

## **CHAPTER - ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Consumer needs and wants are starting point of economic activities. In the process of satisfying those needs and wants different products and services are being invented and marketed in the society. Undoubtedly, Consumer needs and wants are unlimited and hard to define and describe precisely. However, defining Consumer needs and wants is crucial from marketing point of view for the producer and marketer of goods and services.

The present business environment is complex and highly competitive. To succeed in this dynamic and rapidly changing environment, marketers need to know every thing about consumer. Consumer behavior helps an organization in efficient use of marketing resources, location of new marketing opportunities, selection of market segments, product positioning market research and improvement of marketing strategy. Marketers have great competitive advantage in the market place. Therefore, study of consumer buying behaviour is important for successful operation firm.

Consumer behavior is defined as the behavior that consumers display in searching products, and services to satisfy their needs. The buying behavior of consumer differ significantly from one consumer or group of consumers to other. The study of buying behavior of particular segment or a group of consumers help marketers to devise and design an appropriate marketing strategies for that segment or group. Consequently, marketers can serve that segment or group in a better way in competitive market.

Consumer may not always buy the brands they evaluated as the best because of change in the situation of the time of purchase. If they are in short of money, they may choose a cheaper brand until they can afford to buy their first choice, or this may mean buying a smaller quantity just to tide them over. It means a consumer will also purchase a different brand for variety. Individuals tend to get tired of the same old things. So they want something different for a change. Seeking variety does not mean an individual's attitude has changed. In this research work, the researcher is

responsible in explaining the consumer buying behaviour as well as recent factors that have affected their choice during purchase.

The primary goal of this work is to find out the consumer behavior of personal car users in Pokhara valley. When consumer-purchasing decision are fully understood, it becomes possible to develop better promotional and other activities.

In this work, especially available factors influencing consumer features requirement in personal car, purchase taken by consumers, effect of income and profession in buying the model etc., are examined. Above problems are the main focusing points of the fieldwork.

## **1.2 Focus of the Study**

The birth of the car as we know it today took several years to bring it in use. Many people contributed for its development. It was not until 1885 that the first car rolled down the streets; however, earlier attempts at steams powered road vehicles were successful, giving people the idea that cars as we know them today have existed for a lot longer than they have.

The first steam-powered vehicle was designed by Nicolas-Joseph Cugnot and constructed by M. Brezin in 1769 and could attain speeds of up to 6 km/hour. Two years later, he designed another, much faster steam-driven engine, which was so fast that it remained into a wall, recording the world's first car accident. These early stem-powered vehicles were so heavy that they were only practical on a perfectly flat surface as strong as iron. However, impractical as these cars might be ultimately they have become the basis for the design of the car we know today.

The next step towards the development of the car was the invention of the internal combustion engine. Francois Isaac de Rivaz designed the first internal combustion engine in 1807, using a mixture of hydrogen and oxygen to generate energy. Several designs were developed for a car to run on the internal combustion engine during the early 19th century, but with little to no degree of commercial success due to the fact that there was no known fuel that could be safely and internally combusted.

In 1860, Jean Joseph Etienne Lenoir, a Frenchman, built the first successful two-stroke gas driven engine. Two years later, he again built an experimental vehicle by his gas-engine, which ran at a speed of 3 kms/hour and drove it from fairs to Joinville. Both of these cars became popular and by 1865 could be frequently seen on

the roads. Unfortunately, Lenoir died broke before he could ever make any money or even enjoy his invention.

In September of 1893, after several small changes to Lenoir's design, the first gasoline powered car, built by brothers Charles and Frank Duryear, was ready for road trials. The first run on public roads was made on September 21, 1893 in Springfield, MA. When most people think of the first cars on the road, they think Henry Ford, but it was not until 1896 that one of Henry Ford's cars could be seen on the road. He sold his first car, which he called the Quadra cycle, for \$200 and used the money to build another car. With the financial backing of the Mayor of Detroit and other wealthy Detroiters, Ford formed the Detroit Automobile Company in 1899. A few prototypes were built, but no production cars were ever made by this company and it was dissolved in January 1901. Ford would not offer a car for sale again until 1903.

The development of the automobile changed the face of small-town America. As time passed, cars become less of luxury and more of a necessity. However, after a century of automobiles, we are finally realizing the long-term effects of transport by internal combustion and are looking for alternative forms of fuel and transportation.

Nepal is landlocked underdeveloped country. There is no sufficient infrastructures and automobile manufacturing company. On the other hand development is centralized. A few years age, we can count private vehicles in finger but now it is going to increase rapidly. In the past, nearly 100 years ago in the Rana prime minister bring first motors in Nepali land. And there after some Rana family bring motors from aboard for relax by caring man. From this situation now road and bridges are built and people are buying different models vehicles .currently nearly 10thousand cars and 85 thousand bike and scoter and nearly 10thousand others vehicles imported by Nepal every year from India, China, Malaysia, Thailand, Korea etc. In Nepal private car user is going to increase day by day due to hugs government tax cars price is more than triple in Nepali market rather than international market. Now financial sector are giving add for increase personal car buying. Now you can get car in small amount. Government trying to decrease user but it increases due to lack of investment opportunity.

Nepal is male dominated society. Mostly male used to driving the car, but now women are also using cars. People buy car as their interest and usability. Just like

some people buy sedan, some hatch bag, some jeep and so on. Mostly women buy hatch bag and small sigh car and male are interest in sedan and jeeps.

Now more than 1 lakh private vehicles' are run in Nepali roads. Now we can get like more than 25 brands vehicles. Mostly in Nepal Indian, Korean and Japanese car are famous. And their cost is 15 lakh to more than 10 million Nepali rupees. From one survey report nearly 200 million US dollar is spent by Nepali people every year for vehicles import.

Pokhara is small city but it carries many more possibility or important city for personal car user. In this city, more than 50% people have foreign employment. The purchasing power is high. So, people live luxury life. There is no long history of automobile in Pokhara. After building Prithvi high way in 2024 B.S., some buses were used. At that time, some buses and truck were used for public transport. After a decade, some people who worked aboard brought some cars in Pokhara. That was the first vehicles for Pokhara side. There is no any actual data and record but we heard at 2030 B.S some foreigner came with car and they dropped and went, and then slowly-slowly it increased. Now we can see some vehicles which are dropped by tourist in Nepal. After establishing transport management office, there was regular supply of transport.

At last, now cars are being made necessary things day by day for safety and comfort. In the past, driving was only by male, and people thought that female cant drive now it is totally changed. Female also drive. So now female car user also going to increase. From one survey report it is seen that more than 5000 female are taking licenses for driving cars from Pokhara transport management office, and 1400 owner.

### **1.3 Statement of the Problem**

In recent years, the international business environment has been marked by far-reaching change. In the last few years, the business environment of Nepal also too has been changed drastically. An implementation of one window system for both domestic and foreign investors and adoption of free and liberal trade policy have increased the business activities to a great extent through out the country. Consequently, business has become more complex and competitive. To survive in such a changing and competitive business environment, all activities of the business must be focused on the consumer.

In reality the consumer is sovereign, deciding whether to accept or reject a product on the basis of whether or not it meets perceived needs and desires. To meet perceived need and desires of the consumers, the marketer should understand the buying behavior of consumers. However understanding of consumer buying behavior is a complex and difficult task as it is influenced by many factor such as cultural, social, personal and psychological. In addition, consumer behavior is a changing phenomenon. Consumer needs and desires undergo change from time to time in order to adopt business with changing pace of Consumer need and desires. It is essential for marketers to conduct research continuously on consumers.

Since the number of personal car is large in number and users are increasing rapidly. Study about the buying behavior of personal car in Pokhara is very important to understand the car market and it's scope. So that it will be very much useful to the personal car sellers to catch up the potential buyers. Thus general problem of the study relate with understanding the personal car buying behaviour including the decision making process by the users in Pokhara. Specifically the investigation is focused on the following questions:

1. What are the major brands of car available in Pokhara?
2. What are the factors influencing customers buying behavior?
3. What are the main features that a customer wants in a car?
4. Do the brand choice differ by income and profession of personal car users?
5. What processes do consumers follow for making buying decision of personal car?

#### **1.4 Objectives of the Study**

The study about the buying behavior of personal car customer in Pokhara focuses on revealing specific problem like major brands available, factor influencing, features considered, effect of income and profession in brand choice and consumer decision making process. Main focus of the study is to analyze consumer behaviour and decision making process of personal car buyer. Specific objective of the study are as follows.

1. To identify the major brands of car available in Pokhara.
2. To analyze the factor influencing customer's buying behavior
3. To analyze the main features that a customer want in a personal car.

4. To know whether brand choice differ by income and profession of personal car users.
5. To find out the processes followed by consumers for making buying decision of personal car.

### **1.5 Significance of the Study**

The Nepalese market has been gradually turned into cutthroat competition. Different types of product with large number of alternative brand are available in the market. In this context, it is essential for the manufacturer or marketer of the product to know the buying behavior of target customer to turn success in their favor. As the focus of the study is on consumer behavior with reference to decision-making process of personal car purchase in Pokhara city, the marketer of the product will be highly benefited by this study. They may use the findings of this study as a guideline for making strategies for successful marketing of their product. Such marketing strategies may relate the segmentation of market based on buyer's behavior. The research helps not only the marketers but also provides valuable guidelines and reference to the scholars and researchers who are interested in conducting further research on consumer buying behaviour.

### **1.6 Delimitation of the Study**

Delimitation refers to the boundary of the study within which a researcher has to carry out the study. Delimitations of this study are as follows:-

1. In this study consumer behavior related to only available brands in Pokhara city only.
2. This study confine only in Pokhara city. All the respondents for this study are taken from Pokhara city. Thus, sample size taken for the study is small comparison to the population of the study.
3. There are a lot of variables that determine consumer behavior. However only the variable income, profession, personality etc. will be taken into consideration.
4. The researcher are collected necessary data from the field visit
5. The study are entirely based on the opinions, views and responses of the respondents are taken as a sense of truth, which may not be correct, at all time due to changing behavior of customers.

### **1.7 Organization of the study**

This study is organized in to five chapters. First chapter is included background of the study, statement of the problem, objectives of the study and signification of the study, limitation of the study and organization of the study. Second chapter is review of literature. This chapter is included conceptual review and Review of related studies. Past studies conducted by Nepalese Scholars. Third chapter is research methodology, this chapter included

the research design, population and sample, nature and sources of data, data collection Procedure, data analysis tools available and delimitation of the study .Forth chapter is Data Presentation and analysis. This chapter is included data presentation, data analysis and major findings of the study. Fifth and last chapter is summary, conclusion and Recommendation. Last part of the study is Bibliography and Appendix.

## **CHAPTER - TWO**

### **REVIEW OF LITERATURE**

In this chapter an attempt had been made to review the aspects of consumer behavior and past studies carried out on consumer behavior. So, this chapter is divided into two sections. Section one is The Conceptual Review and Section second is The Review of Past Research carried out on the study area.

#### **2.1 Conceptual Review**

##### **2.1.1 Marketing and its Evolution**

Marketing is the process of meeting customers needs profitably. It is the bridge between producers and customers. It involves flow of goods and services from producers to customers. American marketing association defines, marketing is the process of planning and executing the conception price, promoting and services to create exchange the satisfy individual and organizational goals. (Peter D. Bennet, B.D. 1995)

"Marketing is a social and managerial process by which individuals and groups obtain what the need and want through creating offering and exchanging products value with other". (Kotler, 1997: P.9)

Marketers see their sellers as constituting the industry and buyers as constituting the market business people use the term market colloquially to cover various grouping of customers like need market product market demographic market and geographic market. (Kotler, 1991: P.8)

The marketing concept was born out of the awareness that marketing starts with determination of consumer wants and ends with the satisfaction of those wants. (V.S. Ramasuamy and S. Namakurmari, 1995: P.8)

"Marketing consists of individual and organizational activates that facilitate and expedite satisfying exchange relationships in a dynamic environment through the

creation distribution, promoting and pricing of goods services and ideas". (Pride and Ferrel, 1989, P.7)

"Marketing is a total system of business activities designed to plan, price promote and distribute want satisfying products to target markets to achieve organizational objectives". (Stanton, Etzel and Walker, 2001, P.6)

For a managerial definition marketing has often been described as "the art of selling products but people are surprised when they hear that the most important part of the marketing is not selling. Selling is only the tip of the marketing ice berry.

Marketing management takes place when at least one party to a potential exchange thinks about the means of achieving desired response from other parties. We see marketing management as the art of science of choosing target markets and getting keeping and growing customers though creating developing and communicating superior customers value. (Kotler, 2005 : P 9)

Every business organization depends upon customers. Thus marketing key to attract and retain customers. Marketing begins with identifying needs and wants of customers and ends with satisfying the customers and ends with satisfying the customers wants efficiently than competitors therefore marketing has a great importance in survival and smooth operation of an organization. The use and importance of the marketing in all sorts of the organization is increasing day by day. To outer form the competitors and to win the business. Marketing need effective marketing program. (Bhujel, 2001 : P.1)

When the early selfless traded among themselves and with the Native American some settlers become retailer, wholesaler and tinier peddler. However, large scale marketing in the U.S did not being to take shape until the industrial revolution in the latter part of the 1800s. Since then, marketing has evolved through three successive stage of developed.

1. Product oriented
2. Sales oriented
3. Market Oriented

#### **1. Product Oriented**

In this stage typically focused on the quality and quantity of output while assuming that customers would seek out and buy reasonable priced, well made



products. Manager with background in manufacturing and engineering shaped a firm's stage.

## **2. Sales Oriented Stage**

In this stage manager began to realize that to sell their product in an environment where consumer had limited resources and numerous option required substation post production efforts. In this stage, Advertising consumed a large share of a firm's resources and sales executives began to gain respect and responsibility from company management. In the United States the sales stage was common into the 1950s when modern marketing began to emerge.

## **3. Market Oriented Stage**

In this stage companies identify what customers want and tailor all the activities of the firm to satisfy those needs as efficiently as possible.

In this stage firms are marketing rather than merely selling served tasks that were once associated with other business functions become the responsibility of the top marketing executive called the marketing manager or vice president of marketing. (Stanton, Walker, Etzel, 2001: P. 6-8)

### **2.1.2 Marketing Environment**

Marketing environment consists of the actors and forces outside marketing that effect marketing management ability to develop and maintain successful relationship with it's target customer. The marketing environment offers opportunity and threats, successful companies known the vital importance of constantly watching and adapting to the changing environment.

Marketing environment refers to the various factors affecting the various factors affecting the marketing process. Those factors are generally divided into two broad categories. Macro environment and micro environment.

The micro environment is the set of force that affects the presence of a company under consideration in the market. The main elements of micro environments are the company itself, suppliers, marketing intermediaries, customers, markets competitors and public. The macro environment also effects the presence of the company in the market but their effects are broad and these effect all the companies in the present market simultaneously the micro environment is beyond the

control of company, and has strand like demographic, economic, natural technological, cultural environment. (Shrestha, 2004: PP 15-17)

**Fig 2.1**  
**Marketing Environment**

*Source: Koirala, K.D., Fundamental of Marketing Decisions, B.S. 2060, M.K. Publishers & Distributors, Page No. 23.*

**i. The task environment**

It include the immediate actors involved in producing, distributing and promoting the offering the main actors are the company, suppliers distributors deals and the target customers.

**ii. The broad environment**

Consists of six components: demographic environment, Economic environment, Natural Environment, Socio-cultural environment, Political-legal environment. (Kotler, 2005: P. 15)

### 2.1.3 Marketing Mix

In the modern world, marketing activities have covered the large sectors. In this customer choice, interest and preference are found out and offer words accordingly the goods or services are produced to fulfill the needs and wants of target market as the major activity.

Marketing mix is the set of marketing variables that the firms blend to achieve the marketing goal in the target market. It is a controllable variable, which the company puts together to satisfy his target market. Thus, marketing is a tool the organization uses to pursue its marketing goal and to satisfy the consumers." The term of marketing mix describes the result of management's efforts to creatively combine interrelated and interdependent marketing activities. (Zikmund and Amico 1990 : P.8)

The marketing mix is the set of marketing variables which the organization blends to achieve the marketing goal in a defined target market. The marketing mix consists of everything that the organization can do to influence the demand for its product in the target market. (McCarthy, 1996 : P. 26)

The marketing activities are performed to facilitate and expedite exchanges. These activities are affected by a set of environmental forces relating to the marketing mix (or 2 pps.) and those relating to the marketing environment. (Shrestha, 1992 : P.3)

It can be easily seen that all activities and programmes which a business firm designs and carries out in its efforts towards customers, relate to one or the other of the four elements. Product, distribution, pricing and promotion. These four elements constitute the marketing mix. (Ramasaswamy and Namakumari, 1999: P.4) The marketing activities are classified and categorized to belong to one of the P groups each P is perceived as having its own mix such as the product mix, price mix & promotion mix. (Koirala, 2057: Page)

Marketing mix is the set of marketing tools that organization uses to pursue their marketing objective in the target market the tools of marketing mix are known as 4ps. Product, Price, Place and Promotion.

) The four elements of marketing mix are interrelated decisions in one element usually affect action in other.

) The design, implementation and evaluation of the marketing mix constitute important aspects of the total marketing effort organization should offer

different marketing mix for different segments of the target market. Ultimately, marketing management is the management of market mix.

) The marketing mix should not satisfy customer needs but also should be cost effective. It should change with change in the environment and customer preferences.

(Agrawal, 2000 : P.23)

Marketing mix is a system to intercreative and inter depended marketing activities designed to meet customer design and company objectives. (Diwan, 1997 : P. 23)

A firm should offer different marketing mix for different market segment or environment of the target market. It should change with the change in the environment and customer's preference.

**Fig 2.2**  
**Marketing mix**

Product	Place
Price	Promotion

(The concept of E.J mc carthy. " Basis Marketing " 9th Edition, 1988)

**Product mix**

Includes decision on product line and mix product quality variety design features, branding packaging labeling etc. It also includes important activities such as product planning and development

**Place mix**

Includes design of distribution channels distribution networks, dealer promotion and motivation system and physical distribution of product.

### **Price mix**

Includes activities such as analysis of competitor's prices formulation of pricing objectives, setting the price, determining terms and conditions of sales discount and commission etc.

### **Promotion mix**

Includes determining the promotional blend the mixture of advertising personnel selling sales promotion publicity and public relation to popularize the use of the product in the target market.

Thus the organization adapts an adequate blend of 4spin elation to a product in a defined target market. Each element of the marketing is perceived to be under the control of the marketing manager and can be changed to achieve the desired results in the target market. (Sherstha, 2005 : PP. 19-29)

"Marketing mix as the set of controlled tactical marketing tools product, price, place and promotion that the firm blends to produce the response it wants in target market. Market mix popularization 4 ps. of the variables known as the 4 ps. product, price, place and promotion. (Joel & Barry, 1990 : P. 72)

### **2.1.4 Products**

Product is the core element of the marketing mix a product is anything that satisfy a need or want to customers. Product can be:

- a) goods      b) services      c) ideas      d) experiences
- e) events      f) places      g) properties      h) organizations
- i) Information

In a broadest sense, a product is only thing offered to satisfy consumers need. (Agrawal, 2009, PP. 177-178)

Product need not be a physical thing; a service such as an air plane flight, an over night stay at a hotel, or the repair of a television set, is also a product.

There are other cases where the intangibles the psychological satisfactions are an important characteristic of the product for instance an automobile in a physical sence is a four wheeled conveyance, usually gasoline engine powered, which takes us from place to place over roads. (Hanse L. Harry, 1977, P. 336)

If any thing or material available in market cannot satisfy the human need, it cannot be said a product to be counted as products or goods they should give satisfaction and be useful.

According to Prof. Philip Kotler, "A product is anything that can be offered to market for attention acquisition, use or consumption and that might satisfy wants or needs.

According to Prof. William J. Stanton, "A product is a set of tangible and intangible attributes including packaging, colour, price quality and brand plus the seller's service and reputation.

The above definition also make us clear that the meaning of goods is broad. Any consumer goods available in markets with the warranty service before or after sale with fee or free maintenance etc. are culled products. In marketing, goods means the sum total of physical, economic social and psychological be benefits. So, goods have an importance role in conducting marketing activities systemically. Hence the goods can be taken as the engine for conducting marketing programs. (Kafle, G. and Khadka, S. 2005, PP. 164-165)

### **Features of Products**

- i. Tangible and intangible
- ii. Satisfaction of needs
- iii. Exchange value
- iv. Related attributes
- v. Core of marketing (Kafle, G. and Khadka, S. 2005, PP. 169-170)

#### **2.1.4.1 Types of Product**

Product can be classified according to their ultimate use they can be

#### Classification of Products According to Use

*Source: Agrwal G.R. 2009, P. 181, Fundamental of Marketing*

## **1. Consumer goods**

The goods or material bought to use or consume are called consumer goods. Consumer buy such goods for the purpose of in use. In other words, the goods bought. For non business purpose are called consumer goods. Dal, rice, flour, milk, furniture, radio, television, different types of textiles, etc are Consumer goods. Such goods satisfy the needs of final consumers.

## **2. Industrial goods**

The goods purchased for industrial purchase but not for domestics Use are called industrial goods. As such goods are purchase for manufacturing, making other goods. They are also called business goods. The industrial goods and simplify the production work. Machineries, equipments, raw materials, fuel, operational supply, manufactured goods, main part of whole structure, etc are the examples of industrial goods.

### **2.1.4.2 High Involvement Product**

The goods which the customers buy giving more time and efforts are called shopping goods. Buyers makes buying plan for shopping goods. The consumers should make rational decision to buy such goods. They buy these goods only after having compared to quality, price, size, original features etc. with substituting godos.

The consumers visit famous center markets or centers for buying such good since such goods are not related to daily life, the consumers may delay to buy them or postpone for some time, car, refrigerator, computer, Benzcar, Rolex wart, modern furniture, television, radio, motorcycle, camera, swing machine etc. are shopping or high involvement products. (Kafle, G. & Sherjung, K. 2005, P. 171)

They are durable type they are purchased after consideration of alternatives regarding price quality and style their distinctive features are:

- i) Purchase infrequently
- ii) Purchased less frequently and consumed slowly
- iii) Considerable purchase effort in needed in planning and making the purchases consumers compare brands high involvement purchase.
- iv) Brand awareness and loyalty is high
- v) Packaging is less important
- vi) Price is usually high



vii) Bought at selective outlets

The product of durable type with unique features. Consumers have strong brand preference and loyalty they are expensive and high involvement product. (Agrawal G.R. 2009, P. 183-184)

#### **2.1.4.3 Low Involvement Products**

A product that the consumers feels comfortable purchasing without gathering additional information and then actually buys with a minimum of effort is termed a convenience goods or low involvement products. Normally the advantages resulting from shopping around to compare price and quality are not considered worth the required time and effort. A consumer is willing to accept any of several brands and thus will buy the one that is most accessible. This types of product is typically have a low unit price are not bulky, and are not greatly affected by fad and fashion. They usually are purchased frequently, although this is not a necessary characteristic. (Etzel, Walker, Stanton Marketing, 2004, P. 210)

They are purchased easily and often. Consumers buy them frequently and immediately they are inexpensive. They are non durable type their distinctive feature are:

- 1) Purchased immediately and frequently in low quantities.
- 2) Purchase effort is minimum and unplanned. Low involvement purchase.
- 3) Brand awareness is high but brand loyalty is low.
- 4) Packing is important for buying decisions.
- 5) Price is usually low.
- 6) Bought at convenient outlets, such as corner stores, retailer.

Example of low involvement products are bread, newspaper cigarette, sweets. Such products can be staples, impulse goods and emergency goods. (Agrwal G.R., 2009, P. 182)

#### **2.1.4.4 Product Innovation and Diffusion**

##### **Product life cycle**

Products like human beings have length of life. This has been described as life cycle in human beings and when applied to products it is called product life cycle. Like people products go through a life cycle because at first they grow in sales and then decline. A product life cycle consists of the aggregate demand over an extended

period of time for all brands comprising a generic products category. Kotler defines the concept of the product life cycle is to assert four things. (Kotler, Willinium edition : P. 309)

- ) Product has limited life.
- ) Product sales pass through distinct stage, each posing different challenges opportunities and problems to the seller.
- ) Profits rise and at different stage of the product life cycle.
- ) Products require different marketing, assign in each stage of their life cycle.

Generally product life cycle can be divide in four stages but Kotler in 5 stages product development, introduction growth, maturity and decline.

**Fig 2.3**  
**Product Life Cycle**



(Concept of Philip Kotler, Millennium Edition P. 304)

The new innovated new product may be completely new or improved or modified. An innovation refers to any good services or idea that is perceived by some one as new. The idea may have long history. But it is an innovation to the person who sees it as new. New product ideas can come from many sources like customers, scientists, competitors, employees, channel member and top management (Koirala 2005 : PP. 183-184). Customers often describes the solution they want in endless focus group and surveys. Customers should no be trusted to come up with solutions : They aren't expert or informed enough for the part of innovation process, Rather, customers should be ask at only for outcome that is what they want a new product or services to do for them (Ulwick, 2002 : PP 91-92) stengel, Dixon and Allen (2003)

stressed that the most basic principles in the consumer products industry is "listen to the consumers" with out intimate knowledge of ever changing trends and tastes, you are destined to lose out to competitors who are more tuned in. (Stengel, Dixon and Allen, 2003 : P.106)

The innovated products should be available in the market for consumers to use. The diffusion of innovation process explains the spread of a new product from it's source to the consumers. Ragers (1962) defines diffusion as the spread of 4 new idea from it's source of invention or creation to it's ultimate users or adopters. The process of spreading information about this innovation to persuade consumers to accept them in a social process usually described as diffusion. (Conndift and still, 1972 : P. 160)

The diffusion takes place in a social setting. Researches on innovation shows that upper-level of the society first adopt new products and gradually move down the social hierarch over time. New products are more easily diffused in modern social systems because of positive attitude towards change; general respect for education science and technology and open new ideas. Time is the key element of the diffusion of innovation process and focuses an two aspects purchases time and adoption time. (Koirala, 2005 : PP. 178-179)

### **2.1.5 Consumer Behavior**

The behaviour shown by customers towards buying of goods and services is called consumers behaviour. Buyer's behavirour should be understood to get success in a competitive environment. As the buyer behaviour is a psychological aspect, it becomes difficult to understand, study and analyze. A business organization should specially pay more attention towards questions such as - who buy? How does he buy? When and who buys? Who uses the goods? for this an organization should study and analyze the buyer behaviour. Understanding buyer behaviour is very complicated. So a manager should carefully use his/her notion, knowledge and experience in it.

According to Prof. Philp Kotler, "Buying behaviour is the decision process and acts of customers involves in buying and using products."

According to E.W. Condift, R.R. Still and R.A. Gorini, "Buyer behaviour may be viewed as orderly process where by the individual interacts with his/her environment for the purpose of making market place decision on products and service. (Kafle, G. and Khadka S. 2005, P. 133)

Consumer needs and wants are the starting point of economic activities. In the process of satisfying these needs and wants different products and services are being invented and marketed in the society. Consumer needs and wants are unlimited and hard to define and describe precisely. To design an effective marketing mix that satisfies Consumer unsatisfied needs and wants, a firm should know the buying behavior of consumers. (Matasani 2005 : P.16)

Consumer behavior was first analyzed by economists who assumed that man is rational in making buying decisions and is motivated by product, price and other attributes. (Marasani, 2005 : P. 16)

The principles of consumer behavior are useful to bussiness managers government regulators, non-profit organizations and everyday people. In particular for marketing manger knowledge of consumer behavior has important implications for environment analysis product positioning segmentation of the market mix. It is an applied discipline which borrows theories and knowledge from other fields such as anthropology, sociology, economics, and psychology. However, it is discipline is it's own right. (Mowen, 1990 : PP. 27-20)

Consumer behavior includes the study of the buy, why they buy it. When they buy it. Where they buy it. How often they use it (Schiffman and kunuk, 2000 : P. 6) consumer by his decision to buy or not to buy a product he/ds veto power over the firm's entire marketing and business effort. A customer that behaves one way for one purchase may behave in a very different way the next time. (Nunes and cespedes, 2003 : P. 100)

**2.1.6 Types of Buyer Behavior**

Buying behavior differs greatly for a tide of toothpaste, tennis racket of a personal computer a seller phone set a new car more complex decisions usually involve more buying participants and more buyer deliberation. There are four types of consumer buying behavior based on the degree of buyer involvement and the degree of differences among brands. (Kotler and Armstrong 2004 : PP. 197-198)

High involvement		Low in involvement		
Significant differences between brands	Complex buying behavior	Variety seeking	buying	buying behavior

Few differences between brands	Dissonance reducing buying behavior	Habitual buying behavior
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### **Four types of buying behavior**

**Source:** Adapted from Henry assail, boston; Kent publishing company 1987 : P.87

#### **1. Complex buying behavior**

Complex buying behavior involves three step processes first the buyer develops beliefs about the product, second he or she develop attitudes about the products. Third he or she make a thoughtful choice.

#### **2. Dissonance reducing buying behavior**

After the purchase consumer might experience dissonance that steps from noticing certain disquieting feature or hearing favorable things about other brand and will be alert to information that support his or her decision.

#### **3. Habitual buying behavior**

Many products are bought under condition of low involvement and the absence of significant brand differences. Consider self consumers have little involvement in this product category. The go to the store and reach for the brafid.If they keeping for the same brand .It is habit not strong brand loalty.There is good evidence that consumers have low involvement with most low cost frequently purchased products.

#### **4. Variety seeking buying behavior**

Here consumer often do a lot of brand switching think about cookies. The consumer has some beliefs about cookie. Chosen a brand of cookies with out much evaluation and evaluates the product during consumption.

(Kotler, Eleventh edition, 2005 : PP. 200-202)

#### **2.1.7 Brand Choice and Brand Loyalty**

When a consumer is mentally prepared to take risk in making purchase decision regarding what products or services to buy, he has to make a brand choice that suits his needs and want.

In the consumer goods market there are many product categories that are represented by numerous brands. To cope with this multiplicity or relatively similar brands, consumers attempt to simplify their purchase decision by categorizing the available brands in evoked set, inert set and inept set, evoked set is defined as the set of brand of product that the buyer actually considers when marketing a specific brand choice. The criteria consumers use in evaluating the brands in their evoked sets is usually expressed in terms of product attributes that are important to them. Inert set is defined as the set of brands about which the consumer has neither a positive nor a negative evaluation. The inept set, however, consists of those brands that he has rejected from his purchase consideration. (Narayan and Markin 1975 : PP. 1-6)

Once a consumer makes a brand choice, he will purchase that brand for consumption believing that it will satisfy him satisfaction arises only when the Consumer anticipated needs are catered to before purchasing the consumer has before him. Some sort of benefits in imagination that he will actually receive when he buy the goods. Satisfaction strikes at the very roots of a complex personality. It is necessary to recognize first the consumers are commonly in the same social income, vocational interest and age group.

Therefore once one customer's needs or wants are arrived at. it would be generally applied to a whole group and the satisfaction will be reached by the fulfilling of that one customer fully by the provision of a particular product that lives up to the expectation of that one consumer. (Marasani, 2005 : P. 24)

When a consumer is fully satisfied with the product or brand he chooses to purchase, then only there will be a chance of existence of brand loyalty for further purchase. It is an important aim of the marketing strategy to increase the number of buyers who are loyal to the particular brand of the market to by truly brand loyal. The consumer must hold a favorable attitude towards the brand in addition to purchasing it regularly. (Amarchand and varadharajan, 1979 : P. 79)

### **2.1.8 Consumer Perception**

Perception is defined as the process by which an individual selects organizes and interprets stimuli into a meaningful and coherent pictured of the world. A stimulus is any unit of input to any of the sense. Example of stimuli (i.e. sensory input) includes products, packages, brand names, advertisements and commercials. Sensory receptors are the human organs. (i.e. eyes, ears, nose, mouth and skin) that

receive sensory inputs their sensory functions are to see, hear smell, taste and feel. All of these functions are called into play either single or in combination in the evaluation and use of most consumer products. (Schiffman & Kanuk, 2004 : PP. 158-159

**a. Sensation**

Sensation is the immediate any direct response of the sensory organs to simple stimuli can advertisement, a package, a brand name). Human sensitivity refers to the experience of sensation. Sensitivity to stimuli varies with the quantity of an individual's sensory receptors (e.g eye sight or hearing) and the amount or intensity of the stimuli to which he or she is exposed.

**b. The Absolute Threshold**

The lowest at which an individual can experience a sensation is called the absolute threshold. The point at which a person can detect a differences between "something" and "nothing" is that persons absolute threshold you that stimulus.

**c. The Differential Threshold**

The minimal difference that can be detected between two similar stimuli is called the differential threshold or the J.N.D (for just noticeable difference). A 19th century German scientist named Ernst Weber discovered that the J.n.d between two stimuli was not an absolute amount but an amount relative to the intensity of the first come to be known. According to Weber's law an additional level of stimulus equivalent to the J.n d must be added for the majority of people to perceive a difference between the resulting stimulus and the initial stimulus. weber's law holds for all the sense and for almost all intensities. (Neupane, 2000 PP. 20-21)

**d. Subliminal perception**

There are three types of subliminal perception.

- 1) Briefly presented visual stimuli
- ii) Accelerated speech in low-volume auditory message
- iii) Embedded or hidden imagery or words (often of a sexual nature in print ads or on product label.

(Shiffman & Kanuk, 1997 : P. 153)

Several studies suggest that individuals differ in their susceptibility to subliminal stimuli. In one study people were visually exposed to the word "beef" for

1/200th of a second every seven seconds. At the end of the experiment the people in the test group reported being hungrier than those in the control group, who did not receive the message. When asked to choose from a menu, however, few choose beef. (Merikle & Cheesman, 1987 : PP.(289-302))

**e. Consumer Imagery**

Consumers have a number of enduring perceptions or images, that are particularly relevant to the study of consumer behavior. The following examines Consumer perceived images.

- i) Product and service images
- ii) Perceived price
- iii) Perceived quality it has three types
  - a) Perceived quality of product
  - b) Perceived quality of service
  - c) Price/quality relationship
- iv) Retail store image
- v) Manufacturer's image
- vi) Brand image

(Kanuk & Schiffman, 1997 : P. 170-183).

**2.1.9 Environments Influences on Consumer Behavior**

A Consumer buying behavior is influenced by cultural, social personal & psychological factors. Research into all these factors can provide clues to reach and serve consumers more effectively. (Kotler, 2003 : P.183)

**1) Cultural factors**

Cultural factors exert a broad and deep influence on consumer behavior. Cultural factors constitute three other factors.

Culture, sub-cultural and social class.

**a) Culture**

Culture is the fundamental determinant of a person's wants acquires a set of values, perceptions, preferences and behaviour through his or her family and other



key institutions. Each culture consists of smaller subcultures that provide more specific identification and socialization for their members. (Kotler, 2003 : P. 183)

Growing up in a society, a child learns basic values, perceptions, wants and behaviors from the family and other important institutions.

(Kotler and Armstrong, 2004 : P. 180)

**b) Sub-culture**

Subcultures include nationalities, religions racial groups and geographic regions. When subcultures grow large and affluent enough companies often design specialized marketing programs to serve them (Kotler, 2003 : P. 183) many subcultures make of important market segments and marketers often design products and marketing programs tailored to their needs sub-cultural difference may dictate considerable variations in what how and when they buy. (Pride and Ferrel, 1989 : P. 142)

Subculture is a distinct cultural group that exists as an identifiable segment within a larger, more complex society (Schiffman & Kanuk, 2000 : P.440)

**c) Social class**

Social classes reflect not only income but other indicators such as occupation, education and area of residence these members share similar values, interests and behavior. Social classes differ in dress speech patterns, recreational preferences and many other characteristics. Social classes show distinct product and brand preferences in many areas, including clothing home furnishings, leisure activities and automobiles (Kotler, 2003 : P. 184)

**2. Social factors**

In addition to cultural factor's a Consumer behavior is influenced by such social factors as reference groups, family and social roles and statues.

**a) Reference groups**

A reference group may be defined as a group of people who influence a person's altitudes, values and behavior. Consumer behavior is influenced by small groups to which consumers belong or aspire to belong. These groups may include family for eternal organization labor unions, church groups, athletic teams. or a circle

of close friends or neighbors. Manufacturers of product and brands subjected to strong group influence must figure out how to reach opinion leader person within a reference group who because of special skill, knowledge, personality or their characteristics exert influence on others (Kotler and Armstrong 2004 : P. 184)

**b) Family**

The family is the most important consumer buying organization in society and family members constitute the most influential primary reference group. The family's life has been researched extensively (Kotler, 2003 : P. 185)

Marketers interested in the roles and influence of the husband, wife and children on the purchase of different products and services. Husband and wife involvement varies widely by product category (Kotler, 1991. P. 168)

**c) Roles & status**

A person participates in many groups - family, clubs, organizations. The person's position in each group can be defined in terms of role and status. A role consists of the activities a person is expected to perform. Each role carries a status. (Kotler, 2003 : P. 185)

**3. Personal factors**

A buyer's decisions are also influenced by personal characteristics. These include the buyer's age and stage in the life cycle, occupation, economic situation, lifestyle and personality and self concept.

**a) Age and life cycle stage**

People buy different goods and services over their lifetime. They eat baby food in early years, most foods in the growing and mature years. People taste in clothes, furniture and recreation is also age related consumption is also shaped by the state of the family life cycle. Marketers often choose lifecycle groups as their target market (Kotler and Armstrong, 2004 : P. 186)

**b) Occupation**

Occupation also influences consumption patterns. A blue collar worker will buy work clothes, work shoes and lunch but expensive suits, air travel and country

club membership. Marketers try to identify the occupational groups that have above average interest in their products and services. (Kotler, 2003 : P. 185)

**c) Economic situation**

A person's economic situation will affect product choice. An economic situation of a person means his spend able income, saving or borrowing power.

**d) Life style**

People from the same sub-culture social class and occupation may have quite different life style. It is a person's pattern of living as expressed in his or her psychographic.

**e) Personality and self concept**

Personality refer to the unique psychological characteristics that lead to relatively consistent and lasting response to one' own environment. Personality can be useful in analyzing consumer behavior for certain product and choices. (Kotler & Armstrong, 2004 : P. 190)

**4. Psychological factors**

A person's buying choices are influenced by four major psychological factors motivation perception, learning and beliefs and attitudes.

**a) Motivation**

A person has many needs at any given time. Some needs arise from physiological states of tension such as hunger thirst or discomfort other needs arise from psychological states of tension such as the need or reorganization, esteems or belonging. A need becomes a motive when it is grouded to a sufficient level of intensity. A motive is a need that is sufficiently presides to drive the person to act.

**b) Perception**

A motivated person is ready to act how the motivated person actually is influenced by his or her perception of the situation. Perception is the process by which an individual selects, organize and interprets information inputs to create a meaning picture the world. Perceptions can vary widely among individuals expose to the same reality. (Shrestha, 2005 : P.15)

**c) Beliefs & attitudes**

A belief is a person's opinion about something. Beliefs may help shape a consumers attitudes but don't necessarily involve any liking or disliking (Marasini, 2006: P. 32). A person acquires belief and attitude through doing and learning which in turn influence his buying behavior. A belief is a descriptive thought that a person has about something. (Kotler and Armstrong, 2004: P. 196)

**d) Learning's**

Learning's refers to the changes in behavior attitudes and perceptions that result from experience. The stimulus response sequence in the basis for the learned behavior. Learned behavior results from what we do in response to need most buying decisions are the result or experimentation with different responses (Marasani, 2005 : PP. 31-32)

**2.1.10 Models of Consumer Behavior**

Consumer behavior models describe as consumer decision making or consumer choice process. There are five comprehensive model.

- 1) Nicosia model
- 2) Howard sheath model
- 3) Engel-Kollat-Blackwell model
- 4) Sheath family decision model
- 5) Bettman's information processing model

(Neupane, 2000 : PP. 7-8)

**A. Nicosia Model**

This nicosia model was developed by francesco Nicosia. The Nicosia model focuses on the relationship between the firm and it's potential consumers. (Nocosia, 1966 : PP. 156-188)

In the broadest terms the firm communicates with consumers though it's marketing message and consumers communicate with the firm by their purchase responses. Thus the Nicosia model is interactive in design. The firm tries to influence consumers, and the consumers by their actions influence the forum. The Nocosia model is divided into four major fields. (Schiffman and Kaunk, 1993 : PP. 576 - 588)

**Field 1 : The span between the source of a message and the Consumer attitude.**

Sub field : 1 firm's attributes

Sub field : 2 Consumer attributes

**Field 2 : Search evaluation**

The second field of the Nicosia model deals with the search for relevant information and evaluation of the firm's brand in comparison with alternative brands. The out put of this stage is motivation to purchase the firms brand.

**Field -3, The act of purchase**

In the third field, the Consumer motivation towards the firms' brand results in actual purchase of the brand from the specific retailer.

**Field -4, Feedback**

The final field consists of two important types of feedback from the purchase experience.

- i) To the firm in the form of sales data
- ii) To the consumer in the form of experience (Satisfaction or dissatisfaction)

**B. Howard-Sheth Model**

The Howard-Sheth model was developed by John A. Howard and Jagdish N. Sheth in 1969. The theory was developed over a period of time included a 3 year validation test. The Howard-sheth model serves as an integrating framework for a very sophisticated comprehensive theory of consumer behavior (Loudon and Della Bitta, 1993 : P.607). The model is an attempt to describe what occurs between inputs and outputs (Stanton, 1981 : P.120). The model attempts to depict rational brand choice behavior by buyers under conditions incomplete information and limited abilities (Loudon and Della Bitta, 1993 : P. 607). It is a major revision of an earlier systematic effort to develop a comprehensive theory of consumer decision making (Howard and Sheth, 1969: PP. 24-49). This model explicitly distinguishes three stages of decission making (Schiffman and Kanuk, 1993 : P. 578)

**i) Extensive problem solving**

The Consumer knowledge and beliefs about brands are very limited or non-existent. At this initial point, the buyer has no brand preference, and therefore actively seeks information about a number of alternative brands.

**ii) Limited problem solving**

Knowledge and beliefs about brands are only partially established which means that the consumer is not fully able to assess brand differences in order to arrive at a preference. Some comparative brand information is sought, although the choice criteria are likely to be fairly well defined.

**iii) Reutilized response behavior**

The Consumer knowledge and beliefs about brands are well established, and there is enough experience and information to avoid confusion about various brands. The consumer is predisposed to the purchase of one particular brand.

The Howard-Sheth model consists of four major sets of variables (Schiffman and Kanuk. 1993 : pp. 576-588)

**a) Input variables**

The input variables consist of three distinct types of stimuli (information source) in distinct types of stimuli (information source) in the Consumer environment.

- i) Physical brand characteristics (significant stimuli)
- ii) Verbal or Visual product characteristics (Symbolic stimuli)
- iii) Consumer social environment (Family, reference groups, social class).

The marketer in the form of product or brand information furnishes the significant and symbolic stimuli while stimuli in the social environment are provided by the Consumer social environment.

**b) Perceptual and learning constructs**

The Howard-Sheth model consists of psychological variables that are assumed to operate when the consumer is contemplating a decision.

**c) Output variables**

The model indicates a series of outputs that correspond in name to some of the perceptual and learning construct variables (attention, brand comprehension, attitudes, intention) in addition the actual purchase.

**d) Exogenous Variables**

Exogenous variables are not directly part of the decision making process. Relative exogenous variables include the importance of the purchase consumer personality traits', time pressure, and financial status.

**C. Engel-Kollat-Blackwell Model**

Engel, Kollat and Blackwell developed a comprehensive theoretical model that conceives of a person as being a system with outputs (behavior) that respond to inputs in 1968 (Engel-Kollat and Blackwell, 1968 : pp. 22-39).it is also known as Engel-Blackwell-Miniard model since it has gone through numerous revisions and has been contributed to by Miniard in conjunction with Engel and Blakcwell (Loudon and Della Bitta, 1993 : P. 610). It was orginally designed to serve as a framework for organizing the fast growing body of knowledge concerning consumer behavior. The latest version of this comprehensive model consists of four sections (Engel, Blackwell and Miniard, 1990: pp. 40-43).

**a) Decision process stage**

The central focus of the model is on five basic decision process stages.

- i. Problem recognition
- ii. Search
- iii. Alternative evaluation
- iv. Purchase and
- v. Outcomes

**b. Information input**

Feeding into the information processing section of the model is information from marketing and non-marketing sources.

**c. Information processing**

The information processing section of the model consists of the Consumer exposure, attention, comprehensive / perception, yielding / acceptance and retention of incoming marketer-dominated and non marketing information.

**d. Variables influencing the decision process**

The last section of the model consists of individual and environmental influences that affect all five stages of the decision process. Individual characteristics include motives, values, lifestyle, and personality. The social influences are culture, reference groups and family. Situational influences such as Consumer financial condition also influences the decision process.

**D. Sheth Family Decision Making Model**

The Sheth family decision making model considered the family as the appropriate consumer decision making unit and it suggest that joint decision making tends to prevail in families that are middle class, newly married and close Knit, with few prescribed family roles. In terms of product specific factors. It suggest that joint decision making is more prevalent in situation of high perceived risk or uncertainty when the purchase decision is ample time to make a decision (Schiffman and Knauk, 1993 : pp. 571-585)

**E. Bettman's information - processing model of consumer choice**

Bettman's information processing model of consumer choice is developed by James R. Bettman. This model of consumer choice subscribes to a distinctly cognitive and information-processing point of view. Consistent with this perspective, the consumer is portrayed as possessing a limited capacity for processing information. When faced with a choice, the consumer rarely (if ever) undertakes very complex analysis of available alternatives. As suggested by the model, the consumer typically employs simple decision strategies or heuristics. The overview of the bettman model contains its seven basic components. (Schiffman and Kanuk, 1993 : p. 583)

- a) Processing capacity
- b) Motivation
- c) Attention and perceptual encoding
- d) Information acquisition and evaluation



- e) Memory
- f) Decision processes
- g) Consumption and learning processes.

In addition, the model includes, at appropriate points, mechanisms that continually scan the environment, and receive, and respond to interruptions.

#### **F. Sheth-Newman-Gross Model**

The Sheth Newman Gross model of consumption values was developed to explain why consumers make the choice they do. The model concentrates on accessing consumption relevant values why consumers choose to buy or not to buy (or to use or not to use) a specific product. Why consumers choose one product type over another, and to consumer choices involving a full range of product types (consumer non-durables, consumer durables, industrial goods, and services).

The Sheth-Newman-Gross model is rooted in three central propositions.

- a) Consumer choice is a function of a small number of consumption values.
- b) Specific consumption values make differential contributions in any given choice situation.
- c) Different consumption values are independent.

This model of consumer choice behavior identifies the five consumption values, namely: (Schiffman and Kanuk, 1993).

- i. Functional value
- ii. Social value
- iii. Emotional value
- iv. Epistemic value
- v. Conditional value

The five three models (Nicosi model, Howard-Sheth model, and Engel-Kollat-Blackwell model) focus on consumer decision making, on how individual consumers arrive at brand choices. The fourth model deals with family decision making. The fifth model (Bettman's information-processing model) focuses on cognitive aspects of information search and processing and indicates how consumers employ information to arrive at various types of buying decisions. The sixth and final model of consumer behavior (Sheth-Newman-Gross Model) is concerned with consumption values,

especially why consumers choose to buy or not to buy a specific product, specific type of product or a specific brand.

## **2.1.11 Consumer Decision Making Process**

### **2.1.11.1 Decision Making Practice**

Everyday, each of US makes numerous decisions concerning every aspect of our daily lives. However, we generally make this decision without stopping to think about how we make them and what it involved in the particular decision making process itself. In the most general terms a decision is the selection of an option from two or more alter native choice. In other words for a person to make a decision a choice of alternatives must be available when a person has a choice when a person has a choice between making a purchase and not making a purchase, a choice between brand and brand or a choice of spending time doing A or B, that person is in a position to make a decision. (Schiffman & Kanuk, 2004 : pp. 547-548 )

### **Views of consumer decision**

An economic view

An passive view

An cognitive view

An emotional view

(Schiftman & Kanuk, 2004 : pp.550-551)

### **2.1.11.2 Models of Consumer Decision Making**

The model of consumer decision making reflects the cognitive consumers and to some degree, the emotional consumers. The model is designed to the together many of the ideas an consumer decision making and consumption behavior .The model presents three major components input process output. (Schiffman and Kanuk, 2000 : p. 564)

### **Input**

The input component of consumer decision making model draws on external influences that serve as sources of information about a particular product and influence a Consumer product related values, attitudes and behavior. Among these

input factors are the marketing mix activities of organizations and non-marketing socio-cultural influences that affect Consumer purchase decision.

### **Process**

The process component of the model is concerned with how consumers make decision. In this process influence of the psychological concepts are examined. The psychological field represents the internal influences (motivation, perception, learning personality and attitude) that affect Consumer decision making process what they want or need their awareness of various product choices their information gathering activities, and their evaluation of alternatives. As the process component of the overview decision model the act of making a consumer decision.

### **Consists of three stages**

- a) Need reorganization
- b) Pre-purchase search
- c) Evaluation of alternatives

### **Output**

The output portion of the consumer decision making model concerns two closely associated kinds of post decision activity.

- a) Purchase behavior
- b) Post purchase evaluation

(Neupane, 2000 : pp. 15-16)

### **2.1.11.3 Levels of consumer decision making**

We can distinguish three specific levels of consumer decision making.

#### **a) Extensive problem solving**

When consumers have no established criteria for evaluating a product category or specific brands in that category or have not narrowed the number of brands they will consider to a small, manageable subset their decision making efforts can be classified as extensive problem solving.

**b) Limited problem solving**

At this level of problem solving consumers already have established the basic criteria for evaluating the product category and the various brands in the category. However they have not fully established preferences concerned a select group of brands.

**c) Reutilized response behavior**

At this level consumer have experience with the product category and a well established set of criteria with which to evaluate the brand they are considering. In some situations they may search for a small amount of additional information in others. They simply review what they already know (Schiffman & Kanuk, 2004 : P. 549)

**2.1.11.4 Consumer Decision Making Process**

A consumer's decision making process as we makes his choice from among different products is quite complex, A number of factors, Such as the image of the manufactory the price of the product. It's quality its brand name and packing influence his decision as also the choice he makes (Mehta, 1978 : p. 53)

A consumer has to pass through six stages to complex the buying process. These stages are

- a) Need or problem recognition
- b) Search
- c) Evaluation
- d) Purchase
- e) Post purchase evaluations
- f) Product dispositions

(Koirala, K.D, 2060:PP79-83) he problem solving perspectives then, encompasses all types of need satisfying behavior and a wide range of motivating and influencing factors broadly speaking consumer decision making takes the form of following steps. (Neupane, 2000 : P. 17)

**Step 1**

**1) Problem identification**

Consumer purchase decision processes are triggered by unsatisfied wants or needs. Individuals perceive difference between ideal and actual states on some physical or sociological dimension. This motivates them to seek products or services to help during their current state more imbalance with the ideal.

We human beings are instable at least with respect to our socio psychological need but we are limited by time and financial resources. It is impossible for us satisfy all our needs at once. We tend instead to try to satisfy the needs that are strongest at a give time.

### **Step - 2**

#### **2) Information search**

The information search consists of thinking through the situation calling up experience stored in memory for possible later use. The information search consists of thinking through the situation calling up experience stored in memory internal search.

### **Step - 3**

#### **3) Evaluation of alternative**

Consumers are seen as transport safely, prestige speed and carrying capacity some attribute are more important than other so consumers allocate different levels of importance weights to each attribute identified.

### **Step - 4**

#### **The purchase decision**

The purchase decision emerge form the evaluation of alternatives. The consumer may decide not to buy and save the money or spend it on a different item althoer or he may want to play safe by deciding to purchase a small amount you trail purpose or by learning rather than buying.

### **Step - 5**

#### **Outcomes**

Consumers are more likely to develop brand to services than to products because of the difficulty of obtaining and evaluating information about alternative service as well as in some cases the extra cont involved.

## 2.2 Review of Related Studies

Under this segment, previous thesis of Tribhuwan University has been reviewed the unpublished literatures found relevant study are as follows.

**Marasani (2007)** conducted a research study on "behavior of cellular phone in Pokhara city" with the objective of.

1. To identify the major brands of cellular phone available in Pokhara.
2. To analyze the factor-influencing customer's buying behavior.
3. To analyze the main features that a customer want in a cellular phone.
4. To know whether brand choice different by income and profession of cellular have users.
5. To find out the process followed by consumers making buying decision of cellular phone

The research was mainly based on primary data Cellular phone was chosen as the sample product. The sample of the respondents used in this study constitute 200 cellular phone users and 20 cellular phone retailer of Pokhara city. The research findings of the study were follows.

- ) 108 of the total 200 consume use Nokia, 3 use, Samsung, 20 uses Motoral 13 use other brands.
- ) Maximum number of models i.e. 150 of the brand, Nokia, whereas 30 models of Mootorala, 15 of Samsung and 10 of Sony Ericson are available in the market.
- ) Factors more influence whereas age, personality and durability are considered by most of consumers.
- ) All the environmental factors like cultural, social personal and psychological are rated below.
- ) Majority of the cellular phone users are students. (40%), followed by employees (33%), business man (21.5%) and house wires and retailed personnel (5.51)

**Shrestha, B (2005)** conducted a research on "Consumer Behavior with respect to decision making process of motorbike purchase in Kathmandu city with the objective of:

- i) To determine the decision - making process of motorbike owners.
- ii) To determine the factor influencing consumer buying behavior.
- iii) To study the profile of the motor bike owners.

The research was mainly based on primary data. Motor bike users was chosen as the sample product. The sample of the respondents used in this study 50 motor bike buyers of Kathmandu city. The research findings of the study were as follows.

- ) Factor influencing consumer behaviour which as follows. Personal factors 1st rank, social factor 2nd rank cultural factor 3rd rank & psychological factor 4th rank.
- ) Large number of respondents have been found to be the graduate level.
- ) Choice of bike first ranking for price than other choice is 2nd and 3rd like resale value and model.
- ) Attitude of others highly affect the consumers in their buying decision process.

**Neupane A.P (2000)** had conducted entitled "Buying behavior of foreigners in Pokhara: a case study on house hold furniture with other objectives of.

To find out buying behaviors of foreigners with reference to house hold furniture. For this study 100 respondents 50 Indians and 50 foreigners working in INGOs government office, mission who have lived here for more than six months were taken and primary data were collected with the self of structured questionnaire. The major findings of the study were.

1. Nepalese furniture was cheep in comparisons to imported furniture and majority foreigners have low perception about quality of Nepalese furniture in comparison to imported furniture.
  2. Large number of Indian people ha positive perception about the design of Nepalese's furniture.
  3. Foreigners had negative perception about the designs of Nepalese of furniture's.
  4. Foreigners considered Nepalese furniture to be less durable and had poor finishing.
- ) Baniya L.B. (1994) conducted a research study on "A study of buyer behavior in Pokhara with special reference to cross-cultural buying pattern" with the objective of.

- ) To find out the brand pattern and purchase frequency of the clothing and the grocery products for the British-Gurkhas and the local people.
- ) To examine the store name awareness, purchase location and types of stores used by

**Bhandari (2004)** conducted a research study on, "brand preference study on motorbike with reference to Kathmandu city" with the objectives of:

- ) To identify the profiles of customer of specific brand.
- ) To examine the product attributes sought in the motorbike brand.
- ) To access the customers perception on brand preference.

The research was mainly based on primary data. Motorbike was chosen as the sample product. The sample of the respondents used in this study constitutes 120 motorbike riders of Kathmandu city. The research findings of the study were as follows:

- ) Hero Honda brand has found as the most preferred brand, Yamaha as the second, K-Bajaj as the third, others brand as the fourth, Lifan as the fifth and Dayang as the sixth preferred brand respectively.
- ) On the basis of profession, Hero Honda has been most popular except in business category, K. Bajaj has been population in business category.
- ) It was found that brand loyalty exists in the motorbike buyer.
- ) The price factor has been found as the main factor for brand switching.
- ) Hero Honda has been positively perceived in terms of fuel efficiency, resale value and aesthetic looks.
- ) Yamaha has been found having high resale value, high power and moderate looks.
- ) K-Bajaj has been represented by its fuel efficiency, more after sales services and moderate looks.
- ) High power and high aesthetic looks have been found as the strong attributes of Lifan brand. It has been found that Lifan has disadvantage with regard to fuel efficiency and resale value.
- ) Dayang brand of motorbike has been found more positive on its aesthetic looks and finance facility.



**Palungwa (2003)** conducted a research study on, "A study on personal computer buyer behavior" with the objective of:

- ) To analyze the level of buyer awareness about personal computer.
- ) To ascertain brand preference of buyers.
- ) To analyze the purpose of buying personal computer.
- ) To analyze the level of expenditure that a buyer is ready to spend on personal computer.
- ) To provide suitable suggestions.

Fifty respondents were selected from Kathmandu valley. Only those samples were included who had acquired personal computer. Random and convenience sampling method was used in this study. The data were collected through a self-administered questionnaire survey in Kathmandu valley manually at convenient time. The major findings of this study were as follows:

- ) The respondents from Kathmandu valley preferred assembled personal computer than branded personal computer.
- ) One of the important findings was that time efficiency was basic motivating factor for personal computer user.
- ) The respondents had their priority for personal and family use of personal computer.
- ) Respondents were price sensitive; they are dependent on process of purchasing personal computer.
- ) People with higher income and education were the prominent buyer of the personal computer.
- ) The buyers were ready to spend more than thirty-five thousand rupees on a personal computer and were highly conscious of quality of product.

**Baniya (1994)** conducted a research study on, "A study of buyer behavior in Pokhara with special reference to cross- cultural buying pattern" with the objective of:

- ) To find out the brand and purchase frequency of the clothing and the grocery products for the British-Gurkhas and the local people.

- ) To examine the store name awareness, purchase location and types of store used by the British-Gurkhas and the local people for the purchase of clothing and grocery.
- ) To determine the criteria used by the British-Gurkhas and the local people for choosing a particular product, brand, store and their rank of order of importance.
- ) To find out the attitude of the British-Gurkhas and the local people towards bargaining.

One hundred respondents were selected for the study. This study was based on primary data and all the required data were collected from 50 British-Gurkhas and 50 local people. For the statistical analysis, statistical tool such as percentage rank, Spearman's rank correlation coefficient were used. The major findings of his study were:

- ) The purchase frequency of the grocery for the British-Gurkhas and the local people were similar to a large extent.
- ) Majority of British-Gorkha use foreign brands as well as a large number of local people adopt similar approach.
- ) Awareness levels of British-Gurkhas are high on grocery items, but in case of clothing, it was found low in comparison to local people.
- ) As far as the criteria used to choose a product is concerned, quality and price are in the high profile of ranking.
- ) Both British-Gorkha and local people have almost similar attitude towards bargaining.

**Dahal (1994)** conducted a research study on "Patterns of consumer decision making process while purchasing high involvement goods in Nepal" with the objective of:

- ) Pattern of decision making strategies consumers utilize while making purchase of a durable goods.
- ) The level of pre purchase information seeking and their correlates.
- ) Size of the choice set.
- ) Decision making criteria and rules employed in evaluation of alternatives.

The study was based strictly on primary data. All the required information was collected from 300 respondents of Kathmandu district with the help of a structured questionnaire. The analytical tools included the factor analysis, cluster analysis, discriminate analysis and path analysis. The major findings of the study were:

- ) Though not very extensive, the Nepalese buyers undertake information search with greater emphasis upon dealer and interpersonal sources of information.
- ) Sources of information available to Nepalese buyers have five dimension- brochures, test-drive, advertisements, interpersonal source and dealer visit.
- ) Nepalese buyers have rather small-evoked set size for both the makes and model.
- ) Total search effort was positively related with education, but it was negatively related with prior preference for manufacturer and model.

## **CHAPTER - THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology is a way to systematically solve the research problem. It facilitates the research work and provides reliability and validity to it. Research methodology employed in this study is presented below.

#### **3.2 Research Design**

The objective of this study is to examine consumer behavior with reference to decision-making process of personal car purchase in Pokhara city. Descriptive research is widely conducted to solve various marketing problems. Thus a descriptive survey research design is applied for this study. The data are collected through field survey questionnaire to personal car users in Pokhara.

#### **3.3 Population & Sample**

Population consists of total personal car owner in Pokhara city for this study. It includes well-defined number of the personal car owner. Sample are selected of certain number of respondents out of population. Sampling unit for the respondents define in terms of 100 personal car users of various age, group, education, gender profession and income group.

#### **3.4 Nature and Sources of Data**

The data are used in the study are primary in nature as per the requirement of the study. Random sample of 100 personal car users of Pokhara. It has been tried to reveal their behavior and involvement during purchase and making brand choice, loyalty towards the brand, views regarding influencing factors and considerable features.

#### **3.5 Data Collection Procedures**

The data are collected through self-administered questionnaire. are collected at mutually convenient place in Pokhara city. The respondents are supported by oral explanation when they are not capable to understand the questionnaire.

### **3.6 Data Analysis Tools**

For the purpose of the study statistical tools are used statistical tools like percentage, mean, weighted mean, Bar-diagram and pie-charts are used as a data analysis tools.

## CHAPTER - FOUR

### DATA PRESENTATION AND ANALYSIS

This chapter contains two major sections. First section of this contains data presentation and analysis of the data collected from two different categories of respondents i.e. consumer and dealer. Geographical presentation such as pie charts, column diagrams and scatter diagrams are also presented wherever appropriate. The analysis of data is placed underneath the respective tables. The second section of the chapter contains major findings derived from the first section.

The data tables and their analysis derived from the respondents profile, time, duration, types of business and brand types, sources of information, satisfactory level, evaluation of other alternative place wise distribution, influencing factors, involvement in buying process, considerable features and decision making process. Details within the bracket next to the table, titles and figure, titles refer the respective respondent group.

#### 4.1 Respondent Profile

General characteristic of the respondents were observed as follows.

**Table 4.1**  
**Distribution of Respondent by Gender**

Sex	Count	Percent
Male	95	95%
Female	5	5%
Total	100	100%

Table 4.2 shows that out of total 100 respondents, 95 or 95% were male and 5% were female. This shows that maximum numbers of car users were male.

**Figure 4.1**  
**Distribution of Respondent by Sex**

The above Pie chart represents the maximum number of respondent are male.

**Table 4.2**  
**Profession Wise Distribution**

			Which of your current occupation?							Total
			Student	Job holder	Business	Social work	other	Nothing facilities	Associate protenor	
Sex	Male	Number	5	24	61	2	1	1	1	95
		%	100.00%	92.31%	96.83%	66.67%	100.00%	100.00%	100.00%	95.00%
	Female	Number	0	2	2	1	0	0	0	5
		%	0%	7.69%	3.17%	33.33%	0%	0%	0%	5.00%
Total		%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Among the respondent of the car users 61 male have their own business, 24 of the respondents are job holder, 5 are student , 2 of them were social worker, 1 is associate professor and 2 of the respondent have reported that they have not nothing facilities. Similarly among the female 2 have their own business, 2 have their own job and 1 female respondent is involved in social work. While analyzing the data the most of the respondent who have their own business have their own car.

**Table 4.3**  
**Distribution of Respondent by Education**

			Level of Education					Total	
			SLC	Graduate	Intermediate	post Graduate	Above of postgraduate	Under SLC	
Sex	Male	Number	9	24	26	20	13	1	93
		%	90.00%	92.31%	96.30%	100.00%	92.86%	100.00%	94.90%
	Female	Number	1	2	1	0	1	0	5
		%	10.00%	7.69%	3.70%	0%	7.14%	0%	5.10%
Total	%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

During the study period out of 100 respondents only 98 respondents responses about their literacy status, 2 male respondents did not answered during the study period. Among the respondents male are more literate than female respondents out of 93 respondents 26 have intermediate level of education, 24 male have graduate level of education, 20 male have post graduate, 9 male have S.L.C. level qualification, 13 male have above the postgraduate level qualification and 1 male respondent have under S.L.C. level qualification. And among the female S.L.C. (1), Graduate (2), and Intermediate (1) and above postgraduate (1) have academic qualification. Which also shown in the simple bar diagram below.

**Figure 4.2**  
**Distribution of Respondent by Education**

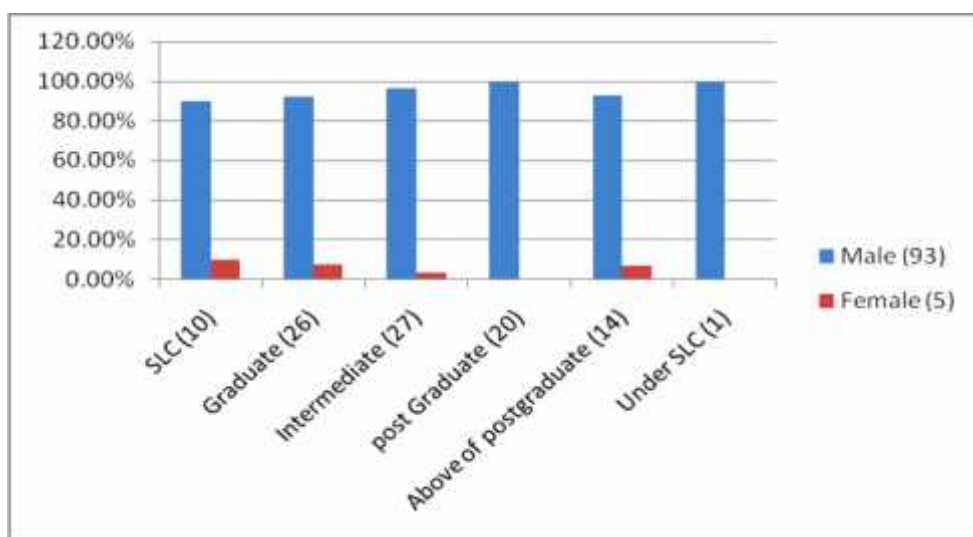


Figure 4.2 describes about education status of the respondents, among the 100 respondents most of the respondents have intermediate level of education, and 26 of



them have graduate level qualification, 20 respondents have post graduate level of qualification, 14 of them have above the post graduate level qualification, 10 of them have S.L.C. level of qualification and 1 customer having car users is under the S.L.C. level of qualification. The education status of female condition is worse while comparing with their male counterparts.

**Table 4.4**  
**Distribution of Respondent by Occupation Status**

	Which of your current occupation?							Total
	Student	Job holder	Business	Social work	other	Nothing facilities	Associate protenor	
Number	5	26	63	3	1	1	1	100
Percentage %	5.00%	26.00%	63.00%	3.00%	1.00%	1.00%	1.00%	100.00%

By occupation status, most of the respondents (63) have their own business, 26 of them were jobholder, 5 students were using the car and 3 of them were involved in social work.

**Figure 4.3**  
**Distribution of Respondent by Occupation Status**

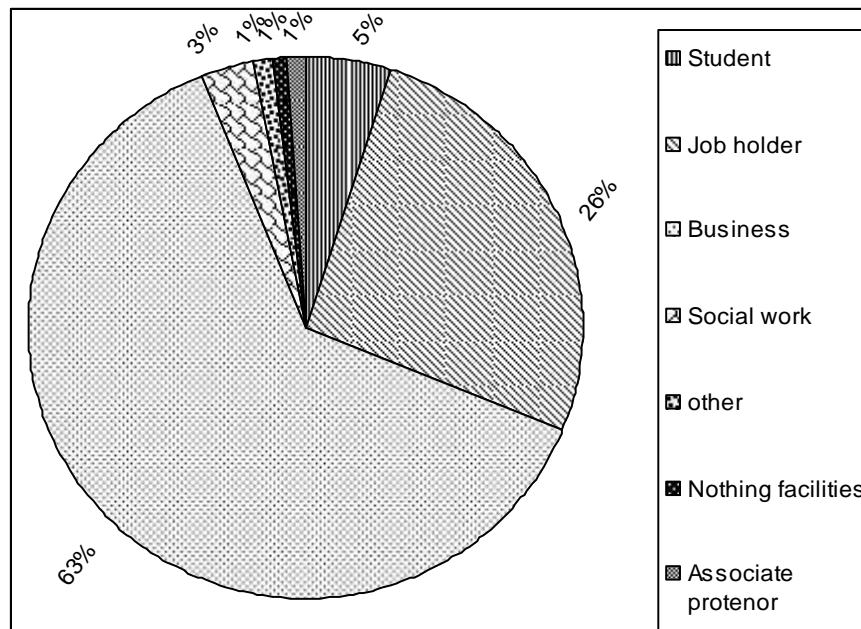


Figure 4.3 shows about occupation status of the respondents of car users in Pokhara valley most of the respondents (63 %) have their own business, 26% of them were jobholder, 5 %students were using the car and 3% of them were involved in

social work and 1% car users have nothing facilities and similarly 1% were associate Protenor and 1% involved in other activities which is not identified during the study.

**Table 4.5**  
**Income Group-wise Distribution**

Income wise distribution of the respondent		
Income Group	Number of respondent	Percentage
Less than 25000	1	1%
25000 to 50000	1	1%
50000 to 100000	56	56%
More than 100000	42	42%

The study shows that most of the respondents 55% monthly income falls between the range of Rs.50000 to Rs.100000, 42% of respondents monthly income falls in more than Rs.100000, 1% respondents months income falls in Rs.25000 to Rs.50000 only the 1% of respondents who were using their own private car have monthly income is less than Rs.25000.

**Figure 4.4**  
**Income and Group-wise Distribution**

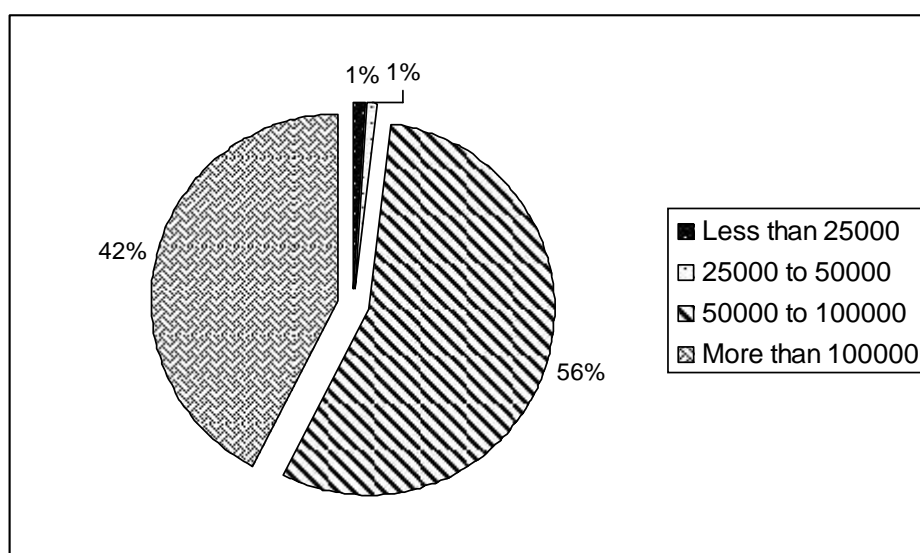


Figure 4.4 shows that the income range of the respondents of private car users in the Pokhara valley, most of the respondents 55% monthly income falls between the range of Rs.50000 to Rs.100000, 42% of respondents monthly income falls in more

than Rs.100000 and only the few number of respondents who were using their own private car have monthly income is Rs.25000 to Rs.50000 and less than Rs.25000.

#### 4.2 Time Duration of Car Change

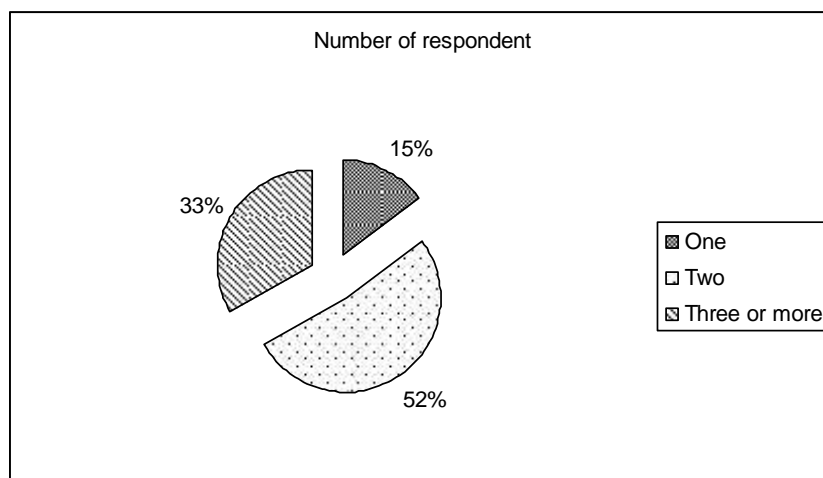
Under this section, time span of the brand used, response requiring change of personal car number of change of personal car and pattern of brand change are shown in detail.

**Table 4.6**  
**Times of Car Change**

Number of times of change	Number of respondent	Percentage
One	8	14.81 %
Two	28	51.85 %
Three or more	18	33.34 %
Total	54	100 %

Table 4.11 shows that 54 respondents has changed their personal car, among them 14.81% have changed first time whereas 51.85% of them were changed their personal car at two times and 33.34% Of them were changed their car three or more than three times. The data of times of car change is also represented in the Pie chart given below.

**Figure: 4.5**  
**Times of Car Change**

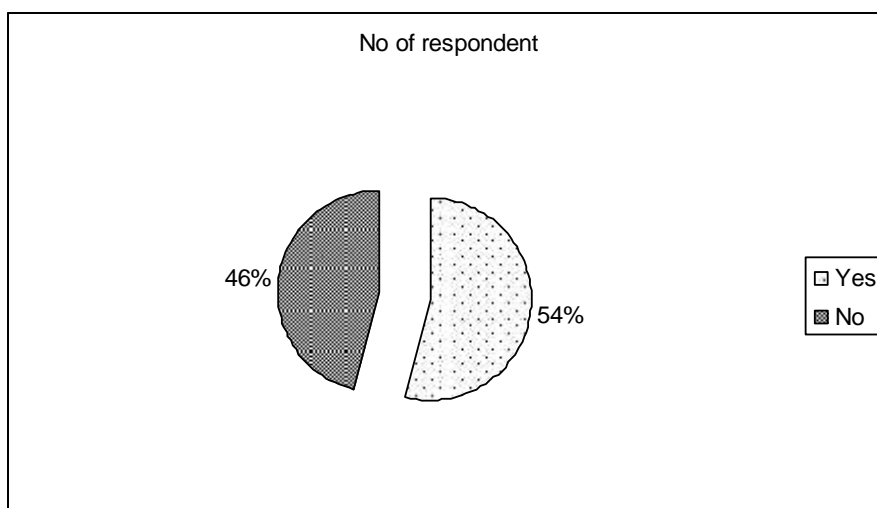


**Table 4.7**  
**Response Regarding Change of Car**

Responses	No of respondent	Percentage
Yes	54	54 %
No	46	46 %
Total	100	100 %

A study show that's 54% of the respondents has changed their car but 46% of the respondents have not changed their personal car. Which is Also shown in the below figure No. 4.6.

**Figure: 4.6**  
**Change of Car Practice**

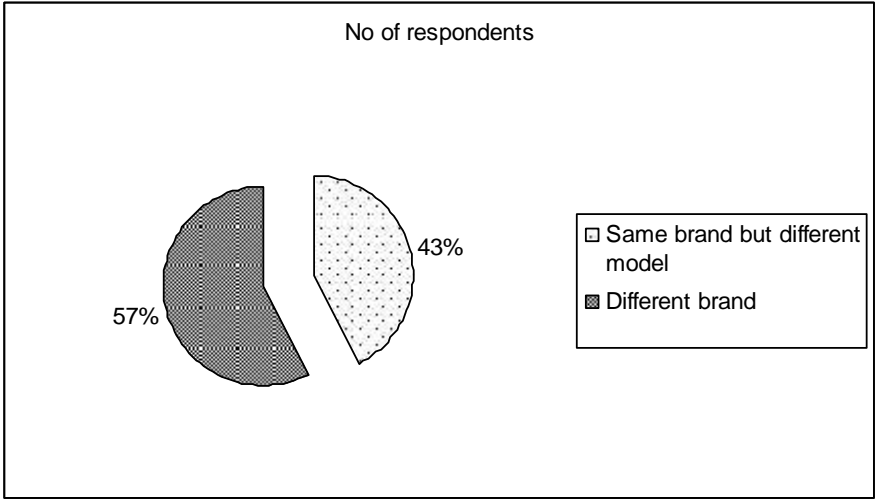


**Table 4.8**  
**Pattern of Brand Change Practice**

Pattern of Brand change	No. of respondents	Percentage
Same brand but different model	23	43 %
Different brand	31	57 %
Total	54	100 %

Among the car changer 57% of their choice was different brand of car and 43% of them were change their car with the same brand but different model. This is also shown in the Pie chart given below.

**Figure 4.7**  
**Responses Regarding Pattern of Brand Change**



**4.3 Brand-wise Use of Car**

Major brand available in the market, various brand used by consumers, number of models of major brands are include in this part.

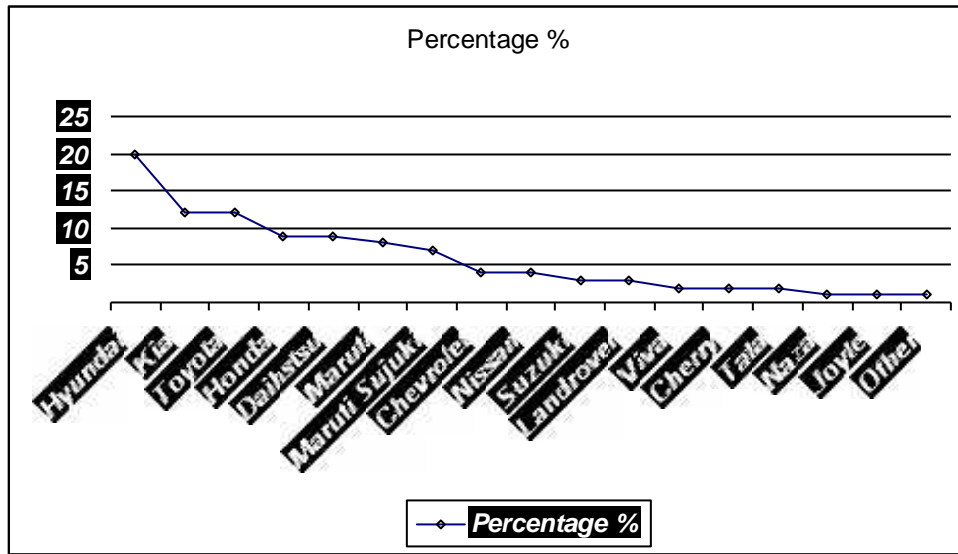
**Table 4.9**  
**Brand Used by Respondent**

S.No	Brand	Frequency	Percentage %
1	Hyundai	20	20
2	Kia	12	12
3	Toyota	12	12
4	Honda	9	9
5	Daihatsu	9	9
6	Maruti	8	8
7	Maruti Suzuki	7	7
8	Chevrolet	4	4
9	Nissan	4	4
10	Suzuki	3	3
11	Land rover	3	3
12	Viva	2	2
13	Cherry	2	2
14	Tata	2	2
15	Naza	1	1
16	Joyte	1	1
17	Other	1	1
	Total	100	100.00%

The study shows that most of the customers of the car users are Hyundai Company, most of the respondent of the study were using Hyundai car, similarly Kia and Toyota Company taking second market in the Pokhara valley, and Honda and Daihatsu company model were taking third market in the pokhara valley, more than this other companies like Maruti, Maruti Suzuki, Chevriiet, Nissan, Suzuki, Land rover, Viva, Cherry, Tata, Naza, Joyte and other companies car also choice of the customer of the Pokhara valley.

**Figure 4.8**

**Graph Distribution of the Brand Choice of the Car Users**



Line graph shows the glimpse of the choice of the car users in the pokhara valley, among the interview of the 100 car users 20 of them were using Hyundai brand, similarly, Kia and Toyota Company(12%) taking second market in the pokhara valley, Honda and Daihatsu company model were taking (9%) third market in the pokhara valley, more than this other companies like Maruti (8%), Maruti Suzuki (7%), Chevrolet (4%), Nissan (4%), Suzuki (3%), Land rover (3%), Viva (2%), Cherry (2%), Tata (2%), Naza (2%), Joyte (1%) and other companies car also choice of the customer of the Pokhara valley.

**4.4 Place-wise Distribution of Car**

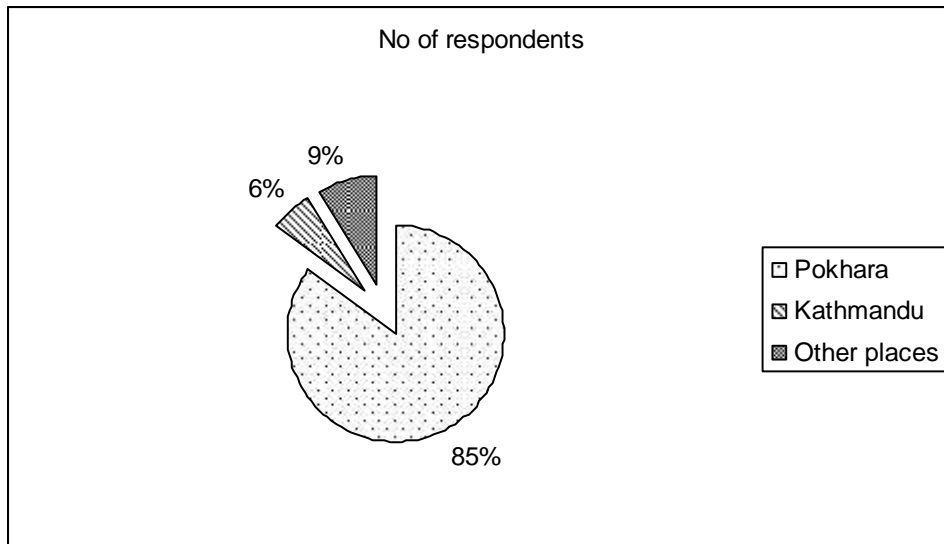
In this part places where personal cars were bought are tabulated and analyze.

**Table 4.10**  
**Distribution on the Basis of Buying Place**

Place	No of respondents	Percentage
Pokhara	85	85 %
Kathmandu	6	6 %
Other places	9	9 %
Total	100	100 %

The above table shows that out of 100 respondents 85 or 85% of the respondents bought their car in Pokhara whereas 6% respondents bought their car from Kathmandu and whereas 9% bought their car outside from the Pokhara valley. This is also shown in the Pie chart below.

**Figure 4.9**  
**Distribution on the Basis of Buying Place**



**Table 4.11**  
**Reason for car Buying out Side Pokhara**

Particulars	Number of respondent	Percent
Price and service center	8	54 %
Friend's show room	2	13 %
Verities of car (Color, Brand, Model)	2	13 %
Installment facility	3	20 %
Total	15	100 %

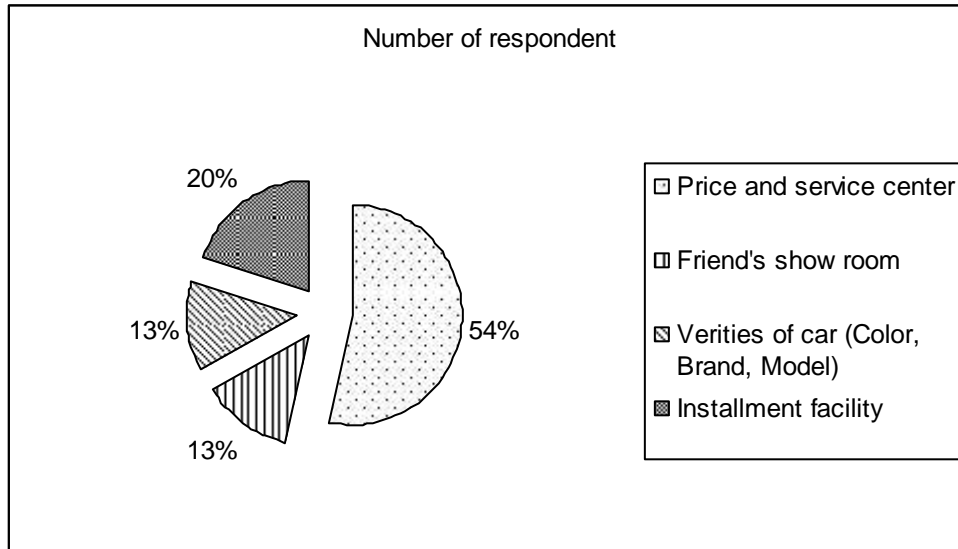
Table 4.14 presents about the reason of buying their personal car outside from the Pokhara valley, among the car buyers outside the Pokhara valley reported that main reason of buying outside from Pokhara is Price and service center which was reported by 54% of the respondents similarly buying outside of the Pokhara valley is also determined by theirs friends and relatives show room some of them were for the choice of the color, Brand and new model and some of them were influenced to buy their car for installment facility. The percentage distribution of the reasons of buying



from the outside from the Pokhara valley is also presented in the pie chart.

**Figure: 4.10**

**Reason for Buying out Side Pokhara**



**4.5 Sources of Information of Different Brand**

Sources of information about the brand and visit a accompaniment during purchase according to consumer included in this section.

**Table 4.12**

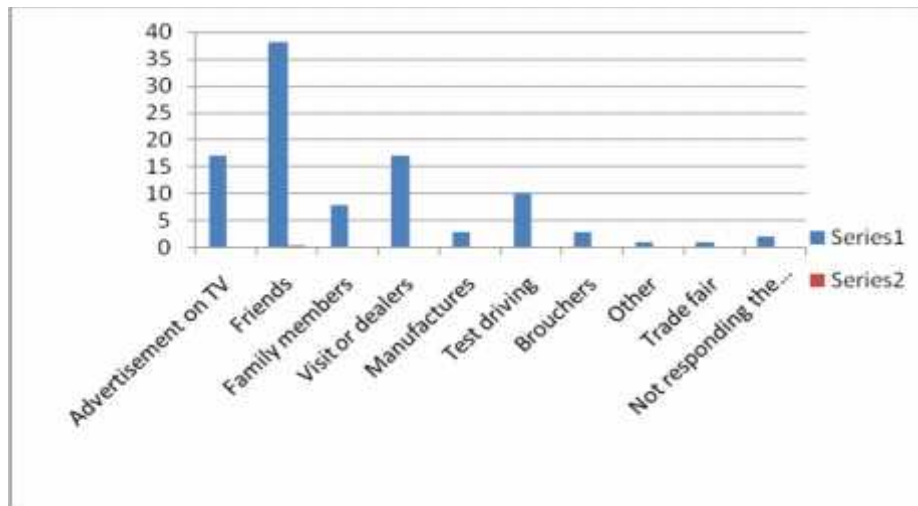
**Sources of Information about Brand**

Particulars	Number of Respondent	Percentage
Advertisement on TV	17	17 %
Friends	38	38 %
Family members	8	8%
Visit or dealers	17	17 %
Manufactures	3	3 %
Test driving	10	10 %
Brushers	3	3 %
Other	1	1 %
Trade fair	1	1 %
Not responding the question	2	2 %
Total	100	100.00%

The data from table 4.15 shows that 38 or 38% of the total respondents got the information from friends 17% of them were influenced from the advertisements which were published in television and news papers. 17% of them were also informed by the Visitors of the dealers 10% of them were informed about the test drive of the car. The data is also presented in the bar graph.

**Figure 4.11**

**Sources of Information about Brand**



**Table 4.13**

**Visit in Stores**

Response	No. of respondents	Percentage %
Alone	25	25
With someone	75	75
Total	100	100

Table 4.9 shows that 100 out of 75 (75%) respondents gone store (show room) with someone while purchasing personal car whereas only 25 (25%) gone to visit stores alone.

#### 4.6 Consumer Satisfaction Status

In this section, satisfactory level of consumers are tabulated and analyzed.

**Table 4.14**

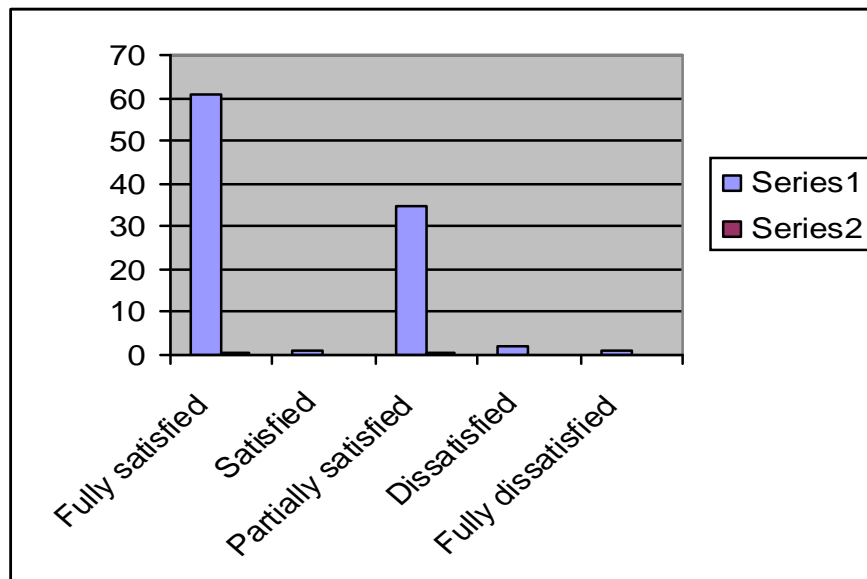
**Satisfaction Status Level Regarding the Brand Users**

Particular	No of respondent	Percentage
Fully satisfied	61	61 %
Satisfied	1	1 %
Partially satisfied	35	35 %
Dissatisfied	2	2 %
Fully dissatisfied	1	1 %
Total	100	100 %

The table 4.16 shows that 61% of the total respondents are found to be fully satisfied with the brand they are using whereas 35% are partially satisfied. The table shows that only 2% of the total respondents are fully dissatisfied with the brand they are using.

**Figure 4.12**

**Satisfaction Status Level Regarding the Brand Users**



#### 4.7 Factors Influencing Brand Choice and its Purchase

This part includes tabulation, analysis, graphical presentation of factors influencing purchase, brand choice, rank wise consideration of factors, risk involved during purchase, environmental factors according to consumers and retailer.

**Table 4.15**

**Factor Influence in Decision Making Buying a Car**

Influence by	Very Strong Influence			Strong Influence			Moderate Influence			Little Influence			No Influence		
	Sex			Sex			Sex			Sex			Sex		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Model	40	3	43	25	1	26	23	1	24	3		3	4		4
	(42.11%)	(60%)	(43.00%)	26.32%	20.00%	26.00%	24.21%	20.0%	24.00%	3.16%		3.00%	4.21%		4.00%
Price	15		15	39	2	41	30		30	11	3	14			
	15.79%		15.00%	41.05%	40.00%	41.00%	31.58%		30.00%	11.58%	60.00%	14.00%			
Income	20		20	31	1	32	30	2	32	10		10	4	2	6
	21.05%		20.00%	32.63%	20.00%	32.00%	31.58%	40.0%	32.00%	10.53%		10.00%	4.21%	40.00%	6.00%
Age	17		17	21	1	22	30		30	20	3	23	7		7
	17.89%		17.17%	22.11%	25.00%	22.22%	31.58%		30.30%	21.05%	75.00%	23.23%	7.37%		7.07%
Personality	13		13	24	1	25	26	2	28	16	1	17	16	1	17
	13.68%		13.00%	25.26%	20.00%	25.00%	27.37%	40.0%	28.00%	16.84%	20.00%	17.00%	16.84%	20.00%	17.00%
Reference Group	28		28	26	2	28	20	2	22	16		16	5	1	6
	29.47%		28.00%	27.37%	40.00%	28.00%	21.05%	40.0%	22.00%	16.84%		16.00%	5.26%	20.00%	6.00%
Functions	7		7	34	2	36	31	2	33	16	1	17	6		6
	7.45%		7.07%	36.17%	40.00%	36.36%	32.98%	40.0%	33.33%	17.02%	20.00%	17.17%	6.38%		6.06%
Durability	17		17	26	1	27	26	1	27	19	2	21	7	1	8
	17.89%		17.00%	27.37%	20.00%	27.00%	27.37%	20.0%	27.00%	20.00%	40.00%	21.00%	7.37%	20.00%	8.00%
Brand reputation	23	1	24	23	1	24	19	1	20	15	1	16	15	1	16
	24.21%	20.0%	24.00%	24.21%	20.00%	24.00%	20.00%	20.0%	20.00%	15.79%	20.00%	16.00%	15.79%	20.00%	16.00%

Study shows that the factor influence indecision making while buying a car, most of the respondent are very strongly influenced by a model of car. ( i.e. 40 male out of 95 respondent which is 42.11% out of total male respondents and 3 female out of 5 which is 60% out of total female respondent are very strongly influenced by a model of car, similarly 25 male respondent and 1 female respondent have strong influence of model, 23 male and 1 female have moderate influence of model of car, 3 male respondent have little influence of model and 4 male respondent have no influence of the model.) Likewise the study shows that decision making while buying a car is also very strongly influenced by their reference group, the customer of the car also influenced by the brand that means the customer are conscious about the brand reputation. The selection of the car is also based on the income level of the customer which shows in the table that 30 male respondents have moderate influence of income and similarly 30 male respondents have strong influence of income which determines the decision making while buying as car. The study also shows that the customer have strong influence of the durability of the car, that means most of the car users wants to have more durable car.

**Table 4.16**  
**Rank-wise Consideration of Factors (Whole Seller)**

Factors	Rank										TR	WV	MV	OR
	1	2	3	4	5	6	7	8	9	10				
Price	5	2	2	1			1				11	26	2.36	1
Looks	2	4		1		3	1				11	39	3.55	2
Luxury			2	2	4	1	1		1		11	56	5.09	6
Credit Facility	1	1	1	2	4	1				1	11	50	4.55	4
Mileage		1	3	1	2	2	2				11	51	4.64	5
Resale Value	2	1	1	3		3				1	11	47	4.27	3
After sales service	1			1	2	1	4	1	1		11	66	6.00	9
Battery backup							1	2	3	5	11	100	9.09	10
Durability	1	1	2	1		1		1	3	1	11	63	5.73	7.5

Easy to handle	1	1	2	1		1		1	3	1	11	63	5.73	7.5
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Where TR- Total response

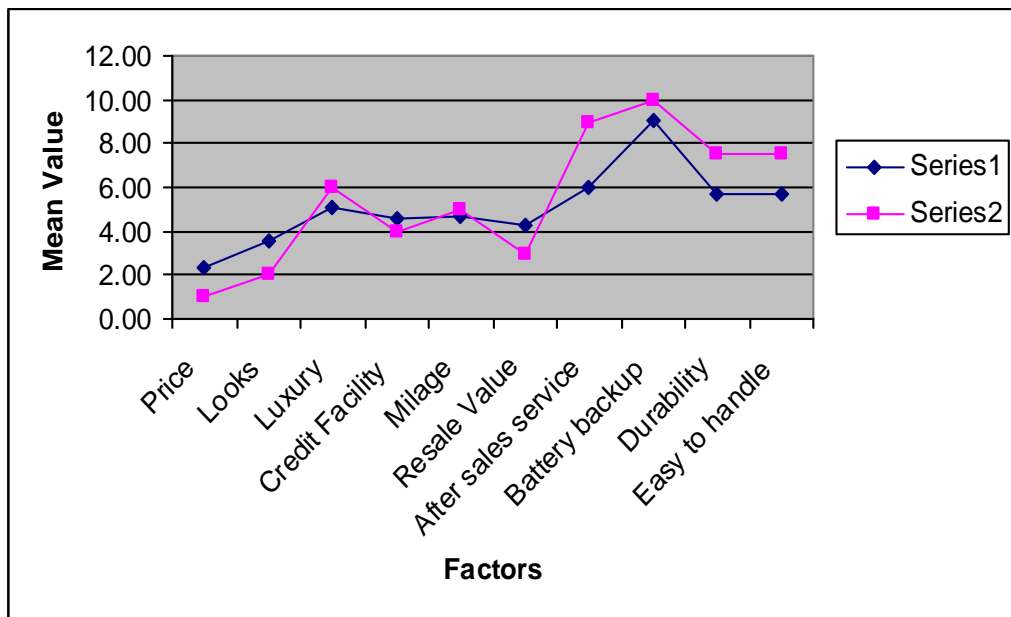
WV- Weighted value

MV- mean value

OR- overall rank

Table 4.23 shows that price and looks are given highest rank whereas after sale service and battery backup are given the lowest rank among the distributor of the car. This shows that the perception of buyer and seller of the car is totally different.

**Figure 4.13**  
**Rank-wise Consideration of Factors**



Where TR- Total response

WV- Weighted value

MV- mean value

OR- overall rank

Series 1 – Mean Value

Series 2 – Overall Rank

Figure 4.17 shows that according to the survey of wholesaler or distributor of the car, price (MV= 2.36) and looks (MV=3.55) are given highest rank whereas after sale service (MV=6) and battery backup (MV= 9.09) are given the lowest rank among the distributor of the car.

**Table 4.17**  
**Rank-wise Distribution of Influencing Factor**

Factors	Rank				TR	WV	MV	OR
	1	2	3	4				
Social	24	40	25	10	99	219	2.21	2
Personal	44	23	23	10	100	199	1.99	1
Cultural	16	16	29	39	100	291	2.91	4
Psychological	15	22	2	41	80	229	2.86	3

Where TR- Total response

WV- Weighted value

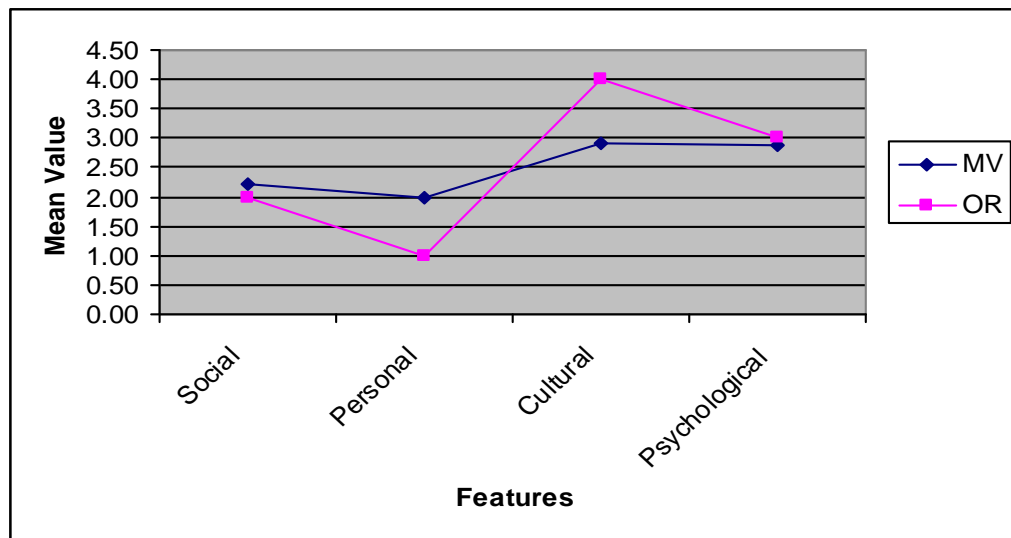
MV- mean value

OR- overall rank

According to the study, the perception of customer of car users their behavior is affected by various social cultural personal and psychological factors. During the study period most of the respondents ranked personal behavior determines the car buying habit, similarly the respondent ranked social factor as a second and psychological and cultural factor takes third and fourth determinants respectively.

**Figure 4.13**  
**Rank -wise Distribution of the Influencing Factor**





The above figure describes about the rank wise distribution of the influencing different factor which were ranked highest as the factors considered in choice of the brand of the car or perception regarding the model of the car.

#### 4.8 Existing Buying Process of Car

This part includes customer involvement, bargaining group extent of bargaining to consumer.

**Table 4.18**

#### **Age Group of Bargainers (Dealer)**

S. N.	Age group of bargainers	No. of Respondents	Percentage %
1	Less than 35 years	2	18.18
2	35 years to 40 years	5	45.45
3	40 to 55 years	4	36.36
4	More than 55 years	0	0
5	Total	11	100

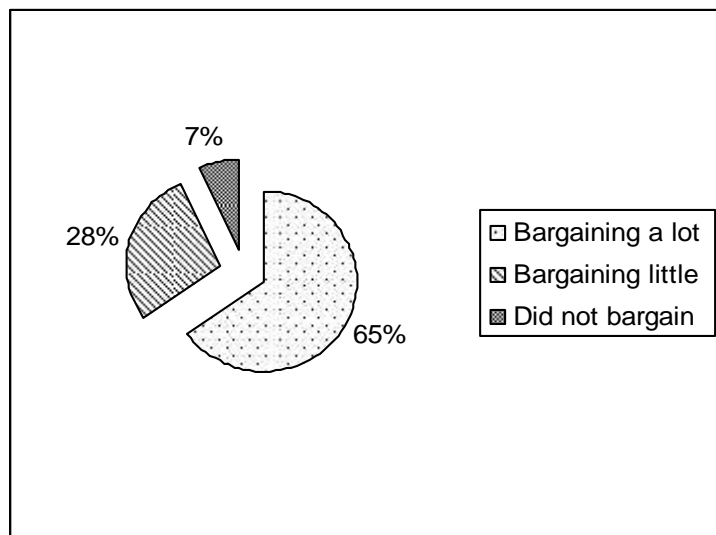
Table 4.5 reveals 5 (45.45%) of the dealer surveyed find most of the bargainers fall into age group 35 years to 40 years, 4 ( 36.36%) of them find they fall into 40 years to 55 and 2 (18.18%) find most of the bargainers fall into less than 35 years.

**Table 4.19**  
**Extent of Bargaining**

Particular	No of respondent	Percentage
Bargaining a lot	65	65 %
Bargaining moderate	28	28 %
Did not bargain	7	7 %
Total	100	100 %

According to the table 4.19, 65% of the respondents bargains a lot during the purchasing time, 28% of the consumers are found moderate type of bargainer whereas 7% of the consumer found that they did not bargain at all.

**Figure 4.14**  
**Extent of Bargaining**



**Table 4.20**  
**Behavior Shown in Buying Process**

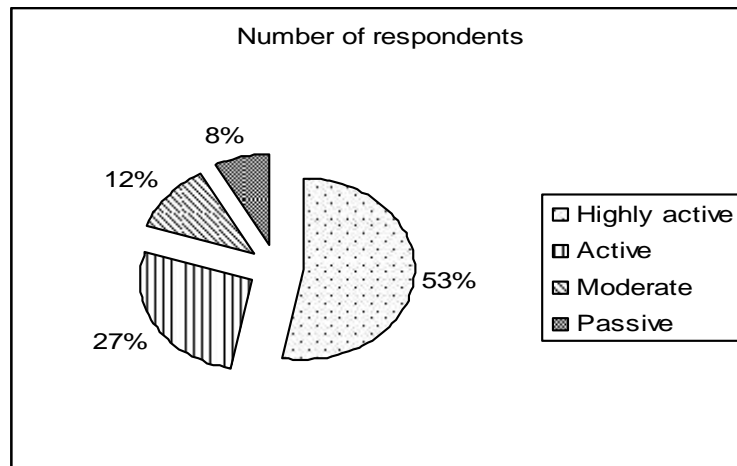
Behavior activities	Number of respondents	Percentage
Highly active	53	53 %

Active	27	27 %
Moderate	12	12 %
Passive	8	8 %
Total	100	100 %

In the survey, response regarding behavioral activities during the purchasing of the car 53% of the respondents were highly active, 27% of them were shown active behavior whereas 12% of them has shown moderate activeness and 8% of the respondents found passive during the purchasing the car.

**Figure 4.15**

**Behavior Shown While Buying**



**4.9 Features Considered during Car Purchase**

In this part personal car features considered during purchase different groups of respondents are tabulated and analyzed.

**Table 4.21**

**Rank-wise Consideration of Factors Causes**

Factors	Rank								TR	WV	MV	OR
	1	2	3	4	5	6	7	8				
Price	17	9	19	15	15	12	5	8	100	398	3.98	3
Resale Value	4	12	10	6	10	17	14	27	100	548	5.48	8
Spare Parts	16	5	9	11	12	11	26	9	99	477	4.82	5
Looks	5	8	9	19	13	16	13	16	99	504	5.09	7
Model	13	16	17	12	11	15	13	13	99	484	4.89	6
Brand	9	6	16	17	12	11	15	13	99	472	4.77	4
Luxury	31	13	12	6	13	12	8	3	98	334	3.41	1
Safety	10	32	9	14	7	9	7	10	98	375	3.83	2

Where TR- Total response

WV- Weighted value

MV- mean value

OR- overall rank

Table 4.22 shows that luxury and safety are given the highest rank where as resale value given the lowest rank. Price, brand, spare parts, model, looks etc features are rated medium which is portrayed in the figure 4.16 below.

**Figure 4.16**  
**Rank-wise Consideration of Factors Causes**

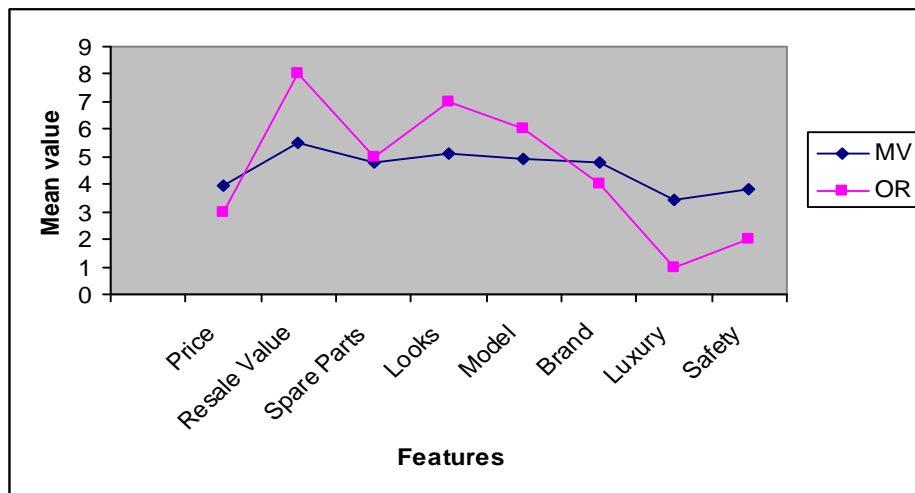


Figure 4.16 shows that customers given priority to the luxury of the car (MV=3.41) and then safety of the car. The third priority is given to the price of the car (MV=3.98) and brand of the car (MV=4.77). Resale value (MV=5.48) is given the least priority by the customers.

#### 4.10 Professional and Income Level Impact on Car Buying

In this part professional and income level impact on car buying are shown in detail.

**Table 4.22**  
**Profession and Income wise Distribution of Respondents**

Profession Job Title	Income Level				Total
	More than 10000	50000 to 100000	25000 to 50000	Less than 25000	
Business	37	26	-	-	63
Jobholder	5	21	-	-	26
Professor	-	-	1	-	1

Student	-	4	-	1	5
Social work	-	3	-	-	3
Nothing facilities	-	1	-	-	1
Total	42	55	1	1	99

Table 4.22 shows that Respondent whose income falls into more than 100000 car users are 37 businessman,5 were job holder .whose income level falls into 50000 to 100000 car users are businessman 26, jobholder 21, student,4 and social worker 3, similarly whose income level falls into 25000 to 50000 car users are student 1,it shows that higher income is one of the factor of using personal car.

#### 4.11 Car Decision Making Process

This part includes responses regarding decision making process.

**Table 4.23**

##### **Steps of Consumer Decision Making Process**

Activities		Yes	No	Partiality	Total
Need Recognition	Respondent	70	13	15	98
	%	71.13 %	13.27 %	15.31 %	100 %
Search for Information	Respondent	50	27	20	97
	%	51.55 %	27.84 %	20.62 %	100 %
Evaluation for alternatives	Respondent	53	18	29	100
	%	53 %	18 %	29 %	100 %
Purchase	Respondent	61	18	19	98
	%	62.24 %	18.37 %	19.39 %	100 %
Post education	Respondent	31	22	43	96
	%	32.92 %	22.92 %	44.79 %	100 %

The table presents that, 70 or 71.13% followed need recognition step, 15 or 15.31% partially followed it and 13 or 13.27% did not follow it. 50 no. of respondent or 51.55% followed search for information step while 20 or 20.62% partially followed it. 53 or 53% evaluated the alternative while 18% did not follow it. 61 respondents

followed the purchase stem while 18 respondents did not follow it. Post purchase evaluation is followed by 31 or 32.62% of respondents while 22 or 22.92% of respondent did not follow it.

#### **4.11 Major Findings**

Major findings of the study derived from data analysis are mentioned below:

1. Out of total 100 respondents, 95 or, 95% were male and 5 or 5% are female. Maximum number of car users are male.
2. Out of 93 respondent 26 have intermediate level of education, 24 male have graduate level of education, 20 male have post graduate, 9 male have S.L.C. level qualification.
3. Out of 100 respondents 63 have their own business 26 of them were jobholder 5 student were using the card and 3 of them were involved in social worker.
4. Out of 98 or 55% most of the respondent income level for in 5000 to 100000. Only 42% respondent income level feels in more than 100000.
5. Out of 100, 5% respondent has changed car two times but 33% respondent change their car three or more time.
6. Among 100 respondent 57% of their choice was different brand of car and 43% of them were change their car with same brand but different mode.
7. 100 out of 20 consumer use Hundai brand car, 12 Kai and Toyata, 9 use Honda and Daihatsu and other consumer use Maruti, Maruti Suzuki brand. Similarly other companies car also choice of the consumers of the Pokhara valley.
8. Out of 100 respondent 85 were bought their car in Pokhara whereas 6 were bought their car form Kathmandu and 9 were bought their car out side from Pokhara valley.
9. Out of total respondent 38 got information about car from friend 17 of them were influenced from the advertisement. Other got information from different sources.
10. 100 out of 75% gone stores with some one while purchasing personal car whereas only 25% gone to visit stores alone.

11. Consumer survey shows that total respondents 100 out of 61% of them are found to be fully satisfied with the brand they are using whereas 35% are partially satisfied and 2% were dissatisfied with the brand they are using.
12. Factor like model, brand repetition price in car and personality are considered by majority of the dealer to have more influence whereas function, durability and age are considered by most of them to have little or no influence during personal car buying.
13. Rank wise consideration factors (Whole sellers) shows price and looks are given after sale service and battery back up are given the lowest rank among the distributor of the car.
14. During the study period most of the respondents ranked personal behaviour determines the car buying habit.
15. Out of 5 Respondents Dealer surveyed find most of the bargainers full into age group 35 years to 40 years.
16. 100 out of 65 Respondents bargains on lot during the purchase time. Whereas 7 respondents. Only found that they did not bargain at all.
17. According to study Rank wise consideration shows that luxury and safety are given the highest rank where as. Resale value given the lowest rank, price, brand, spare ponds, model, looks etc. Features are rated medium.
18. Respondents that 70 or 71.13% followed need reorganization steps. 15 or 15.31% partially followed if in and 13 and 13.27% did not follow. 50 respondents followed search for information step. 53 respondents evaluate the alternative evaluation. 61% respondents followed the purchase steps and 31% evaluated the post purchase evaluation.
19. Survey of consumer profession and income wise distribution of Respondents shows that most of the respondents who were business man having higher income level more than 100000. It shows that higher income is the one of the factor of using personal car.



## **CHAPTER - FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATION**

This chapter includes three sections: summary, conclusion and recommendation. The first section includes the summary of whole research work, the second section include the conclusion derived from the major findings from the previous chapter and the third section includes the recommendation to the trading agents, whole seller of show room and potential manufacturers.

#### **5.1 Summary**

The business environment now a days is complex and highly competitive. TU achieve success in this dynamic and rapidly changing every possible information about consumers. Consumer behavior helps an organization in efficient use of marketing resources, location of new marketing opportunities, selection of market segments, product positioning market research and improvement of marketing strategy. Therefore, study of consumer behavior is important by successful operation and long term survival of the business firm.

In Nepal there is no any auto ways company, but cars an auto are export from different countries like India, Japan, Chinese, Korean Co. car, American production, Malaysia. In focusing the history of auto export and selling in Nepal have not found actual data. At present there are 7000 personal care users in Pokhara city Toyota cars. are also available here in Pokhara.

In this study, specific problems like what are the major brands available in Pokhara, buying behavior, main feature that a customers want in personal car, do the brand choice differ by income and profession of personal car users and what process consumers follow for making decision of personal care were revealed for solving these problems. Certain objectives were set and an attempt was made to identify the major brands available in the market find out the behavior of personal car users of Pokhara, influencing factor, features considered, effect of income profession and personality in brand choices and process followed by consumers during purchase.

For this study, descriptive research design was used to tabulate analyze and interpret, the primary data collected from the fields survey the collected data were processed first by hand and using the SPSS and spread sheet and interpreted by using cross tabulation, ranking and other statistical methods like percentage, comparison, weighted mean, charts etc.

After the presentation and analysis of collected data, it was found the major brands of personal car available in Pokhara valley are: Hyundai, Maruti, Suzuki, Kia, Honda, Toyota, Diahatsu, Hyundai are the most popular brand among the users either as the primary choice. Factors such as income profession, price model reference group function and brand reputation influence customers buying behavior whereas personality of a person is negligible customers look for features like model, looks, value, luxury, safety, spare parts available model and price to operate in their personal car.

## **5.2 Conclusions**

Hyundai seems to be the most popular brand of the personal car among the users followed by Maruti, Suzuki, Toyota and Honda. Some of them have been found to be using other brands that are not easily available in the market like Landrover Maruti, Suzuki, Toyota and Honda are also the brand of second preference of the most of the users beside the brand they are using at present.

Most of the personal care user are male in Pokhara city. Both consumers and dealer consider factors like price, brand, model, look, resale value luxury and safety. While purchasing and making brand choice. Whereas factors like age and personality of a person and spare parts available of a personal car are neglected.

Visiting dealer and advertisement on T.V and friends are the main sources of information about the brand for the users. However, the advertisements on T.V. is the chief motivator for purchasing a certain brand. Most of the personal car user customers visit stores with friends and family members as it would be easier to make right decision regarding purchase and brand choice. Evaluating criteria like price, looks, mileage and resale value to aperies are considered most by majority of the

customers whereas other features evaluating criteria like, credit facility and warranty are not seriously taken by most of customers.

The Large numbers of the personal car users are educated people up to graduate level. Jobholder and business men use personal car because of monthly income of more than 50000.

Most of the dealers do not sell more than one brand. All the steps of decision making process such as need recognition, search for information evaluation of alternatives, purchase and post purchase evaluation were followed by most of the consumers while making decision regarding purchase.

More than 92% users buy their personal car in Pokhara whereas the rest buy them from Kathmandu. Large numbers of customers are highly involved during purchase and they bargain a lot. Most of the bargainers are between 40 years and 55 years.

The personal car buyers are highly involved when they buy a personal car time of personal car change by users are very rare. Most of personal car user fill less risk is involved to use of personal car.

Personal car has become the best means of transportation in comparison of other vehicle as it is need for business work, economic save time and easy to handle and easy to ride in crowded streets.

Consideration factor of buying decision like situational factors, status on society attitudes of others, family member pressure choice of them. Situational factors is most influencing the customers.

### **5.3 Recommendation**

As this is the study about making the buying behavior at decision making process of personal car customers in Pokhara. It will be of great significant to trading agents, Dealers, manufactures and research students. So, based on the conclusion drawn from the major findings of the study, following recommendations have been forwarded to the trading agents, dealer and potential manufactures.

- ) Hyundai brand seems to the most popular brand of personal car among the users either as a primary choice. So trading co. agents dealer are recommended

to focus on this brand and provides as many models as possible in the market of Pokhara meet the demand of prospective customers.

- ) Model, brand reputation and price are the most considered factors influencing purchase and brand choice of personal car. Therefore, potential manufacturers are recommended to manufacture personal car lower price and attractive models.
- ) The study has found that Nepalese buyers mostly use friends as recommendation so, it is suggested to provide good after-sale service to its buyers so that they can exchange their satisfaction level with the potential consumers.
- ) If a dealer is planning to launch new model of personal car than, he may use exhibition local TV channel for advertising and informing potential customers highlighting features, and mileage if possible price ranges. Income and profession of a person also a major factor influencing manufacturer dealer and show room agent are suggested to make promotional campaigns and other activities targeting different income and profession groups. So that it will be easier to capture high market personal car, potential buyer of personal.
- ) Large numbers of personal car customer are found to be wasting time in bargaining. Therefore dealer are suggested to practice fixed price policy with reasonable amount of profit so that time be saved.
- ) The most of native buying age group is 35 to 40 years company can launch different types of car for other different age group with suitable functions.

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### **Search Web**

[www.google.com](http://www.google.com)



**Appendix I**  
**Survey on Personal Car Seller**

**Buying Behavior with Reference to Decision making Process of personal car  
purchase in Pokhara City  
(Questionnaires for Dealers)**

Dear sir/madam,

I would like to inform you that this research has been done for the partial fulfillment of the requirement for master's Degree in Business studies (MBS). The aim of this research is to find out the buying behavior of personal customers in Pokhara. Therefore you are kindly requested to fill up the following Questionnaires as it would be of great help in completing the research work. Thank You

Bhagawati Kumari Sharma  
MBS faculty of Management  
Prithvi Narayan Campus, Pokhara.  
24<sup>th</sup> Falgun 2066

1. Name of the Dealer  
Proprietor :-  
Education :-  
Age :-
2. Location  
Date of Establishment :-
3. Type of Business ( please put a tick mark )
  - a. Car and parts of car only
  - b. Car and types of jeeps
  - c. Car and other items only
  - d. Car and different types of vehicles
  - e. If other specify.....

4. For how long have you been selling personal car? ( Please tick )

- |                       |                |
|-----------------------|----------------|
| a. less than one year | b. one year    |
| c. two years          | d. three years |
| e. four years         | f. five year   |

How many types of brands of car do you sell?

- a less than 5 types
- b 5 types
- c 5 to 10 types
- d More than 10 types

5. What are the major brands that you sell? ( please tick out )

- |                 |                                |
|-----------------|--------------------------------|
| a Maruti        | h. Cherry                      |
| b Maruti Suzuki | i. Toyota                      |
| c Hyundai       | j. Nissan                      |
| d Kia           | k. Daihatsu                    |
| e Chevrolet     | l. Suzuki                      |
| f. Viva         | m. Landrover                   |
| o. Naza         | n. if any please specify ..... |

6. How many models of major brands of car are available in the market, Please indicate.

- |                  |                        |
|------------------|------------------------|
| a Maruti         | h. Cherry              |
| b Marut i Suzuki | i. Toyota              |
| c Hyundai        | j. Nissan              |
| d Kia            | k. Daihatsu            |
| e Chevrolet      | l. Suzuki              |
| f Viva           | m. Landrover           |
| g Nazda          | n. if other specify... |

7. Generally, to what age group does most of your personal car customers fall into?

(please rank 1 to 4 on the basis of priority )

- a less than 35 years

- b 35 years to 40 years
- c 40 years to 55 years
- d More than 55 years

8. Generally; what features do most customers look for while buying a personal car?  
(please rank from 1 to 10 on the basis of importance ).

S.N	Feature	Rank
1.	Price	
2.	Looks	
3.	Warranty	
4.	Credit facility	
5.	Mileage	
6.	Resale value	
7.	After sale service	
8.	Battery back up	
9.	Durability	
10.	Easy to handle	

9. Which brand does most of your customers look for while buying a personal car?  
Please specify it

.....

10. Up to what amount would most of your customer prefer spending while buying a personal car? (please tick one )

- a. Rs. 10,00000 - Rs. 15,00000
- b. Rs. 1500000 - Rs. 3500000
- c. Rs. 3500000 - Rs. 4500000
- d. Rs. 4500000 - Rs. 80,0000
- e. Above Rs. 80,0000

11. how many %(percentage) of sales, budget allocate for promotion expenses?

- a. 1%
- b. 2%
- c. 5%
- d. more than 5%

12. What is your opinion among the following are the most influencing factors while buying a personal car? (Please tick according to the relative importance)

Factors	Very strong influence	Strong influence	Moderate Influence	Little Influence	No influence
Model					
Price					
Income					
Age					
Personality					
Reference group					
Functions					
Mileage					
Durability					
Brand reputation					

13. To what extent do most of your personal car users / customer bargain? Please tick on the scale ranging from high.

High

Moderate

Low

14. To what age group do most bargainers fall into (please tick)

- a. less than 35 years
- b. 35 years to 40 years
- c. 40 years to 55 years
- d. More than 55 years

15. Most of the personal car users visit store with

- a. Alone
- b. With family
- c. With friends

d. If other specify.....

16. Personality of a person also affects the choice of brand of a personal car
- a. Strongly agree
  - b. Agree
  - c. Disagree
  - d. Strongly disagree
17. In your opinion; where do most of your customers get information about a certain brand?
- a. Advertisement on TV
  - b. Hooding boards
  - c. Magazines
  - d. Exhibition
  - e. If other, specify
18. Which brand and model would you refer to people of different status?

<b>Status</b>	<b>Brand</b>
High	
Medium	
Low	

Thank you for your co operation

**Appendix - 2**  
**A SURVEY ON PERSONAL CAR BUYERS**

Dear Sir/ Madam

I would like to inform you this research has been done for the partial fulfillment of the requirement for master's degree in business studies (MBS) the aim of this research is to find out the buying behavior of personal car customers in Pokhara. Therefore you are kindly requested to fill up the following Questionnaires as it would be of great help in completing the research work.

Thank you

Bhagwati Kumari Sharma

MBS faculty of management

Prithvi Narayan Campus

1. Consumer Profile

- a. Name
- b. Address
- c. Sex    Male  
              Female

2. When did you start using a personal car?

Answer:- .....

3. Which brand of car do you have?

- |                  |                     |
|------------------|---------------------|
| a. Maruti        | i. Toyota           |
| b. Maruti Suzuki | j. Nissan           |
| c. Hyundai       | K. Diahatsu         |
| d. Kia           | l. Suzuki           |
| e. Chevorlet     | m. Landrover        |
| f. Viva          | n. if other specify |
| g. Nazda         |                     |
| h. Cherry        |                     |

4. Why do you refer in comparison to other vehicles?

- |                     |                  |
|---------------------|------------------|
| a. it is economical | c. it saves time |
|---------------------|------------------|

- b. it is easy to handle
  - d. easy movement in crowded street
5. What is the purpose of your car driving?
- a. traveling
  - c. status
  - b. pleasure
  - d. interest
6. For how long have you been using this brand?
- a. less than one year
  - c. two years
  - b. one year
  - d. five or more years.

Section B:- Consumer search Behavior

1. Where do you buy your personal car?
- a. In Pokhara
  - b. Outside Pokhara
2. If outside Pokhara; where & why did you buy it.
3. From where did you get information about brand you have now?
- a. Advertisement on TV.
  - e. Manufactures
  - b. Friends
  - f. Test driving
  - c. Family members
  - g. Brochures
  - d. Visit to dealers
  - h. if other specify

Section C:- Alternative Evaluation

1. To what extent are you satisfied with the brand you are using
- a. Fully satisfied
  - c. Dissatisfied
  - b. Partially satisfied
  - d. fully dissatisfied
2. The list of below. Please check the criteria you used while evaluating different models of car.
- a. Price
  - d. Resale value
  - b. Looks
  - e. Warranty
  - c. Mileage
  - f. Credit facility
3. Have you changed your car during this period
- a. Yes
  - b. No
4. What factors influenced you most to buy the brand you have now? Please tick accordingly to the relative importance

S. No	Factors	Very strong influence	Strong influence	Moderate influence	Little influence	No influence
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1	Model					
2	Price					
3	Income					
4	Age					
5	Personality group					
6	Reference					
7	Functions					
8	Durability					
9	Brand reputation					

5. Please check the factors that influenced you in your choice of the car you bought.

Max

Min

1

2

3

4

- a. Social factors :- Friends, family, neighbor
- b. Personal factors :- Interest, occupation, lifestyle
- c. Cultural factors :- Nationality, religion, social class
- d. Psychological factors :- Recognition, belongings, beliefs

Section :- D Consumer choice process

1. What are the factors influencing your buying decision? Please rank the factors.

1 to 6

Max

Minimum

1

2

3

4

5

6

- a. Price
- b. Model
- c. Spare parts available
- d. Brand
- e. Looks
- f. Resale va

2. To what degree do the factors effect in your buying decision?

- a. Situational factors
- b. Status in Society
- c. Attitude of others
- d. Family member pressure

3. Did you go alone or with some one you knew when you want to buy a car?
  - a. Alone
  - b. With someone
4. Why have you chosen to go with someone you know?
  - a. To help deciding which car to buy
  - b. To get discount from the dealer
  - c. To get his/her help in inspecting different models
  - d. To make sure I make the right decision.
5. To which income group does your monthly income fall into? Please tick into
 

e. Less than 25000	Rs. 50000 to 100000
f. Rs 25000 to 50000	More than 100000
5. Please check the category representing the highest level of education
 

a. SLC	d. Post Graduate
b. Graduate	e. or above
c. Intermediate	
6. Which of your current occupation
 

a. Student	d. Social work
b. Job holder	e. Specify if other
c. Business	

Section :- E Post Ecquisition Process

1. How well are you satisfied with your car? Brand?
  - a. Yes
  - b. No

If yes, what are the facilities available in your present brand of personal car?

- a.....
- b.....
- c.....
- d.....

If no, what extra facilities would you suggest to add in the present car brand you have?

- a.....
- b.....



		c. social class					
2.	Social factors	a. reference group b. family c. roles & status					
3.	Personal factors	a. age & lifecycle stage b. occupation c. economic situation d. life style concept e. personality & self					
4.	Psychological	a. motivation b. perception c. learning d. beliefs and attitude					
5	Information & communication						

8. Please suggest which brand would you recommend other to buy and why?

.....

Thank you for your co operation

## **List of Dealers**

	<b>Dealer Name</b>	<b>Show Room Place</b>
1.	Sipradi Trading Pvt. Ltd.	Nayabazar - 8, Pokhara
2.	Gandaki Trade Home	Nayabazer - 8, Pokhara
3.	Amees Traders Pvt. Ltd.	Nayabazer - 8, Pokhara
4.	Kunwar & Sons	Nayabazer - 8, Pokhara
5.	Nagarjun Automobiles Pvt. Ltd.	Nayabazer - 8, Pokhara
6.	A and D Auto House	Nayabazer - 8, Pokhara
7.	Jonchhen Traders	Prithvi Chowk, Pokhara
8.	Naza Show Room	Nayabazer - 8, Pokhara
9.	Himalayan Auto World	Nayabazer - 8, Pokhara
10.	Auto Ways	Nayabazer - 8, Pokhara
11.	Batas Brothers	Nayabazer - 8, Pokhara

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