

Information Search for Bank Loan: A Study of Nepalese Entrepreneurs

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Abstract

The paper attempts to investigate how consumers search information for bank loans and endeavors to provide insight into the different sources of information that entrepreneurs mostly used to grab detailed information regarding loan services. Based on data collection through structured questionnaires using correlation and regression analysis, results reveal that entrepreneurs mostly use bank sources as a source of information. Though Nepalese Entrepreneurs are aware of sources of information due to the non-availability of the required information as well as the trustworthiness of the obtained information they believe bank sources as trusted and reliable sources rather than other sources. The sample comprising of 130 employees in the Information Technology (IT) industry which were selected by non-probability sampling. It is concluded that Interest rate was found to be the most important criterion followed by the duration of the loan, monthly installment, payment flexibility, and processing fee by Nepalese entrepreneurs to decide the choice of bank.

Key Words: Bank Loans, Information Search, Mass Media, Payment Flexibility, Mortgage Defaulting

1. Introduction

Information search is an important part of the decision-making process for most consumers considering the purchase of any goods or services (Bettman, 1979). Schmidt and Spreng (1996) defined information search as a phase of decision-making in which consumers gather and organize information from various sources before purchasing or re-purchasing the product or service. Due to the massive use of Information and Communication Technology (ICT), more and more information is available today, and consumers easily access information with numerous sources at their fingertips. Due to the rise of new technology, consumers promptly access information on the web through many

sources. They search for information regarding their services or products before making purchases (Bruce, 2005). But consumers are in a dilemma of deciding which resources are most reliable with recent as well as accurate information. In this era of globalization, the emergence of the latest innovation has reformed the way in which consumers find, collect, and make use of varieties of information. They are frequently given a large number of options, many of which are continually changing as a result of technological advancements and the abundance of information available from many sources (e.g., mass or social media, colleagues, and previous users) to analyze and decide which bank to use for lending their financial activities (Dickinger, 2010).

There are many sources of financing for entrepreneurial ventures. Among them, a bank loan is one of the most common sources of external finance for many entrepreneurs, who are often heavily reliant on straight debt to fulfill their start-up, cash flow, and investment needs. Entrepreneurs use bank loans as a suitable part of their financial structure because they can easily access loans from banks compared to other sources of financing. However, they have to go through a lengthy process to obtain a loan from a bank, such as being prepared for a lot of paperwork, strict selection criteria, and a very long wait. So, they go for various searches related to a loan and decide before pre-purchasing services. The initial level of the information search could be internal, leading to a second level of external search. Internal search starts when the client consults previously acquired knowledge that is deeply ingrained in his or her mind. The external search includes information obtained from a variety of sources, including reading documents, consulting with the vendor, or making firsthand observations. The information stored is the outcome of prior experiences. (Miniard, 2001).

In order to make a purchase decision, either for products or services, Customers simultaneously use both kinds of information searches. Most frequently, prospective clients may inquire about previous experiences from friends, relatives, or, more recently, the Internet. (Hyde, 2008). In today's competitive and wired world, information is a crucial resource that is necessary for life. Due to advances in information and communication technology, both the information itself and how it is accessible have changed. Information seeking takes many different forms, including reading printed materials and using web resources. For a variety of reasons, people seek knowledge, yet many of them lack the abilities necessary to do so. They are unaware of the sources and pathways for information; nonetheless, some people gain knowledge from their experiences. Books, family, and friends can all be good sources of information. They personally communicate with coworkers, friends, and specialists. to satisfy their information needs. Thus, we can say that information is a medium

through which relationships are exchanged.

Over the past 20 years, the Nepalese financial sector has become deeper, and the number and type of financial institutions have grown rapidly. Today, Emerging technologies have changed the banking industry from paper to “digitized and networked banking services. According to a UNCDF survey conducted in 2014, 61 percent of adult Nepalese have access to formal financial services, compared to 21 percent who only use informal channels and 18 percent who are still financially excluded. Similarly, 18% of people borrow from formal institutions, while 29% of adults borrow from informal institutions.

Though, many banks and financial institutions have continuously upgraded and adopted technologies to facilitate banking services for their customers in Nepal, customers have not been able to use all of the banking services properly because most of the consumers are unaware of the products the bank is offering. Therefore, research is intended to identify the problem related to the consumer and how they search for information for bank loan services, as well as the factors that guide them in making loan decisions. The main objective of this study is to examine the influence of sources of information like mass media, bank sources, and family or peers on the information search behavior of Nepalese entrepreneurs for bank loans.

2. Review of Literature

Bank Loan

Concerning bank loan, Bhatta (1970) conducted research to examine consumer behavior and preferences for different types of loans and institutions. The study had the objective of understanding the loan purchasing behavior of the customers. In this study, researchers found that service, Efficiency, and Technology acknowledge most customers’ preferences for their banks. Correspondingly, Gupta and Sinha (2015) argue that the major factors that the respondents considered as the reason for choosing SBI as an institution for taking a home loan were the low rate of interest, easy accessibility, status or reputation of the institution, and scheme offered by the company, whereas the factor of prompt service was found to be a major factor that the respondents considered as the reason for choosing LIC as an institution for taking a home loan. Similarly, Chang and Hanna (1992) believe that rational consumers may be more likely to engage in particular information searches.

Along the same line, Gunay et al., (2014) evaluate consumers’ knowledge and behavior regarding using home loans. The study focused on knowledge and reported behavior toward banking home loans among a sample of Turkish consumers. According to the findings, 84.1% of consumers used house loans.

51.7% of the participants found that they consult their families when making decisions about using house loans. While 46.1% of customers said they use the internet to research home loans, 79.5% of consumers said they visit banks to do it. The results of a hierarchical multiple regression analysis showed that attitudes toward home loans, financial management behavior, and demographic variables (education, income, and employment) were significant predictors of consumer behavior and knowledge regarding the use of home loans. Gupta and Jain (2012), in their paper, present a study on Cooperative Banks in India with special reference to Lending Practices. The study results show that Easy repayment and fewer formalities are the main factors determining customers selection of loans.

Ghosh (2014) also studied housing finance in India and the appraisal process of home loans, with specific reference to Indian overseas banks. The findings indicate that banks must disclose information regarding the interest rate that will apply, any fees or charges, and any other factor that may affect the customer's interest when sourcing loans. Typically, this information is provided in the bank's product brochure. The study comes to the conclusion that before granting a home loan application, lenders consider personal information such as a solid credit history, annual and monthly income, current consumer EMIs, a clear title to the home or property, and the location of the residence. Mylonakis (2007) shows that respondents have a favorable attitude toward home loans for buying a primary residence and half for buying land. The essential information is sought through personal connections with bank personnel with specific knowledge. While recommendations from brokers, real estate contractors, and lawyers are taken into consideration, the fundamental factor in choosing a bank is the bank's current level of collaboration.

Likewise, Kumar and Raj (2011) studied housing finance - An examination of consumers' post-purchase actions in Tamil Nadu's Namakkal District. According to the report, the majority of consumers are not dissatisfied, but they are also not in the satisfied stage either. They have reached the stage of no satisfaction. When a customer is dissatisfied, they start talking badly about the company to their friends and family. The likelihood of the mortgage defaulting is quite low. Unfair bank fees are one of the major issues that consumers have.

Information Search

Nasco and Hale (2009) conducted research on Information search for home, medical, and financial services by mature consumers to explore how mature consumers (those aged 55 years and over) make service-related decisions and also focus on how older consumers select and use information sources that influence their service decisions. The results demonstrate that,

regardless of context, mature customers only sometimes accessed information sources when making service decisions. The number of service providers was impacted by the context of the service, and significantly fewer providers were examined for financial and medical services compared to home services. Age and information search were adversely correlated, although responsibility for the decision and service outcome satisfaction was not. More external searches were made by mature consumers for less complex service settings (such as home services) than for more complex service contexts (such as medical and financial services).

Mortimer and Pressey (2013) studied consumer information search and credence services has consequences for service providers who should look at customer involvement levels and information search activities, as well as the scope of the search and the sources of the information used. The study discovered that while involvement in the search process lacks interest, it is high in terms of importance. Surprisingly, customers of credence services do not conduct more thorough information searches than customers of non-credence services do with regard to the usage of outside sources of information. However, they do rely more on salespeople's recommendations, friends' personal stories, and consumer report information.

Beatty and Smith (1987) conclude Media (such as periodicals, newspapers, television, and radio), people (such as friends, salespeople, and experts), sellers (such as stores, and catalogs), and personal hands-on experience (such as product trials) are among the information sources that consumers regularly consult. Similar findings were made by Ijevleva & Sloka (2012), who discovered that households in Latvia relied on advice from friends, guidance from loan experts, and consultations in bank branches as their primary information sources. Lee and Hogarth (2000) in his study discovered that lenders (particularly banks, savings and loans, and credit unions) and real estate experts were the two leading sources of information for borrowers.

Ariely (2000), in his work, contends that controlling the "information flow can help consumers better match their preferences, have better memory and knowledge about the domain they are examining, and be more confident in their judgments" (p. 233). In addition, Mortgage Bankers Association of America (MBA) in 1999 indicated the data obtained from phones was their favorite source to obtain information on mortgages and followed by personal contact (Duncan, 1982). According to the poll, the most often reported personal contact source of information was friends and family. The next step is to gather information from publications and real estate experts. The opinion of the mortgage provider was also mentioned as a source of data.

Likewise, Beckett et al., (2000) revealed that the type of financial product being purchased has a significant impact on customers' purchasing decisions, which is consistent with the research. This has improved our understanding of how consumers choose among various financial products, but perhaps more importantly, it has brought distribution routes into sharper focus. Along the similar line, Lee and Cho (2005) studied consumers' use of information intermediaries and the impact on their information search behavior in the financial market". The chance of utilizing human information intermediaries is determined by a number of factors, and using information intermediaries has an impact on the quantity and pattern of overall information search. The findings show that a low perceived degree of financial management skill, a big overall quantity of financial assets, and a high opportunity cost of time all increase the perceived value of information intermediaries and hence the chance of using them. And discover that the chance of using other information sources is influenced by the usage of information intermediaries, which is positively correlated with the overall scope of information search.

A similar study was conducted by Utkarsh (2017) based on the individual variations in service-seeking consumer information. The study looks at how individual characteristics affect experienced service consumers' search for information. The association between the ideal stimulation level and search effort is mediated by consumer self-confidence and search motivation. The study sheds light on how unique customer preferences affect information search. Consumers that are variety-seeking are more certain of their choices and look for a lot of information before making a purchase. Therefore, marketers ought to make an effort to give these customers comprehensive and varied information. Likewise, Swartz and Stephens's (1984) contend that information search for services was examined: the maturity section looked into information search for services by those 55 and older. Its findings show that factors like the number of options explored and personal variables like sex and education have a significant impact on how older persons look for the services under investigation. Finally, personal sources were known as very significant information sources for this group.

Information search behavior is a broadly studied area in consumer inquiry (Maity, Dass, & Malhotra, 2014). Consumer information search behavior has received a lot of attention from researchers due to how crucial it is to consumer decision-making. There haven't been many studies, though, of how people seek services like credit and savings accounts. Consumer services characteristics that differ greatly from those of consumer products, and this is also true of the contributions that various information sources contribute to the decision-making process for services. Given these distinctions, consumers'

information search behavior for services and tangible things will be the same. An individual can visit a retail location to inspect goods before making a purchase. Such conduct is typically inappropriate while looking for financial services information. Information search is frequently used by consumers to gather various information through different channels. Information search is considered to be one of the stages of the purchase decision process and it has been the subject of a great deal of research (Beatty & Smith, 1987).

A consumer will begin looking for a solution to meet that demand or address that problem after they have identified it. Consumers will use a variety of internal and external sources during the process. The experience a consumer has had in the past is by far the most important source. Consumers will go to outside sources for information if their experience is inadequate or if there are any changes to the way a need or problem is met or solved. A user's perceived need triggers information-seeking activity, in which the person assesses his or her information needs, looks for information and then transmits the information found (Ikoja-Odongo, 2006). According to Kuhlthau (1993), The act of seeking knowledge that can help one understand or make sense of something is known as information-seeking behavior. The user may need to access formal or informal information sources or services in order to fulfill that specific demand.

The literature search exposed that a limited number of studies have been conducted on the searching behavior of consumers in service sectors rather than products. Based on a review of literature from a variety of disciplines it found that searching behavior for financial services especially Loans may vary from individual to individual because of their preference and behaviors and Most the consumer acknowledge their Prompt services, Technology, Installment, Low-interest rates, easy Accessibility, quick Transaction, friendliness of bank staff, fewer formalities, duration of the loan, margin, and processing fee. Services offered by bank influences the search behavior of consumers as well as consumer accessed this information through various sources of channel like media (magazines, Television, newspaper), Individuals (Friends, experts), Personal hands-on experience, Consultants in a bank branches, advice of expert.

Hypotheses

Based on the literature in Chapter II, different hypotheses have been developed for the research. This research is conducted to find the influence of Sources of information like mass media, bank sources, and family/peers on the Information Search behavior of Nepalese entrepreneurs for bank loans. The following hypotheses are forwarded:

Hypothesis: I

H1: There is a significant influence of mass media (Newspapers, Websites, Television, and Social Networking Sites) on the information search behavior of entrepreneurs for bank loans.

Hypothesis: II

H2: There is a significant influence of bank sources (banking staff, bank offices) on the information search behavior of entrepreneurs for bank loans.

Hypothesis: III

H3: There is a significant influence of family and peers on the information search behavior of Entrepreneurs for bank loans.

3. Methodology

The purpose of the study is to identify how well entrepreneurs search the information regarding financial services. To attain this goal present study used a sample from the entrepreneur based on Information Technology (IT) in Kathmandu City. The sample comprising 130 employees was selected by non-probability sampling. Descriptive research was carried out for the purpose of this research. Data collected from the questionnaire were analyzed and interpreted through different statistical tools. The descriptive statistics of information search behavior and its different dimensions were studied. For inferential statistics, Pearson correlation, and a Regression test has been used.

4. Results and Discussion

Table-1

Gender	Frequency	Percent
Male	88	68%
Female	42	32%
Total	130	100%
Academic Qualification	Frequency	Percent
Masters and Above	55	35%
Bachelors	45	42%
Intermediate	21	16%
SLC	9	7%
Total	130	100
Marital Status	Frequency	Percent

Married	79	61%
Single	51	39%
Total	130	100%
Channel	Frequency	Percent
Online	18	14%
Offline	35	27%
Both	77	59%
Total	130	100
Source	Frequency	Percent
Newspaper	4	3%
Website	11	9%
Bank Office	94	72%
Friends	7	5%
Family Members	13	10%
Social Networking Sites	1	1%
Total	130	100%
Category of Bank	Frequency	Percent
Commercial Bank	69	53%
Development Bank	25	19%
Finance Companies	30	23%
Co-operatives	6	5%
Total	130	100%

Table 1 illustrates the demographic profile of the respondents based on their gender, academic qualification, marital status, and their opinion regarding the choice of Search behavior for bank Loans.

Out of the total respondents 130, there were 88 males and 42 females comprising the percentage of 68% and 32% respectively which shows that the participation of male respondents was more than that of female respondents. In the same way, the large numbers of respondent's education backgrounds were of Bachelors Level and the least were of SLC level. There were 42% of respondents from the bachelor's level, 35% from the Master's and above level, 16% from the Intermediate, and 7% from the SLC level. Further, the majority of the respondent's marital status was married and followed by Single, comprising the percentage of 61% and 39% respectively which shows that the

participation of married respondents has a high score in Loan decisions than that of unmarried.

Similarly, the opinion regarding the choice of channel for searching bank loans, 14% of respondents prefer an online channel for information, 27% prefer an offline channel for information and 59% of respondents use both channels for searching information regarding Bank loans. Likewise, 3% of the respondents use Newspapers as a Source of Information, 9% websites, 72% Bank offices, 5% Friends, 10% Family members, and 1% social Networking Sites as a source of information regarding Bank loans. From the above data, we can clearly identify that most of the entrepreneurs visit the Bank office for information regarding bank loan services and entrepreneurs don't use information regarding loan services through Social Networking Sites. In the same way, the respondent's opinion regarding the choice of bank and financial institution, 53% of the respondents have chosen a commercial bank as the type of Bank and Financial Institution for a loan. 19% have chosen development Banks, 23% have chosen Finance companies and 5% have chosen co-operative for Bank loans. From this study, researchers conclude that commercial banks are gaining a better position as compared to other banks and finance institutions.

Descriptive Statistics

Table-2

Mean and standard deviation of Information search and its dimension.

Dimension	Mean	Std. Deviation
Information Search Behavior	1.96	1.025
Mass Media	3.062	1.453
Effect of Bank Source	2.560	1.431
Effect of Family and Peers	1.912	1.039

Table 2 shows the descriptive statistics of Information search and its dimension. The table shows that the items have an average mean value of independent variables (mass media, bank source, family & peers) ranging from 1.912 to 3.062 whereas the standard deviation ranged from 1.039 to 1.453. Likewise average mean and standard variation values of a dependent variable (Information search behavior) are 1.96 and 1.025 respectively.

Among the variables, the table shows that mass media has the highest average value which denotes data are more spread out and Family and Peers have the lowest average value which denotes data are less spread out as compared to other variables.

Table 3: Correlation Matrix between Mass Media, Bank Source, and Family and Peers

Variables	ISB_	EMM_	EBS_	EFP_
ISB_	1			
EMM_	.386**	1		
EBS_	.375**	.323**	1	
EFP_	.724**	.302**	0.169	1
**. Correlation is significant at the 0.01 level (2-tailed).				

Table 3 shows the relationship between dependent and independent variables. The correlation analysis results presented in the above table show that Pearson Correlation Coefficient between mass media and Information Search behavior is $r = 0.386$, which implies that the two variables are positively correlated. Since the P value is less than alpha i.e. ($0.00 < 0.05$), the correlation is significant between the variables. Similarly, Pearson Correlation Coefficient between bank source and Information Search behavior is $r = 0.375$, which implies that the two variables are positively correlated. Since the P value is less than alpha i.e. ($0.00 < 0.05$), the correlation is significant between the variables. Likewise, Pearson Correlation Coefficient between family and peers and Information Search behavior is $r = 0.724$, which implies that the two variables are positively correlated. Since the P value is less than alpha i.e. ($0.00 < 0.05$), the correlation is significant between the variables. Thus, mass media, bank sources, and family & peers are significantly correlated with Information Search behavior.

Regression Analysis

Table-4

Y	=	a	+	b1x1	+	b2x2	+	b3x3
Coefficient		0.993		0.097		0.224		0.882
p-value		(0.344)		(0.063)		(0.000)		(0.000)
T	=	0.95		1.877		3.818		10.983
F	=	63.242		(0.000)				
R	=	0.775				S		
R Squared	=	0.601						

Table 4 shows the multiple correlation coefficient (R), Coefficient of determination (R Square), which represents predicting the goodness-of-

fit of the regression model. R of independent variables X1, X2, X3 on the dependent variable Information search behavior (\hat{Y}) is 0.775, which shows that Information search behavior has a positive relationship with the independent variables. The value of R-square is 0.601 which means 60.1% variation in Information Search behavior is explained by the independent variable. Similarly, the adjusted R-square is 0.591 which means 59.1% of Information search behavior is explained by mass media, bank sources, and Family/peers after adjusting the degree of freedom (df). This shows a moderate relationship between all variables of information search behavior. Similarly, the F value is 63.242 and the P- value is 0.000 i.e. P value is less than alpha which indicates that independent variables affect Information Search behavior.

The values of unstandardized beta coefficients ($\beta_1, \beta_2, \beta_3$) and the constant α with which the estimated equation for the impact of independent variables of Information Search behavior on dependent variables. Using the values of unstandardized beta coefficients and constants, we can write the estimated equation as follows:

$$\hat{Y} = 0.993 + 0.097 * X1 + 0.224 * X2 + 0.882 * X3$$

Regression coefficients of mass media, bank source, and family/peers are 0.116, 0.228, and 0.650 respectively.

Table 4 shows the beta for all the attributes or independent variables undertaken in the study to determine their influence on Information search behavior. It shows that mass media has a Beta of 0.116, Further, the beta coefficient implies that a 1-unit change in information search behavior leads to a 0.116 -unit change in mass media factor with other factors remaining unchanged. So, there is no significant influence of mass media on information search behavior ($\beta = 0.116, t=1.877, p=0.063$). The bank source has a Beta of 0.228, Likewise, the beta coefficient signifies that a 1-unit change in Information search behavior leads to a 0.228-unit change in the bank source factor with other factors remaining unchanged. Therefore, there is a significant influence of the effect of bank sources on information search behavior ($\beta=0.228, t=3.818, p=0.000$). Similarly, Family/Peers has a Beta of 0.650, the beta coefficient implies that a 1-unit change in Information search behavior leads to a 0.650 -unit change in the family/peers factor with other factors remaining unchanged. Thus, there is a significant effect of family/peers on information search behavior ($\beta=0.650, t=10.983, p=0.000$). Since the Beta of Family/Peers is the highest at 0.650 it can be said to have the most dominant influence in Information search behavior.

Similarly, the effect of bank Source and the effect of family and peers are the significant independent variables while the Effect of Mass Media is an insignificant independent variable because the p-value is greater than 0.05. In the regression analysis, the beta coefficients are used to explain the relative importance of independent variables in contributing to the variance in the dependent variable. The result shows that a one-unit increase in the effect of bank source would lead to a 0.224 increase in information search behavior.

Hypothesis Testing

Variables	Unstandardized Estimates	t	P-Value
Mass Media	0.097	1.877	0.063
Bank Source	0.224	3.818	0.000
Family and Peers	0.882	10.983	0.000

From the above hypothesis testing, it shows that the p-value of mass media is greater than 0.05 ($0.063 > 0.05$), so the null hypothesis is accepted at a 5% level of significance. Similarly, the p-value of Bank Source is less than 0.05 ($0.000 < 0.05$), so the null hypothesis is rejected at a 5% level of significance. In the same way, the p-value of family and peers is less than 0.05 ($0.000 < 0.05$), so the null hypothesis is rejected at a 5% level of significance. Thus the overall study, shows that there is no significant influence of mass media on the Information Search behavior of Entrepreneurs for Bank loans but a significant influence of bank sources and Family and Peers on the information Search behavior of Entrepreneurs for Bank loans.

Summary of Hypotheses Testing

Hypothesis	P-Value	Beta	Result
H1: There is a significant influence of Mass Media on the information search behavior of entrepreneurs for bank loans.	0.063	0.116	Rejected
H2: There is a significant influence of Bank Sources on the information search behavior of Entrepreneurs for bank loans.	0.000	0.228	Accepted
H3: There is a significant influence of family and peers on the information search behavior of Entrepreneurs for bank loans.	0.000	0.650	Accepted

From the hypothesis, the testing researcher felt to accept two null hypotheses. Therefore, Independent Variables: Bank Sources and Family & Peers have a significant influence on the Information Search Behavior of respondents toward Bank loans whereas mass media has no significant influence on the Information Search Behavior of respondents toward bank loans.

5. Findings

With the data analysis and presentation, the major Summary of the Findings is as follows.

- About 59% of the respondents prefer both channels (online as well as offline) for information searches regarding loans.
- While searching for information regarding loans most of the respondents prefers the Bank office as a source of information to other source.
- The results show that most of the respondents are aware of the availability of information scattered in too many sources but due to the trustworthiness of obtained information as well as the non-availability of needed information, they faced problems while searching for information.
- Bank office information regarding loans gives more comfortable/Satisfaction for respondents than information from Social networking sites.
- Most of the respondents choose Bank for a loan in terms of interest rate followed by Monthly Installation, Duration of loan, Payment flexibility, and finally processing fee.
- The highest mean of 2.450 with a standard deviation of 1.240 shows that respondents could not be bothered to look for any information while searching for Bank.
- From Pearson Coefficient, the independent variables mass media, bank source, and family/peers have significant correlation with dependent variables information search behavior. The Pearson coefficient of family/peers is 0.724 which is nearly 1 which shows that family/peers have strong correlation relation with information search behavior.
- From the regression analysis, the Bank source has a Beta of 0.228, which implies that a 1-unit change in Information search behavior leads to a 0.228-unit change in the bank source factor with other factors remaining unchanged. Similarly, Family/Peers has a Beta of 0.650, which implies that a 1-unit change in Information search behavior leads to a 0.650 -unit change in the family/peers factor with other factors remaining unchanged. Since the Beta of Family/Peers is the highest at 0.650 it can be said to have the most dominant influence in Information search behavior.
- From the ANOVA table, 60.1% variation in Information Search behavior

is explained by the independent variable

- Independent variables Bank source and Family/Peers have a significant influence on the Information search behaviour of respondents.

6. Discussion

Fast and efficient services, speed of transactions, and friendliness of bank staff affect customer decision to select a bank. Similarly, most of the researchers in their studies found that Interest rate, easy accessibility, Processing fee, loan tenure reputation of the institution influence selection criteria for banks which is quite similar to the findings of this study Haron et al., (1994). Similarly, Gunay et al., (2014) in their research paper found that 51.7% of interviewees said that they consult their families when making decisions about house loans. While 46.1% of customers said they use the Internet to research home loans, 79.5% of consumers said they visit banks to do it. Similarly, this research also shows that almost 72% of the respondents get information from the bank, 10% from family, and the rest from another source. Along the similar line, Mylonakis (2007) found that they searched Information must be provided through direct interactions with bank specialists. The degree of current cooperation with the bank serves as the main reason for choosing a bank, with recommendations from brokers, real estate contractors, and attorneys also being taken into account. But this research found that respondents gather information through banks as well as consult with family and friends for a loan

Beatty and Smith (1987), Media (such as periodicals, newspapers, television, and radio), people (such as friends, salespeople, and experts), sellers (such as stores, and catalogs), and personal hands-on experience (such as product trials) are some of the information sources that consumers commonly utilize. Similarly, Ijevleva and Sloka (2012) discovered that households in Latvia relied on advice from bank staff, guidance from loan experts, and recommendations from friends as their primary information sources, which is consistent with the results of this study.

Likewise, Frangos et al., (2012) in his studied factors that influence Greek customer's decision to take out a loan from commercial banks and originate that marital status, customer service, and interest rate are the most important predictors of taking a loan which is similar to the findings of this study. Likewise, Kumar and Raj (2011), in their study 'Housing finance: An analysis of post purchase behavior of consumers,' found that consumer face problems related to unfair charges after purchasing services from the bank but this study reveals that consumers face problems related to the non-availability of needed information related to services before searching information related to bank services.

According to a survey conducted in 1999 under the auspices of the Mortgage Bankers Association of America (MBA), friends and family were the sources of information for loan services that were most frequently cited as personal contacts, along with banks, families, and peers. Thus, Comparing the finding of this study and research conducted by other authors on Information search for services, the finding is quite similar. As they both show that Interest rate, duration of the loan, and processing fee. influence respondents for the selection of bank for a loan and they consult information from family/peers, Bank sources for the choice criteria of Bank for a loan.

7. Conclusions and Implications

A study was conducted to know the information search behavior of entrepreneurs for bank loans. This study provides insight into the different sources of information that entrepreneurs mostly used to grab detailed information regarding loan services. The study found that for searching for information regarding loans, Nepalese entrepreneurs mostly use bank sources as a source of information. Though Nepalese Entrepreneurs are aware of sources of information due to the non-availability of the required information as well as trustworthiness of the obtained information they believe bank source as a trusted and reliable source rather than other source. They also consult family/peers regarding banks for loans. Moreover, they gather information directly by visiting bank offices or consulting family/peers but more or less before purchasing financial services, entrepreneurs engaged in a search for information through both channels i.e., online as well as offline.

In a similar footing, interest rate, duration of loan, monthly installation, payment flexibility, and processing fee influence the behavior of entrepreneurs when deciding on the loan to be taken from a particular bank. From this study, it concluded that Interest rate was found to be the most important criterion followed by the duration of the loan, monthly installment, payment flexibility, and processing fee by Nepalese entrepreneurs to decide the choice of bank. However, the relationship between Information search behavior with mass media was found to be insignificant from this it can be inferred that entrepreneurs search for information regarding loans through bank offices as well as by consulting family and peers where they can feel that the information through bank office as well as family and peers are more genuine and trustworthy rather than mass media. Among all three variables, bank sources and family / peers are very important that influencing the information search behavior of entrepreneurs.

This study focused on entrepreneurs based in the IT (Information Technology) industry in Kathmandu City. So, we encourage the researcher

to do on other industries because values and priorities can change over time according to industry. Consumer characteristics and social theory were missing in this research but the focus of the study was mass media, the effect of bank source and family and peers into consideration of which is most relevant to our country. Also, we encourage the prospective researchers to investigate further variables like family culture which influences decision-making.

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