

**PRE-PURCHASE BEHAVIOR OF CONSUMER WITH REFERENCE TO CAR IN  
NEPAL**

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**Abstract**

*The purpose of this study is to investigate the pre purchase behavior of car consumers in Nepal. In order to accomplish the objectives of the study, a sample of 400 consumers were taken by using simple random sampling technique. The data was collected by means of a questionnaire.*

*Both primary and secondary data were explored and analyzed through descriptive analysis. From the analysis, it was concluded that the respondents owned a car as a necessity item, they had a cause need to manage money for time gap between car purchase and need assessment, friends and relatives were the primary source of information. Consumers paying more attention to relevant factors before deciding the brand such as pre purchase search, reference group and self opinion.*

**Key words-** consumer, behavior, Pre- purchase, source of information, advertisement

**Introduction**

In Nepal purchasing a car is the second most important decision next to purchasing a house. The young people in work as well as higher disposable income, higher penetration of finance schemes, new model launches and changing consumer mindset are expected to push demand further up with the up gradation of technologies of luxury goods like car in Nepal. The study of consumer behavior is the study of how individuals make decisions to spend their available resources to satisfy their needs and wants. Understanding the buyers/consumers behavior helps the marketers in formulating strategies to identify the needs and wants of consumers and thereby increase their market share. "Consumer behavior as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. " (Leon G. Shiffman, 2010, p. 5) "Consumer Research provides information for answering questions, such as who constitutes market? What does the market buy? Why does the

market buy? Who participate in the buying? How does the market buy? When does the market buy? Where does the market buy? Consumer behavior study is based on consumer buying behavior. It attempts to understand the buyer decision making process, both individually and in group" (Kotler, 1991, p. 174). Mukunda P. dhakal stated the decision making process exists for the buyers of high involvement goods in Nepal. Search and choice making are two dimensions of consumers' decision process. But the decision process does not seem to confirm in to the pattern of decision making envisaged by normative decision models (Dahal, 1994, pp. 149-150). Backhaus, Hilling and Wilken suggested that the purchase decision stages refer to occurrence of transaction. Where the consumer recognized the need, searched for useful information and thought about the alternatives and made decision whether or not to make the purchase decision. (Backhaus, Hillig, & Wilken, 2007). The study of role of advertising on the buying behavior of consumers plays an important role in selling products. Most of consumers are interested in branded products, temporary price discounts occupy an important place in buying decision, and sponsorship has a negative effect on buyers. Many consumers visit fairs and exhibitions for new products, very important to mention is the fact that the online advertising influences the buying decision. Consumer behavior and advertising are dynamic fields, in terms of practice and scientific training (G & L, 2012). It is inferred from the study that there is a highly significant association between the model and source of information, It is revealed that there is highly significant association between model and source of advertisement, the respondents prefer the finance mode of purchase rather than cash mode, there is a highly significant association between the model and mode of purchase (Balasubramani, Suganthi, & Suresh, 2013).

The study of need assessment, awareness, information search, selection of medium of advertising, purchase behavior and level of satisfaction of consumers is important for the improvement of car market in Nepal. Understanding and finding a solution how consumers behave while buying cars in Nepal will help the marketers to come out with their plans of action, and try to revitalize and design or re-design the car in the interest of consumers. The main purpose of the study is to know the pre-purchase behavior of car users in Nepal.

## **Methods**

The study is descriptive in nature. Researcher have chosen questionnaire as primary data source. The questions were designed and arranged in such a manner to elicit the different types of

information relating to the behavior of car buyer. To find out the pre-purchase behavior of car total 400 respondents were selected through simple random sampling technique. Data were analyzed by using descriptive analysis.

## Results and discussion

This study analyzed pre-purchase behavior of car buyers. Pre-purchase behavior data is essential in understanding what buyers/consumers are looking for. Purposes for needs of car, factors affecting assessment of consumers needs, time gap between need assessment and purchase, sources of information used and media of advertising played important role in the purchase process. These information can be used successfully by marketers to gain entry into the minds of the consumers.

### Purpose of possession of car

Marketers need to know “Why did the consumer buy this product?” the answer of this question for long-term successful marketing strategy. A summary of consumers’ purposes for the ownership of car is discussed in table below.

**Table 1 Purpose of owning car wise classification of respondents**

Purposes	Frequency	Percent
Social status	71	17.8
No trust on public vehicle	83	20.8
To visit market	4	1.0
To visit with family	36	9.0
Professional visit	71	17.8
Very needful item	125	31.3
To transport goods	8	2.0
Other	2	.5
Total	400	100.0

Source: Primary Data.

The above table describes that, 17.8 percent of the respondents buy a car for social status, 20.8 per cent have no trust on public transport, 17.8 percent of the respondents owned car for professional visit, 31.3 per cent of the respondents thought car is a necessity item, 1.0 percent of the respondents owned car for market visit, 9.0 percent of the respondents owned car for visit with family, 2.0 percent of the respondents owned car for transporting goods, and remaining 0.5 percent of the respondents owned car for other purposes. It is understood that majority of the respondents (31.3 per cent) owned a car as a necessity item. It is revealed from the study that the priority of the Nepalese people is changing over the time. People thought “yesterday’s luxury is today’s necessity”.

### **Causes of time differences between need assessment and actual purchase**

Need assessment is the formal process of purchasing it focus on how a consumer assesses the needs. Not only assessing the needs consumers also try to find the costs of meeting that needs. Gap analysis is be used for the strategy development process for outlining a clearer road map for future growth of company sales. A summary of reasons for time gap between need assessment and actual purchase by consumers is discussed in the table below.

**Table 2 causes of time difference between need assessment and real purchase wise classification of respondents**

<b>Causes</b>	<b>Frequency</b>	<b>Percent</b>
Lack of adequate information	39	9.8
No driving licence	45	11.3
Need to manage money	222	55.5
Difficult to select the brand	88	22.0
Others	6	1.5
Total	400	100.0

Source: Primary Data.

The above table shows that 9.8 percent of the respondents have cause of lack of adequate information, 11.3 percent has no driving license, 55.5 percent has need to manage money, 22.0

percent have difficulty to choose brand, and remaining 1.5 percent has other reasons. It is observed that majority (55.5percent) of respondents had a cause need to manage money for car. It is highlighted that the dealers should recommend the consumers to arrange money from different sources such as bank financing so that it helps to minimize the gap between need assessment and actual purchase of car.

### **Sources of awareness wise classification of respondents**

There are numerous information sources which are very accessible to information can come from virtually anywhere — media, friends and relatives, personal experiences, books, journal and magazine articles, expert opinions, family members, web pages, advertising and different trade shows. The type of information consumer use will change depending on the question they are trying to answer. A summary of sources of awareness of consumers is discussed in table below.

**Table 3 Sources of awareness wise classification of respondents**

<b>Sources</b>	<b>Frequency</b>	<b>Percent</b>
Friends and relatives	170	42.5
Own past experiences	57	14.3
Family members	17	4.3
Representative of car dealers	40	10.0
Other car users	74	18.5
Internet	23	5.8
Automobile shows	12	3.0
Advertisement	7	1.8
Total	400	100.0

Source: Primary Data.

Above table reveals that friends and relatives 42.5 percent, own past experience of the respondents is 14.3 percent, family member as a sources of information of respondents is 4.3 percent, car dealers is 10.0 percent, others car users 18.5 percent, internet use by the respondents is 5.8 percent, automobile shows 3.0 percent and remaining 1.8 percent is an advertisement. It is revealed that friends and relatives are the primary sources of information as maximum (42.5percent) number of the respondents. Consumer attitude towards friends and relatives for the information indicates that friends and relatives greatly influence the purchase behavior of consumers.

### Importance of sources of information wise

Consumer examines the relative importance of sources of information. For the study eight important sources were taken in to consideration. Table 4 shows the respondents' views on importance of sources of information.

**Table 4 Importance of sources of information wise classification**

Variables	Very important		Neutral		Not Important		Total
	N	Percent	N	Percent	N	Percent	
Friends and relatives	229	57.25	160	40.0	11	2.75	400
Own Past experience	223	55.75	139	34.75	38	9.5	400
Family members	176	44.00	202	50.5	22	5.5	400
Advertisement	78	19.5	262	65.5	60	15.0	400
Representative of company	111	27.75	245	61.25	44	11.0	400
Other car users	146	36.5	230	57.5	24	6.0	400
Automobile shows	99	24.75	243	60.75	58	14.5	400
Internet	181	45.25	179	44.75	40	10	400

Source: Primary Data.

It is inferred that 57.25 percent respondents thought that information from friends and relatives is very important, 40 percent are neutral and 2.75 percent thought it is not important. For own experience; 55.75 percent said it is important, 34.75 said neutral and remaining 9.5 said it is not

important. It is also inferred that 44.0 percent respondents thought that information from family members is very important, 50.5 percent are neutral and 5.5 percent thought it is not important. For advertisement; 19.5 percent said it is important, 65.5 said neutral and remaining 15 percent said it is not important. It is inferred that 27.75 percent respondents thought that information from company representative is very important, 61.25 percent are neutral and 11.0 percent thought it is not important. For other car users; 36.5 percent said it is important, 57.5 said neutral and remaining 6.0 percent said it is not important, 24.75 percent respondents thought that information from automobile shows is very important, 60.75 percent are neutral and 14.5 percent thought it is not important. For internet; 45.25 percent said it is important, 44.75 said neutral and remaining 10 percent said it is not important. It is revealed that consumer gave more importance for the friends & relatives, own past experience, and internet. Some other mentioned that family members, advertising, representatives of the company/dealer and automobile shows are the good sources of information.

### Medium of advertising wise

Advertising is an essential part of any car manufacturer or dealer, and is usually allotted considerable support, resources, strategy and funding. There are different advertising mediums, which serve a variety of purposes in different locations and each variety can produce different results to different people and different locations. A summary of medium of advertising is discussed in table below.

Table 5 Medium of advertising wise classification

Medium	Frequency	Percent
TV	65	16.3
Newspaper	111	27.8
Magazines	24	6.0
Company/dealer's broucher	74	18.5
Radio	3	0.8
Internet	106	26.5

Hording board & poster	15	3.8
Other	2	0.5
Total	400	100.0

Source: Primary Data.

Table 5 indicates that 16.3 per cent of respondents are exposed to TV, 27.8 per cent are to newspaper, 6 per cent to magazines, 18.5 percent to broucher, 0.8 percent radio, 26.5 percent internet, 3.8 per cent to hoarding board & poster and remaining 0.5 percent other medium. The study revealed that the newspaper is the important media of advertisement in Nepal. It is understood from the study that the print media advertising is one of the most popular advertising options in Nepal, people follow it mainly due to its audience reaching capability. Marketers should focus on newspapers advertising to provide the information about car. Along with the newspaper advertising internet advertising is gaining rapid coverage and immense popularity among the consumers in Nepal.

### **Conclusion**

The result indicated that the majority of the respondents owned a car as a necessity item, the respondents had a cause need to manage money to buy car so that there was time gap between need assessment and actual purchase of car, friends and relatives was the primary source of information of majority of the respondents, consumer gave more importance for the friends & relatives, own past experience, and internet, many others mentioned that family members, advertising, representatives of the company/dealer and automobile shows were the good source of information and majority of the consumers said that the newspaper was the important media of advertisement followed by internet.

A further study could be undertaken to explore the different pre-purchase information search pattern between two population segments. As such, marketers have to rely on their local population for survival. In order to remain successful in business marketers need to better understand pre-purchasing behavior of consumers.

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