

CONSUMER BUYING BEHAVIOR IN KATHMANDU'S TWO-WHEELER MARKET: A THEMATIC REVIEW OF DETERMINANTS AND MARKET CONTEXT

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ABSTRACT

This review synthesises existing knowledge on consumer buying behaviour in Kathmandu's two-wheeler market, integrating literature findings with recent market data. Nepal's two-wheeler sector has expanded rapidly: approximately 2.6 million of 3.8 million registered vehicles in Nepal are two-wheelers (~80%). We surveyed over 40 empirical and review studies (primarily from South Asia) and consulted official reports (trade data) to identify purchase drivers. Key influences include product attributes (fuel efficiency, engine performance, design, brand image, safety), socio-economic factors (age, income, gender), and marketing stimuli (pricing, financing schemes, promotions), as well as social influences (family and peer recommendations). For Kathmandu consumers, fuel economy and financing options are especially important, though many buyers rely on informal advice and lack in-depth product knowledge. These findings are contextualised by market statistics (e.g. Bajaj's 28% share of the market) and suggest that aligning product positioning and financing schemes with consumer priorities can improve market strategies.

Keywords: Consumer Behaviour, Two-wheelers, Automobile Market, Kathmandu, Nepal

INTRODUCTION

Nepal's two-wheeler market has grown markedly in recent decades. Two-wheelers are now among the most popular transportation modes in Kathmandu, prized for their low purchase cost, easy manoeuvrability in congested streets, and minimal maintenance requirements. For example, the average motorcycle trip in Kathmandu can be 10 minutes faster than the same car trip in heavy traffic. Motorcycles are especially prevalent in South and Southeast Asia, and this trend is evident in Nepal: roughly 1.2 million vehicles circulate in Kathmandu daily, and nationwide, 3.8 million vehicles are registered (as of 2020), of which 2.6 million (80%) are two-wheelers. Nepal's overall auto market is among the world's largest (28th globally).

Urbanisation (~20.4% urban population) and rising incomes (per capita GDP from about USD 1,236 in 2011 to USD 1,456 by 2024) have fueled two-wheeler demand. Limited public transit, narrow roads, and available financing have made motorcycles a basic mobility need. Despite this growth, many Kathmandu buyers resell bikes shortly after purchase, suggesting unmet expectations or post-purchase regret. Understanding the factors that drive Kathmandu consumers' two-wheeler purchases is therefore important for industry and policy.

Prior research has shown that consumer buying behaviour is influenced by a mix of economic, social, and psychological factors. In developing markets, studies note that buyer decisions depend

on perceived product attributes (e.g. quality, fuel economy, safety), marketing elements (price, promotions), and reference groups (family, peers). However, specific evidence on Kathmandu's market is limited. This review addresses that gap by collating findings from academic studies of motorcycle purchase behaviour in Nepal and similar contexts, alongside Nepalese transport data, to outline the determinants of two-wheeler purchase decisions in Kathmandu.

METHODS

We conducted a structured literature review of consumer decision-making in two-wheeler markets. Academic databases (Google Scholar, Scopus, etc.) were searched using keywords such as “motorcycle consumer behaviour”, “two-wheeler purchase decision Nepal”, and related terms. Our scope included peer-reviewed articles, conference papers, and industry reports focusing on motorcycle/scooter buyers in South Asian and Southeast Asian urban contexts. Inclusion criteria were studies examining factors influencing two-wheeler purchase decisions or intentions. In total, more than 40 relevant studies (from countries including Nepal, India, Bangladesh, Pakistan, Sri Lanka, Indonesia, Malaysia, and Thailand) were identified.

We also gathered secondary market information. Official data from Nepal's Department of Transport Management (DoTM) – including vehicle registration statistics and market share figures – were obtained to provide context. Industry sources (e.g. trade associations, news reports) were consulted for recent developments (e.g. local assembly initiatives, sales trends). We synthesised findings thematically. Key determinants of purchase decisions reported in the literature were extracted and grouped (e.g. product factors, social influences, marketing stimuli). Market statistics were used to illustrate the Kathmandu context (e.g. brand market shares, vehicle growth rates). Throughout the paper, insights from prior studies are attributed in APA style, and all statements are supported by either the literature review or official data.

RESULTS OF REVIEW

Taken together, the reviewed studies and secondary market statistics point to a coherent set of drivers that recur across contexts similar to Kathmandu. To make sense of these influences, we organise the synthesis into four thematic clusters: (i) product and performance attributes, (ii) demographic and social influences, (iii) marketing and promotional factors, and (iv) psychological and intangible considerations. This structure reflects how consumers move from assessing core features and affordability to weighing social cues, offers, and perceived risks. Where possible, we anchor these themes in Kathmandu's conditions—high two-wheeler penetration, constrained urban mobility, and widespread use of financing—to situate broader findings within the local market reality. We begin with product and performance attributes, as they form the baseline criteria against which most Kathmandu consumers screen alternatives.

Product and performance attributes: Numerous studies highlight that intrinsic product features strongly shape two-wheeler purchases. Fuel efficiency (mileage) is repeatedly cited as a top criterion. For example, Chaudhary (2019) found fuel consumption and design among the three most important motorcycle selection factors, and Sawant (2007) similarly identified mileage and maintenance cost as key determinants. Engine performance and riding comfort also matter: Bansal *et al.* (2021) ranked mileage, comfort, and engine performance (in that order) among the top five reasons for choosing a particular bike. Safety features (e.g. protective equipment) have

also emerged as a priority; Uttra *et al.* (2020) reported that safety equipment received the highest importance loading in Thai consumers' purchase decisions.

Brand image and aesthetics are important too. Studies note that consumers often prefer well-known brands and attractive designs. Chaudhary (2019) reported brand image as one of the top three factors, and Mastran (2017) found that psychographic traits (including brand attitudes) influence buying decisions. In Kathmandu, popular models (e.g. Bajaj Pulsar series, Yamaha XTZ150) reflect the weight of brand and style. However, Nepalese buyers' product knowledge can be limited: one Kathmandu survey found that although riders are aware of brands, they often rely on shallow evaluations and peer advice, and lack in-depth understanding of features (fuel economy, financing costs).

Price sensitivity and financing ability are major concerns. Many buyers consider the upfront price and total cost of ownership. Studies in the region consistently highlight price as a critical factor. For instance, Amsaveni & Kokila (2014) noted that price and resale value vary significantly across models and affect choices. Focus groups reported dissatisfaction with prices when performance (e.g. mileage) did not match expectations (e.g. Royal Enfield owners as per Amron 2018). Financing terms strongly influence the decision: Golchha (industry executive) stated that easy financing and low down-payments have driven sales of two-wheelers. Supporting this, Putri & Ferdinand (2016) and Hamdani & Haikal (2017) emphasise that perceived price fairness is essential. As a result, aggressive financing schemes (e.g. Bajaj's EMI plans) and cash discounts significantly boost purchases.

Demographic and social influences: Buyer demographics play a role. Several surveys find that young adults dominate the two-wheeler market. Gupta and Sharma (2017) found that the majority of buyers were aged 18–25 (42.3%), often with modest incomes (around INR 5 lakh per year). Gender and family status also influence behaviour: Amsaveni & Kokila (2014) reported that suitability for women riders was a notable factor in model preference. Social environment is influential: many studies show that family and peer groups shape decisions. Mudholkar (2019) observed that friends and relatives are often the most trusted sources of information about motorcycles. Perreau (2014) similarly identified reference groups, family roles, and status as important social drivers. Word-of-mouth and social circles significantly affect brand perceptions and trust.

Marketing and promotional factors: Dealership experience and marketing stimuli also affect purchases. In-store factors like cash discounts and prominent display were found to encourage buying. Karbasivar & Yarahmadi (2011) highlighted cash offers and showroom presentations as effective sales tools. Promotional schemes (especially around festivals) are very influential. An industry report notes that up to 20–50% of Nepal's annual two-wheeler sales occur during the Dashain festival period, when companies offer special deals. Advertisements and promotional programs likewise raise brand awareness and perceived value. After-sales considerations are also noted: Giri & Thapa (2016) and Manju & Kumar (2018) found that availability of spare parts, service quality, warranties, and post-purchase support influence consumer satisfaction and future purchase intention. Reddy (2007) specifically noted that dealers should emphasise improving bike mileage and reliable service to meet customer expectations.

Psychological and intangible factors: Psychological satisfaction and risk perceptions underlie decisions as well. Putthiwanit (2012) emphasised that emotions (“feelings”) and positive word-of-mouth strongly sway Indonesian buyers. Brand loyalty and personal satisfaction with a previous model can drive repeat purchases. Perceived risk (fear of technical problems or poor performance) affects information search intensity; Sawagvudcharee (2019) identified perceived quality, value, and risk as key antecedents of purchase intention in Nepal. Overall, the literature shows that two-wheeler purchase behaviour results from a complex interplay of demographic/psychographic traits, product performance attributes, social influences, and marketing efforts.

DISCUSSION

The reviewed evidence highlights that Kathmandu consumers’ purchasing priorities mirror many regional patterns while also reflecting local conditions. Product attributes like fuel efficiency, engine performance, and safety are universally important, aligning with global findings. In Kathmandu, these concerns are underscored by market structure: Japanese and Indian brands dominate, with Bajaj (India) holding the largest two-wheeler market share (28.3% in 2020), followed by Yamaha, TVS, and Honda. This concentration suggests strong brand loyalty and price competition in the mid-range (125–150cc) segment. Local assembly of Bajaj and TVS bikes by Golchha and Jagadamba groups is beginning, which may further shape availability and pricing.

Economic factors are accentuated by Nepal’s context of rising incomes and financing. The average per-capita income (≈USD 1,456 in 2024) constrains absolute spending, making buyers sensitive to price and loan terms. Consistent with the literature, consumers in Kathmandu value easy financing and low EMIs. Dealers often promote attractive loan schemes and festival discounts to capitalise on this; our sources note that nearly half of annual sales occur during festive seasons with these promotions. Moreover, limited public transit and congested roads (noted earlier) maintain high demand for two-wheelers despite traffic conditions.

On the social side, Kathmandu’s buyers appear to rely heavily on interpersonal networks. The finding that many riders seek advice from friends or relatives and may lack technical knowledge suggests a market driven by word-of-mouth. This indicates an opportunity for dealers to provide more structured information (e.g. test rides, product education) to consumers. Cultural factors (family influence, age norms) also guide choices; for example, bikes are often a first major purchase for young Nepalis, reinforcing the demographic finding that 18–25 year-olds are a core market.

Secondary data confirm the robustness of these themes. Nepal’s transport statistics show two-wheelers as the clear majority of vehicles (80% of new registrations by 2018), reflecting the affordability and practicality factors noted in studies. Consumer surveys align with market outcomes: the emphasis on fuel economy and price matches Bajaj’s success (which offers fuel-efficient models and financing options). Meanwhile, concerns raised in the literature — e.g. unmet expectations leading to early resale of bikes — suggest areas for improvement. For instance, enhancing after-sales service and transparent information may reduce buyer’s remorse.

In sum, Kathmandu’s two-wheeler market exhibits the multi-faceted decision-making found in broader studies. Manufacturers and marketers should note that highlighting fuel efficiency,

design appeal, and financing flexibility is likely to resonate. Simultaneously, policymakers and educators may consider consumer-awareness programs on vehicle features. The convergence of demographic growth (young, income-growing population) and urban constraints confirms that motorcycles will remain a key transport mode. Future research should monitor how these factors evolve, especially as infrastructure improves and new technologies (e.g. electric scooters) enter the market.

CONCLUSION

This review of literature and market data shows that Kathmandu's two-wheeler purchase decisions are driven by a combination of consumer demographics, product characteristics, economic factors, and social influences. Young buyers on moderate incomes, often guided by family and peers, prioritise factors such as fuel economy, performance, brand, and safety. Price and financing options are critical – consumers expect reasonable prices, low down-payments, and favourable loan terms. Marketing actions (promotions, festival schemes, in-store displays) and after-sales services (warranty, maintenance) also significantly sway buyers. Official statistics reinforce these findings: Bajaj's market leadership (28% share) reflects consumer preferences for efficient, affordable models, while growing registrations (~2 lakhs new bikes per year) underscore rising demand.

These insights suggest that manufacturers and dealers should emphasise the attributes most valued by Kathmandu consumers – particularly fuel efficiency and financing ease – while also improving customer education and service. Policymakers may facilitate this by supporting better consumer protection and information transparency. In conclusion, aligning product offerings with the identified determinants (demographic, product, and marketing factors) is key to satisfying Kathmandu's two-wheeler buyers and sustaining market growth.

CONFLICT OF INTEREST

The authors declared no conflict of interest.

FUNDING

None

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