

# Assessment of Brand Preference of Customers Towards Motorcycles (A Case Study of Dhangadhi Municipality)

## **A Thesis**

### **Submitted By**

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### **Submitted to:**

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Tribhuvan University

*In partial fulfillment of the requirement for the  
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*March, 2012*



# KAILALI MULTIPLE CAMPUS

*Dhangadhi, Kailali, Nepal*

(Estd : 1980)

(Affiliation : Tribhuvan University & Higher Secondary Education Board)

D.No : .....

Ref No. ....

## RECOMMENDATION

This is to certify that the thesis  
Submitted by

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Entitled:

**Assessment of Brand Preference of Customers Towards Motorcycles  
(A Case Study of Dhangadhi Municipality),**

has been prepared as approved by this department in the prescribed  
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## VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

**Tek Raj Joshi**

Entitled:

**Assessment of Brand Preference of Customers Towards Motorcycles  
(A Case Study of Dhangadhi Municipality)**

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement of Master Degree of Business Studies (MBS).

### Viva Voce Committee

Head of Research Department .....

Member (Thesis Supervisor) .....

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Date .....

# DECLARATION

I hereby declare that the thesis entitled “*Assessment of Brand Preference of Customers Towards Motorcycles (A Case Study of Dhangadhi Municipality)*” submitted to the Kailali Multiple Campus, faculty of Management, Tribhuvan University is my work, which is prepared as the partial fulfillment of the requirement of the Degree of Masters in Business studies (M.B.S.) under the supervision of **Mr. Padma Kanta Joshi**, Associate Professor of Kailali Multiple Campus.

.....

**Tek Raj Joshi**  
**Researcher**

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.....

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# CHAPTER I

## INTRODUCTION

### 1.1 General Background

Now a days customer as king because customer has the purchasing power and no force can compel him to buy a particular product or service with out his inner desire and preference. Customer has full freedom to spend on the products or services according to his choice and preference. Customers' likes, preference, attitudes, opinions etc. have been respected in the production program and marketing activities.

Aim of marketing is delivery of rising standard of living. It must serve customer's demand by offering right goods and services in right quantity, at right place as well as price, to right customer. It aims at creating, capturing and maintaining demand through appropriate marketing mix. In general term, marketing is selling through advertising; however, selling and advertising are parts of marketing. Marketing helps organization to find out what their customer want. It also helps to decide what products to make it are carried on long even after the customer has brought the products. Consumer need satisfaction is the key things for success or failure of any new product of the market.

Being a agricultural country, Nepal is gradually shifting form the agricultural to industrial sector for sustaining its economic life. Past experiences of the country have signaled that is cannot bring any significant positive change in its economy depending solely on agriculture. As a result, industrial activities

are gradually increasing in the country. Number of units of different types of industry has been significantly increased in the last few years basically in noodles industry. A production is the prime activity of each and every industry and successful marketing is an instrumental to achieve the ultimate goal. But successful marketing of a product today is a tough job. Any product, to be successfully marketed needs many things more than the core quality immanent into it. Core quality or core products alone are not sufficient for successful marketing therefore the products should be presented through proper branding, packaging and labeling. Almost all of the products today have got brand, that is to say, brand is prominent feature of almost products. In the modern business world brand has become so strong that hardly anything goes unbranded. Even salt is packaged in distinctive manufactures packages. Developing decision is the major issue in product strategy. A brand is essential a seller's promise to consistently deliver a specific set of features, benefits and services to the buyers. Warranty of quality is secured by the best brand.

Brands show a discrepancy in the amount of power and value they have in the market place. At one extreme, there are brands, which are not known by most buyers in the market place. Then there are brands for which buyers have a high degree of brand awareness. Beyond this, there are brands with high degree acceptability, in other words, brands that most customers would not resist buying. Then, there are brands that enjoy a high degree of brand preference. The marketing management is the growing interest of all types of organizations within and outside the business sector and in countries.

Industrialization has become the main stream of contemporary economic life and business life. It is considered as the pious symbol of economic growth and

prosperity. Marketing plays a very significant role in accelerating the pace of industrialization, which in turn, aims at making the economy developed and strong. In this connection, it is significant to note that marketing is the most important multiplier of economic development. Marketing is a primarily related with creating value for customers and a return for the company. The marketer seeks to understand which factor motivates customers to buy more or pay more. Why the customers might prefer the particular brand to those of competitors' brand should be know by the marketer.

Developing a marketing strategy for individual product, the marketer has to confront the branding decision. Branding is the major issue in product strategy. A brand is essential because a seller promise to consistently deliver a specific set of features, benefits, and services to the buyers. The best brand conveys a warranty of quality. Almost all the products today have got brand name. Each and every marketer nowadays focuses his products/services to the customers based on the preference of the customer towards the specific brands. So it is important to trace out the preference level of customer on specific brands the market. This research work focuses on analyzing the brand preference attitude of motorcycle buyers on Nepal. So that it is relevant to explain about motorcycle entry in Nepal and its present situation.

Transportation has been emerging as an important industry in Nepal. Its role has been significant in the development of other industries such as: manufacturing, tourism, construction and services. Land transport and air transport are the major means of transportation. Motorcycle is one of the easiest and convenient vehicles among the other vehicles in Nepal. The trend of riding motorcycle is increasing day by day, which can be shown in following Table1.1:

Table 1.1  
Registration of Vehicles According to Categories  
Fiscal Year 2009/10 (Mid March)

Category of Vehicle	Numbers
Bus	22685
Mini-Bus	8294
Crane/Dozer/Truck	40796
Car/Jeep/van	107431
Pick up	4813
Micro Bus	2112
Tempo(Three whellers)	7378
Motor cycle	672104
Tractor	51325
Others	6657
<b>Total</b>	<b>923595</b>

*Source: Department of Transport Management*

Up to F/Y 2009/2010 total vehicles registered in the country were 923595. Out of them motorcycle occupied 72.77% of total registered vehicles in the country.

No actual date can be found about the entry of motorcycle in Nepal. When and who imported it for the first time is still unknown. However, Japanese brand of motorcycle came first in Nepal. Japanese and some others brand used to fulfill the total demand before the entry of Indian and Chinese motorcycles. Main brand of motorcycle were Honda, Yamaha, Kawasaki, etc. At that time, the users of these motorcycles were the employees of government, international project and members of high class. Still, these brands of motorcycle can be seen in Nepalese road but very few in numbers. Some Nepalese prefer Japanese brand of motorcycle, though expensive. When the government banned on the import of the 2-stroke engine motorcycles in Nepal, import of these Japanese brands were totally stopped. Japanese brands of motorcycle were replaced simultaneously with the production of motorcycle in India.

Then after, Suzuki and Rajdoot brands of motorcycle were introduced in Nepalese market. These two brands are still in market but their names are changed to TVS and Escorts Yamaha. In 1986, Japanese collaborated

company of India launched the Hero Honda brand of motorcycle for Nepalese riders. These days some popular brands of India are: Hero Honda, Bajaj, Yamaha, LML, TVS etc.

With the introduction of Chinese brand of motorcycle, there has been dramatic change in the structure of Nepalese motorcycle market. In 1988, 32 brands of motorcycles were introduced in the country. Five years later, in 1993, Jailing brand of motorcycle was imported. Mainly after the restoration of democracy in Nepal, there has been a flood of the Chinese motorcycle. Some popular Chinese motorcycles are – Jailing, Dayang, Lifan, Suzuki (Chinese), Zognshen, Yingang etc.

Today motorcycles of almost every make and model can be found on the roads of Nepal. About 50 brands of motorcycle are available on the Nepalese market. Hartford, Kymco, Adly etc. also available in the market. There is a keen competition among the dealers of motorcycles. This has provided the wide ranges of choice and preference for Nepalese motorcycle riders.

Since some time, the Nepalese motorcycle riders have alternative choice to select in Nepal made motorcycle brand 'Cosmic Yingang'. This brand has been produced with technical collaboration of Chinese motorcycle 'Yingang'. RabRen International has launched it in the market and producer is SOI Group. RabRen International has been engaged in importing the Yingang brand of Chinese motorcycle in Nepal.

Motorcycle was perceived as the means of pleasure and luxury some years back, but today, it has become the need for almost people in Nepal due to their business. Of course, it has been proved that it's not only for pleasure but also to meet the need of easy and quick transportation.

With the rise of price of fuel and lubricants every year, only few persons can afford to maintain a car. The option is either to own a two-wheeler or avail of

public transportation system. But the service condition of public transportation in many cities is not good. So Nepalese prefer motorcycle as the best option of transportation. So far as transportation is concerned in Kathmandu, motorcycle is an undisputed king of the road. The credit for this trend goes to narrow street and traffic pressure. For instance, when it takes 30 minutes by car to reach a place, it takes 20 minutes to reach the same distance for motorcycle due to the structure of road and traffic pressure.

## 1.2 Profile of Selected Brands

There are more than 45 brands of motorcycle available in the Nepalese market. So far as contemporary brands of motorcycle in Nepalese market is concerned, Hero Honda Kawasaki – Bajaj, Escorts – Yamaha Lifan, Dayang, LML, TVS, Jieda, Loncin, Geely, Fude, Zhongyu, Kinetic, Honda (Japanese) Battle, Suzuki, Moto Aupa, Taishan, Jincheng, Yingang, Fosti, Sinski Hartford, Kymco, Adly, Husung, Delium, Kington, Nanfan, Sundiro, Cosmic Yingang, Hungdu, and so on are striving to exist in the competitive market.

Among these, Hero Honda, Yamaha, Bajaj, Lifan and Dayang have secured prominent status and strong presence in the market. So that, these five major brand from India and China are selected for the purpose to examine the brand preference attitude on motorcycle. Here, it is effective to give the brief profile of these five brands.

### **(i) Hero Honda**

This is the popular brand name for the Nepalese riders. This is Indian Motorcycle brand. Hero Honda is produced by Hero Honda Motors Ltd., India. It is with the technical collaboration of Honda brand of motorcycle of Japan. Hero Honda Motors Ltd. was established in January 1984. This is the largest selling motorcycle in the world. Models of Hero Honda brand had

been produced and launched to the market are CD 100 Delux, CD 100 SS, Sleek (100), CD Dawn 100, Ambition 133 cc and Karizma 223 cc.

This brand of motorcycle can be found in the price range between Rs.110000 (street) – 190000 (CBZ model) in Nepal. Targeted customers for some models of this brand are shown in Table 1.2

Table 1.2  
Brands of Motorcycles and Target Customers

<b>Brands</b>	<b>Target Customer</b>
CBZ	Young
Ambition	Young
Karizma	Young
Dawn	Adult
CD Dawn	Adult
Splendor	For all

*Source: Field survey report.*

Main competitors of this brand in Nepal are Yamaha and Kawasaki Bajaj. Hero Honda brand of motorcycle has three classes of customers.

- (i) Economy class of customer, who prefer Splendor, CD100, CD Dawn etc.
- (ii) Executive class: These customers prefer Ambition, Splendor etc.
- (iii) Luxurious and fashioned class – who prefer CBZ, Karizma models of motorcycle

Street was properly targeted model for the women. This brand of motorcycle is perceived as good on the basis of comfort, aesthetic looks and fuel efficiency.

## **(ii) Kawasaki Bajaj**

This is also the Indian brand of motorcycle. Kawasaki-Bajaj is manufactured by Bajaj Auto Ltd., India. Bajaj launched the model called Bajaj KB 100 RTZ in technological collaboration with Kawasaki (Japan). It has the market coverage in more than 17 countries.

Following models of this brand are available in the Nepalese Market:

Table 1.3  
Engine Size and Brands of Kawasaki Bajaj Motorcycles

Engine Size	Brands
180 cc	Pulsar
175 cc	Eliminator
159 cc	Pulsar
125 cc	Wind
115 cc	Caliber
100 cc	Boxer CT, Boxer AT, Boxer AR

*Source: Field survey report.*

The price of above mentioned brands ranges from Rs.10000 to Rs. 200,000 in Nepalese market. Targeted customers of some models of this brand in Nepal are:

Eliminator – British Gorkhas (Retired Army and other who have high purchasing power.

Pulsar – Youngsters (because of looks and power)

BYK – Small shopkeeper (due to low price)

This is the largest selling motorcycle in Nepal. The main competitor for this brand is Hero Honda. It has strong presence in the market. This motorcycle is perceived as economic, fuel efficient and comfortable.

### **(iii) Escorts Yamaha**

Escorts Yamaha is also popular brand name of Nepalese motorcycle riders. It had two strokes Engine until it introduced YBX Model. The manufacturer of this brand is Yamaha Motor India Pvt. Ltd. It is established with the technical collaboration of Japanese company. Escorts went for collaboration with Yamaha to produce RX 100 brand of 100 cc motorcycles. Models of this brand available in the Nepalese market are four stroke engines.

YBX 125, YD 125, Crux 106, CruxR 106, Enticer 125, Libero 106.

The price range of this brand in Nepal is between NRS.100000 – Rs.150,000. The targeted customers for this brand of motorcycle are the people of 18-50 years of age. Motorcycles of this brand are mainly executive and economy type. Main competitors for this brand in Nepal are Bajaj and Hero Honda.

**(iv) Lifan**

This is the Chinese brand of motorcycle. This brand of motorcycle is produced by Chongqing Lifan and Honda Industry (Group) Co.Ltd. It has been produced since 1992. In 2000, this brand was launched in Nepal. It has the market coverage in Asian and European Countries. Minimum of 50 models have been already produced under the brand name Lifan so far.

Following models of this brand are available for the riders in Nepal.

Table 1.4  
Engine Size and Models of Lifan Motorcycles

Engine Size	Models
100 cc	LF 100-5, LF 100-9A (Ladies model)
125 cc	LF 125-7
150 cc	LF,150-E, LF 150-11, LF 150-9A
250 cc	LF 250, Lf 250 – 2

*Source: Field survey report.*

This is the first motorcycle brand in the world reaching at the highest mountain area above 600 meters. Targeted customers for this brand are mainly youngsters and middle-aged people. This brand is perceived as power and Luxury Motorcycle. Many customers are attracted by this brand because it has the high power, luxury and dashy model like Harely Davidson. Price range for this brand in Nepal is between NRS. 100000 to 200,000. Some feature attached to this motorcycle are : High power 4 stroke, Self and kick start, high fuel economy, gear display panel.

Hartford and Dayang are the main competitive brands for Lifan brand of Motorcycle. This is the suitable motorcycle for the Nepalese road.

## (v) Dayang

This is also popular Chinese motorcycle; Dayang is produced by 'Luoyang Northern EK Chor Motorcycle Co.Ltd.' Luoyong Northn Ekchor Motorcycle Co. Ltd. was founded in March 1992. Attaching importance to quality management, the company carries out ISO 9001 in all fields. The company is also first to obtain National/International quality attestation among Chinese Motorcycle manufactures. Its market is scattered in more than 100 countries.

More than 56 models have been produced and launched in the market so far under the brand name Dayang. Following models of this brand are available in Nepal.

Table 1.5  
Engine Size and Models of Dayang Motorcycles

Engine Size	Models
100 cc	DY 100 -3, DY 100 -26,
125 cc	DY 125 -13,DY 125 -16, DY 125, DY 125 -5

*Source: Field survey report.*

Very shortly, some new models will be launched in the Nepalese market. The price of this brand in Nepal is between NRS. 11000-Rs.210000. The main competitive brands for this brand are Jailling and Lifan. This is the highest selling Chinese motorcycle in Nepal. This is suitable for Nepalese road.

## 1.3 Statement of the Problem

Nothing is perfect. There are always some problems and challenges to be faced by every sector. Nepalese motorcycle market is also facing some problems. It is increasing. Large numbers of motorcycle brand are found in the roads of Dhangadhi as well as Nepal. New brand is hitting the roads virtually every other day irrespective of the bitter reality that the vital economic indicator of Nepalese economy is shaking. Nepalese motorcycle market didn't have so much competition some years back. Some foreign expensive and Indian brands of motorcycle were found in the cities. The

foreign brands of motorcycle had little market share. Indian motorcycles were enjoying absolute monopoly. Motorcycle buyers had no more alternative choices to select the preferred brand. Situation has changed now. There is tough competition among the marketers of motorcycle brand. Chinese motorcycles have created their presence very strongly in the market these days. It can be said that Chinese motorcycle are revolutionizing riding trends in Nepal. Large numbers of Chinese and other foreign brands of motorcycles are entering Nepalese market.

Today, buyers of motorcycle have more alternative choice to select the brand, as there are more than 50 brands of motorcycle in the market. Women riders are also increasing. Dealers of motorcycles are engaged to import motorcycles which have added value and extra feature to sustain in the market.

Motorcycles available in the Nepalese market can be categorized into three main groups. They are economy type, executive type and luxury type

What types of buyers prefer which type motorcycle brand is the main issue of concentration for the marketer? Under the prevailing situation, the major problems identified regarding the motorcycle brands are:

- ) Who are the buyers and what is their buying behaviour for specific brand?
- ) Which brand is mostly preferred? How do buyers rank the brand? What attributes play significant to prefer a specific brand?
- ) What is buyer's attitude and perception regarding different brands?
- ) To what extent the advertising influences in the preference of a specific brand?
- ) What is the position of women motorcycle riders in Nepalese market? Which are their preferred brands?

## 1.4 Objective of the Study

Brand preference is definite expression of positive attitude. Knowing the customers who prefer brand gives important insights to the market to develop marketing strategy. The manager of the company can get valuable information regarding the brand attitudes, like and dislikes of brand, perception of customer, and feeling of customer towards brand. Analysis of customer behaviour through preference pattern is very much essential for today's competitive, changing and globalized market. Till this time, no research study has concentrated towards brand preference pattern on motorcycle in Dhangadhi city of far western region of Nepal. So this study aims to assess the preference of Nepalese motorcycle buyers in terms of different brand. The specific objectives of this research are

- ) To identify the profiles of customers of specific brand.
- ) To examine the product attributes sought in the motorcycle brand.
- ) To assess the customers' perception on brand preference.
- ) To draw suggestive conclusion for the manufacturers and dealers.

## 1.5 Importance of the Study

To understand the brands, it requires a true brand professional who knows everything about it is able to integrate all of its facts, richness and dynamism and has an intimate relationship with it. This is even more necessary when there is a high staff turnover and brand managers are constantly changing. It is good to have integrated the corporate culture, but it is better if the brand manager is immersed in the meaning of the brand of which he is in charge. It is not just the marketing managers who have to understand what a brand stands for. Everybody, throughout the organization, must consider the brand in a professional light, become an active supporter of it and play an essential

part in its functioning. Thus all those who are involved in the production process, in factories, in laboratories, and those who are responsible for the maintenance and growth of these brands, have a part to play, the people involved at the other end of chain. Both nationally and internationally, all the way to the shop-floor assistant and the after sales service staffs who have an influence on the brands performance well after the goods are sold, must also be involve.

Knowledge of the brand preference helps consumers attitudes towards the brand (i.e products), and this understand in turn sheds light on different aspects such as effectiveness of branding policy, advertisement policy, consumer's response to the price and availability of the products, consumers perception of the total image of the manufacturer.

Brand preference is one way of segmenting a market. On the basis of brand preference we can segment the market as loyal and non loyal. If the consumers prefer the brand they can be identified as loyal consumer market and if they don't prefer the brand they can be identified as non-loyal consumer market. Brand preference gives sellers or marketer's protection form competition and greater control in planning marketing mix.

This study is focused on assessing the buyer in terms of 'brand preference'. Having been the first and foremost study on motorcycle, this study will be significant from the following aspects.

- ) Findings of the study will help to understand brand preference practices on motorcycle market. It will give information as to the extent of customer involvement in brand searching, analyzing its' attributes, preference attitude and brand choice on high involvement product motorcycle, In addition to this, it will be helpful to develop the profile of specific customer of brands.

- ) It will be useful in creating most favorable brand by knowing the buyer perception and response. The marketer can trace out the important reasons for brand preference of buyers.
- ) A deeper understanding of choice and preference of customers can help managers to design marketing programs that concentrate on customers. Such knowledge will also help manager to evaluate the value of customers.
- ) Similarly, it will be valuable reference to the scholar or researcher to conduct further similar research.

## 1.6 Limitation of Study

To keep the research work feasible, to keep in track, to go according to plan, budget and time constraint, the researcher has to barricade the research from some limitations.

- ) The product selected is only motorcycle; therefore the result of this study will be more applicable to this product only.
- ) Only five popular brands of motorcycles are selected for the study. The study is confined to Dhangadhi city.
- ) The sample is in small size may not fully represent the total motorcycle customers of Nepal.
- ) This study is entirely based on the opinions, views and responses of the respondents. Opinions of the respondents have been taken as a sense of truth, which may not be correct at all time due to changing behaviour of customers.

## 1.7 Organization of the study

This study has been organized in the following five chapters:

### Chapter I: Introduction

The first chapter contains background of the study, focus of the study, statement of the problem, significance of the study, objectives of the study, limitation of the study and organization of the study.

### Chapter II: Review of Literature

The second chapter includes the review of literature. It has two parts one is conceptual review and another is review of related studies.

### Chapter III: Research Methodology

The third chapter describes the methodological aspects of the study and it contains research design, nature and source of data collection process, data processing techniques and method of analysis.

### Chapter IV: Presentation and Analysis of Data

The fourth chapter is the most crucial chapter of the study. It describes about the presentation, tabulation, coding and analysis of data.

### Chapter V: Summary, Conclusion and Recommendations

The last chapter contains summary of the study as well as the major findings and recommendations.

In addition of above chapters, bibliography, annexes and questionnaire have been presented at the end of the study.

# CHAPTER II

## LITERATURE REVIEW

Literature review is basically stocktaking of available literature in one's field of research. The literature survey provides the student with the knowledge of the status of their field of research. Library is a rich storage base for all kinds of published and unpublished materials including: thesis, dissertation, business reports government (periodicals) publication etc.

The purpose of literature review is thus to find out what research studies have been conducted in one's chosen field of survey and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing. The review of literature also minimizes the risk of pursuing the dead ends in research.

Though there are some books and literature available to review in global prospect but minimum literatures is available in Nepalese context. So there is lack of sufficient literature available in the Nepalese perspective. But whatever is available are studied and analyzed during this research.

In this chapter, an attempt has been made to review the various relevant literatures in relation to support the study to receive some ideas for developing a research design. To review the literature in systematic way, this can be divided into two parts.

- ) Conceptual review – This include conceptual review of the area based on text books, and other reference materials such as journals and magazines.
- ) Review of related studies – This part cover a review of thesis, research article, and project works.

## 2.1 Review of Theoretical Concepts

### **2.1.1 Concept of Brand**

A brand is a name given by a manufacturer to one (or a number) of its products or services. Brands are used to differentiate products from their competitors. They facilitate recognition and where customers have built up favorable attitude towards the product, may speed the individual buyers through the purchase decision process. Individual purchasers will filter out unfavourable or un-known brands and the continued purchase of the branded product will reinforce the brand-loyal behaviour. Without brands, consumer couldn't tell one product from another and advertising then would be nearly impossible.

A brand is a collection of experiences and associations attached to a company, organization, product or service; more specifically, brand refers to the concrete symbols such as a name, logo, slogan, and design scheme. A brand is a symbolic embodiment of all the information connected to a company, organization, product or service. A brand often includes explicit logos, fonts, color schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality. Brand recognition and other reactions are created by the accumulation of experiences and associations with the specific company, organization, product or service, both directly relating to its function, and through the influence of advertising, design, media commentary and word to mouth. A brand in turn serves to create associations and expectations. Ultimately "the brand" is any element which, in the minds of consumers or audience, differentiates a company, organisation, product or service from competitors. The brand, and "branding" and brand equity have become increasingly important components of culture and the economy, now being described as "cultural accessories and personal philosophies".

In brief, a brand is a complex symbol that can express the following features:

**(a) Brand name**

The brand name is often used interchangeably with "brand", although it is more correctly used to specifically denote written or spoken linguistic elements of a brand. In this context a "brand name" constitutes a type of trademark, if the brand name exclusively identifies the brand owner as the commercial source of products or services. A brand owner may seek to protect proprietary rights in relation to a brand name through trademark registration.

**(b) Brand identity**

Brand identity may be defined as simply the outward expression of the brand, such as name and visual appearance. Brand identity represents the intention that how a brand owner wants the consumer to perceive the brand - and by extension the branded company, organisation, product or service. The brand owner will seek to bridge the gap between the brand image and the brand identity. Brand identity is fundamental to consumer recognition and symbolizes the brand's differentiation from competitors. Some practitioners however define brand identity as not only outward expression (or physical facet), but also in terms of the values a brand carries in the eye of the consumer. On the externalization side brand identity consists of "physical facet", "relationship" and reflection of consumer". On the internalization side brand identity consists of "personality", "culture (values)" and "consumer mentalisation".

**(c) Brand personality**

Brand personality is the attribution of human personality traits to a brand as a way to achieve differentiation. Such brand personality traits may include seriousness, warmth, or imagination. Brand personality is usually build through long-term marketing, as well as packaging and graphics.

#### **(d) Brand promise**

Brand promise is a statement from the brand owner to customers, identifies what consumers should expect from all interactions with the brand. Interactions may include employees, representatives, actual service or product quality or performance, communication etc. The brand promise is often strongly associated with the brand owner's name and/or logo. The brand promise may be expressed in a "tag line", for example a dining restaurant may create the following brand promise: "Carl's Steak House -"Our food is the best, but the memories we help you create are even better."" Other brand owners may develop their brand promise into a detailed statement on the values, characteristics and behaviour of their brand.

#### **(e) Brand value**

Brand value measures the total value of the brand to the brand owner, and reflects the extent of brand franchise. A brand can be an intangible asset, used by analysts to rationalize the difference between a company's "book value" and market value. For example, the market value of a company can far exceed its tangible assets (physical assets owned by the company, such as stock or machinery), and its brand value can account for some of the difference. Up to 85 percent of a company's market value might be intangible (for example know-how, existing client relationships), and Interbrand, a brand consultancy, states that tangible assets may account for less than five percent of a company's market value, for example in the case of Coca-Cola or Microsoft. Brand value, especially in the case of consumer product brands, may arise out of customer loyalty. Brand value may also arise in terms of staff retention benefits (e.g. the ability of the company to attract and retain skilled and/or talented employees offering competitive salaries).

### **2.1.2 History of Brand**

Today brands exert a strong influence on both customer attraction and customer retention. In fact, the main driver of customer loyalty is brand commitment. Although connected with the history of trademarks, brands in the field of mass-marketing originated in the 19th century with the advent of packaged goods. Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. When shipping their items, the factories would literally brand their logo or insignia on the barrels used, extending the meaning of "brand" to that of trademark. Bass & Company, the British brewery, claims their red triangle brand was the world's first trademark. Lyle's Golden Syrup makes a similar claim, having been named as Britain's oldest brand, with its green and gold packaging having remained almost unchanged since 1885. Cattle were branded long before this; the term "maverick", originally meaning an unbranded calf, comes from Texas rancher Samuel Augustus Maverick who, following the American Civil War, decided that since all other cattle were branded, his would be identified by having no markings at all.

When goods began to be manufactured in factories, the market was flooded with uniform mass-produced products that were virtually indistinguishable from one another. Competitive branding became a necessity of the machine age. The first task of branding was to name previously generic goods such as: sugar, flour, soap, and cereal, which had earlier been scooped out of barrels by local shopkeepers. In the 1880, corporate logos first appeared on mass – produced products such as Camp Bell's Soup, H.Z. Heinz pickles, and Quaker oats cereal. These logos were created to suggest familiarity (think of Aunt Jemima, and Uncles Ben) in an effort to replace the shopkeeper and counter the anonymity of packaged goods. The corporate "Personality" had arrived.

Around 1900, James Walter Thompson published a house and explaining trademark advertising. This was an early commercial explanation of what we now know as branding. Companies soon adopted slogans, mascots, and jingles which began to appear on radio and early television. The next step was for the entire corporation itself to embody a meaning of its own. In the early 1920s, General Motors became a metaphor for the American family. And GE was not so much the name for the face less General Electric Co. as "the initials a friend." By the 1940s, manufacturers began to recognize the way in which consumers were developing relationships with their brands in a social/psychological/anthropological sense.

Factories established during the Industrial Revolution, generating mass-produced goods and needed to sell their products to a wider market, to a customer base familiar only with local goods. It quickly became apparent that a generic package of soap had difficulty competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product. Campbell soup, Coca-Cola, Juicy Fruit gum, Aunt Jemima, and Quaker Oats were among the first products to be 'branded', in an effort to increase the consumer's familiarity with their products. Many brands of that era, such as Uncle Ben's rice and Kellogg's breakfast cereal furnish illustrations of the problem.

### ***2.1.3 Functions of Brand***

A brand provides not only sources of information {thus revealing its value} but performs certain other functions, which justify its attractiveness, and it's a monetary return (higher price) when buyers value it. What are these functions? How does a brand create value in the eyes of the consumer? The eight function of a brand are presented as follows:

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## **Functions**

## **Benefits to consumers**

Identification→	To be clearly seen to make sense of the offer, to quickly identify the sought-after products
Practicality→	To allow saving of time and energy through identical repurchasing and loyalty.
Guarantee→	To be sure of finding the same quality no matter where or when you buy the product or service.
Optimization→	To be sure of buying the best product in its category, the best performer for a particular purpose.
Characterization→	To have confirmation of your self-image or the image that you present to others.
Continuity→	Satisfaction brought about through familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic→	Satisfaction linked to the attractiveness of the brand, to its logo, to its communication.
Ethical→	Satisfaction linked to the responsible behavior of the brand in its relationship with society (ecology, employment, and citizenship, advertising that doesn't shock)

The first two are mechanical and the essence of the brand, that is, to function as a recognized symbol in order to facilitate choice and gain time. The following three functions reduce the perceived risk. The last three have a more pleasurable side to them. Ethics show that buyers are expecting more and more responsible behaviors from their brands.

### **2.1.4 Branding policies**

There are a number of possible policies:

#### **(a) Company name**

Often, especially in the industrial sector, it is just the company's name which is promoted (leading to one of the most powerful statements of "branding"; the saying, before the company's downgrading, "No-one ever got fired for buying IBM").

In this case a very strong brand name (or company name) is made the vehicle for a range of products (for example, Mercedes-Benz or Black & Decker) or even a range of subsidiary brands (such as Cadbury Dairy Milk, Cadbury Flake or Cadbury Fingers in the United States).

**(b) Individual branding**

Each brand has a separate name (such as Seven-Up or Nivea Sun (Beiersdorf)), which may even compete against other brands from the same company (for example, Persil, Omo, Surf and Lynx are all owned by Unilever).

**(c) Attitude branding**

Attitude branding is the choice to represent a larger feeling, which is not necessarily connected with the product or consumption of the product at all. Marketing labeled as attitude branding include that of Nike, Starbucks, The Body Shop, Safeway, and Apple Computer.[2] In the 2000 book, No Logo, attitude branding is described by Naomi Klein as a "fetish strategy".

"A great brand raises the bar -- it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness, or the affirmation that the cup of coffee you're drinking really matters." - Howard Schultz (president, ceo and chairman of Starbucks)

**(d) "No-brand" branding**

Recently a number of companies have successfully pursued "No-Brand" strategies, which means "No label, quality goods". This no-brand strategy means that little is spent on advertisement or classical marketing.

**(e) Derived brands**

In this case the supplier of a key component, used by a number of suppliers of the end-product, may wish to guarantee its own position by promoting that component as a brand in its own right. The most frequently quoted example is

Intel, which secures its position in the Personal Computers' market with the slogan "Intel Inside".

### **2.1.5 Brand Development**

In terms of existing products, brands may be developed in a number of ways:

#### **(a) Brand extension**

The existing strong brand name can be used as a vehicle for new or modified products; for example, many fashion and designer companies extended brands into fragrances, shoes and accessories, home textile, home decor, luggage, sun-glasses, furniture, hotels, etc. There is a difference between brand extension and line extension. For example, when Coca-Cola launched "Diet Coke" and "Cherry Coke" they stayed within the originating product category: non-alcoholic carbonated beverages. Procter & Gamble did likewise extending its strong lines (such as Fairy Soap) into neighboring products (Fairy Liquid and Fairy Automatic) within the same category, dish washing detergents.

#### **(b) Multi-brands**

Alternatively, in a market that is fragmented amongst a number of brands a supplier can choose deliberately to launch totally new brands in apparent competition with its own existing strong brand (and often with identical product characteristics); simply to soak up some of the share of the market which will in any case go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give a greater overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one). In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.

Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the consumer's perception of what business the company is in or diluting higher quality products.

Once again, Procter & Gamble is a leading exponent of this philosophy, running as many as ten detergent brands in the US market. This also increases the total number of "facings" it receives on supermarket shelves. Sara Lee, on the other hand, uses it to keep the very different parts of the business separate — from Sara Lee cakes through Kiwi polishes to L'Eggs pantyhose. In the hotel business, Marriott uses the name Fairfield Inns for its budget chain (and Ramada uses Rodeway for its own cheaper hotels).

Cannibalization is a particular problem of a "multibrand" approach, in which the new brand takes business away from an established one which the organization also owns. This may be acceptable (indeed to be expected) if there is a net gain overall. Alternatively, it may be the price the organization is willing to pay for shifting its position in the market; the new product being one stage in this process.

### **(c) Small business brands**

Branding a small or medium sized business (SME) follows essentially the same principle as branding larger corporation. The main differences being that small businesses usually have a smaller market and have less reach than larger brands. Some people argue that it is not possible to brand a small business, however there are many examples of small businesses that became very successful due to branding. Starbucks initially used almost no advertising and over a period of ten years developed such a strong brand that the company went from one shop to hundreds.

### 2.1.6 Concept of Brand Preference

Modern marketing has been complex and challenging. Companies are facing toughest competition. Customer attitude and behavior are changing. The brand preferred today may not be preferred tomorrow. So understanding of customer desired thoughts, feelings, images, choices, perception, attitude, purchase intention, marketer should assess preference. Customer behavior gives important insights to become successful marketer in this globalize and competitive market. Continuing challenges of marketer is to build a strong brand to satisfy customer needs and wants very effectively than other competitors.

A brand, which does not change with the time, fossilizes and loses its relevance. Time is merely the indicator of changes in lifestyles, customer expectations, technology, and competitive position. Values, customs, and behavior pattern are constantly changing with time. Leaders today thus must plot the future of their companies and they are challenged to find a path that makes sense. The path should be formed by analyzing the complex behavior of modern and improved customers. The development of effective marketing plan and strategies for any market rests on a proper knowledge of how consumer feels about brand, how they perceive and go to actual preference drove purchase. Every successful product in the modern marketing world is an embodiment of customer's needs, wants, prestige, preference, satisfaction, aspiration and mental horizon.

Brands vary in the amount of power and value they have in the market place. The customer in the market place does not know some brands. Some are having high degree of loyalty and preference level. Businessmen today are devoting to present their products in the market for the sake of increasing the sales. Every marketer focus their product to the customer based on customer preference towards brands.

Brand preference is the choice by the consumer of a particular brand over its competitors, usually resulting from a favorable experience with the item. However if the product proves to be unavailable, the consumer willingly shifts to a substitute.

Knowledge of brand preference helps to know consumers attitudes towards the brand (i.e. product) and this understanding in turn sheds light on different aspect such as: effectiveness of branding policy, advertising policy, consumers' response to the price and availability of the products, consumers' perception of the total image of the manufacturer.

Brand preference can be defined as the priority that the buyer or consumer gives to a brand. It is revealed in the purchase and use of one brand and not of competitive brands.

Brand preference is based on customer choice, their priorities toward brands, awareness level and actual brand loyalty exists there. Brand preference leads to brand loyalty. When preference of brand is expressed, then the customer may be hard core loyal.

Brand preference is carried out to increase the market share of a specific brand. Without this preference, the product will not survive in the market. The product would be of no use, if there exists no brand preference. Brand preference is a broad meaning adopting a variety of marketing techniques. The major purpose of brand preference is to maximize its image and sales.

Brand preference is a definite expression of positive attitude. One would normally expect people to buy a preferred brand or brand, assuming that they are in the market. However there are occasions when the product may not be needed or the consumer cannot afford the preferred brand or the preferred brand may not be available.

For the purpose of our study, brand preference is defined as those activities, which help to maximize the image of brand and help to make the consumer's desires more effective. It consists of establishing good understanding between the manufacturer and the consumer. It tries to help them in purchasing more honestly and to maintain customers' satisfaction with the products. Thus the word "Brand preference" is necessary for existence in the entire market.

Brand preference is one way of segmenting a market. On the basis of brand preference, market can be segmented as loyal or not loyal. If the consumers prefer the brand they can be identified as loyal consumer and if they don't prefer the brand they can be identified as non-loyal consumers. Brand preference gives seller or marketer protection from competition and greater control in planning the marketing mix.

#### 2.1.7 Classification of Brand Preference Segment

Brand preference is very important to attract the consumers towards the product in a highly competitive market. Different patterns of preference segment presented by Philip Kotler are:-

##### **a) Homogeneous Preference**

A market where all the consumers having roughly the same preferences. The market shows no natural segments. We would predict that existing brands would be similar and cluster around the middle of the scale in both sweetness and creaminess.

##### **b) Diffused Preference**

Consumer preference may be scattered throughout the space indicating that consumers vary greatly in their preferences. The first brand to enter the market is likely to position in the center to appeal to the most people. A second competitor could locate next to the first brand and fight for market share, or it could locate in a corner to attract a consumer group that wasn't satisfied with the center brand. If several brands are in the market, they are likely to position

through out the space and show real differences to match consumer preference differences.

### **c) Clustered preference**

The market might reveal distinct preference cluster called natural market segments. The first firm in this market has three options. It might position in the center, hoping to appeal all the groups. It might position in the largest market segment (concentrated marketing). It might develop several brands, each positioned in a different segment. If the two first firms developed only one brand, competitors would enter and introduce brands in the other segment.

### 2.1.8 Brand Loyalty and Brand Preference

Brand loyalty implies purchasing the same brand more than once, again assuming that this is the preferred brand, although thesis may not necessarily be the case. Brand preference and Brand Loyalty may exist in relation to manufacturers brand and distributors brand and loyalty may prevail with respect to stores.

Definition of brand loyalty has evolved and is typically concerned with a degree of consistency in the preference for each brand by a consumer over a period of time. "In place of brand choice sequence Leaster Guest used preference statement over time as a measure of brand loyalty. In 1941, he collected data concerning the brand awareness and preference of student. In follow up studies of these same person 12 and 20 years later he found suggestive evidence of high degree of loyalty toward brand name (although not to specific brand)"

From study Leaster Guest brand loyalty exists even when it is defined as preference statement over time. According to preference statement approach, brand loyalty is measured on the basis of preferences expressed by the consumers to a particular or brand over a certain time.

"Day (1979) offers a two dimensional concept of brand loyalty bringing together attitude and behavior. He asks, "Can behavior pattern be equated with preferences to infer loyalty? And distinguishes between spurious and intentional loyalty. (Spurious loyalty may just be habit or consistent purchase of one brand due to non-availability of others, continuous price deals, better shelf space etc. Intentional loyalty occurs when consumer buys a preferred brand, as would be evidenced by some attitude measurement. When customer is intentionally loyal and insists on a particular brand. She/he will be prepared to shop around for this brand or defer purchase if the brand is unavailable rather than accept a substitute."

Consumers have varying degree of loyalty of specific brands stores and other entities. Buyers can be divided into three groups according to brand loyalty status.

**Hard core loyal:** - Consumer who buy one brand all the time.

**Split loyal:** - Consumer who is loyal to two or three brands.

**Shifting Loyal:** - Consumer who shows no loyalty to any brand.

Brand preference and brand loyalty have positive relationship. When the preference level to specific brand increased, then the stronger be the loyalty of that product. There is no loyalty if there is no preference on brand.

#### 2.1.9 Brand Switching and Brand Preference

Brand switching means consumer's habit of constantly shifting from one brand to another. In this sense, brand switching is opposite to brand loyalty. Customer switch brand for reasons of: curiosity with respect to new different brands; disappointment with present brands; reassurance with respect to a favored brand; chance inducement and availability. Additionally, consumer may be multi-brand buyers for reasons of : - indifference, perception that brands are perfect substitutes, for varieties sake, several preferences within a household, and as a response to availability and promotions.

Brand switching occurs when present brand is not satisfactory or available at right time. The customer preference on brand is no longer exist if the customer would not favour such brand. Brand preference and brand switching are negatively correlated. When the preference level increase, then the brand switching tendencies would decrease and the loyalty level of customer may prevail.

#### 2.1.10 Brand Preference and Purchase Intention

"How does consumer process competitive brand information and make a final value judgments? The customer arrived at attitudes (judgment, preference) toward the various brand through an attitude evaluation procedure. In the evaluation stage, the consumer forms preference among the brand in the choice set. The consumer may also form an intention to buy the most preferred brand. However, two factors can intervene between the purchase intention and the purchase decision. The first factor is the attitudes of another. The extent to which another person's attitude reduces one's preferred alternative depends on the two things 1) The intensity of the other person's negative attitude toward the consumer's preferred alternative and 2) the consumer motivation to comply with other person's wishes. The more intense the other person's negativism and the closer the other person is to the consumer, the more the consumer will adjust his/her purchase intention. The converse is also true. A buyer's preference for a brand will increase if some one he/she respects favours the same brand strongly. The second factor is unanticipated situational factor that may change the purchase intention."

"The stages of consumer decision-making process for the purchase shown in the hierarchy of effect model: are awareness, knowledge, linking, preference, conviction and purchase.

**Awareness:** - The ability of the consumer to recall brand name either with or without promoting.

**Knowledge:** - The ability of consumer to describe the important attributes of a product or services.

**Liking:** - The attitude of the consumer toward a product or services.

**Preference:** - The degree to which a consumer feels more positive about a product or service relative to other offerings.

**Conviction:** - The likelihood that the consumer will purchase the product or service.

**Purchase:** - The acquisitions of a product or service.

Preference and purchase intention is not completely reliable prediction of purchase behaviors.

### ***2.1.11 History of Motorbike***

The first motorbike was built in 1868. It was not powered by a gasoline engine, but by a steam engine. Its builder was Sylvester Howard Roper. His steam-powered bike was demonstrated at fairs and circuses in the eastern US in 1867 and did not catch on, but it anticipated many modern motorbike features, including the twisting-handgrip throttle control. There is an existing example of a Roper machine, dated 1869. It's powered by a charcoal-fired two-cylinder engine, whose connecting rods directly drive a crank on the rear wheel. This machine predates the invention of the safety bicycle by many years, so its chassis is also based on the "bone-crusher" bike. "Bone-Crusher's" appeared around 1800, used iron-banded wagon wheels, and were called "bone-crushers," both for their jarring ride, and their tendency to toss their riders. Other contemporary brands of motorbike were as below:

1885 - Daimler Reitwagen

1902 - Triumph

1903 - Harley-Davidson (Harley-Davidson Motor Company)

1946 - Honda (The Honda Motor Company)

1952 - Suzuki (Suzuki Motor Co., Ltd.,)

1954 - Kawasaki (Kawasaki Heavy Industries)

1955 - Yamaha (Yamaha Motor Corporation)

The motorcycle market was timed spot on for the baby boomer generation. In 1944-46, servicemen (and women) were returning from World War II and has a thirst for life and living and wanted to do more than settle down. Motorcycles were popular in World War II and people wanted to try them, and they did and they sold in good numbers. But it was not until the 1960's when their kids grew up that motorcycling took off like a rocket. 1962 arguably the most famous and successful motorcycle campaign was launched on earth from Honda and it changed everything. In just 3 years (1965), the number of registered motorcycle doubled, 5 years later (1970) doubled again, and 5 more years in 1975 doubled again and the sales of the bike increased from 646,000 to 5 million in just over 10 years.

Unfortunately, as the 1970's grew to a close the motorcycle industry was suffering as sales dropped drastically. Those 16-18 year olds in 1962 wanted to start families, settle down and raise their own kids. Their spirit of adventure was put on the back burner. They stopped buying and Motorcycle manufacturers started to horror. Motorcycle magazines from the time (1979-1983) and manufacturers didn't know the cause of such declining trend. The manufacturers even tried new designs such as the Cruiser, Tourer and Sport Bike, but few were listening. New motorcycles sat on the sales floor for years, dealerships didn't want to order more because they couldn't sell what they had already even with very steep discounts. The manufacturers needed to sell what they had too many of and discounted new motorcycles lower than the previous year's models.

It was bad near the end of the 1980's. Sales were just horrible from 10 years before. Those motorcycle dealerships who survived were in bad shape. Two things most unexpected happened. The baby boomers came back to motorcycling and so did their kids. Seems they never forgot the fun and good times and with increased incomes could now purchase large and more expensive motorcycles. Their kids also wanted to get into the action and they did. The popularity of Cruisers and Sports Bikes took off which isn't surprising when you look at it closely. Older riders (baby boomer crowd) like luxury and comfort and don't need the rush of speed thus Cruisers. The Standard motorcycle was being left behind the new race of owning a Cruiser or Sport Bike.

By the early 1990's times are indeed good for motorcycle dealerships and manufacturers. Peoples are approaching the highest registered motorcycle numbers yet again and the motorcyclists are happy. Consumers are seeing more and more models of Cruisers and Sport Bikes offered every year. The Standard is back in the line up and it is now the largest increasing sales category. Today those "standards" are now fashionably called "Retro", "Naked", "Street fighters" but with their re-tuned sport bike engines, comfortable riding position and do-it-all attitude, they are a glimpse into what is to come. Since the year of 2000, it really does appear that almost every manufacturer is getting the style, choice, comfort, price and performance mix right. This has truly never happened before in this industry. From the year of 2004, new models with excitement as even more bikes are available with little to no models dropped. It does seem like a boom time for the motorcycle industry. Massive cruisers of 2000-2300cc's, super ultra light weight 180+hp sport bikes and many more standards bikes are introduced. In fact, there has never been this much selection.

## 2.2 Review of Literatures Related to the Study

Several thesis works have been conducted by various students regarding the various aspect of brand such as: brand loyalty, advertising effect on brand preference, comparative brand preference analysis, branding policy of durable goods, patterns of consumer decision making process while purchasing high involvement goods etc. Some of them are relevant for the study.

Mukund P. Dahal (1994) Conducted a research study on "patterns of consumer decision making process while purchasing high involvement goods in Nepal" with the objective of :-

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

Motorcycle and scooter was chosen as the sample product of his study. 300 recent motorcycle and scooters buyer of Kathmandu district was selected and comprehensive questionnaire was distributed. The study was mainly based on primary data. He has utilized different analysis techniques as :

- ) Factor Analysis
- ) Cluster Analysis
- ) Discriminate analysis

Based on empirical survey of search and choice behavior of Nepalese motorcycles and scooter buyer, the following findings are concluded as :

- ) Nepalese motorcycle buyers have rather small-evoked set size for both the makes and models.
- ) Sources of information available to Nepalese buyers have five dimensions namely: - Brochures, Test-drive, Advertisement, Interpersonal sources and Dealer visits.
- ) Though not very extensive, the Nepalese motorcycle buyers undertake information search with greater emphasis upon dealers and interpersonal sources of information.
- ) Two groups of buyers exist, one using the purchase pals and another not using them. High prior knowledge, familiarity with decision process concerning the purchase of motorcycles, greater number of new and old motorcycle bought in the last 10 years etc are variables that associate with the non-user characterized by prior preference for Japanese makes, no previous ownership, longer weeks of deliberation, little knowledge concerning the purchase of a motorcycle and so on.
- ) In terms of choice behavior of the motorcycles buyers of Nepal are classified into group, another group comprise the buyers who choose the motorcycles of Japanese make.
- ) Advertise segment has inverse relationship with the correlates like Japanese makes are better than others, prior preference for Japanese makes went alone or with some, gas mileage and sporty as the criteria, but this segment is positively related with age of the respondents, price and warranty as the criteria and prior preference of Indian makes.

Laxmi Prasad Baral (1996) Conducted research study on "A comparative study on the communication effects of advertising and brand preference (A case study of instant noodles ) (Yum Yum and RaRa)" with the objectives of :-

- ) To examine the effectiveness of advertising of the RaRa and the Yum Yum noodles.
- ) To bring into focus the relation between the brand preference and advertising.
- ) To examine the popular media of advertisement in case of instant noodles.
- ) To know the strengths and weaknesses of advertisement of instant noodles.

50 respondents were selected from different school student and 15 were selected from different advertising agencies. A questionnaire set was distributed to obtain the data. Interview cum questionnaire administered to advertising agencies. The study was based on primary data.

The research finding of the study are concluded as :-

- ) Consumers give more preference to the quality and less preference to the brand.
- ) There is high degree of association between brand preference and advertisement.
- ) There is no difference between the Yum Yum advertisement and RaRa advertisement in terms of attractiveness.
- ) Instant noodles are popular in the Kathmandu valley. Most of the customer consumes Wai Wai noodles.
- ) A large number of consumers are not affected by advertisement.
- ) Buyers go after the good quality after getting more information from the advertisement. The number of buyers who are indifferent towards advertisement is significant.
- ) Nepal television is the most popular media in Kathmandu valley. Radio Nepal holds second position and newspaper the third.

Santosh Adhikari (2002) has conducted a research study entitled "A brand preference study between Sanmiguel and Tuborg Beer in Kathmandu metropolitan city" with objectives of

- ) To examine the buying habit regarding beer and the buying behavior of the consumers.
- ) To find out the effective advertising media of beer and their impact on the consumers.
- ) To find out the sales volume of beer in Kathmandu metropolitan city.
- ) To suggest measures for promotional marketing of Sanmiguel and Tuborg.
- ) To find out the product attributes and pricing factor of beers.

The research study was based on primary as well as secondary data. For the primary data collection, 100 respondents were selected on the basis of stratified random sampling and questionnaire was served to respondents.

The research findings of the study are :-

- ) 42% are occasional drinkers with 25% preferring Sanmiguel and 17% preferring Tuborg out of 100 beer drinkers.
- ) The advertisement of Tuborg has the highest recall value amongst beer drinkers.
- ) 55.93% of beer drinkers preferred to drink beer with friends. Sanmiguel stand for 22.58 and Tuborg by 33.35%.
- ) Brand preference among the two brands Tuborg and Sanmiguel were found to be 56% and 44% respectively.
- ) The major attributes for an "Ideal Brand" were found to be :-

) Taste – 77.33%, Price – 13.33%, Packaging – 5.00%, Promotional campaign 5.9%. Taste and Pricing (factors) attributes were found different to two brands but other factors found similar.

) Tuborg has found to be more popular in terms of different prephery.

Dinesh Khanal (2003) has conducted a research study on "A study of brand preference in noodles" The objectives of the research are:

) To examine the buying habit regarding the noodles and behavior of the consumer.

) To find out the effective adverting media of noodles and their impact on the consumer.

) To suggest measure for promotional mkt. of the noodles product.

) To find out the products' attributes and pricing factor of noodles.

The research study was based on primary data. For the data collection questionnaire was set and administered to 120 respondents of Kathmandu metropolitan city. Sampling was made on the basis of stratified random sampling.

The major findings of his study are as :-

) The most preferred brand is Wai Wai, Mayos as second, JoJo is least preferred, Rumpum and RaRa are moderately preferred.

) Most of the noodles consumers are found in the age group of 15-30 years and most of them preferred the brand Mayos. Respondents below 15 years and above 30 years preferred Wai Wai.

) It has been found that the highly familiar media is T.V. and Radio with the age group of below 30 years old consumer and those consumers who are above 30 years are familiar with hoarding board and news papers.

- )] 40% of respondents are found in high effectiveness of advertising media upon consumption of noodles.
- )] It has been found that if their favorite brand is not available in the market, 55.33% consumers will buy the second preferred brand.
- )] The brand Wai Wai has been found in first rank, Mayos second, Rumpum third, Rara fourth, JoJo fifth and other brands in sixth rank in preference.
- )] It is clearly found that the brand Rara is cheap, Rumpum reasonable, WaiWai expensive irrespective to price.
- )] Large number of respondents show the brand- switching tendency in attractive gift/prize program, which is offered by other brands.

Tek Raj Joshi (2007) has conducted a study entitled "A study on brand loyalty" with the objective of:-

- )] To examine brand awareness of the Nepalese consumer.
- )] To find out whether Nepalese consumer are brand, i.e. what percentage of Nepalese consumer are brand loyal?
- )] To identify the correlates of brand loyalty.
- )] To recommend measures helpful or important for developing marketing strategies and their conducting further researches on brand loyalty.

The research was mainly based on primary data. 100 samples were selected and questionnaire served to them (respondents) to obtain the responses.

The research findings of the study are concluded as :

- )] It is found that the Nepalese consumer give high importance to brand in both the consumer durable goods and the consumer non-durable goods.
- )] Majority of the Nepalese consumers is found brand loyal.

- ) In each of the products selected for this study at least 65% consumers are found to have knowledge of almost all-alternative brands available in the market. Brand awareness of Nepalese consumer is found to be high.
- ) It is found that consumers belonging to 26 to 40 age group are more brand loyal than those of belonging to any other age group in all types of product selected for this study.
- ) The family system of the consumers correlates with brand loyalty. 'Nuclear family' consumer is found more brand loyal.
- ) It is found that brand loyalty is independent of the consumer's education.
- ) Brand loyalty is positively associated with consumer's income.

## 2.3 Research Gap

Although there are various literature about the brand and brand preference of some product, but there are rarely the literature about the brand preference of Motorcycle. So it research mainly focus on the brand preference of motorcycle in the Dhangadhi of Far western city of Nepal.

# CHAPTER III

## RESEARCH METHODOLOGY

The introductory part of this study has already been presented in the first chapter. Beside this, the relevant and pertinent literature available to support the study has been reviewed in second chapter. Now it is necessary to choose the appropriate research methodology that helps to carryout this study. With view to attain the overall objective of examining brand preference for motorcycle (high involvement goods) in Nepal, this study attempts to identify and analyse the attitude and perception performed by Nepalese motorcycle customers.

In this chapter, an effort has been made to provide a description of data type sought for meeting study objective together with procedure employed for collecting and analysis the data. This chapter comprises the research design, source of data, population and sample, data collection techniques and data analysis tools.

### 3.1 Research Design

The basic objective of this study is to access the brand preference attitude of motorcycle riders. So the design of research has been aimed at viewing the motorcycle customers in terms of brand preference for specific brand, reasons for preferring certain brand and buyers evaluation process of alternative brands. This study is an exploratory study and it is a kind of survey research. Extensive survey of motorcycle riders through questionnaire has been carried out. The data and information collected from the survey of riders are

rearranged, tabulated, analyzed and interpreted according to the need of the study for attaining the started objectives.

### 3.2 Source of Data

In connection with this topic, mainly primary data, secondary data sources have utilized. Primary data have been collected from the motorcycle riders of different locations – Dhangadhi, Attariya and Some colleges etc. For the secondary data, the publications of department of transport management, some journals and newspaper are utilized.

### 3.3 Population and Sample

The whole motorcycle riders have been considered as the population of this study. The data collected from the Brochure of department of transport management Lalitpur, reflected that a total of 672104 motorcycles registered in the country up to mid March 2010.

Motorcycle is chosen as the sample product. The sample of the respondents used in this study consists of 90 motorcycle riders of Dhangadhi city. Sampling is done according to education, income level, age and profession of the respondents.

### 3.4 Data Collection Technique

This study has been conducted on the basis of the information collected from the questionnaire, textbooks, magazines, periodicals, newspaper, bulletins etc. A structure questionnaire was designed to collect the required information, which has been in appendix I, Along with the questionnaire; interview has been conducted in the process of data collection and questionnaires were distributed to the respondents. Assistance from friends were also taken to collect the data

### 3.5 Data Analysis Tools

All distributed questionnaire were collected, to make them applicable for presentation and analysis. Breakdowns of some items as necessary have been made. Presentation of data has been done on tabular form.

As the nature of study is exploratory type, some statistical and descriptive tools are used. Measuring the attitude of buyers is a complicated task to the researcher although there are some techniques available to measure the attitude of consumer in marketing. Since the study is based on qualitative data, mainly the descriptive analysis has been made to draw some conclusion of the study.

### 3.6 Response to the Questionnaire

Total 90 questionnaires were distributed to the sample of 90 respondents representing different types of motorcycle customer. Out of 90 questionnaires served, 50 questionnaires were received with full response with 55.55% of total questionnaire distributed.

# CHAPTER IV

## PRESENTATION AND ANALYSIS OF DATA

In this chapter, the data and information obtained from the questionnaire have been presented and analyzed comparatively keeping the objective in mind. This chapter has been organized into four sections. In the first section, presentation and analysis has been done to identify the profile of customers of certain brands. The second section of this chapter is incorporated with general analysis. In the third section, major attributes sought in the brand have been analyzed.

Although 90 Questionnaire was distributed to respondents, only 50 respondents gave full information required for the study. The rest 40 respondents did not provide full information relating to brand preference. So, the data and information collected from 50 respondents have been presented and analyzed. From the viewpoint of study, this chapter is the focal part.

### 4.1 Analysis of Brand Preference

In this section, an attempt has been made to identify the profile of customers of different brands. For this purpose, the demographic variables such as:age, education level, profession, and income level have been employed. The analysis has been done on the basis of responses provided by the respondents.

#### **4.1.1 Brand Preference by Respondents**

For the purpose of finding the most preferred brand of motorcycle, a question titled "Which brand of motorcycle do you prefer"? Was structured and administered among the respondents and were requested to express their views. The following table shows the actual result of respondents on brand preference.

Table 4.1  
Brand Preferred by Respondents

Brand	No. of respondents	Percentage
Hero Honda	16	32
Yamaha	12	24
K-Bajaj	11	22
Lifan	3	6
Dayang	2	4
Others	6	12
Total	50	100

Source: *Opinion survey, 2012*

Table 4.1 presents the comparative figure of brand preference among different brands. Among them, 32% of respondents preferred Hero Honda, 24% - Yamaha, 22% - Bajaj, 6% - Lifan, 4% - Dayang and 12% - Other brands out of total respondents. Hero Honda has been found as the most preferred brand.

#### 4.1.2 Brand Preference by Age Group

All respondents have been classified into three-age groups-below 25 years, 25 to 39 and 40 and above. The analysis of the age group of respondents in the brands preference is shown in the Table 4.2.

Table 4.2  
Brand Preference by Age Group

Age	Below 25 years		25-39 years		40 and above years		Total
	No	%	No	%	No	%	
Brands							
Hero Honda	4	8	8	16	3	6	15
Yamaha	2	4	5	10	5	10	12
K-Bajaj	3	6	4	8	3	6	10
Lifan	0	0	2	4	1	2	3
Dayang	0	0	2	4	1	2	3
Others	2	2	3	6	2	4	7
Total	11	22	24	48	15	30	50

Source: *Opinion survey, 2012*

The data of table 4.2 show that large number of respondents belong to age group of '25-39' years. This age group covers the 48% of the total respondents. 30% of respondents belong to age group of 40 years and above, and 22%, belong to age group of below 25 years.

Hero Honda is the most preferred brand among the age groups 'below 25 years and 25-39 years, which is 8% and 16% respectively out of total respondents. The least preferred brand under these two age groups is Dayang. However, in the age group of '40 years and above' Yamaha has more popularity than other indicating that Yamaha is popular in the mature group segment which is 10%, followed by Bajaj and Hero Honda – 6%.

Likewise, Kawasaki-Bajaj has placed 2<sup>nd</sup> position by 6% in the age group of below 25 years. From the above table, the can also be seen that the Yamaha brand of motorcycle is most preferred in the age group 25 to 39 years. Kawasaki-bajaj-25 to 39 years, other brands -25 to 39 years and 40 and above are equally. Lifan and Dayang are also most preferred in the age group 25 to 39 years.

#### 4.1.3 Brand Preference on the Basis of Profession

All the respondents have been divided into four categories on the basis of their profession viz. – student, job – holder, businessman and social workers. Table 4.3 shows the detail analysis of brand preference in relation to profession.

Table 4.3  
Brand Preference by Profession

Profession Brand	Students		Jobholders		Businessmen		Social workers		Total
	No	%	No	%	No	%	No	%	
Hero Honda	4	8	7	14	4	8	1	2	16
Yamaha	3	6	6	12	3	6	1	2	13
K-Bajaj	2	4	3	6	5	10	0	0	10
Lifan	1	2	1	2	2	4	0	0	4
Dayang	1	2	1	2	1	2	0	0	3
Others	0	0	2	4	2	4	0	0	4
Total	11	22	20	40	17	34	2	4	50

Source: Opinion survey, 2012

As shown in the above table, large number of respondents have been found under the category, Job-holders' which is 40% out of total respondents, followed by business man which is 34% student 22% and social worker 4%.

Hero Honda is the most preferred brand among the student category. Which is 8% followed by Yamaha-6%. The least preferred brand under 'student category is Lifan and Dayang. Under the category 'job holder', Hero Honda is the most preferred by 14%, followed by Yamaha 12%, Furthermore, under the category of 'Businessman' K-Bajaj is the most popular brand by 10%, followed by Hero Honda 8%. Likewise, under the category of 'social worker' Hero Honda and Yamaha is the most preferred brand by 2%.

From the above table, the most active category of different brands are as, Hero Honda- Jobholder, Yamaha- jobholder, K-Bajaj-Businessman, Lifan-Businessman, Dayang-Businessman, and other brands-Jobholders.

#### 4.1.4 Brand Preference by Education Level

All respondents have been classified into 4 categories on the basis of their education- up to S.L.C., intermediate, graduate, and post-graduate. Table .4.4 shows the brand preference in relation to education level.

Table 4.4  
Brand preference by educational Level

Education Brand	Up to SLC		Intermediate		Graduate		Post-Graduate		Total
	No	%	No	%	No	%	No	%	
Hero Honda	1	2	3	6	7	14	4	8	15
Yamaha	1	2	4	8	2	4	6	12	13
K-Bajaj	1	2	2	4	4	8	5	10	12
Lifan	0	0	2	4	1	2	1	2	4
Dayang	1	2	1	2	1	2	0	0	3
Others	0	0	3	6	0	0	0	0	3
Total	4	8	15	30	15	30	16	32	50

Source: *Opinion Survey, 2012*

The data shows that large numbers of respondents are found in 'Graduate level by 30% of total respondents.

Similarly 'Intermediate level formed 30% of respondents. This level group preferred the Yamaha most by 8%, followed by Hero Honda 6%. The least preferred brand under intermediate level is Dayang. Under the postgraduate level (which is 32% of the total respondents), respondents preferred Yamaha the most by 12% followed by K-Bajaj -10%. No respondent was found using Dayang brand in this category. Furthermore, under up to S.L.C. level which is 8% of total respondents, the respondents preferred Hero Honda ,Yamaha, Bajaj and Dayang 2%.

Among the different education level Hero Honda is most popular in Graduate level. Likewise, Yamaha in Post Graduate and Intermediate level .

#### 4.1.5 Brand Preference on the Basis of Income Level

Several factors contribute to the peoples' economic level. It is very difficult to find out the disposable income of people in our socio- economic setting. Therefore, in the study, respondents are classified only on the basis of their personal monthly income. Respondents have been calssified into three classes of income level i.e. Rs.5000 per month, Rs.5000-15000 per month and Rs.15000 and above per month. Table 4.5 presents the detail data concerning about income level on brand preference.

Table .4.5  
Brand Preference by I ncome Level

Income	Below Rs. 5000		Rs.5000- 15000		Above Rs.15000		Total
	No	%	No	%	No	%	
Hero Honda	2	4	6	12	4	8	12
Yamaha	3	6	7	14	3	6	13
K-Bajaj	1	2	6	12	5	10	12
Lifan	0	0	2	4	2	4	4
Dayang	1	2	1	2	1	2	3
Others	0	0	3	6	3	6	6
Total	7	14	25	50	18	36	100

Source: *Opinion survey, 2012*

It is revealed from the analysis of data presented in above Table .4.5 that large number of respondents found as 50% on income level Rs.5000-15000 per month, followed by 36% on Rs.15000 per month and above, and 14% on under Rs.5000 per month.

Under the category of Rs.5000-15000 per month income level Yamaha is the most preferred by 14%, followed by Hero Honda 12%. Similarly under the category of under Rs.5000 income level, Yamaha is the most preferred brand by 6% followed by Hero Honda. No respondent was found using Lifan brand under this category.

Kawasaki-Bajaj has placed 1<sup>st</sup> position by 10% followed by Hero Honda 8% under the category on income level Rs.15000 per month and above.

## 4.2 Analysis of Buying Behavior

Under general analysis, following topics have been incorporated and analyzed.

#### 4.2.1. Reasons for Motorcycle Preference

There may be many reasons for choosing motorcycle in comparison to other vehicles. The Table 4.6 shows all the detail about the reason.

Table 4.6  
Reasons for Motorcycle Preference

S.N	Reason	No. of Respondents	Percentage
1	Economy	17	34
2	Time saving	15	30
3	Easy to handle	13	26
4	Suitable in crowded streets	5	10
	Total	50	100

Source: *Opinion survey, 2012*

As shown in the above table, 34% respondents preferred motorcycle for economic reason, 30% for time saving, 26% for easy handling and 10% for easy movement in crowded streets out of total respondents.

#### 4.2.2 Purpose of Motorcycle Riding

For analysis the purpose of motorcycle riding, different options have been designed and asked to respondent to answer for their purposes of riding. Table 4.7 reflects the purpose of motorcycle riding.

Table 4.7  
Purpose of Motorcycle Riding

Purpose	No. of Respondent	Percentage
Business	15	30
Pleasure	4	8
Transportation	27	54
Others	4	8
Total	50	100

Source: *Opinion survey, 2012*

Table 4.6 is related with the purpose of motorcycle riding. It is clearly seen from the table that large number of motorcycle riders ride motorcycle for the purpose of transportation which is 54%, followed by business purpose 30%, pleasure purpose 8%, and other purpose 8% respectively.

### 4.2.3 Customers' Decision if Favorite Brand is not available

The following table is the summary of responses provided by respondents of their alternative way if their favorite brand is not available in the market.

Table 4.8  
Alternative Choice  
(Customers' Decision if Favorite Brand is not Available)

Option	No. of Respondents	Percentage
Wait for preferred brand	21	42
Buy any available	14	28
Buy the second preferred	15	30
Total	50	100

Source: *Opinion survey, 2012*

Table 4.8 presents the customers alternative way if their favourite brand is not available in the market. It clearly indicates that 42% of respondents wait for their preferred brand, 32% will buy the second preferred brand and rest 28% buy any available brand. The data also shows that large number of respondents are found to be brand loyal.

### 4.2.4 Alternative Preference of Brand if Favorite Brand is not Available

Customers search for another brand if their favorite brand is not found at their right time. Some may wait of certain brand but most of the customers go for another second brand. Table .4.9 is related to alternative preference of customer if their favourite brand is not available in the market.

Table 4.9  
Alternative of customers if their Favourite Brand is not Available

Alternative	No. of Respondents	Percentage
Hero Honda	10	20
Yamaha	15	30
K-Bajaj	13	26
Lifan	2	4
Dayang	3	6
Others	7	14
Total	50	100

Source: *opinion survey, 2012*

As shown in the above table, most of the respondents preferred Yamaha as the alternative choice of brand by 30%, followed by Kawasaki-Bajaj 26%, Hero Honda 20% and Lifan 4% respectively out of total respondents. Figure no. 4.5 also shows the actual picture of customer's alternative preference.

#### 4.2.5 Ranking the Factors for Brand Switching

Respondents have been asked to rank the different factors according to their perception for the brand switching. Here 1 signifies the high effect on brand switching and 5 signifies the low effect. Respondents on brand switching relate Table 4.10 with ranking of factors.

Table 4.10  
Ranking the Factors for Brand Switching

Factor	1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>		5 <sup>th</sup>		Total
	No	%	No	%	No	%	No	%	No	%	
Price	20	40	15	30	9	18	5	10	1	2	50
Advertisement	8	16	10	20	18	36	10	20	4	8	50
Desire for new	13	26	16	32	15	30	4	8	2	4	50
Availability	3	6	7	14	7	14	30	60	3	6	50
Others	6	12	2	4	1	2	1	2	40	80	50
Total	50	100	50	100	50	100	50	100	50	100	50

Source: Opinion survey, 2012

The data shows the factor –price activity has been found as the first rank by 40%, second rank on a desire to test new by 32%, third rank on advertisement by 36%, fourth rank on unavailability of brand by 60% and fifth rank on other factors by 80% respectively. From the table it can be seen that price has played the most important role in brand switching.

### 4.3 Product Attributes and Buying Behavior of Customers

Customers prefer the specific brand by pursuing the different attribute sought in the product. Based on the responses provided by respondents, the analysis of responsible attributes for brand preference has been done in this section. The analysis includes.

1. Product attributes and their influences on brand preference
2. Ranking the different brands based on respondent preference.
3. Brand preference based on single attribute at a time.

#### 4.3.1 Analysis of Product Attributed on Brand Preference

The ranking of these attributes, which play role for brand preference, is presented in the Table 4.11. Here 1 signifies highest 1<sup>st</sup> ranking and 7 signifies the lowest ranking of the attributes.

Table 4.11  
Ranking the Attributes on Brand Preference

Rank	1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>		5 <sup>th</sup>		6 <sup>th</sup>		7 <sup>th</sup>		Total
	No	%	No	%	No	%	No	%	No	%	No	%	No	%	
Price	20	40	11	22	12	24	2	4	1	2	4	8	0	0	50
Aesthetic looks	10	20	8	16	13	26	9	18	5	10	3	6	2	4	50
Resale	6	12	8	16	6	12	11	22	9	18	8	16	2	4	50
Fuel efficiency	1	2	5	10	7	14	7	14	14	28	11	22	5	10	50
Financial facility	1	2	5	10	7	14	7	14	15	30	11	22	4	8	50
After sales service	0	0	2	4	4	8	6	12	12	24	15	30	11	22	50
Attractive ad.	1	2	1	2	2	4	6	12	8	16	7	14	25	50	50

Source: Opinion survey, 2012

For this purpose, a question has been designed and administered to the respondents and requested to rank the different attributes of motorcycle. Seven attributes, viz., price, aesthetic looks, resale value, fuel efficiency, financial facility, after sales services, and attractive advertising have been taken as more responsible for brand preference.

Table 4.11 is related with ranking of attributes based on the respondents' responses. The data shows that the price attribute has been found as the First and second rank attribute by 40% and 22%, aesthetic looks has been found as the third rank by 26%, resale value as the 4<sup>th</sup> rank by 22%, financial facility as the 5<sup>th</sup> rank and rest attributes free after sales service and attractive advertising have been found as 6<sup>th</sup> and 7<sup>th</sup>

ranking respectively out of total respondents. From the table, it is seen that price and fuel efficiency are the major attributes while preferring motorcycle brand.

### 4.3.2 Ranking the different Brands as Perceived by Respondents

Respondents have been asked to rank the different brands according to their preference. Here the first rank signifies the highly preferred and sixth rank the least preferred brand. Table .4.12 discloses the ranking of different brands according to respondents' preference.

Table .4.12  
Ranking of Different Brands

Rank Brand	1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>		5 <sup>th</sup>		6 <sup>th</sup>		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Hero Honda	16	32	11	22	10	20	2	4	6	12	5	10	50
Yamaha	12	24	17	34	7	14	8	16	2	4	4	8	50
K-Bajaj	11	22	9	18	18	36	8	16	2	4	2	4	50
Lifan	3	6	2	4	2	4	3	6	23	46	17	34	50
Dayang	2	4	1	2	0	0	12	24	14	28	21	42	50
Others	6	12	10	20	13	26	17	34	3	6	1	2	50

Source : Opinion survey, 2012

As shown from the Table .4.12, Hero Honda has placed first rank by 32%, Yamaha the second, Kawasaki-Bajaj the third, other brands the fourth, lifan brand the fifth and Dayang the sixth rank, out of total respondents.

Under the first ranking category, Hero Honda has occupied the highest position by 32%, followed by Yamaha 24%. Under the second ranking category Yamaha brand has occupied the highest position 34%, followed by Hero Honda-22%. Likewise, under the third ranking category, K-Bajaj has occupied the highest position by 36%, followed by other brands. Under the fourth ranking category, other brands have occupied the highest position by 34%, followed by Dayang-24%. Under the fifth ranking category, Lifan has occupied the highest position by 46%, followed by Dayang 28%. Similarly, Dayang has occupied the highest position under sixth ranking category by 42% followed by Lifan-34.

### 4.3.3 Brand Preference Based on Price

Price is the major attribute on the preference of motorcycle brand. The brand which price is lower than other can occupy its larger market share. Customers today are more price conscious. There are different brands in the market having low price to high price. In this part, an analysis has been done based on the responses provided by respondents. Table 4.13 shows the detail about the preference of brands on the basis of price only.

Table 4.13  
Ranking on Brand preference Based on Price

Rank Brand	1 <sup>st</sup>		2 <sup>nd</sup>		3 <sup>rd</sup>		4 <sup>th</sup>		5 <sup>th</sup>		6 <sup>th</sup>		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Hero Honda	16	32	11	22	10	20	2	4	6	12	5	10	50
Yamaha	12	24	17	34	7	14	8	16	2	4	4	8	50
K-Bajaj	11	22	9	18	19	38	8	16	1	2	2	4	50
Lifan	3	6	2	4	2	4	3	6	23	46	17	34	50
Dayang	2	4	1	2	0	0	12	24	14	28	21	42	50
Others	6	12	10	20	12	24	17	34	4	8	1	2	50

Survey : *Opinion Survey, 2012*

As shown from the Table .4.13, Hero Honda has occupied the first position by 32% followed by K-Bajaj-24% under the first ranking. Likewise in the second ranking, K-Bajaj has occupied first position by 34%, followed by Hero Honda-22%. In the third ranking, Bajaj has occupied the first position by 38% followed by Hero Honda-20%. Similarly, in the fourth ranking, Other brands has occupied the first position by 34% followed by Dayang-24%. In the fifth ranking, Lifan brand has occupied the first position by 46% followed by Dayang-28%. Lastly in the 6<sup>th</sup> ranking. Dayang brand has occupied the first position by 42% followed by Lifan-24%, out of total respondents. From the table, it is seen that Hero Honda is preferred the most followed by K-Bajaj the second, Yamaha the third, other brand the fourth, Lifan the fifth and Dayang the sixth respectively on the basis of price only.

#### 4.3.4 Brand Preference Based on Aesthetic Looks

Customers prefer their brands not only in terms of price, resale value, fuel efficiency and power but also they are more interested in how their brands look like. Younger generations are likely to prefer those brands which have high aesthetic looks. Table below presents the detail ranking of brand preference on the basis of aesthetic looks.

Table 4.14  
Ranking on Brand Preference Based on Aesthetic looks

Rank Brand	1st		2nd		3 <sup>rd</sup>		4 <sup>th</sup>		5th		6th		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Hero Honda	5	10	10	20	9	18	18	36	2	4	6	12	50
Yamaha	7	14	5	10	19	38	8	16	5	10	6	12	50
K-Bajaj	11	22	6	12	5	10	17	34	6	12	5	10	50
Lifan	10	20	12	24	6	12	5	10	10	20	7	14	50
Dayang	14	28	10	20	4	8	2	4	12	24	8	16	50
Others	3	6	7	14	7	14	0	0	15	30	18	36	50

Source : Opinion survey, 2012

Table 4.14 is related with the ranking of different brands on the basis of aesthetic looks. Dayang brand of motorcycle has placed the first rank by 28%, second rank by lifan which is 24%, the third by Yamaha which is 38%, fourth rank by Hero Honda which is 36%, and fifth rank by other brands which is 30% out of total respondents. It can be conclude that the Chinese motorcycle brands are more popular due to their looks.

#### 4.3.5 Brand Preference Based on Fuel Efficiency

Fuel efficiency is one of the major attributes of motorcycle brand. Frequent rise in price of fuel and lubricants, many customers are concentrated on the economic fuel consumption. Table 4.15 shows the ranking of different brands as perceived by respondents on the basis of fuel efficiency.

Table 4.15  
Ranking on Brand Preference Based on Fuel Efficiency

Rank Brand	1st		2nd		3 <sup>rd</sup>		4th		5th		6th		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Hero Honda	20	40	18	36	7	14	4	8	0	0	1	2	100
Yamaha	5	10	8	16	12	24	21	42	3	6	1	2	100
K-Bajaj	15	30	19	38	9	18	3	6	2	4	2	4	100
Lifan	1	2	1	2	2	4	6	12	18	36	22	44	100
Dayang	0	0	1	2	4	8	7	14	23	46	15	30	100
Others	9	18	3	6	16	32	9	18	4	8	9	18	100

Source : Opinion survey, 2012

The result shows that the motorcycle brand Hero Honda has occupied first rank-40% followed by K-Baja-30%. K-Bajaj has occupied the second rank-38% followed by Hero Honda 36%. Other brands in third rank-32% followed by Yamaha -24%. Likewise fourth rank has been occupied by Yamaha-42% followed by other brands -18%, fifth rank by Dayang-46% followed by Lifan-36% and sixth rank by Lifan -44% followed by Dayang-30% out of total 50 respondents. From the above table it can be seen that Indian brands are more fuel economy to Chinese brands.

#### 4.3.6 Brand Preference Based on Resale Value

It is no doubt that the customers these days are more concerned about the resale value of the motorcycle brand. Resale value is also one of the important responsible attributes for preference of motorcycle brand. The following table shows the ranking of different brands based on resale value.

Table 4.16  
Ranking of Different Brands Based on Resale Value

Rank Brand	1st		2nd		3 <sup>rd</sup>		4th		5th		6th		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
Hero Honda	15	30	20	40	8	16	3	6	3	6	1	2	50
Yamaha	26	52	10	20	9	18	3	6	0	0	2	4	50
K-Bajaj	4	8	13	26	25	50	1	2	2	4	5	10	50
Lifan	0	0	1	2	5	10	24	48	7	14	13	26	50
Dayang	1	2	0	0	2	4	14	28	6	12	27	54	50
Others	4	8	6	12	1	2	5	10	32	64	2	4	50

Source : Opinion survey, 2012

Table 4.16 shows that Yamaha brand of motorcycle has the highest resale value. The respondents have ranked Yamaha brand in the first position-52%, followed by Hero Honda-30%, Hero Honda in the second position preferred by 40% followed by K-Bajaj-26%. Third rank has been occupied by K-Bajaj-50% followed by Yamaha-18% and fourth rank by Lifan 48% followed by Dayang 28%. Dayang has been found as the least preferred brand-54% on the basis of resale value. Other brands have placed fifth rank by 64%, out of total respondents.

#### 4.3.7 Analysis of Price Sensitivity on Brand Preference

For this purpose, respondents were given five options viz., very high, high, moderate, low and very low. The following table reflects the degree of price sensitivity on brand preference.

Table 4.17  
Degree of Price Sensitivity on Brand Preference

S.N.	Option	No. of respondents	Percentage
1	Very high	21	42
2	High	8	16
3	Moderate	20	40
4	Low	1	2
5	Very low	0	0
Total		50	100

Source : *Opinion survey, 2012*

Table No. 4.17 is related with the price sensitivity on brand preference. Above data shows those large numbers of respondents have been found in high degree of price sensitivity by 42%, moderate sensitivity by 40%, high sensitivity by 16%, and low degree of sensitivity by 2% out of total respondents. None was found in the option very low. It can be concluded that there is high degree of price sensitivity on brand preference. Price plays a vital role.

### 4.3.8 Advertising Effect on Brand Preference

Advertising plays a vital role in persuading the customer to prefer a certain brand. Nowadays each and every motorcycle brand is coming up with heavy advertisement focusing on customers. The purpose of advertising is to inform, persuade and attract the customers towards the products or brands, here, the effect of advertising on brand preference has been analyzed. Table 4.18 is about the responses provided by respondents.

Table .4.18  
Advertising Effect on Brand Preference

S.N.	Option	No. of respondents	Percentage
1	Very high	10	20
2	High	15	30
3	Moderate	20	40
4	Low	4	8
5	Very low	1	2
Total		50	100

*Soruce : Opinion survey, 2012*

The data has shown the moderate effect of advertising by 40% followed by 30% on high effect. In 'Very high' option 20% of respondents have been found. 8% of respondents have been found in option 'Low' and in 'Very low' option 2% of respondents have been found. From the table it can be seen that there is moderate effects of advertising on brand preference.

## CHAPTER – V

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### **5.1 Summary**

Motorcycle is one of the important means of transportation among other vehicles. Normally, it is taken as high-involvement goods. Motorcycle was perceived as the means of pleasure and luxury some years back. But today it has become the need for almost all people in Nepal. Motorcycle market has been growing rapidly in Nepal as there are more than 50 brands available in the market. According to Brochure of Department of Transport Management, Lalitpur, 156410 motorcycles were registered in Bagmati zone out of total 244402 motorcycles registered in the country up to fiscal year 059/60. B.S. (2002/2003). There is tough competition among the dealer of motorcycle brands. These days motorcycle of every make and model, from luxury to economy type can be found easily in Nepal. Today customers have many choices in preferring the specific brand. Most of the motorcycles have been imported from India and China. Import of motorcycle brands from overseas are few in numbers. The Nepalese company has also launched its brand "Cosmic Yingang" first Nepal made motorcycle brand. Brand preference is major yardstick to measure the customers' attitude, feeling and perception.

This study titled "Brand preference study on motorcycle with reference to Kathmandu city" is aimed at assessing the perceptions, feelings and attitudes of motorcycle customers. This is perhaps the first study of its kind in Nepal. The study covers the Kathmandu city as sample area where motorcycle traffic is tremendous. Five major brands have been mainly taken for the study. They are- Hero Honda, Yamaha, K-Bajaj, Lifan and Dayang, three of Indian brands and two of Chinese brands. The study is based on primary data. In order to

analyze the situation, 120 administered questionnaire, only 100 responses have been received. This is a kind of exploratory research. Descriptive as well as analytical tools have been used to draw the conclusion.

From the interpretation and analysis of data and information collected from the respondents, Hero Honda has been found as the most preferred brand among different segments of the customers. Large numbers of customers have been found in the age group of 25-39 years, in the Jobholder category by profession, generally graduate by education level and their income in the range of Rs.5000/- Rs.15000/- month. The priority of the different attributes of motorcycle for brand preference has been found as:

- First – Price
- Second – Fuel efficiency
- Third – Aesthetic looks
- Fourth – Resale value
- Fifth – Financing facilities
- Sixth – Free after sales services
- Seventh – Attractive advertising

The ranking on brand preference also shows that the brand Hero Honda has been found at the 1<sup>st</sup> rank, Yamaha – 2<sup>nd</sup> rank, K-Bajaj – 3<sup>rd</sup> , Other brands – 4<sup>th</sup>, Lifan-5<sup>th</sup> and Dayang – 6<sup>th</sup> respectively. It is also concluded that most of respondents ride motorcycle for transpiration purpose and prefer due to its economic reason. Perception of respondents to different brands has been found different. Respondents' perception over different five brands have found as –

<u>Brand</u>	<u>Perception</u>
Hero Honda →	High fuel efficiency, high resale value, moderate price, low power, moderate looks.
Yamaha →	High resale value, high power, good for long ride.
K-Bajaj →	Fuel-efficient, moderate looks, more after sales service.
Lifan →	Powerful, high aesthetic looks, fuel inefficiency, lower resale value, good for long ride.
Dayang →	High aesthetic looks, moderate finance facility, low resale value.

## 5.2 Major findings of the study

Based on the analysis of respondents responses on brand preference, some of the findings have been drawn as follows:

- ) Hero Honda brand has been found as the most preferred brand, Yamaha as the second, K-Bajaj as the third, Other brands as the fourth, Lifan as the fifth and Dayang as the sixth preferred brand respectively
- ) On the basis of the age group, most of respondents have been found in the age group of 25-39 years. Hero Honda is the most preferred brand in the age group of people below 25 and 25-39 years. In the matured segment group 40 and above, Yamaha holds its first position.
- ) On the basis of the profession, large number of respondents have been found in the category of 'job holder'. In most category of profession, Hero Honda has been popular except in 'business category'. In business category, K-Bajaj has been seen as the popular brand.
- ) On the basis of education level, large number of respondents have been found in the 'Graduate level'. Only few respondents have been found in

the 'up to S.L.C. level'. Up to S.L.C. level and Graduate level of education, Hero Honda has been the most preferred brand. Yamaha has been more popular in the 'intermediate and post graduate level of education.

- ) On the basis of the income level, most of respondents have been found in Rs.5000 – 15000 per month. Yamaha has been popular in 'under Rs.5000 income level and K-Bajaj in Rs.15000 and above Rs.15000 per month income level.
- ) Economic aspect is the primary reason for preference of the motorcycle riders. Saving of time and easy handling of the motorcycle follow it.
- ) The main purpose of motorcycle riding has been found as transportation but some riders prefer it for other purpose as well such as business, pleasure etc.
- ) It has been found that there is 'Brand loyalty' on this sector as the motorcycle is purchased rarely.
- ) The price factor has been found as the main factor for brand switching.
- ) The major attributes for an ideal brand have been found in the following order rank for the preference of brand.

Price	–	1 <sup>st</sup> rank,
Fuel efficiency	–	2 <sup>nd</sup> rank,
Aesthetic looks	–	3 <sup>rd</sup> rank,
Resale value	–	4 <sup>th</sup> rank,
Financial facility	–	5 <sup>th</sup> rank,
After sales services	–	6 <sup>th</sup> rank,
Attractive advertising	–	7 <sup>th</sup> rank

- ) According to the preference of total respondents, Hero Honda has been found in the 1<sup>st</sup> rank, Yamaha the 2<sup>nd</sup>, K-Bajaj the 3<sup>rd</sup>, Other brands the 4<sup>th</sup>, Lifan the 5<sup>th</sup>, and Dayang the 6<sup>th</sup> respectively.
- ) Hero Honda has been found as in the 1<sup>st</sup> rank, Bajaj-2<sup>nd</sup>, Yamaha – 3<sup>rd</sup>, Other brands -4<sup>th</sup>, Dayang – 5<sup>th</sup> and Lifan -6<sup>th</sup> respectively on the basis of price
- ) Hero Honda has been found in - 1<sup>st</sup> rank, K-Bajaj-2<sup>nd</sup>, Other brands-3<sup>rd</sup>, Yamaha -4<sup>th</sup> respectively on the basis of fuel efficiency.
- ) Dayang has been found – 1<sup>st</sup> rank, Lifan – 2<sup>nd</sup>, Yamaha- 3<sup>rd</sup> respectively on the basis of aesthetic looks of he motorcycle brand.
- ) The 1<sup>st</sup> rank has been occupied by Yamaha, 2<sup>nd</sup> –Hero Honda, 3<sup>rd</sup> –K-Bajaj on the basis of resale value.
- ) High degree of price sensitivity has been realized in brand preference of high involvement goods-motorcycle.
- ) Advertising has moderate effect in the brand preference.
- ) Hero Honda has been positively perceived in terms of fuel efficiency, resale value and aesthetic looks.
- ) Yamaha has been found having the 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 is disadvantages with regard to fuel efficiency and resale value.

- ) Dayang brand of motorcycle has been found more positive on its aesthetic looks and finance facility.

### **5.3 Conclusion**

This study has been undertaken from different aspects. Responses of various respondents have been collected, presented and analysed. Based on these information, following conclusions can be drawn:

- ) Motorcycle has become the best means of transportation among other vehicles due to its economic, time saving, and easy handling aspects.
- ) Preference of motorcycle brand is reflected by its attributes.
- ) Nepalese customers are more price conscious. Customer are more aware about the added features such as improved design, fuel economy, reasonable price, reduced waiting time, easy finance, aesthetic looks etc.
- ) People who are in the middle-income group emphasize more on price and fuel efficiency. Youth segment give more importance to aesthetic looks, in addition to power.
- ) Jobholder and businessman are the main customers of motorcycle. The active segment of motorcycle riders is 25-39 yrs of age people.
- ) The theme of fuel economy will prove a major selling point in the context of recent rise in petrol prices. As the study concludes that high fuel-efficient motorcycle brand Hero Honda is most preferred in most periphery.
- ) Indian motorcycle brands appear to be concentrating mainly on the attributes such as: fuel efficiency, resale value and somehow power and aesthetic looks. Chinese motorcycle brands are focusing mainly on aesthetic looks, power, and financing facility and after sales services.

## 5.4 Recommendations

The study shows that a single brand does not have all the favourable attributes. Some focus on fuel efficiency and price, where as some concentrate on aesthetic looks, power and after sales service. The preference of one customer differs to another because of differences in feeling, perception and attitude. Some recommendations are made for the seller of motorcycle brands.

- ) Most of the Nepalese motorcycle riders were found in middle-income group and in the age group of 25-39 yrs. So, it is suggested to fix the reasonable price (i.e. less than Rs.1,00,000).
- ) Due to different topography of the country, sellers need to differentiate their brand according to topography. For easy road and short ride, it is recommended to launch the fuel efficient and middle priced brand, where as for the long ride and hilly area, high-powered motorcycle brand should be launched.
- ) The features like-light weight, disk brake, self-start etc should be added to their present attributes of motorcycle brands to capture the large market share.
- ) It is also seen that youngsters are more attracted by high aesthetic looks and high power. Packaging aspect should be stressed.
- ) Prompt after sales service facilities should be provided by dealers through workshop networks.
- ) Location of the service station should be in convenient place of customers. After sales service stations should be maximum.
- ) Most of he sellers have not targeted their brand for female riders so; it is recommended to launch the 'definitely female' model as female riders have been increasing. Characteristics like lightweight etc. should be included for female riders.

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# APPENDIX

## A Survey of Motorcycle Riders on Brand Preference

1. Please write your name and address in the space provided below (optional)

Name :.....

Address : ..... Ph. No.....

Using Brand: .....

Motorcycle Number: .....

2. Why do you prefer motorcycle in comparison to other vehicles? (Tick One)

(a) It is economical (b) It saves Time

(c) It is easy to handle (d) Easy movement in crowded streets

3. What is the purpose of Motorcycle riding? (Tick One)

(a) Business (b) Pleasure(c) Transportation (d) Other (specify).....

4. Which brand of motorcycle do you prefer? (Tick One)

(a) Hero Honda (b) Yamaha(c) Bajaj

(d) Dayang (e) Lifan (f) any other (specify) .....

5. What would you do if your preferred brand is not available in the market?

(Tick One)

(a) Wait for preferred brand (b) Buy any available (c) Buy the second preferred brand

6. Which is the alternative preference if your favorite brand is not available in the

Market ? (Tick One)

(a) Hero Honda (b) Yamaha (c) Bajaj (d) Dayang (e) Lifan(f) any other (specify) .....

7. Rank the following factors in order of their importance they play role for

brand switching.

(a) Price activity (b) Advertisement (c) a desire to test new(d) Unavailability of brand

(e) If any (please specify) .....

8. Rank the following attributes in order of the importance they play in preference

of the motorcycle brand.

(a) Price (b) Aesthetic looks (Good looks) (c) Resale value(d) Fuel efficiency

(e) Financing facility(f) After sales service (g) Attractive advertising (h) If any (specify)

9. Rank the following brand from 1 to 6, according to your preference assuming

that 1 for highly preferred and 6 for least preferred?

Hero Honda (b) Yamaha (c) Bajaj (d) Dayang(e) Lifan(f) any other (specify) .....

(a)

10. Rank the following brand from 1 to 6, according to your preference assuming that 1 for highly preferred and 6 for least preferred one considering price only.  
 (a) Hero Honda (b) Yamaha (c) Bajaj  
 (d) Dayang(e) Lifan(f) any other (specify).....
11. Rank the following brand from 1 to 6, according to your preference assuming that 1 for highly preferred and 6 for least preferred considering aesthetic looks only.  
 (a) Hero Honda (b) Yamaha (c) Bajaj (d) Dayang(e) Lifan(f) any other (specify)...
12. Rank the following brand from 1 to 6, according to your preference assuming that 1 for highly preferred and 6 for least preferred on the basis of fuel efficiency.  
 (a) Hero Honda (b) Yamaha (c) Bajaj  
 (d) Dayang(e) Lifan(f) any other (specify).....
13. Rank the following brand from 1 to 6, according to your preference assuming that 1 for highly preferred and 6 for least preferred on the basis of resale value.  
 (a) Hero Honda (b) Yamaha (c) Bajaj (d) Dayang(e) Lifan(f) any other (specify).....
14. What degree of price sensitivity do you have in brand preference? (Tick One)  
 (a) Very High (b) High (c) Moderate (d) Low(e) Very low (f) Poor
15. In What extent, advertising does effect on brand preference? (Tick One)  
 (a) Very High (b) High (c) Moderate (d) Low(e) Very low
16. Demographic profile.
 

Age group	(a) 16-25	(b) 25-39	(c)40-55	(d) 55 and over
Marital Status	(a) Single	(b) Married		
Occupation	(a) Student	(b) Business	(c) Job holder	(d) Social Workers
Education	(a) Up to SLC	(b) Intermediate	(a) Graduate	(d) Post Graduate
Monthly Income	(a) under 5000	(b) 5000-10000	(c) 10,000-15000	(d) 15,000-20,000
		(e) 20,000 and over		