

Factors Affecting the Consumers' Decision Making in

Investing in Long-Term Equity Funds in Bangkok

ปัจจัยที่มีผลต่อการตัดสินใจในการลงทุนในกองทุนหุ้นระยะยาวของผู้บริโภคในกรุงเทพมหานคร

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Abstract

The purpose of this research was as follows: (1) to study the demographic factors effecting on customer's decision-making to invest in long term equity fund of the consumer in Bangkok. (2) to explore the Marketing-mix factors of Asset Management Company effecting on customer's decision-making to invest in long term equity fund of the consumer in Bangkok. (3) to study the internal and external factor effecting on customer's decision-making to invest in long term equity fund of the consumer in Bangkok. This Research is a quantitative analysis by using survey research method and will be collecting the data by using the questionnaire. The sample are person who liable to income tax in aged between 25-55 years (The working age) who invest in LTF or are likely to invest in LTF who work in the business areas of eight districts including Wattana, Phayathai, Pathumwan, Bangrak, Huay Kwang, Chatuchak, Sathon and Rat Burana, which is the major business area of Bangkok. Research findings were as follows: (1) demographic factor has no effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok with statistically significant at the 0.05, (2) marketing-mix factor of Asset Management Company such as place promotion physical evidence people and process has an effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok with statistically significant at the 0.01 and (3) internal and External have an effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok.

Keywords: long-term equity fund, marketing mix, investment decision-making

บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์เพื่อ (1) ศึกษาปัจจัยส่วนบุคคลที่ส่งผลต่อการตัดสินใจลงทุนในกองทุนรวมของผู้บริโภคในกรุงเทพมหานคร (2) เพื่อศึกษาปัจจัยส่วนประสมการตลาดเป็นงานที่ส่งผลต่อการตัดสินใจลงทุนในกองทุนรวมของผู้บริโภคในกรุงเทพมหานคร (3) เพื่อศึกษาปัจจัยภายนอกและปัจจัยภายในที่ส่งผลต่อการตัดสินใจลงทุนในกองทุนรวมของผู้บริโภคในกรุงเทพมหานคร งานวิจัยนี้เป็นการวิจัยเชิงปริมาณ โดยใช้วิธีการสำรวจ และเก็บตัวอย่างโดยใช้แบบสอบถาม ตัวอย่างที่ใช้ในการวิจัยคือบุคคลที่มีรายได้ต่อเดือนที่ต้องเสียภาษี มีอายุระหว่าง 25-55 ปี และลงทุนใน

กองทุนรวมระยะยาว ทำงานในย่านธุรกิจในกรุงเทพมหานคร ได้แก่ พญาไท ปทุมวัน บางรัก ห้วยขวาง จตุจักร สาทร และราษฎร์บูรณะ ผลการวิจัยพบว่า (1) ปัจจัยส่วนบุคคลไม่ส่งผลต่อการตัดสินใจลงทุนในกองทุนรวม (2) ปัจจัยส่วนประสมการตลาดของบริษัทจัดการกองทุน ได้แก่ ช่องทางการจัดจำหน่าย การส่งเสริมการตลาด สิ่งแวดล้อมทางกายภาพ พนักงานและกระบวนการบริการส่งต่อการตัดสินใจลงทุนในกองทุนรวม และ (3) ปัจจัยภายนอกและปัจจัยภายในส่งต่อการตัดสินใจลงทุนในกองทุนรวม

คำสำคัญ: กองทุนรวมระยะยาว, ส่วนประสมการตลาด, การตัดสินใจลงทุน



Introduction

In case the investor to comply with the conditions laid down. The Fund must receive attention from the public. But today, most investors will pay more attention to fund Long-Term Equity Funds (LTF) over. Asset management company also referred to ASSET, the capital exchange of Thailand predicts the future that the number of LTF holder has invested steadily increased since the stock exchange of Thailand has been promoting investment in the fund management company. All under the concept of make money throughout fund but is still small compared to the number of deposit accounts. However, the current global economic situation of LTF facing a lot of challenges. The impact of the financial crisis spread around the world such as the uncertain political, the economic recession, which effect the growth rate of net asset value. So that the LTF do not go as expected, therefore, the objective of this study was to examine the factors influence the decision to invest in LTF of investors in Bangkok. Due to the investors in the range of working age, those of them have enough money and authority to make decisions on saving and investment. The most of that investor have a thorough understanding of saving and investment. Hence, the researcher intends to study the factors that influence the decision to invest in LTF of investors.

Objective

1. To study the demographic factors effecting on customer's decision-making to invest in long term equity fund of the consumer in Bangkok.
2. To explore the marketing-mix factors of asset management company effecting on customer's decision-making to invest in long term equity fund of the consumer in Bangkok.
3. To study the internal and external factor effecting on customer's decision-making to invest in long term equity fund of the consumer in Bangkok.

Literature Review

1. Marketing-mix factors of asset management company are: (Kotler & Keller, 2009)

- Product defined is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need.

- Price defined price is a cost of producing, delivering and promoting the product charged by the organization.

- Place defined place or distribution is a set of interdependent organizations involved in the process of making a product available for use or consumption.

- Promotion is concerned with any vehicle for getting people to know more about your product

or service. Advertising, public relations, point-of-sale displays, and word-of-mouth promotion are all the ways for promoting a product.

- Physical evidence is the thing that can affect customers' perception of their product purchasing or services experience directly.

- People are staffs who are working in the organization that interact with the customer whenever needs.

- Process is a series of actions or steps taken to achieve a particular end.

2. Factors influencing investment decision is the attributes or elements that are likely to affect the decision to invest in the long-term fund of customer asset management company in Bangkok. (Pipattanakul, 2006)

- Internal factors inner impulses that affect long terms equity fund of the consumer of the asset management company in Bangkok such as fundamental tax reduction and risk.

- External factors impulses from outside that affect the long terms equity fund of the consumer of the asset management company in Bangkok such as political economic social and technology.

3. Customer's decision-making to invest in long term equity fund is mean the process of decision-making of retail investors start to look for problem recognition, information search, evaluation of alternatives and purchase decision, which on the various investments include the average amount invested per year, the number of times in each year, pre-investment planning, diversification, the duration of the investment, the nature of institutional investors, the shareholder structure of institutional investors. The investment and influence in investment decisions. (Karunakaran, 2013)

4. Long-term equity fund is mutual funds that invest in stocks. The authorities are encouraged to set up

to increase the proportion of long-term investment in the stock exchange of Thailand. The authorities are invited to set up to increase the proportion of long-term investment in the stock exchange of Thailand. Those who invest in long -term equity fund who are individuals will receive tax benefits as an incentive to invest and earn rewards in the form of gains on the sale of investment units.

5. Related researches

Kahattha (2013) studied the factors affecting investment decision in open-end funds of Bangkok bank limited. The research of the factors influencing investment decision in open-end funds of Bangkok bank limited. Using questionnaires as a data collection method for selecting the population size of 400 people. The results showed that

1. The general status analysis of the samples revealed that the majority of respondents are female, aged between 31-40 years old, marital status single, study at degree level and revenue between 15001-35000 THB per month.

2. The opinion analysis results about the market factors related to investment decision behavior in open-end funds of Bangkok Bank Limited showed that the Marketing-mix factors, the average value is equal to 3.80 which is at the most significant level.

4. The research results about economic factors related to investment behavior in open-end funds of Bangkok Bank Limited showed that the total economic factor, the average value is equal to 3.01 which moderate.

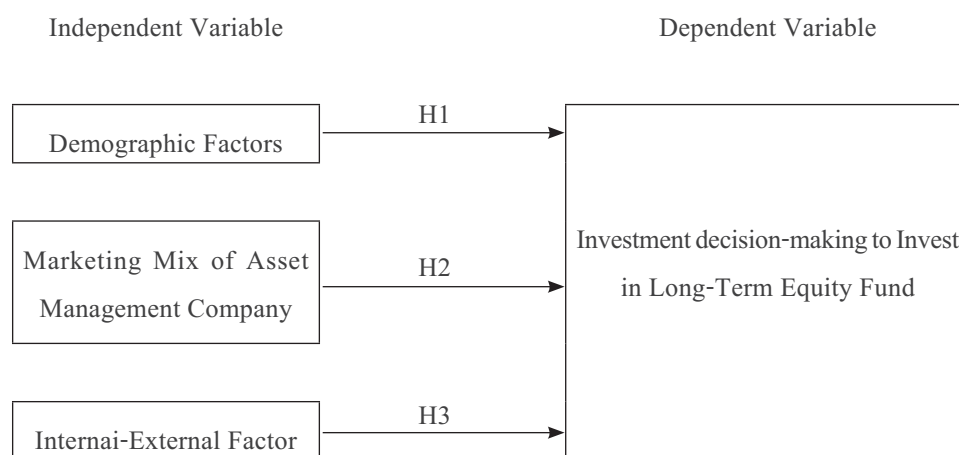
5. Marketing-mix factor has a relationship with investment decision behavior at significant level 0.05.

6. Economic factors have a relationship with investment decision behavior at significant level 0.05.

Panapitakkun (2015) studied the influencing of psychological factors towards the decision-making of investors in stock market investment. The objectives

of this study were (1) to explore psychological factor of investor for investment in the stock market. (2) to know how are safety direction thinking and vision investment. (3) to examine satisfaction of tool for investment. Research methodology: The sample consisted of questionnaires were collected from a sample group of 400 accidental sampling investors who invest in the stock. The statistics used for analysis included percentage, standard deviation, t-test, One-way ANOVA, and Scheffe's method. Research findings were as follows:

Conceptual Framework



Materials and Methods

This research is a quantitative analysis by using survey research method and will be collecting the data by using the questionnaire. The population of this study is person who is liable to income tax in aged between 25-55 years. The sample are person who are liable to income tax in aged between 25-55 years who invest in long-term equity fund or are likely to invest in long-term equity fund. The calculation will be 400 samples by the method of Taro Yamane. And using the quota sampling by purposive sampling by dividing to collect the sampling from the major business area of Bangkok which is Wattana, Phayathai, Pathumwan, Bangrak, Huay Kwang, Chatuchak, Sathon and Rat Burana by divided to collecte from 50 samples of each area.

The questionnaires have three parts as following:

1. Investor considered investment by the different psychological factors which had the statistically significant difference at .05 level.

2. Investor thought to difference method, benefit, lose which had a statistical significant difference at .05 level.

3. The tool can be a satisfied interest, lose and risk for the investor.

Part 1: Demographic

Part 2: Marketing mix

Part 3: Factors influencing investment

Part 4: Consumers' decision-making to invest in long term equity fund

The average of agreement level are divided into five level as follows; (Vanichbuncha, 2005)

4.21 - 5.00 = strongly agree

3.41 - 4.20 = agree

2.61 - 3.40 = moderate

1.81 - 2.60 = disagree

1.00 - 1.80 = strongly disagree

The data analysis has 2 statistics as following:

1. Descriptive Statistics as following:

- Frequency, percentage: Explain the data of respondent's demographic factors

- Mean, S.D: Explain agreement level of respondent about marketing-mix factors, internal factor external factor and investment decision making to invest on long term equity fund

2. Inferential statistics as following:

- Independent samples T-Test, Own-Way ANOVA: finding the relationship between demographic factors and investment decision making

- Multiple regression analysis: finding the relationship between marketing-mix factors and investment decision-making, internal-external factor and investment decision-making

Result

1. The results of the analysis of respondent's demographic

Demographic		Frequency	Percentage
Gender	Male	195	48.8
	Female	205	51.3
Age	25 – 30	52	13
	31 – 35	92	23
	36 – 40	107	26.8
	41 – 45	77	19.3
	46 – 50	42	10.5
	51 – 55	30	7.5
Social Status	Single	172	43
	Married	194	48.5
	Divorced	34	8.5
Level of Education	Certificate/Diploma	24	6
	Bachelor degree	295	73.8
	Master degree	61	15.3
	Ph.D.	20	5
Occupation	Business Owner	49	12.3
	Government Officer	58	14.5
	State Enterprise Officer	54	13.5
	Private Company Employee	232	58
	Others	7	1.8
Monthly Income	15,000 – 25,000	232	58
	25,001 – 35,000	58	14.5
	35,001 – 45,000	54	13.5
	45,001 – 50,000	49	12.3
	Above 50,000	7	1.8

2. The results of the analysis of respondent's agreement toward the marketing-mix factors

Marketing-Mix	Mean	SD	Level of Agreement
Product	4.42	0.53	Strongly Agree
Price	4.05	0.6	Agree
Place	3.96	0.51	Agree
Promotion	4	0.52	Agree
Physical Evidence	4.52	0.5	Strongly Agree
People	4.6	0.48	Strongly Agree
Process	4.59	0.48	Strongly Agree

4. The results of the analysis of respondent's agreement toward the consumer's decision-making to invest in long-term equity fund of consumer in Bangkok

The results of the analysis of respondent's agreement toward the consumer's decision-making to invest in long-term equity fund of consumer in Bangkok finding that the respondent's agreement level of overall the consumer's decision-making to invest in long-term equity fund is strongly agree with a mean of 4.59 and standard deviation of 0.48.

5. Present the results of testing hypothesis

Testing H1: Demographic factor has an effect on the consumer's decision-making to invest in long-term equity fund of the consumer in Bangkok.

The result of testing hypothesis finding that

1. Gender has no effect on the consumers' decision-making to invest in long-term equity fund of the consumer in Bangkok. (Sig. = 0.224)

2. Age has no effect on the consumer's decision-making to invest in long-term equity fund of the consumer in Bangkok. (Sig. = 0.260)

3. Social status has no effect on the consumer's decision-making to invest in long-term equity fund of the consumer in Bangkok. (Sig. = 0.957)

4. Level of education status has no effect on the consumer's decision-making to invest in long term

equity fund of the consumer in Bangkok. (Sig. = 0.316)

5. Occupation status has no effect on the consumer's decision-making to invest in long term equity fund of the consumer in Bangkok. (Sig. = 0.367)

6. Monthly income status has no effect on the consumer's decision-making to invest in long term equity fund of the consumer in Bangkok. (Sig. = 0.599)

Testing H2: Marketing-mix factor of asset management company has an effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok.

The result of multiple regression testing by stepwise regression of dependent variable, decision making, has shown that the independent variable, marketing-mix, such as product and price, has no effect the consumers' decision-making in the significant statistical level at 0.01 (the significant = 0.985 and 0.610 respectively), so that has to cut it out from the equation. On the other hand, the Marketing-mix of asset management company, statistical significant level. 0.01 are place promotion physical evidence, people and process, which is a positive regression coefficient on the variable is filled to the brim with a forecast increase of the consumers' decision-making is increased. The coefficient correlation of multiple variables on the basis of the Marketing-mix equal 0.860, which can forecast consumers' decision-making was 73.9 %, indicating that

there is still a variable basis in other areas of 26.10% effecting consumers' decision-making, and a standard error of prediction was 0.139, and multiple regression equations can be written as follows.

$$\text{Consumer's decision-making} = 0.615\text{place} + 0.551\text{promotion} + 0.443\text{physical evidence} + 0.130\text{people} + 0.354\text{process}$$

Testing H3: Internal and external has an effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok.

The result of multiple regression testing by stepwise regression of the dependent variable, decision making, has shown that the independent variable, marketing-mix of asset management company, significant statistical level. 0.01 is internal factors and external factor, which is a positive regression coefficient on the variable is filled to the brim with a forecast increase of the consumers' decision-making is increased. The coefficient correlation of multiple variables on the basis of the factors influencing investment decision equal 0.539, which can forecast consumers' decision-making was 29 %, indicating that there is still a variable basis in other areas of 71% effecting consumers' decision-making and a standard error of prediction was 0.228 and multiple regression equations can write as follows.

$$\text{Consumer's decision-making} = 0.281\text{internal factor} + 0.354\text{external factor}$$

Conclusions and Discussion

The research on factors effecting on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok found the discussions with the following results;

Demographic factor has no effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok, which agree

with the study of Pongtherakanyan (2014) studied behavior and factors influencing financial instrument investment decision. The purpose of this research is to study the behavior and factors effecting investment in financial instruments of the stock exchange of Thailand. The data collected from the population aged 25-49 years in Bangkok. The results show that investors are quite more general expenditure and liabilities which effect savings and investment. Financial instruments that are choosing to invest most are equities and mutual funds. The demographic factors were gender, age, occupation, education and income effect investment style which no effect investment decision.

Marketing-mix factor of asset management company has an effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok, which agree with the study of Chunsai (2014) studied factors effecting customers' investment decision in retirement mutual fund and long term equity fund of Bangkok bank limited: a case study of Bangkok bank in Bangkok metropolitan area. The objective of this survey research was to study marketing-mix influencing the Bangkok bank customers in Bangkok metropolitan area about their decisions to invest in retirement mutual fund and long term equity fund of Bangkok bank limited. Samples included 400 customers. The questionnaire was used as a tool to collect the data. The outcome of the study revealed marketing-mix factors (product, price, channel of distribution, people, service process and organization image) influential to their decision scored high on a given rating scale while marketing promotion scored medium on the scale. Comparison of marketing-mix influential to the investment decision that at 0.05 level of significance. And agree with the study of Kahattha (2013) studied the factors effecting investment decision in open-end funds of Bangkok bank limited in Bangkok. Using the questionnaires as data collection method by selecting a size for an unknown population for 400 peoples.

Objectives (1) to study the factors effecting investment decision in open-end funds of BBL asset management Co., Ltd in Bangkok. (2) to explore the investment behavior of investors who invest in open-end funds of Bangkok bank limited in Bangkok. The results showed that The opinion analysis results about the market factors related to investment decision behavior in open-end funds of Bangkok bank limited showed that the marketing-mix factors, the average value is equal to 3.80 which is at the most significant level. And when considering each field found that the creation and presentation of physical characteristics, the average value is 4.31 which is the highest level. In people, product, price, process, promotion field, with a mean 3.70, 3.83, 3.91, 4.13 and 3.50, respectively, which are moderated level. And the distribution with average 3.24 in moderate level and marketing-mix factor has a relationship with investment decision behavior at significant level 0.05.

The factors influencing investment decision, including internal factor and external factor, has an effect on the consumers' decision-making to invest in long term equity fund of the consumer in Bangkok, which agree with the study of Pongtherakanyan (2014)

studied behavior and factors influencing the financial instrument investment decision. The purpose of this research is the internal factors that the most effect on investment is confidence, and the external factors are the recognized investment information. The source to get information mainly from the internet. And agree with the study of Kahattha (2013) reviewed the factors effecting investment decision in open-end funds of Bangkok bank limited in Bangkok found that economic factors have a relationship with investment decision behavior at significant level 0.05.

Recommendation

Investors should study the information about the long-term equity fund before deciding to invest, including terms of the asset management company, choose a company that is reliable, staffs and process are excellence be able to help to solve the problems for clients, as well as a trading fund system must convenience to investors. Also before investing, investors should study internal factor and external factor that influencing investment to let the investor get more benefit from the investment as high as possible



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