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Motivation factors and reasons to buy a new car today: Young consumers

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Due to bad economy, the car industry is one of the first industries to be impacted. The car fleet is aging in Finland because consumers are holding on to their money because of the unstable economic situation. Every year the car industry spends enormous amounts of money to study and research what they could possibly do so that their international and domestic sales would start growing. Therefore the car fleet in Finland is aging and it is one of the oldest in Europe. Every day there are newspapers, online and magazine articles about how the car industry is developing rapidly but the sales are not growing as well as they were hoped to. Technological leaps happen every second making the cars e.g. safer and greener. Through this new technology there would be lives to save.

Through explaining results of the questionnaire about Motivation factors and results, they are followed with information of the current market situation and taxation that might explain the results.

This study was done on fall semester at Laurea University of Applied Sciences in 2014. It has been done by a student who works in the car industry and wanted to get a direction giving greater picture about the motivation factors and reasons that young consumers have on buying a new car.

The questionnaire that was published in social media included questions about their interest in cars and what they want from their cars. The questions were mostly graded between strongly disagree and strongly agree. The reason for this was that through grading these questions it would open a view on how consumers, in this case mostly young respondents, feel about purchasing a new car and what would their motivation factors be.

Keywords: Car industry, motivating factor, solutions

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1 Introduction

It has been visible in the media that the Finnish car fleet is aging rapidly. The average age of a car is 11,5 years old. This means that the cars are not as ecological, environmental friendly and safe as a new car is. In this thesis a new car is considered to be a car that still has the manufacturers guarantee valid. Technology is improving by every minute and cars are becoming greener and safer. Through changing the car fleet the population would take a step closer towards a greener footprint, saving money and saving lives. This work includes a theoretical part where it will be introduced how consumers make their decisions when purchasing products in a general matter which will be illustrated further on in this research. Through a quantitative research through questionnaires for consumers of different ages it will be explained what consumers want from their newer vehicles and what would motivate them to purchase a new car. These filled questionnaires will be carefully analyzed including graphics that will present the findings of the research.

Interviews with professionals in the Finnish car industry will be presented with the findings of the questionnaire with a commentary what they see would be the most effective tool for the industry to renew the Finnish car fleet.

This thesis purpose is finding solutions and tools to motivate consumers to purchase new cars in Finland.

2 Objectives

The target in this quantitative research is to investigate what are the motivation factors and reasons for consumers from the Uusimaa region to buy newer cars and trying to answer what are the obstacles for changing a car, what are the factors of purchasing a newer car, what is important in the new car and what would motivate them to change to a newer vehicle.

Through asking consumers what motivates them and what are their reasons for buying a new car and to shortly explain, e.g. the Finnish car taxation system, as a motivating factors and, e.g. safety, as reasons.

The objection is to get as many consumers of different ages to answer honestly in a questionnaire where they will be able to share their opinions within what would motivate them and what factors do they expect. The more answers from different age groups will give a broader and a more reliable data for this research.

The clear majority of respondents for the questionnaire will be between 21-29 year old consumers. This is why they will be more in focus.

3 Knowledge base

In the next step there will be presented theories on how a consumer behaves before a purchase, how the individual consumer will get to the purchase decision and how the key psychological processes work.

3.1 Consumer behaviour

According to Kotler, the study of consumer behavior is of *“how individuals or groups buy, use and dispose goods, services, ideas or experiences to satisfy their needs and wants”* (2009). These wants and needs varies according to the individuals culture, life situation and individual characteristics.

The consumer behavior study includes three different dimensions; study of culture, - social groups and -individual. These three dimensions mutually affect one and other even if they are possible to study separately.

3.1.1 The individual consumer

When a consumer is making the decision of purchase, there are different characteristics that needs to be taken under observation. The consumer’s personal life, values, economic situation and self-image are all factors that have an impact on making the decision of purchasing a product or service.

A consumer’s taste in products or services vary throughout their lifetime. A young consumer’s might be interested in a sports car which can give them an adrenaline kick when a middle aged father might be interested in a safe family saloon car. The current occupation and economic circumstance also influence the consumption patterns. A college student who might not have a lot of capital to invest in a new car would buy a small economical car that he can barely afford so that he or she will get to school on cold winter mornings when a CEO of a public company would rather be seen in a premium brand car. The consumer’s financial situation has a high impact on the product choice.

The individual consumer’s personality influences the consumer’s buying behavior. The decision reflects of the individual’s personality and self-image. When a consumer is weighing options between products or services, he or she often choose the product that reflects themselves of the brand image or brand personality.

According to Kotler the brand personality is defined by us as “...*the specific mix of human traits that we can attribute to a particular brand.*” He also explained that Marketing professor Jennifer Aaker researched and identified brand personality to the following traits:

- Sincerity (down to earth, honest, wholesome and cheerful);
- Excitement (daring, spirited, imaginative and up to date);
- Competence (reliable, intelligent and successful)
- Sophistication (upper class and charming)
- Ruggedness (outdoorsy and tough). (2009)

The lifestyle, that puts in frames the consumer’s interaction with his or her surroundings, influences the opinions and behavior of the consumer. The lifestyles can be separated as money constrained or time constrained. Money constrained consumers will concentrate their consuming in lower-cost products and services where they can save money when again time constrained consumers think that time is more valuable than money.

3.1.2 Key psychological processes

According to Kotler (2009) for understanding “ ...a consumer’s behavior you must understand how marketing and environmental stimuli effects the consumer’s consciousness and how it results in decision processes and purchase decisions.”

From marketing and environmental stimuli to purchase decisions there are four factors: motivation, perception, learning and memory.

A motivation for purchase is originally a need that has been intensively triggered by our wish to reach a goal, i.e. getting a new car. As there are many theories for motivation, for purchasing a new car, Maslow’s pyramid theory is most suitable.

The Abraham Maslow’s hierarchy of needs, the human has basic needs that need to be fulfilled. He classified the needs to the following:

1. Physiological needs
2. Safety needs
3. Social needs
4. Esteem needs
5. Self-actualization needs

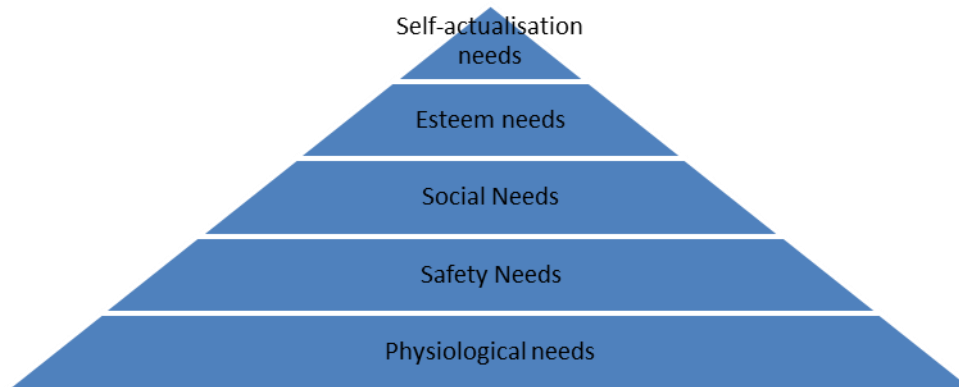


Image 1: Maslow's hierarchy of needs (Kotler, 2009,239)

When the basic need has been satisfied the human, as in this case consumer, climbs up the triangle. On the lowest level there are the physiological needs and on the top self-actualization needs. If a consumer wants a new car his first need is to find a car that suits his needs, e.g. a small 2-3 door car or a large SUV. His next level to satisfy is the safety needs. The consumer will make sure that the car is safe to use and in the case of an accident it will not harm the driver and the passengers. If the consumers friends would all have cars, by buying a car he would be a part of car owners which would satisfy his or her social needs. As esteem needs you could consider that the consumer would be a successful business who wants a car to show that to his surrounding, i.e. he would drive a premium brand car. For his car he would choose all possible accessories that suit his needs as e.g. a navigation system and cruise control. These accessories will finally sooth his self-actualization needs.

3.1.3 Consumer decisions

When consumers make decisions, they can be ranked into three characteristics: routine choices, intermediate problem solving and extensive problem solving.

In routine choices consumers do not put much effort in their decision making because the action itself is a routine in your everyday life, e.g. buying milk from the grocery store. Intermediate problem solving includes consumers not being too motivated in making fast decisions but they create rules for themselves that will ease their choice of product. In this case consumers are not motivated to evaluate each alternative separately. Such as purchasing a normal or a sugar free soft drink will most likely be chosen according to the consumers preferences laid by the earlier created rules.

Extensive problem solving requires effort from the consumer. Here consumers do not have a well-established background of the products or services. This results into extensive problem solving. This is normal when a consumer is considering to buy a car because the decision in-

volves a high risk. These purchases often require a considerable amount of time for the consumer to collect and analyze data about the products in question so that they would use their money to the correct product.

In the case of intrinsic variety seeking consumers begin to search alternative methods to satisfy their needs through trying different products which give you the pleasure of change which stimulates positively. This reduces boredom in everyday life and keeps you interested. Even changing car brands would give the consumer the positive stimulation of change. Variety and change is good.

“Research demonstrates that when the degree of novelty and complexity in a purchase situation is extreme, consumers diminish these complexities by simplifying their buying decisions.” (Consumer Behavior: Science and Practice, 2008)

This means that if the consumer thinks it is challenging to process the information about the product and there are multiple varieties, the consumer often tends to brand laziness, i.e. choosing the same brand over and over. There are also individual differences who strive to seek variety. Those individuals need the stimuli of a “good deal” often engage variety seeking than fall into brand laziness or repeat purchasing.

3.1.4 The consumer decision making process

The consumer decision making process is a theory that explains how an individual decides to purchase an item. From creating the need, comparison possibilities through weighing options which suits your needs to purchasing the product. Every day consumers make hundreds of decisions in their daily lives. A five-stage model shows the journey that the customer makes before purchasing a product or service.

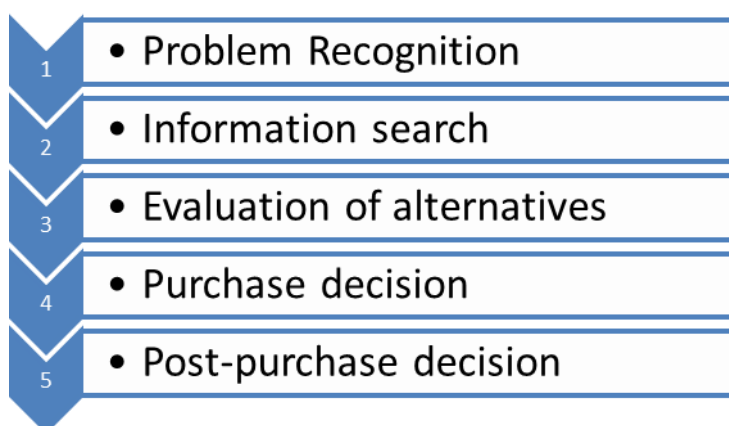


Image 2: The decision making process (Kotler, Marketin Management, 2009,247)

Problem recognition

In this stage the consumer experiences a problem that he or she need to fix. Here the consumer develops a need between what they currently have and what they don't. This often leads to motivate the consumer to take action solving the problem at hand.

Information Search

Information stage, evaluation of alternatives, where the consumer gathers and weighs options between the need and solution for fixing the problem.

Evaluation of Alternatives

Information has been gathered and different brands and products are considered for optimal solution according to the consumers criteria.

Purchase decision

Eventually the consumer makes the purchase decision to or not to buy a product or solution at hand to fix your problem. If the consumer ends up not buying the product but still has an existing need, they start collecting information again.

Post-purchase behavior

The consumer will experience do the expectations of a product meet the brands promise. The chosen brands marketing communication should make sure that the customer is happy with the solution that they chose. The consumer's satisfaction could be categorized as disappointed, satisfied or delighted.

4 Methodology

In this case, it has been chosen a quantitative research method. A questionnaire has been buildt up which will be distributed to consumer's in social media, Facebook, to friends and family from who some shared the questionnaire with their friends and family to broaden the audience of consumers.

These questions have been asked either as single choice or rating the options from strongly disagree to strongly agree between different solutions, Likert scale. The questionnaire was made in a way so that it would not chase potential consumers away with the length. The assumed time used for this questionnaire was approximately 2 minutes.

The questionnaire was decided to publish in Facebook because of the broad audience that you can reach within seconds. Also because most of the reached audience lived in Uusimaa, Southern Finland, that was the target group. The amount of participants of this research was X. All the participants that answered the questionnaire had written separately in what City they were from. Most of the respondents lived in the Great Helsinki region.

Three professionals were interviewed via e-mail. They were all asked the same questions about the current market situation and what are their views on the aging car fleet. Only two answered. They had the exact same answer and ideas on boosting the new car sales in Finland. The taxation should be changed according the use of the car and the recycle premium should be supported more by the government.

5 Results of the survey

The questionnaire was posted on Facebook where friends and family could answer and share the questionnaire with their friends and family. The target with releasing the questionnaire was that it would reach a large amount of people fast. In two days I got 66 filled questionnaires. The uniting factor with the consumers is that they all live in Uusimaa, Finland.

The questionnaire was reached by people of different ages. The questionnaire did not separate genders, but was seen only as a consumer because everyone has the same possibility to buy a car.

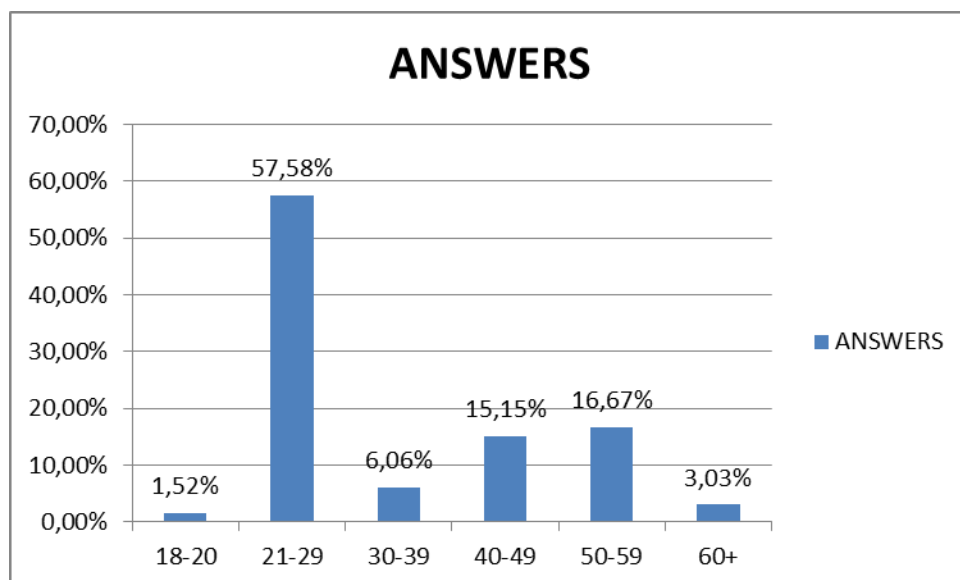


Image 3: Ages of answered consumers

In the chart it can be seen the percentage shares on how the age groups have been divided. The reason why the biggest share of answers is held by people between 21-29 years old is that this age group is most active in Social Media than the older age groups. The researcher is also a member of the above mentioned age group which leads to that friends and family also are mostly in this group. For the results of this questionnaire, for being reliable, we would need an equal amount of all respective age groups and therefore the results are most likely guidelines and not hard data.

In the questionnaire these consumers were asked if they have ever owned a car and remarkably the answer was divided equally between yes and no, exactly 50% each. It is fairly safe to evaluate the situation that most of the under 30 year old persons have not owned a car of their own. Also the fact that most +30 year old respondents were people with family. Usually then people buy their first car at the latest. Even if the public transportation is very good in the Uusimaa region, 77,27% of the participants had considered of changing to or buying a new car when the missing 22,73% did not. Most of the participants lived in the Helsinki Metropolitan area.

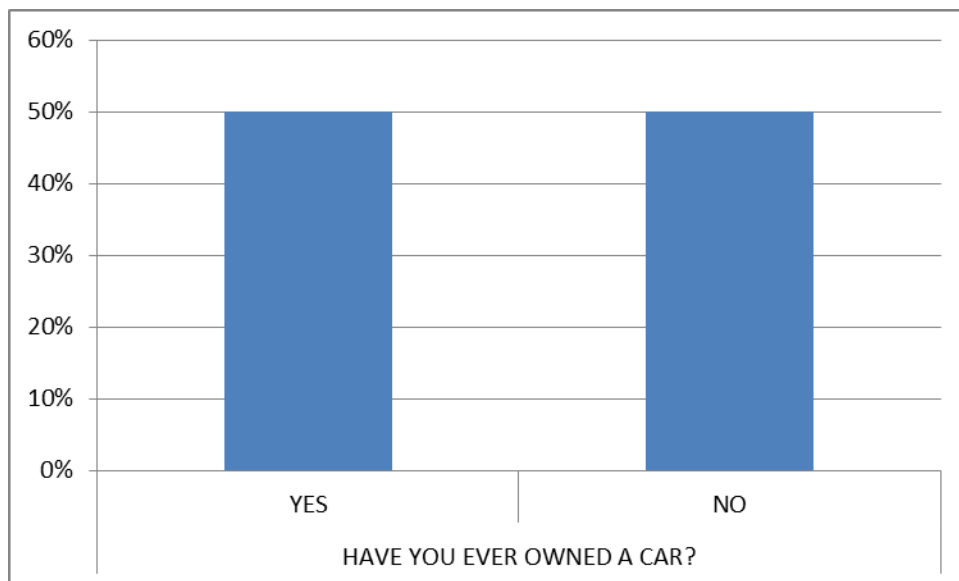


Image 4: Have you ever owned a car 50/50

5.1 Decision making factors

The consumers were asked what they would expect from their new car if they were to buy one. In the questionnaire there were five options of what to choose between strongly disagree and strongly agree.

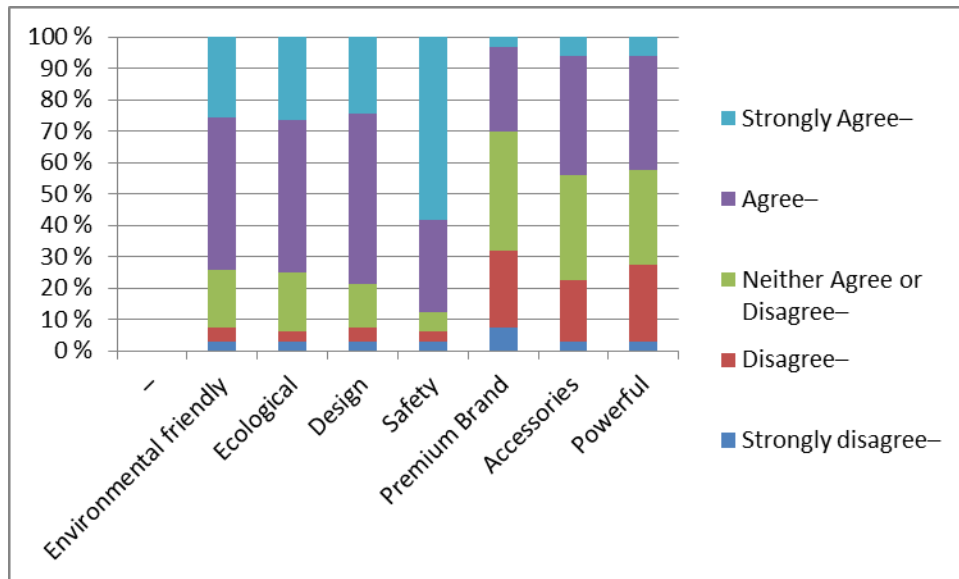


Image 5: Results of Decision making factors

5.1.1 Environmental friendly and ecological cars

The clear majority wanted their car to be environmentally friendly. Over 74% Agreed or Strongly agreed that their car should be environmental friendly and ecological. Due to global warming people have started to think about their own carbon footprint looks like. In case you drive a lot with your old car that is not so environmentally friendly, it might be reasonable to change you car to a newer greener option. New cars are more fuel efficient and greener than older versions.

5.1.2 Design

The clear majority agreed on that the car should be also pleasant to the eye. The design was important for over 78%. A car is considered by many as an extent of yourself.

5.1.3 Safety

Safety seems to be consumer's greatest concern when buying a new car. New cars are remarkably safer then old cars. This can be seen in a research done by Aalto University March 2012 where they researched the impacts between two cars crashing and their consequences. The newer car models safety had increased by 10-50% compared with 10 years old car models. If the car fleet in Finland would be newer, it would even increase the traffic safety.

5.1.4 Premium Brands

The brand itself does not according to this research matter as much for the consumer. Some might prefer some brands before others but the most important thing is that their needs are satisfied.

5.1.5 Accessories

The average result was that the accessories neither agreed or disagreed of being that important when purchasing a new car. This can be interpreted that the normal accessories package is enough for the consumer.

5.1.6 Powerful

As in accessories the average was similar. This is understandable that in Southern Finland the roads are maintained and you do not more or less need a specially powerful car. Powerful cars also tend to not be so ecological.

5.2 Consumer motivating factors

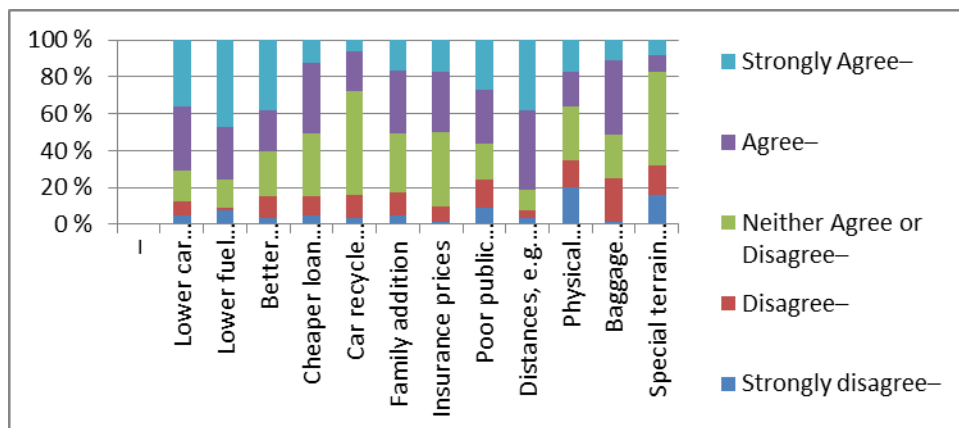


Image 6: Consumer motivating factors results

Above is the graphic and the exact details for the results of the questionnaires results for motivation factors for consumers for buying a new car. The distances, between e.g. workplace, was the absolutely biggest reason for consumers to purchase a new car. As a result 43,08% Agreed and 38,46% Strongly agreed that their motivation for buying a car are the daily distances.

With distances you use a significant amount of fuel as well which would indicate that the fuel prices should be lower. 46,97% Strongly agreed on that the fuel prices should be lower for them to buy a new car when 28,79% Agreed. Due to this economic situation people are holding on to their money and saving it for the worse days.

In this questionnaire a better financial status would be welcomed before consumers would be ready to invest in a new car. 37,88% Strongly agreed and 22,73% Agreed that they would be more motivated to purchase a new car if their financial status was better and the loan expenses seemed to be slightly high according to the results. Family addition was seen as a possible motivation factor with the average answer leaning towards agree from neither agree or disagree.

The average with car recycle premium, insurance prices, public transportation, physical restrictions, baggage transportation and special terrain needs was neither disagree or agree. In other words these were not seen as any special grand motivation factors for purchasing a car.

5.2 Reasons not to buy a car

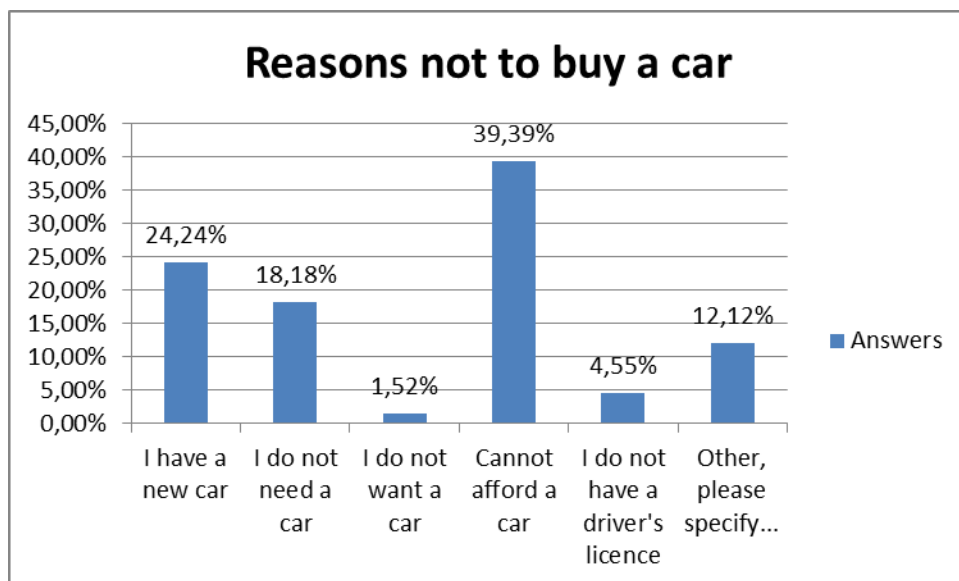


Image 7: Reasons not to buy a car

As presented in the matrix the most common reason for not buying a new car is 39,39%. The reason to this might be that most of the consumers that took part in the questionnaire were representatives of a young age group. Young people are usually still studying or they do not have a constant employer which leads to economic uncertainty. 24,24% have a new car so they do not need to be spending on a new car in the near future. Because this study is concentrated on Uusimaa region in Southern Finland, results to that 18,18% of the answerers do not need a car. This is because public transportation is fairly good in all of the above mentioned region. Other reasons not to buy a car were e.g. that people were driving leased cars

or company cars. Also many thought that they will buy a new car but not from Finland because of the high taxation of new cars. Some were also waiting until their current cars would drive their last kilometer. Only a few did not want a new car or did not have a driver's licence.

5.2.1 Ownership, Lease or Renting?

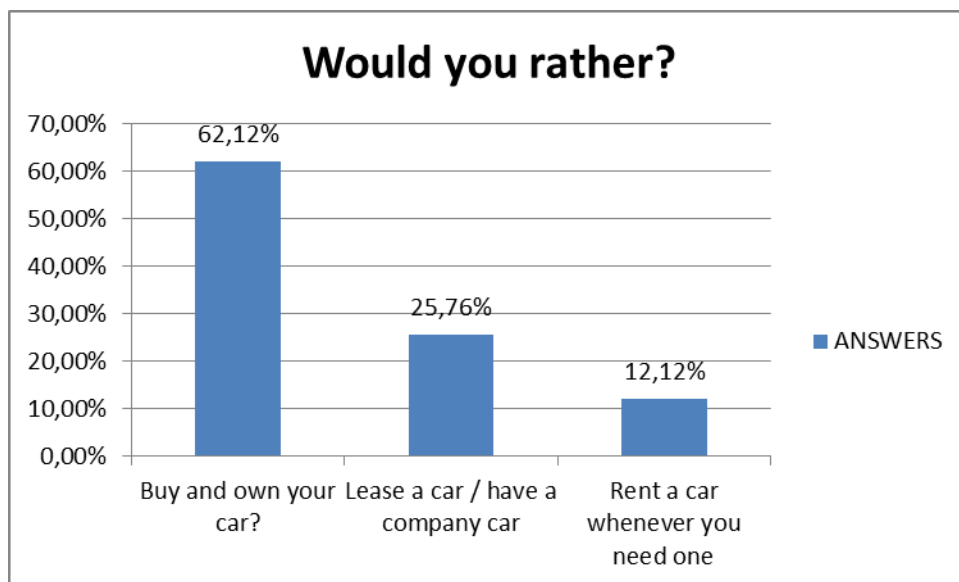


Image 8: What would respondents rather?

The majority of respondents, 62,12% , would rather buy and own their cars. When you buy and own your own car you pay e.g. the taxation amount only once. If you lease or have a company car, the monthly amount of tax that you have to pay for the car is a big amount of your monthly salary which might not be reasonable for a person who does not drive a lot in Southern Finland. This monthly tax depends on the car you have in use and it's accessories etc. 25,76% would rather have a leased car or a company car. The consumers that chose this alternative probably currently have a leased or a company car already that changes depending your contract between every second year or more. This might be in correlation to the

previous answers “I have a new car” that was answered by 24,24%. Only 12,12% would rent or borrow a car whenever they need one.

6 Current Market Situation

6.1 General situation in Finland

In 2012 there were 109,863 new cars sold when in 2013 there were 102,064 new cars sold. The forecast for 2014 is 107,000 passenger cars and 10 500 vans. At the end of the year 2014 the expectations might slightly improve. Even the year 2015 there are not any remarkable improvements in the sales numbers. The economists agree that the GDP growth will only be approximately 0-1% in average. The car market will stay at low level in 2015, and unfortunately 100 000 - 110 000 passenger cars per year is the new normal market size in Finland - that is, of course, if the economic situation does not improve significantly. In other words, the market will remain unchanged since 2013.

6.2 Problems with aging car fleet

“The Finnish car fleet is the oldest in Europe and it will not change until the sales reach up to a 140,000 brand new cars yearly. The aging fleet is unsafe and pollutant. The carbon-dioxide lowering goals set by the European Union will not be reached unless the car fleet is newer.” (Mikael Malmsten, Volvo Cars Finland)

In Finland the average age for registered passenger cars in the change of 2013-2014 was 13,1 years old and the cars that were in traffic use 11,2 years old. (Trafi, Statistics Finland)

In Finland the average age when you recycle your car is 20 years old when in rest of Europe it is 15 years old.

7 Taxation

7.1 Car taxation

When a car dealer is selling a new car, they always inform the selling price including VAT + approximate car tax. The car tax is approximate because e.g. while the car is being built or registered the first time there might changes in the taxation system. These prices together combine the cars price itself. Accessories are added separately including VAT. Even in accessories the car tax will be added. The formula below will show how to count the car tax.

$t = 52,15 - (51,95 / (1 + n^{0,015*(C - 152)}))$, where

t = tax percentage,
 c = CO₂ (g/km),
 n = Neper's number (2,71828..)

Car taxation percentages are rounded up to one decimal. According to given norms, the carbon-dioxide emissions are directly comparable with the car's fuel consumption. Through this type of taxation, the consumers are directed towards more ecological car decisions. Below can be found tax calculations for a 2014 Volvo V40 with CO₂ emissions of 108 g/km which costs as new 31307,50€.

E.g. The emissions for this car are 108 g/km, the car tax percent is:

$$52,15 - (51,95 / (1 + 2,7128^{0,015 \cdot (102 - 152)})) = 16,9\%$$

The tax value is calculated according the asking price (incl. VAT)

TAX VALUE for car, price 25800€ incl VAT24% =

$$\frac{0,945 \cdot 25800 - 250}{1 - 16,9/100} = 29038,51€$$

The car tax is calculated to an amount after you have reached the whole cars tax value.

When you got the tax value you multiply the amount with the percentage to get the amount in euros.

$$29038,51 \cdot 0,169 = 4907,51€$$

The end price for a Volvo V40 in this case is:

$$25800€ + 4907,51€ = 31307,50€$$

7.2 Annual Taxation

The annual taxation for vehicles goes according the emissions (CO₂) that the manufacturer has informed. Below a chart that shows the yearly amount of annual car tax.

Perusvero CO₂-päästötiedon mukaan

g/km	€/365 pv	g/km	€/365 pv	g/km	€/365 pv
0	43,07	140	122,64	182	181,41
50	57,67	141	123,74	183	183,23
100	85,05	142	124,83	184	185,06
101	86,14	143	125,93	185	186,52
102	86,87	144	127,02	186	188,34
103	87,60	145	128,48	187	190,17
104	88,33	146	129,58	188	191,99
105	89,06	147	130,67	189	193,45
106	89,79	148	132,13	190	195,28
107	90,52	149	133,23	191	197,10
108	91,25	150	134,69	192	198,93
109	92,35	151	135,78	193	200,75
110	93,08	152	137,24	194	202,58
111	93,81	153	138,34	195	204,40
112	94,54	154	139,80	196	206,23
113	95,63	155	140,89	197	208,05
114	96,36	156	142,35	198	209,88
115	97,46	157	143,81	199	211,70
116	98,19	158	145,27	200	213,89
117	98,92	159	146,37	201	215,72
118	100,01	160	147,83	202	217,54
119	100,74	161	149,29	203	219,37
120	101,84	162	150,75	204	221,56
121	102,57	163	152,21	205	223,38
122	103,66	164	153,67	206	225,21
123	104,76	165	155,13	207	227,40
124	105,49	166	156,59	208	229,22
125	106,58	167	158,05	209	231,41
126	107,68	168	159,51	210	233,24
127	108,41	169	160,97	211	235,43
128	109,50	170	162,43	212	237,25
129	110,60	171	163,89	213	239,44
130	111,69	172	165,35	214	241,27
131	112,79	173	167,17	215	243,46
132	113,52	174	168,63	216	245,65
133	114,61	175	170,09	217	247,47
134	115,71	176	171,92	218	249,66
135	116,80	177	173,38	219	251,85
136	117,90	178	174,84	220	254,04
137	118,99	179	176,66	221	256,23
138	120,09	180	178,12	222	258,06
139	121,18	181	179,95	223	260,25

Image 9: Basic tax according CO₂-emissions (Since 1.1.2013)

The tax mentioned is for cars that use only petrol as source of power. In case a car uses e.g. Diesel as a source of power there is an extra tax, Source of power tax. Source of power tax is calculated on the basic tax. For different use of powers there are different taxations.

Use of power	Cents/Day/Starting 100kg
Diesel	5,5
Electricity	1,5
Electricity and Petrol	0,5
Electricity and Diesel	4,9
Methane fuel	3,1

E.g. A car that weighs 1780kg, uses Diesel as its source of power and its CO₂ emissions are 114 g/km.

Basic tax : 96,36€/year

Source of power tax: $0,055\text{€} \cdot 365 \cdot 18 = 361,35\text{€/year}$

7.3 Fuel taxation

The fuel taxation in Finland is among the highest in Europe. The taxation of the most common car fuels, petrol and diesel, are built according the excise tax, i.e. fuel tax and value added tax. The fuel tax includes energy content- and carbon-dioxide- and supply security tax. The fuel tax is set according the excise tax laws as Cent/liter or kilo and therefore does not change according the market price. Value added tax is the only tax that changes according the price because it is per cental. Due to the fuel taxation in Finland the taxes are 56,94%, i.e. 0,9794€, of the fuel price if you consider 95E petrol to cost 1,70€/l.

7.4 Kilometer tax

Currently in the Finnish Government is discussing and researching how the car taxation could be changed. One of the solutions that was researched is a kilometer tax. In every car there would be installed a GPS system that calculates the distance that you have driven within a year. The prices would be different depending on the car that you are driving.

8 Car recycle premium

In the governmental budget discussions (2014) they discussed a trial period for higher car recycling premiums. This amount would have been 1000 euros per old car that would have been given during the eventual purchase of a new car by the government plus and extra of 500 euros from the car industry (1000€+500€). With this trial, the car sales would have been boosted by approximately 5000 new cars in the year 2015. The Finnish government decided not to pay for the trial car recycle premiums. (Taloussanomat 29.8.2014)

“ It is a matter of 5 million euros which would eventually have brought approximately 25-30 million euro’s tax income to the government.” (Pekka Rissa, CEO of AKL, Tero Kallio, CEO of Autotuojat Ry, Taloussanomat 29.8.2014)

9 Conclusion

When this study was started the vision of the end result was different compared to the expectations. The results given by the questionnaire's analysis gave information that was not expected.

The respondent's most motivating factor for buying a new car were distances to e.g. the workplace, even if the public transportation system is rather good in Southern Finland. The fuel pricing seemed to be considered out of proportion. It was more important according to the results that the fuel prices were lower than the actual car taxation which was the hypothesis to be the greater hinder for buying a new car. What was expected from a new car was mainly safety, ecological and fuel efficient cars. It was also expected that the obstacle for why the respondents would not buy a car was their current financial situation. In the current economy in 2014, when peoples ending working relationships are constantly announced in the media, consumers are saving their money for the possibly worse future.

For the other age groups, but for the group 21-29 years olds, you cannot get statistically reliable results to make conclusions of. As an objection there was to get an equal amount of all the age groups answers. 66 answered questionnaires is a fairly good amount but because of the spike for the age 21-29 it cannot be calculated as extremely reliable for a medium consumer but it can be considered as a tool for creating a big picture for changes.

Solutions for renewing the car fleet in Finland would according to professionals is to change the car taxation system so that consumers would pay tax according the usage instead of paying a large sum of tax when buying the car and then yearly amounts after. This would mean that e.g. the fuel price would rise. According to the data received from this questionnaire the price of fuel is not a motivating factor for purchasing a car.

Through a better car recycle premium the Finnish government would receive more money in taxes than it would cost for them to invest in the premiums. The respondents would also rather own their cars. This would only slightly motivate consumers to buy newer cars but it would be a start.

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Appendix
Questionnaire form

A new car is considered to have the manufacturers guarantee valid. (Normally 2 years)

Motivation factors and reasons for buying a new car

1. How old are you

- 18-20
 21-29
 30-39
 40-49
 50-59
 60+

2. Where do you live?

3. Do you own/have you ever owned a car?

- Yes
 No

4. Have you ever considered changing / buying a car?

- Yes
 No

5. What would you expect from your new car?

	Strongly disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Environmental friendly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ecological	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Design	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Premium Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accessories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Powerful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. What would motivate you the most to buy a new car?

	Strongly disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Lower car taxation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lower fuel prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Better financial status	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cheaper loan expenses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Car recycle premium	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family addition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insurance prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poor public transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distances, e.g. to workplace or summer place	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Physical restrictions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baggage transportation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Special terrain needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Why would you not buy a new car?

- I have a new car
- I do not need a car
- I do not want a car
- Cannot afford a car
- I do not have a driver's licence
- Other, please specify...

8. Would you rather...?

- Buy and own your car?
- Lease a car / have a company car
- Rent a car whenever you need one