

**COST VOLUME PROFIT ANALYSIS OF NEPALESE  
MANUFACTURING INDUSTRIES**  
(A Case Study of Bottlers Nepal Limited)

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*A Thesis Submitted to:*

**Office of the Dean**

**Faculty of Management**

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*In partial fulfillment of the requirements for the degree of*  
**Master of Business Studies (M.B.S.)**

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**BUYING BEHAVIOR OF CELLULAR PHONE  
CUSTOMER IN PARBAT**

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April, 2013

## DECLARATION

I hereby, declare that the work reported in this thesis entitled "Buying Behavior Of Cellular Phone Customer In Parbat" Submitted to Prithvi Narayan Campus, faculty of Management, Tribhuvan University is my original piece of work done in the requirement for the master's degree in business Administration (MBA.) under the supervision and guidance of Mr. Amin Palikhe, Lectures of Prithivi Narayan campus Pokhara, Kaski

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**RECOMMENDATION**

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### VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis

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## **ABSTRACT**

The world is changing into common global market. The marketing environment is becoming complex and highly competitive. Needs of human being are changing day by day. Development of information technology the whole global society is becoming narrower. Because of dynamic changes of consumer's needs, every producers have to produce consumers oriented goods. This study is framed theoretical with the concept of structural consumption and marketing mix. For this study, descriptive research design is used to tabulate, analyze and interpret the primary data collected from the field survey with structured questionnaire. The collected data are processed by using spread sheet and interpreted by using cross tabulation, ranking and other statistical methods like percentage, comparison and weighted mean, etc. Eleven brands are selected for the study and 10 retailers and 150 consumers are studied as random sampling. In the surveyed field, it is found that Nokia and Samsung cells are highly popular brands and LG, Motorola, Carbon, Tata Indicom, Sony Ericsson, Apple cell brands are also used. Others cells, specially non- branded Chinese are also used which are cheap and multiple function features. E-mail and internet is the highly considered features by the consumers. Influence of income and profession in brand choice is not high. Development of information technology is highly affected as environmental factor. Buying process is followed by customers but they have lack of awareness as theoretical point of view. At last, the marketing of cellular phone is in emerging stage at survey area Kushma Bazaar.

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## ABBREVIATIONS/ACRONYMS

AD	=	Anno domino (in the year of our lord)
BS	=	Bikram Sambat
Dr.	=	Doctor
ed.	=	edition
etc.	=	Excreta
Fig.	=	Figure
GSM	=	Global System for Mobile Communications
i.e.	=	that is
IT	=	Information Technology
Max <sup>m</sup>	=	Maximum
MHz	=	Megahertz
Min <sup>m</sup>	=	Minimum
MSC	=	Mobile Switching Center
no./No.	=	Number
NTC	=	Nepal Telecommunication Corporation
p.	=	Page
Pvt. Ltd.	=	Private Limited
Rs.	=	Rupees
TU	=	Tribhuvan University
Vol.	=	volume
Yrs.	=	years

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Communication refers to the share or exchange of idea, feelings, emotions, news and information by using sound, sign and written words. Effective communication promotes not only economic activities but also reduce the cost of co-coordinating and implementing development projects by mobilizing labor forces effectively and marketing activities forcefully.

The word communication is derived from the Latin word 'communis'. According to Newman and Summer, "Communication means an exchange of facts, ideas, opinions, information and emotions by two or more persons." Similarly Koonz and Weinrich say "Communication is the transfer of information from a sender to a receiver with information being understood by the receiver." Chester I Bernard says, "Communication is the means by which people are linked together in an organization to achieve a common purpose." (Marasani, 2007: p.1).

Literally communication means to inform, to tell, to show or to spread information. It may be defined as the process of transmitting information. It has directly link into information system. According to Oxford Learners Dictionary 8<sup>th</sup> Ed. (2011), communication means "the activities or process of expressing ideas and feelings or giving people information."

Nowadays, completely global relations become narrower by using the tools of communication and development of science and technology. Among various scientific innovators, a Scottish teacher of the deaf named Alexander Graham Bell is one of them who innovated telephone in 10<sup>th</sup> March 1876. The word 'telephone' comes from the Greek language and means to speak at a distance.

Telephone is an instrument designed for transmission and reception of information by using voice. It works by converting the sound waves of the human voice to pulses of electrical current, transmitting the current and then retransmitting the current back to sound (Britannica Ready Reference Encyclopedia, 2006 : p. 223).

At present telephone is the chief means of personal communication at the distance. Advances in electronics have allowed the introduction of a number of smart features such as automating redialing, caller identification, call waiting, call forwarding, video call, e-mail internet, chatting, social sites etc. Moreover telephone sets are the major access route of internet services to link the world from every nook and corner of the earth.

Mobile telephone is electronic wireless radio equipment based in digital cellular technology by means of which two way conversations can be done with any other telephone subscriber either of mobile telephone network or the public subscriber telephone network. Cellular phone is a wireless telephone that permits telecommunication within a defined area that may include hundreds of square miles, using radio waves in the 800-900 MHZ band. To implement a cell phone system, a geographical area is broken into small area, or cells, usually mapped as uniform hexagrams but in fact overlapping and irregularly shaped. Each cell is equipped with a low powered radio transmitter and receiver that permit propagation of signals among cell phone users (Britannica Ready Reference Encyclopedia, 2006: p. 189)

A cellular phone is a wireless phone that most people these days communicate with. It seems that not too long ago that people were still using house. Not little kids have cell phones. In 1843 a man by the name of Michael Faraday studied to see if space could conduct electricity. This man led to the cell phone development. In the year of 1865 Doctor Mahlon Loomis was the first person to communicate through wireless atmosphere. He came up with the idea of

transmitting and receiving messages through atmosphere as a conductor. Loomis was awarded 50,000 for his research.

In 1973 Martin Cooper came up with Motorola. He took the project and let the people of New York see it. In 1977 the first cell phone was made in Chicago. When it first came out 2000 people were given a free trial. Then other places started to make cell phones. When the cell phone first came out they were huge. The people did not know how to make the phone any more compact. In 1988 the big company's started to make cell phones. There were over 54 places all over the world

From the year 1843 to now phones have changed a lot. In the year to come they will change more. The numbers will change. They will be the social security number. This will change because the states numbers are getting mixed up. This will also change because different people have the same numbers. In the year 2010 you will be able to search the internet for what ever on the phone. This is now happening but in the future it will become more advanced. Now the cell phone companies are trying to get the house phone companies to shut down.

Cell phones are getting harder and harder to use. The only thing that people need to know how to do is call someone and to store numbers. This is not how the cell phone companies think. They think that you need text message, car phone, radio phone, and that you need 25 different channels on a phone. I could see if it was on TV. But it's not. All you need to know how to call the number. All that you really need to know about working cell phone is how to dial the numbers.

Although the history of mobile communication dates back to 1920/21 AD., its proliferation took place only in the last two decades. During 1970s more advanced systems emerged and mobile communication started to become a common utility. In the Nepalese context, NTC introduced mobile telephone from

29<sup>th</sup> Chitra 2055 BS targeting four major cities; Kathamandu Valley, Pokhara, Birgung, by establishing a GSM 900 MHZ network having capacities of 10,000 subscriber with equipment from Nortel Company. Its commercial service began from 1<sup>st</sup> Jestha 2056. The Mobile Switching Center (MSC) and Base Station controller (BSC) are located in international Gateway Exchange Building, Lalitpur. Twenty six cell sites were located across Kathmandu valley, Pokhara, Birgunj and Biratnagar. Seventies of these were located in Kathmandu and three other cities had three each. Now 75 district of Nepal are in link of cellular phone service but not everywhere coverage.

The history of the distribution of cellular phone in Parbat district is not long. But now since it has been not more than ten years from the first lunch of mobile phone in Parbat district the users have been extended and a large number of people have been using cellular phone in Parbat. Consumer needs and wants are the starting point of economic activities. In the process of satisfying them different products and services are being invented and marketed in the society. As an evidence of this fact we can see the present market of the cell phone its advanced technology. The present business environment is complex and highly competitive. To success in this dynamic and rapidly changing environment, marketers need to know everything about consumers. Consumer's behavior helps to select the product brand and spread the market of particular objects. That's why the study of the consumer's behaviors in terms of the selection of the brand and modern technology helps to the development of the business house and increase economic activities and supports directly or indirectly to the economic growth of the organization and nation as well.

In this context, consumer's behavior is defined as the behavior that consumers display in searching for purchasing, using, evaluation, and disposing of products, services and ideas that they expect will satisfy their needs. According to J.C. Mowen "Consumer behavior is the study of the decision making units and processes involved in acquiring, consuming, and disposing of goods,

services, experiences and ideas.” The buying behavior of consumer differs significantly from one consumer of group of consumers to others. Study of buying behavior of particular segment or a group of consumers help marketers to devise and design an appropriate marketing mix and strategies for that segment of group. Consequently, marketers can serve that segment of group in a better way than competitors. So the study of consumer’s behavior in terms of the selection of cell phone in Parbat district helps to the related institutions to meet their economic goal in their organization.

## **1.2 Statement of the Problem**

With the development of science and technology the present world is the age of information and technology. According to the recent data Nepal has also taken greater leap towards the development of information and technology. Nowadays the number of cellular phone users has been increasing day by day and cell phone has become a common utility. Very few researches have been carried out regarding the marketing of mobile phone since it had been a new product then in the Nepalese market. Now it has been more than 14 years since its introduction in 2055 BS.

Since the number of cellular phone users is large in number and increasing rapidly, study about the buying behavior of cellular phone customers in Parbat is very important to identify the mobile phone market and its scope, so that will be very much useful to the mobile phone sellers to catch up the potential buyers. Thus general problem of the study is what buying behavior of cellular phone customers in Parbat is in practice.

For the careful study of the mobile phone market, the study was focused on revealing following specific problems.

- ) What were the major brands of cell phone available in Parbat?
- ) What were the factors influencing customers buying behavior?
- ) What were the main features that a customer wants in a cell phone?

- ) Did the brand choices differ by income and profession of cellular phone users?
- ) What processes did consumers follow for making buying decision of cell phone?

### **1.3 Objectives of the Study**

To study about the buying behavior of cellular phone customers in Parbat and to find out the answer of the problems and cope with them certain specific objectives are forwarded as follows:

- ) To find the major brands of cell phone available in Parbat.
- ) To analyze the factors influencing customers buying behavior.
- ) To analyze the main features that a customer wants in a cell phone.
- ) To know whether the brand choices differ by income and profession of cellular phone users.
- ) To find out the processes followed by consumers for making buying decision of cell phone.

### **1.4 Significance of the Study**

Since the objectives of the research are to find the major brands of cell phone available in Parbat, to analyze the factors influencing customers buying behavior, to analyze the main features that a customer wants in a cell phone, to know whether the brand choices differ by income and profession of cellular phone users and to find out the processes followed by consumers for making buying decision of cell phone the researcher is confident that research will prove to be a milestone in the field of marketing of a product as a whole and gives in depth information about the market situation, major brands available, factors influence the buying behavior. The study will also be a great value for trading agents, cellular phone users and research students.

In this research work, the researcher has been responsible in explaining the consumer buying behavior as well as recent factors that have affected their choices during purchase. The primary goal of this work was to find out the costumer behavior of cellular phone users in Parbat district. When consumer purchasing decisions are fully understood, it becomes possible to develop better promotional and other activities.

### **1.5 Limitation of the Study**

In this study, data and information on the behavior of the cellular phone users of Parbat have been based on only in the Kusma Bazaar. All the respondents for this study were taken from Parbat and sample size taken for this study is very small in comparison to the population of the study. The 150 samples from the consumers and 10 retailers were taken to generalize the research purpose of this dissertation.

- ) This research is for partial fulfillment of the requirement for the degree of Master in Business Administration of researcher.
- ) Samples taken from respondents 150 consumers is around 1 percent of total and 10 retailers is 30 percent.
- ) The research field is limited at Sibalaya VDC, Kushma Bazaar in Parbat District.
- ) Total Cost for conducting this research is put of with by researcher alone.
- )

### **1.6 Organization of the Study**

This study has been organized into five parts which are as follows

- ) Chapter I : Introduction
- ) Chapter II : Review of Literature
- ) Chapter III : Research Methodology

- ) Chapter IV : Presentation and Analysis of Data
- ) Chapter V : Summery, Conclusion and Recommendations

Besides these references, appendices, abbreviations and other supporting documents are incorporated at the end of this thesis.

The first chapter includes introduction, objectives, significance, statement of problem, and limitation of the study.

Similarly, the second chapter includes conceptual analysis and a brief review of the related literature.

On the other hand, the third chapter includes research design, population sample, and sampling procedure, source of data and data collection technique, and methods of data analysis.

The fourth chapter deals with the presentation and analysis of data with table, chart and figures and major findings.

The fifth chapter has summarized the whole study and draws the conclusion and recommendation.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

In this chapter, an attempt has been made to review of aspects of consumer behavior and past studies carried out on consumer behavior. So, this chapter is divided into three sections. Section I is the Conceptual Review, Section II is the Review of Past Research and Section III is Research Gap carried out on the study area.

#### **2.1 Conceptual Review**

Under this heading various concepts are introduced discussed relating to consumer behaviour.

##### **2.1.1 Meaning of Market and Marketing**

The place where buyers and sellers gathered to exchange their goods like, village square is called market. Market can be, on the other hand, said as the place where consumption of any commodity takes place either it is Mt. Everest or the sea level. Economists use the term market to refer to a collection of buyers and sellers who transact over a particular product or product class. In the words of Sherlekar (1981, p. 2), market is a convenient meeting place for buyers and sellers to gather together in order to conduct buying and selling activities. "Marketing consists of individual and organizational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion and pricing of goods, services and ideas" (Pride and Ferrel, 1989: p. 7). Marketers see their sellers as constituting the industry and buyers as constituting the market. Business people use the term market colloquially to cover various groupings of customers like need market, product market, demographic market, and geographic market (Kotler, 1991: p. 8).

McCarthy, and Perreaut (1996) defined marketing as the performance of activities that seek to accomplish an organizations objectives by anticipating customer or client needs and directing a flow of need satisfying goods and services from producer to customer or client (McCarthy, and Perreault, 1996: p. 2).

"Marketing is a total system of business activities designed to plan, price, promote, and distribute want satisfying products to target markets to achieve organizational objectives" (Stanton, Etzel and Walker, 2001: p. 6). The size of the market depends upon the number of persons who exhibit the need, have reasons that interest others, and are willing to offer these resources in exchange for what they want. The market is the area for potential exchange (Koirala, 2005, p. 3).

### **2.1.2 Product Type, Innovation and Diffusion**

Agrawal (2001) takes product as the first and the most important element of the marketing mix. This concept views product as anything that is capable of satisfying human needs and wants. It includes a mix of design, quality, variety, features, branding, packaging, services, and warranties (Agrawal, 2001: p. 130-131). Products can broadly be classified into two groups according to their ultimate use, consumer products and industrial products (Agrawal, 2001: p. 132). The product is the core element of all marketing activities. In the long-run all strategies revolve around the product. Products satisfy customers' needs and also provide benefits to them. It is the heart of the marketing mix and its planning plays a vital role in the marketing (Shrestha, 2002: p. 137).

Kotler (2003) considers product as anything that can be offered to a market to satisfy a want or need. The marketing activities consist of marketing mix which is the set of marketing tools which the organization blends to achieve the marketing goal in a defined target market. E. Jeromy McCarthy popularized the concept of 4ps-product, place, price and promotion. Among the 4ps of the

marketing mix, product is one of the important mix which includes decision on product line and mix, product quality, variety, design features, branding, packaging and labeling (Koirala, 2005: p. 29-30).

Basically product can be divided into two categories.

**a. Consumer Products:** Products purchased to satisfy personal and family needs are consumer products. For example food items, clothes, electrical appliances etc. Consumer products have been classified on a number of criteria. The major criteria used for classification are nature of goods; consumer buying motives; consumer involvement in buying process; and consumer buying behavior (Koirala, 2005: p. 151-152).

**b. Industrial Products:** Products bought for business use or to make other products are industrial products. For example, raw materials, equipment, parts and supplies (Agrawal, 2001: p. 132)

Thus the buyer's intent and the ultimate use of the product determine whether a product is a consumer product or an industrial product.

McKenna (1975), says "Getting customers" input on product design can help being loyal and speed a product's acceptance in the market. Make customers partners in product development and provide continuous service to hold them" (McKenna, 1975: p. 88-92). Whatever the products' type may be they have lifecycle. Products are like living beings; they are conceived, born, grow, achieve maturity and finally die. Changes in technology, competition, and buyer's preferences limit their life. The product life cycle portrays distinct stages in the sales history of a product (Kotler, 1991: p. 349). The product life cycle is divided into four stages; introduction, growth, maturity and decline (Agrawal, 2001: p. 152). When the product is in the late maturity stage just before the decline stage, new product is generally innovated. The innovated new product may be completely new or improved or modified. An innovation refers to any good, service, or idea that is perceived by someone as new. The

idea may have a long history, but it is an innovation to the person who sees it as new. New product ideas can come from many sources like customers, scientists, competitors, employees, channel member and top management (Koirala, 2005: p. 183-184). Recent researches show that customer input can be used to generate new product ideas. Customers often describe the solutions they want in endless focus groups and surveys. Customers should not be trusted to come up with solutions; they aren't expert or informed enough for that part of innovation process. Rather, customers should be asked only for outcomes that is what they want a new product or service to do for them (Ulwick, 2002: p. 91-92). Thomke and Hippel (2002) in their article says: "Listen carefully to what your customers want and then respond with new products that meet or exceed their needs." Even when customers know precisely what they want, they often can not transfer that information to manufacturer clearly and completely (Thomke and Hippel, 2002: p. 74). Stengel, Dixon and Allen (2003) stressed that the most basic principle in the consumer products industry is "listen to the customers." Without an intimate knowledge of ever changing trends and tastes, you are destined to lose out to competitors who are more tuned in (Stengel, Dixon and Allen, 2003: p. 106).

The innovated product should be available in the market for consumers to use. The diffusion of innovation process explains the spread of a new product from its source to the consumers. Rogers (1962) defines diffusion as the spread of a new idea from its source of invention or creation to its ultimate users or adopters. The process of spreading information about these innovations to persuade consumers to accept them in a social process usually described as diffusion (Cundiff and Still, 1972: p. 160). The diffusion takes place in a social setting. Researches on innovation shows that upper-level of the society first adopt new products and gradually move down the social hierarchy over time. New products are more easily diffused in modern social systems than in the traditional social systems because of positive attitude towards change; general respect for education science and technology; and open to new ideas. Time is

the key element of the diffusion of innovation process and focuses on two aspects purchase time and adoption time (Koirala, 2005: p. 178-179).

Marketing is a highly dynamic field of study with various aspects. Its roles in the society vary with the dynamism in the social, economic, and technological developments (Koirala, 2005: p.1). Among various aspects of marketing, buyer's behavior is one of the important aspects. Buyer behavior is concerned with the activities and actions of people and organizations that purchase and use economic goods and services, including the influences on these activities and actions (Engel, Blackwell and Miniard, 1986: p. 5). The success and failure of a product in the market depends upon marketing strategies which is influenced greatly by the knowledge about consumer behavior. A sound understanding of consumer behavior is essential to the long run success of any marketing program. In fact, it is seen as a cornerstone of the marketing concept, an important orientation of philosophy of many marketing managers. The essence of the marketing concept is captured in three interrelated orientations consumer's wants and needs, company objectives and integrated strategy (Loudon and Della Bitta, 1993: p. 10).

### **2.1.3 Buying Behavior**

Under this heading various aspects of consumer behaviours are reviewed.

#### **2.1.3.1 Meaning of Consumer Behaviour**

Consumers can be considered as the control group in business. The success and failure of any business entirely depends upon consumers' reaction to a firm's marketing mix or strategies. The decade of 1960s has been a time of rapid growth in consumer behavior research and practice. Marketing scholars such as Bass, Bauer, Ferber, Frank, Green, Kassarian, Kaehn, Massy, Myers, Nicosia and Pessemier have made major contributions to our knowledge of the process of consumer behavior (Howard and Sheth, 1969: p.421-429). Consumer behavior was first analyzed by economists who assumed that man is rational in

making buying decisions and is motivated by product, price and other attributes (Grayson and Olsen, 1971: p. 88). Two factors are of outmost importance in understanding consumer shopping behaviors. First, consumers' making shipping decisions achieve equilibrium between commodity cost and convenience cost. Second, convenience costs are assuming more important as patronage determinants. Both product and convenience cost influence consumer purchasing behavior (Kelly and Lazer, 1972: p. 155).

The quantity of facts and propositions on the buying behavior of consumers accumulated by companies and researchers is enormous. However, many of these hits of information stand alone and are used in the context of a specific decision situation (Howard, 1977: p. 18). The principle of consumer behavior are useful to business managers, government regulators, non-profit organizations and everyday people. In particular, for marketing manager, knowledge of consumer behavior has important implications for environment analysis, product positioning, segmentation of the market place, designing market research studies and for developing the market mix. It is an applied discipline which borrows theories and knowledge from other fields such as anthropology, sociology, economics and psychology. However, it is discipline in its own right (Mowen, 1990: p. 27-28). Loudon and Della Bitta (1993: p. 5), state that consumer behavior is the decision proves and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services. Firm's marketing mix should be designed in such a way that satisfies consumers' needs and wants (Baniya, 1994: p. 1). Consumer behavior is defined as "The behavior that consumers display in searching for, purchasing, using, evaluation and disposing products and services that they expect will satisfy their needs" (Schiffman and Kanuk, 1998: p. 18). More simply, consumer behavior refers to the behavior of ultimate consumers those who purchase products for personal or household use, not for business purpose. Consumer behavior includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it and how often they use it

(Schiffman and Kanuk, 2000: p. 6) Consumers' needs and wants are the starting point of economic activities. In the process of satisfying these needs and wants, different products and services are being invented and marketed in the society. Consumer's needs and wants are unlimited and hard to define and describe precisely. To design an effective marketing mix that satisfies consumer's unsatisfied needs and wants, a firm should know the buying behavior of consumers (Neupane, 2000: p.1). Consumer by his decision to buy or not to buy a product holds veto power over the firm's entire marketing and business effort. A customer who behaves one way for one purchase may behave in a very different way the next time (Nunes and Cespedes, 2003: p.100).

### **2.1.3.2 Consumer Behavior Models**

Consumer behaviour Models describe as consumer decision-making or consumer choice process. There are five comprehensive models: Nicosia model. Howard-Sheth model, Engle-Kollat-Blackwell model Sheth family decision making models, Bettman's information processing model of consumer choice (Schiffman and Kanuk, 1990: p. 652-665). These models reflect an effort to order to integrate the huge number of bits and pieces of knowledge that are now known about consumer behavior (Andreassen, p.1965)

#### **A. Nicosia Model**

This Nicosia model was developed by Francesco M. Nicosia. The Nicosia Model focused on the relationship between the firm and its potential consumers (Nicosia, 1966: p. 56-88). In the broadest terms, the firm communicate with consumers through its marketing messages (advertising) and consumers communicate with the firm by their purchase responses. Thus the Nicosia model is interactive in design: The firm tries to influence consumer, and the consumers- by their action (or inaction)- influence the firm. The Nicosia model is divided into four Major Fields (Schiffman and Kanuk, 2000 : p. 653).

Field -1: The span between the source of a messages and the consumer's attitude:- The first field of Nicosia model is divided into two sub-fields (Ibid p. 653).

Sub Field - 1: Firm's attributes.

Sub Field- 2: Consumer's attributes (especially predispositions)

Field- 2: Search and Evaluation:- The second field of the Nicosia Model deals with the search for relevant information and evaluation of the firm's brand in comparison with alternative brands. The output of this stage is motivation to purchase the firms brand.

Field - 3: The act of purchase: In the third field, the consumer's motivation towards the firm's brand results in actual purchase of the b rand from a specific retailer.

Field -4: Feedback:- The final field consists of two important types of feedback from the purchase experience: (Ibid p. 653).

- i. To the firm in the form of Sales data.
- ii. To the consumer in the form of experience (Satisfaction or dissatisfaction).

## **B. Howard - Sheth Model**

This Howard - Sheth Model was developed by John A. Howard and Jagdish N. Sheth in 1969. The Howard - Sheth model is a major revision of earlier systematic effort to develop a comprehensive theory of consumer decision making (Howard and Sheth, 1969: p.24-49). This model explicitly distinguished among three levels of learning.

### **Stages of Decision Making**

- i) **Expensive problem solving:** The consumer's knowledge and beliefs about brands are very limited or nonexistent. At this initial point, the buyer has no brand preference, and therefore actively seeks information about a number of alternative brands.
- ii) **Limited Problem solving:** Knowledge and beliefs about the brands are only partially established, which means that the consumer is not fully able to assess brand differences in order to arrive at a preference. Some comparative brand information is sought, although the choice criteria are likely to be fairly well defined.
- iii) **Routinized response behavior:** The consumer's knowledge and beliefs about brands are well established, and there is enough experience and information to avoid confusion about the various brands. The consumer is predisposed to the purchase of one particular brand.

The main characteristics of each of the three stages of decision making are tabulated as follows (Howard, 1977: p. 10).

### **The Model Consists of four Major Sets of Variables**

- i. **Input Variables :** The input variables consist of three distinctive types of stimuli (information sources) in the consumer's environment
  - a. Physical brand characteristic (Significative stimuli).
  - b. Verbal or visual product characteristic (symbolic stimuli)
  - c. Consumer's social environment (Family, reference group, social class).
 That of (a) and (b) stimuli are furnished by the marketer in the form of product or brand information, but (c) stimuli is provided by the consumer's social environment.

- ii. Perceptual and learning constructs: The Howard - sheth model consists of psychological variables that re assumed to operate when the consumer is contemplating a decision.
- iii. Output: The model indicates a series of outputs that correspond in name to some of the perceptual and learning construct variables (attention, brand comprehension, attitudes, intention)in addition to the actual purchase.
- iv. Exogenous Variables: Exogenous variables are not directly part of the decision making process, Relevant exogenous variables include the importance of the purchase, consumer personality traits, time pressure and financial status (Schiffman and Kanuk, 1990: p. 654).

### **C. Engel - Kollat - Blackwell Model**

The Engel-Kollat- Blackwell Model of consumer behaviour (Engel black well-Miniard model in its current revision) was originally designed to serve as a framework for organizing the fast growing body of knowledge concerning consumer behavior (Engel, Kollat. and Blackwell, 1968 : p. 40). The latest version of this comprehensive model, which consists of four sections.

- i. Decision Process Stages:-The central focus of the model is on five basic decision process stages:
  - a. Problem recognition
  - b. Search
  - c. Alternative evaluation
  - d. Purchase and
  - e. Outcomes
- ii Information input: Feeding into the information - processing section of the model is information from marketing and non marketing sources.

- iii. **Information Processing:-** The information processing section of the model consists of the consumer's exposure, attention, comprehension/ Perception, yielding/acceptance, and retention of incoming marketer-dominated and non-marketing information.
- iv. **Variables influencing the Decision Process:-** The last section of the model consists of individual and environmental influences that affect all five stages of the decision process, Individual characteristics include motives, values, lifestyle and personality; The social influences are culture, reference group, and family. Situational influences, such as a consumer's financial condition, also influence the decision process,

#### **D. Sheth Family Decision Making Model**

Sheth family decision- making model considers the family as the appropriate consumer decision-making unit. The left side of the model shows separate psychological system representing the distinct predispositions of the father, mother and other family members.

The right side of the model lists seven factors that influence whether a specific purchase decision will be autonomous or joint: social class. Lifestyle, role orientation, family lifecycle stage, perceived risk, product importance, and time pressure. The model suggests that joint decision making tends to prevail in family that are middle class, newly married, and close-knit, with few prescribed family roles. In terms of product specific factors, it suggests that joint decision making is more prevalent when there is a great deal of perceived risk or uncertainty, when the purchase decision is considered be important, and when there is ample time to make a decision (Schiffman and Kanuk, 1990 : p. 659).

#### **E. Bettman's Information - Processing Model of Consumer Choice**

This Bettman's information processing model of consumer choice is developed by James R.Bettman. Bettman's model of consumer choice subscribes to a

distinctly cognitive and information-processing point of view (Schiffman and Kanuk, 1990: p.659). Consistent with this prospective, the consumer is portrayed as possessing a limited capacity for processing information. When faced with a choice, the consumer rarely (if ever) undertakes very complex analysis of available alternatives. As suggested by the model, the consumer typically employs simple decision strategies or heuristics. The overview of the Bettman model contains its seven basic components (Schiffman and Kanuk, 1990: p. 659).

- i) Processing capacity
- ii) Motivation,
- iii) Attention and perceptual encoding
- iv) Information acquisition and evaluation.
- v) Memory
- vi) Decision Processes, and
- vii) Consumption and learning processes.

In addition, the model includes, at appropriate points, mechanisms that continually scan the environment and receive, and respond to interruption.

#### **F. Sheath - Newman -Gross Model**

The model concentrates on accessing consumption relevant values that explain why consumer choose to buy or not to buy (or to use or not to use) a specific product, Why consumers choose one product type over another, and to consumer choices involving a full range of product types- consumer non-durables, consumer durables, industrial goods and services. (Brucel. Newman and Cross, 1990: p. 586).

The Sheath-Newman-Gross model is rooted in three central proposition.

- i) Consumer choice is a function of a small number of consumption values.
- ii) Specific consumption value make differential contributions in any given choice situation.
- iii) Different consumption values are independent (Schiffman and Kanuk, 1993: p. 586-587).

The First three models (Nicosia Model, Howard- Sheth Model, Engel-Kollat-Blackwell Model) focus on consumer decision making, especially on how individual consumers arrive at brand choices. The fourth model (Sheth family decision making model) deals with family decision making. The fifth model (Bettman's information processing model of consumer choice) focuses in the cognitive aspects of information search and processing and indicates how consumers employ information to arrive at various types of buying decision. The final model of consumer behavior is concerned with consumption values, especially why consumers choose to buy or not to buy a specific product, specific type of product or a specific brand.

### 2.1.4 Types of Buyer Behavior

Buying behavior differs greatly for a tube of toothpaste, packet of noodles, a personal computer, a cellular phone set and a new car. More complex decisions usually involve more buying participants and more buyer deliberation. There are four types of consumer behavior based on the degree of buyer involvement and the degree of differences among brands (Kotler and Armstrong, 2004: p. 197-198).

**Figure No. 2.1**  
**Types of Buyer Behavior**

	<b>High involvement</b>	<b>Low involvement</b>
Significant Differences between brands	Complex buying behavior	Variety seeking buying behavior
Few differences between brands	Dissonance reducing buying behavior	Habitual buying behavior

**Source:** Adapted from Henry Asseal, *Consumer Behavior and Marketing Action*, Boston: Kent Publishing Company, 1987: p.87.

- A. **Complex Buying Behavior:** Consumers go through complex buying behavior when they are highly involved in a purchase and perceive significant difference among brands. Here, the consumer does not know much about the product category and has much to learn. For example a person buying a cellular phone.
- B. **Dissonance Reducing Behavior:** It occurs when consumers are highly involved with an expensive, frequent or risky purchase, but sees little difference among brands. The buyer may respond primarily to a good price or to purchase convenience. After the purchase, consumer might experience post purchase dissonance from noticing certain disquieting features of the purchased brand or hear favorable things about brands not purchased. For example, consumer buying carpet.
- C. **Habitual Buying Behavior:** It occurs under conditions of low consumer involvement and little significant brand difference. In such cases, consumer receive information passively as they watch television, read magazines or listen to radios. For example, consumer buying salt.
- D. **Variety Seeking Buying Behaviors:** Consumers undertake variety-seeking buying behavior in situations characterized by low consumer involvement but significant brand differences. Here consumers are observed to do a lot of brand switching. Brand switching occurs for the sake of variety rather than dissatisfaction. For example, consumer buying biscuits.

### **2.1.5 Risk Taking in Consumer Behavior**

Whatever the type of consumer's behavior, it is directly or indirectly affected by risk perceived. Raymond Bauer first formally proposed that consumer behavior be viewed as risk taking in 1960 (Bauer, 1960: pp. 389-398). Once perceived risk has been identified in a purchase situation, there seems to be some reasonable evidence that subsequent consumer behavior can be determined in accordance with such risk. The central problem of consumer behavior is choice. Since outcome of a choice can only be known in the future,

the consumer is forced to deal with uncertainty or risk. Perception of risk is one pivotal aspect of consumer behavior because risk is often perceived to be painful in that, it may produce anxiety. Any choice situation always involves two aspects of risk uncertainty about the outcome and uncertainty about the consequences. Uncertainty about the outcome can be reduced by acquiring and handling information while uncertainty about consequences can be reduced by reducing the amount at stake or putting off the choice. In a choice situation, risk can be interpreted in terms of possible loss. The loss can be in psycho-social terms or in functional-economic terms, or in some combination of both forms of loss (Taylor, 1974: p. 54-56).

### **2.1.6 Environmental Influence on Consumer Behavior**

Consumer purchases are influenced strongly by environmental factors such as cultural, social, personal and psychological. For the most part they are uncontrollable by the marketers but must be taken into account (Kotler and Armstrong 2004: p. 179-197).

- A. Cultural Factors:** Cultural factors exert a broad and deep influence on consumer behavior. Cultural factors constitute three other factors culture, sub cultural and social class.
  - i. Culture: Culture regulates our lives at every turn. From the moment we are born until we die there is constant conscious and unconscious pressure upon us to follow certain types of behavior that other men have created for us (Kluckhohn, 1962: p. 26).
  - ii. Sub-Culture: Subculture is as the name suggests a subdivision within the broader concept of culture. By sub cultural classifications, accommodations in learned behavior can be made on the basis of nationality, race, or religion (staudt, Taylor and Bowersox, 1976: p.128).

iii. **Social Classes:** Cravens, Hills and Woodruff (1988) defined social classes as a large group of people in a culture who share similar values, interest, lifestyles, and behaviors. Social class is a ranking within a society determined by the members of the society. It exist in virtually all societies and peoples buying behavior is often strongly influenced by the class to which they belong or to which they aspire (Etzel, Walker and Stanton, 2004: p. 101).

**B. Social Factors:** A consumer's behavior is also influenced by social factors, such as the consumer's reference groups, family and social roles and status.

i. **Reference Groups:** A reference group may be defined as a group of people who influence a person's attitudes, values and behavior. Consumer behavior is influenced by small groups to which consumers belong or aspire to belong. These groups may include family, fraternal organization, labor unions, church groups, athletic teams, or a circle of close friends or neighbours. Manufactures of products and brands subjected to strong group influence must figure out how to reach opinion leader person within a reference group who because of special skills, knowledge, personality, or other characteristics exert influence on others (Kotler and Armstrong, 2004: p.184).

ii. **Family:** A family is a group of two or more people related by blood, marriage or adoption living together in a hosue hold (Russ and Kirkpatrick, 1982: p.146). Marketers are interested in the roles and influence of the husband, wife and children on the purchase of different products and services. Husband wife infolvement varies widely by product category (Kotler, 1991: p. 168).

iii. **Roles and Status:** A person participate in many groups throughout life family, clubs, organizations. The person's position in each group can be

defined in terms of role and status. A person plays a role of a son with his parents husband in his family, and manager in his office. Each role of a person consists of the activities that he is expected to perform according to the persons around him each role he plays will influence some of his buying behavior (Kotler, 1991: p. 168-169).

- C. Personal Factors:** A buyer's decisions also are influenced by personal characteristics such as the buyer's age and life cycle stage, occupation, economic situation, lifestyle, and personality and self-concept.
- i. **Age and Life-Cycle Stage:** People buy different goods, and services over their lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years, People's taste in cloths, furniture, and recreation is also age related. Consumption is also shaped by the state of the family life cycle. Marketers often choose life-cycle groups as their target market (Kotler and Armstrong, 2004: p. 186).
  - ii. **Occupation:** A person's consumption pattern is also influenced by his or her occupation. For example, a factory worker will buy work clothes, work shoes; lunch boxes etc. whereas a company's president will buy expensive suits, air travel, club membership etc. A company can even specialize their products for certain occupational groups (Kotler, 1991: p. 170).
  - iii. **Economic Situation:** A person's economic situation will affect product choice. An economic situation of a person means his spendable income, savings or borrowing power.
  - iv. **Lifestyle:** People from the same sub-culture, social class and occupation may have quite different lifestyles. It is person's pattern of living as expressed in his or her psychographics.

- v. **Personality and Self-concept:** Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Personality can be useful in analyzing consumer behavior for certain product or brand choices. The brands also have personalities, and that consumers are likely to choose brands whose personalities match their own. A brand personality is the specific mix of human traits that may be attributed to a particular brand (Kotler and Armstrong, 2004: p.90).

**D. Psychological Factors:** A person's buying behavior is influenced by four major psychological factors; motivation, perception, learning, and beliefs and attitude.

- i. **Motivation:** A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst, or discomfort. Others are psychological, arising from the need for recognition, esteem or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to direct the person to seek satisfaction.

Well known psychologist Abraham Maslow sought to explain why people are driven by particular needs at particular times. According to him, human needs are arranged in a hierarchy, which are grouped in five categories. The five categorized needs as physiological needs, safety needs, social needs, esteem needs and self-actualization needs. A person tries to satisfy the most important need first. When that need is satisfied, it will stop being a motivator and the person will then try to satisfy the next most important need.

- ii. **Perception:** Perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world (Schiffman and Kanuk, 1998: p. 146).

- iii. **Learning:** Learning refers to the changes in behavior attitudes, and perceptions that result from experience. The stimulus-response sequence is the basis for the learned behavior. Learned behavior results from what we do in response to need. Most buying decisions are the results of experimentation with different responses. Learning can occur either by imitating others, as children do when growing up, or by seeking and receiving information from family members, reference groups, or objective sources. Russ and Kirkpatrick (1982) comments that if it were impossible to learn, each time a consumer felt a need or received a stimulus would be a brand new ball game.
- iv. **Beliefs and Attitudes:** A belief is a person's opinion about something. Beliefs may help shape a consumer's attitudes but don't necessarily involve any liking or disliking (Mccarthy and Perreault, 1988: p. 177-178).
- E. Information and Communication:** Information may be defined as the content of what is exchanged with the outer world as we adjust to it and make our adjustment felt upon it. We use the information to adapt to the changing conditions of the world around us. In addition, our actions act as informational inputs to others. Consumer information is obtained through the senses of vision, hearing, taste, smell, and touch. Through information processing, the information is transformed into something meaningful (Mowen, 1990: p. 41).

### **2.1.7 Consumer Decision Making Process**

#### **A. What is Decision?**

A decision is the selection of an action from two or more alternative choice (Bross, 1953). In other words, in order for a person to make a decision, there must be a choice of alternatives available (Schiffman and Kanuk, 1990: p. 625).

Decision problem is presented as a choice between status quo and some alternatives. A decision, therefore, is a course of action consciously chosen from the available relevant alternatives for the purpose of achieving desired objectives (Massie, 1971: p.52).

A decision is a Judgment. It is a choice between alternatives. It is rarely a choice between right and wrong (Ducker, 1975: p. 470).

## **B. Views of Consumer Decision Making**

There are four types of consumer decision-making man described by Schiffman and Kanuk.

### **i. An economic man**

In the field of theoretical economics, which portrays a world of perfect competition, the consumer often is characterized as an economic man — that is, one who makes rational decision.

### **ii. A passive man**

Quite opposite to the economic model of man is the passive model, which depicts the consumer as basically submissive to the self - serving interests and promotional efforts of marketers.

### **iii. A cognitive man**

This model portrays the consumer as a thinking problem solver within this framework, consumers frequently are pictured as either receptive to or actively seeking product and services that fulfill their

### **iv. An emotional man**

Although long aware of emotional or impulsive model of man, marketers frequently prefer to think of consumers in terms of either economic or passive models. In reality, however, each of us is likely to associate deep feelings or emotions — joy, fear, love, hope, sexuality,

fantasy and even a little 'magic' — when it comes to certain purchases or possessions. These feeling or emotions are likely to be highly involving (Schiffman and Kanuk, 1994: p. 556-558).

### **C. Model of Consumer Decision Making**

The model of consumer decision making that reflects the cognitive (i.e. problem solving) consumer and, to some degree, the emotional consumer. The model is designed to tie together many of the ideas on consumer decision making and consumption behavior. The model presented three major components: input process and output (Ibid, p. 564. ).

#### **i. Input**

The input component of consumer decision making model drawn on external influences that serve as sources of information about a particular product and influence a consumer's product-related value, attitudes and behavior. Among these input factors are the marketing mix activities of organizations (i.e. product's package, size and, guarantees; mass media advertising: direct-marketing: personal selling and other promotional efforts: pricing policy, selection of distribution channels) and non marketing socio-cultural influences (i.e., social class, culture and sub-culture) affect the consumer's purchase decision.

#### **ii. Process**

The process component of the model is concerned with how consumers make decision. In this process influence of the psychological concepts examined. The psychological field represents the internal influences (motivation, perception, learning, personality and attitudes) that affect consumer decision making process (what they need or want, their awareness of various product choices, their information-gathering activities, and their evaluation of alternatives). As the process component of the overview decision model the act of making a consumer decision consist of three stages:

- a. Need recognition
- b. Pre-purchase search
- c. Evaluation of alternatives.

### **iii. Output**

The output portion of the consumer decision-making model concerns two closely associated kinds of post decision activity:

- a. Purchase behavior, and
- b. Post Purchase evaluation.

### **D. Consumer Decision Making Process:-**

"A consumer's decision making process as he makes his choice from among different products is quite complex. A number of factors, such as the image of the manufacturer, the price of the product, its quality, its brand name and packaging, influence his decision as also the choice he makes (Mehta, 1978: p.53).

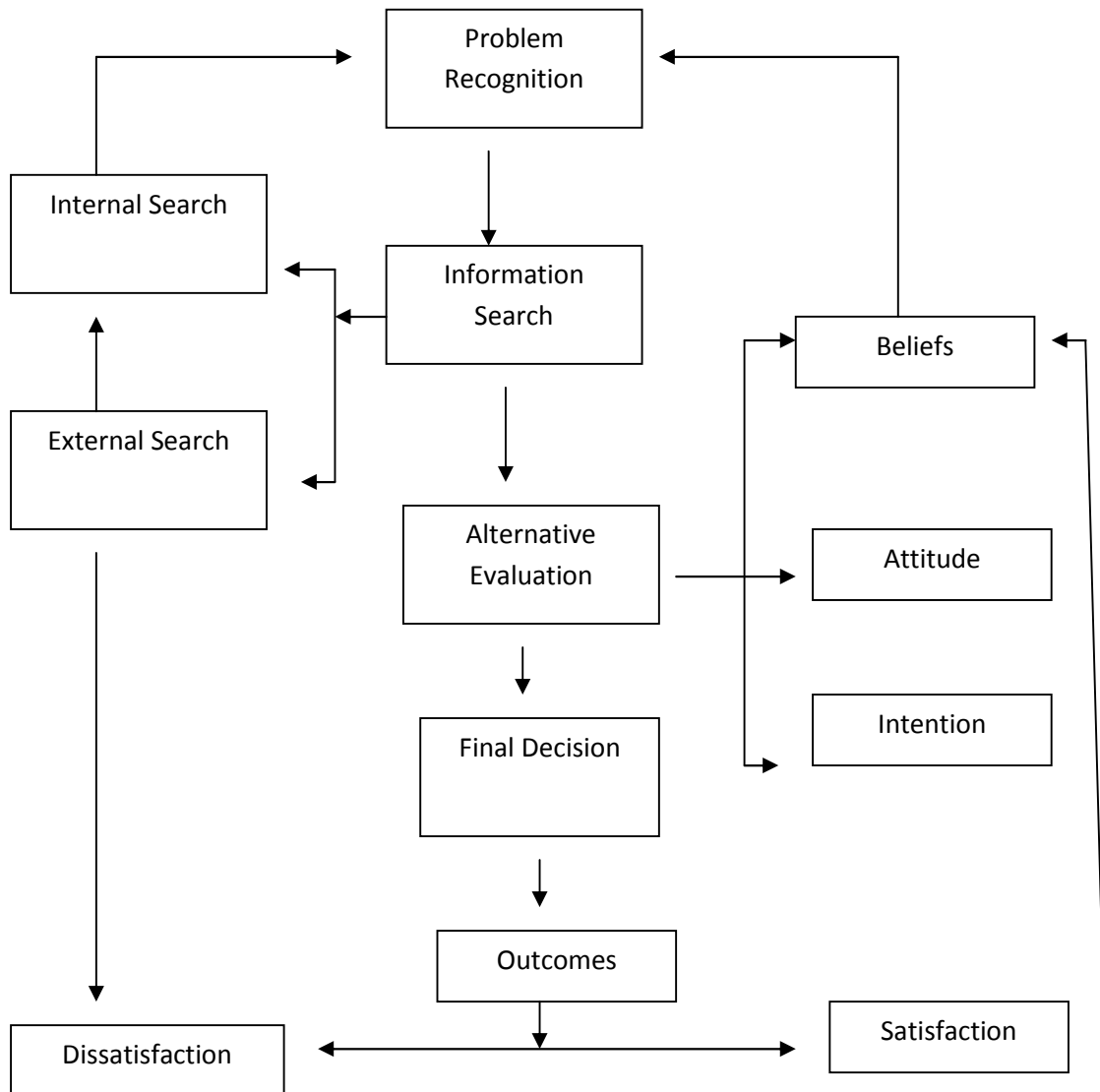
"A consumer has to pass through six stages to complete the buying process. These stages are: need or problem recognition, search, evaluation, Purchase, Post-purchase evaluation, and product dispositions (Koirala, 2056 B. S.: p. 78)

The problem solving perspective, then, encompasses all types of need satisfying behavior and wide range of motivating and influencing factors. Broadly speaking, consumer decision making takes the form the following steps (Engel, Blackwell and Miniard, 1996: p. 26 -27).

- i) Need recognition:- The consumer perceives a difference between the desired state of affairs and the actual situation sufficient to arouse and activate the decision process.

- ii) Search for information:- The consumer searches for information stored in memory (internal search) or acquires decision - relevant information from the environment (external search).
- iii) Alternative evaluation:- The consumer evaluates options in terms of expected benefits and narrows the choice to the preferred alternative.
- iv) Purchase:- The consumer acquires the preferred alternative or an acceptable substitute if necessary.
- v) Outcomes:- The consumer evaluates whether or not the chosen alternative meets needs and expectations once it is used.

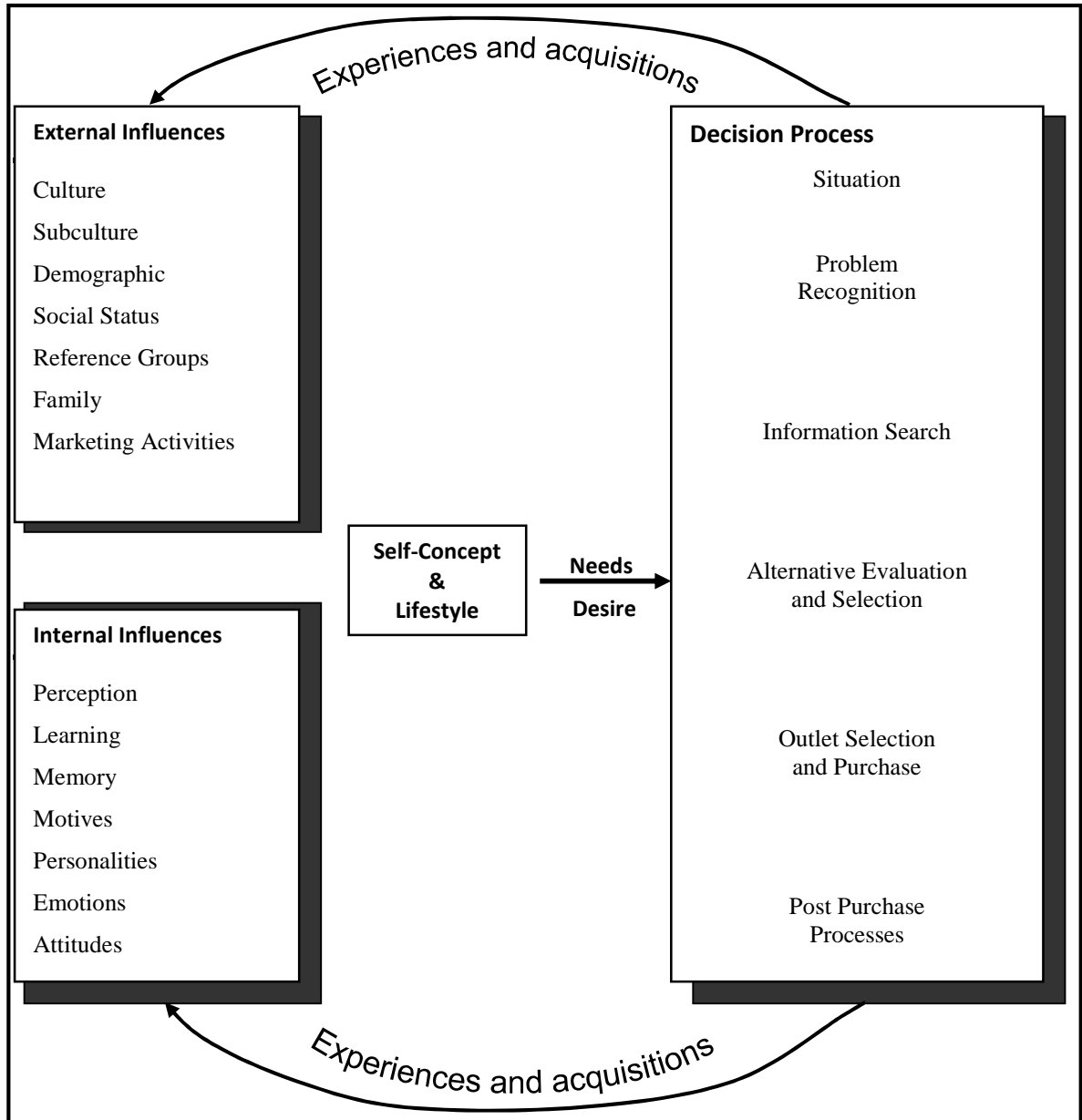
**Figure No. 2.2**  
**Model of Consumer Decision Making Process**



Source: Prakash Lamichhane "Family Influence in Buying Decision"  
 Unpublished Master Thesis, T.U may 1996: p.9

Figure No. 2.3

## Model of Consumer Decision Making Process



(Hawkins, Best and Coney 2001: p. 3)

## 2.2 Review of Related Studies

Peter Wright (1986) has pointed out that people behave differently when they believe they are in a situation where “somebody’s trying to sell somebody something.” In such a situation, they use their intuitive theories about the seller’s influence tactics or “Schemer-Schemes” to guide their behavior. Hence, if people think of themselves as customers, they might be prone to see the marketer as a schemer.

Agrawal (2004) studied the effects of brand relationship norms on consumer attitudes and behavior. The key premise underlying this work is that when consumer forms relationship with brands they is norms of interpersonal relationships as a guide on their brand assessments. Two relationships types are examined: exchange relationship in which benefits are given to others to get something back and communal relationships in which benefits are given to show concern for others needs. The conceptual modal proposes that an adherence to or a violation of these relationship norms influences the appraisal of the specific marketing action and also the overall brand evaluations. Result of three experiments provided converging evidence in support of the theory.

Sriram and Neelamegham (2004) carried out a research study on effects of brand preferences, product attributes and marketing mix variable in technology product markets. According to him consumers in North America and China are taking about 20 pictures per month with their camera phones, compared to only 5 from the Japan.

Mishra (1992) had conducted research entitled "An Examination of the role of purchase power in consumer buying decisions for Saree and Suit" whose basic objective was to identify the role of purchase pals in consumer decision making for Saree and Suit. The primary data for this study were collected from 96 buyers and 49 purchase pals with the help of well structured questionnaire and 6 Saree and Suit shops were observed. The researcher concluded that 83.33 percent buyers used purchase pals and their role is quite important in the choice

of store, bargaining, purchase takes, final choice and reduction of post purchase dissonance as to price.

Neupane (2001) had conducted a research entitled "Buying Behavior of Foreigners in Pokhara: a case study on house hold furniture." The basic objective of the study was to find out buying behaviors of foreigners with reference to household furniture. For this study 100 respondents 50 Indians and 50 Foreigners working in NGOs, government office, mission who have lived here for more than six months were taken and primary data were collected with the help of structured questionnaire. The major findings of the study were that Nepalese furniture was cheap in comparison to imported furniture and majority foreigners have low perception about quality of Nepalese furniture in comparison to imported furniture.

Adhikari (2002) had carried out a study "Effect of sales promotion of brand choice (with special reference to motorbike). The main objective of the study were to find out the brand distribution of motorbike among consumers, major criteria used by the buyers while buying the particular types of motorbike, types of sales promotional tool used for marketing of motorbike in Pokhara, to assess the relative importance attached to the various factors like technological competence, price, fuel efficiency etc. to find out the more influencing factors in the future buying of motorbike. For this study 200 samples were taken 100 from business field and 100 from job holder field. The major findings of the study were that there are 26 dealer of motorbike in Pokhara dealing with 40 brands. The largest buyer group is 26-45 years of age having intermediate and graduate level educational background. Most of the buyers have earning less than Rs. 20,000 per month and 98 percent of them are male and only 2 percent of there are female. The Indian brands hold 72 percent of the market while Chinese holds only 13 percent of the market. Business buyers were more attracted by aesthetic looks of brand whereas job holders preferred fuel efficient and low priced bikes Buyers gave more preference to the attributes of brands than the sales promotional schemes in the future buying but they wanted

to enjoy the schemes. Sales promotion plays an important role in low priced motorbikes than in high priced motorbikes like Dealim, Suzuki GN etc.

Mr. Tej Prasad Bashyal had carried out a research entitled "A study on marketing of mobile Telephone service in Nepal" in 2057B.S. The major objectives of this study were to examine the marketing approach of N.T.C for marketing and promote of mobile phone to know the facilities of mobile phone and to take the opinion from the mobile phone users. For this purpose, primary data were collected from 100 customer with the help of well structure questionnaire and Secondary reports were collected various annual reports MIS Report of NT and TU Journals and Periodicals. The major findings of his study were as follows.

- i. N.T.C is introducing mobile telephone services only in four regions: Kathmandu Valley, Pokhara, Birgunj and Biratnagar. There are also big cities like Bhairhawa, Nepalgunj, Dhangadhi, and Janakpur which are also famous in terms of area, population, industrialization and tourism but they are ignored in first phase of launching mobile telecom.
- ii. When mobile telephone was just introduced into Nepalese market the application forms for the mobile line were not registered as NTC's expectation because of expensive cost of mobile telephone and its high deposit system as well as lack of detail information about its various utilities.
- iii. Consumers get knowledge about mobile telephone and its various services through different media of advertising. Basically various news paper, magazine, F.M radios and Television Commercial are used as a media of advertising.
- iv. The number of mobile lines consumed by Tourism sectors (Hotel, Airlines), Banking Sectors Projects and other companies are high in comparison to the other sectors.

- v. As regards to the revenue collection the amount of bill receivable is in increasing trend and there is no proper policy to collect revenue except line disconnection.
- vi. All mobile subscribers use mobile telephone for voice and they also use call forwarding service.
- vii. The main effecting element of mobile telephone is it's charging system. NTC is charging Rs.6 per minute for out going local call and Rs.3 per minutes for its incoming call. It makes the mobile users hesitating to receive incoming calls. They first confirm whether the incoming call is from identified person or not. Majority of officials and professionals use return back calls from ordinary telephone instead of receiving incoming call of mobile telephone.
- viii. The billing system of mobile telephone is not satisfactory since it does not include all details of outgoing and incoming calls.
- ix. Majorities of mobile users are dissatisfied with international trunk charge of mobile telephone since this charge is going down ward because of email and internet service.
- x. The selling price of mobile telephone that imposed by N.T.C is more expensive than the open market price N.T.C 's financial statement 2055 / 56 shows that it is selling mobile set by including 54.60 percent profit in it's original cost where as it sells other ordinary telephone set by adding 25 to 27 percent profit.

The research entitled, "Buying behavior of cellular phone customer in Pokhara, December 2007" had conducted by Pujan Marsani. His objective of the study were to identify the brands of cell phone available in Pokhara, to analyse factors influencing consumer buying behavior, to analyse the main features that a consumer wants in a cell phone, to know whether brand choice differ by

income and profession and to find out the process followed by consumers for making buying decision.

**Major findings of the study were:**

- i. There 108 Consumers use Nokia, 31 use Samsung, 20 use Motorola, 13 use others brands out of 200 respondents.
- ii. The total of the respondents, there are 40 percent of the surveyed retailers sell 5 types of brands, 25percent sell less than 5 types and 10 percent sell more than 10 types of brand of cellular phone.
- iii. Price, model, income reference group, functions and brand reputation were the influencing factors in buying decision.
- iv. Looks, price, size battery, back up, color, screen, radio, easy to operate and durability were maximum considered features and Infra red, E-mail, internet, multimedia, and music composer are least considered.
- v. The total respondent surveyed 77 percent were fully followed the need recognition step, 17.5 percent partially followed, and 5.5 percent did not follow it.

Another research entitled " The use of cell phone in Everyday life Among Teenagers in Kirtipur municipality, Kathmandu Nepal in Dec. 2008" had carried out by Ram Chandra Baral. The major findings of his study were as follows:-

- i. Most of the teenagers were aware of the advantages and uses of mobile services. While younger teens seemed more excited. About it's uses and diverse facilities available the elder teens were more aware of the possible negative sides of it. From the perspective of gender, there are not marked. Variations between the view of the male and female respondents. However when some differences were found, female

teenagers seemed more sensitive to aspects of cell phone which might influence negatively to our society.

- ii. Mobile technology has enhanced the culture of close relationship between the teens of opposite sex was most of teens reported to have used mobile service primarily to communicate 'interact with their boy / girl friends.

Similarly the search for individual secrecy is a top propriety (it might perhaps be concluded that they even did not want to share openly with their family) Therefore teens preferred SMS over voice call and mobile communication over land - line service is getting limited. More over use of cell phone has some how helped in enhancing confidence in speaking with people other than their family members or friends.

- iii. Although most of the teenagers used there cell phone economically it has created extra financial burden on the part of guardian/parents, patent/guardians, required extra awareness of the teenagers,' expenditure on the cell phone and if they a actually within the limit of finance available to them a significant proportion of the teenagers hesitated to spell out the source of financing. Similarly, the use of mobile technology has been encouraged a culture where teenagers, gave more information to the relationship with their girl/boy friends.

In this way past researches on mobile phone services were mainly concerned with the Kathmandu Valley. Thus this study is carried out to reveal the present situation of available communication services as well as service marketing of cellular GSM mobile phone and consumer's response about it in Kaski district.

Kalathoki (2008) has conducted a research entitled "A Study on Marketing of CDMA Telephone Service in Nepal: A Case Study of Nepal Telecom."

**The objectives of this study were:**

- i. To find out the pricing promotional strategies of NT for marketing and promoting the CDMA telephone services.
- ii. To analyze the consumers' response and degree of satisfaction of consumer from the CDMA telephone services with reference to tariff rate, deposit amount, billing system, internet service, set quality and overall services.
- iii. To analyze the distribution policy adopted by NT and consumers' response towards it.
- iv. To give the valuable suggestions and recommendations to NT about its services.
- v. The major findings of this study were:
- vi. Nepal Telecom introduced latest technology CDMA for rural communication service in 2001 as fixed and mobile sets.
- vii. NT has launched CDMA postpaid service, CDMA pre-paid service, CDMA mobile phone service (sky phone) and CDMA sky data services.
- viii. CDMA sets were low cost than others.
- ix. The total capacity of CDMA project was 10 lakhs (30% fixed and 70% mobile), which were planned to distribute within 5 phases.
- x. Consumers expressed their views that CDMA telephone service of other private operator was easily available but NT was very difficult to obtain.
- xi. It was necessary to improve easy bill payment system with local dealer.
- xii. The Research entitled, "Service Marketing and Consumer behaviour of cellular 'GSM' Mobile Phone in Kaski District, April 2009" had carried
- xiii. Out by Padam Lal Banstola. The objectives of the study were to find out marketing approach of Nepal telephone for service marketing of cellular phone, to know promotional strategy types of facilities used and user's opinion of cellular phone with reference to deposit amount, tariff rate and billing system.

**Major finding of the study were:**

- i. Main services providing by NT are Telegram, Telex, ordinary telephone, leased line circuits, program transmission service, fax service VSAT service, Rural Telecommunications service GSM cellular mobile phone service, GPRS, CRBT, internet and WLL etc.
- ii. NT Going to expand its capacity and give service in 75 districts under its fundamental service in participation with private sector.
- iii. There are 1629 lines of C. phone post paid, 5400 lines of C. phone prepaid and 14670 lines of sky prepaid are distributed up to Magh 2065 B.S. at 43 VDC's, Lekhanath Municipality and Pokhara sub-Metropolitan city in Kaski.
- iv. Among GSM subscribers 54 percent had supported the present deposit system and 39 percent had negative attitude.
- v. Among mobile subscribers 32 percent had positive attitude for ISD tariff rate and 68 percent had negative attitude.
- vi. Most of the cellular GSM Mobile phone consumers have positive attitude to billing system of Nepal Telecom and some who were negative attitude uneducated about it.

Another study entitled "Consumers Buying Behavior on computer Brand Choice in Pokhara" was carried out by Pariyar (2009). The objectives of the study were to analyze the brand preference of job holders and business, to ascertain important factors affecting buying behavior, to measure decision making process, to assess disposal of chosen brand, to analyze effects on brand by promotional activities. In line with these objectives he had considered the seller's role over buyers to help them in the marketing mix situation.

**The major findings of the study were:**

- i. Most of the buyers were 25-35 years age groups and having graduate and post graduate who had monthly income up to Rs. 15000-25000.
- ii. 91 percent of the computers in Nepalese market were Chinese.

- iii. Married and males are the greatest number of buyers.
- iv. Majority of buyers spent Rs. 20000 to 40000 on computer.
- v. Quality was taken as major criterion.
- vi. Advertisement was the effective tool for creating awareness.
- vii. Majority of the sellers followed up the customers for servicing and assisting purpose.

A research conducted by Baniya (2011) entitled "Effect of Promotional Programme with reference to United Telecom Limited" had the following objectives :

- i. To identify the different means that have been used by UTL for its promotional campaign.
- ii. To examine the effectiveness of promotional campaign adopted by UTL.
- iii. To suggest some promotional activities that would be adopted by UTL in future.
- iv. The major findings of this study were:
- v. Maximum consumers were 20 to 30 years age groups.
- vi. Most of them were male, graduate and job holders.
- vii. Buyers respondents always gave preferences to service features and facilities more than price.
- viii. Buying decision were affected by good network coverage and service features.
- ix. Respondents were positive response towards the advertising and campaign done.
- x. Informative advertisement as well as presentation were major attractions for the customers.
- xi. NT and NCELL were strong competitors.

### **2.3 Research Gap**

From these literature reviews we can conclude that though there are various study related in Nepal the topic like buying behavior of the Nepali consumers but still there is need to study the buying behavior of the cellular phone consumers of Parbat district since the similar study has not been carried out in the same location.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

The main objective of the study will be, to analyze depth relationship of cell phone users and the trader of Parbat district and to support their activities through the keen analysis of the consumer's behavior and market trend. So this chapter outlines the methodologies followed for this purpose. This chapter consists of research design, study area, population and sample, nature and source of data, data collection techniques and data analysis.

#### **3.1 Research Design**

Descriptive technique is adopted for the purpose of present research. Analytical approach has been utilized mainly to analyze the relationship between income, investment and other variables. Descriptive approach has been used mainly for conceptualization of the research objectives and research problem of the study. The data have been collected through field survey questionnaire to cellular phone users and retailers of Parbat.

#### **3.2 Population and Sample**

In this research the sample population comprised all the cellular phone users and retailers of Parbat. For the first category of data source, the population was defined in terms of around 20,000 cellular phone users of Parbat. For the second category of data source, the population was defined in terms of more than 10 retailers who have been selling cellular Phone in Parbat.

Sampling unit for the first group of respondents was defined in terms of 150 cellular phone users of various age, group education, gender, profession and income group. For the second group of respondents, the sampling unit was defined in terms of 10 retailers of different education group, type of business and time duration of selling cellular phones. Random sampling technique was

used to select cellular phone users and retailers. Mainly the study area was limited within Parbat district Shivalaya VDC Kushma Bazar. The data were collected through field survey questionnaire to cellular phone users and realities of Parbat.

### **3.3 Nature and Source of Data**

This study was based on primary data. These primary data were both qualitative as well as quantitative. Secondary data used in this study were collected from different sources such as;

- a. Various research studies, dissertation and article related to the study;
- b. Selling reports of the retailers, businessman and organizations etc.

### **3.4 Sources of Data Collection**

Here both primary and secondary data has been used for this study.

#### **i. Primary Data**

Primary data were original data generated by the researcher for the research project at hand. Thus, these data were collected through interviews questionnaires, observations, and direct meeting with concerned persons.

#### **ii. Secondary Data**

Secondary data were collected from the various research studies; dissertation and article related to the study and selling reports of the retailers, businessman and organizations etc. and the journals of cell phone, published books on cellular phone users, thesis, newspaper etc.

### **3.5 Data Processing and Analysis Tools**

The responses were thoroughly checked, categorized, presented in appropriate tables and processed using the spreadsheet and interpreted by using cross tabulation, ranking and other statistical methods like percentage, comparison, weighted mean, bar-diagram.

## CHAPTER IV

### PRESENTATION AND ANALYSIS OF DATA

In this chapter two main sections have been included viz. data presentation and analysis and major findings. The respondents have been categorized into consumers and retailers. Appropriate tables, charts and diagrams have been used to present data. Presented data were analyzed just below the tables, charts and diagrams. The data tables and their analysis derived from the respondents' have been grouped as general identity of respondents, brand use and change, brand wise distribution, marketwise distribution, information sources, level of satisfaction, factors influencing purchase and brand choice, considerable features, decision making process and suggestion to customers of different levels.

#### 4.1 General Identity of the Respondents

General features of the respondents were observed as followings:

**Table No. 4.1**  
**Classified Age Group of Consumers**

Age Group of Respondents	No. of Respondents	Percentage (%)
0-20 years	45	30
20 - 40 years	75	50
40 +....	30	20
Total	150	100

Source: Field Survey, 2013.

From the above table, out of the total 150 respondents, 45 (30%) were age group of less than 20 years, 75(50%) were age group of 20 to 40 years and 30(20%) were more than 40 year age group. Respondents age group of 20 to 40 years were found maximally using cellular phone.

**Table No. 4.2**  
**Age wise Ranking of Retailers**

Age Group	Rank wise Number of Respondents				TR	WR	MV	OR
	1	2	3	4				
Less than 25 Years	1	5	1	0	10	14	1.4	1
25-40 years	7	2	1	0	10	14	1.4	1
40-55 years	0	2	7	1	10	29	2.9	2
55 +..... years	0	0	1	9	10	39	3.9	3

Source: Field Survey, 2013.

Where, TR= Total Response, WV= Weighted Value, MV= Mean Value and OR= Overall Rank.

The above table shows that age group of less than 25 years and 25 to 40 years have ranked first by most of the respondents. The age group of 40 years to 55 years has ranked second and more than 55 years age group has ranked the third from the all of 10 respondents.

**Table No. 4.3**  
**Gender wise distribution of Respondents (Comsumer)**

Gender of Respondents	No. of Respondents	Percentage (%)
Male	123	82
Female	27	18
Total	150	100

Source: Field Survey, 2013.

From the above table 4.1.3 out of 150 respondents 123 or 82 percent were male and 27 or 18 percent were female.

**Table No. 4.4**  
**Education wise Distribution of Respondents (Consumers)**

Education of Respondents	No. of Respondents	Percentage (%)
Less than S.L.C.	18	12
S.L.C.	21	14
Higher Secondary	39	26
Bachelor	48	32
Masters	24	16
Total	150	100

Source: Field Survey, 2013.

This table shows that out of total 150 respondents 48 respondents or 32 percent were bachelors. Similarly, 39 or 26 percent of the respondents were higher secondary level passed. 24 or 16 percent of the respondents were Master degree, 21 respondents or 14 percent of the study population were S.L.C. passed and the rest 18 respondents or 12 percent were under S.L.C.

**Table No. 4.5**  
**Education wise Distribution of Respondents (Retailors)**

Education of Respondents	No. of Respondents	Percentage (%)
Less than S.L.C.	0	0
S.L.C.	4	40
Higher Secondary	3	30
Bachelor	3	30
Masters	0	0
Total	10	100

Source: Field Survey, 2013.

This table shows that out of total 10 respondents 4 respondents or 40 percent were S.L.C. passed. On the other hand, the number of the Higher Secondary

Level passed and bachelors level passed were equal to 3 or 30 percent. And the retailers who have passed masters degree and under SLC were not available.

**Table No. 4.6**  
**Profession wise Distribution of Respondents (Consumers)**

Profession of Respondents	No. of Respondents	Percentage (%)
Labors/ farmers	12	8
Students	63	42
Businessman	39	26
Job holders	30	20
Others	6	4
Total	150	100

Source: Field Survey, 2013.

Among 150 respondents, students were the large number of the users who were found 63 or 42 percent of the sampled population. The people who were involved in business were found in number 39 or 26 percent. Similarly, 30 or 20 percent of the study population were jobholders. 12 labors in 8 percent were found to use cell phones and other including farmers, housewife, retired service holders were found in less number equal to 6 or 4 percent.

**Table No. 4.7**  
**Income wise Distribution of Respondents (Consumers)**

Income Group (Monthly)	No. of Respondents	Percentage (%)
Less than Rs. 5000	54	36
Rs. 5000-10000	36	24
Rs. 10000-15000	23	15.3
Rs. 15000-20000	24	16
Rs. 20000+.....	13	8.7
Total	150	100

Source: Field Survey, 2013.

Above table shows the monthly income of the respondents. According to this table, the group who has the monthly income less than Rs. 5000 uses cell phone more and it has the number of 54 respondents or 36 percent. Likewise, the people who have their income Rs. 5000-10000 were in second group comprising 36 or 24 percent. Again Rs. 15000-20000 income group comprised 24 respondents or 16 percent. In the fourth group fell into Rs. 10000-15000 income group and comprised the number 23 or 15.3 percent. The respondents who earned Rs. 20000 and more were in the fifth group with 13 respondents or 8.7 percent.

**Table No. 4.8**

**Expenditure wise Distribution of Respondents (Consumers)**

Expenditure Group on buying phone	No. of Respondents	Percentage (%)
Less than Rs. 4000	41	27.3
Rs. 4000-8000	32	21.3
Rs. 8000-12000	17	11.4
Rs. 12000-16000	21	14
Rs. 16000-20000	27	18
Rs. 20000-24000	12	8
Total	150	100

Source: Field Survey, 2013.

This table shows the expenditure for buying a cellular phone at once by consumers. The number of the consumers group who spent less than Rs. 4000 for buying a cellular phone was 41(27.3%). The expenditure groups of Rs. 4000-8000 was 32 or 21.3 percent. 27 or 18 percent of the respondents spent Rs. 16000-20000 for a cellular phone. 21 or 14 percent the respondents spent Rs. 12000-16000 for buying a cellular phone. Only 12 respondents or 8 percent spent 20000-24000 for buying a cellular phone.

**Table No. 4.9**  
**Preferred Amount of Expenditure by Consumers (Retailers)**

Expenditure Group	No. of Respondents	Percentage (%)
Less than Rs. 4000	4	40
Rs. 4000-8000	2	20
Rs. 8000-12000	1	10
Rs. 12000-16000	1	10
Rs. 16000-20000	1	10
Rs. 20000 and above	1	10
Total	10	100

Source: Field Survey, 2013.

According to the table, out of 10 retailers surveyed, 4(40%) believed that customers prefer to spend less than Rs. 4000, 2(20%) believed that they prefer to spend Rs. 4000-8000 and each of Rs. 8000-12000, Rs. 12000-16000, Rs. 16000-20000 and above 20000 were believed by 1 or 10 percent of the respondents.

## 4.2 Brand Use and Change

In this section, time span of the brand used by consumers and intention to change the brand of cellular phone have been included.

**Table No. 4.10**  
**Time Span of the Brand Used (Consumers)**

Time span	No. of Respondents	Percentage (%)
Less than one year	28	18.7
One year	29	19.3
Two years	36	24
Three years	24	16
Four years	18	12
Five or more years	15	10
Total	150	100

Source: Field Survey, 2013.

This table reveals that out of 150 respondents 36 or 24 percent have been using the brand they have used for two years followed by 29 or 19.3 percent for one year, 28 or 18.7 percent for less than one year, 24 or 16 percent for three years, 18 or 12 percent for four years and 15 or 10 percent for five or more years.

**Table No. 4.11**  
**Response Regarding Brand Change (Consumers)**

Response	No. of Respondents	Percentage (%)
Yes	45	30
No	105	70
Total	150	100

Source: Field Survey, 2013.

From this table 105 or 70 percent consumers did not want to change their brand of cellular phone and 45 or 30 percent of the consumers have been changing the cellular phone brands.

**Table No. 4.12**  
**Response Regarding Pattern of Brand Change (Consumers)**

Pattern of Brand Change	No. of Respondents	Percentage (%)
Same Brand but Different Models	30	66.7
Different Brand	15	33.3
Total	45	100

Source: Field Survey, 2013.

As table 4.2.2 shows that, 45 respondents wanted to change the brand. Out of this 45 who preferred to change the brand liked to choose the different models of the same brand were 30 (66.7%) and those who liked to change the brand were 15 (33.3%).

**Table No. 4.13**  
**Time Duration of Selling Cellular Phone (Retailers)**

Time Duration	No. of Respondents	Percentage (%)
Less than one year	1	10
One year	2	20
Two years	1	10
Three years	2	20
Four years	3	30
Five or more years	1	10
Total	10	100

Source: Field Survey, 2013.

Above presented table shows that retailers selling cellular phone for four years were 3 or 30 percent, one year and three years were 2 or 20 percent. Remaining 30 percent were less than one year, two years and five years equally and respectively.

### **4.3 Brand Wise Distribution**

Various brands used by consumers, the main brands available in the market and number of models sold by retailers in the study area have been presented in this section.

**Table No. 4.14**  
**Types of Brands Used by Respondents (Consumers)**

Types of Brands Used	No. of Respondents	Percentage (%)
Nokia	81	54
Samgung	17	11.3
Sony Ericsson	3	2
Panasonic	2	1.3
Motorola	6	4
LG	7	4.7
Konka	1	0.7
Carbon	7	4.7
Apple	2	1.3
I-Phone	0	0
Tata Indicom	12	8
Others	12	8

Source: Field Survey, 2013.

Presented table 4.3.1 shows that out of 150 respondents, 81 (54%) have been using Nokia Brand, 17(11.3%) have been using Samsung, 12 (8%) have been using Tata indicom and others, 7 (4.7%) have been using LG and Carbon each, 6(4%) have been using Motorola. Other brands were G-Five, colors, Vell-Come, M-tech, X-age, Orion, Micro Max, Onida, Dtc.Voda phone, CG etc Chinese cells.

**Table No. 4.15**  
**Types of Brands Sold (Retailers)**

Types of Brands Used	No. of Respondents	Percentage (%)
Less than 8 types	6	60
8-10 types	2	20
10-12 types	1	10
12 or more	1	10
Total	10	100

Source: Field Survey, 2013.

Presented table 4.3.2 shows that out of 10 respondents, 6 respondents sold less than 8 different brands, 2 retailers or 20 percent of them sold 8-10 different brands. Likewise only 1 retailer sold 10-12 different brands and more than 12 brands for each.

**Table No. 4.16**  
**Major Brands of Cellular Phone Sold (Retailers)**

Major Brands	No. of Respondents	Percentage (%)
Nokia	10	100
Samgung	9	90
Sony Ericsson	0	0
Panasonic	0	0
Motorola	1	10
LG	5	50
Konka	0	0
Carbon	6	60
Apple	0	0
I-Phone	0	0
Tata Indicom	5	50
Others	10	100

Source: Field Survey, 2013.

The above table shows that 10 out of 10 retailers sold Nokia and others brand while 9(90%) sold Samsung, 6 (60%) sold Carbon, 5(50%) sold LG and Tata Indicom, Motorola 1(10%) . The other brands were Chinese. They are G-five, Colors, Vell-Come, M-Tech, X-age, Orion, Micro- Max, Onida, DTC, Voda-Phone etc.

**Table No. 4.17**  
**Number of Modal of Major Brands (Retailers)**

Major Brands	No. of Modals available
Nokia	45
Samsung	20
Sony Ericsson	0
Panasonic	0
Motorola	1
LG	8
Konka	0
Carbon	16
Apple	0
I-Phone	0
Tata Indicom	3
Others	25

Source: Field Survey, 2013.

From the above table 45 models of Nokia have been sold in the market by the retailers. Other different brands including Chinese brands were found in 25 different models. Retailers sold 20 different models of Samgung and 16 models of Carbon have been sold. The rest of the listed brands have a few models available in the market.

**Table No. 4.18**  
**Relation of Profession over Brand Choice (Consumers)**

Types of Brand	Profession wise no. of Respondents.					
	Labors	Students	Businessmen	Job Holders	Others	Total
Nokia	5	31	21	19	5	81
Samsung	0	9	7	1	0	17
Sony Ericsson	0	0	2	1	0	3
Panasonic	0	0	1	1	0	2
Motorola	4	2	0	0	0	6
LG	2	3	0	2	0	7
Konka	0	0	1	0	0	1
Carbon	0	7	0	0	0	7
Apple	0	0	2	0	0	2
I-Phone	0	0	0	0	0	0
Tata Indicom	0	0	5	6	1	12
Others	1	11	0	0	0	12
Total	12	63	39	30	6	150

Source: Field Survey, 2013.

Above table shows that Nokia brand is highly popular in every professional respondents. Samsung is highly popular in students and business men. Motorola is popular in labours and students. LG, Carbon and others brands are used by students. Tata indicom is favorite choice of businessmen and jobholders. The brand Apple is used by businessmen only a few number of consumers choose next brands. I -phone users are not available in field survey.

**Table 4.19**  
**Relation of Income over Brand choice (Consumers)**

Types of Brand	Income Group (in Rs.)					Total
	0-5000	5000-10000	10000-15000	15000-20000	20000+	
Nokia	21	26	14	16	4	81
Samsung	7	3	0	0	7	17
Sony Ericsson	0	1	1	1	0	3
Panasonic	0	0	2	0	0	2
Motorola	5	1	0	0	0	6
LG	2	4	1	0	0	7
Konka	0	1	0	0	0	1
Carbon	7	0	0	0	0	7
Apple	0	0	0	0	2	2
I-Phone	0	0	0	0	0	0
Tata Indicom	0	0	5	7	0	12
Others	12	0	0	0	0	12
Total	54	36	23	24	13	150

Source: Field Survey, 2013.

Above table shows that Nokia brand is first choice of every income group except income group of more than Rs. 20,000. Samsung, Motorola, carbon and other (i.e. Chinese cells) are popular in low income (i.e. 0-5000) group. LG brand is largely liked by income groups of Rs. 5000- 10000. Samsung, Nokia and Apple brands are liked by high income group (i.e. more than Rs. 20000). Tata Indicom brand is popular in income group of (Rs. 10000-15000 and Rs. 15000-20000). I-phone users are not available in field survey.

#### **4.4 Market Wise Distribution**

In this section, market place where cellular phones were bought by consumers have been tabulated and analyzed.

**Table No. 4.20**  
**Distribution on the Basis of Buying Place (Consumers)**

Place	No. of Respondents	Percentage (%)
Kushma	60	40
Outside Kushma	90	60
Total	150	100

Source: Field Survey, 2013.

Presented table 4.4.1 shows that out of 150 respondents 90 or 60 percent bought cellular phones outside Kushma including Kathmandu, Pokhara and other places of Nepal. Some of them have been found to have cellular phones from foreign countries as well. Those who bought cellular phones in Kusma were found to be 60 or 40 percent of the total respondents.

**Table No. 4.21**  
**Place Wise Buying Distribution Outside Kushma (Consumers)**

Place	No. of Respondents	Percentage (%)
Kathmandu	21	23.3
Pokhara	24	26.7
Butwal	6	6.7
Bhairahawa	4	4.4
Baglung	12	13.3
Foreign Countries	23	25.6
Total	90	100

Source: Field Survey, 2013.

According to table 4.21, 90 respondents bought cellular phone outside Kushma. This table shows that out of these 90 respondents a large number had cellular phones from Pokhara. According the table the number of the respondents who bought cellular phones in Pokhara was 24 or 26.7 percent. Then in the second,

foreign countries which comprised the number 23 or 25.6%. Kathmandu is the third place where 21 or 23.3 percent respondents bought cellular phones and similarly, 12 or 13.3 percent buyers bought in Baglung and 6 or 6.7 percent bought in Butwal and only 4 or 4.4 percent respondents bought in Bhairahawa.

#### **4.5 Information Sources**

In this section, sources of information over the brand, motivating factors and role during purchase for consumers' opinions are included.

**Table No. 4.22**  
**Information Sources over the Brands (Consumers)**

Information Sources	No. of Respondents	Percentage (%)
Advertisement on TV	24	16
Friends	87	58
Family Members	27	18
Special Launch	2	1.3
Others	10	6.7
Total	150	100

Source: Field Survey, 2013.

Information plays a vital role among the buyers. According to this table the friends were the first source of information to motivate to buy cellular phones. Then, the family members motivated for 24 or 16 percent respondents. The advertisement on TV came then and which had 24 or 16 percent of the respondents to influence. Some special Launches of the producers and retailers also influenced buyers to buy cellular phones.

**Table No. 4.23**  
**Information Source over Certain Brands (Retailers)**

Information Sources	No. of Respondents	Percentage (%)
Advertisement on TV	4	40
Friends	3	30
Family Members	1	10
Special Launch	0	0
Others	2	20
Total	10	100

Source: Field Survey, 2013.

According to this table, the large number of the retailers have been informed about the brands of cellular phone from the advertisement on TV. The number of such respondents was 4 or 40 percent. Then, sellers were informed by friends which had the number 3 or 30 percent. Then other sources which include printed materials, exhibition, radio etc. were major to inform the retailers with the response of 2 or 20 percent out of 10 respondents. And Family members informed to 1 or 10 percent of the respondents. There was not any effect of special launch for the retailers.

**Table No. 4.24**  
**Advertisement on TV as Chief Motivator (Retailers)**

Opinion	No. of Respondents	Percentage (%)
Agree	10	100
Disagree	0	0
Total	10	100

Source: Field Survey, 2013.

From this table, all the respondents agreed on the opinion that advertisement on TV was one of the main motivator.

#### 4.6 Level of Satisfaction

In this section, the level of satisfaction with the presently used brand cellular phones has been presented and analyzed.

**Table No. 4.25**  
**Level of Satisfaction Regarding the Brand Used (Consumers)**

Satisfaction Level	No. of Respondents	Percentage (%)
Fully Satisfied	39	26
Partially Satisfied	48	32
Satisfied	55	36.7
Dissatisfied	5	3.3
Fully Dissatisfied	3	2
Total	150	100

Source: Field Survey, 2013.

Above table describes the satisfaction level of the respondents. In general consumers have been satisfied with the use the different brands because 55 or 36.7 percent of the respondents were satisfied and 48 or 32 percent were partially satisfied with the use. The number of the fully satisfied was counted as 39 or 26 percent. On the other hand there found 5 (3.3%) dissatisfied and 3(2%) fully dissatisfied.

#### 4.7 Factors Influencing Purchase and Brand Choice

This part of the study includes the influencing factors for purchase and brand choice.

**Table No. 4.26**  
**Factors Influencing Purchase of Cellular Phone (Retailers)**

Factors		Level of Influence					TR	WV	MV	OR
		V.Strong 5	Strong 4	Moderate 3	Little 2	No 1				
Price	R	7	2	1	0	0	100	46	4.6	6
	%	70	20	10	0	0	10			
Model	R	3	6	1	0	0	100	42	4.2	5
	%	30	60	10	0	0	10			
Income	R	2	2	6	0	0	100	36	3.6	2
	%	20	20	60	0	0	10			
Age	R	1	3	5	1	0	100	34	3.4	1
	%	10	30	50	10	0	10			
Personality	R	3	2	5	0	0	100	38	3.8	3
	%	30	20	50	0	0	10			
Reference Group	R	2	3	4	1	0	100	36	3.6	2
	%	20	30	40	10	0	10			
Function	R	5	2	3	0	0	100	42	4.2	5
	%	50	20	30	0	0	10			
Durability	R	4	3	2	1	0	100	40	4.0	4
	%	40	30	20	10	0	10			
Brand Reputation	R	3	3	3	1	0	100	38	3.8	3
	%	30	30	30	10	0	30			

Source: Field Survey, 2013.

Where, TR= Total Response, WV= Weighted Value, MV= Mean Value and OR= Overall Rank.

Table 4.26 clearly shows that out of 10 retailers surveyed, price has very strong influence as 7 respondents thought that it was the major factor determining the choice. For 5 respondents function plays vital role to choose any brand and modal. According to the table modal has strong influence as 6 or 60 percent of the respondents opined that most buyers bought cellular phones according to its

modal. On the other hand income factor has moderate influence for purchase. For this 6 (60%) retailers gave priority to income and age factor also moderately influences it as 5(50%) of the respondents suggested. This table shows that most of the retailers gave more emphasis on the pricing of the commodity as well. Likewise price is the ranked maximum influencing factors and age as the least influencing factor reported according to retailers.

**Table No. 4.27**  
**Factors Influencing Purchase of Cellular Phone (Consumers)**

Factors		Level of Influences					TR	WV	MV	OR
		V.Strong 5	Strong 4	Moderate 3	Little 2	No 1				
Price	R	41	71	24	14	0	150	565	3.76	5
	%	27.3	47.3	16	9.4	0	100			
Model	R	70	48	27	5	0	150	633	4.22	2
	%	46.7	32	18	3.3	0	100			
Income	R	29	36	75	10	0	150	428	2.58	9
	%	19.3	24	50	6.7	0	100			
Age	R	20	15	48	54	13	150	425	2.83	8
	%	13.3	10	32	36	8.7	100			
Personality	R	33	39	45	27	6	150	516	3.44	7
	%	22	26	30	18	4	100			
Reference Group	R	60	63	15	10	2	150	556	3.70	6
	%	40	42	10	6.7	1.3	100			
Function	R	55	33	43	14	5	150	569	3.79	4
	%	36.7	22	28.7	9.3	3.3	100			
Durability	R	42	57	36	15	0	150	576	3.84	3
	%	28	38	24	10	0	100			
Brand Reputation	R	56	53	41	0	0	150	615	4.10	1
	%	37.3	35.3	27.4	0	0	100			

Source: Field Survey, 2013.

Where, TR= Total Response, WV= Weighted Value, MV= Mean Value and OR= Overall Rank.

Table 4.27 apparently shows modal, function and brand reputation have strong influence in the consumers' behavior in purchase as 70 (46.7%) out of 150

respondents gave higher rank on modal, like wire 56 (37.3%) respondents gave higher priority on brand reputation and 55 (36.7%) consumers opined that function had vital role. Price and reference group have strong influence according to 41(47.3%) and 63 (42%) of the respondents. Income level and personality marked moderate influence that 75 (50%) of the respondents gave higher rank on income and 45 (30%) said that personality had moderate influence. Little influence can be seen in age factor on which 54 (36%) of the respondents put forward their opinions. Overall all of these factors have at least to maximal influence in purchase of cellular phone. Likewise, brand reputation is ranked maximum influencing factors and income is ranked as least as influencing factors for consumers.

**Table No. 4.28**

**Rank Wise Consideration of Factors (Retailers)**

Factors	Rank wise No. of Respondents					TR	WV	MV	OR
	1	2	3	4	5				
Income	6	4	0	0	0	10	14	1.4	1
Profession	0	0	3	5	2	10	39	3.9	4
Family	0	0	4	1	5	10	41	4.1	5
Friends	4	1	1	4	0	10	25	2.5	2
Personality	0	5	2	0	3	10	31	3.1	3

Source: Field Survey, 2013.

Where TR= Total Response, WV= Weighted Value, MV= Mean Value, OR= Overall Rank

From the above table, income of a person was ranked highest as factor considered for brand choice. Friend was ranked in second and profession of a person in third, personality and family were ranked in the fourth and the fifth respectively.

**Table 4.29**  
**Effects of Profession on Brand Choice (Retailers)**

Extend of Support	No. of Respondents	Percentage (%)
Strongly Agree	5	50
Agree	2	20
Disagree	3	30
Strongly Disagree	0	0
Total	10	100

Source: Field Survey, 2013.

According to this table, the effects of profession on brand choice. As 5 or 50 percent of the respondents strongly supported the statement, profession affects in brand choice. Out of 3 (30%) respondents disagreed on the statement and only 2 or (20%) retailers agree on the statement. No one strongly disagree on the statement that profession has its effects on brand choice.

**Table 4.30**  
**Environmental Factors Considered During Purchases (Consumers)**

Environmental Factors		Min <sup>m</sup> — Max <sup>m</sup> Influence										TR	WV	MV	OR
		1	%	2	%	3	%	4	%	5	%				
Cultural Factors	Culture	75	50	45	30	15	10	9	6	6	4	150	276	1.84	6
	Sub-Culture	72	48	63	42	9	6	5	3.3	1	0.7	150	250	1.67	1
	Social Class	63	42	54	36	18	12	10	6.7	5	3.3	150	290	1.93	7
Social Factors	Reference Group	12	8	45	30	66	44	20	13.3	7	4.7	150	413	2.75	13
	Family	88	58.7	44	29.3	2	1.3	14	9.3	2	1.4	150	248	1.65	2
	Roles and Status	3	2	69	46	51	34	22	14.7	5	3.3	150	647	4.31	14
Personal Factors	Age and Life cycle	91	60.6	27	18	15	10	10	6.7	7	4.7	150	265	1.77	5
	Occupation	87	58	33	22	18	6	10	6.7	2	1.3	150	257	1.71	3
	Economic Situation	63	42	39	26	27	18	15	10	6	4	150	312	2.08	9
	Life Style	45	30	75	50	21	14	8	5.3	1	0.7	150	295	1.97	8
	Personality and Self-concept	72	48	45	30	30	20	2	1.3	1	0.7	150	337	2.45	12
Psychological Factor	Motivation	33	22	63	42	27	18	21	14	6	4	150	354	2.36	11
	Perception	78	52	12	8	15	10	30	20	15	10	150	342	2.28	10
	Learning	81	54	21	14	18	12	15	10	15	10	150	312	2.08	9
	Beliefs and attitudes	75	50	45	30	21	14	9	6	0	0	150	264	1.76	4
Development of IT		0	0	0	0	9	6	54	36	87	58	150	678	4.52	15

Source: Field Survey, 2013.

As shown by above table, different factors have been rated by the respondents in which cultural factors like culture (75), sub- culture (72) and social class (63) have been considered by most of the respondents to have minimal effects on the choice. Among social factors, family (88) has the minimal effects and friends (66) have the moderate effects in such behavior. While considering age

and life cycle factor, along with all personal factors these have minimal influences as, age and life cycle has been considered as low impact factor by 91 respondents, occupation by 87, economic situation by 63, life style by 45 and personality and self concept by 75 respondents. At the same time psychological factors have also minimum effects on purchase when 33 on motivation, 78 on perception, 81 on learning and 75 on beliefs and assumption have given their opinions. At last the development of IT has higher or maximum effects on the purchase behaviors. It is clearly seen by the fact that 87 respondents have said that IT has maximum influence. Among the influencing factors developmet of IT is most important and ranked highest. In other hand sub-culture, is ranked less.

#### **4.8 Involvement in Buying Process**

This part of the study includes the consumers' involvement, bargaining group, extent of bargaining according to customers and retailers.

**Table 4.31**  
**Self- Involvement During Purchase (Consumers)**

Response	No. of Respondents	Percentage (%)
Yes	102	68
No	48	32
Total	150	100

Source: Field Survey, 2013.

Above table shows that 102 or 68 percent respondents purchase their cellular phone themselves and 48 or 32 percent of the respondents were not involved for purchasing and brand choice themselves.

**Table 4.32**  
**Age Wise Bargaining Group (Retailers)**

Age Group of Bargainers	No. of Respondents	Percentage (%)
Less than 25 years	7	70
25 years to 40 years	3	30
40 years to 55 years	0	0
More than 55 years	0	0
Total	10	100

Source: Field Survey, 2013.

Table 4.8.2 shows that 7 out of 10 of the retailers surveyed found most of the bargainers fall into the age group less than 25 years. Only 3 of 10 surveyed retailers found the bargainers group in the age group of 25-40 years.

#### **4.9 Features considered During Purchase**

This section of the study focused basically on the cell phone features considered during purchase by two different categories of respondents. These have been presented as followings:

**Table 4.33**  
**Rank wise Consideration of Features (Retailers)**

Features	Rank Wise no= of responses																TR	WV	MV	OR
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Looks	3			1			1		2	2			1				10	65	6.5	5
Size			2							2	3	1		1	1		10	100	10	12
Durability	2			1				2	2		2	1					10	74	7.4	6
Tower Capacity		1	1				2	1	2	1		1	1				10	80	8	8
Price	2	2			1	1				1	1	1		1			10	64	6.4	4
Screen					1			1		1		2	2	1	2		10	117	11.7	15
Camera		1	2	1	1	2		1			1	1					10	60	6	3
Radio		2				1	1	1	1				4				10	86	8.6	10
Games						1	2	1		1			1	3	1		10	108	10.8	13
Operating Functions			1	1	1	1	1		1			1		2	1		10	89	8.9	11
Internet		2	2	1	1	1	1				1	1					10	55	5.5	1
Music			2	1	2			1	1		1	1			1		10	75	7.5	7
Multimedia	3	1				2	1	1		1				1			10	56	5.6	2
Video Camera				3	1	1		1	1		1		1			1	10	80	8	9
Picture and tone download				1	2		1			1			1		4		10	110	11	14
If other specity.....																				

Source: Field Survey, 2013.

Where TR= Total Response,      WV= Weighted Value,      MV= Mean Value,      OR= Overall Rank

From the above table, email and internet services in cellular phones are given the highest rank and multimedia has the second position and the screen has been given the lowest rank.

**Table 4.34**  
**Rank wise Consideration of Features (Consumers)**

Features	Rank Wise no= of responses																TR	WV	MV	OR
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Looks	70	40	30	10													150	290	1.9	2
Size	20	40	45	30	15												150	430	2.8	4
Durability		5	15	20	105	5											150	690	4.6	10
Tower Capacity	45	30	20	10	5			20			10		8		2		150	634	4.2	7
Price	30	90	20	5	5												150	315	2.1	3
Screen	10	15	25	55	15	30											150	590	3.9	6
Camera	5	20	30			10	35	50									150	840	5.6	13
Radio	12	28			30		40		30			20					150	1008	6.7	14
Games	6		24		98		22										150	722	4.8	11
Operating Functions	8	16	36	50		40				10							150	688	4.5	9
Internet	90	30	20	10													150	250	1.6	1
Music	25	32	8	35				12			28		10				150	787	5.2	12
Multimedia	29	41	23		32	15									7		150	542	3.6	5
Video Camera	51		29		40					24		6					150	650	4.3	8
Picture and tone download				27				23				62			38		150	1606	10.7	15
If other specity.....																				

Source: Field Survey, 2013.

Where TR= Total Response,                      WV= Weighted Value,                      MV= Mean Value,                      OR= Overall Rank

From the above table, email and internet services in cellular phones are given the highest rank and looks has the second position. and picture and tone download has been given the lowest rank.

## 4.10 Consumer Decision Making Process

This part includes responses regarding decision making process of consumers.

**Table 4.33**  
**Steps of Decision Making Process (Consumers)**

Activities		Yes	No	Total
Need Recognition	R	98	52	150
	%	65.3	34.7	100
Search for information	R	87	63	150
	%	58	42	100
Evaluation of alternatives	R	108	42	150
	%	72	28	100
Purchase	R	120	30	150
	%	80	20	100
Post Purchase Evaluation	R	95	55	150
	%	63.3	36.7	100
Disposal	R	120	30	150
	%	80	20	100

Source: Field Survey, 2013.

The above table shows that 98(65.3%) of the respondents followed the need recognition step whereas only 52 (34.7%) did not follow it. Out of 150 respondents 87(58%) followed the search for information step while 63(42%) of the respondents did not adopt it. Likewise the third step of Evaluation of alternative has been applied to 108 (72%) of the respondents and 42(28%) didn't apply it. For purchase step, 120 (80%) of the respondents were conscious, on the other hand only 30 (20%) were no conscious about it. For post purchase evaluation 95 (63.3%) of the respondents followed the step and 55(36.7%) did not follow it. The after use disposal was done by 120(80%) and was not done by 30(20%) of the respondents.

## 4.11 Major Findings

The major Findings of this research study derived from the above mentioned data analyses are mentioned below.

- ) Out of the total 150 respondents, the largest age group which uses cellular phone ranges from 20 years to 40 years. The age group of less than 20 years comes second and the age group of above 40 is less and age group of 25-40 is ranked first as cellular phone user.
- ) Nokia is the largely used brand. Among 150 total respondents 81 use Nokia, 17 use Samsung, 12 use Tata Indicom and 12 use other brands including Chinese brands of different names. Motorola and LG are also used by the consumers.
- ) Nokia brand is the first choice of the professionally labors, students, business men, jobholders and others each. Therefore profession has less influence in brand choice.
- ) Nokia brand is the first choice of every income group except income group of more than Rs. 20,000.00. It shows that income has also less influence in brand choice.
- ) Male use more cellular phone than the females.
- ) Generally cellular phones have been used by those persons who are educated. The number of cellular phone users who have passed S.L.C. was 132 out of 150 respondents.
- ) The large number of the mobile phone user is student. Then those who are in business and job also use cellular phones. In comparison students use mobile more than others use.
- ) The group who has the monthly income less than Rs. 5000 uses cell phone more and it has the number of 54 out of 150. Likewise, the people who have their income Rs. 5000-10000 were in second group comprising 36 respondents out of 150. This shows that income has less affected the choice of cellular phone brand.
- ) Most of the cellular phone users spend less than Rs. 4000 for buying phones. This indicates that there is the demand of cheaper cellular phone rather than expensive ones.
- ) Most cellular phones last for two years and respondents don't want to change the brands frequently. Only a few respondents change their cellular phone brands and models.
- ) The main purchasing market for cellular phone is Kushma Bazar. Some buy these in Kathmandu, Pokhara, Butwat, Bhairahawa and some other get cellular phone from foreign countries.
- ) Information plays a vital role among the buyers. The main source of information about cellular phone is friend and TV advertisement comes in second position for information sharing. Family members also motivate customers to buy different brands and models. Retailers also are informed by different media including TV advertisement and friends.
- ) Consumers have been satisfied with the use the different brands except only a few.
- ) For retailers price has very strong influence. The function and facility found in cellular phone plays vital role to choose any brand and modal. Income factor has moderate influence

for purchase. Most of the retailers try to give more emphasis on the pricing of the commodity as well.

- ) Out of 150 respondents the numbers of self-involved in purchase was 102 (68%) and 48 (32%) were not self-involved.
- ) According to retailers, the age group of less than 25 years are bargaining more.
- ) The Brand reputation, model, durability and function have strong influence in the consumers' behavior in purchase of cellular phones. Some consumers give priority on brand reputation. Income level and personality marks moderate influence on purchasing of cellular phones. Age factor has little influence.
- ) All the environmental factors including culture, society, personal, psychological are rated below average point except the development of information technology.
- ) When evaluating the features of cellular phones, retailers rate internet and multimedia highest. Then size, operating functions and games are also of higher rank.
- ) Consumers like to use the cellular phone with email and internet services most and they are interested in the looks of the phone. But they least rate cellular phone with picture and tone download.
- ) As a finding 98 (65.3%) of the respondents followed step to step decision making. All the steps of decision making are in line from Need based recognition to the search for information step to Evaluation of alternative to purchase step to post purchase evaluation and disposal.

## CHAPTER V

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

This is the era of common globalization of marketing. The marketing environment is becoming complex and highly competitive. Needs of human being are changing day by day. Every consumer wants his necessary goods/product in low cost and high quality. Because of the development of modern technology it is possible too. Every manufacturers have to produce customer oriented product which helps them to capture large market share regularly. So that consumer behaviours should be studied regularly.

In this research buying behaviour of cellular phone customer is studied in Kushma where is the headquarter of Parbat district. By doing this work customers and retailers are studied in respect to buying behaviour. Buying behaviour is tested on the basis of brand choice, influencing factors on customers buying behaviour, customers wants and product features, effects of income and profession in brand choice and consumers buying decision making process.

For this study, descriptive research design was used to tabulate, analyze and interpret the primary data collected from the field survey. The collected data were processed by using spread sheet and interpreted by using cross tabulation, raking and other statistical methods like percentage, comparison and weighted mean, etc.

At the end of presentation and analysis of collected data, it was found that Nokia was first choice and Samsung in second among 11 selected brands. Lebelled but non-branded Chinese cells have also taken a large market share because of their features cheap and multiple function. Other brand Motorola, LG are also used by consumers. Factors such as income, profession, price, model, reference group, functions and brand reputation influence customer's buying behaviour where as income and profession of a person is negligible customers like e-mail and internet as the most necessary features. Buying decision processes are used by customers but they have not knowledge of its theoretical aspect.

#### 5.2 Conclusions

On the basis of major finding of this research the following conclusions have been derived.

- ) Nokia is the most popular brand and Samsung in second. Tata indicom nad other brands including Chinese were also in customers Selection. Motorola and LG are also used by the consumers. But, larger number of customers has bought their cellular phone out of Kushma, shows that the market for cellular phone in Kushma is narrower.
- ) The largest age group which uses cellular phone ranges from 20 years to 40 years.
- ) Male use more cellular phone than female.
- ) The large number of cellular phone user is student and those who are in business and job respectively.
- ) Both consumers and retailers consider factors like price, model income, reference group, function and brand reputation while purchasing and making brand choice where as factors like age personality and durability of a cellular phone are neglected.
- ) Income and profession have less affected the choice of cellular phone brand because every income level and professional consumer's first choice is Nokia brand.
- ) Friends, family members, and advertisement of TV are the main sources of information about brand according to the consumer's views but retailers said that advertisement and friends are the main soruces.
- ) Price is very strong influencing factor in purchasing of cellular phone.
- ) Development of information and technology is the major influencing factor among environmental factors.
- ) Customers follow the buying decision making process but they have unknown in "Which step am I? " In aspect of conceptual point of view.

### **5.3 Recommendation**

The following recommendation have been made to the related consumer manufacturer, trading agent, retailers and research students on the basis of conclusion drawn from major finding.

- ) Trading agent and retailers suggested to provide cheaper and recent model choice facility in Kushma Bazzar which can take advantage of development of information technology.
- ) Retailers are suggested to practice fixed price policy with negotiable amount.
- ) Retailers are suggested to provide warrantee and guarantee facility to customers
- ) It is suggested to buy branded cellular phone to the customers.
- ) It is recommended to retailers to advertise informative advertisement on TV which could be informed customers about major features, price, model, etc cellular phone.

- ) Forceful participation on trade fairs, exhibition programs of trade partners of cellular phone may be fruitful.
- ) Growing market share of Chinese cells may be problematic if it might not well manage in time.
- ) Every researcher of cellular phone could be taken this study as a reference.

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## Annexes - I

### Questionnaires for consumers:

**Dear sir**

As a MBA student I am going to research on "Buying behaviour of cellular phone customers" for a partial fulfillment of the requirement for the degree course. Therefore you are kindly requested to fill up the following questionnaire and it will be the great help for me to prepare the research report.

1. Consumer's profile:
  - a. Name : .....
  - b. Address: ..... c. Age : .....
  - d. Sex:            Male                       Female
  - e. Qualification:..... f. Profession:
  
2. When do you start using a cellular phone?  
 .....
  
3. Which brand of cellular phone do you have?
 

a. Nokia <input type="checkbox"/>	g. Konka <input type="checkbox"/>
b. Samsung <input type="checkbox"/>	h. Carbon <input type="checkbox"/>
c. Sony Ericsson <input type="checkbox"/>	i. Apple <input type="checkbox"/>
d. Panasonic <input type="checkbox"/>	j I-phone <input type="checkbox"/>
e. Motorola <input type="checkbox"/>	k. Tata Indicom <input type="checkbox"/>
f. LG <input type="checkbox"/>	l. If other, specify.....
  
4. Where did you buy your cellular phone?
  - a. Kushma
  - b. Outside Kusma
  - c. If outside indicate .....
  
5. For how long have you been using this brand.
  - a. Less than one year
  - b. One year
  - c. Two years
  - d. Three years
  - e. four years
  - f. Five or more years
  
6. From where did you get information about the brand you have now?

- a. Advertisement on T.V.
- b. Friend
- c. Family members
- d. Special lunch
- e. If other specify
7. Do you satisfied with the brand you are using please tick ( ) preference.
- a. Fully satisfied
- b. Partially satisfied
- c. Satisfied
- d. Dissatisfied
- e. Fully dissatisfied
8. Do you want to change you cellular phone? If yes indicate.
- a. Same brand but different model  b. Different Brand
9. What is your opinion among the following are the most influencing factors while buying a cellular phone?

Factor	Very strong influence	Strong influence	Moderate Influence	Little Influence	No influence
Model					
Price					
Income					
Age					
Personality					
Reference Group					
Function					
Durability					
Brand Reputation					

10. Do you want to change you cellular phone? If yes, indicate.
- a. Same brand but different model.
- b. Different Brand

11. What features do you consider most while purchasing a cellular phone? (Please rank in number)

S.N.	Features	Rank
1.	Looks	
2.	Size	
3.	Durability	
4.	Tower capacity	
5.	Price	
5.	Screen	
7.	Camara	
8.	Radio	
9.	Games	
10.	Operating function	
11.	E-mail and internet	
12.	Music composer	
13.	Multimedia facility	
14.	Vedio camera	
15.	Picture and tone down load.	

12. Would you mind to tell your monthly income groups?

- a. Less than Rs. 5000
- b. Rs. 5000 - Rs, 10000
- c. Rs. 10000 - Rs. 15000
- d. Rs 15000 - Rs. 20000
- e. More than Rs. 20000

13. Would you mind to tell price group of your cellular phone?

- a. Less than Rs. 4000
- b. Rs. 4000 - Rs. 8000
- c. Rs. 8000 - Rs. 12000
- d. Rs. 12000 - Rs. 16000
- e. Rs. 16000- Rs. 20000
- f. Above Rs. 20,000

14. Do you involve your-self while purchasing a cellular phone?

- a. Yes                       b. No.

15. If yes, what type of risk remain in cellular phone in your opinion?

.....

16. To what extent you consider following environmental factors while purchasing a cellular phone? Please rank minimum 1 to maximum 5 in number.

Factors		1	2	3	4	Max 5
Cultural factor	a. Culture					
	b. Subculture					
	c. Social Class					
Social Factor	a. Reference Group					
	b. family					
	c. Roles & status					
Personal factor	a. age					
	b. Occupation					
	c. Economic situation					
	d. Life style					
	e. Personality					
Psychological factor	a. Motivation					
	b. perception					
	c. learning					
	d. Beliefs and attitude					
Development of It						

17. Please suggest which brand would you refer others to buy?

.....  
 .....

Thank You

## Annexes - II

### Questionnaires for retailers

As a MBA student I am going to research on "Buying Behaviour of Cellular Phone Customers" for a partial fulfillment of the requirement for the degree course. Therefore you are kindly requested to fill up the following questionnaire and it will be the great help for me to prepare the research report.

1. Name of the store:  
 Proprietor:  
 Education:  
 Age:  
 Location:  
 Date of Establishment:
  
2. How many types of brands of cellular phone do you sell?
  - a. Less than 8 types.
  - b. 8-10 types
  - c. 10-12 types.
  - d. More than 12 types.
  
3. What are the major brands that you sell?
 

a. Nokia <input type="checkbox"/>	g. Konka <input type="checkbox"/>
b. Samsung <input type="checkbox"/>	h. Carbon <input type="checkbox"/>
c. Sony Ericsson <input type="checkbox"/>	i. Apple <input type="checkbox"/>
d. Panasonic <input type="checkbox"/>	j I-phone <input type="checkbox"/>
e. Motorola <input type="checkbox"/>	k. Tata Indicom <input type="checkbox"/>
f. LG <input type="checkbox"/>	l. If other, specify.....
  
4. How many models of major brands of cellular phone in the market?
 

a. Nokia <input type="checkbox"/>	g. Konka <input type="checkbox"/>
b. Samsung <input type="checkbox"/>	h. Carbon <input type="checkbox"/>
c. Sony Ericsson <input type="checkbox"/>	i. Apple <input type="checkbox"/>
d. Panasonic <input type="checkbox"/>	j. I-phone <input type="checkbox"/>
e. Motorola <input type="checkbox"/>	k. Tata Indicom <input type="checkbox"/>
f. LG <input type="checkbox"/>	l. If other, specify.....

5. Generally, what age group does most of your cellular phone customers falls into? (Please rank from 1 to 4 on basis of priority)

- a. Less than 25 years                       b. 25 years to 40 years   
 c. 40 yrs to 55 yrs                       d. More than 55 yrs.

6. Generally what features do most customers look for while buying a cellular phone. (Please rank from 1 to on the basis importance)

S.N.	Features	Rank
1.	Looks	
2.	Size	
3.	Durability	
4.	Tower capacity	
5.	Price	
5.	Screen	
7.	Camara	
8.	Radio	
9.	Games	
10.	Operating function	
11.	E-mail and internet	
12.	Music composer	
13.	Multimedia facility	
14.	Video camera	
15.	Picture and tone down load.	

7. Up to what amount would most of your customer prefer spending while buying a cellular phone?

- a. Less than Rs. 4000   
 b. Rs. 4000 - 8000   
 c. Rs. 8000 - 12000   
 d. Rs. 12000-16000   
 e. Rs. 16000 - 20000

8. What is your opinion among the following are the most influencing factors while buying a cellular phone?

Factor	Very strong influence	Strong influence	Moderate Influence	Little Influence	No influence
Model					
Price					
Income					
Age					
Personality					
Reference Group					
Function					
Durability					
Brand Reputation					

9. Does cellular phone customers bargain? If yes, what age group most bargainers?

- a. Less than 25 yrs.
- b. 25 yrs - 40 yrs
- c. 40 yrs -55 yrs
- d. More than 55 yrs

10. What influences the customers for their brand choice?

(Please rank from 1 to 5 on the basis of relative importance)

- a. Income
- b. Profession
- c. Family
- d. Friend
- e. Personality

11. In your option, how do most of your customers get information about a certain brand?
- a. Advertisement on TV.       b. Friends
- c. Magazines       d. Special lunch
- e. If other, specify .....
12. Advertisement of TV is the chief motivator to buy a certain brand of cellular phone.  
agree   
Disagree
13. Profession of a person also affects the choice of brand of a cellular phone.  
a. Strongly Agree       b. Agree   
c. Disagree       d. Strongly disagree
14. What do you suggest the customer who has bought cellular phone out of Kushma?  
.....
15. Comments, if any  
.....

Thank you

### Questionnaires for consumers:

**Dear sir**

As a MBS student I am going to research on "Buying behaviour of cellular phone customers" for a partial fulfillment of the requirement for the degree course. Therefore you are kindly requested to fill up the following questionnaire and it will be the great help for me to prepare the research report.

1. Consumer's profile:
  - a. Name : .....
  - b. Address: ..... c. Age : .....
  - d. Sex: Male  Female
  - e. Qualification:..... f. Profession:
2. When do you start using a cellular phone?  
.....
3. Which brand of cellular phone do you have?
  - a. Nokia  b. Samsung  c. Sony Ericsson  d. Panasonic  e. Motorola
  - f. LG  g. Konka  h. Carbon  i. Apple  j. I-phone
  - k. Tata Indicom  l. If other, specify.....
4. Where did you buy your cellular phone?
  - a. Kushma  b. Outside Kusma  c. If outside indicate .....
5. For how long have you been using this brand.
  - a. Less than one year  b. One year  c. Two years  d. Three years
  - e. four years  f. Five or more years
6. From where did you get information about the brand you have now?
  - a. Advertisement on T.V.  b. Friend  c. Family members
  - d. Special lunch  e. If other specify
7. Do you satisfied with the brand you are using please tick ( ) preference.
  - a. Fully satisfied  b. Partially satisfied  c. Satisfied
  - d. Dissatisfied  e. Fully dissatisfied
8. Do you want to change you cellular phone? If yes, indicate.
  - a. Same brand but different model.  b. Different Brand
9. What features do you consider most while purchasing a cellular phone? (Please rank in number)
 

S.N.	Features	Rank
1.	Looks	
2.	Size	
3.	Durability	
4.	Tower capacity	
5.	Price	
5.	Screen	
7.	Camara	
8.	Radio	

S.N.	Features	Rank
9.	Games	
10.	Operating function	
11.	E-mail and internet	
12.	Music composer	
13.	Multimedia facility	
14.	Video camera	
15.	Picture and tone down load.	
16.	If others specify.....	
10. Would you mind to tell your monthly income groups?
  - a. Less than Rs. 5000  b. Rs. 5000 - Rs, 10000
  - c. Rs. 10000 - Rs. 15000  d. Rs 15000 - Rs. 20000
  - e. More than Rs. 20000
11. Would you mind to tell price group of your cellular phone?
  - a. Less than Rs. 4000  b. Rs. 4000 - Rs. 8000  c. Rs. 8000 - Rs. 12000
  - d. Rs. 12000 - Rs. 16000  e. Rs. 16000- Rs. 20000  f. Above Rs. 20,000
12. Do you involve your-self while purchasing a cellular phone?
  - a. Yes  b. No.
13. If yes, what type of risk remain in cellular phone in your opinion?  
.....
14. To what extent you consider following environmental factors while purchasing a cellular phone? Please rank minimum 1 to maximum 5 in number.

Factors		1	2	3	4	Max 5
Cultural factor	a. Culture					
	b. Subculture					
	c. Social Class					
Social Factor	a. Reference Group					
	b. family					
	c. Roles & status					
Personal factor	a. age					
	b. Occupation					
	c. Economic situation					
	d. Life style					
	e. Personality					
Psychological factor	a. Motivation					
	b. perception					
	c. learning					
	d. Beliefs and attitude					
Development of IT						

15. Did you think that consumer will follow the buying process?

Yes.  No.

16. If yes, do you follow the following steps of buying process

S.N	Steps	Yes	No
1	Needs Recognition		
2	Information search		
3	Evaluation of alternatives		
4	Purchase decision		

S.N	Steps	Yes	No
5	Post purchase behavior		
6	Disposal		

17. Please suggest which brand would you refer others to buy?

.....  
 .....  
 .....

Thank You

### Questionnaires for Retailers

As a MBS student I am going to research on "Buying behaviour of cellular phone customers" for a partial fulfillment of the requirement for the degree course. Therefore you are kindly requested to fill up the following questionnaire and it will be the great help for me to prepare the research report.

1. Name of the store:  
Proprietor:  
Education:  
Age:  
Location:  
Date of Establishment:
2. How many types of brands of cellular phone do you sell?  
a. Less than 8 types.                      b. 8-10 types                      c. 10-12 types.  
d. More than 12 types.
3. What are the major brands that you sell?  
a. Nokia                       b. Samsung                       c. Sony Ericsson                       d. Panasonic                       e. Motorola   
f. LG                       g. Konka                       h. Carbon                       i. Apple                       j. I-phone   
k. Tata Indicom                       l. If other, specify.....
4. How many models of major brands of cellular phone in the market?  
a. Nokia                       b. Samsung                       c. Sony Ericsson                       d. Panasonic                       e. Motorola   
f. LG                       g. Konka                       h. Carbon                       i. Apple                       j. I-phone   
k. Tata Indicom                       l. If other, specify.....
5. Generally, what age group does most of your cellular phone customers falls into? (Please rank from 1 to 4 on basis of priority)  
a. Less than 25 years                                            b. 25 years to 40 years                        
c. 40 yrs to 55 yrs                                            d. More than 55 yrs.
6. Generally what features do most customers look for while buying a cellular phone.  
(Please rank from 1 to on the basis importance)

S.N.	Features	Rank
1.	Looks	
2.	Size	
3.	Durability	
4.	Tower capacity	
5.	Price	
5.	Screen	
7.	Camara	
8.	Radio	
S.N.	Features	Rank
9.	Games	

10.	Operating function	
11.	E-mail and internet	
12.	Music composer	
13.	Multimedia facility	
14.	Video camera	
15.	Picture and tone down load.	
16	If other Specify ....	

7. Up to what amount would most of your customer prefer spending while buying a cellular phone?

- a. Less than Rs. 4000                       b. Rs. 4000 - 8000   
 c. Rs. 8000 - 12000                       d. Rs. 12000-16000   
 e. Rs. 16000 - 20000

8. What is your opinion among the following are the most influencing factors while buying a cellular phone?

Factor	Very strong influence	Strong influence	Moderate Influence	Little Influence	No influence
Model					
Price					
Income					
Age					
Personality					
Reference Group					
Function					
Durability					
Brand Reputation					

9. Does cellular phone customers bargain? If yes, what age group most bargainers?

- a. Less than 25 yrs.                       b. 25 yrs - 40 yrs   
 c. 40 yrs -55 yrs                       d. More than 55 yrs

10. What influences the customers for their brand choice?  
 (Please rank from 1 to 5 on the basis of relative importance)

- a. Income                       b. Profession   
 c. Family                       d. Friend   
 e. Personality

11. In your option, how do most of your customers get information about a certain brand?

- a. Advertisement on TV.                       b. Friends   
 c. Magazines                       d. Special lunch   
 e. If other, specify .....

12. Advertisement of TV is the chief motivator to buy a certain brand of cellular phone.

- a. Agree                       b. Disagree

13. Profession of a person also affects the choice of brand of a cellular phone.

- a. Strongly Agree                       b. Agree

c. Disagree  d. Strongly disagree

14. What do you suggest the customer who has bought cellular phone out of Kushma?

.....

15. Did you think that consumer will follow the buying process ?

Yes

No

16. Comments, if any

.....

Thank you