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Research question : What are the major factors that affect the purchasing decision on pet business in Thailand?

Introduction

Trend of having pets in Thailand has changed from pet love to pet parent. This means pets become part of family member. The behavior of Thai people in the new generation is changing from the changes of social environment and lifestyle. Moreover, Thailand has become an aging society. The old generation tends to have pets to replace friends and family members.

The information from Pet Expo Thailand 2018 shows the market value of pet business in Thailand has an estimated growth of about 10% - 15% per year. Most of the percentage of growth comes from pet food products of about 45%. The export of pet food also increased about 10%. Also, the pet population in Thailand grew about 10% - 15%. The pet-related business market increased from 17.8 billion in 2013 to 32.2 billion in 2018. This can indicate the popularity of having and spending on pet products.

From the information of pet business growth in Thailand, this paper attempts to observe the characteristics and demographic factors of people who have pets in Thailand. And analyze with the information of social situations and growth of the pet market in Thailand. These can increase understanding of pet market in Thailand, and show the future tendency of Thai pet market for future pet investors and pet lovers.

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Research methodology

In order to answer the research questions, we collected data from the following sources

1. Quantitative research using a structured questionnaire to collect data

To analyze the purchasing decision on pet business, Survey questionnaires can be instruments to collect the characteristics and opinion toward purchasing decisions on pet business in Thailand. Questionnaires will be distributed online to the target groups of both who have pets and don't have pets in Thailand, which mostly focus on two types of pet which are dogs and cats. The survey will include personal information and demographic factors (age, gender, education background, and monthly income), the preference on pet holders, their willingness to pay and perspective toward the pet market in the future. The respondents will be randomly selected with a sample size of 300 people.

2. Secondary and statistic data from several sources

Data will be collected from several sources such as government publication, academic journal and articles. The relevant information gathering from secondary data will apply with the survey questionnaires to illustrate the result.

Literature review

According to Yuying Shan(2018), the income elasticity calculated showed relative percentage change in pet care spending to a percentage

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change in household income by US consumer. However, it is said by Thai Pet Product industry association that “Thailand’s pet care spending tends to grow continuously, despite various risks such as the economic situation. In 2018, the pet market, especially dogs and cats, worth nearly 40 billion baht per year with an average of not less than 10 percent per year”. Thai people turn to raise more pets because there are an increasing number of Thai people choosing to be alone and changing behavior of the people that started to look at pets as their family members.

The pet humanization trend(Wing Chi NG,2017) leads to change of spending behavior on pet business. People treat pets like part of their family members so they want to buy similar products to children pet. Demand of pet care business, including pet food, pet product and service, is increasing in positive relationship with the trend. Pet humanization came up with pet premiumization meaning that the demand for high quality pet products increases. This increases the value added to pet business in the country.

Tariness Chaipradermsak (2007) mentioned that Increasing in pet population raises the demand of pet business including pet food, pet products and services. In Thailand, the pet product market is growing steadily due to the increased number of pet owners, especially dogs. Also, the humanization of pets is also a part of increasing pet market demand. The demands of pet products are driven by their emotion rather than the basic needs.

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The decisions of people choose to have pets and their relationship between their pets influenced by class, socio-economics status, religion, places, types of works and the configuration of urban spaces. In Bangkok, 20% of people keep dogs as their pets (Niki Savvides, 2013), which is significantly higher than the rest of the country. Large proportion of people in the area choose to buy pedigree animals from breeders rather than adopt street dogs and cats that are frequently seen along the streets of Bangkok. This resulted from the owner that can't spay and neutral their pets. The owners usually abandoned their pets once their animals are no longer fun or become too expensive to take care of (Wendy Diamond, 2017). With the rising trends of the pet market in Thailand, there also arises problems of abandoned animals.

Theoretical framework

To understand the pet product market, the Demand and Supply analysis will be used to explain the structure of the market and to see the change of market over time before and after people change their perception about pets.

By using the information from questionnaires to analyse demand in the market, the market value of the pet product market, what are the factors that affect the consumer in buying products from the pet product market? What are the consumer types and groups that perceive differently in buying the products? And how different demographic factors (age, gender,

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education background, and monthly income) affects the demand to buy the product.

In supply analysis, what are the players in the pet product market? how the producer in the market response to the expanding demand for pet products arises from changing people's perception, and are there any market barriers that will obstruct the new player to enter the market? Will be also analysed by using the information from questionnaires.

Another theoretical framework which can apply with this topic is social cognitive theory. Social cognitive theory explained the changes in individual behaviour affected by their environment and past experiences. From the social situation changed, Society are more competitive and people tend to live alone more than before. So, the role of pet has been changed. This theory has 7 key component which are Reciprocal Determinism, Behavioral Capability, Observational Learning, Reinforcements, Expectations and Self-efficacy.