the economics in Thailand. It seems the unstable political stability in Thailand causes the economic stability to be impacted all factors to go down. Anyway motorcycles business seems different. The motorcycles shops are increasing quickly on every location in Thailand that makes this business competition is so intensive with so many strategies to earn market share as much as possible.

Used motorcycles business now have been changed in sale conditions and make it very easier to buy motorcycles on credit. Generally, buying on credit is needed at least, one guarantee person and down payment making contact before riding out. Today it is likely to do nothing but only contact signing, and then ride it out on credit. This is planned and conducted by gigantic financial companies that absorb all these financial loan. That apparently impacts medium or small local business and directly affects the whole used motorcycles business since these gigantic companies have release financial loan only for new motorcycles, not for used motorcycles.

Whereas Thailand economic is in the risky situation, observing from the sale that slowly dropping if compared to the last 2 years' sale. And the statistical data from Department of Land Transport has indicated that the number of new motorcycle registration of 2009-2012 was continuously increasing; in 2009 there were 1,635,807 new motorcycles and increasingly to 2012 at 2,257,376 new motorcycles. It was slightly less in 2013 to 2,121,977 and significantly less to 1,819,371 in 2014 [1]. This is influence with the reducing sale of the PJ Motorbike.

It is thus, needed to create proper strategies to increase a chance of sale improvement and to adapt itself for keeping business going on properly among the intensive competition. The PJ Motorbike had never planned any clearly strategies, just opened the shop and waited for customers coming in. The advertisement via local radio was ever conducted for a short time but to save the cost, it was cut out. So the marketing strategies should need to be planned by this independence study to create the proper marketing strategies for driving the business to the right direction in the short-term and long-term and to increase the sale revenue by 20% which could earn more 600,000 baht a year.

Objectives

To study the customers' opinion on the marketing mix of the PJ Motorbike and also study the demographic information and customers' behavior to create the appropriate marketing strategies for the PJ Motorbike used motorcycle business, Khonkaen and improve the sale revenue by 20% that can earn more 600,000 baht a year.

Methodology

This independence study was an applied research with the method of Descriptive Research by documentary study and collect data from journals, books and concerned research. The research instrument was used the questionnaire to collect demographic information and customer behavior [2] and the customers' opinion level [3] on marketing mix [4] to analyze as



an applied research. Index of consistency [3] of the questionnaire was assessed by an expert panel and the reliability was established with a Cronbach's alpha coefficient [5] of 0.72. The convenience sampling [5] was applied to the samples with self-administrative. All analyses were performed with SPSS version 18. The descriptive research used the descriptive statistics to explain the standard deviations, frequency, percentage, and means and use inferential statistics to explain the relation of the data and hypothesis. Differences in opinion level of the type and gender of the customers on the marketing mix were analysed using a T test and differences in opinion level of age, education level, occupation and monthly income of the customers on the marketing mix were analysed using an ANOVA.

Results

Most customer (76.8%) was male, ever bought the used motorcycles for 69%, with 48% of age between 35 and 59 year-old, the education level was 21.5% for the middle school and the occupations were 30.5% of employee with the monthly income of 56.2% between 15,000 and 20,000 baht.

The customer themselves were the most influence person in order to make decision and absorb the cost, bought used motorcycles directly from the used Motorcycles shop and the cause was the old one was not in good condition for using, the price of used motorcycle was cheaper so not bought a new one, observed a few shops before making order. The auto-motorcycles and brand Honda were more popular. The most important thing was the color and looking condition should look new. Buying on credit with down payment was chosen and the demanded price range was 10,000-15,000 baht including all tax and fee. No certain period for buying. The proper price was considered the most. The previous old motorcycle would be reserved at home. The most influent media was local radio. With the good experience of buying would sometimes recommend to others. Ever bought from Big Joe Shop because of clearly online information.

Totally opinions level on the marketing mix of the PJ Motorbike was agree and the difference of the type, gender, age, education level, occupation and monthly income of the customers had no effect on levels of satisfaction on the marketing mix with the level statistical significance at 0.05.

The results of the study were used for planning the marketing strategies by TOWS Matrix which created 3 proper marketing strategies 1) S-O Strategy "Advertisement on heart"; resulted in project 1 "Advertise on point" 2) W-O Strategy "Online orders" resulted in project 2 "Official website launch" and 3) S-T Strategy "Service Priority" resulted in project 3 "No competitive price but competitive services" as below summary table 1

Table 1 Projects Summary and Budget

Project	Budget (Baht)
S-O Strategy "Advertisement on heart" Project 1 : Advertise on point	50,000
W-O Strategy "Online orders" Project 2 : Official website launch	5,500
S-T Strategy "Service Priority" Project 3 : No competitive price but competitive services	0
Total cost	55,000

Conclusion

The new physical condition of motorcycle seems to be the most important stuff customer chooses to make a decision to buy, including the after sale service and the product guarantee which are not available in some used motorcycle shops. This is about to make a difference to make a chance in sale improvement. This seems to relate with the research of Aekkasart Ratanamaneer that the most customers considered to buy a motorcycle from how long it ran [6], so the shorter run, the newer it looks. And then these are needed to inform to customers that used motorcycle from PJ Motorbike has a better physical look, both outside and inside, it looks almost the same new as the new motorcycle. This is the strength needed to be advertised to show the difference, including the after sale service and the product guarantee.

From the result that customers bought the used motorcycle because of the cheaper price than the new one and also the competitive price on online shop, to avoid price war, the difference is needed to be informed via advertisement. Then the price can be settled a little higher than the market price since the STP analysis indicated that the positioning is quite high with a very good quality products and the customers want to bargain from the settled price, then this can maintain the sale revenue to not lower from the price war.

It is trendy now to go shopping online and the trend is higher for online market. From the customer's behavior that found used motorcycles online were more likely to be increasing. This is why the sale was dropping since the market share was split into so many different places on the internet. And this probably solve the weakness that PJ Motorbike has no parking lot even if it locates in the middle of the city, customers do not easily access to the shop then. So making more places for the shop by launching the official PJ Motorbike website could solve this, customers do not need to walk in, just browsing online website to see motorcycle pictures, prices, and other stuff. This is not only pulling out the weakness but increasing more opportunities to improve sale orders from additional places.

The change in motorcycle buying on credit that no warrantee person, no down payment definitely changes people behavior in the way cheating buy, even they do not have any money



but they can get a motorcycle in hand. Gigantic financial companies can take risk of this since they have so much capital. But for medium or small businesses need more room to consider taking this risk. The most customers of PJ Motorbike had the middle school education level and the income monthly in range of 9,000 to 20,000 baht with most of them were an employee or freelance. This may indicate the risk in return if the shop follows the gigantic financial companies. So the promotions about no down payment or no warrantee person are needed more studies in details how to take risk or how to handle the cheating buy which actually with 15% down payment is still found the case.

Suggestions

After the projects are implemented, there should be some evaluations in order to keep improving and changing to meet the real customer needs. And the online place should be studied more in details about the right methods of buying online since this place seems to be more popular and the internet access of people will be more, then this would be a good opportunity to make more sales on the internet.

Acknowledgement

The authors would like to thank all the study respondents for their valuable time in enabling the collection of data for this study.

References

- [1] Department of Land Transport. (2014). **New car registration amount statistics** (in Thai). Retrieved on April 20, 2015, Available: http://apps.dlt.go.th/statistics_web/brandcar_car12.html
- [2] Rewat Chatreevisit. (2006). **Marketing management very easy** (in Thai) Bangkok: Image Enterprise.
- [3] Boonchom Srisaard. (2010). **Fundamental of research** (in Thai). Bangkok: Suviriyasan.
- [4] Philip Kotler and Garymstrong. (2010). **Principle of marketing**. 13th ed. Englewood Cliffs, N.J: Prentice Hall.
- [5] Sorachai Pisanboot. (2008). **Business research** (in Thai). Bangkok: Wittayapat.
- [6] Aekkasart Ratanamane. (2008). **Influence factors on buying used motorcycles, Muang Chiang Mai** (in Thai). M.S. independent study, Faculty of Economics, Chiang Mai University.