

SERVICES OF NAMASTE PREPAID MOBILE PHONE TO THE CONSUMERS

[A case study of Nepal Telecom within Biratnagar Municipality]

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RECOMMENDATION

This is to certify that the thesis

Submitted by:
Amit Kumar Chaudhary

Entitled:
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[A case study of Nepal Telecom within Biratnagar Municipality]

has been prepared as approved by this Department in the prescribed format of Faculty of Management. This thesis is forwarded for examination.

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VIVA-VOCE SHEET

We have conducted the Viva-Voce Examination of the thesis

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and found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for

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Amit Kumar Chaudhary
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LIST OF ABBREVIATIONS

CB	Crossbar Exchange
CDMA	Code Division Multiple Access
DSL	Digital Subscriber Line
EVDO	Evolution to Packet Data Optimized
GSM	Global System for Mobile Communication
ISDN	Integrated Services Digital Network
IVR	Interactive Voice Response
NDCL	Nepal Doorsanchar Company Limited
NT	Nepal Telecom
NTA	Nepal Telecommunication Authority
NTC	Nepal Telecom
PIN	Personal Identification Number
PSTN	Public Switched Telephone Network
PUK PIN	Unlock Key
SIM	Subscribers' Identity Module
SNPL	Spice Nepal Private Limited
UAE	United Arab Emirates
UK	United Kingdom
USB	Universal Serial bus
UTL	United Telecom Limited
VSAT	Very Small Aperture Technology

CHAPTER-I

1. 1 INTRODUCTION

1.1.1 BACKGROUND TO THE STUDY

The fast pace of development in telecommunication and information technology has changed the way we live and work. To the general public this means increased expectations and diversified needs for multiple of the latest and higher quality services; and to the telecommunications service provider, this means increased investment in modern equipment and advanced technologies, and new challenges (NTC's Annual Report, 2066).

The statement indicates and focuses on the expectations and need of consumers is high and increasing the requirement of higher quality services with modern equipment and advanced technologies.

A few years ago there was only an organization "Nepal Telecommunication Corporation" as a telecommunication service provider. The corporation was funded and formed under the ownership of the government of Nepal to the development of telecommunication services. But now the situation has changed. There are more than five telecommunication service providers working in Nepal. In the development of telecommunication sector in Nepal; the organization has played a great role and has made a good image in the field of telecommunication services. Nowadays, the level customer's demand and expectations have changed and the other telecommunication operators have entered in this field by offering different services and advance technologies. So the increasing expectations of consumer with latest technology and attractive services have become the requirement and great challenges for the organization.

1.1.2 A Short History of Nepal Telecom and Telecommunication in Nepal.

The History of Telecommunication development in Nepal is not so long. The first telecommunication services were started in Nepal during the regime of Chandra Shamsher in 1972 B.S. It was the first time and good opportunity of Nepalese people to transmit message from Kathmandu to Birgunj. That telephone line was attributed as magneto connected Birgunj with Kathmandu under the name of “Shree Chandra Telephone”. Though no remarkable development has been found at the time of Chandra Shamsher. Another telephone line connecting Kathmandu with Gour had been installed in the year 1980 B.S. In the year 1992 B.S., 25 automatic telephone lines were distributed among the high-ranking personalities of Nepal for their own individual uses. The telecommunication office was first established near Ranipokhari.

Another notable telecommunication lines were made available during the regime of Prime Minister Juddha Shamsher by catering the line in the different districts to the extent of 300 miles long. The telephone lines were being extended from Kathmandu to Siraha, Saptari while the same being extended up at Hanumannagar in 1994 B.S. In the year 1998 B.S. additional installation of telephone line linking Dhankuta, Dharan and Biratnagar were distributed.

A noticeable change happened toward telecommunication during the period of Juddha Shamsher. About 200 miles long telephone lines were also brought into use in western part of Nepal. The Government of Nepal felt the need of telecommunication for effective administration and active participation of people to achieve national goal. So, 200 local C.B. telephone lines were set-up and distributed for King's Offices having exchange office at Singh Durbar in the year 2012 B.S. before implementation of first five-year plan. Nepal had 200 CB lines, 100 magnet lines, 15 automatic lines, 10 military exchange lines and 600 miles of trunk lines connecting Kathmandu with other districts (Nepal 2003:4-5.)

In the history of telecommunication development in Nepal, Nepal Telecom has been an unforgettable name. Nepal Telecommunication Corporation was established in 2032/03/11 B.S. under NTC Act 1971 to provide reliable and affordable telecommunication services all over the country. NTC is the government owned corporation as a public enterprise. With the need of liberalization, Nepal Telecommunication Corporation was dissolved and converted to Nepal Doorsanchar Company Limited (in short: Nepal Telecom) from 1st Baishakh 2061(13th April, 2004). The New company (Nepal Doorsanchar Company Limited) was registered with the Company Registrar office on 2060-10-11 under Company Act 2053. However, the company shall also be known to general public by the name Nepal Telecom as registered trade mark. It is looked as an effective instrument of program implementation for accomplishing the desire of national development goals. Nepal Telecom is exerting it's almost efforts to provide communication service to larger sector of population. As of Shrawan 2067, the total capacity of the exchanges (including mobile services) reached 5,608,875 lines. Now, Nepal Telecom is not alone in the field of telecommunication sector in Nepal. There are almost six telecommunication service providers companies that are providing different telecommunication services. Competitive market has provided both opportunities and challenges to the service provider companies. In the other hand, competitive market is providing cheap and advanced technology for all customers and contributing to national economy by the side of telecommunication services. The recent authentic data published by NTA shows that the total density in telecommunication service penetration there are 28.64% covers with mobile 2.99% with Fixed and others with 1.67% and total penetration rate is 33.30%.

1.1.3 Services and Products of Nepal Telecom

Generally, services and products of the telecommunications industry are divided into four main sectors: wired, wireless, satellite, and other telecommunications establishments.

The largest sector of the telecommunications industry continues to be made up of wired telecommunications carriers. Establishments in this sector mainly provide telecommunication services such as wired (landline) telephone, digital subscriber line (DSL) Internet, and cable TV and Internet services. These organizations route TV, voice mail, internet, data, and other content over a network of wires and cables, and control access to this content. They may own and maintain networks, share networks with other organizations, or lease network capacity from other companies. Establishments in the telecommunications industry, however, do not create the content that is transmitted over their networks, such as TV programs. (Establishments that create television programming are described in the Career Guide sections on the broadcasting and motion picture and video industries). Wired telecommunications also include direct-to-home satellite television distributors and a variety of other businesses.

Wireless telecommunications carriers provide telephone, internet, data, and other services to consumers through the transmission of signals over networks of radio towers. The signals are transmitted through an antenna directly to consumers, who use devices, such as cell phones and mobile computers, to receive, interpret, and send information. A large component of this industry segment consists of companies that provide cellular phone service, which has grown rapidly over the past decade. Another component includes establishments that deliver mobile Internet services to individuals with Internet-enabled cellular phones and computers.

Satellite telecommunications establishments are made up mostly of government and private organizations that transmit a variety of data through satellites, including photos of the earth, messages to and from public safety officials, and a variety of other information. Direct-to-home satellite TV providers, however, are classified with wired telecommunications. Other sectors in the telecommunications industry include telecommunications resellers, as well as

operators of other communication services ranging from radar stations to radio networks (<http://www.bls.gov/oco/cg/cgs020.htm> accessed on March 03, 2011)

Services History of NT

-) Magneto Telephone (Mohan Aakashbani)
-) Open-wire Telephone
-) Crossbar Exchange
-) Tele printer
-) Telex
-) Digital Switch (DTMF Telephone Set)
-) STD, ISD
-) Internet (Dial Up, ADSL)
-) GSM Mobile
-) CDMA
-) Broadband

Service Technologies

NTC has obtained a wide range of service technologies which are offered to its subscribers in the field of telecommunication which are:

- i. PSTN (Public Switched Telephone Network)
- ii. GSM (Global System for Mobile)
- iii. CDMA (Code Division Multiple Access)
- iv. V-SAT (Very Small Aperture Terminal)
- v. Internet

Since 2032 BS, Nepal Telecom is the only pioneer organization that has been providing basic PSTN (Public Switched Telephone Network) telephone service to the people of Nepal. After 2061 BS only, Nepal Telecom has distributed about

200,000 PSTN telephone lines and installed new Exchanges in Rukum, Jajarkot, Panchkhal, etc. In the present scenario, the GSM and CDMA wireless mobile phones are growing exponentially compared to basic PSTN telephone lines worldwide and Nepal is no exception. Similar situation arose in Nepal since 2060 BS. Due to difficult geographic terrains of Nepal, it is not possible to expand basic PSTN telephone services to every nook and corner of the country. However, wireless GSM and CDMA mobile service of Nepal Telecom has made the impossible seem possible. Moreover, Nepal Telecom has enhanced its basic PSTN telephone services with various value added services for the benefit of its valued customers (NTC's Annual Reports, 2066). More details are the followings;

I. PSTN (Public Switched Telephone Network):

Generally a PSTN service refers to wired telephone network. Basic services of PSTN is providing such as local calls, national trunk calls (STD), International calls (ISD), domestic telex, leased lines, international telegrams, international telex, operator-assisted international telephone services and payphone services. Except these basic services other different fixed intelligent Network services and value added/advanced supplementary services have been provided by NTC.

Home Country Direct (HCD) Calling Card Service:

Nepal Telecom launched Nepal Direct Home Country Direct (HCD) Service in Jestha 2063. It is also a prepaid calling card service which facilitates Nepalese people (who are settled abroad or are on short or long visits to a foreign country) to make home bound calls to Nepal), that also in Nepalese Rupees @ NRs. 25/minute (Pulse Rate of Rs.1 for every 2.4 Second). Presently HCD service is available from six countries i.e. Thailand, Singapore, UAE, Japan, South Korea and UK. These calls have excellent voice quality because direct international circuits have been

used for the service. In order to make a call, subscriber needs to dial country specific access code where subscriber is located and follow the voice instructions. HCD cards of face value NRs. 500, 1000 and 2000 are available in NT counters or through authorized agents of NT. (NTSC's Annual Report, 2066).

Prepaid Calling Card Service (PCC):

Easy Call Prepaid Calling Card (PCC) Service was introduced for the first time in Nepal in Mangsir 2061. This service provide the facility to call for anyone, anywhere in the world, at any time with so many available options; for example, local calls, STD calls, Budget calls (with international prefix code as 1445 and 1425) or ISD direct calls (international prefix 00). Easy Call service is available from all NT network (PSTN/GSM/CDMA/Payphone/VSAT). Easy Call cards of face value NRs. 200, 500 and 1000 are available in market.

PSTN Credit Limit (PCL) Service:

PSTN Credit Limit (PCL) Service was launched on 22nd Magh 2062 by NTC. Using this service any user can open a prepaid account on a fixed line PSTN telephone number and make as much local, STD or ISD calls as permitted, depending on the credit amount left on that prepaid phone account. NT's subscriber having PSTN telephone can subscribe this service by dialing 1680 from their PSTN phone number.

PSTN (VMS) Voice Mail Services:

Using Voice mailbox service (VMS) phone calls can be diverted to PSTN Mail Box when the phone is busy or unattended, so that callers can deposit messages in the Mail Box and such deposited messages can be retrieved by the subscriber from anywhere, anytime from their own phone or from any other phone within NT's network (PSTN/GSM/CDMA) or from the internet. It can replace the answering machine adding more interactive service features so that information about

important calls or messages will not be missed. VMS can be used by dialing access code from any phone and subscribers do not need to add any equipment to their telephone set. VMS can be used for fax mail also.

PSTN VMS Notice Board Service:

Notice Board service was launched on 11th Mangsir 2065. It is a supplementary service of PSTN subscribers. Using this service, notices (information/messages) required to be published can be recorded by the subscribers themselves through telephone and such recorded notices can be played when people call their telephone number having notice board service facility. Subscribers of NT's PSTN (fixed wire line) telephone lines can subscribe and avail notice board service free of cost.

Advanced Free Phone Service (AFS):

Advanced Free Phone Service (AFS) which is more popularly known as Toll Free Service worldwide was introduced on 1st Chaitra 2061. Using this service any company/ organization/ corporation can publish a single unique AFS number so that their users, customers or supporters can call their AFS number without paying for the call charges i.e. the called party pays for the calls, while the calling party is not charged. All these incoming calls can be terminated on different terminal telephone numbers located at different places simply by dialing the AFS number. The AFS service logic translates this single AFS number to the actual destination terminal telephone numbers according to the routing principles set by the company/organization/ corporation based on the origination of call, time & date of call, selections made by the caller, etc. Therefore, customers need only to remember a single AFS number to contact the company. AFS service has proved to be a key to the business success of many organizations.

IVR Services:

Interactive voice response (IVR) is a telephony technology by which a person can interact with a database to acquire information from or enter data into the database via telephone. The user's interaction with the database is predetermined depending upon the type and purpose of the IVR service by dialing an access code and the call is routed to the computer system, which plays pre-recorded voice menu to the user. The user responds by selecting the menu options and depending upon the user response the computer analyzes and plays appropriate message to the user to provide the requested information.

- J) *188 IVR Service for Illegal VOIP Call Complaint Registration:* 188 IVR Service was implemented in 2007 for registering illegal international VOIP Call Complaints.
- J) *198 IVR Service for Automatic PSTN and ADSL Fault Complaint Registration:* Automatic PSTN Fault Complaint Registration was implemented in 2006 in Kathmandu Valley. From August 2008, Fault Complaint registrations of ADSL subscribers were also integrated to the former 198 IVR service. From Shrawan 2066 onwards, 198 IVR service has been continuously extended to various parts of the country outside Kathmandu.
- J) *1600 IVR Service for SLC Result Enquiry:* IVR technology was introduced by Nepal Telecom in 2004 for SLC Result Enquiry. PSTN, CDMA and GSM Mobile users of NT can dial 1600 to get their results. Both Regular and Supplementary results are published through IVR 1600 Service.
- J) *1601 IVR Service for 10+2 Result Enquiry:* NT introduced Class 11 and 12 Result Enquiry (1601 IVR Service) from 2006. PSTN, CDMA and GSM

Mobile users of NT can dial 1601 to get their results. Both Regular and Supplementary results are published through IVR 1601 service.

) *1606 IVR Service for PSTN Telephone Bill Enquiry:* NT's PSTN subscribers can query their monthly and/or total due bills through IVR 1606 Service. From Shrawan 2066 onwards, 1606 IVR service has been continuously extended to various parts of the country outside Kathmandu.

) *1607 IVR Service for PUK Enquiry of GSM Mobile & CDMA Sky Phone:* GSM (Post-Paid and Pre-Paid) Mobile and CDMA SKY Phone users can get their PUK number via IVR service if their mobile phone is locked due to some reason and their PIN is blocked by simply Dialing 1607. NT's IVR services do not require any human operator, hence giving 7days*24hours' service.

Pay Phone Service:

Nepal Telecom started Pay Phone service in Bhadra 2058 which consists of modern public terminals for both indoor and outdoor use. It is supervised by a centralized network management system and is giving service in 408 places out of which 351 have been installed in Kathmandu and the remaining outside Kathmandu.

Easy Phone Service:

Nepal Telecom (NT) introduced its first ever Soft phone based on SIP (Session Initiation Protocol) with its brand name Easy Phone on 5 Magh, 2067. Using Easy Phone, subscribers can make economical IP calls from their computer (working as a phone) having broadband internet connection. Subscribers just need to download the Easy Phone soft phone software application from NT's website www.ntc.net.np, install in their computers and input the account number and password in the Easy Phone GUI to make IP calls. Two types of Easy Phone

services are available: SIP PPP (Permanent Prepaid Phone) Service and SIP Easy Call (Prepaid Calling Card) Service.

II. VSAT Services

In order to provide communication in different remote rural parts of Nepal where no communication is present, Nepal Telecom introduced VSAT system in its network in 1996. To cover more remote VDCs with voice & data and to Provide Backhaul link for GSM and CDMA link in different parts of country, Nepal Telecom recently bought 450 remote terminals including 100 backhauling terminals (60 for GSM and 40 CDMA).

III. Mobile services

Nepal Telecom started to provide GSM Cellular Mobile services for the first time in Nepal in 1999. The technology used by NEPAL TELECOM for providing this service is GSM 900 and 1800. The switching and control equipment is located in Kathmandu, Pokhara, Biratnagar. At present, the service is available in all 75 districts (partially in remote areas) of the country.

GSM Post-Paid NTC Mobile Service:

NTC Mobile Service started from 30th Baishak, 2056 initially with a deposit amount of Rs.10, 000 which was gradually reduced to Rs.5000 and recently it was slashed to Rs.3000 with a monthly charge of Rs.300 only. NTC Mobile Service bill payments can be made through different banks for the convenience of its consumers.

Value Added Services-International Inbound Roaming:

By Subscribing this service, customers of foreign country telecom users who are roaming in Nepal Telecom Mobile network can receive calls in their mobile phones.

GSM Pre-Paid NAMASTE Mobile Service:

NAMASTE Prepaid Mobile Service was launched on 6th Bhadra 2060. Nepal Telecom has introduced many business schemes on Namaste Prepaid mobile service such as online registration scheme; Student scheme; elderly citizen scheme and now Foreign Nationality Scheme by which SIM Cards can be purchased by foreigners visiting Nepal at the Tribhuvan International Airport themselves so that they get connected with their families in the countries as soon as they land in Nepal. Nepal Telecom is soon going to launch “PINless Recharging” of the prepaid mobiles with recharging amount of customer’s choice.

International Outbound Roaming:

This service is only available to Nepal Telecom’s GSM Postpaid Mobile subscribers who are roaming in the network of foreign countries.

Short Messaging Service (SMS):

NT introduced SMS service to its Postpaid and Prepaid mobile customers in Bhadra 2060. The SMS is the ability to send and receive text messages to and from mobile telephones.

Multimedia Messaging Service (MMS):

Using Multimedia Messaging Service (MMS) one can send audio, images and video messages along with text messages. It is also possible to send MMS messages from a mobile phone to an email address.

GPRS Service:

General Packet Radio Service (GPRS) offers ‘always-on’, higher capacity, Internet-based content and packet-based data services enabling services such as Internet browsing, e-mail on the move, multimedia messages which allows you

to stay online and get connected with your family & friends. GPRS service is available in both prepaid and postpaid GSM mobile services.

Caller Ring Back Tone CRBT:

With this service GSM cellular mobile users of NT can play pleasing music or song to their friends/family while they wait for their call to be connected. CRBT service can be accessed in the following ways:

Web-based Access

CRBT through IVR 1609

CRBT through SMS To 1455

SMS Value Added Services:

Nepal Telecom provides other value added services (VAS) to its GSM mobile customers via SMS in collaboration with different Service Providers/Content Providers for services like news, foreign exchange, horoscopes, SMS polls, ring tone downloads, song requests, weather forecasts, contests, customer information etc.

3G Service:

To fulfill the ever growing demands and to browse and access web pages like video-based programs (Live TV browsing), Nepal Telecom is officially going to launch WCDMA- based 3G service on 1st Fhalgun 2066, which offers 384 kbps uploading and 64kbps of downloading data speed. It uses High-Speed Downlink Packet Access (HSDPA) technology which is a 3G (third generation) mobile telephony communications protocol in the High-Speed Packet Access (HSPA) family that allows networks based on Universal Mobile Telecommunications System (UMTS) to have higher data transfer speeds and capacity. 3G Services facilities to provide Video Call, Video on Demand, Live TV capture and video Streaming, High Speed Data Connection including internet and e-mail, High-

Speed Downlink Packet Access (HSDPA) and Various other value added services can be introduced for 3G Subscribers such as: Mobile Payment, Video CRBT, Video Chat, Online handy, Video SMS/ Greeting, Video Surveillance & Video OBD etc.

Voucher Management System (VOMS)

Nepal Telecom is set to deploy an externalized, independent & centralized VOMS which is a Top Up system that provides feature-rich recharging services. It possesses highly reliable and scalable general-purpose value added services architecture to support various recharging facilities, value added services and other emerging services. It supports real-time operations including voucher based recharge, electronic recharge, USSD, SMS, ATM recharge etc.

Other Services Provided by NT GSM Mobile:

1. CLIP (Calling Line Identification Presentation)
2. Supplementary Services like family and friends call, call forwarding, call waiting, call hold, voicemail, multiparty conference and emergency dial
3. Credit limit management
4. Cell broadcast based services: advertising and information services.

IV. CDMA services

Nepal Telecom is the pioneer operator to introduce wireless CDMA service in the country in 2006. Since then, CDMA service has been the first choice for people living in rural areas. Unavailability of copper network in the rural areas and concentration of GSM mobile in major cities and towns fuelled the demand of CDMA service. Easy availability of cheap handsets, larger coverage area and better voice quality were other reasons to make CDMA popular with its demand ever increasing. CDMA service can also be used for mobile internet access. The

packet data service that comes with CDMA20001X network enables people to connect to internet from anywhere. There are more than 60,000 data service users in CDMA. CDMA service is operated from three MSCs installed in Kathmandu, Biratnagar and Bhairahawa. The installed capacity of the service is 1 million, out of which 400,000 lines are installed in Kathmandu and 300,000 each are installed in Biratnagar and Bhairahawa.

Post-Paid phone Services:

- i) Postpaid C-Phone - Fixed Telephone Service Postpaid
- ii) SKY Phone - Mobile Telephone Service.

Pre-Paid phone Services:

- i) Pre-paid C-Phone - Fixed Telephone Service
- ii) Pre-paid SKY Phone - Mobile Telephone Service

Voice Service:

The voice service is available to all CDMA prepaid and postpaid phones. Subscribers can make local, STD and ISD calls from their phones. Prepaid C-phone and SKY phone comes with all these three types of calls enabled at the time of purchase. Postpaid C-phone and SKY phone come with only local and STD call facility enabled, however subscribers can activate ISD call facility when they require.

Data Service:

This service is available to all types of CDMA subscribers. With this service, the subscribers can connect to the internet with a speed up to 153.6 kbps. SKY data comes with this service enabled at the time of purchase. All other CDMA subscribers can activate this service on their choice.

Other Value Added Services Provided by CDMA:

1. Caller ID
2. SMS (NT & Other operators)
3. VMS (Voice Mail Service)
4. 3 way conference
5. Call forwarding
6. STD/ISD locks facility
7. Call waiting
8. Do not disturb

V. Data services

Dialup Internet Services - PSTN Dialup:

Till 2060/61, Nepal Telecom's internet service was available in 15 districts with local dialing facility and in other parts of the country with STD dialing facility. But recently the service was extended and improved expanding its reach to 60 districts all over the country with local dialing facility.

ISDN Dialup:

Integrated Services Digital Network (ISDN) can deliver all types of communications facilities including voice, fax, data, video, sound etc over a single or common high speed digital network using the existing copper phone lines. Previously, over a single cable pair only a single call or service (telephone call or fax or modem) was possible. But with ISDN service, up to eight devices can be connected to the single cable pair from the exchange with an ISDN device called NT (Network Terminator) out of which two devices can work simultaneously.

Leased Internet Service:

Nepal Telecom also provides leased Internet access over dedicated. Leased lines give the high-speed Internet access. It requires leased line modems at both ends and

two pairs of physical leased lines. Speeds in multiple of 64 kbps up to 2 mbps can be provided

ADSL (Broadband Service):

NT commercially launched Broadband Services using ADSL 2+ technology to its PSTN (landline) subscribers on 29th April 2008 (17th Baishak 2065). Asymmetric Digital Subscriber Line (ADSL) is a modern technology that transforms ordinary phone lines into high speed digital lines for ultra fast internet access. It is a broadband internet service - an “always-on” data connection that is able to support interactive services including internet access. Download speeds of 128 Kbps, 256 Kbps, 512 Kbps, 1Mbps and 2Mbps are available on monthly or 3-monthly package schemes. ADSL service was available in Kathmandu valley in the initial phase with a capacity of 23,968 subscribers covering 34 PSTN sites. In the second phase, the service was expanded to Birgunj Region; Bhairahawa Region; Pokhara Region; Biratnagar Region; Nepalgunj Region and Chitwan Region catering 72 sites outside Kathmandu valley and 140 small exchange sites inside the Kathmandu valley with an addition of 60,984 ADSL subscribers. To date, the number of ADSL subscribers has exceeded 40,000. Nepal Telecom is planning to expand ADSL network in all the PSTN sites covering 75 Districts within this fiscal year. Using ADSL network gradually services such as multicasting, IPTV, video conferencing, video-on-demand and broadcast applications, etc. can also be added in the future.

Other Online Services

Web-SMS

PSTN Phone Bill

GSM Mobile Bill

Telephone Directory

EVDO Service:

EVDO Service (a cdma2000 1X-RTT evolution to packet Data Optimized) is a 3G wireless technology for broadband internet connectivity optimized for packet data services to achieve high speed, high capacity and excellent portability. It makes broadband internet access easy at any time or place, including real-time video streaming, large-volume data downloads and web browsing. EVDO is suited for online games, audio/video streaming, voice/video chat, video conferencing etc. Mobile connectivity is another feature of EVDO. The service is ideal for people who need higher bandwidth no matter whether they are at home, at office or on the move. All we need is a modem and an account of Nepal Telecom. Two types of EVDO devices, i.e., PCMCIA-II card and USB modem can be used for this service. EVDO subscribers will be charged only on the basis of volume of data transferred from their device. Nepal Telecom has adopted EVDO system, a standard to provide EVDO service in Kathmandu and Pokhara. NT plans to launch EVDO service in other major commercial areas across the country in the future.

197 Telephone Enquiry Service:

Using this service, people can enquire the PSTN numbers of the person or organization they want to call. It is a 24*7 service which is free of charge to NT's subscribers.

1.1.4 Business Strategy of Nepal Telecom

Until 2003, Nepal Telecom (NT) formerly known as Nepal Telecommunication Corporation (NTC) was the only state owned telecommunication company of Nepal. Using liberalization policy and involving the private sector in a competitive environment for the development and expansion of telecommunication sector in Nepal, The Government of Nepal's decision dated December 25, 1995 had initiated the

involvement of the private sector in the development of the telecommunication services. Then, United Telecom Limited started providing services in 2003. NTC was converted into a Public Limited Company on April 14, 2004. Nepal Telecommunications Authority as an autonomous regulatory body has been established on March 4, 1998 as stipulated within the framework of the Telecommunication Act 1997 A.D. and Telecommunication Regulation 1997 A.D. Spice Nepal Private Ltd., popularly known under its brand name "Mero Mobile", is the first private GSM mobile operator in Nepal. The company was established in 2004. (<http://www.oppapers.com/essays>, accessed on 25th February, 2011)

In the present open competitive market, it is essential that Nepal Telecom adopts a balancing strategy based on interdependency with all its stakeholders. Being the oldest and the biggest telecommunication service provider of the country, Nepal Telecom maintains a good relation with all its stakeholders to ensure the overall development of country in the telecom sector. Prioritizing customer satisfaction, Nepal Telecom is very keen to develop a good and long lasting relation with its customers by offering business expertise and emphasizing to provide variety of cheap, reliable and easily accessible quality of telecom services. Since network interconnectivity with other telecom operators is directly related with the benefit of customers, Nepal Telecom strongly believes in maintaining healthy business relationship with all of them, as they are also the company's business associates apart from being competitors. Moreover, the infrastructure sharing feasibility in the coming days makes this inter operator relation more fruitful. Similarly, Nepal Telecom is positive about building a "win/win" business relation with all its international telecom business partners and maintains good business relations with all of them. The company also maintains good relationship with all of its Suppliers and Service Partners based on Public Private Partnership. Nepal Telecom is following a flexible business strategy to keep up with the rapid changes in the international business market. Instead of

being fully dependent on expensive Satellite System for its services as in the past, NT's policy is to adopt the recent trends of using optical fiber network system instead. Moreover, to increase the internet bandwidth required for the development of the information and telecommunication technology of the nation, Nepal Telecom has made agreements with reputed companies to ensure route diversity and bandwidth redundancy (NTC's Annual Report, 2066).

1.2 Statements of Problem

Nepal Telecom was the leading and the largest telecommunication company, a former government monopoly; it was converted into a Public Limited Company on April 14, 2004. Nepal Telecom was the only provider of basic telephony services in Nepal until United Telecom Limited started providing services in 2003. Now, there are more than five telecommunication services providers have entered in telecommunication market. So the monopoly market of Nepal telecom has changed in competitive market with marketing and other managerial challenges. Nepal Telecom is the sole provider of PSTN, ISDN and Leased-Line services in Nepal. Following the entry of Spice Nepal into Nepal's telecommunications industry, it is no longer the only provider of GSM service. The recent MIS of NTA shows that Nepal Telecom has covered 60%, SNPL 34%, UTL with 5% and others 1% market share in Nepalese telecommunication market. The scenario shows the really competitive market with market sharing by different companies in telecommunication enterprises. (NTC's ibid).

Understanding the relationship with customers is crucial for service and product development of a company. Being able to sustain a long relationship between the provider and the customer is essential since it is easier to hold customers than attract new ones. Therefore, it is important for the companies to develop an understanding of what the customer's decisions are influenced by. Due to the complexity of the customer's minds there is often not just one single reason for a

customer to switch services. The factors that lead to the final decision to switch have to be recognized and companies need to adjust their actions to it. Many companies adjust their services by offering lower prices compared to the competitors to take advantage of the customer's price perception. However, companies cannot only concentrate on the price for their services but consider also other factors that influence the customers. To begin with the price might be the most important argument for customers but outcome and value of the service will also be significant as soon as the customers realize these problems.

Decreasing revenue, increasing administrative cost and high market competition with price and high quality service offering by competitors indicate that there is need of improvement in promotion, management and quality of services to retain and gain market share.

1.3 Objective of the Study

The basic objective of this study is to know why the customer purchase and use Namaste mobile of Nepal Telecom and to know the consumer behavior toward the services. And to know, what is the perception of customers toward Namaste Prepaid Mobile phone? Besides, the following specific objectives are also mentioned;

- i) To know the motive of consumers toward using Namaste Prepaid on the basis of education, age group and profession.
- ii) To know the behavior of consumers toward Namaste Prepaid Mobile services.
- iii) To find out the real issues and perception toward Namaste mobile and recommendation of customers.
- iv) To assess the strengths and weaknesses of service provider.
- v) To examine the effect of marketing mix in Products and services.

1.4 Research Hypothesis

Ho1: There is equally attraction on Namaste Prepaid by different age group.

Ha1: The attraction on Namaste Prepaid differs by different age group.

Ha2: Consumers do not prefer any brands of mobile operator.

Ho2: Consumers prefer a particular brand of mobile operator.

Ho3: Consumers are aware about the services offered with Namaste Prepaid.

Ha3: Consumers are not aware about the services offered with Namaste Prepaid.

Ha4: Consumers are unknown about the recent price of Namaste Prepaid.

Ho4: Consumers know the recent price of Namaste Prepaid.

1.5 Importance and Rationale of the Study

Consumer behaviors toward services and products of any company have a significant role. The success of a business enterprise depends on customers' satisfaction. So it is essential to find out how customers behave toward the products they purchase. Why a customer prefers a product? What will be the desire a consumer have with the products? What are the changes a consumer expects in the products? The answers of all these questions will be searched in this study. So the study is important for all customers, stakeholders and the company.

1.6 Limitation of the study

Every study has its own limitations. The study cannot be conducted without any limitations. Likewise, this study has also some limitations, which are as follows:

- i) As the study is simply the partial fulfillment of management degree (MBS). The time assigned for it is limited i.e. within the speculative time the report will have to be completed which weakens the adequacy of the study.
- ii) The study covers only the customers of Biratnagar Municipality, Morang.
- iii) The study is based on field survey. Field survey has been conducted in order to collect primary data.

1.7 Organization of the Study

The study consists of different chapters. Total Study report is organized into five chapters.

The *first chapter* contains the background of the study, a short history of Nepal Telecom and telecommunication in Nepal, products of Nepal Telecom, business strategy of Nepal Telecom, statement of problem, importance and rational of the study, objectives of the study, research hypotheses, limitations of the study as the background and introduction part.

The *second chapter* is a review of related literature. It includes development of mobile telecommunication, definition and brief historical prospective, players and role of mobile telecommunication, regulatory bodies in Nepal's telecommunications industry, market share of Nepal's cellular services, defining consumer and consumer behavior, consumer buying process, types of decision process, factors affecting decision-making process, functions of attitude and brand loyalty.

The *third chapter* is related to research methodology. It includes introduction, research design, types of data collected, population and sampling, data collection procedure, sample characteristics, questionnaire design, data analysis and profile of respondents.

The *fourth chapter* contains data presentation and analysis. It also consists of SWOT analysis.

The *fifth and last chapter* contains major findings, conclusion and recommendations to Namaste Prepaid mobile operator company.

CHAPTER-II

2.1 LITERATURE REVIEW

2.1.1 Definition and Brief Historical Prospective

Mobile telecommunication refers to the exchange of information, ideas and thoughts through the medium of a mobile phone, telephone of wireless network. According to the World International Property Organization, "a mobile communications system/network refers generally to any telecommunications system which enables wireless communication when users are moving within the service area of the system. A typical mobile communications system is a Public Land Mobile Network (PLMN)."

Wireless telecommunications carriers provide telephone, internet, data, and other services to customers through the transmission of signals over networks of radio towers. The signals are transmitted through an antenna directly to customers, who use devices, such as cell phones and mobile computers, to receive, interpret, and send information. A large component of this industry segment consists of companies that provide cellular phone service, which has grown rapidly over the past decade. Another component includes establishments that deliver mobile internet services to individuals with internet-enabled cellular phones and computers (<http://www.bls.gov/oco/cg>).

Until the invention of modern technology, the use of semaphore, flags heliograph, relay runners; riders and criers, smoke signals drum and light signals; message-carrying pigeons and even the postal system were the traditional long-distance communication media (<http://en.wikipedi.org/wiki/Telecommunication>, accessed on 10 August, 2010).

According to *Nimako & Azumah* (2009:10.), "The first transmission involving a single mobile platform occurred in June 1898, when Marconi transmitted a radio

signal over 42 miles between a French naval vessel and the Wimereux shore station. The first transmission between a mobile transmitter and a mobile receiver occurred in July 1898 when aboard the Royal Navy warship Juno, Marconi received message from the warships Alexandra and Europa at ranges of up to 45 miles. The first mobile telephone call occurred in June 1946, when a truck driver in St. Louis, Missouri, Placed a telephone call using a handset from under his vehicle's dashboard. Utilities, truckers and news reporters rapidly adopted this technology and nearly 100 cities and highway corridors and access to mobile telephone service by 1948. The technologies were very expensive then. The cellular phone concept that currently supports the bulk of mobile communication was developed in 1947 at Bell Laboratories.”

Today there are many different types of mobile phones that are used with supporting network for communication. These mobiles have different features and powerful capabilities. Apart from the basic use of making and receiving calls and messages; some can be used to play music, video games store, considerable amount of personal data, access banking services with interest, etc.

Nepal Telecom/Nepal Doorsanchar Company Limited

In Nepal, operating any form of telecommunication service dates back to 94 years in B.S. 1970. But formally telecommunication service was provided mainly after the establishment of MOHAN AKASHWANI in B.S. 2005. Later as per the plan formulated in first national five years plan (2012-2017); Telecommunication Department was established in B.S.2016. To modernize the telecommunications services and to expand the services, during third five-years plan (2023-2028), Telecommunication Department was converted into Telecommunications Development Board in B.S.2026. After the enactment of Communications Corporation Act 2028, it was formally established as fully owned government corporation called Nepal Telecommunications Corporation in B.S.

2032 for the purpose of providing telecommunications services to Nepalese people. After serving the nation for 29 years with great pride and a sense of accomplishment, Nepal Telecommunication Corporation was transformed into Nepal Doorsanchar Company Limited from Baisakh 1, 2061. Nepal Doorsanchar Company Limited is a company registered under the companies Act 2053. However the company is known to the general public by the brand name Nepal Telecom as registered trademark (<http://www.ntc.net.np/companyInfo/vision>).

Nepal Telecom started to provide Mobile Telecommunication services in 1999 with GSM Cellular Mobile (GSM 900 and 1800) from Kathmandu, Pokhara and Biratnagar, But Now the service is available in all 75 districts (partially in remote areas) of the country. Namaste Prepaid, GSM Postpaid and 3G services are currently provided by Nepal Telecom as a Mobile telecommunication services with GSM technology. Besides these CDMA Sky Mobile services were introduced in 2006 by Nepal Telecom as a pioneer operator. The sky mobile service in rural areas of Nepal has gained popularity because of the unavailability of GSM and copper network (<http://www.ntc.net.np/companyInfo>).

With the use of liberalization policy and involving the private sector in a competitive environment for the development and expansion of telecommunication sector in Nepal, Government of Nepal decided the involvement of the private sector in the development of the telecommunication services on December 25,1995. Then, United Telecom Limited started providing services in 2003. NTC was converted into a Public Limited Company on April 14, 2004. Nepal Telecommunications Authority as an autonomous regulatory body has been established on March 4, 1998 as stipulated within the framework of the Telecommunication Act 1997 A.D. and Telecommunication Regulation 1997 A.D. Spice Nepal Private Ltd., popularly known under its brand name "Mero Mobile", is the first private GSM mobile operator in Nepal. The company was established in 2004 (<http://en.wikipedia.org/wiki/Ncell>).

Ncell Private Limited

Ncell Private Limited stands as a privately owned GSM mobile operator in Nepal and is the first company to operate private GSM services in telecommunications sector of Nepal with the brand name “MERO MOBILE” which was re-branded as Ncell in 12th March 2010. It broke the monopoly held by the state-owned telecommunications company, Nepal Telecom by building a new arena in cellular telephony services. The company is now owned its 80% of its shares by Swedish/Finnish Telia Sonera Holdings. Ncell Private Limited was previously known as Spice Nepal Private Ltd., established in the year 2004, commercially launched its services on September 17, 2005. The company is providing GSM mobile services with both post-paid and pre-paid in the country. Within the time span of 2 years of its operation (since its commercial launch) Ncell has extended its services to different geographical areas of Nepal such as; Dhulikhel, Banepa, Nagarkot, Bharatpur , Hetauda, Birgunj, Simara, Biratnagar, Itahari, Dharan, Janakpur, Nijgadh, Rajbiraj, Kakarbhitta, Bhadrapur, Pokhara, Butwal, Bardagath, Bhairahawa, Nepalgunj, Surkhet, Dhangadi and Mahendra Nagar. 14 out of the 14 zones of Nepal have been covered with Ncell. The company is gradually expanding its network coverage in various urban, semi-urban and rural areas of the country. In many places, Ncell is providing its services to the subscribers by installing and using satellite equipments and network (<http://www.ncell.com.np>, accessed on 8 March, 2011).

United Telecom Limited (UTL)

United Telecom Limited was established and started by providing services in 2003. United Telecom Limited (UTL) is a consortium of four companies who have come together in a joint venture, to explore various telecom opportunities in Nepal. Out of four partners, three are the major telecom players in India and the fourth one is a local partner i.e. Nepalese Company. They are Mahanagar Telephone Nigam Limited (MTNL) with 26.68%, share,

Telecommunications Consultants India Limited (TCIL) with 26.66% share Tata Communications Ltd (TCL) with 26.66% share and Nepal Ventures Private Limited (NVPL) with 20% share (<http://www.utlnepal.com>, accessed on 12 March, 2011). The network coverage of the company is available in more than 35 districts. Now the company is providing prepaid USIM, prepaid fixed phones, prepaid handsets, and postpaid handsets, internet services through fix phone, USIM and with lease circuit.

2.1.2 Players and Role of Mobile Telecommunication

Mobile communication network providers are delivering services to customers, operating in an environment that involves purposeful relationships and interactions between several actors in many activities and with different resources. Some of the players in mobile telecom industry providing services to the customers at their various locations are: the mobile operator who provides the location positioning infrastructure that tells where the customer is; the content provider that delivers the information; and makes it location relevant; and the platforms through which the customers can access the services. Therefore it appears that any mobile telecom network needs to have several key players along its value chain in developing services to its customers (Nimako & Azumah: 2009.p-10).

Mobile telecommunication plays a major role in today's information technology-driven world of business. *Nimako & Azumah: (2009.p-11)*, observed "one might expect most calls to be related to economic issues; research confirms that at present in Africa, it is social uses that drive phone use amongst the poor". Chatting and keeping in touch are the most common use phones. This is of value because it strengthens social relation through improved networking with friends and family. Other social calls concerning urgent matters (e.g. funerals and festivals) and financial matters (e.g. call to family members working in cities to ask

for money) rank highly and business and official/government matters currently rank the lowest. Calls enable people to save time, increase productivity in business), diversify (e.g. crops, goods in shops), and to get news. Together this means that phones have a positive impact on improved incomes, reduced risk, and an improved sense of well-being. (Nimako & Azumah Ibid)

According to *Simon Gyasi Nimako & F. K. Azumah*, (2009) the roles played by mobile telecommunications are:

- i) Mobile telecommunication promotes commerce and enhances the dissemination of useful information to entrepreneurs which are beneficial to business creation.
- ii) It is source of employment for many people whose jobs are created and/or facilitated directly or indirectly by the existence of mobile telecommunication.
- iii) It is a significant source of revenue not only for its business operators but also to governments through taxes paid from the income earned in the mobile telecom industry.
- iv) It is a cheap means of communication and therefore cost-effective since it reduces the cost of travel. It enhances the convenience of instant communication. Mobile phones were introduced so we could communicate when "on the move" and the capabilities have now expanded beyond their initial function for talk; you can now use mobile phones to access/ receive a range of information wherever we are. A mobile phone allows us to be accessible at all times, wherever we are. It can help improve communication between staff and customers, particularly business to business customers that may involve traveling.

Some of the arguments raised against the use of mobile phones are that:

- i) It permits more unwanted calls as a result of being accessible from anywhere in the country.

- ii) There is potential cost of using a mobile phone for business, and the costs will be so high as to damage their business. This is a potential danger, particularly when employees are using business mobiles, as there is a risk that some employees could misuse the phone raising bills massively.
- iii) It is hazardous to the human health in that it causes difficulty in concentration when driving, fatigue, and headache; cancer, increase in infertility in man and many other diseases. The use of mobile phones increases the risk of road accidents that could have never happened without phones (<http://www.controlyourimpact.com>).

2.2 Regulatory Bodies in Nepal's Telecommunication Industry

Nepal Telecommunications Authority is the telecommunications regulatory body of Nepal. It is an autonomous body established on Feb 1998 in accordance with Telecommunications Act, 1997 and Telecommunications Regulation, 1998. Its' objective is to create a favorable and competitive environment for the development, expansion and operation of telecommunications services with the private sector-participation in Nepal.

Its aims are:

-) To make the telecommunications service reliable and easily available to the public.
-) To make necessary arrangement to avail basic telecommunications services and facilities in all rural and urban areas throughout the country.
-) To protect the rights and interests of consumers by ensuring the provision of quality service.
-) To make arrangement for the coordination and healthy competition among the persons providing telecommunications service and facilities.

To meet the objectives, NTA has been actively performing the following functions:

-) Granting licenses to operate the telecommunication services in private sector and involving national and foreign private sector investors in the operation of the telecommunication services.
-) Prescribing, fixing and approving the standard and quality standard of the plant and equipment relating to the telecommunications and the telecommunication services.
-) Approving and regularizing the fees to be collected by the licensee for providing the telecommunication services.
-) Regularly inspecting and monitoring the activities carried out by service providers to ensure that the qualities of services and quality standard in telecom equipments have been maintained.
-) Settling dispute between two service providers or a service provider and its customers.
-) Providing suggestions to Government of Nepal on the policy, plan and program to be adopted by Government of Nepal for the development of the telecommunication services.

2.3 Market Share of Nepal Cellular Services

Currently, in Nepal the mobile communication industry is one of the most profitable industries delivering services to customers through-out the country. As the authentic MIS report published by NTA on August, 2010, there are six service-provider companies providing different telecommunication services and license have been issued for 11 telecommunication service provider companies as of 15th June 2010. Although, there are only two companies providing GSM Mobile service in Nepal with their own mobile telecommunication network and brand name. Mobile Telecommunication services have increased

tremendously over the years in Nepal and competition has been keen. Available statistics (www.nta.gov.np, accessed on August, 2010) show that the numbers of NDCL's GSM mobile user are 4,018,786 and SNPL's GSM mobile users are 3,188,447. Out of the total market of telecommunication sector of Nepal, the NDCL covers 60%, SNPL 34%, UTL 5% and others have 1% market share.

2.4 Defining Consumers and consumer Behavior

The Term consumer behavior refers to the behavior that consumer display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior is the study of when, why, how, and where people do or do not buy a product. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Consumer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Relationship marketing is an influential asset for customer behavior analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

Each method for vote counting is assumed as social function but if Arrow's possibility theorem is used for a social function, social welfare function is achieved. Some specifications of the social functions are decisiveness,

neutrality, anonymity, monotonicity, unanimity, homogeneity and weak and strong Pareto optimality. No social choice function meets these requirements in an ordinal scale simultaneously. The most important characteristic of a social function is identification of the interactive effect of alternatives and creating a logical relation with the ranks. Marketing provides services in order to satisfy customers. With that in mind, the productive system is considered from its beginning at the production level, to the end of the cycle, the consumer (Nimako & Azumah. 2009:25.).

2.5 Consumer Buying Process

Researches suggest that customers go through a five stage decision making process in most purchase situations, namely: Need recognition & problem awareness, Information search, Evaluation of alternatives, purchase and post purchase evaluation (Kotler & Keller. 2006, Lovelock & wirtz. 2007). *Lovelock & wirtz.*(2007) propose a three-stage model of service consumption. In this model they conveniently grouped the decision making process of service consumption into three Pre-purchase services, encounter stage and post-enter stage. They further explained them as follows:

Pre-purchase:

This stage has three main components. It includes the awareness of need, information search in which needs are clarified, solutions explored and suppliers and alternative service products are identified by consumers, and finally an evaluation of alternative solutions and suppliers for a decision on service purchase. This stage is affected by the consumer's search for certain service attributes, and the perceived risk and exception of consumer regarding desired service, predicted service, adequate service levels as well as the tolerance Zone.

Service-encounter:

This stage involves a request from chosen supplier or initiate self-service of which

payment may be upfront or billed later. It also includes service encountered through a service delivery system of an organization.

Post-encounter:

This stage involves an evaluation of the performance of the service encountered and its effect on future intentions. It is this stage that satisfaction and dissatisfaction occur and decisions to remain loyal are taken by customers.

A consumer has to pass through six stages to complete the buying process (Koirala 2057:104). Further mentioned these six stages:

Stage 1. Need or Problem Recognition:

Consumer buying process always starts with the emergence and recognition of a problem or a need. Problem recognition occurs when a need state is felt. A need can be activated through internal and external sources. Arousal of a need drives the person into a state of discomfort and anxiety that lead him/her to products capable of satisfying the aroused needs.

Stage 2. Search for Information:

If an aroused need is strong and the gratification objects readily available the consumer is likely to gratify the need immediately. In most cases the aroused need is not gratified immediately. The need enters into the human memory system as an object for further gratification. Consumers, in this stage are engaged in information search about products that can best satisfy their need. Researchers have identified two types of consumer search process: internal search and external search.

Internal Search: Internal search always produces the external search. Internal search involves the consumer attempting to retrieve from long-term memory information on products and brands that can satisfy a need or solve a

problem.

External Search: During external search, consumers seek information from the environment. Consumers are exposed to information through the following external sources:

Personal Sources: Family members, friends, neighbors, acquaintances etc.

Commercial Sources: advertisement, salespersons, packaging, displays etc.

Public sources: newspapers, magazines, radio, television, internet etc.

Experimental sources: handling, examining and using the product.

Stage 3. Product Evaluation:

In this stage, the person uses the information to clarify the various alternatives and their relative attractive needs. This is the least understood part of the consumer buying process. Each individual has his/her own system of evaluations. In general, consumers tend to evaluate alternatives in terms of product class alternatives, brand beliefs, and utility function alternatives.

Stage 4. Product Choice and Purchase:

Evaluation leads to consumer to form a clear set of product and brand references. Normally, the brand most preferred would be the brand intended to purchase. Thus, purchase intention becomes a function of attitude. Generally, consumers tend to purchase the brand for which they have made purchase intention. Two more factors influence the purchase decisions of the consumer. These are social influence and situation influence.

Purchase intention may not always result in the actual purchase of intended object. Marketers try to build consumer confidence on the product by promoting the price fairness and social acceptability of the product and minimize uncertainty by providing extra information to reduce the negative influence of perceived risk factor in the purchase decision.

Stage 5. Post Purchase Evaluation:

The consumer continues to make evaluation after the purchase has been made. The extent of post-purchase evaluation depends on whether the product is high-involvement or low-involvement. In low-involvement products, the consumer has entailed low opportunity costs and thus post-purchase evaluation is not intense. In high-involvement products the opportunity cost is high and consumers tend to constantly evaluate their purchase decision.

Stage 6. Disposal:

Consumers' researchers and marketers have recognized the importance of the study of product disposal methods of consumers in the current decade. Consumers have three basic options for the product once they complete its use, keep it, dispose permanently and dispose temporarily.

2.6 Types of Decision Process

The decision process is used each time a good or service is bought, often subconsciously (Engle & Blackwell.1982:26-28). There are three ways in which the decision process may be used.

Extensive decision-making:

Occurs when a consumer makes full use of the process. It is used for expensive, complex items with which the consumer has little or no experience. Perceived risk is high and time pressure is low.

Limited decision making:

takes place when each step of the process is used, but the consumer does not need to spend a great deal of time on any of them. The consumer has some experience. The thoroughness with which the process is used depends on the amount of

experience, the importance of the purchase, and time pressure.

Routine decision-making: involve habitual behavior and skips steps in the process. Regularly purchased items are bought in this. With low-involvement purchasing, the consumer minimizes decision making for those goods and services perceived to be socially and/or psychologically unimportant. Brand loyalty is the consistent repurchase of and preference toward a brand. It enables a consumer to minimize risk, time and thought.

2.7 Factors Affecting Decision Making Process

There are a lot of factors that affect the decision making and the planning process of management. Some of them helps to reinvent and innovate ways on how to handle different kinds of situation while some molds and shape the whole company culture. Among the different aspect the following factors (<http://www.webbooks.com/eLibrary/NC/B0/B64/022MB64>, accessed on 15 Feb, 2011) are mentioned below;

Situational Factors:

Situational influences are temporary conditions that affect how buyers behave-whether they actually buy our product, buy additional products, or buy nothing at all from us. They include things like physical factors, social factors, time factors, the reason for the buyer's purchase, and the buyer's mood. We have undoubtedly been affected by all these factors at one time or another. Because businesses very much want to try to control these factors, let's now look at them in more detail.

1. The Consumer's Physical Situation:

Physical factors like these-the ones over which firms have control-are called *atmospherics*. In addition to store locations, they include the music played at stores, the lighting, temperature, and even the smells you experience. Perhaps

we've visited the office of an apartment complex and noticed how great it looked and even smelled. It's no coincidence. The managers of the complex were trying to get you to stay for a while and have a look at their facilities. Research shows that "strategic fragrancing" results in customers staying in stores longer, buying more, and leaving with better impression of the quality of stores' services and products. Mirrors near hotel elevators are another example. Hotel operators have found that when people are busy looking at themselves in the mirrors, they don't feel like they are waiting as long for their elevators.

2. The Consumer's Social Situation:

The social situation we're in can significantly affect what we will buy, how much of it, and when. Perhaps we have seen Girl Scouts selling cookies outside grocery stores and other retail establishments and purchased nothing from them. But what if our neighbor's daughter is selling the cookies? Are we going to turn her down, or be a friendly neighbor and buy a box (or two)? Companies like Avon and Tupperware that sell their products at parties understand that the social situation we're in makes a difference. When we're at a Tupperware party a friend is having, we don't want to disappoint her by not buying anything. Plus, everyone at the party will think we're cheap.

Certain social situations can also make us less willing to buy products. One might spend quite a bit of money each month eating at certain restaurants. But suppose he/she has gone to a fast-food restaurant. He might have a negative impression on the service and the quality of food and beverage t he next times he/she doesn't like to visit that restaurant. Other person does not like to visit a particular restaurant thinking that what the other person thinks on him. Thus, our consumption is affected by our social situation.

3. The Reason for the Consumer's Purchase:

The reason you are shopping also affects the amount of time we will spend in shopping. While making an emergency purchase, a consumer buys the things at the closest store. If he/she purchases a gift item of a cheap price he/she doesn't spend more time. By contrast if he/she needs to make purchases of an engagement ring, it takes much time and considers several factors such as quality, originality, price etc. Purchasing a gift might not be an emergency situation, but we might not want to spend much time shopping for it either. Gift certificates have been a popular way to purchase for years. But now we can purchase them as cards at our corner grocery store.

4. The Consumer's Mood:

People's moods temporarily affect their spending patterns. Some people enjoy shopping. It's entertaining for them. At the extreme people are sometimes, compulsive spenders who get a temporary "high" from spending. A sour mood can spoil a consumer's desire to shop. The crash of the U.S. stock market in 2008 left many people feeling poorer, leading to a dramatic downturn in consumer spending.

Personal Factors:

This includes various aspects related to consumer personal aspects such as:

1. The Consumer's Personality:

Personality describes a person's disposition as other people see it. Personality is the sum total of an individual's enduring internal psychological traits that make him or her unique. Self-confidence, dominance, autonomy, sociability, defensiveness, adaptability and emotional stability are selected personality traits.

2. The Consumer's Self-Concept:

Marketers have had better luck linking people's self-concept to their buying behavior. Our self-concept is how we see our self-be it positive or negative. Our *ideal self* is how we would like to see our self-whether it's prettier, more popular, more eco-conscious, or more "growth." Marketing researchers believe people buy products to enhance how they feel about themselves-to get themselves closer to their ideal selves, in other words. Many beauty and cosmetic products are advertised in a way that are supposed to appeal to the ideal people are searching for. All of us want products that improve our lives.

3. The Consumer's Gender:

Everyone knows that men and women buy different products. Physiologically speaking, they simply need different product-different underwear, shoes, toiletries, and a host of other products. Men and women also shop differently. The shopping differences between men and women seem to be changing, though. For example, younger, well- educated men are less likely to believe grocery shopping is a woman's job. They would also be more inclined to bargain shop and use coupons if the coupons were properly targeted at them.

4. The Consumer's Age and Stage of Life:

Like the social class the human life cycle can have a significant impact on consumer behavior. The stage of life is orderly series of life in which consumer attitude and behavioral tendencies evolve and occur because of developing maturity, experiences, income and status. Marketers often define their target market in terms of the consumer's present stage of life. Your *chronological age*, or actual age in years, is one thing. Your *cognitive age*, or how old you perceive yourself to be, is another. In other words, how old do you *really* feel? A person's cognitive age affects the activities one engages in and sparks interests consistent with the person's perceived age. Cognitive age is a significant predictor of consumer behaviors, including people's dining out, watching television, going to bars and dance clubs, playing computer games,

and shopping.

5. The Consumer's Lifestyle:

Our lifestyles are reflected in our personalities and self concepts; same is the case with any consumer. We need to know what a life-style is made of. It is a person's mood of living as identified by his or her activities, interest and opinions. To better understand consumers and connect with them, companies have begun looking more closely at consumers' lifestyles. This often includes asking consumers to fill out extensive questionnaires or conducting in-depth interviews with them.

Psychological Factors:

1. Motivation:

Motivation is the inward drive to get what we need. It is necessary to know the motive of consumer or actual need of consumer what types of services and products they want? What inspires consumer to buy goods or services?

2. The Consumer's Perception:

Perception is how one interprets the world around him/her and makes sense of it in one's brain. He/she does so via stimuli that affects his/her different senses-sight, hearing, touch, smell, and taste. How one combine these senses also makes a difference. For example, in one study, consumers were blindfolded and asked to drink a new brand of clear beer. Most of them said the product tasted like regular beer. However, when the blindfolds came off and they drank the beer, many of them described it as "watery" tasting. Using different types of stimuli, marketing professionals try to make someone more perceptive to their products whether he/she needs them or not. It's not an easy job. Consumers today are bombarded with all types of marketing from every angle-television, radio, magazines, the internet, and even bathroom walls. It's been estimated that the average consumer is exposed to about 3,000 advertisements per day.

Consumers are also multitasking more today than in the past. They are surfing the Internet, watching television, and checking their cell phones for text messages simultaneously. All day, every day, we are receiving information. Some, but not all, of it makes it into our brains.

3. Learning:

Learning refers to the process by which consumers change their behavior after they gain information on or experience a product. It's the reason you don't buy a crummy product twice. Learning doesn't just affect what you buy, however. It affects how you shop. People with limited experience about a product or a brand generally seek out more information about it than people who have used it before.

4. Consumer's Attitude:

Attitudes are "mental positions" or emotional feelings people have about products, services, companies, ideas, issues, or institutions. Attitudes tend to be enduring, and because they are based on people's values and beliefs, they are hard to change. That doesn't stop sellers from trying, though. They want people to have positive rather than negative feelings about their offerings.

Societal Factors: A consumer's buying behavior is also influenced by societal factors. The following points are discussed in this topic;

1. The Consumer's Culture:

Culture refers to the shared beliefs, customs, behaviors, and attitudes that characterize a society. Your culture prescribes the way in which you should live. As a result, it has a huge effect on the things you purchase.

2. The Consumer's Subculture(s):

A *subculture* is a group of people within a culture who are different from it, but who have something in common with one another—common interests, vocations or jobs, religions, ethnic backgrounds, sexual orientations, and so forth. Marketing products based on the ethnicity of consumers is useful. However, it could become harder to do in the future because the boundaries between ethnic groups are blurring. The people have certain interests and exhibit certain behaviors that allow marketing professionals design specific products for them.

3. The Consumer's Social Class:

A social class is a group of people who have the same social, economic, or educational status in society. To some degree, consumers in the same social class exhibit similar purchasing behavior. So the companies have to manage to capture market share by introducing “lower echelon” brands without damaging their luxury brands.

4. Reference Groups and Opinion Leaders:

Opinion leaders are people with expertise in certain areas. Consumers respect these people and often ask their opinions before they buy goods and services. An information technology specialist with a great deal of knowledge about computer brands is an example. These people's purchases often lie at the forefront of leading trends. For example, the IT specialist we mentioned is probably a person who has the latest and greatest tech products, and his opinion of them is likely to carry more weight than any sort of advertisement.

5. The Consumer's Family:

Most market researchers consider a person's family to be one of the biggest

determiners of buying behavior.

2.8 Function of Attitude

If a marketer researcher asks to consumer how much they like something or how they feel about something, then the consumer expresses their attitude and object. Through the attitude of consumer's, marketers may know lots of information towards goods is liking or disliking and reposes or comment. So we will have to express the function of attitude of consumer, while a number of functions and theories of attitude have been developed. *Clement W. Stone states* "There is little difference in people, but that little difference makes a big difference. This little difference is attitude. The big difference is whether it is positive or negative."

Attitudes drive behavior. Our body language is a result of our mental attitude. By choosing our attitude we get in that mood and send out a message that everyone understands, consciously or unconsciously. "Almost always, we have a choice as to what attitude to adopt. There is nothing in any normal work situation that dictates us must react one way or another. If we feel angry about something that happens, for instance, that's how we choose to feel. Nothing in the event itself makes it absolutely necessary for us to feel that way. It is our choice. And since we do have a choice, most of the time we'll be better off if we choose to react in a positive rather than a negative way (http://www.1000ventures.com/business_guide).

2.8.1 Brand Loyalty

Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviors such as word of mouth advocacy (Dick & Basu 1994:99).

Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience. Such loyalty is referred to as "spurious

loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behavior. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. For example, if Joe has brand loyalty to company A he will purchase Company A's products even if Company B's are cheaper and/or of a higher quality (<http://en.wikipedia.org/wiki>).

Factors influencing brand loyalty:

It has been suggested that loyalty includes some degree of pre-dispositional commitment toward a brand. Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes and it entails multivariate measurements. Customers' perceived value, brand trust, customers' satisfaction, repeat purchase behavior, and commitment are found to be the key influencing factors of brand loyalty. Commitment and repeated purchase behavior are considered as necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust. *Fred Reichheld*, one of the most influential writers on brand loyalty, claimed that enhancing customer loyalty could have dramatic effects on profitability. Among the benefits from brand loyalty-specifically, longer tenure or staying as a customer for longer - was said to be lower sensitivity to price. This claim had not been empirically tested until recently. Recent research found evidence that longer-term customers were indeed less sensitive to price increases (<http://en.wikipedia.org>).

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodological concerns used in conducting this research and provides a justification for each step taken. It involves the introduction, research design, data collection, population and sampling, sample size, sampling technique, sample characteristics, data collection procedure, questionnaire design, structured questionnaire, interview, observation and interaction, data analysis and profile of respondents.

3.1.1 Research Design

The study is based on two types of research design i.e. descriptive and analytical. Descriptive research design describes the general pattern of the Nepalese customer as well as consumers, the business structure and problems of marketing and management of the problem and so on. The analytical research design makes analysis of the gathered fact, information and makes critical evaluation of it. For the analysis purpose the data from questionnaire and annual reports from the company is collected. No preconceived idea about the hypothesis and variable were kept in mind before starting survey. The primary data consists of information collected from the field research, direct and indirect observation, interview and interaction.

3.2 Methods of data collection

In this study the primary data used were obtained from the informal interview, personal observation and the questionnaire. Secondary data were collected from the annual reports of the companies, MIS of companies used for the study, online articles and journals.

3.3 Population and Sampling

The target population for the study comprised of the entire subscribers who are individual users of Namaste Prepaid Mobile services within the territory of Biratnagar municipality. The population of the study includes different types of customers on the basis of profession, gender i.e. students, retailers, businessman, jobholders and others.

3.3.1 Sample Size

Out of the sample frame of subscribers in Biratnagar, a sample size of 400 respondents was selected based on researcher's judgment because of cost and time constraints. Using a larger sample in this survey would require large financial resources which I could not afford. Again, the time limit within which the research was to be completed would not permit the use of larger sample size.

3.3.2 Sampling Technique

In sampling the sample of 400 respondents, a simple random sampling and convenient sampling method was used for the study. This technique was chosen because the target population consists within Biratnagar was only based on Namaste Prepaid mobile services of NTC. Secondly, the total Individual subscribers were not needed and possible to complete the study within the time and financial constraint.

3.3.3 Sample Characteristics

The sample comprised of different types of consumer who use the Namste prepaid Mobile of Nepal Telecom. The respondents were from different age groups, different sex, different profession, and different income level and from different social and cultural background.

3.4 Data Collection Procedure

There were not proper researches found in the topic of this study. Perhaps, the consumer research is new phenomenon in Nepalese context. So, the information of this study is gathered by questionnaire, personal observation, informal interview, telephone and interaction with respondents and with using e-mail and Internet. Respondents are supported by oral explanation to reduce the confusion of unable to understand in any content of questionnaire by the researcher to measure the error. To collect required information about the strength and weakness analysis, online discussion in face book, e-mail and telephone interaction was done with the staff of Nepal Telecom. For Secondary data, annual report, MIS and other information of Nepal Telecom and Nepal Telecommunications Authority's were used. Official websites of NTC and NTA were also used for recent information and annual reports used in this study.

3.4.1 Questionnaire Design

Questionnaire used for this study is based on the information acquired from the background of the research. Personal judgment is also used when particular type of questions might be the most applicable to obtain information. The structure of questionnaire was designed in three parts; characteristics of respondents, consumer behavior and effects of marketing mix. The survey instrument or questionnaire was then used for the entire respondents to get information.

3.4.2 Structured Questionnaire

In this study, self-administered, structured questionnaire was used to collect data from respondents (Appendix-E).The questions sought respondents' feelings about overall consumer behavior. In all, the questionnaire had two parts consisting of twenty items; six related to respondents' identification data and other for overall consumer behavior, marketing mix effect and perception with services of Namaste Prepaid Mobile.

3.5 Data Analysis

All the collected primary data have been compiled and processed as required. Data have also been grouped according to source of information and objective of the study. The compiled data calculated such as analytical computation: frequency tables, cross tabulations and other which assisted in analyzing and interpreting the result of the study using different statistical tools and techniques like, percentage, pie-chart, bar-diagram, and chi-square test and SWOT analysis.

3.6 Profile of Respondents

The consumer respondents are classified according to Sex, age group, profession and Education. Out of 400 respondents 225 are male and 175 are female, which indicates that this study is based on 44% female and 56% male respondents. Similarly, 43% are students, 19% job holders, 25% businessman and remaining 13% in other. On the basis of age group, samples are classified in different age ranged upto 20, 21-30, 31-40, 41-50, and above. The respondents have been selected according to age are 18%, 44%, 18%, 12% and 8% respectively.

Table 3.8.1

Brand and Age wise status of Respondents

Brand/Age	Below 20	21-30	31-40	41-50	51+	Total
Namaste Prepaid	64	134	49	37	31	315
Ncell	10	22	13	10	0	55
Other	0	19	11	0	0	30
Total	74	175	73	47	31	400

Source: Based on information from Questionnaire

Table 3.8.2
Respondents' Profession

Category	Frequency	Percentage
Students	170	43%
Business Person	100	25%
Public Servant	77	19%
Other Profession	53	13%
Total	400	100%

Source: Based on information from Questionnaire

Table 3.8.3
Respondents' Gender

Gender	Frequency	Percentage
Male	225	56%
Female	175	44%
Total	400	100%

Source: Based on information from Questionnaire

CHAPTER – IV

PRESENTATION AND ANALYSIS OF DATA

The facts and figures obtained from field survey and other sources are compiled tabulated and presented for discussion in this chapter. This chapter consists of two parts: Data Presentation and Analysis. Data presentation covers data on respondents' characteristics, consumer behavior related data presentation and marketing mix effect presentation and analysis.

This part of the study is organized into four different sections:–

4.1 Presentation and Analysis of Respondents' Characteristics

4.2 Presentation, Analysis and discussion on Consumer Behavior dimensions and testing of hypothesis

4.3 Presentation of Consumer Behavior analysis with Marketing mix effect

4.4 SWOT Analysis

4.1 Presentation and Analysis of Respondents' Characteristics

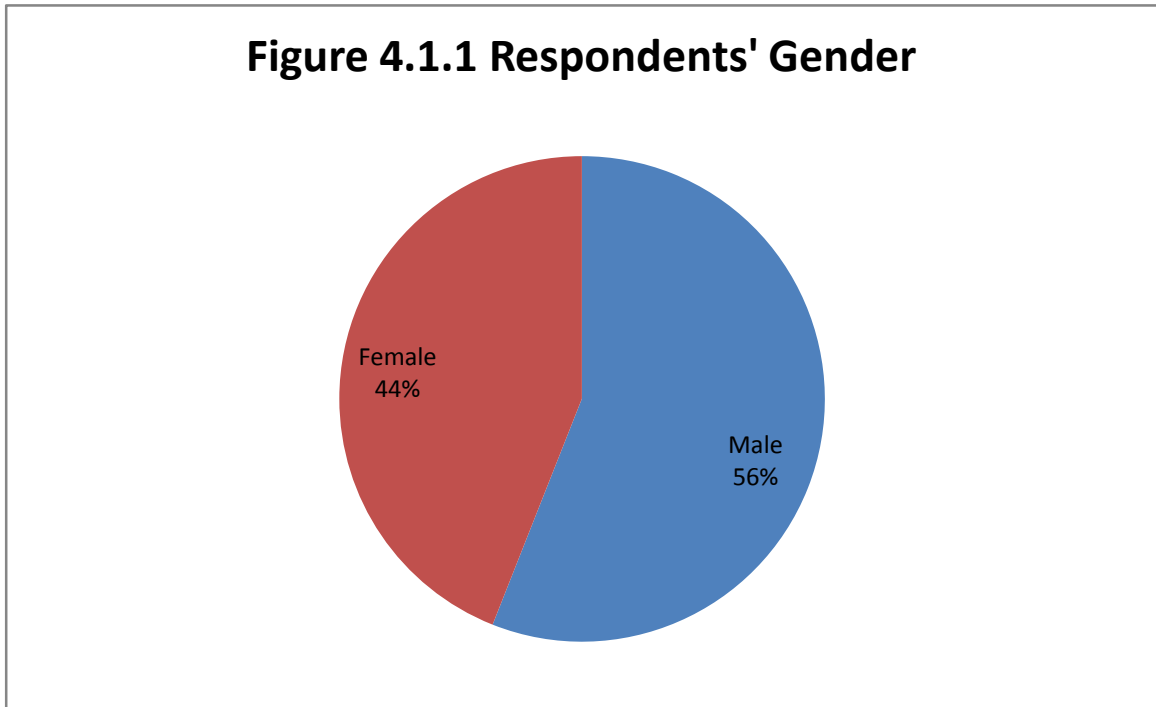
Since the characteristics of the respondents influence the result. Researcher presents descriptive data of respondents.

Table 4.1.1
Respondents' Gender

Gender	Frequency	Percentage
Male	225	56%
Female	175	44%
Total	400	100%

Source: Based on information from Questionnaire

Figure 4.1.1 Respondents' Gender

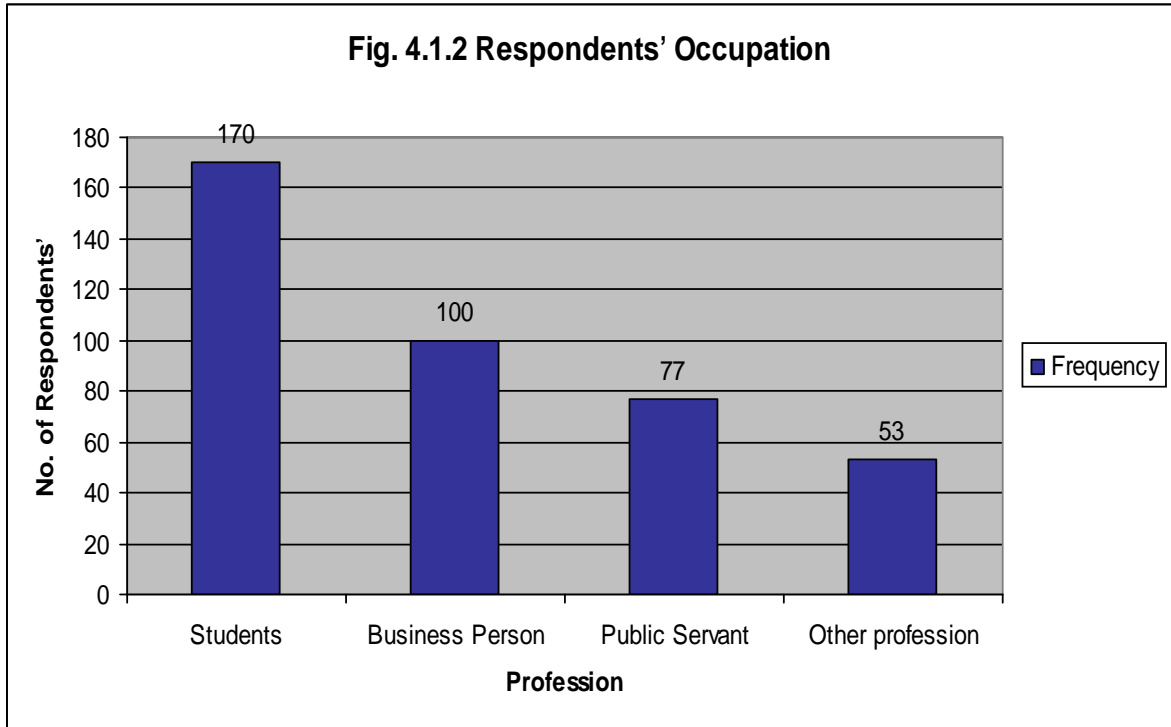


The representation of gender in surveys data is presented in Figure 4.1.1 below; Among the total population sample of 400, the respondents' gender as displayed in Table 4.1.1 indicates that the males (56%) were slightly more than the females (44%). This further implies that there was a good representation of both genders in the sample.

**Table 4.1.2
Respondents' Occupation**

Category	Frequency	Percentage
Students	170	43%
Business Person	100	25%
Public Servant	77	19%
Other profession	53	13%
Total	400	100%

Source: Based on information from Questionnaire



**Table 4.1.3
Age of Respondents**

Age/Years	Frequency	Percentage
Below 20	74	18%
20-30	175	44%
31-40	73	18%
41-50	47	12%
51+	31	8%
Total	400	100%

Source: Based on information from Questionnaire

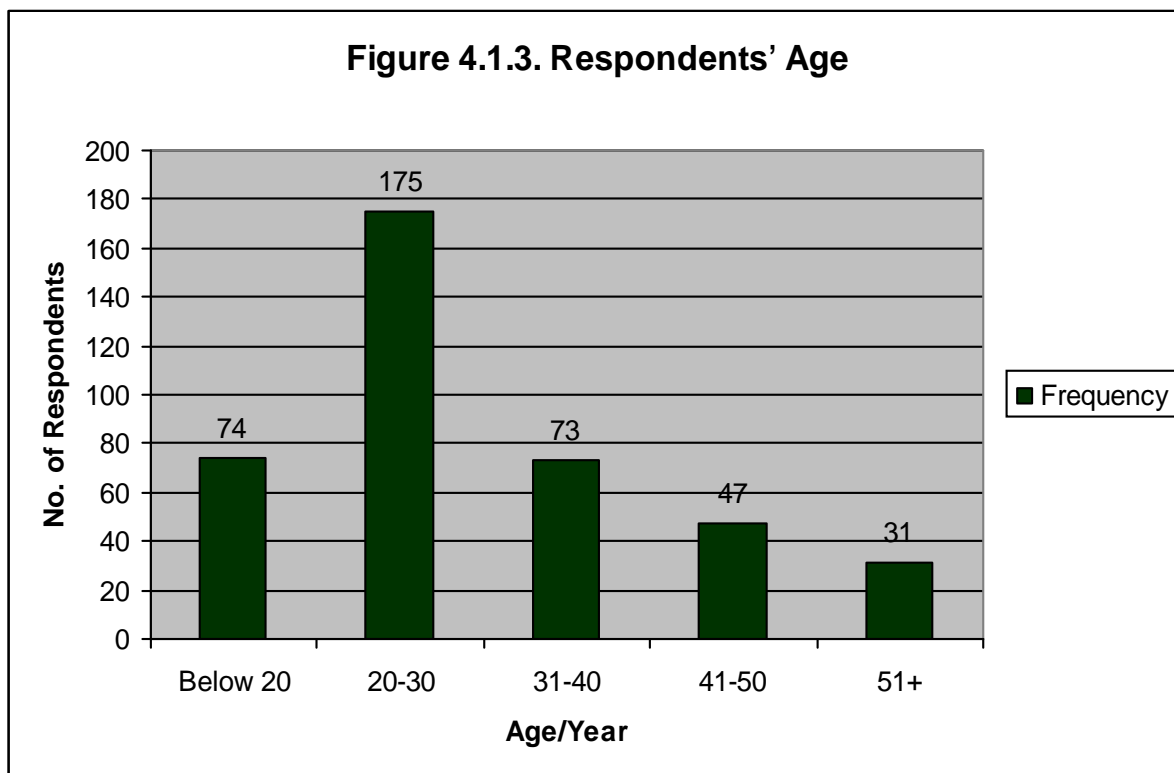
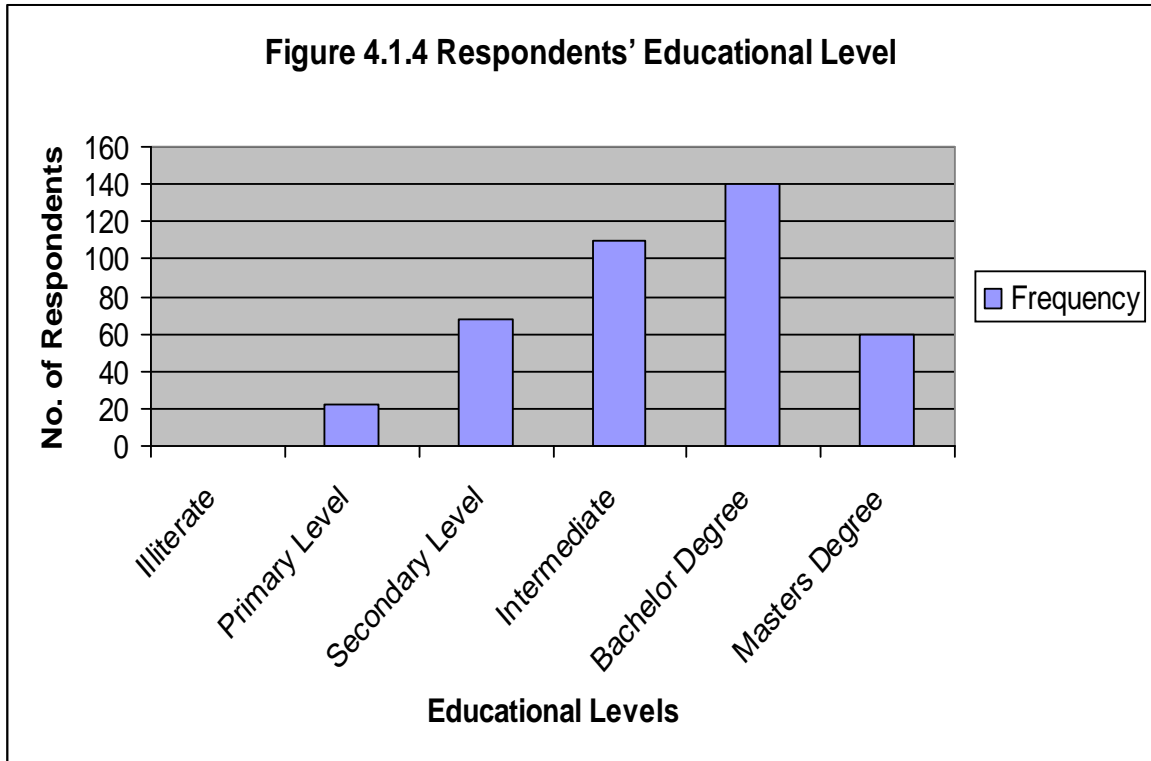


Table 4.1.4
Respondents' Educational Level

Educational Level	Frequency	Percentage
Illiterate	0	0%
Primary Level	22	5%
Secondary Level	68	17%
Intermediate	110	28%
Bachelor Degree	140	35%
Masters Degree	60	15%
Total	400	100%

Source: Based on information from Questionnaire



4.2 Presentation, Analysis and discussion on Consumer Behavioral dimensions and testing of hypothesis

In this section, the presentation and analysis of the fact is discussed with different behavioral dimensions. Entire objectives of the study are concerned with behavioral dimensions. So, the presentation and analysis are related to objective and hypothesis of the study.

4.2.1 Presentation and Analysis -Why the Consumers are using Namaste Prepaid SIM Card of NTC?

Table 4.2.1

Response of Respondent Consumer

Description	Frequency (Among 315)	Percentage (Frequency/315*100)
Easy to recharge	215	68%
Lower cost than other company	8	2%
Good Quality in signal	66	21%
Convenient location to Purchase	10	3%
Reliable and reputation of Brand	235	75%
Large network coverage	112	35%
Already Purchased	146	46%
Good additional	46	15%
Variety of product	7	2%

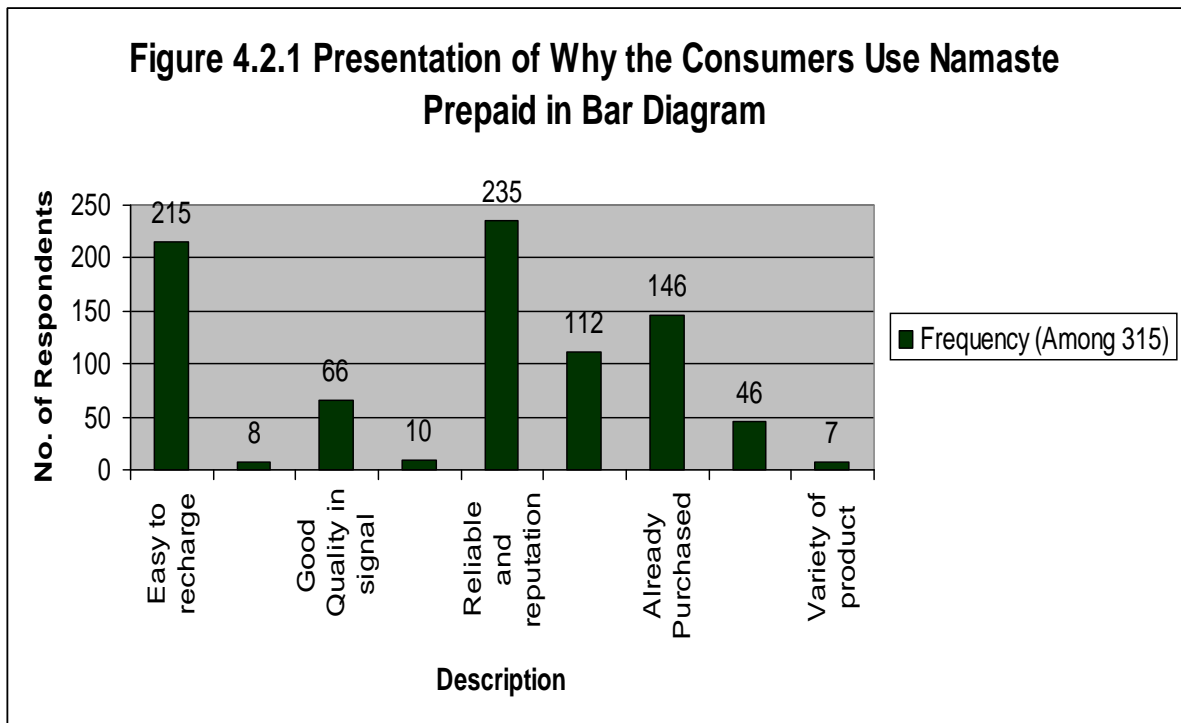


Table 4.2.2

Respondent Consumers on the basis of Age

Brand/Age	Below 20	21-30	31-40	41-50	51+	Total
Namaste Prepaid	64	134	49	37	31	315
Ncell	10	22	13	10	0	55
Others	0	19	11	0	0	30
Total	74	175	73	47	31	400

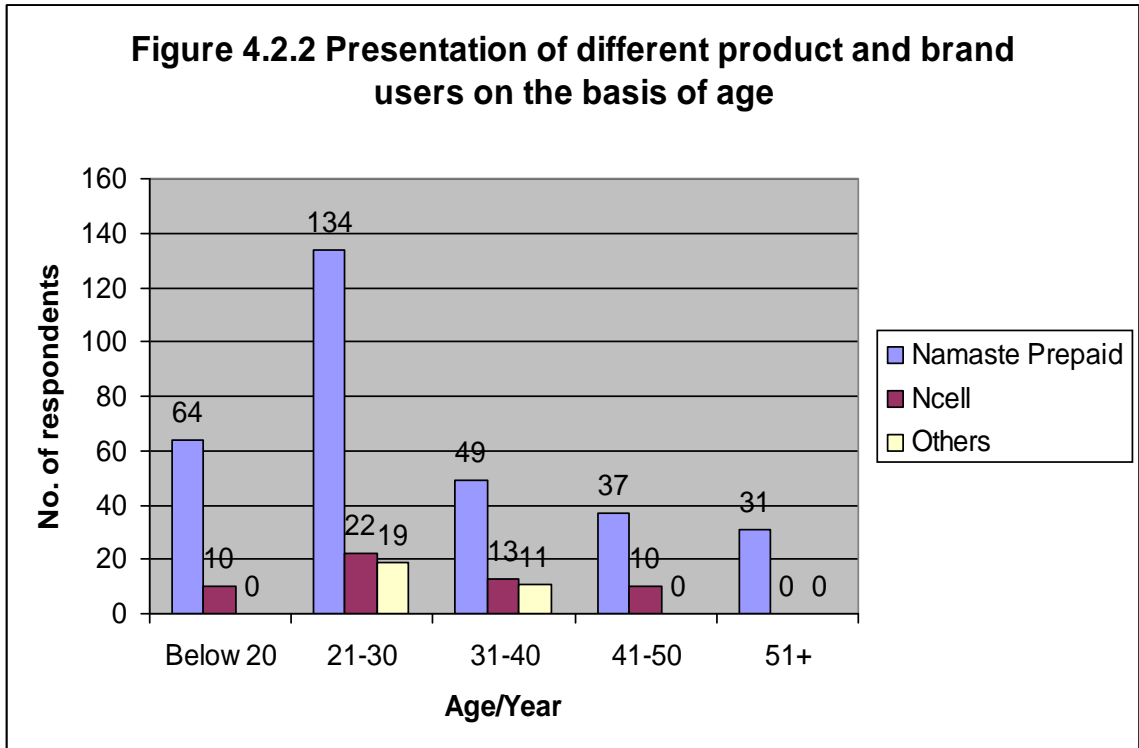
Source: Based on information from Questionnaire

Service user of different products and brands including Namaste prepaid mobile SIM Card on the basis of age group of respondents is presented in the Table 4.2.2 and in the Figure 4.2.2. Among the total sample survey 315 or 79% in total of 400, were Namaste Prepaid user. 14% respondents in total were the user of Ncell and remaining others were 7%.

Testing of Hypothesis

Ho1: There is equally attraction on Namaste Prepaid by different age group.

Ha1: The attraction on Namaste Prepaid differs by different age group.



Above presented fig.4.2.2 depicts most of the user of Namaste Prepaid are the age group of 21 to 30 years i.e.44%, another 19% users are below or 20 years and remaining 18%, 12% and 7% are the age range of 31-40, 41-51 and 51 & above respectively.

Table 4.2.2.1
Testing of Hypothesis

Age group	O	E	O-E	(O-E) ²	(O-E) ² /E
Below 20	64	63	1	1	0.02
21-30	134	63	71	5041	80.02
31-40	49	63	-14	196	3.11
41-50	37	63	-26	676	10.73
50+	31	63	-32	1024	16.25
Total					110.13

Source: Appendix A

Level of Significance, (α) = 5% and 1%

Degree of freedom, $v = (n-1) = (5-1) = 4$

Calculated value $\chi^2_{cal} = 110.13$

Critical value χ^2_{tab} at 0.05 = 9.488 and χ^2_{tab} at 0.01 = 13.277

Calculated value is greater than critical value, so the null hypothesis is rejected and alternative hypothesis is accepted. Therefore on the basis of observed data these should be more attraction of age groups (21-30) than other towards Namaste Prepaid.

Hypothesis

Ha2: Consumers do not prefer all the brand of Mobile operator equally.

Ho2: Consumer Prefer every brand of mobile operator equally

Table 4.2.2.2
Testing Hypothesis-2

Brand	O	E	O-E	(O-E)²	(O-E)²/E
Namaste Prepaid	315	63	252	63504	1008
Ncell	55	63	-8	64	1.02
Others	30	63	-33	1089	17.29
Total					1026.31

Source: Appendix-B

Hypothesis Ho2: Consumer Prefer every brand of mobile operator equally.

Hypothesis Ha2: Consumers do not prefer all the brand of Mobile operator equally.

Degree of freedom, $v = (n-1) = (3-1) = 2$

Level of Significance, (α) = 5% and 1%

Calculated Value $\chi^2 = 1026.31$

Critical value χ^2 at 0.05=5.991 and χ^2 at 0.01 = 9.210

Since calculated value, $\chi^2_{cal}=1026.31$ is greater than tabulated value, $\chi^2_{tab}=9.210$ and the null hypothesis is rejected and alternative hypothesis is accepted.

4.2.3 Analysis and presentation of Consumers' response who know about the services and use the services in Namaste Prepaid

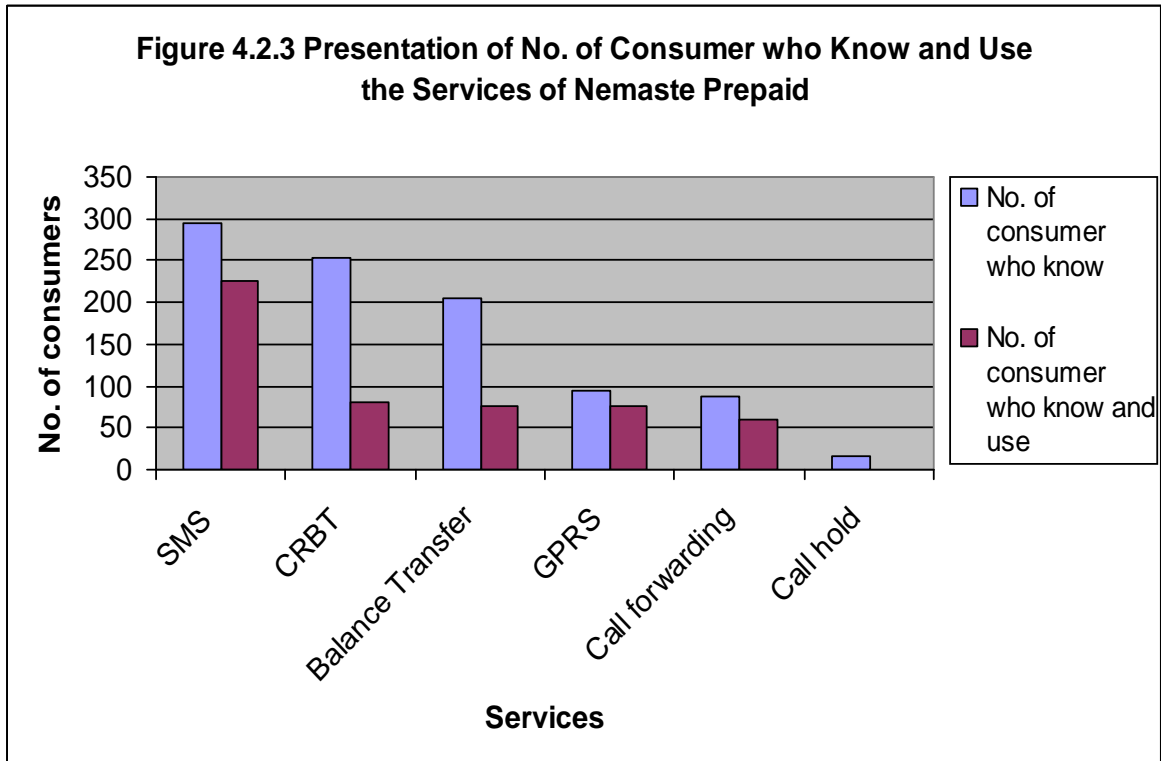
Table 4.2.3

Response of Consumer

Services	No. of consumer who know	No. of consumer who know and use
SMS	295	225
CRBT	253	80
Balance Transfer	205	75
GPRS	95	75
Call forwarding	88	60
Call hold	15	0

Source: Based on information from Questionnaire

The data presented above in Table 4.2.3 and in Figure 4.2.3 below shows the different value added services provided by Namaste Prepaid. In the light of presentation among the total 315 respondents 295 knows about SMS and use 225 respondents. 253 respondents know about CRBT and 80 ones use this service, 205 respondents know about Balance Transfer and 75 use this facility.



The presented data shows the scenario of utility of services. There are some respondents who don't know and use about the services provided by Namaste Prepaid.

Hypothesis:

Ho3: Consumers are aware about the service offer in Namaste Prepaid.

Ha3: Consumer doesn't know the services and offers in Namaste Prepaid.

Table 4.2.3.1
Testing of Hypothesis-3

O	E	O-E	(O-E)²	(O-E)²/E
295	158.5	136.5	18632.25	117.55
20	156.5	-136.5	18632.25	119.06
253	158.5	94.5	8930.25	56.34
62	156.5	-94.5	8930.25	57.06
205	158.5	46.5	2162.25	13.64
110	156.5	-46.5	2162.25	13.82
95	158.5	63.5	4032.25	25.44
220	156.5	-63.5	4032.25	25.77
88	158.5	70.5	4970.25	31.36
227	156.5	-70.5	4970.25	31.76
15	158.5	-143.5	20592.25	129.92
300	156.5	143.5	20592.25	131.58
Total				753.3

Source Appendix-C

Level of Significance, $(\alpha) = 5\%$

$$\chi^2_{0.05, 5} = 11.070$$

Degree of freedom, $v = (r-1)(c-1) = 5 \times 1 = 5$

Calculated value, $\chi^2_{cal} = 753.3$

Since, $\chi^2_{cal} = 753.3$ is more than $\chi^2_{tab} = 11.070$, the H_0 is rejected and alternative hypothesis is accepted.

4.2.4 Analysis and Presentation on the basis of recent Price Information to Consumers

Table 4.2.4
Response in Recent Price of Namaste Prepaid

Age	Frequency		Total
	Right Answer	Wrong Answer	
Below 20	21	44	65
21-30	54	88	142
31-40	20	36	56
41-50	7	25	32
50+	0	20	20
Total	102	213	315

Source: Based on information from Questionnaire

Presented data in table 4.2.4 above represent the information to consumers about the offers of services and products of Namaste Prepaid. The data shows that there are 213 or 67.62% respondents who are not informed about the recent price of Namaste Prepaid. Only the 102 owners or 32.38% consumers only knows about the recent price of Namaste Prepaid Mobile SIM card which was changed three months ago.

Hypothesis

Ha4: Consumers are unknown about the recent price of Namaste Prepaid.

Ho4: Consumers know the recent price of Namaste Prepaid.

Level of significance, $(\alpha) = 5\%$

$\chi^2_{0.05,4} = 9.488$, Degree of freedom $(v) = (r-1)(c-1) = 4 \times 1 = 4$

Calculated value, $\chi^2_{cal} = 18.326$ (APPENDIX- D)

Since, $\chi^2_{cal} = 18.326$ is more than $\chi^2_{tab} = 9.488$, thus,, Ho is rejected therefore alternative hypothesis is accepted.

4.2.5 Presentation and Analysis of Average Monthly Expenditure Level of Consumer in Namaste Prepaid Mobile

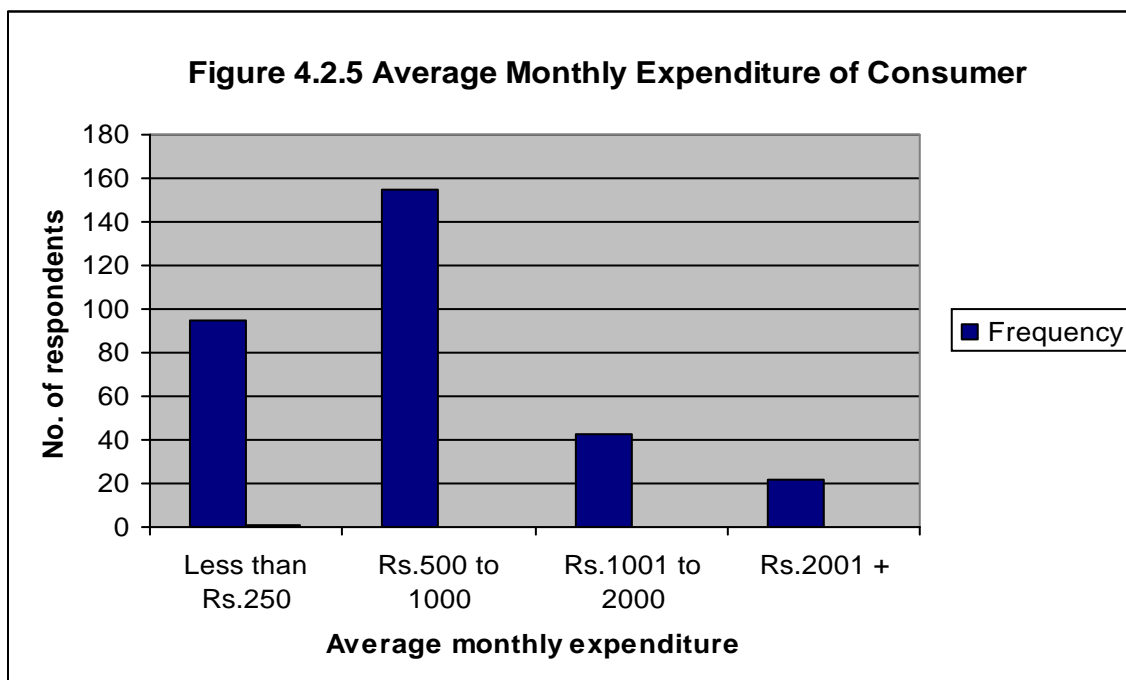
Table 4.2.5

Average Monthly Expenditure of Consumer

Average Monthly Expenditure	Frequency	Percentage
Less than Rs.250	95	30%
Rs.500 to 1000	155	49%
Rs.1001 to 2000	43	14%
Rs.2001 +	22	7%
Total	315	100%

Source: Based on information from Questionnaire

The presented data table 4.2.5 displays the consumers' average monthly expenditure level in using Namaste Prepaid Mobile services. The data indicates that 49% respondents' average monthly expenditure is in the range of rupees 500-1000. 30% respondents expenses less than 250 rupees per month in average, rest 14% and 7% of the respondents' expenses rupees 1001-2000 and rupees 2001 & above respectively.



Data presented in Table 4.2.5 and Figure 4.2.5 indicates that most of the respondent consumers' (49 %) average monthly expenditure is rupees 500 to 1000.

4.2.6 Presentation and Analysis of Call time on the basis of Profession

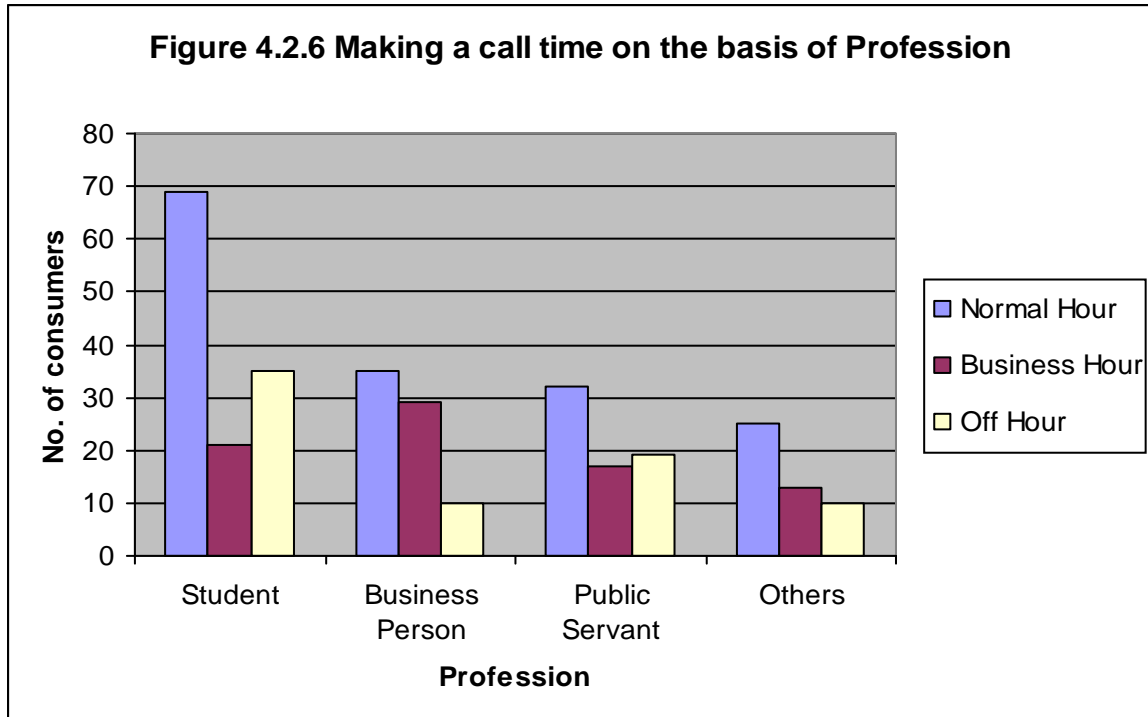
Table 4.2.6

Call time on the basis of profession

Call time/ Profession	Normal Hour	Business Hour	Off Hour	Total
Student	69	21	35	125
Business Person	35	29	10	74
Public Servant	32	17	19	68
Others	25	13	10	48
Total	161	80	74	48

Source: Based on information from Questionnaire

Making a call time by consumers on the basis of profession is presented and analyzed in the above table 4.2.6 and presented in the Figure 4.2.6 below. The category of call time is divided in 3 parts: i) Normal Hour (06:00 – 08:00 and 18:00-22:00) ii) Business Hour (08:00-18:00) and iii) Off Hour (22:00-06:00).



In this presentation, the data shows that students make a more call in normal hour and off hour and they make a call less in business hour. Business persons make a call all time but more in normal and business hour. The data shows making a call by public servant normally in all time but making a call in Normal hour is high.

4.3 Presentation of Consumer Behavior analysis with Marketing mix effect

In this section, the presentation of consumer behavior analysis of the fact is discussed with different behavioral dimensions. It indicates marketing mix effect in mobile telecommunication services. Descriptions of marketing mix are the product, price, place, promotion, people, process and physical evident. Whether the marketing mix are how important, is it very important or important only or medium or less important.

4.3.1 Analysis of marketing mix or the factor of influence that attract to user to choose services

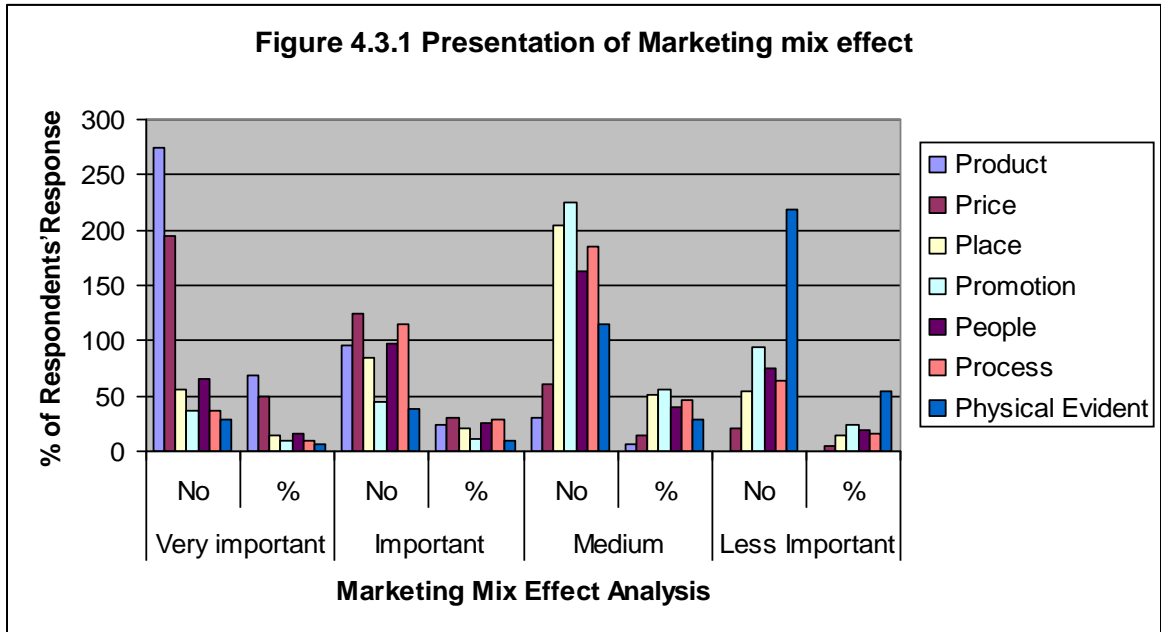
Table 4.3.1

Marketing Mix effect Analysis

Description Marketing Mix	Very important		Important		Medium		Less Important	
	No	%	No	%	No	%	No	%
Product	275	69	95	24	30	7	0	0
Price	195	49	125	31	60	15	20	5
Place	56	14	84	21	205	51	55	14
Promotion	36	9	45	11	225	56	94	24
People	65	16	98	25	162	40	75	19
Process	36	9	115	29	185	46	64	16
Physical Evident	28	7	39	10	115	29	218	54

Sources: Based on information from Questionnaire

Table 4.3.1 indicates marketing mix effect in mobile telecommunication services. Among the 400 respondents 69% emphasis on product is very important, 49% respondent emphasis Price is very important, 14%, 9 %, 16%, 9% and 7% emphasis very important on Place, Promotion, People, Process and Physical Evident respectively. Again 24% respondent pointed as an important factor to Product, and 31% pointed as an important factor to price. Graphical figure also presented in Figure 4.3.1 below:



Sources: Based on information from Questionnaire

4.4 SWOT Analysis

Strength

Namaste Prepaid of NTC is a mobile service based on GSM technology. Different value added and basic services are popular and a consumer can access Voice, Data and Other recent services. Being a sole Service provider before Ncell, Namaste Prepaid of NTC was the only services and most of the consumers were using this service. As the strength of Namaste prepaid service the following facts can be mentioned:

-) The calling price rate and purchasing price of Namaste prepaid SIM Card is decreased as a price competition to compete in the market which help to hold and capture market.
-) The Namaste Prepaid is established and reputed Brand in the market.
-) The service provider of Namaste prepaid has a many more sales counter or service centre in the different parts of city and country.
-) Skillful and permanent staffs are available with the service provider of Namaste prepaid.

Weaknesses

The weakness of the Service provider of Namaste prepaid is related to the weakness of the Namaste prepaid. The major weakness in this service can be mentioned as below:

-) There is a lack of promotion of services or products in the market.
-) Not any technical and marketing survey are carried out for the service improvement.
-) There is not good quality of tower signal.

Opportunity

The service provider of Namaste prepaid is a reputed company and incumbent organization in Nepalese telecommunication industry. The established and popular brand of Namaste prepaid might be a great opportunity in the market. Most of the consumers are using and holding the services of Namaste prepaid. There might be good opportunity to retain the consumer with attractive offers and using competitive and advanced technology. Increasing demand of mobile telecommunication and large sector of market is waiting generally in rural market the opportunity is high in the national and international market. Large network coverage, more sales service centers and customer care centers are the benefits to grab the opportunity.

Threats

In the recent market of mobile telecommunication services, number of mobile operator has entered the market. The current and potential threats come from its competitor. Increasing overhead expenses of the service provider company, requirement of huge investment for new and advance technology, gaining the lost market share and facing the high competition through global market are the major threats for Namaste prepaid mobile service of NTC

CHAPTER – V

MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This concluding chapter summarizes the purposes and objectives of the study, the major findings and conclusions, discusses the implications for marketing, and makes recommendation for further research.

5.1 Summary of Findings and Conclusion

In this study the main purpose was to analyze and to know the consumer behavior toward Namaste Prepaid within Biratnagar municipality. Out of the entire population, three hundreds responded to the questionnaire administered. Based on an objective, analysis of data and discussion of results and findings, the following are the summary of major findings and

Conclusions of this study:

- i. It is found that majorities of consumers are male i.e. 56% on the basis of sex. While on the basis of age group the maximum user is recorded in age group 20-30 years and below 20 years.
- ii. On the basis of profession, 43% found student, 25% business person, 19% public servant and rest 13 % of consumers were involved in other professions.
- iii. On the basis of educational qualification, most of the respondent consumers were educated. Among them 35% had bachelor degree, 28% had intermediate, 15% master degree, and 17% had secondary level and rest 5% only had primary education.
- iv. Average monthly expenditure of consumer in mobile phone found 49% at the range of rupees 500-1000. Next 30% consumer spent less

than 250 rupees, 14% consumer spent at the range of rupees 1001-2000 and rest 7% spent more than 2000 in a month. On the basis of this research it can be said that most of the user spent 750 rupees in a month in average.

- v. As described and presented in table 4.2.2 indicates that most of the consumer were not aware or informed about the recent purchasing price of Namaste Prepaid SIM Card. Among 315 respondents, only 102 or 32 % respondent consumers knew the recent price of Namaste prepaid while the price fell down three months ago.
- vi. On the basis of profession the distribution of making a call time was presented and analyzed in Table 4.2.3. It was found out that most of the respondent had utilized normal hour and off hours' facility. Categorically, in general most of the Students, Jobholders and Other professionals make calls at Normal Hour but Business persons make a call in all times.
- vii. Among the surveyed data of 400 respondents 315 or 79% found Namaste prepaid mobile service user, another 14% Ncell mobile user and rest 7% associated with other brands.
- viii. According to customer priority, Service quality of a product is the most important dimension, followed by price, place, and people; while physical evident is the least important dimension.
- ix. According to the research, most of the consumer did not know about the services and products offering in Namaste Prepaid services. Among the 315 respondents 295 knows about SMS, 253 know about CRBT, 205 respondent consumers knew about balance transfer and 95 consumers knew about GPRS.

- x. A research question was asked to consumers that why they used Namaste prepaid. In this question 69% response found due to being reliable and reputed brand, 65% felt easy to recharge, 47% had already purchased and holding, 38% response is due to large network coverage but only 18% and 10% reasons was due to good quality of signal and good additional services respectively.

5.2 Recommendation

In the light of the study following are the recommendations for the further managerial actions to the operator company of Namaste Prepaid mobile services.

- i. The company should conduct regular technical and marketing survey to know the real issues of market.
- ii. To retain the consumer of Namaste Prepaid the operator company should start to improve service quality as per consumers' need and expectation.
- iii. The operator company of Namaste prepaid should apply different promotional tools for promotion of own offers and services through different promotional media.
- iv. The service provider company has already larger number of loyal consumers but in this competitive market, single factor may change their behavior and preferences any time so that company should suggested expending greater amount of investment in quality improvement and in research of consumer awareness that Namaste Prepaid is more reliable, cheap and best technology.
- v. The service provider company should pay continuous attention

towards marketing mix strategy on parallel basis.

- vi. The company has a many administrative offices as a sales counter in different parts of cities and different districts. It is suggested to the company to improve the service quality as a customer care centre with effective management.
- vii. Competition is being higher day by day. So retaining the old customers and to grab the new market share of the company should have to apply short term and long term business strategy reforming organizational structure, reducing operational expenditure and increasing productivity on the basis of competitive strategy.
- viii. There is a saying that "Time and Tides wait for none" So, The service provider company should focus to know the perception and need of customer and have to invest in research of consumer behavior periodically and continuously.

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APPENDIX 'A'

Testing Hypothesis - 1

Ho1: There is equally attraction on Namaste Prepaid by different age group.

Ha1: The attraction on Namaste Prepaid differs by different age group.

Computation Table

Age group	O	E	O-E	(O-E) ²	(O-E) ² /E
Below 20	64	63	1	1	0.02
21-30	134	63	71	5041	80.02
31-40	49	63	-14	196	3.11
41-50	37	63	-26	676	10.73
50+	31	63	-32	1024	16.25
Total					110.13

Ho1: There is equally attraction on Namaste Prepaid by different age group.

Ha1: The attraction on Namaste Prepaid differs by different age group.

Level of Significance, (α) = 5% and 1%

Degree of freedom, $v = (n-1) = (5-1) = 4$

Calculated value $\chi^2_{cal} = 110.13$

Critical value χ^2_{tab} at 0.05=9.488 and χ^2_{tab} at 0.01 = 13.277

APPENDIX 'B'

Testing Hypothesis 2

Ho2: Consumer Prefer every brand of mobile operator equally

Ha2: Consumers do not prefer all the brand of Mobile operator equally.

Computation Table

Brand	O	E	O-E	(O-E) ²	(O-E) ² /E
Namaste Prepaid	315	63	252	63504	1008
Ncell	55	63	-8	64	1.02
Others	30	63	-33	1089	17.29
Total					1026.31

Hypothesis Ho2: Consumer Prefer every brand of mobile operator equally.

Hypothesis Ha2: Consumers do not prefer all the brand of Mobile operator equally.

Degree of freedom, $v = (n-1) = (3-1) = 2$

Level of Significance, $(\alpha) = 5\%$ and 1%

Calculated Value $\chi^2 = 1026.31$

Critical value χ^2 at $0.05 = 5.991$ and χ^2 at $0.01 = 9.210$

APPENDIX 'C'

Testing Hypothesis 3

Ho3: Consumers are aware about the service offer in Namaste Prepaid.

Ha3: Consumer doesn't know the services and offers in Namaste Prepaid.

Data Table

Services	No. of consumer who know	No of Consumer Who Don't Know	Total
SMS	295	20	315
CRBT	253	62	315
Balance Transfer	205	110	315
GPRS	95	220	315
Call forwarding	88	227	315
Call hold	15	300	315
Total	951	939	1890

Ho3: Consumers are aware about the service offer in Namaste Prepaid.

Ha3: Consumer doesn't know the services and offers in Namaste Prepaid.

Computation of Expected Frequencies:

$$E(295) = \frac{951 \times 315}{1890} = 158.5 \quad E(253) = \frac{951 \times 315}{1890} = 158.5$$

$$E(205) = \frac{951 \times 315}{1890} = 158.5 \quad E(95) = \frac{951 \times 315}{1890} = 158.5$$

$$E(88) = \frac{951 \times 315}{1890} = 158.5 \quad E(15) = \frac{951 \times 315}{1890} = 158.5$$

$$E(20) = \frac{939 \times 315}{1890} = 156.5 \qquad E(62) = \frac{939 \times 315}{1890} = 156.5$$

$$E(110) = \frac{939 \times 315}{1890} = 156.5 \qquad E(220) = \frac{939 \times 315}{1890} = 156.5$$

$$E(227) = \frac{939 \times 315}{1890} = 156.5 \qquad E(300) = \frac{939 \times 315}{1890} = 156.5$$

Computation Table

Hypothesis 3

O	E	O-E	(O-E) ²	(O-E) ² /E
295	158.5	136.5	18632.25	117.55
20	156.5	-136.5	18632.25	119.06
253	158.5	94.5	8930.25	56.34
62	156.5	-94.5	8930.25	57.06
205	158.5	46.5	2162.25	13.64
110	156.5	-46.5	2162.25	13.82
95	158.5	63.5	4032.25	25.44
220	156.5	-63.5	4032.25	25.77
88	158.5	70.5	4970.25	31.36
227	156.5	-70.5	4970.25	31.76
15	158.5	-143.5	20592.25	129.92
300	156.5	143.5	20592.25	131.58
Total				753.3

Level of Significance, (a) = 5%

$$\chi^2_{0.05,5} = 11.070$$

Degree of freedom, $v=(r-1)(c-1) = 5 \times 1 = 5$

Calculated value, $\chi^2_{cal} = 753.3$

Since, $\chi^2_{cal}=753.3$ is more than $\chi^2_{tab}=11.070$, the H_0 is rejected and alternative hypothesis is accepted.

APPENDIX 'D'

Testing Hypothesis 3

H_{a4} : Consumers are unknown about the recent price and replacement charge of Namaste Prepaid.

H_{o4} : Consumers knows the recent price and replacement charge of Namaste Prepaid.

Age	Frequency		Total
	Right Answer	Wrong Answer	
Below 20	21	44	65
21-30	54	88	142
31-40	20	36	56
41-50	7	25	32
50+	0	20	20
Total	102	213	315

H_{a4} : Consumers are unknown about the recent price and replacement charge of Namaste Prepaid.

H_{o4} : Consumers knows the recent price and replacement charge of Namaste Prepaid.

Computation of Expected Frequencies:

$$E(21) = \frac{65 \times 102}{315} = 21.05 \qquad E(54) = \frac{142 \times 102}{315} = 45.98$$

$$E(20) = \frac{56 \times 102}{315} = 18.13 \qquad E(7) = \frac{32 \times 102}{315} = 10.36$$

$$E(0) = \frac{20 \times 102}{315} = 6.48$$

$$E(44) = \frac{65 \times 213}{315} = 43.95 \qquad E(88) = \frac{142 \times 213}{315} = 96.02$$

$$E(36) = \frac{56 \times 213}{315} = 37.87 \qquad E(25) = \frac{32 \times 213}{315} = 21.64$$

$$E(20) = \frac{20 \times 213}{315} = 13.52$$

Computation Table

Testing Hypothesis-4

O	E	O-E	(O-E) ²	(O-E) ² /E
21	21.05	-0.05	0.003	0.001
54	45.98	8.02	64.320	1.399
20	18.13	1.87	3.497	0.193
7	10.36	-3.36	11.290	1.090
0	6.48	-6.48	41.990	6.480
44	43.95	0.05	0.003	0.001
88	96.02	-8.02	64.320	1.399
36	37.87	-1.87	3.497	0.193
25	21.64	3.36	11.290	1.090
20	13.52	6.48	41.990	6.480
Total				18.326

Level of significance, (a)= 5%

$\chi^2_{0.05,4} = 9.488$, Degree of freedom (v)= (r-1)(c-1)= 4x1=4

Calculated value, $\chi^2_{cal} = 18.326$

Since, $\chi^2_{cal} = 18.326$ is more than $\chi^2_{tab} = 9.488$, thus,, H_0 is rejected therefore

alternative hypothesis is accepted.

APPENDIX 'E'

Questions is prepared for the study of consumer behavior of Namaste Prepaid Mobile Phone

Part I Characteristic of respondent

1. **Residential location:** – Tole / Village: Ward No.
2. **Name:**
3. **Gender (Tick any one):**– Male Female
4. **Age:-** Below 20 Years 21-30 years old 31-40 years old 41-50 years old More than 50 years old
5. **Education Background:** –
 Literate High School Intermediate Bachelor degree Master degree and higher
6. **Occupation** Student Self-employment Private company/NGOs Government employment Other professions
7. **Are you Mobile User?** Yes No
IF No,
If you will use in future Which Mobile operator do you choose? And why?
 NTC NCELL UTL Other
Specify Reasons

i) ii) iii).....

Part – II Consumer behavior

Respondents are requested to mark () for the best answer related to their consumer behavior. This part was designed to know consumer behavior. It could help to understand how consumer behaves.

1. Which operator provider’s Mobile are you currently using? (More than one answers is possible)

NTC NCELL UTL Other, Specify...

2. What product are you using from operator Provider Company? (More than one answer is possible.)

Prepaid Postpaid

Only for Prepaid User

3. Why did you decide to use the service of Namaste Prepaid? (More than one answer is possible.)

- Good quality of Signal Convenient location to purchase
- Variety of Product Lower cost than the other company
- Good additional service Network Coverage Reliable and reputation of Brand
- Easy to Recharge Flexibility in Cost
- Low purchasing Price other

4. Who influences you in your purchasing decision? (More than one

answer is possible)

- Family Friend Celebrity Advertisement
 other (Please specify)

5. What types of services are offering to you by NTC in Namaste Prepaid? (Tick in Which You Know)

- CRBT SMS MMS GPRS Call Forwarding
 Call Waiting Call Hold VMS Multiparty Conference
 Balance Transfer

6. Which value added service do you use? (More than one answer is possible.)

- Voice Call Only SMS MMS GPRS
 Call Forwarding Call Waiting Call Hold VMS Multiparty
Conference CRBT

7. Which period do you usually make a call? (Please give the percentage of each using period.)

- 06:00 – 08:00 18:00 – 22:00 08:00 – 18:00 22:00 – 06:00

8. How much is your average expense per month in using service from operator provider?

- Less than 250 Rupees
 250-500 Rupees
 501-1000 Rupees
 1,501-2,000 Rupees
 More than 2,000 Rupees

9. Which Media gives the information about your services?

- Radio:** Kantipur FM Radio Nepal Other

Television: [] NTV [] Kantipur [] Other

Newspaper: [] Gorkhapatra [] Kantipur [] Other

10. Do you know the recent selling price and replacement Charge of Namaste Prepaid? Please tick () in the correct answer.

[] Selling Price is Rs.200 and replacement charge is Rs.100.

[] Selling Price is Rs.1135 and replacement Charge is Rs.565.

Part -III Consumers Expectations and perception

11. Do you think to use another services instead of Namaste Prepaid of NTC?

[] Yes [] No

If Yes why?

Please specify reasons:

12. Which factor is more important in using mobile services? Choose and Tick on your answer.

Marketing mix of Mobile Telecommunication Services	Level of Significance and Expectations				
	Most important	Important	Moderate	Less Important	Not important
Product					
Quality of Signal					
Product Variety					
Brand reputation					
Price					
Cost of Calling					
Clearly inform about calling rate					

Convenient Billing approach					
Place					
Convenient location to Purchase					
Proximity to home / work					
Parking facilities					
Promotion					
Advertisement					
Sale Promotion					
In store advertisement					
Corporate social responsibility					
People					
Employee specialize know how in giving advice					
Customer care taking and attentive manner					
Employee courteousness					
Process					
Waiting duration in queuing					
Convenient while using service					
After-purchase Services					
Physical Evident					
Store image					
Store layout and decoration					
Store facility (For example, computer, beverage, private room)					

