

Abstract

Air conditioner industry has been affected badly due to the economic crisis since 1997. The purchasing power of Thai people is declining, most people will delay their buying in the period of this economic crisis. Although air conditioner is now not considered as the luxury goods, however, its price is still relatively high. People are concerned more about cost and benefit of buying air conditioner. This factor forces the market to be highly competitive. Manufacturers have to improve and innovate their products in order to survive in this intense competition. Thus, it leads to an investigation of consumers' preferences in this industry.

This research is aimed to study necessary attributes required for the best air conditioner. Since air conditioner is one of the multiattribute products, therefore conjoint analysis is applicable and is selected as a suitable tool to find out those important attributes. Only seven potential attributes are selected to conduct in this study. They are *electric saving number, price, easy to use, inverter system, fast cooling system, air purifying system, and TIS/ISO standard*. The seven attributes are elicited from the interviewing with thirteen manufacturers. This research is also limited to these product specifications: wall-typed and floor-and-ceiling typed air conditioners with cooling capacity ranges between 12,000 to 13,000 BTU.

The researcher has used the survey method. The sample covers Thai male and female who are willing to buy air conditioner for household use in the near future. The data is collected during July to August 2001 by using closed-form questionnaire. There are 346 responses which are valid and used to analyse in the conjoint analysis.

The result shows that 57.8% are female respondents and the remaining 42.2% are male. A majority of 70.5% have obtained bachelor's degree, 84.7% are below 35 years old and 72.3% are private company employees. More than three fourths of the respondents: 85.8%, have monthly income more than 15,000 baht. People who are currently using floor-and-ceiling type account for 54.3% while 45.7% are currently using wall-typed air conditioners. However, more than three quarters of the respondents or 76.9% intend to buy wall-typed ones for their next buying, and 65% show that they would buy new unit of air conditioner within one year.

The conjoint analysis results also reveal the importance level for each attribute. For overall result, *electric saving number 5* is the most important factor when people think of

buying air conditioner. The importance level is very high compared with the second factor which is *easy to use*. This attribute has slightly high importance level when compared with *price* and *inverter system* which are the third and fourth in buying consideration. *Fast cooling system* is also important and ranked number 5 while *air purifying system* and *TIS/ISO standard* are perceived as the least important attributes.

In addition, customer segmentation is also investigated in this research. With the help of conjoint method, respondents in this study are divided into 3 groups based on (1) type of air conditioner they wish to buy in the future, (2) income level, and (3) education level. There are 2 groups of air conditioners which are floor-and-ceiling type and wall-typed. The 5 groups for income level are less than 15,000 baht, 15,001-20,000 baht, 20,001-25,000 baht, 25,001-30,000 baht, and more than 30,000 baht. The 3 groups for education level are below bachelor's degree, bachelor's degree, and higher than bachelor's degree. Without segmentation, consumers give similar importance to attributes for both types of air conditioners. However, they give almost the same important level to all seven attributes. They consider *electric saving number 5* as the most important attribute. *Easy to use* and *price* are ranked number 2 and 3. The remaining attributes which are *inverter system*, *fast cooling system*, *air purifying system* and *TIS/ISO standard* are ranked number 4, 5, 6, and 7 respectively.

However, when consumers are segmented according to income level and education level, it is found that the group whose income less than 15,000 baht and the group that graduated below bachelor's degree ranked *electric saving number 5* as the most important attribute for floor-and-ceiling type. They consider *price* as the second important one. *Easy to use* comes the third. This would state that these buyers consider *price* more important than *easy to use*. For the remaining four attributes which are *inverter system*, *fast cooling system*, *air purifying system* and *TIS/ISO standard*, they are ranked similar to the overall result.

The findings of this research would be beneficial to air conditioner manufacturers for improving their products. They will know what should be improved and what attributes and at what level should be provided or taken out in order to maximize customer's satisfaction.