

A STUDY OF IMPACTS OF PRICE AND FINANCING SCHEMES IN MAKING TWO-WHEELERS PURCHASE DECISION OF KATHMANDU BASED RIDERS

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Abstract

In Nepal, during last 25 years, Two- Wheelers market is surprisingly flourishing. There is a paradigm shift in two-wheelers purchase and uses in Nepal in general and in Kathmandu in particular. Two-Wheelers in Nepal are available in a wide range of pricing starting from Rs.25000 to Rs.10,00,000. The commercial Banks, Co-Operatives and Financial Institutions are also providing Two-Wheelers purchase loans under their Hire and Purchase Schemes. They are providing short and soft term loans for Two-Wheelers purchase. Nepalese Customers are rampant purchasing Two-Wheelers obtaining loans from any Financial Institutions without enough analysis about their loan terms like interest rate, repayment time, paper process and down payments. This has, in many cases, led to more costs to be borne by the customers and they are bound to pay more prices over the actual market prices. As an after math of this, it is seen sometimes, the customers are unable to pay premium installments (EMIs) and the financing institutions have pulled the two-wheelers purchased under financing schemes making the riders devoid of the two- wheelers bikes with them. The researcher has, therefore, tried to conduct a research entitled as "An Impact Study of Price and Financing Schemes in making Two-Wheelers Purchase Decision of Kathmandu Based Riders" with a view to finding a solution to these financing schemes related problems and suggest them the most practical scheme for taking their Two-Wheelers purchase Decision. A Descriptive Research Design is used. 215 Respondents were consulted through structured questionnaires using Google docks and visiting different outlets and workshops and financing institutions. Their responses were recorded and analyzed using SPSS model and different statistical tools. The study primarily revealed that Nepalese Two- Wheelers riders know a very little about loans schemes and getting financing from any institutions. But it was also seen that the financing schemes and prices have a positive impact in making two-wheelers purchase decision by the Kathmandu based riders. These are by far new types of findings in Kathmandu in its kind.

Keywords: Two-wheelers, Kathmandu Automobile Market, Price, Financial Schemes

Introduction

Two wheelers' in these days are the most popular mode of transport chosen by the common man in Nepal. Ever wondered why? The reason is simple - the affordability, easy navigation through traffic, low cost of maintenance, and servicing make it the number one choice of conveyance. With the ever-increasing population in Nepal and traffic congestion, the average time spent by a bike to reach its destination would be 10 minutes less than a car in a 30 minutes' journey as cars require more space than a bike.

Earlier it was thought that two-wheelers were basically designed for the Nepalese context to the middle-class section of the society. Nowadays, if we take a look at our neighborhood, we would notice that every house has at least one two-wheeler either a scooter or a bike even in villages where

it was difficult to see even a bicycle. As years went by, with the advancement of technology, new models with unique features have hit the Nepalese Two- Wheelers Auto market that meets the needs and expectations of people belonging to different age groups and social class in the society. For instance, a college-going student would buy a sporty bike or bikes meant for adventure, whereas an office-going professional would pick a bike meant for daily commute.

Nepal Motorcycles Industry hit by new taxation rules. In the first half 2023 sales declined 12% and perspectives for the rest of the year are not encouraging. Bajaj Auto is market leader.

The market trend of motorcycle is shown below:

- In Nepal, two-wheelers make up 78% of all moving vehicles. Considering that the annual number of newly registered two-wheelers is in the range of 200k, the majority have a fairly high age.
- Even if four-wheelers are too costly for those with lesser incomes in Asia, the motorcycle market is predicted to grow in the medium term along with the nation's development and economic profile, with projections for pro-capita income to rise.
- Unfortunately, COVID-19 had severe impacts. The market crashed in 2020 and did not rebound in 2021, despite the economy's recent upturn.
- Beginning in 2022, the government made the decision to prohibit the import of ten different types of goods, including two- and four-wheelers larger than 250cc. The administration took a more daring step and, as of July 17, 2022, added two-wheelers larger than 150cc to the list of prohibited imports.
- Although the market, which is centered in the 125–150 cc range, was only somewhat impacted by the first ban, the second one had a significant negative impact and disrupted the industry significantly, making it difficult to support local entrepreneurial start-ups.
- Sales in 2022 were 191,223, a 4.7% decline, but this year, the true impact of the new regulations is more noticeable, even if all of the major players have switched to offering cars with engine displacements under 150cc.
- In fact, sales fell 12% in the first half of 2023, according to data provided by the local organization of manufacturers, and the outlook for the remainder of the year is dismal.

The market is a war between Indian manufacturers, with Bajaj Auto leading the pack but all other leading Indian manufacturers, including Honda and Yamaha, at the top of the ranks. (Team, 2023)

Buying a Two-Wheeler is often a top consideration for individuals looking to save on petrol costs. The loan choice can be difficult if riders need financial help to purchase a bike or scooter. When financing a two-wheeler, there are two main options: a personal loan and a two-wheeler loan. Understanding the differences between these loan types is vital before deciding on a borrower.

In Nepal, so far, two-wheelers, price and financial schemes it is least seen, least studied and least taught and least learnt subject. In these days, in Nepal, road transportation and communication is highly increasing. Automobile sector is still highly succeeding and the vehicles are mostly purchased from India. Two –Wheelers, three wheelers and, four wheelers market is encouraging because of the increased per capita income, education, financing facilities provided by the commercial banks and external exposure. Every household in the Terai of Nepal almost keeps at least one two –wheeler auto vehicle.

The customer in Kathmandu are not so aware about the brand, cost, appearance, fuel economy, repair and maintenance, resale value, topography, age mix factor and occupation and power of the auto vehicle. 1.2 million of different categories of auto vehicles run in Kathmandu every day. It is also estimated that there are 3.8 million (3539518 till 2020) of vehicles registered in the Department of Transport Management (DoTM). It is also recorded that out of those registration, the two- wheelers constitute 2.6 million (80%). It is also said that the Nepal Auto Market stands as 28th largest in the world domestically. (DoTM)

Slowly, but, developing economy accompanied with growth in population, urbanization is playing catalytic role in flourishing the auto market particularly two-wheelers in the Nepalese context, is still

expected to move ahead to reach 28th largest to 15th largest in coming few years. From this angle of analysis, though the proposed study seems limited to Two-wheelers but from the stand point of the Nepalese Context and the places and countries having the similar context, the topic will be of utmost importance in making policies in different levels including government, business and personal level related to two-wheelers for the betterment of the country and the people using two-wheelers.

Increasing urbanization (20.40%) has also facilitated in development of the auto market in Nepal. Abrupt growth of per capita income in 2011 (USD 1,236) to 1399(USD, 2023, CEIC DATA) has also led to increase the number of riders in Nepal. So, in Nepal two- wheelers have become the main transportation device in general and in Kathmandu in particular.

According to DoTM, the Nepalese motorcycle market industry is dominated by the Indian Manufacturer Company- Bajaj auto, Honda, and Hero by far with Japanese Honda and Yamaha at an acceptable market with lower presence of the Chinese brands. The majority of the vehicles are street commuter with a power C.C. class between 100- 150. Major sold bikes and scooters in Nepal are Honda, Hero, Bajaj, Dominar 400, Bajaj Pulsar NS 200 ABS, Bajaj Pulsar 150, Italjet Formula 125 classic and Yamaha XTZ 150.

Similarly, Jain, Joshi and Mayee (2020) directed an exploration concentrate on "Factors motivating buying behavior of female two wheeler users in the district of Palghar" and gave the discoveries that Honda was observed the most well-known brand followed by TVS. Most buy was made on one-time installment premise and family use was generally normal. Chowdhury & Ghosal (2024) have studied on Digitalization of the Indian economy is crucial in the current economic scenario. In the recent past, online portals for financial transactions have also gained popularity.

When studied prices of the products those were seen as -

- Reasonable pricing: The price of any product can be set based on its cost as well as any additional features, conveniences, or utilities that are added. Furthermore, the majority of customers may find the given pricing to be really alluring. A price is considered reasonable if it can provide both good returns for the manufacturer and high customer satisfaction. Reasonable prices can stabilize changes in market share, so we can rely on them.
- High level price: This is determined by a few key factors, such as whether the product is more opulent and comfortable, whether it is packed with cutting-edge technology, and whether there is currently no substitute for it or one coming soon.
- Low pricing: No producer wishes to set his product's price too low. When a product costs less than its direct competitor's equivalent with equivalent features, utilities, and comforts, we consider it to be low-priced.

Referring to the many financial programs that the various financial institutions offered, they were discovered to be quick and widespread. Due to their generally low per capita income, Nepalese people are unable to make the full down payment for two-wheelers. People are still unsure, nevertheless, about whether purchasing a two-wheeler through finance is the best course of action. Some consumers choose to pay in full cash, primarily due to financial hardship, the tiresome and drawn-out paperwork procedure, and the worry that they would lose their car if they don't make their monthly installment payments.

Customers in Nepal, however, begin by locating the banks and nonbank financial companies (NBFCs) that are currently providing the best interest rates on two-wheelers. They choose financial schemes for purchases so they can manage their other tasks concurrently, the riders keep in mind that making wise decisions can not only save them money in the short term but also guarantee they will have enough money at the time of an immediate crisis in the near future. (Why should you opt for a financing option while buying a two-wheeler?, 2022)

There are different types of loans provided by different financial institutions.

Personal Loans

Personal loans are unsecured loans that can be used for various purposes, such as settling medical expenses, financing a family member's wedding, or buying a bike or scooter. They usually come with higher interest rates.

Two Wheeler Loans

Two-wheeler loans are secured loans designed explicitly for purchasing two-wheelers. They offer lower interest rates and have different eligibility criteria and repayment tenures than personal loans.

Interest Rate:

Personal loans usually have higher interest rates than two-wheeler loans. A good credit score can help you get a lower interest rate on a personal loan. However, a two-wheeler loan would be a better option if you prioritize the lowest interest rate. For instance, the State Bank of India (SBI) provides pre-approved two-wheeler loans with an annual 11.90 per cent interest rate. For other customers, the rate ranges from 17.80 per cent to 19.55 per cent per annum. For SBI personal loans, the interest rate ranges from 11.05 per cent to 13.55 per cent for central government employees and 12.05 per cent to 14.05 per cent for corporate employees. But the rates can increase to 27 per cent depending on the customer's credit and risk profile.

Some of the Banks and Financial Institution (FI) have freshly updated their financing policies as follows on.(Feb.27, 2024 as follows)

Table 1

S. No.	Bank/ FI	Name of loan	Interest rate %
1	ICFC/FI	Bike Loan	12.22/16.22
2	Lumbini Bikas/FI	Bike Loan	13.25/ 15.25
3	Manjushree / FI	Bike Loan	13.87/ 15.87

www.bankbyaj.com

Some more details of financing by different banks, Financial Institutions, and Co-operatives are recorded as detailed below-

Table 2

Bank/FI	Name	Interest Rate	Tenure
NMB Bank	Personal Overdraft	9.85% - 14.85%	Least-
NMB Bank	Personal Loan	9.85% - 14.85%	-
Prabhu Bank	Other Personal Loan	10.18% - 15.18%	-
Agriculture Dev. Bank	Employee Service Loan	10.34% - 12.34%	-
Agriculture Dev. Bank	Overdraft-Individual	10.34% - 15.34%	-
Nepal SBI Bank	Personal Loan	10.42% - 14.42%	-
Nepal SBI Bank	Personal Overdraft	10.42% - 14.42%	-
Prime Commercial Bank	Personal Loan	10.76% - 15.76%	-
Laxmi Sunrise	Personal Loans	10.85% - 15.85%	-
Himalayan Bank	Secured Personal Loan	10.88% - 15.88%	-
NIC ASIA Bank	Personal Loan	10.96% - 16.96%	5 years
Excel Bikas Bank	Personal-OD	11.32% - 15.32%	-
Excel Bikas Bank	Consumer Loan	11.32% - 15.32%	-
Excel Bikas Bank	Personal Term Loan	11.32% - 15.32%	-
Excel Bikas Bank	Dep. Sector-Business	11.32% - 15.32%	-
Sanima Bank	Personal Overdraft/Loan	11.42% - 13.42%	-
Shine Resunga BB	Personal Term Loan	11.42% - 16.42%	-
Muktinath Bikas Bank	Personal Loan	11.52% - 17.52%	-
Rastriya Banijya Bank	Personal Loan	11.70% - 11.95%	-
Jyoti Bikas Bank	Personal Loan-OD	11.76% - 16.76%	-

Jyoti Bikas Bank	Personal Loan	11.76% - 16.76%	-
Sindhu Bikas Bank	Personal Mortgage	11.83% - 16.83%	-
Miteri Bikas Bank	Personal Loan	11.88% - 15.88%	-
Shangri-La Bikas Bank	Personal OD	11.94% - 17.94%	-
Gurkhas Finance Ltd	Personal Loan	11.96% - 18.96%	-
Karnali Bikas Bank	Personal Loan	12.51% - 17.51%	-
Karnali Bikas Bank	Personal Overdraft	12.51% - 17.51%	-
ICFC Finance Ltd	Personal Loan	12.64% - 16.64%	-
Nepal Bank Ltd.	Personal Term loan	12.65% - 13.65%	5 years
Goodwill Finance Co.	Personal Loan	12.69% - 16.69%	-
Pokhara Finance	Personal Loan	12.78% - 17.78%	-
Green Dev. Bank	Personal OD	12.79% - 16.79%	-
Shree Invest & Finance	Personal Loan	12.97% - 18.96%	-
Laxmi Sunrise	Personal Loan-Fixed Rate	12.99% - 14.99%	15 years
Prime Commercial Bank	Personal Loan-Fixed Rate	13.00% - 13.00%	-
Nepal Bank Ltd.	Personal Term loan	13.15% - 14.15%	10 years
Standard Chartered Bank	Personal Loan	13.17% - 13.67%	-
Reliance Finance Ltd.	Personal Loan-Term	13.18% - 18.18%	-
Reliance Finance Ltd.	Personal Loan-OD	13.18% - 18.18%	-
Standard Chartered Bank	Personal Loan-Fixed Rate	13.25% - 13.25%	5 years
Kumari Bank	Personal Loan	13.44% - 15.44%	-
Nepal SBI Bank	Personal TL-Fixed	13.50% - 13.50%	3 years
Rastriya Banijya Bank	Personal Loan-Fixed Rate	13.50% - 13.50%	10 years
Nepal Bank Ltd.	Personal Term Loan-Fixed Rate	13.50% - 14.50%	5 years
Progressive Fin. Co.	Personal Loan	13.58% - 17.58%	-
Garima Bikas Bank	Personal Loan	13.74% - 15.74%	-
NIC ASIA Bank	Personal Loan-Fixed	13.76% - 13.76%	5 years
Lumbini Bikas Bank	Personal OD	13.88% - 15.88%	-
Lumbini Bikas Bank	Personal Loan-Term	13.88% - 15.88%	-
Best Finance Co.	Personal Loan	14.35% - 18.35%	-
Nepal SBI Bank	Personal TL-Fixed	14.50% - 14.50%	5 years
Nepal SBI Bank	Personal TL-Fixed	15.50% - 15.50%	10 years
Janaki Finance Co.	Personal Loan	18.25% - 20.25%	-

Repayment Term: Personal loans provide a longer repayment period than two-wheeler loans. You can choose a repayment period of 12 to 72 months with a personal loan, while two-wheeler loans usually offer a repayment tenure of up to 36 months. The repayment tenure for SBI's two-wheeler loans is up to 48 months but varies across banks and can be shorter for other banks.

Research Objectives

- To find out the influence of price of Two- Wheelers in making the Two-Wheelers Purchase decision by the Kathmandu based riders.
- To find out the best financing scheme from among two-wheelers financing schemes that affect consumer buying behaviour for making two-wheelers purchase decision.

Review of Literature

In a place like Nepal where having a reliable transportation system seems like a pipe dream, two-wheelers have emerged as the most practical and affordable mode of mobility. When it comes to getting about on the busiest highways in the city, the

uneven roads in the countryside, or the tiny roads that are difficult for four-wheelers to navigate, two-wheelers have become the preferred option for those who work irregular hours.

The nation's road-widening initiative got underway in Kathmandu and other cities some time ago. Most roads are still unfinished, though. "The two-wheeler industry will definitely benefit from wide roads," Shrestha A. stated.

After the continuous dropdown of the two wheelers market for more than two years, the market has again picked up the pace. As per the data of Department of Transport Management the import of two-wheelers rose 22 percent in the first nine months of the fiscal year compared to the same period last year.

Analyzing the data of past one decade, the motorcycle segment has witnessed a very impressive growth. The number of two-wheelers has grown from 26,547 in fiscal 2003-04 to 175,381 in fiscal 2012-13.

HH Bajaj, one of the biggest participants in the nation's two-wheeler market, announced that their sales had increased by more than 40%. The company has sold over 30,000 two-wheelers so far. Executive director of HH Bajaj Shekhar Golchha explained that the bounce-back effect following a sharp decline was the cause of the sales gain.

Outside of the capital city, the two-wheeler industry has been expanding at an exponential rate every year. Outside the Kathmandu valley, sales of two-wheelers have increased significantly, despite the fact that the market has reached saturation in the valley.

According to traders, the Transportation Management Department's capital-centric license distribution scheme has been causing issues for license holders outside of the valley. Due to the fact that only Pokhara and Kathmandu offer two-wheeler trials following the system upgrade for license distribution, this has been negatively affecting sales.

Traffic management and transportation obstacles are two more significant difficulties. NADA member Pradip Pradhan stated that the government's classification of cars as luxury vehicles has impeded the industry's expansion. (Adhikari, 2023)

According to Thapa (2011), companies spend billions of dollars on consumer research to determine

the key variables that affect consumers' intentions to make purchases because the media specifically targets this segment of the population, changing their perspective on needs, wants, demands, and emotions.

According to statistics from the Trade and Export Promotion Center (TEPC) (2017), the number of cars imported with multiples of 000' NRS in 2014–15 was 49,386,015; in 2015–16, it was 66,630,557; and in 2016–17, it was 79,775,455. This demonstrates how successfully the Nepalese auto sector has been operating on a regular basis. Additionally, due to the growing demands of Nepal's rural and urban areas, the two-wheeler industry is expanding at an astounding rate.

According to Rehman (2013), In Nepal, bikes and scooters continue to account for a sizable portion of the two-wheeler market. Bikes are a favored mode of transportation for the younger generation since they provide easy mobility.

It appears that the sole factor directly contributing to revenue generation and indicating whether a product or service is successful or unsuccessful is its pricing. The researchers in this study decided to highlight this element as a consequence. Manali (2015) investigated the theoretical underpinnings of consumer purchasing behavior as well as the variables that influence it. His research offers sufficient proof to demonstrate how a consumer's purchasing behavior is significantly influenced by both internal and external factors.

Al-Salaminet al. (2015) claim that favorable pricing for well-known goods have a detrimental impact on the purchase process. Although they would want to purchase brands, young people are unable to do so due to their poor money.

Price is undoubtedly the most significant factor influencing a product's positioning and growth, which directly affects the product's sales volume and market share, according to Kumar, Chandra, and Chand

(2015). Effective pricing, when used wisely and appropriately, may help a company gain a significant and long-term market share. In addition to maximizing profit and reaching the desired return on investment, a marketing manager may keep his product's resale price stable. As is well known, a product's pricing has a direct impact on both the demand for the product and other aspects of its manufacturing.

According to Rajesh Mahotra's (2012) research, buyers are not concerned with price; instead, mileage and engine power are the key variables influencing their purchasing decisions.

Mehta, Parasuraman, and Nandi M. investigated the "Impact of Price and Brand Name on Consumer Choice" and the "Purchasing Models under an Increasing Price Trend" respectively. They also looked into the impact of price on quality and the client adoption procedure for new products, especially agricultural products.

In her series "Wanted Vigorous Consumer Resistance," "From the Consumers End," Issar Renee painted a vivid image of the middle class's discontent with the prices and services provided for necessities of lower quality.

Anderson, Patricia M., and Xiaohong He described the culture, social forces, marketing mix, and buyer habits for durables and non-durables (cameras, cosmetics, fast food restaurants, and soft drinks) are in earlier lifecycle stages in the PRC than in the USA, and represented a price/durability continuum in the paper they wrote titled "Price influence and age segments of Beijing consumers."

In order to obtain the benefits of owning or using the purchased good or service and for it to satisfy the needs and desires of the customer, price is the total of all stated values in monetary units in the form of currencies, such as Rupiah, Dollar, Yen, and others (Kotler & Armstrong (2012), Ritonga et al., (2019) Shinta (2011)). The rise of corporate rivalry has an impact on customers' perceptions of items through pricing. As a result, businesses set their prices competitively to hold onto what is left of the market.

The rise in vehicle sales has been attributed in part to the easy access to auto loans with interest rates that are lower than they have been in recent years. Finance businesses currently provide vehicle loans with interest rates ranging from 9.5 to 12 percent. "Easy access to financing has contributed positively to the increase in sales, as two-wheelers are the primary mode of transportation for the general public," Golchha stated.

Sales statistics grew as a result of financing and rivalry making motor bikes more affordable for customers. This in turn created demand. (Chintan Shah, 2011; Karki et al., 2024). TVS Motors disclosed during a mid-2002 analyst meeting that up to 40% of their motorbike sales are financed. It will be reasonable to anticipate greater figures for the sector as well. 2011 saw Chintan Shah.

According to the Weerasiri & Mendis (2015), Karki, & Ghosal (2023) five variables (price, technology, awareness regarding the product, after sales services and economic condition) having are the most influence element of consumer purchase decision of Indian two wheeler.

According to the Bajaj Two-Wheelers Company in Nepal, as of August 23, 2022, it offers the Lowest Down-Payment or Lowest EMI Scheme offered by Bajaj. The lowest down payment offer is available on a 25% down payment with 12% interest paid in 24 monthly payments. Additionally, it offers the lowest finance rate on a 50% down payment with 9% interest over 18 months for all Bajaj bikes. (Lowest Down-Payment or Lowest EMI Scheme by Bajaj, 2022)

With the arrival of the main festivals in Nepal, the mass of people is seen around the motorcycle showrooms to grab the offers and schemes provided by various companies on the occasion of festivals. Adhir Kumar Shrestha, Assistant Managing Director of V.G. Automobiles Pvt. Ltd said that the sale of motorcycles has increased to double following the offers.

Shekhar Golchha, President of the Nepal Automobile Dealers' Association (NADA) said that the size of the market increases during the festival season because of the trend of buying new things during the special occasions. He said, "Around 20 to 50 per cent of total sale of two wheelers on Nepal is during Dashain."

He added, “The first choice of people after having some amount of money is automobile and Dashain is the most suitable occasion for the people to buy new things in the family.” He adds that purchase occasion also directly affects the price of the Two-Wheelers because of provisions of Festive offers of the different Two- Wheelers sellers company.

H₁: Product pricing is significantly correlated with consumer buying behavior.

Research Methodology

The research design consists of research questions that intend to test relation and impact of Price and Financing Schemes on making the Two-Wheelers purchase decision. The Descriptive Research Design is also used to describe the study Variables.

It is also the quantitative technique because the analyses uses the quantitative Statistics. It uses the structured questionnaires causal relationship between independent and dependent variables.

This design is also the descriptive and causal-comparative research design to deal with the factor affecting purchase intention of two-wheeler in Nepal. Descriptive research is typically more formal and structured because it is based on large, representative samples and the data obtained are subjected to quantitative analysis. Frequency, Percentages, Mean, Standard Deviation, Correlation, Multiple Regression, ANOVA, and Regression Coefficients were studied to make the valid decision. SPSS was used to analyze the data.

Results and Analysis

Demographic Analysis

Table 3 Respondent's Demographic Profile

Gender	Frequency	Percentage
Male	170	73.28
Female	62	26.72
Age	Frequency	Percentage
Below 20 years	5	2.15
20-29 years	83	35.78
30-39 years	55	23.71
40-49 years	48	20.69
50 years and above	41	17.67
Occupation	Frequency	Percentage
Administrators	39	16.81
Bankers	6	2.59
Students	64	27.59
Teachers	53	22.84
Technician	12	5.17
Self-employed	37	15.95
Businessmen	14	6.03
Others	7	3.02
Monthly Income	Frequency	Percentage
Below Rs. 15000	51	21.98
Rs. 15001 – Rs. 25000	39	16.81
Rs. 25001 – Rs. 35000	36	15.09
Rs. 35001 – Rs. 45000	49	21.12
Rs. 45001 – Rs. 55000	23	9.91
Above Rs. 55,000	34	15.09
Educational Status	Frequency	Percentage
Undergraduate	102	43.97

Bachelor's Degree	70	30.17
Master's Degree	54	23.28
M. Phil	4	1.72
PhD	2	0.86
Marital Status	Frequency	Percentage
Single	82	35.34
Married	150	64.66

The above table describes the demographic characteristics of the respondents. Out of 232 respondents, Males were 170 (73.28%) and Female were 62(26.72%). It is found that Male riders are dominant in Kathmandu based auto market.

When seen in the age factors of the riders, the most riders class lied in the age class of 20-29 years (83 and 35.78 %) followed by the age class of 30-39 years (55 and 23.71%) . The third majority of the riders was found lying in the class of 40- 49 years represented by 48 respondents and 20.69%. In the 4th group of customers , customers of the age class of 50 years and above (41 respondents) and in the last class of the riders of age below 20 years was seen with five numbers with 2.15 %) . This seems fact that the most riders in Kathmandu are of age of 20-29 years because this group also includes the students. The lowest number of riders is of below 20 years because licensing year is 18 years as fixed by the government of Nepal.

Occupation of the riders were also studied during this investigation. The highest number of the riders, out of 232 respondents, were .of the students 64(27.59%) followed by 53 of the teachers (22.84%), and Administrators 39 (16.81%). In the fourth position of respondents were found of the self-employed class as 37. Bankers were of the least numbers as 6, followed by the 'Others' undefined respondents class and their numbers were 7.

Monthly income of the riders was also taken into observation for the inquiry. It was found that the numbers of the riders of the income class of monthly below NPR. 15000/- and NPR.35000 - NPR. 45000/- the same and it was 50 (21.55%) , The second low earning class number wise was detected 39 who are earning in the range of NPR.15001 to NPR. 25000/- every month. The riders

who are earning in the range of NPR.25001 to NPR.35000/- count 36. The highest earners of NPR of above 55000 counted 34 (15.09%) of the total respondents followed by the second highest earners of NPR in the range of 45001 to NPR.55000/- . The results is found realistic because Nepalese are having low income every month. Here, we find the average income of the riders is seen in the Range of NPR somewhere of NPR. 30000 - 40000 every month.

When we saw the educational status of the riders, it was revealed that, the highest numbers of the respondents (102, 43.97 %) were undergraduates followed by the bachelor degree 70 (30.17 %). Master's Degree riders were 54 in number (23.28%), M. Phil. were only 4 and Ph.D. were only 2 of the total respondents. This also clearly depicts that the educated people in Nepal are around 32%.

The Marital situation was also considered to examine in the inquiry. After the analysis, it was found that out of the total respondents 232, 82 (35.34%) were unmarried and rest 150 (64.66 %) were married. It was also justifiable that, though the students were more in our individual respondents group, the other total of the respondents in our study counts more.

Descriptive Analysis

Table 4 Descriptive Statistics of Financial Schemes

Statements	N	Min	Max	Mean	Std. Deviation
I want less paper work financing	232	1.0	5.0	4.966	0.1829
I want legal shortcut process in financing	232	1.0	5.0	4.004	0.1471

I want financing from my known bank(s) to which I am banking	232	1.0	5.0	3.039	0.3267
I want banks to finance me at the purchase point	232	1.0	5.0	3.573	0.8394
I want reputed banks to finance for me.	232	1.0	5.0	2.621	0.9684
Financial Schemes	232				

From the table as above, we have considered the mean as determining factor in making their purchase decision of the riders. It is clearly seen that the statement "I want less paper work financing" has the highest (4.966) mean followed by "I want legal shortcut process in financing" (4.004). In the third ranking it is seen that the assertion "I want banks to finance me at the purchase point" with the mean value of 3.573. This clearly signifies that the Nepalese riders want easy financing facility in making their Two-Wheelers purchase decision. Because all these three assertions are related to easy financing facilities. The fifth assertion "I want reputed banks to finance for me" has the least mean value of 2.621 that meant they are not given importance to banks' reputation to finance them in purchasing Two-Wheelers. They are also not seeking their known banks or financing as the assertion "I want financing from my known bank(s) to which I am banking" has the second lowest mean value of 3.039. It clearly revealed that the Financing Schemes influence the Two-Wheelers purchase decision of the lower monthly income of the Kathmandu based riders.

Table 5 Descriptive Statistics of Financing Interest Rate

Statements	N	Min	Max	Mean	Std. Deviation
Iwant8.5% Rate in financing	232	1.0	5.0	4.987	0.1132
Iwant9.5% Rate in financing	232	1.0	5.0	4.000	0.0930
Iwant10.5% Rate in financing	232	1.0	5.0	3.009	0.1313
Iwant11.5% Rate in financing	232	1.0	5.0	2.030	0.2353
Iwant12.5% Rate in financing	232	1.0	5.0	1.043	0.3327
Financing Interest Rate	232				

As different Financial Institutions has different rate of Two- Wheelers financing in one or other ways starting from 8.5 % to 12.5%. Therefore, it was seen the most attractive financing rate of interest. When examining the mean , the highest mean 4.987 was seen with the assertion "I want 8.5% Rate in financing" with the gradual decrease in the means with other assertion statements in the same decreasing sequence and the least mean , as it is seen for the assertion " Iwant12.5% Rate in financing" with the mean value 1.043 . This means, as it is obvious, that the most Nepalese Riders want the cheapest financing interest rate.

Table 6 Descriptive Statistics of Repayment Time Schedule

Statements	N	Min	Max	Mean	Std. Deviation
Iprefer36months of repayment time	232	1.0	5.0	4.806	0.5895
Iprefer30months of repayment time	232	1.0	5.0	3.974	0.2448
Iprefer24months of repayment time	232	1.0	5.0	3.155	0.5281
Iprefer18months of repayment time	232	1.0	5.0	2.091	0.3898
Iprefer12months of repayment time	232	1.0	5.0	1.116	0.5806
Repayment Time Schedule	232				

It was also aimed to see the most favored repayment time by the Two- Wheelers riders in Kathmandu. After the detailed analysis, it was seen the highest mean value (4.806) with assertion " I prefer 36 months of repayment time" with respectively decreasing means with the respective decrease in decreasing repayment time periods having the lowest mean with the last assertion statement " I prefer 12months of repayment time" of mean value 1.116. This clearly suggested that the repayment time period has influence in making purchase decision of the Two- Wheelers by the Kathmandu based riders. In these days, most of the companies are providing repayment timing for 12 to 18 months. But as per this research findings, if the Companies provide 3 years of repayment schedule, it will have a significant impact in making the Two- Wheelers purchase decision of the Kathmandu based riders.

Table 7 Descriptive Statistics of Price Discounts Offer

Statements	N	Min	Max	Mean	Std. Deviation
Price discount directly influences my purchase decision	232	1.0	5.0	4.931	0.2539
I see the quality product rather than discount	232	1.0	5.0	3.341	0.5015
I am indifferent in price discount offer, if I like, I purchase the bike.	232	1.0	5.0	3.069	0.3774
I think in reality the seller does not provide any discount. It is only to lie to the customers.	232	1.0	5.0	3.948	0.3686
I shall purchase bike from the company which provides the highest discounts in the sector of its kind.	232	1.0	5.0	4.030	0.3405
Price Discounts Offer	232				

Five different Price and Discounts related statements were taken for the study. Means were seen as a basis for analysis. The first statement "Price discount directly influences my purchase decision" has the highest mean (4.931) indicating that the bike price has an important influence in riders' Two-Wheelers purchase decision. The second highest mean (4.030) is seen with the statement "I shall purchase bike from the company which provides the highest discounts in the sector of its kind." These both the statements are ultimately concerned with the price. From these both statements, it is clearly understood that the Nepalese riders are highly price sensitive and they want cheaper bikes to purchase. The statement related to Quality has the mean value less than above two mean values. This further clarifies that the Kathmandu based riders are not so conscious about quality. These findings are relevant in the present Nepali context because still the Nepalese riders have low PCI and they seek cheaper products.

Table 8 Correlation Analysis

		Financial Schemes	Financing Interest	Repayment Schedule	Down Payment	Price Discounts	Consumer Buying Decision
Financial Schemes	Pearson Correlation	1					
	Sig. (2-tailed)	0.000					
	N	232					
Financing Interest	Pearson Correlation	0.362**	1				
	Sig. (2-tailed)	0.000					
	N	232	232				

Repayment Schedule	Pearson Correlation	0.388**	0.465**	1			
	Sig. (2-tailed)	0.000	0.000				
	N	232	232	232			
Down Payment	Pearson Correlation	0.326**	0.306**	0.344**	1		
	Sig. (2-tailed)	0.000	0.000	0.000			
	N	232	232	232	232		
Price Discounts	Pearson Correlation	0.483**	0.559**	0.493**	0.418**	1	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
	N	232	232	232	232	232	
Consumer Buying Decision	Pearson Correlation	.736**	.627**	.663**	.515**	.681**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	232	232	232	232	232	232

** . Correlation is significant at the 0.01 level (2-tailed).

A Correlation analysis was carried out to see the relation between dependent and independent variables. The above analysis, so, exhibits the degree of correlation and significance level of influence of independent variables on dependent variables.

The financial schemes has the highest relation ($r = 0.736$ Correlation Value) with consumers buying decision. It is followed by the second highest correlation value of 0.681. This means that the Kathmandu based riders are interested in bikes financing schemes and price discount facilities to affect their Two- Wheelers purchase decision.

Repayment Schedule and Financing interest rates have Pearson's Correlation values as, $r = 0.663$ and, $r = 0.627$ respectively. This also clearly describes that payment schedule and interest rates also have positive impact on making riders' decision to purchase Two-Wheelers.

Though, comparatively low, as $r = 0.515$, Down payment amount has also seen to influence the consumer buying decision to buy Two- Wheelers. The value might have seen comparatively low, because there was different opinions about down payment because students were interested in low down payments taking three years of payment duration. But others riders were mostly interested to make down payments to complete payments in two years. In brief, all the statements as mentioned above have a positive correlation with consumers Two- Wheelers buying decision.

Regression Analysis

Table 9 Multiple Regression Analysis

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	0.349 ^a	0.242	0.021	0.29596

The above table shows the regression model summary. The R square for this model is 0.242 which means that 24.2 percent of the difference in dependent variable can be described by independent variables and therein it further clarifies that 75.8 percent of the variance can be explained by other variables which this research has not undertaken for inquiry.

Table 10 ANOVA Table of Regression

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	31.198	5	5.540	12.031	0.000 ^b
Residual	53.679	226	0.382		
Total	84.877	231			

The above ANOVA tries to explain the fit of this study model. The F Value is 12.031 and the p-value is 0.000 which is less than 0.05. So, it can be stated that the slope of the regression line is not zero and there is significant relationship between the dependent and independent variables. Therefore, this table says that there is much evidence to conclude that the model is useful and thus significant too.

Table 11 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.773	0.235		4.317	.000
Financial Schemes(FS)	0.200	0.045	0.034	0.480	0.003
Financing Interest (FI)	0.211	0.122	0.131	1.731	0.004
Repayment Schedule(RS)	0.110	0.117	0.113	0.166	0.519
Down Payment (DP)	0.233	0.052	0.048	0.647	0.000
Price Discounts (PD)	0.238	0.086	0.074	1.062	0.002

The above Regression Table shows the coefficients of the variables. It can be noticed that the p-Values of Financial Schemes, Financing Interest, Down Payment and Price Discounts are less than 0.05 which describes that there is a significant influence of Financial Schemes, Financing Interest, Down Payment and Price Discounts in making purchase decision of Two-Wheelers by the Kathmandu based riders. In Kathmandu Two- Wheelers auto market the responses report there was not uniformity in the repayment schedule. Some were interested in long repayment time schedule and some were of the middle duration of time and some were of the normal period of one year of repayment schedule. P-value for this statement is more than 0.05 clearly indicating that repayment schedule of timing has not so significance in making Two- Wheeler purchase decision by the riders in the Kathmandu based auto market.

Further, the Price Discounts is seen the most dominating factor followed by down payment, Financing Interest, Financial Schemes and repayment schedule in order.

To above table clearly describes the effect of Financial Schemes, financing interest, repayment schedule, down payment and price discounts provided by the different commercial banks, cooperatives and financial institutions and two-wheelers selling companies in making the two-wheelers purchase decision by the Nepalese two- wheelers buyers in Kathmandu based two- wheelers auto market. The F -ratio was seen. The assertive "I am influenced by the Price in Purchase of my Two- Wheelers is found highly significant (0.898). That further made it clear that the Nepalese Kathmandu based two- wheelers riders are highly influenced by the price factor of two- wheelers while making purchase decision. That is Nepalese riders are very price sensitive in nature. This is true because they have low level of Per Capita income and have, in general, poor affordability in purchasing.

The assertive "My purchase decision rely on financial schemes of Two-wheelers" has, though, found insignificant, has the second highest (0.213) calculated F- ratio. It clarifies that the financial schemes has also an influence in making the Two- Wheelers purchasing decision of the Kathmandu based Two-Wheelers riders. This finding is also justifiable because the Nepalese riders have no one- time payment capacity and they want to get financed from financing agencies to purchase the two-wheelers. A meager brand effect is also noticed in the riders while they make the two-wheelers purchase decision.

Summary of Common Findings, conclusion and Recommendations:

The common findings are presented as hereunder.

1. Firstly, it is customary that any research must the demography of the customers. While seeing out of total 232 samples/ respondent, males were 170 (73.28 %) female were 62 (26.72%) . The highest number of customers (83 , 35.78 %) were of the age class of 20-29 years followed by 55 respondents of the age class and lowest number was 5 (2.15 %) of age class under 20 years. Occupation wise the highest percentage , 27.59 % (64 respondents , students) followed by the teachers . (53 respondents, 22.84%) . When seen from the monthly income point of view, the highest number of the respondents, 51 (21.98 %) were from the monthly income class of Rs less than 15000/- It is true because the number of students occupation wise is more and they are highest users of two-wheelers. It is followed by 49 individuals (21.12 %) middle class income group having monthly income of Rs.35000/- - 45,000/-. The respondents were also seen from the standpoint of educational status and mostly , 102 respondents (64.66%) were undergraduate followed by the respondents having bachelor degree. (70, 30.17 %) . Marital status of the respondents was also examined during research and it was found that 150 (64.66 %) were married and remaining 82 (35.34 %) were single.

2. As a single time payment for the most of the Nepalese riders is not possible as of low PCI , they seek financing . So, interest rate, paper process, repayment time, down payment amount were analyzed .When seen from the view of financing schemes, It is clearly seen that the riders most prefer schemes that has less paper work in financing with the highest (4.966) mean followed by legal shortcut process in financing” (4.004). 8.5% - 9.5 % of financing interest rate was mostly preferred by the customers who seek financing in making their Two- wheelers purchase decision. The highest mean value (4.806) was seen for the payment time option of 36 months with respectively decreasing means for 30, 24 and 18 months of repayment time. It was found that most liked down payment amount was 40 % , because the highest mean (4.216) is noticed in the statement “I am ready to pay up to 40% down payment” , in spite of 20 % and 30 % down payment schemes were under options. This may be because of the common financing system practiced by the financing institutions in Kathmandu.

3. Nepalese two-wheelers purchasers want the highest discount to make their two- wheelers purchase decision and purchase from the company which provides the highest discount without much considering the quality aspect .

4. Correlation test revealed that availability of financing schemes, down payment and price discount have a significance impact in making the two- wheelers purchase decision of the Kathmandu based riders. Specially this is logically justifiable because they do not have a capacity to one time and expensive amount of payment at a time .

5. The ANOVA test clearly states that there is significant relationship between the dependent and independent variables. Therefore, this table says that there is much evidence to conclude that the test model is useful and thus significant too.

6. The Regression Coefficient analysis stated that there is a significant influence of Financial Schemes, Financing Interest, Down Payment and Price Discounts in making purchase decision of Two-Wheelers by the Kathmandu based riders.

Conclusion:

From the detailed examination it can be concluded that at this era also the majority of the Two-Wheelers in Nepal male but females are coming up in Two-Wheelers use. When seen Occupation wise students are found to use two- wheelers. As majority of the riders are students , their monthly income was found below NPRs. 15000/-. The second riders population's monthly income was found in the range NPRs. 35000- 45000 which lie in the middle class range of monthly income. Most of the riders are found undergraduate in their educational status and from the stand point of marriage , most riders under the study were found married.

As Nepalese are low earners, they were found unable to make a whole price down payment at a single time and on their own behalf. They were, therefore , found interested in financing to make their

purchase decision of Two- Wheelers. They were interested in less paper works and shortcut legal process in financing. They seek for less interested rate of 8.5% . They want a comfortable period of repayment time preferably of 36 months which is not available at this time, But Bajaj is bringing the lowest installment scheme which provides three years of repayment time. But they are found to make a 40 % of Down payments though 20 % and 30% schemes options were provided in questionnaire. Nepalese riders were found Price sensitive. They are found more conscious in the Company Price of the Two- Wheelers and Discounts Schemes provided by the seller companies.

Recommendation:

1. Males are dominant in riders in Kathmandu region. Females are coming out of four walls of the home. They must be empowered and they should be given equal opportunity in organ of the government.
2. Occupation wise most riders were found were students. The possibility of road accidents increase because of age factor. So, they should be regulated in use of Two- Wheelers by enacting certain rules .
3. The Two- Wheelers price in Nepal is highly costlier. But Two- Wheelers are the important means of street commuter. The government should reduce tax on Two- Wheelers and must make available to interested and needy general public.
4. The majority of the riders are found undergraduate. This indicates that Nepal has low level of education. The government should make policy for making education accessible to the general public.
5. Most of the riders are utilizing the financing scheme facilities , seeking lowest rate of interest in financing and long period of repayment time. The general period of repayment time in Nepal is one year and general interest in financing is 9.85 to 20.25%. If Two-Wheelers are to be made available to general public , the interest rate should be reduced to 8.5% by banks and financing institution and installment repayment time must be extended to 3 years. Bajaj Company has brought this scheme and riders are recommended to purchase Bajaj bikes and Financing from NMB Bank limited will be suitable for financing Schemes aspiring riders.
6. Most of the riders preferred 40 % down payments though 20 and 30% payments were available . They wanted less paper work process and shortcut legal process. If the seller companies can manage accordingly they can sell still more units of Two-Wheelers in Nepal.
7. Nepalese riders are found price sensitive because of low PCI . Company must cut down their production cost and make their product cheaper.
8. Nepal is a sole petroleum importer , so the highly fuel efficient bikes of small CC power (100- 110 CC) are to be imported from India. Bajaj and Hero Honda may be suitable for Nepal.
9. Nepalese riders are not so striving for quality rather they see cost , discount factor and they purchase the bikes from those seller who provide highest discount in its kind and cheapest prices.

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