A STUDY OF CONSUMERS’ DECISIONS IN PURCHASING ELECTRIC LUXURIOUS CARS: THE EXPERIENCE OF MERCEDES IN HO CHI MINH CITY, VIETNAM

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ABSTRACT

From 2011 to 2017, the total profit of 17 automobile manufacturers went up from 74 billion USD to 121 billion USD, with the introduction of new innovative technologies like self-driving cars, new entertainment systems, etc. Although this industry tends to grow strongly, due to environmental problems, car manufacturers have to face with the creation of fuel-efficient vehicles to protect the environment as well as avoid the punishment from the government. As a consequence, car manufacturers have come up with the idea of electric cars to enter the market. In fact, electric cars are not available widely, nevertheless, the concept of this vehicle is already known by customers all over the world and Vietnam is not an exception. In Vietnam, the turnover of the market of the automobile market has been predicted to go up by 7.9 percent in the year 2021. To be more specific, according to BMI, Vietnamese middle class tend to thrive. Therefore, the demand on ownership a car of Vietnamese people increases. In addition, for automotive industry, the innovation plays a vital key in the development of growth for both developed and developing countries. Nevertheless, for developed market, owning a car is a part of customer’s daily life, hence, in these markets, the need to own more cars is more likely to be saturated. Meanwhile, for developing market, the increasing demand will be the driving force for the growth of the industry. In order to have a better viewing of this research, it is important to classify the automobile industry into segments. The industry can be divided into three main segments that relied on financial situation and they are: Non-luxury, Luxury, Super Luxury (includes sport cars brands). At the moment, only 2 segments of non-luxury and luxury have commercialized battery electric cars. Within the article, luxury segment in general and Mercedes-Benz in particular will be chosen. Mercedes-Benz founded in 1926. The brand is considered as one of the largest automobiles manufacture in the world. To be more specific, in the year 2019 according to Brand Finance, MB ranked 1 out of 25 famous car manufacturers in the world. Furthermore, recently, Daimler – Mercedes-Benz's parent company is expected to spend 70 billion euros for the next five years to develop electric cars in order to catch up with its competitors in the market. In order to write the article, consulting several sources such as books, newspapers, magazines, reports as well as other articles was necessary. Analysis, statistic, prediction, the application is the essential methods which were used to express the topic. The authors used the SWOT analysis method to evaluate the consumers’ decisions in purchasing electric luxurious cars of Mercedes in Ho Chi Minh City, Vietnam. Some recommendations for developing strategies of Mercedes-Benz Vietnam have been proposed from the above analysis. The article consist of four main factors and they are: firstly, the Vietnamese social; secondly, the psychological of Vietnamese customers; thirdly, the customers’ personal; and lastly is the Mercedes marketing actions. Relating to the consumers’ decision in purchasing, the article will reflect the considerable factors of the Vietnamese customers or market on Mercedes-Benz electric cars surveying during the period from February 18th 2021 to March 22nd 2021.

Keywords: Four main factors, Luxurious Electric cars, consumers’ decisions in purchasing.

I. INTRODUCTION

Technically speaking, a plug-in car is different from a gasoline or diesel car in term of energy sources to power the car. A car runs on gasoline or diesel can be refilled at almost all gas station while an electric car is more
requiring. It may require the power station to have a plug or cable compatible with its car. That is not to mention the power source of the power station must be compatible with the specifications of the vehicle such as: charging capacity, charging volts, etc. Nevertheless, current automakers have created the convenience for customers to install home charging systems for customers as an optional.

Furthermore, another major difference between battery electric cars and combustion-engine cars is the driving range. For customers who have concerns about long distance travel, technical limitations of electric vehicles would be an issue. Nevertheless, according to Carrington from the guardian, electric cars can meet customer travel on a daily basis for example: working, shopping, hanging out, etc.

One last thing is plug-in cars do not generate carbon emission, since these kinds of cars are run by electric motors which mean they are not going to burn any fuel like gasoline or diesel cars. Because of this feature, it not only helps to protect the environment, but also gives customers a smooth driving experience.

In 2019, the sale revenue of EV achieved 2.1 million units which increased 40 percent in comparison to the year 2018. To be clearer, China, the EU, and the US are the three markets that contribute the majority of the consumption of electric cars.

In Vietnam, the turnover of the market of the automobile market has been predicted to go up by 7.9 percent in the year 2021. To be more specific, according to BMI, Vietnamese middle class tend to thrive. Therefore, the demand on ownership a car of Vietnamese people increases. In addition, for automotive industry, the innovation plays a vital key in the development of growth for both developed and developing countries. Nevertheless, for developed market, owning a car is a part of customer’s daily life, hence, in these markets, the need to own more cars is more likely to be saturated. Meanwhile, for developing market, the increasing demand will be the driving force for the growth of the industry.

To be more specific, the growth rate of car sales illustrates a sign of leveling off in 2017, for instance, it declined 10 percent. However, it recovered slightly again in 2018 with 6 percent and it rose to 14 percent in the year 2019. In particular, in 2019, car prices decreased about 8 – 15 percent, so it contributed to boost the car sales growth in the whole market.
Figure 1. Sale revenue and the market growth of the car industry.

In order to have a better viewing of this research, it is important to classify the automobile industry into segments. For the purpose of this study, the industry can be divided into three main segments that relied on financial situation and they are: Non-luxury, Luxury, Super Luxury (includes sport cars brands). In particular, the non-luxury segment will provide cars at affordable prices to mass customers such as: Toyota, Honda, Mazda, Kia, and Huyndai. For luxury brands, it will offer cars to customers at high price for example: Audi, BMW, Mercedes-Benz, Lexus, etc. Lastly, super luxury segment, it will give the cars a particularly high price for the rich such as: Roll-Royce, Bentley, Lamborghini, McLaren, and Ferrari. At the moment, only 2 segments of non-luxury and luxury have commercialized battery electric cars. Then, luxury segment in general and Mercedes-Benz in particular will be chosen for this article.

Mercedes-Benz founded in 1926. The brand is considered as one of the largest automobiles manufacture in the world. To be more specific, in the year 2019, MB ranked 1 out of 25 famous car manufacturers in the world. In 1995, the company established its first factory in Vietnam located in Ho Chi Minh City with a total area of 105 thousand square meters. At the present, Mercedes-Benz has three main classes, including: C-Class, E-Class and S-Class for both sedan and SUV. Then, depending on the purpose of use as well as preferences, customers will choose the type to suit their daily travel.

Moreover, Mercedes-Benz Vietnam manufacture will be brought back to Vietnam after going through the mandatory processes from the Headquarter such as design, development and testing with the freedom to choose the vehicle’s features.

Furthermore, recently, Daimler – Mercedes-Benz's parent company is expected to spend 70 billion euros for the next five years to develop electric cars in order to catch up with its competitors in the market. Besides, participating in BEV production will be in line with the global future direction of protecting the environment and it helps the company to escape environmental fines from governments around the world.

This is the reason why the author would like to do the research on the evaluation of “A Study Of Consumers’ Decisions In Purchasing Electric Luxurious Cars: The Experience Of Mercedes In Ho Chi Minh City, Vietnam” which is also the topic for my EMBA dissertation to illustrate the key factors that may affect the purchasing of customers in order to support some ideas to product / projects / marketing managers.

II. LITERATURE REVIEW

2.1. Customer buying behavior

The behavior of customers is going to research an individual as well as group when these people choose, buy, use or discard products, ideas, services or experiences. There are many types of customers for example an individual buying a car to a corporation they need to buy a variety of cars from a company to serve their own purposes. In order to meet the satisfaction, consumers need to find a product that can meet their needs and desires. For the behavior of consumer, it does not just study what they buy. It is the process of studying how buying decisions are made and how it affects consumer behavior (Solomon, 2009). Standing as a view of a marketer, he needs to study the purchasing pattern to come up with solutions related to three main problems: where they buy, what they buy and why they buy the product. Nevertheless, in order to find out the reason why
a customer buy a particular product will be difficult. Due to the fact that the answer belongs to the consumer's mind, which they will never clearly share with us (Kotler & Armstrong, 2012). In fact, there are two types of customers and they are: individual and corporate customers. For as individual customers, normally, they want to buy a thing for themselves or for their relatives to meet the demand or the satisfaction. Otherwise, for corporate customers, they buy a thing for general use by the whole corporation. Then, within this research, the author mainly focuses on an individual one. And for these individual customers, they will have different backgrounds like ages, life stages etc. (Frank Kardes & Maria Cronley & Thomas Cline, 2014).

Buying behavior of consumer is influenced by culture, social, person and psychological factors. Customer behavior is a part of human nature and thanks to previous buying behavior; marketer may appraise the behavior of consumers in the future when they want to make decision to buy a product (Kotler & Armstrong, 2010). Then, within this study, the author would like to concentrate on some factors that he strongly believes it will affect the decision of customers and they are: social, personal and psychological characteristics of consumer behavior and the marketing mix.

2.2. Model of consumer’s behaviors

Every day, customers need to make many decisions to buy a product. Normally, when buying a product, customers need to answer for their own common questions, it include: what should they buy, where to buy, how to buy, how much they buy, when to buy and why they buy (Kotler & Armstrong, 2004).

In addition, decisions that have occurred in the past, time related events such as being old and external factors such as changing work lead to the change in lifestyle. Therefore, these occurs lead to the need of people to add new object to their daily life and the result is to have new purchases (Hawkins, 2010).

In the figure 3, it illustrates marketing activities and other stimuli will enter the consumer's black box and thereby provide certain responses. The stimulation of marketing includes the four “Ps”, and they are: product, price, place and promotion. Then, these materials initiate to the consumer’s black box where they are transformed into a series observable buyer feedback and it includes: choice of goods, choice of brand, choice of place, buying timing and buying quantity. In order to understand how the stimulation is changed to the reaction inside the buyer’s black box, it has two parts. The first one is the customer's characteristics affect their perception and reaction to the stimulation. Second, the customer's own decision-making process influences the customer's behavior (Kotler & Armstrong, 2004).

2.3. Marketing mix factors

Marketing mix is a tool for organizations to strengthen its marketing objectives as well as brand with the purpose is to sell its product or services. It is categorized into four main elements include product, price, place and promotion. Decisions of the marketing mix need to be made in order to create the right combination of products, prices, and services. Besides, it is also necessary to know how to use communication mixes including advertising, promotions, events, experiences, public relations and personal sales to reach sales channels and customers (Kotler & Keller, 2006).

**Product**

Products are created to satisfy the cognitive needs of a particular group of customers. The consumer can either get it or be given it away from another. Product may be tangible, or intangible (represented as a service) (Hawkins, 2010).

As mentioned, Mercedes-Benz has three main classes, which represent for their cars and they are C-Class, E-Class and S-Class. In each class, MB also develops many different car models to meet the different needs of
Price

Price or the cost that the customer must spend to own and use the product or service. We can buy ownership of one product or many and these products will have the license for a certain period of time. Some economists argue that the same product with a lower price may make it more sale revenue than the higher price. Nevertheless, in some cases, the price of the product will reflect its quality. In particular, when a product has the price too low, the product is likely to be considered as low quality. Meanwhile, some times, owning an expensive product can also provide the essential information of the owner of the product. For example, in order to have a Patek Philippe or Vacheron Constantin watch, that person should be a celebrity or having high position in the society. Another example relates to Mercedes-Benz is that recently, the company has launched a hybrid supercar called "One". However, to buy this car, buyers must be a loyal customer of the company as well as rich or famous. This can understand easily that it demonstrates the desire to own an expensive product for some people. Thus, in order to set the price, marketers need to understand clearly on the role of price for its product as well as the target market question (Hawkins, 2010).

In addition, one thing to note that the price of a product is different from the cost of the product to consumers. Consumer cost will include all kinds of costs that a customer must pay to get the benefits of owning and using the product. To provide customer value, companies are always looking for ways to reduce the cost of owning alternatively, operating products. If this is successful, it either will keep sales revenue the same or possibly increase because the total cost to the customer decreases (Mothersbaugh, 2009).

Place

Place is also known as distribution channels, will represent a company where a company's product can be exchanged for purchase, display, and introduction (Kotler & Armstrong, 2004). There are only a few rare cases when a customer has difficulty in choosing a particular brand. Therefore, marketers need to understand clearly about a location that can satisfy the customer's need to purchase the product in order to make the right decisions in distribution channel development (Richter, 2012).

In Vietnam, there are three official distributors for Mercedes-Benz Vietnam, including Haxaco, An Du and Vietnam Star (Anh, 2020). These distributors will have agents throughout Vietnam in general and in Ho Chi Minh in particular. Therefore, customers can easily go to showrooms to learn, test drive, and buy cars.

Promotion

By definition, it is sales support activities to ensure that customers are aware of the business products and services are viewed as promotion. From a good impression of a product or service, it is easier for customers to make real purchases, increasing conversion rates with potential customers (Kotler & Armstrong, 2010). It includes advertising, catalogs, public relations, sales force, and any other activities that the company can promote about itself and its products (Richter, 2012).

2.4. Consumer decision-making process

The key to customer decision-making is the process of integrating knowledge to assess two or more alternative behaviors and ultimately choose the one they believe is best. The result of this integration process is the choice that can symbolize cognitively as a behavior intention. A behavioral intent is a plan, also known as a decision plan, which will be created to participate in certain behaviors. All aspects of the effect and cognition are relevant to the decision making of consumer, including knowledge, meaning and beliefs. These are triggered by memory and attention processes in response to new information from the environment (Peter & Olson, 2010).

Before looking for external information to cater to a consumer need, customers tend to look back for previous information in memory (the psychological field). Past experience is often viewed as an individual's internal resource, it helps people make decisions based on their own experiences. Therefore, in order to make decision to buy a product, customers should base on their experience, marketing as well as noncommercial information (Schiffman & Kanuk, 2007).

In the figure below, it demonstrates the purchaser decision process and it concludes five stages: need recognition, information search, evaluation of alternatives purchase decision, and post purchase behavior. To
be more specific, the buying process starts long before actual purchase and continues long after. Instead of focusing on a single buying decision process, marketers need to focus on the entire buying process. Within the process, it assumes that customers should go through all five stages for each purchase. However, sometimes when shopping, one of these phases may be omitted or reversed by the customer (Kotler & Armstrong, 2010).

Need recognition

The purchasing process begins with the demand or recognition of needs of buyers. Purchasers have to recognize their own demands or issues. That need can be derived from stimulation from one of the normal human needs like hungry, thirsty, sex and so on. And these needs will increase enough to become a motivation (Kotler & Armstrong, 2010).

Marketers need to identify the demand of customers on a particular product. Hence, thanks to this, it is easier for marketers to find out what makes customers happy and unsatisfied on their products. So the company can develop its current products as well as its future products. To identify the types of customer needs, marketers can rely on Maslow's hierarchy of needs that includes physical needs, safety needs, belonging needs, esteem needs, and self-actualization needs (Donnelly & Peter, 2007).

Information search

Customers may or may not seek information which related to the products that they are interested in. If a customer's demand for a product is strong and the product is within their reach, they will probably buy it. Nevertheless, if the current product cannot meet the demand of customer at a given moment, he will store the same feature product ones in their memory. Then, he can search for information related to the need (Kotler & Armstrong, 2010).

Usually, consumers get most of the good information about a product from sources controlled by the marketer. In addition, customers often pay attention to negative information and they avoid negatively rated products or brands that comes from previous customer’s reviews or product testers (Schiffman & Kanuk, 2007).

Evaluation of alternatives

Customers will evaluate the alternatives based on their beliefs and knowledge in order to make a choice in product selection (Peter & Olson, 2010). Thus, marketers need to know about the evaluation of alternatives. It means the way consumers process information in order to choose among the alternative brands. Nevertheless, one thing to keep in mind for marketers is that customers do not use a single and simple review process in every purchase scenario. Besides, the evaluation of alternatives depends on each customer and the specific circumstances. Specifically, in some cases, customers will be careful and logical when shopping. At other times, similar customers become emotional again, they will depend on their preferences. Sometimes they will make their own decision to purchase, and other times they will ask a relative or a salesperson to advise them (Kotler & Armstrong, 2010)

Purchase decision
After several stages of searching and evaluating on a brand that a customer intends to buy, then buying is what happens if nothing changes. In fact, the purchase will relate to many factors such as type of product, brand, model, stores/agents and payment method. Furthermore, in some scenarios, customers can change their purchases if they perceive a risk or inhibition occurs. Some studies show that customers will always try to minimize the risk in their buying decision. In order to reduce the risk, customers will figure the way to minimize the negative consequences or purchase uncertain (Donnelly & Peter, 2007).

**Post purchase behaviors**

After customers purchase the product, the marketer’s work is not over. After buying a product, the post purchase behavior of customers is the thing that marketers concern. There will be three main types of customer’s feedback, which marketers are interested in: disappointment, satisfaction, and delight. To be clearer, if a product does not meet the customer's expectations, they will be disappointed. If a product meets customer expectations, they will be satisfied. If a product goes above customer expectations, they will be delighted. The larger negative gap between expectation and performance, the greater dissatisfaction of customers. Therefore, in order to avoid the dissatisfaction of customers, sales clerks should only show the features of the product that their brand could provide (Kotler & Armstrong, 2012).

However, sometimes transactions between buyers and seller can result in the cognitive dissonance or the discomfort caused by a post purchase conflict. After making a purchase, customers can be satisfied with the benefits of their chosen brand and rejoice in avoiding the restrictions of a brand they have not chosen. In addition, customers will also feel uncomfortable with the limitations of their chosen brands as well as the loss of benefits of non-buying brands. Therefore, this is a thing often happens with customers when they feel their own dissonance after each purchase (Kotler & Armstrong, 2015).

**Buyer Decision Process for New Products**

Customers need to go through all the stages to achieve personal satisfaction. Maybe customer passes quickly or slowly or some stages maybe reversed. This will likely depend on the nature of customers, the product or the circumstances of the purchase. While for new product or new customers who have the first time to approach with a product, they need to take time to study about the product and then they will make decision if they adopt this product.

By definition, adoption process is a mental process of a person that he can pass through to learn a new product until he can come up with a final adoption. And this adoption will be the decision of the customer to become a regular product person (Kotler & Armstrong, 2004).

![Figure 5. Consumer Adoption Process.](image)

**There are five stages in the adoption process and they are:**

1) Awareness: customer knows a new product yet lack of information about it.

2) Interest: the customer starts looking for information about that product.
3) Evaluation: customer considers whether it is reasonable to try the product.

4) Trial: customers will try the product on a small scale to appreciate its value.

5) Adoption: customers decide to use new products regularly

2.5. Previous studies on customers’ purchasing decision

There are many studies about the buying behavior of customers around the world. Within this task, the author would like to mention some studies that indicate the factors that affect the purchasing decision of customers for cars.

In a study called “Factors Affecting Buying Behavior of Consumers for Personal Cars by Fuel Categories”, MohdShuaibSiddiqui (2020) pointed out that the factors that influence consumer purchasing decisions include: design, marketing, engine, customer service, social culture, price and brand. Within this study, it mentioned about the economic status of customers, which can influence on the decision as well.

According to Chan Chor Yarn (2016) – “Factors affecting consumers purchasing decision in Malaysia automotive industry”, he mentioned that the factors affected customer buying decision in Malaysia includes social factors, psychological factors and demographic factors (Yarn, 2016).

In another research named “The influence of marketing mix competence on the purchasing buying behavior of the car buyer in Malaysia”, Cyril Supain indicated the marketing mix factors influence the Malaysian car buying decisions (Supain, 2008).

Along with foreign research, some domestic research articles also learn about the theory of buying behavior of customers in order to study the factors affecting the customers' behavior of choosing a brand. Some research will collect from famous university in Vietnam.

“Study on factors affecting consumer’s buying decision on Mazda in Gia Lai” of Nguyen QuangThach. Then, according to Mr. Thach, there are four factors influenced on the buying decision of customer and they are culture, social, personal and psychological (Thach, 2015).

According to the research of Tran Thi Kim Ngan - "Survey of factors influencing the decision to buy a personal car", she cited factors that influence the customer's decision to buy a car including marketing mix, cultures, social, and personal (Ngan, 2012).

2.6. Proposed research model

With the combination of Kotler theory and model (2015) and Marketing mix factors; the author aspires to find out the effects of these factors on customer purchasing decisions. Therefore, the writer proposes a specific model for this study, which shows in figure 6.

![Figure 6: The proposed research model](http://www.turkjphysiotherrehabil.org)
III. DATA COLLECTION

The author would like to rely on both primary data and secondary sources. In this research, the survey method will be chosen. The nature of the implementation of survey method in this survey is to ensure that the findings and results will be generalized. For as qualitative research, it distributed to 10 experts in automobile industries including sales, customer’s services, and marketing from car dealership. Furthermore, within this study, quantitative approach has been chosen and the data was the primary one that collected from the potential buyers and all those who have been driving Mercedes-Benz cars in Ho Chi Minh City. The writer chose two kinds of question in order to create the questionnaire, including multiple-choice question and Likert scale question.

The first one is multiple choices. This type of question is used to ask customers about their demographic and other questions that relate to the history use of customers on Mercedes-Benz cars before.

Likert scale question is the second type. Likert scale survey question play a vital key in measuring an opinion of respondent or their attitude toward a given subject. It is designed to measure the attitudes that has multi-item. It has five level Likert scale to measure, include: 1: strongly disagree; 2: disagree; 3: neutral; 4: agree; 5: strongly agree (Kumar, 2011).

To sum up, within this study, the questionnaire in this study has two main parts:

- Part I: it has 21 Likert scale questions stand for observable variables that relate to four independent factors and one dependent factor.
- Part II: it includes 8 questions to clarify the demographic and customer history use of MB’s car.

The SPSS 2.0 software will be chosen for this analysis. With the support of multiple regression analysis, the assumptions related to customer buying decisions on MB’s electric car will be regressed to determine whether those factors influence buying decision of customers in Ho Chi Minh city as well as whether they affect decisions made by consumers.

IV. DATA ANALYSIS AND RESULT

After using Cronbach's alpha and EFA methods to evaluate the reliability scale of 21 observed variables, and 2 items were rejected. Therefore, the remaining 19 observed variables were analyzed EFA.

There are three key point from data analysis process. Firstly, Research model at first is the customer's buying decision on MB’s electric cars is impacted by personal factors, social factor, psychological factor, and marketing mix factor via each observable variable. Then thanks to EFA analysis, it supports the author to eliminated one weak item to enhance the psychological factor. After that all factors are kept as before which could use for this study.

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<th>Component 1</th>
<th>Component 2</th>
<th>Component 3</th>
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<td>IE = 2.089</td>
<td>IE = 0.516</td>
<td>IE = 0.395</td>
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<td>%VE = 2.089%</td>
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Table 1: EFA for buying decision factor
Factor loading value of:
BD1 = 0.807
BD2 = 0.835
BD3 = 0.861

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<th>Table 2: Summary results</th>
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<td>Dependent Factor</td>
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<td>Buying decision</td>
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Secondly, based on the analysis of ANOVA, it demonstrated the effect of demographic characteristics toward the customer’s decision on buying MB’s electric cars. To be clearer, it shows the differences in each characteristic that can affect the buying decision, including: gender, age, income, and occupation. In addition, thanks to t-test analysis, it presented that marital status did not impact to the buying decision of customers on MB’s electric car.

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<th>Table 3: Correlation analysis</th>
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Lastly, thanks to the result of multiple regression analysis, it illustrated 4 independent factors, including: social, personal, psychological, and marketing mix influenced on dependent factor which is the buying decision of customers toward MB’s electric cars. To be more specific, standardized coefficient (β) of these variables are positive and statistically significant (Sig. <0.05). Then, based on the standardized coefficient, the impact level of the factors will be in descending order as follows: marketing mix factor, personal factor, social factor, and psychological factor. The beta (β) value for these factors is 0.406, 0.385, 0.285 and 0.122, respectively. So, the hypothesis of H1, H2, H3 and H4 are accepted at 95% confident. In addition, according to the beta (β) value, an equation is formulated as:

$Buying\ Decision\ BD = 0.406 \times \text{Marketing mix factor } MXF + 0.385 \times \text{Personal factor } PF + 0.285 \times \text{Social factor } SF + 0.122 \times \text{Psychology factor } PCF + E$

4.1. Analyzing multiple linear regression results

The result of multiple linear regression demonstrates that the research model of the study has four independent factors, including: social factor, personal factor, psychological factor and marketing mix factor. These independent factors affect the dependent factor which is “Buying decision”. Then, the most influential factor in “Buying decisions” is “Marketing mix”. Next is “Personal factor”. The third and fourth are “Social factor” and “Psychological factor”, respectively.
Following to the linear regression equation, marketers can rely on the influence of each factor to be able to allocate appropriate resources in improving the factors. Then, according to the order of affecting factors, marketers can focus on investing in the strongest factors and then the next factor as order.

Marketing mix factors

According to the result, the “marketing mix” factor has the strongest affect “buying decision” factor. To be more specific, the beta value is 0.406 and the sig value is less than 0.05. Then, the beta value of marketing mix is positive, it means that the relationship between “marketing mix” and “buying decision” is positive. Therefore, the customers receive the “marketing mix” factor in a positive way, it will affect greatly their “buying decision”.

In Vietnam, choosing to buy a luxury car is always carefully chosen by customers. Along with the high price of a luxurious car, customers also expect many of values that a car can give to them like safety, driving experience, maintenance, and so on. Therefore, the competition between luxury car brands in Vietnam is very fierce. Nevertheless, MB’s cars are still the main choice of customers in the luxury car segment. To what extent, in 2019, MBV sold 6,819 units which accounted for more than 65% of the market share of luxury cars in Vietnam (Huy, 2020). However, in fact, BEVs are a new line of cars and luxury manufacturers are currently participating in the development of electric cars. Therefore, in order not to lose market share to other carmakers, MB's marketers need to use their full ability to formulate wise strategies. The creation of an effective marketing strategy will give customers a good impression of MB's new electric vehicle lineup as well as it will be the foundation for additional revenue growth through existing customers.

Personal factors

The second most influential factor on “buying decision” is “personal factor”. The beta value is 0.385 and sig. value is 0.000, it means the relationship between the “buying decisions” and “personal factor” is positive.

As we already known that luxury cars are expensive. Therefore, the most impact item belongs to personal factor is “economic status”. Obviously, when having a stable income, customers can afford to pay for a luxury car. Because buying a car includes both maintenance costs as well as insurance costs and especially, insurance for a luxury car in Vietnam is quite expensive. Therefore, customers need to ensure a good source of income to meet their car purchases. In addition, “driving experience” also plays a vital key on buying decision of customers. They want to achieve the best experiences when they choose an EV from MB.

Social factors

The result of social factors demonstrates that it has significantly affect “buying decision” factor with the beta is 0.285 and sig. value is less than 0.05.

In Vietnam, family culture always has a certain influence over each generation. Thus, buying decisions of customers will also be influenced by their family or relatives. Then, when it comes to choose a car, consumers tend to listen to advices from their familiars.

Moreover, customers may refer to the opinions from friends, colleagues, or even social network communities. Additionally, listening to the advice of auto experts also impact to the customer's buying decisions.

Hence, it can clearly be seen that seeking advice from these "references groups" contributes to increase the buying decision of consumers on MB’s electric cars.

Psychological factors

According to the result, psychological factor has the lowest affect consumer’s decision in buying electric car from MB. Psychological factors often include the consumer's personal observations and preferences. Therefore, by making customers believe in the product as well as having preferential policies from the company, the buying decisions of customers will also be affected.

V. RECOMMENDATIONS AND CONCLUSION

5.1. Recommendations

Marketing mix factors

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For as marketing mix factors as marketers are familiar with the development of strategies or activities related to the product, price, promotion, and distribution channels. The purpose of the development is to meet the demand of customers on products or services. Marketers always pursue a strategic balance between the need to profit and the desire to attract customers.

Firstly, mentioning about MB’s electric cars as well as MB’s products. Within this study, the author does not intend to give recommendations on enhancing the quality of MB’s electric cars or MB’s products. Nevertheless, thanks to the survey, it can clearly be seen that superior products influence on the buying decision of customers. To be more specific, due to the fact that MB is a luxury car brand, high quality cars play an important role in the needs of many customers. Besides, diversification of car models also plays a vital key in customer's buying decision. In addition, a luxurious car or luxurious electric cars also demands on good quality spare parts. Therefore, in order to meet the satisfaction of customers especially the rich ones, it is important to offers to them many products line with superior quality. At the moment, MBV in particular are doing very well in delivering good quality products to customers.

Secondly, the prices element influences a lot on the customer's buying decision. In fact, sometimes discounting a product does not work, but it is counterproductive. To be clearer, when offering a product at a lower price than its usual, it may create suspicion from customers and it can impact on their trust in the brand. Thus, pricing strategies is also an element that marketers need to consider. In fact, it is difficult to discount a car especially a luxury car from MB. Because car brands in Vietnam are influenced mainly by tax policies. Currently, Vietnamese government has a preferential policy on electric cars in the form of a Special Consumption Tax, a tax used for cars in Vietnam. In particularly, according to the tariff in 2018, a tax for BEV is only 15 percent and it is much lower than that of 40 percent for combustion-engine cars. Nevertheless, the government is proposing a policy of not Special Consumption Tax on electric and eco-friendly cars in future (Van, 2019). In addition, recently, the Ministry of Finance of Vietnam has proposed to eliminate Special Consumption Tax on domestically produced cars (Bac, 2020). So, thanks to the information, it is a suggestion for marketers to create a right pricing strategy for MBV. Along with relying on tax policy to set the price of a car, the author also gives a suggestion for marketers that is to increase the value of the car. Marketers should remind to customers about the value that both MB’s cars and MB’s electric cars can bring to them. To what extent, marketers can mention about the safety, technology, experience, and even symbols of the success that a Mercedes car may bring to the customers. In addition, setting the pricing strategy should include the after-sales service in order to encourage customers to buy MB’s car in general and MB’s BEV in particular.

Next is about the place as known as distribution channel. Based on the result of the survey, it can clearly be seen that the ease of finding a dealership will encourage customers want to buy products. It can clearly be seen that MB is a car manufacture, therefore, customers want to find a nearest place where it can support them for their own purpose. To be clearer, before buying a car, customer will want to do the test drive, so they will find a place close to them so they can experience the satisfaction of a vehicle in order to make a buying decision. Besides, after owning a car, regular maintenance is essential. So, having a location close to the customer also makes them feel more comfortable as it will save them more time. Then, as mentioned, there are three main distributors for MBV including Huxaco, An Du and Vietnam Star (Anh, 2020). To what extent, in Ho Chi Minh City, there are 7 authorized dealerships officially authorized by MBV (mercedes-benz, 2021). With the widespread distribution across Ho Chi Minh City, it can be seen that MBV and its dealerships are working very well.

Lastly, in order to get the attention from customers, promotion is the factor that will support the firm to increase its products awareness. There are many ways to promote product. Within this research, the writer would like to contribute his idea to give some suggestion in order to make the promotion of MBV become more valuable. Marketers should apply promotions for models that are the direction of the current MBV strategy. For example, hybrid C-Class; a combination between electric motor and gasoline engine will be the main model for MBV’s strategic development in the coming years, marketers in general and sales staffs in particular will inform customers about promotions to customers who intend to own an EV of MB. Then, free maintenance for the first 2 times and free first year car insurance are all kinds of promotions that can attract customers. Furthermore, a promotion for loyal customers only will be another factor that may enhance the value of promotion. In order to do this, MBV should create a playground for its loyal customers. Then, creating an association like this, it will support the company to have more chance to approach to customers in order to introduce many new promotions in future.
To sum up, marketing mix is the most influential factor to the buying decisions of customers. There are many ways to create tactics for marketing strategy in order to persuade customers to choose MB’s electric cars.

**Personal factor**

According to the result of the survey, it can be easily understood that the personal factor affects the buying decision of customers on choosing a type of product like car for themselves. Then, within this survey, it includes the economic status, customer experience, and the lifestyle of customer.

Firstly, economic status is always dominant for customer’s purchasing decision on MB’s electric car. In fact, buying a car is not the same as other products like cellphone, computers, etc. Buying a car is more demanding, especially EV. To be clearer, along with the amount paid for the purchase of a car, customers still have to pay for other cost such as: maintenance, replacement and insurance. Hence, the customer’s economic status can be assessed through the balance between the income and the purchasing cost. Marketers can relatively change the “customers’ economic status” through applying the promotions as outlined above, gifts, and maybe discounts. These actions can assist customers in minimizing the purchasing cost which may lead customer to re-consider a BEV’s suitability against their economic status and make buying decision.

The lifestyle of customer is the second thing belong to personal factor. In fact, the lifestyle of a person is influenced on his family, friends, job, and daily activities. Normally, customers tend to use products that are almost the same as their relatives, such as parents or siblings. In addition, they can also use products like their friends. This can be easily understood that customers can refer to or rely on the experience of those who have used that product to make a buying decision for themselves. Not to mention the customer’s current job as well as the daily activities of the customers will also be a factor in the decision-making for an EV. So, the marketers of MB simply cannot inspire the lifestyle to each customer. Nevertheless, marketers can rely on the car exhibition to explore the customer tastes. Thanks to these events, marketers may collect some basic information from customers then they can know about customer’s lifestyle.

Finally, customers always want the best driving experience, even as a driver or a passenger. Then, the marketers can launch some community activities or do social media in order to capture the demand of customers. Then, based on that information, marketers can contribute their ideas to MBV to come up with features that are more relevant to consumers' wishes.

All in all, normally, it is difficult for marketers to grasp all the personal factors. However, based on some basic information provided by customers, marketers can still understand the desire of customers so that they can come up with strategies that have a common template that they believe are best suited to the market.

**Social factors**

Following to the survey’s result, it can clearly be seen that the social factors affect customer’s buying decision when choosing a battery electric car. Understandably, electric car is a new type of car so customers tend to refer to people’s opinion that is essential before they buy it. In order to take advantage of this factor influence on marketing activities, several activities need to be performed to create a relationship between the influential group and customers. Then, within this research, group of influencers can be divided into two type and they are group of automobile expert and family, friends, and people.

Firstly, for as automobile experts in general and MB’s experts in particular, they have knowledge on electric cars. Then, it means they may know that the outstanding features of an EV. Therefore, they will have a certain influence in the advice about the BEV. Hence, marketers can refer to experts’ opinions to promote MB’s electric cars. In addition, marketers should consult the opinion of the Automobile Association about the EV. Hence, they can contribute their own ideas for MBV in order to bring the suitable feature on an EV to the Vietnamese market.

Next is the “family, friends and people” group, and this group is diverse. So, the activities for these groups should be formed properly. Then, the author suggests that marketers should create a community on social network, for customers who already own and are driving MB’s cars, including: combustion-engine cars, hybrid cars and electric cars. The purpose of this community is to share, advice and update the information about the cars, especially electric ones. In addition, all members belong to this group can share their own experience during the time they drive a MB’s car. In addition, customers will have the right to give feedbacks in this forum.
as well. Thus, marketers can rely on these feedbacks in order to come up with the right marketing strategies which may fit with the market of Vietnam.

To sum up, social factors affect customer’s decision to buy MB’s electric car. In fact, electric car is new with Vietnamese customers. Therefore, the main task of marketers is to create the strategy that can interact between these influential group and customers. Then, customers may have the trust after receive this information from those influential groups. Hence, the buying decision on an electric car of customers may happen thanks to the advice of those influential groups.

Psychological factors
The psychological factor has the least impact on the decision to buy a MB’s electric cars based on the result of the research. It can be clearly known that psychological factor is the customer’s favorite for a certain product. Because, BEV is a new type of car, so it can clearly be seen that the customers may keep their neutral attitude on this product. However, thanks to the MB brand, the customers have their faith to the company. In addition, following to the privilege policies from the MBV to its distributors, it may support to the company in order to get the attraction from the customers about electric cars of MB.

VI. CONCLUSION
In fact, there is no published researches on consumer’s decision in purchasing on a brand or a product that related to electric luxurious cars. Nevertheless, there are some previous researches that mention some features that belongs to the R&D of some companies which works in automobiles field. Therefore, the author decide to make a study about "A Study Of Consumers’ Decisions In Purchasing Electric Luxurious Cars: The Experience Of Mercedes In Ho Chi Minh City, Vietnam". This topic mainly discuss about fundamental factors in generally and it does go into any further details.

The purpose of this research is to inspect the effect of factors includes social, personal and psychological to the buying behavior of customers. In addition, along with the combination of marketing mix factors, it supports in selecting electric cars as well as earning knowledge in decision-making process. In the theoretical part, it consisted the overview of mention factors and stages of decision-making process. Thanks to the issues from the mentioned factors, the author decided to make a questionnaire. Empirical research concentrated on exploring how these factors affect consumer behavior and throughout the decision-making process. Then, the result of the empirical research presented that there was a significantly relationship between social, personal, psychological and marketing mix factors toward the decision-making process in buying an electric cars. That is to say, these factors have an impact when the customer makes a buying decision. To be more specific, along with the fundamentals of marketing including products, price, place and promotion, having a stable income and driving experience plays an important role in making the decision to buy a MB’s electric cars. Thus, it can be given an answer to the study question that was formed for this research. Additionally, consulting with experts, relatives and friends is also one of the factors that customers may consider before deciding to buy MB's battery electric cars. Based on the result, it illustrated that the psychological factor has the least impact on the decision in purchasing electric luxurious cars of MB. Nevertheless, the customers can still rely on their beliefs and attitudes in order to make decision to buy an electric car from MB. Therefore, it can be seen clearly that the observational variable "brand reputation" of MB is likely to affect the psychology of customers and their buying intent will occur. Hence, based on the survey results, the marketing mix factor has the strongest influence on the customer's purchase decision, and then the effects of the factors are in order as personal, social and psychological, respectively.

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