

CHAPTER-I

INTRODUCTION

1.1 Background

Marketing is primarily related to creating value for customers and return for company. The marketer seeks to understand which factor motivates customers to buy or pay more. The marketers should know why the customer might prefer the particular brand.

We can distinguish between a social and managerial . A social definition shows the role of marketing plays in society one marketer said that marketing role is to deliver higher standard of living. "Here is a social definition that serves our purpose. "Marketing is a social process by which individuals and groups obtain what they need and want through creating offering and freely exchange products and services of value with others. For a managerial definition marketing has often been described as "The art of selling products". The American marketing association offers the following definition. "Marketing is the process, pricing, promotion and distribution of ideas, goods and service to create exchanges that satisfy individuals and organizational goal". Marketing management takes place when at least one party to potential exchange things about the means of achieving desired response from other parties. We see, marketing management as the art and science of choosing the target markets and getting, keeping and growing customers through creating, delivering and communicating superior customers value (Kotler, 2003). Similarly, "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, services maintain relationships that will satisfy individuals and organizational objectives"(Kurtz and Boone, 2006 :7). There is no argument on the existence of industrial development without the presence of active market management. Marketing is the directing of the flow of goods and services from the producers to consumers in every process. "Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user (Alexander, 1960:5). The production is the prime activity of each and every industry but successful marketing of the product is the ultimate goal. Marketing can play a vital role of development of industries successfully. The

customer might prefer the particular brand. To find out the ultimate consumer, we must learn about their behavior.

Consumer behavior indicates the consumer response on any particular brand from and makes services. Consumer behavior is defined as "the behavior that consumers display in searching for purchasing, using, evaluation and disposing of products and services that they expect will satisfy their needs (Schiffman and Kanuk, 2004: 8). Similarly "consumer behavior is the study of the decision making units and the process involved acquiring, consuming and disposing of goods services, experience and ideas." (Mowen, 1990: 5). In summarize, consumer behavior is the study of how individuals and groups make their decisions to use their resource in term of time, money and effect. It includes the study of many facets of the products buying, using and disposing process.

1.2 Focus of the Study

One of the most important objectives of the marketer is to increase the sales volume of their product. The sales volume of every product is directly influenced by consumer preference towards brand.

In Nepal operating any form of telecommunication services date back to 94 years in B.S 1970. But formally telecom services was provided mainly after the establishment of Mohan Akashwani in B.S. 2005. Later as per the plan formulated in First National Five Year Plan (2012 - 2017); Telecommunication Department was established in B.S 2016. To modernize the telecommunication, services and to expand the services during third five-year plan (2023-2028), Telecommunication Development was converted into Telecommunications Development Board in B.S. 2026. After the enactment of communications corporations act 2028 it was formally established as fully owned government corporation called Nepal Telecommunication corporation in B.S. 2032 for the purpose of providing telecommunication services to Nepalese people. After serving the nation for 29 years with great pride and a sense of accomplishment Nepal Telecommunication Corporation was transformed into Nepal Doorsanchar Company Limited from Baishakh 1, 2061. Nepal Dorrsamchar company limited is a company registered under the Companies Act, 2053. However, the company is known to the general public by the brand name.

Nepal telecom as registered trademark Nepal telecom has always put its endeavors in providing its valued customers a quality services since its inception. To achieve this goal, technologies best meeting the interest of its customers has always been selected. The nationwide reach of the organization, from urban areas to the economically non-viable most remote locations, is the result of all those efforts that makes this organization different from others.

Definitely Nepal telecom's widespread reach will assist in the socio-economic development of the urban as well as rural areas, as telecommunication is one of the most important infrastructures required for development. Accordingly in the era of globalization, it is felt that milestones and achievements of the past are not adequate enough to catch up with the global trend in the development of telecommunication sector and the growth of telecommunication services in the country be guided by Technology, Declining equipment prices, market growth due to increase in standard of life and finally by healthy competition its competitor's companies are Spice Nepal Pvt. Ltd., UTL Nepal Pvt. Ltd. in few places. Nepal Telecom is a well established organization that has large market share wider coverage, better goodwill image reputation and favorable attitudes among the Nepal's consumers. Goal of Nepalese telecom is to provide cost effects telecommunication services to every nook and corner of country. This organization has launched cellular phone service is prepaid as Namaste mobile.

Spice Nepal private limited has been established on 2005 to serve the Nepalese people by providing communication services. This organization has launched cellular phone services as 'Mero Mobile'. Currently, this services is available and competing with Nepal telecom and UTL Nepal Pvt. Ltd. though UTL Nepal Pvt. Ltd. has small size of market and comparatively less competition with UTL Nepal Pvt. Ltd. Its more competitors is Nepal telecom which is well established organization that has large market share, wider coverage, better goodwill, image, reputation and favourable attitudes among the Nepalese consumers. hence, it is difficult for Spice Nepal to capture a large market share. Due to this reason, Spice Nepal has to begin with creating and modifying consumers' attitudes towards its product and it should try to understand consumers, perception attitudes and ultimately Brand Preference towards Mero Mobile. This attempt certainly may assist to the marketing manager for his/her

future planning and decision making related to product positioning and for designing advertising campaigns.

If the consumer preference towards a brand is favorable, the company can survive, compete, flourish and be a market leader in the market place. If not otherwise the company can do nothing; rather it should be vanished from that world. Nevertheless, Nepal Telecom, Spice Nepal Private Limited and UTL Nepal Private Ltd. claims to take full attention for altering consumer Brand Preference. However, this research work has been focused on the same phenomenon.

The consumer preference can not be neutral it should be favorable or unfavorable. The purpose of this work is to examine what is the consumers' preference towards 'Namaste Mobile', 'Mero Mobile' and 'U Sim Mobile'. If they have unfavorable preferences, that should be changed into favorable one. So, the focus of this study has been on evaluating consumers' on mobile telephone services.

1.3 An Introduction to 'Namaste Mobile', 'Mero Mobile' and 'U Sim Mobile'

Nepal telecomm welcome to all people the digital world of mobile technology. In the field of Telecommunication Nepal Telecom has been the trusted partner of the people of Nepal since 2032. Among many valuable service provided by Nepal Telecom "Namaste Mobile" is the prepaid mobile service launched 59-60 fiscal year in order to easily make available the latest technology with in graps of common. It's central office is Bhadrakali, Sim Card distribute and other services are provided all district. "Namaste Mobile is well known brand of Nepal Telecom.

Spice Nepal private Ltd popularly known under it's brand name "Mero Mobile " is the first private GSM mobile operator in Nepal. Company was established in 2004 and commercially launched on 17th September 2005. It's head quartered corporate office and technical office is located at Krishna Tower, new Baneshwor, Kathmandu, it's technical office is even now at Krishna Tower. SNPL has built it's GSM mobile network using the most advanced telecommunication equipment available in the market in order to provide value subscribes with the highest quality of services. It has distributes Sim Card at Kathmadu, Pokhara, Benepam Hetauda, Butwal, Bardgath, Bharatpur, Birjung, Biratnagar, Butwal Bhairahawa, Nepalgunj, I.E. Eastern part of Nepal and western part of Nepal. Mero Mobile has already tied up with many

different international operators of more than 31 countries adding up to operators around the world and is in process of extending roaming service (partners) for the convenience of the roaming subscriber. Their goal is to make Mero Mobile brand synonymous with innovation and equality. They want to be an integral part of their customers lives, providing exceptional and memorable experiences of the mobile phone.

UTL Nepal Pvt. Ltd. Known as under it's brand Name 'U'Sim Mobile' UTL Nepal Pvt. Ltd. was established 4th October, 2002 and services was starts at 17th Sept., 2003. It's 80% investment has India and 20% investment has Nepal. U Sim Mobile is lunched at 1st Jan., 2009. It's currently corporate office, technical office is Putalisadak and special U Sim Mobile i.e. Sim Card is especially distributed at Kathmandu valley and future distribution policy is outside valley. It's goal is to develop with the latest technology and state of the art of Network to be the best satisfaction of it's users. it has a goal to provide world class quality services to all class of users.

1.4 Statement of the problem

The problem toward which this study is directed is to identity the consumer's preference various brands i.e. 'Namaste Mobile' 'U Sim Mobile' and 'Mero Mobile'. A favorable consumers brand preference helps to increase consumer satisfaction and it's value. The world of mouth communication also taken pace which is cost free advertisement for a company. But unfavorable brand preference can diffuse rumors among the consumers which ultimately effects negatively to the grand image. This is why the research problem emerged.

SNPL and UTL Pvt. Ltd company are newly organized company. They have spent a large amount of money on advertising and for applying different marketing strategies. But still these are often seen that most of the consumer's appear to be favorable to Nepal telecom. Nepal telecom is well established organization. The market share of 'Namaste Mobil' is very difficult to competition. The market share of the Mero Mobile and U Sim Mobile are also considerably, smaller than that of Nepal Telecom. Indeed individuals can have a variety preferences toward a particular situation. It is important to understand how consumer brand prefer variety from situation to situation seen as lower purchasing cost, lower operating cost, dependable

services, service quality advertisement, promotional activities etc. In this way the study especially surrounds and leads with the following aspects of consumer brand prefer.

- What are the direction, degree and intensity of consumer brands preference of toward 'Namaste Mobile', 'Mero Mobile' and 'U Sim Mobile' ?
- What are the strength and weakness of 'Namaste Mobile' Mero Mobile and 'U Sim Mobile' on consumer view?
- What are the variables pertinent to consumer brands preference of 'Namaste Mobile', ' Mero Mobile', 'U Sim Mobile' and how can the consumer brands prefer be changed?

1.5 Objective of the Study

The main objective of this study is to analyze the way how consumer's brand preference can be changed more especially the study objectives are:

- (i) To identify the intensity of consumer brands preference of Mobile services.
- (ii) To examine the strengths and weakness of 'Namaste Mobile; 'Mero Mobile and 'U Sim Mobile'
- (iii) To analyze the essential variables that play significant role to alter consumer perception and brands preference of Mobile service .

1.6 Significance of the Study

The consumers of future will be increasingly demanding skeptical and critical (Louden and Bitta 1993: 626) . A hole universe behaviors-consistency of purchase recommendations to others, top rankings beliefs, evaluations, and intentions are related to preference (Schiffman and Kanuk 2004, 253). So marketers who fail to understand the consumers' brand preference to be loss successful then they otherwise might be.

As learned predispositions, brand preference has a motivational quality; that is they might propel a consumer toward a particular behavior or repel the consumer away

from a particular behavior (Schiffman and Kanuk 2004: 253). That is why altering consumer preference is a key strategy consideration for most marketers. Their objective is to change the preference of the market leader's, customers and win the over.

Beside these all, this study can assist a marketing manager to achieve his /her marketing goals. Moreover, the future researchers may find this study helpful as a reference for their research works.

One important question asked by market researcher is whether a group of consumers exists that brand loyal across various types of products. Some evidence indicates that, brand preference are formed during childhood and adolescence (John C. Mowen 1990: 364).

1.7 Limitation of the Study

Like other studies, this study is not free from some limitations. The limitation for this study are mentioned below .

- (i) This study has been conducted specially within Kathmandu valley with reference to the to the consumers of 'Namaste Mobile', 'Mero Modile' and 'U Sim Mobile'; so the study result can not be generalized.
- (ii) The primary data collected from 150 respondents through questionnaire survey are assumed to be representative of the whole population.
- (iii) The variables other than purchasing cost operating charges reliable service, audibility of service, connectivity, network coverage and available services have not been included in the study.
- (iv) The primary data are collected from New Road, Baneshwor, Bag Bazar, Balkhu, Kirtipur i.e. from only limited place.
- (v) Because of lack of research in this topic secondary data are limited with few researchers.

1.8 Organization of the Study

Chapter I :Introduction

Introduction chapter includes general background of the study, focus of the study, a brief introduction to: Namaste Mobile, Mero Mobile and U Sim Mobile statement of the problem, objectives, significance, limitation and organization of the study .

Chapter II Review of Literature

The review of literature has been divided in to three categories-conceptual review, theories and models consumer decision making process and review of related studies contains two dissertation by Subish Bhandari (2059 B.S.), Khila Raj Ojha (2003) and Mr. Sagar Bhandhari (2004).

Chapter III Research Methodology

In this chapter research design, population and sample characteristics variables and measures the data collection technique, pre testing and the data analysis tools are explained.

Chapter IV. Data Presentation and Analysis

In this fourth chapter data collected from questionnaire are presented and analyzed by using different tools like percentage multiple bar-diagram, tables. At the last of this chapter major findings of the study are presented.

Chapter V. Summary Conclusion and Recommendation

In this fifth chapter summary of the study work, conclusions derived from the analysis of data and some recommendations are included.

Besides these chapter bibliography and appendix have been included in this study work.

CHAPTER-II

REVIEW OF LITERATURE

Review of literature is an essential part of all studies. It is a way to discover what other researcher in the area or problem has uncovered. It is also a way to avoid investigating problems that have already been definitely answered. The purpose of review of literature is to build up sound footing of a research for the area of research selected (Wolff and Pant, 2003:34).

It provides the foundation for developing a comprehensive theoretical framework from which hypothesis and sound methodologies both for collection of information can be developed (Wolf and Pant, 2003: 35).

Consumer is the principle of priori business. The efficiency with which a free market system of enterprise operates in the last analysis depends upon the extent of consumer understanding possessed by the business community. A business community that is ignorant of consumer preferences can not possibly fulfill its obligation in a meaningful and responsive manner. This is exactly the reason why consumer behavior is given importance in modern marketing.

Today's successful companies and high performance business know how to respond to a continuously changing market place. They practice the art of market oriented strategic planning every successful organizations are heavily committed to marketing and strongly consumer focused. These organizations share an absolute, dedication to identifying and satisfying consumer's needs and expectations in well defined target markets. They motivate everyone in the organization to offer superior value or their leading to high levels of consumers satisfaction consumer satisfaction. It is obvious that marketing starts with identification of customer's needs and expectations and ends at the satisfaction. Thus, consumer is found both at the beginning and the end of the marketing process, (Timilsina, 2004: 35).

In this section behavior modeling i.e. traditional and contemporary models, consumer goods, consumer decision process, socio-environmental determinations of consumer behavior and lastly dissertations have been presented.

2.1 Models of Consumer Behavior

Consumer behavior has been studied from a variety of perspectives. This has given several explanations of consumer behavior. Several descriptive models have been developed over time to explain consumer behavior. This model can be grouped in to traditional models and contemporary models .

2.1.1 Traditional Models

i. Micro Economic Model

The economists were in the first group of professionals who tried to define consumer behavior from the perspective of "economic man" who was driven by motivation to maximize benefits forms the limited resources. The classical microeconomic approach developed in the 19th century focused on the patterns of goods and prices in the entire economic. It made certain assumption on the behavior of an "average consumer" and then applied the 'average behavior" to all the people living under an economic . The microeconomic model focused mainly on the following aspects of consumer behavior .

- a. What would consumers purchase in a given demand and supply situation?
- b. In what quantify would consumers purchase in a given demand and supply situation?

The micro economists failed to recognize the following important issues related to consumer behavior ?

- a. How consumers develop their various needs ?
- b. How consumers form their preferences over products and services?

The micro economists have a well - defined view of consumers and the factors that influence the consumption behavior. Economic theories which have tried to explain consumer behavior are based on the following assumptions

1. Consumer wants and needs are unlimited and can never be fully satisfied..
2. They have a limited budget to satisfy their wants and needs.
3. They allocate their resources in such a way that the benefits (satisfaction) will be maximized .
4. As consumer purchase an additional quantity of an item its utility (Marginal utility) will decrease.
5. Consumers independently develop their own preferences without the influence of other people .
6. Consumer have perfect knowledge of the utility (benefits) of an item; that is they know exactly how much satisfaction they get from each item.
7. Consumer are perfectly rational in their purchase decisions.

Among the eight basic assumption of micro economists the first four are some what relevant to explain consumer behavior. However, the last four assumption-no influence of other people perfect knowledge price as sole indicator and rational behavior are not realistic and useful.

In reality, a consumer's purchase decisions are influenced by other individuals and groups with which the consumer interacts. Most consumer motivation and behavior are emotional driven by various psychological and social pressures. Consumers use many other indicators beside price to make their choice of products. They don't have well defined preference and they hardly have perfect information about the price, quality and availability of the various products in the marketplace to make rational decisions.

Consumers. in reality, do seek an acceptable level of satisfaction. They do not go for maximizing satisfaction. Micro economic explanation of consumer behavior focuses on specific purchasing acts while consumer behavior process starts well before the

purchase action; and ends long after the purchase action. Purchase is only a specific point in the consumer's behavior process. Nonetheless, economics have developed some theories which are very useful in the consumers behavior analysis: These theories are- law of demand, Price elasticity of demand, opportunity costs and diminishing marginal utility.

- a. **Low of demand:** The law of demand states that there is inverse relationship between the price of a product and the quantity demanded of the product. This law applies in many of the consumption situations. Many products are heavily demanded by consumers when their price falls.
- b. **Price Elasticity:** The theory of price elasticity is based on the idea that the effect of price change on demand level varies across products. For instance, if the product is a necessity, such as basic food, basic clothing, electricity, medical care, etc. The effect of price changes has less effect on its demand level. This means these products are price inelastic. For many other non-necessity products, such as fashion clothes, shoes, cosmetics, etc. the effect of price change is more in the quantity demanded. This concept has guided marketing practitioners in the design of their pricing strategies for their products.
- c. **Opportunity Costs:** The theory of opportunity cost is relevant in consumer behavior. The theory explains that when a consumer buys a certain product he/she simultaneously foregoes buying another product. Opportunity costs occur because the consumer's resources and time are limited, and as a result, consumers are constantly making trade-offs among the various products available in the market place.
- d. **Diminishing Marginal Utility :** The concept of diminishing marginal utility is based on the idea that as a consumer buys more of a product each additional unit delivers less utility or satisfaction. This concept has contributed to the introduction of new products, brands, models, varieties, fashions in the market as the consumer gets bored with the continuous use of a product or brand.

ii. **Macroeconomic Model**

Macroeconomics focuses on aggregate flows of resources and goods in the economy. From the consumer behavior point of view economics is concerned with monetary, natural and human resources that influence the behavior of individuals and groups. Macroeconomic function as a part of society's culture which shapes the values, casts life styles and preferences of consumers.

Marketers are interested to know how consumers divide their income between consumption and savings. Higher income groups are found to spend a large part of their disposable income than the lower income groups. When economic progress results in an increase in the level of income of all income groups it does not show a proportionate increase in their consumption levels. Low income groups are found to spend less and save more out of their income. Macroeconomists have forwarded two hypotheses to explain this phenomenon.

- a. **The Relative Income Hypothesis :-** This hypothesis explains that people's consumption standards are mainly influenced by their peers and social groups rather than their absolute income. This suggests that a family's consumption level will change only when the family achieves a higher level social class.
- b. **The Permanent Income Hypothesis:** This hypothesis explains why specific individuals are slow to change their consumption patterns even when their incomes suddenly change. The hypothesis suggests that sudden increase or decrease in income are viewed by consumers as temporary and therefore are expected to have little effect on consumption activity. Consumers are likely to increase their consumption level only when their permanent income level is raised.

Beside the two useful hypotheses macroeconomists have suggested other variables such as consumers' previous income, experiences, accumulated liquid assets, and variations in taxes and credits that affect consumption patterns.

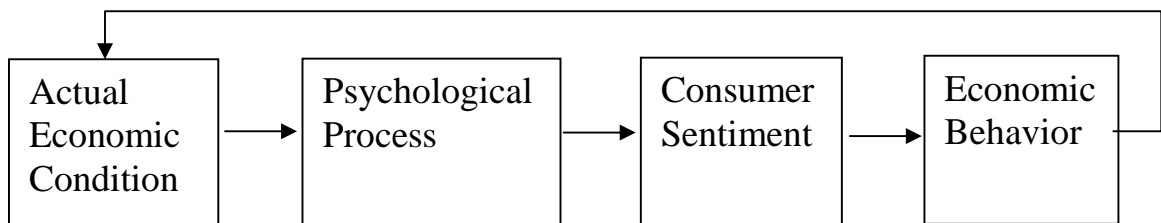
iii. Behavioral Economics Model

The micro economic and macroeconomic models were focused more on the behavior of economic phenomena such as price, demand, supply income, savings, and consumption rather than on the actual behavior of consumers. Behavior influence of consumers on the various economic phenomena was brought into the picture by behavioral economic particularly by George Katona in the 1950s.

Katona proposed that inclusion of psychological variables and processes in the economic model can better explain the behavior of economic factors. Katona's work was focused on the use of discretionary income of consumers that could be channeled for consumption of durable goods. since the durable goods such as television, CD players, motorcycle or cars are generally high-priced consumers purchase these products when they find both general economic condition and their personal income situation to be favorable . The behavioral economic model is depicted in the following diagram.

Figure 2.1

Behavioral economics model of consumer behavior



The model has four components: actual economic condition, psychological process, consumer sentiment, and economic behavior .

- a. **Actual Economic Condition:** The behavior economics model is similar to traditional economic model in suggesting that actual economic conditions influence consumer behavior. The actual economic condition is represented by several variables such as interest rates, inflation, unemployment, GNP per capita as well as family's income, debt, and taxes.

- b. Psychological Process:** The psychological processes of an individual consumer would modify the actual economic condition to develop in to consumer sentiments or confidence level. The major psychological process identified by behavioral economists are consumer's knowledge, perceptions motivations and attitudes .
- c. Consumer Sentiments:** Consumer sentiments reflect on individual consumers' level of confidence about the current and future economic conditions. Thus, consumer sentiment is a deciding factor for the amount to be spent on high priced durable products.
- d. Economic Behavior :** The economic behavior explains the purchase of goods and services by consumers. Thus, the model suggests that inclusion of psychological variables is necessary to purchase behavior of consumers in the context of an economic condition.

2.1.2 Contemporary Models

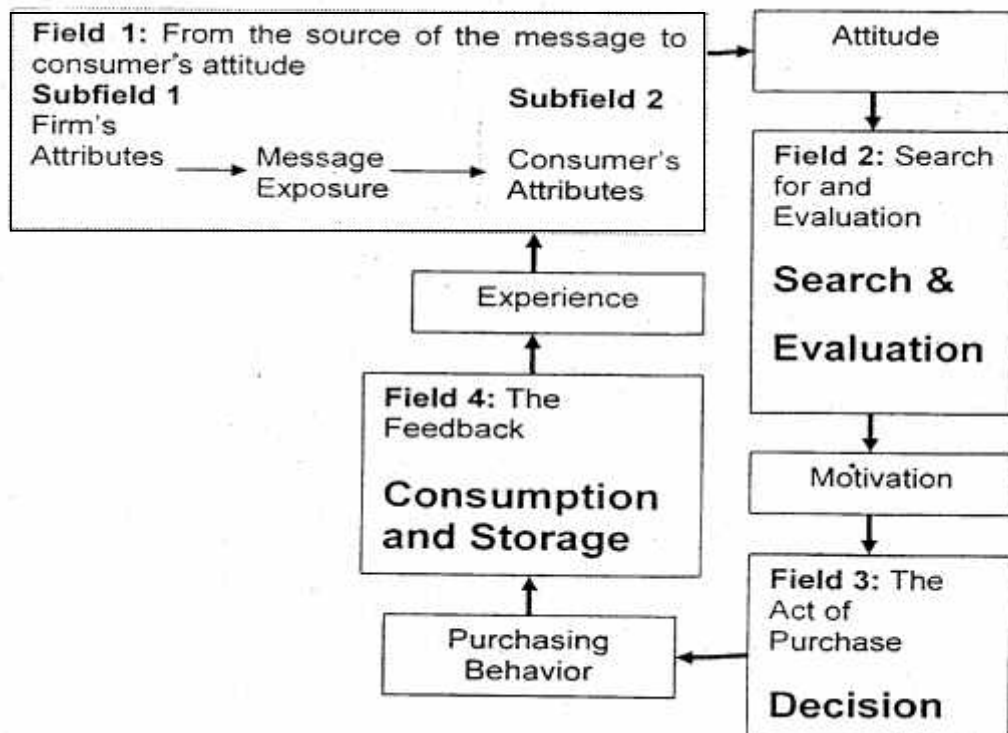
Consumer behavior analysts have developed comprehensive models based on bits and pieces of knowledge currently known about the consumer behavior. These model are Nicosia model, Howard Seth model and Engel, Kollat and Miniard (EKM) model.

i. Nicosia Model

Francesco Nicosia developed a comprehensive model of consumer behavior in 1966. The Nicosia model focuses on the relationship between the firm and its potential consumers the model highlights on the firm's communication to consumers through marketing message (Advertising) and consumers communication with the firm through purchase responses.

Figure 2.2

Nicosia Model of Consumer Behavior



It is an interactive model in the sense that the firm tries to influence the consumers through marketing communication and the consumers try to influence the firm by their purchase action.

Nicosia's Model can be explained with the help of flow chart. The model is divided into the following four major fields.

Field 1: From source of message to consumer's attitudes: this field 1 shows the flow of message from the firm to the consumer's. This field indicates that consumer's attitude is influenced by the firm's message : This field is divided into two sub-fields.

Sub fields 1 : The first sub-field constitute of the firm's attributes that include aspects of the firm's marketing environment and communication efforts directed at the consumer. The communication efforts are directed to influence consumer attitudes.

Sub-field 2: The second sub-field constitute of consumer's attributes that includes motivation, personality past experience and perception. The output of the field 1 is an attitude toward the product based on the consumer's interpretation of the firm's messages .

Field 2: Search and evaluation: This field consists of search for relevant information and evaluation of the firm's product in comparison to other brands available in the market, The consumer will search actively from internal and external sources. internal source lies in the internal memory system of the consumer. External sources lie in environment in the form of product displays, advertisements, the internet etc . the output of this field is motivation to purchase the firm's brand.

Field 3:

Act of Purchase: In this field the consumer takes decision to purchase the firm's brand and actually purchase it. the output of this field results in the purchasing behavior.

Field 4:

Feedback: The fourth field of The model consists of two important feedback's from the purchase experience. One feedback is in the form of sales data which goes back to the firm and another feedback results in to firm of experience (satisfaction or dissatisfaction) Which enters consumer's attributes in field 1 and affects future evaluation of the firms communication in future.

Nicosia developed this model of consumer behavior based on the available literature on the subject. The model is useful in the sense that it shows (a) How consumers move from general product knowledge towards specific brand knowledge and (b) how consumers move from a passive position (information) to an active state (purchase action) .

b. Howard - Seth Model

The Howard - Seth model was developed jointly by John Howard and Jagdish Seth in 1974. This model provides an integrative framework for a comprehensive theory of consumer behavior. The model uses the term 'buyer' instead of 'consumer' to indicate that the model is also useful to explain the institutional buyer behavior.

This model attempts to depict rational brand choice behavior under conditions of incomplete information and limited abilities. It also distinguishes between the three levels of buyers' decision-making:

- (a) **Extensive Problem Solving (EPS):** A stage where a buyer lacks information on the product category and brands. In this stage, the buyer is undecided about what product to choose or what brands to purchase. In order to clarify the preferences the buyer engages in extensive information search activity.
- (b) **Limited Problem Solving (LPS) :** A stage where a buyer has information about the product category but lacks information about the brands. In this stage, the buyer still faces some uncertainty about brand choice for which he/she has to search for information on brands.
- c. **Routinized Response Behavior (RRB):** A stage where the buyer has full information on the product category and brands. In this stage, the buyer has well defined brand choice criteria and also predisposition toward one brand. Here the buyer has no confusion and is ready to purchase a brand.

This model is based on the learning theory. As buyers learn through past experience their choice behavior also moves from EPS through LPS to RRB.

This model consists of four basic elements (1) Input variables (2) Perceptual constructs, (3) Learning constructs, and (4) Aspect variables.

1. Input variables:

The input variables are of three types :

- (a) **Significative Stimuli :** These include physical brand characteristics such as quality, price, distinctiveness, availability and service.
- (b) **Symbolic Stimuli:** These are in the form of verbal or visual brand characteristics supplied by the marketer through communication.
- (c) **Social Stimuli :** These are provided to the buyer by family reference group and social class.

The three types of inputs provide the prospective buyer with information about the product class or specific brands.

2. **Perceptual Constructs**

These consist of the process of stimuli exposure (receiving information inputs) and giving meaning to the stimuli received from the marketer and the social groups. Stimulus ambiguity occurs when the consumer is unclear about the meaning the information. The model has three perceptual constructs.

- a. **Sensitivity to Information:** This explains the degree to which buyers are sensitive to information.
- b. **Perceptual Bias:** Perceptual bias occurs if the consumer distorts the information inputs so that it fits into his beliefs and attitude.
- c. **Search for Information:** The degree to which buyers active search for information explained by the EPS, LPS, and RRB situation.

3. **Learning Constructs:**

The learning constructs consist of the following six elements:

- a. **Motives:** These constitute of internal and external forces that impel actions.
- b. **Brand Potential of the Evoked Set:** This constitute of the buyer's perception of the ability of a brand (in his/her knowledge) to satisfy the motive (goals)

- c. **Decision Mediators:** This indicates the buyer's mental process of matching and ranking brands to his his/her motive.
- d. **Predisposition:** This indicates the buyer's preference towards various brands, usually expressed as brand attitudes.
- e. **Inhibitors:** This includes environmental (situational) factors such as price, availability, and time pressure that restrain purchase of a preferred brand.
- f. **Satisfaction:** This indicates the degree to which a brand meets the expectations of the buyer.

There are mutual interactions or linkages between the various perceptual and learning construct variables to produce the outputs.

Outputs: The model consists of the following outputs.

- a. **Attention:** This indicates to the magnitude of the buyer's information receiving capabilities .
- b. **Brand Comprehension:** This indicates to buyer's store of information (memory) about a brand.
- c. **Attitude:** This indicates to the buyer's feeling and judgment about the brand's capability to satisfy his /her motive.
- d. **Purchase Intention:** This indicates to the buyer's readiness to purchase a brand.
- e. **Purchase Behavior:** This indicates to the actual purchase of the brand, subject to modification inhibitors.

Besides the four basic elements the Howard Seth model also includes the effect of various exogenous variables (not shown in the diagram) on the consumer behavior. These variables include the importance of the purchase, and personality traits of the buyer.

How the Model works?

The model suggests that a buyer goes through the following processes.

1. Information Receiving and Processing

The process starts when a buyer receives information inputs (stimuli) and gives adequate attention to them. The information inputs are subject to his/her perceptual bias and modified by the buyer.

2. Developing Predisposition

The modified information affects (and also are affected by) the buyer's preference towards various brands (predisposition). The predisposition is affected by the buyer's motives, decision mediators, and evoked set (brand knowledge).

3. Developing Purchase Intention and Actual Purchase

The predisposition leads a buyer to make his/her purchase intention. The actual purchase is influenced by the buyer's purchase intention subject to the effect of inhibitors.

4. Evaluation of the Purchase

The purchase leads a buyer to make evaluation of the purchase decision in terms of satisfaction from the use of the brand. The level of satisfaction increases with the degree of predisposition toward the brand.

5. Need for Information in Future Purchase

As the buyer gathers more information (experiential) about the product his / her requirement of external information search is reduced. As a result, the buyer exhibits routinized response behavior.

C. Engel, Kollat and Miniard (EKM Model)

The Engel, Kollat and Miniard (EKM) model was originally developed by Engel Kollat and black well (ERB model) in 1968. EKM model was modified by Miniard in 1990 and currently popularly known as EKM model. This model is known as the most recent and most comprehensive of all the consumer behavior models.

The EKM model consists of the following for section

1. **Information Input:** A consumer receives information about a product or brand from marketing and non - marketing sources. The marketing sources consists of sales people, advertising, and other promotional tools. The non-marketing sources of information are friends, family, public media, and the internet.
2. **Information Processing:** This section of the model consists of five successive elements of the information receiving and processing system of consumer .
 - a. **Exposure to information:** Consumers are exposed to information from marketing and non-marketing sources.
 - b. **Attention:** Consumer pays attention to the information.
 - c. **Comprehension (Perception) :** Consumers give meaning to the information.
 - d. **Acceptance:** Consumer may accept the information.
 - e. **Retention of the Information Inputs:** The relevant information inputs are retained in the long-term memory of the consumer.
3. **Consumer Decision Process:**

The third section of the model consists of the five basic decision process stages.

- a. Need recognition and motivation.
- b. Search for information.

- c. Evaluation of alternatives.
- d. Purchase
- e. Post-purchase outcomes

4. Variables Influencing the Decision Process

In the EKM model the variables influencing the five stages of the decision process are categorized into individual influences and environmental influences.

- a. Individual Difference:** The individual influence include consumer resource motivation and involvement, knowledge, attitudes personality, life-style and demographics.
- b. Environmental Influences:** The environmental influences include culture, social class, personal influence, family and situation.

How the model works?

1. Information Receiving and Processing

Information input from the marketing and non marketing sources are feed into the information processing system of the consumer. The consumer is exposed to the information pays attention, gives meaning to it, accept (or reject) it, and if the information is meaningful may retain it in the long - term memory system.

2. Information Search

The information input passing through the consumers memory has initial effect on the need / problem recognition that activates information search process. In case of RRB information lying in the memory system (Internal search) is sufficient to take the buying process forward. If the consumer requires additional information (EPS and LPS situation) he / she seeks information from external search.

3. Evaluation

Consumer's beliefs lead to formation of attitude and which in turn lead to purchase intention during the alternative evaluation stage.

4. Purchase and Post-Purchase Outcomes

The purchase is an outcome of purchase intention. The post-purchase outcome may lead to either satisfaction (Reinforcement) or dissatisfaction (rejection) with the product. Satisfaction leads to stronger beliefs, favorable attitude and stronger purchase intention.

5. Modifying Variables

Both individual differences and environmental influence act as modifying variables to strongly affect the buying decision process of the consumer. The environmental influences (culture, social class, personal influences family, and purchase situation) have powerful effect on the need/problem recognition, search, and evaluation stages of the buying decision process. The individual differences (resources, motivation, involvement (high and low). Knowledge, attitudes personality life-style and demographics has greater influence on the purchase and post-purchase outcomes of the buying decision (Koirala, 2062, 5-18).

2.2 Consumer Goods

Consumer goods or products intended for use by ultimate household consumers for non business purpose. Consumer goods are divided into four goods i.e. convenience goods, shopping goods, specialty goods and unsought goods .

2.2.1 Convenience Goods

Convenience goods are those goods that the consumers usually purchases frequently immediately and with in a minimum of effort. for example it include tobacco products, groceries, soaps, toothpaste staple toothpaste newspaper drugs sundries, staple hardware etc. convenience consumer can be divided into as below.

- (i) **Stable Goods:** Stable goods are those goods consumer purchase on a regular basis, for example respondent toothpaste, Maggi tomato ketch up, Wai Wai Noodles, Rampum noodles, tea time biscuit etc.
- (ii) **Impulses Goods:** Impulse goods are purchased without any planning or search effort. Candy bar or magazine are placed next to check out or cash counters because shoppers may not have thought of buying them until they spot them.
- (iii) **Emergency Goods:** It is purchased when a need is urgent. For example umbrella will be purchased in the raining season as like rain coat too. In the winter season must people by woolen

2.2.2 Shopping Goods

Shopping goods are products for which consumer usually wish to compare suitability, quality, price and style in several stress before purchasing. For example it include furniture clothing used cars and major appliances. Shopping goods can be deviled in to:

- (i) **Homogeneous Shopping Goods:** Homogeneous shopping goods are similar in quality but different enough in price to justify shopping comparisons.
- (ii) **Heterogeneous Shopping Goods:** Heterogeneous shopping goods differ in product features and services that may be more important than price. The seller of homogeneous shopping goods carries a wide assortment to satisfy individual tastes and must have well - trained sales person to inform and advise consumers .

2.2.3 Specially Goods

This goods are goods with unique characteristics or brand identification for which a sufficient number of buyers is willing to make a special purchasing effort. For example cars, stereo component, photographic equipment and mean's suits.

Specially goods do not involve making comparison; buyers invest time only to reach dealers carrying the wanted products. Dealers do not need convenient locations; however, they must let prospective buyers know their locations.

2.2.4 Unsought Goods

Unsought goods are goods the consumer does not know about or does not normally think of buying. Smoke detectors are unsought goods until the consumer is made aware of them through advertisement. Unsought goods required advertisement and personal-selling support. For example life insurance, cemetery plots, gravestones, and encyclopedias. There are two type of unsought goods i.e.

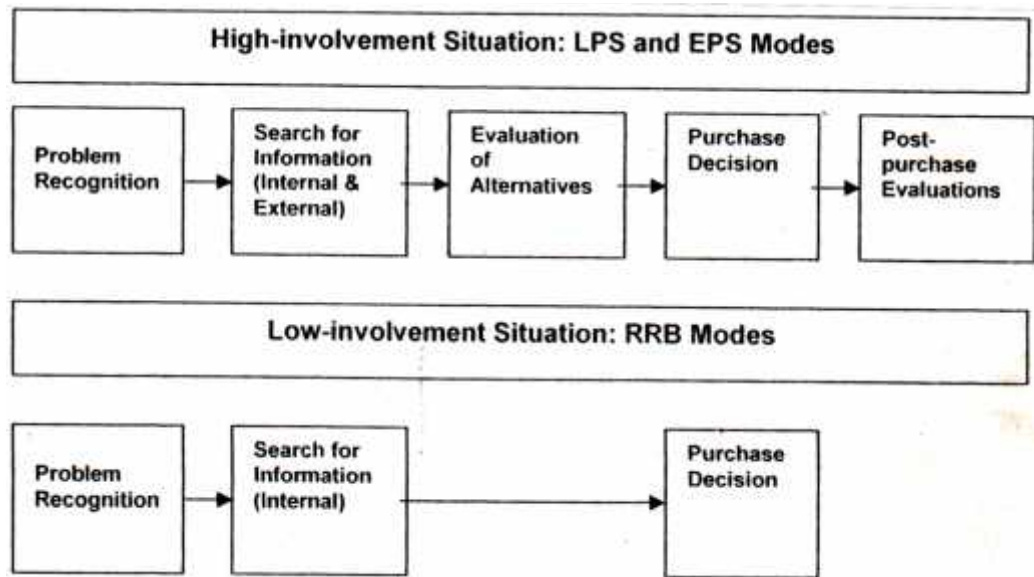
- (a) New products that the consumer isn't yet aware of. For example it include disc, camera, computer that speak, telephoto, telephones or methanol as a fuel for actors autos.
- (b) Product that is right now the consumers don't want.

For example it include prepaid burial, insurance, gravestones, and auto seat belt (Kotler, 1998, 433-435).

2.3 Consumer Decision Process

Marketing scholars have developed five stage model of consumer decision process. the process starts from problem recognition and passes through information search, evaluation of alternatives purchase decision and ends at post-purchase behavior. This is the usual process in the case of high-involvement products. In case of low involvement products a consumer is likely to skip the information search and evaluation process (Pre-purchase and Post purchase evaluations).

Figure 2.3
Consumer Decision Making Process: High-involvement
and Low-involvement



a. Problem Solving Approach to Consumer Decision Making

Consumers encounter several problems everyday of their lives. Consumers purchase a product or service as a response to a problem. They buy a variety of products to solve different problems. In this process they face buying decisions of different levels of complexities.

Some buying decision are simpler than others. For instance, there is a marked difference in the purchase decision made by a consumer while buying toilet soap, a shirt, a car or a house. The complexity of the buying process is affected by whether the product is of high-involvement or low involvement. The following table presents the nature and characteristics of the various

(i) Low-involvement purchase: Routine Purchase Situation (RPS)

Consumers are involved very little in the Routine Purchase Situation (RPS). They do not take any effort to search for information while buying the product. The problem recognition is automatic. Consumers realize the need to buy the product when its level of stock becomes low. Consumers generally buy these products from the most convenient outlets. There are no post-purchase evaluation. This type of behavior is

reflected in the purchase of lower priced, frequently purchased items with no social values.

Brand choice are made with a minimum conscious effort. The purchase behavior is more or less habitual and repetitive. Consumer's purchase behavior is routine mainly because the consumer is well-acquainted with the product class; is fully aware of the major brands and their characteristics; and has well defined preference order among the brands. Some consumers also show a limited level of brand loyalty. In general, a consumer does not always buy the same brand because the brand choice is influenced by price cuts, stock outs etc.

The consumer is not likely to give much thought, search or plan for the purchase of the product. In this purchase situation, there is very limited amount of information search and evaluation. This type of search behavior occurs in the purchase of low-involvement goods such as box of matches, candies, chocolate bars, salt and other low priced grocery items

(ii) Limited-Involvement Purchase Limited Problem Solving (LPS) Situation

Consumers are less involved in the information search and evaluation when the price and social value and of the product is relatively lower than that of high involvement products but higher than low involvement products. Problems recognition is affected by need as well as advertisements and group pressures.

Consumers tend to show less motivation to search for information and go through a detailed evaluation between brands. In the LPS situation, the consumer usually has information about the product category but lacks clear brand perception. Thus, the consumer goes through certain amount of information search and limited evaluation. The consumer may ask questions, make enquiries and scan advertisements to learn more about the brands available before making further decision. Consumers show both convenience as well as shopping purchase orientations depending on the amount of stored information in the memory system.

This type of search behavior occurs in occasionally purchased limited involvement goods, when a consumer is not ready to compromise on price quality and brands. Consumers are also found to show a higher level of brand switching behavior by purchasing different brands during different purchase occasions. They also make a limited amount of post-purchase evaluation. Limited involvement is reflected in buying products and services such as apparels, shoes, education and health services.

(iii) High-involvement Purchase: Extensive Problem Solving (EPS) Situation

In high -involvement purchase situation, the consumer is prepared to invest more time, resources and efforts. In this situation, the consumer lacks full information about the product and faces the extensive problem solving situation.

In Extensive Problem Solving (EPS) situation, the consumer is unaware about the product class and the different brands. The consumer also does not know the criteria for brand choice. In this situation, the consumer needs to undergo considerable amount of information search and evaluation. The evaluation criteria also become very complex. Consumer face a situation of cognitive dissonance leading to post-purchase anxiety. If consumers are fully satisfied with a brand they show a very strong brand loyalty.

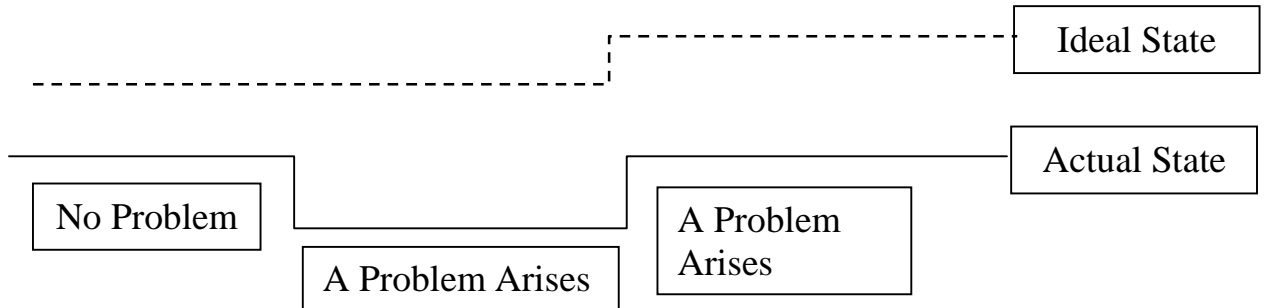
This type of purchase behavior occurs in the purchase high-priced products that have social importance and are also long-lasting. Normally, the purchase of house, car, motorcycle or television demands high-involvement of consumers and creates a complex extensive problem solving situation.

2.3.1 Problem/Need Recognition

Problem/need recognition is the first step of the buying process of consumers. Problem recognition occurs whenever a consumer finds a significant difference between his/her current state of affairs and some desired or ideal state. A problem can arise in one of the two ways: (1) When the actual state move downwards, and (2) When the ideal state move upwards (See figure).

When a consumer perceives a difference in the two states he/she perceives that there is a problem to be solved. Such problems may be big or small, simple or complex.

Figure 2.4: Problem Recognition



A consumer may recognize a problem when the petrol level in his/her motorcycle reaches the reserve-level. The consumer may also realize a problem when he/she feels that his/her image is adversely affected by riding the same motorcycle for more than five years. The first problem is simple and can be overcome by filling in petrol in the nearest petrol pump. The second problem is complex and requires extensive search and evaluation.

Types of Problem

There are different types of problem such as routine, emergency, planning, and evolving problems.

- (i) **Routine Problems:** In routine problems the gap between the actual state and desired state is expected to occur and an immediate solution is required. Examples of routine problem are depletion of the stock of grocery items such as rice salt oil toiletries etc.
- (ii) **Emergency problems:** Emergency problems are normally unexpected but demands immediate solution Example of emergency problems are sickness and accidents.
- (iii) **Planning problem:** In planning problems the problems is expected but immediate solution to the problem is not necessary. Examples of planning

problems could be related to buying a car or home, and seeking education and entertainment etc.

- (iv) **Evolving problem** :Evolving problems neither are expected nor demand immediate solution. Example of an evolving problem could be related to adoption of fashion that constantly evolve and changes over time creating new problem.

2.4.1.1 Situation Leading to Problem Recognition

A variety of situations leads to problem recognition. Some of the major situations are as follows:

- (i) **Depleted or Inadequate Stock of Goods:** When regularly consumed goods are exhausted or go to low level of consumers realize a problem Consumers must repurchase the exhausted goods to solve the problem.
- (ii) **Discontentment with Current Stock of Goods:** Sometimes, consumers may have sufficient stock of the goods but they are dissatisfied with it's performance. This discontentment leads to a problem. This often happens in the case of fashion related products and electric appliances.
- (iii) **Changing Environment:** Changing family and social environment also leads to a problem. The increase and decrease in the family size due to the operation of the family life cycle create new problems. New problems may also arise due to the influences of peers and reference groups. Children often demand new toys, shoes and dresses when they see other children using these products.
- (iv) **Changing Financial Circumstances:** New problems arise when the financial and social status of a consumer improves. A sudden increase in financial and social status causes status of a consumer improves. The ideal state to go up that leads to several problems to emerge.
- (v) **Marketing Activities:** Advertising and other promotional efforts of a marketer is also directed at problem recognition. Much of marketing effort is

directed at deliberate increase in the ideal state of consumers so that consumers recognize problems and move towards the company's brands for solutions.

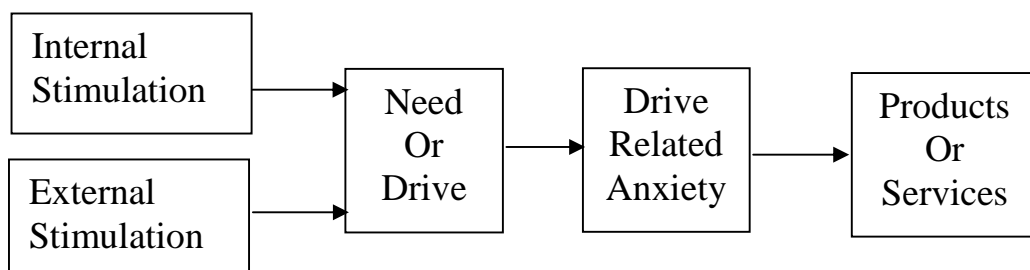
2.3.1.1 Result of Problem Recognition

When a consumer realize a problem he/she may or may not more toward the solution. If the perceived gap between a consumer's actual state and the ideal state is too narrow he/she may not move toward the solution. If the problem is of planning or evolving type, then also, the consumer may postpone further action of information search. Therefore, the intensity and urgency of the problem, financial condition of the consumer, expectation of future and many other personal, social, and situational factors influence the results of problem recognition.

In most of the situation the realization of a problem leads to need recognition the need for products and services to solve the problem. Consumer buying process always starts with the emergence and recognition of a problem or a need. A need can be activated through internal and external sources.

- (i) **Internal Stimulation:** In internal stimulation, one of the consumer's normal drives such as hunger, thirst sex, shelter, sleep etc. rise to a threshold level and force him/her to seek the drive reducing objects.
- (ii) **External Stimulation:** External stimulations result out of the triggering cues such as advertisement or exposure to the object itself. Arousal of a need drives the person into a state of discomfort and anxiety which leads him/her to products capable of satisfying the aroused needs.

Figure 2.5: Problem Recognition Process



2.3.1.2 Problem Recognition in Low and High-Involvement Situations

In low-involvement situations the problem recognition is mainly triggered by a lower level of actual state. In the above example, when the consumer faced the problem of low petrol level his/her actual state had gone down. Therefore, the problem recognition is simple and the solution to the problem is also simple.

In high involvement situation, the problem recognition, as well as the solution to the problem is complex. For example, when a consumer realizes the need to buy a new motorcycle his ideal state might have gone up. This realization might have triggered from different psychological (motivations) and social (prestige) factors. In finding solution to the problem, the consumer has to take an extensive information search and evaluation before coming to a purchase decision.

2.3.2 Information search

When consumers realize the existence of a problem they need adequate information to solve the problem. Thus, information search is the process by which the consumer collects information on the products, brands, stores, prices, quality and other attributes and benefits of the product or brand alternatives.

2.3.2.1 Types of Information Search

Information search by consumers can be either passive or active. Passive search, also known as ongoing search, is independent of a problem or need. In this type of search behavior consumers are found to go through a variety of information to meet their inquisitiveness and satisfy curiosity. Thus, in passive search a consumer may look into information on products without a need for the product. Consumers undertake active search (pre-purchase search) when they have a problem to solve. Thus, active search is intentional and directed at solving a problem with appropriate products or services. There are mainly two types of active information search: internal, external.

(i) Internal Search: Researchers have identified two types of consumer search process-internal search and external search. Internal search always precedes the external search.

If an aroused need is strong and the gratification objects readily available the consumer is likely to gratify the need immediately without any search for information. This usually happens in the cases of low-involvement products purchased in routine response behavior situation. Often consumers need information to clarify his/her brand choice even in low-involvement situation for which he/she searches information from his/her memory system about products that can best solve the problem and satisfy. The need. the consumer relies on past information and experiences to develop brand attitude and preferences. Internal search mainly involves the consumer; action to retrieve information on products and brands from long - term memory system.

(ii) External Search : When the information from the internal search is not enough to clarify the situation a consumer engages in information search from the environment.

2.3.2.2 Types of Information Sought : There are mainly three types of information consumers are interested to collect from the external source.

1. ***Evaluative Criteria:*** Consumer seek information to from the evaluative criteria. Evaluative criteria involve determining standards in terms of attributes and benefits of a product. For example, consumers of seeking information on computers learn to categorize brands in terms of their attributes (Price, processing speed, memory, storage capacity) and benefits (servicing upgradeability, design, usages etc.)
2. ***Alternatives available:*** After getting information on evaluative criteria the consumer will seek information on the various product and brands options available in the market. Possibly, the consumer will also seek information on the stores in which the various brand options (total state) are available. This information helps the consumer to determine his/her awareness set the brands, which become known, to the consumer through the information search process. Form among the awareness set consumers divide the brands into four categories: evoked set, inert set, inept set and choice set.

Evoked Set: The evoked or consideration set are the set of brands on which consumers already have awareness and are likely to make evaluations in terms of finding solution to his/her problem.

Inert Set : The inert set is composed of set of brands which the consumer is aware about but does not make evaluations.

Inapt Set : the inept set constitute of the set of brands that are considered by the consumers as useless to solve his / her problem.

Choice Set : The choice set constitute of a few brands from the evoked set which are likely to be considered for purchase.

The evoked set and the choice set are important from the point of view of marketers as the consumers is likely to from his/her choice from this set. The inert set also becomes important if brands from the evoked set are not available in the market.

3. Alternative Characteristics

The consumer seeks farther information of his / her evoked set to clarify his /her brand preferences. In this stage, the consumer collects detailed information on the attributes and benefits of each brand in the evoked set.

2.3.2.3 Source of Information

During external search, a consumer seeks information from the following sources.

1. **Personal Sources:** family members, friends, neighbors, acquaintances etc.
2. **Marketing Sources:** Advertisement, salesperson, packaging displays etc.
3. **Public Sources:** Newspapers, magazine, radio, television, Internet etc.
4. **Experiential Sources:** Handling, examining and using the product.

Extent of information search: The extent of information search depends on the purchase situation faced by the consumer: routine response behavior or habitual purchase limited problem solving and extensive problem solving.

1. **RRB:** in case of routine response behavior (RRB), the person is well acquainted with the product class, is fully aware of the major brands and their characteristics; and has well-defined preference order among the brands. The consumer is not likely to give much thought, search or plan for the purchase of the product. In this purchase situation there is very limited amount of information search. This type of search behavior occurs in the purchase of low involvement goods.
2. **LPS:** In case of limited problem solving (LPS) situation, the consumer has information about the product category but lacks clear brand perception. The consumer undergoes certain amount of information search.
3. **EPS:** In extensive problem solving (EPS) situation the consumer is unaware about the product class and the different brands. The consumer also does not know the criteria to use to make a brand choice. In this situation, the consumer takes extensive information search

2.3.2.4 Patterns of Information Search

Many research conducted across countries and purchase situation have suggested that information search greatly varies in terms of the consumer characteristics market condition buying strategies, situational factors and perceived risk.

1. **Consumer Characteristics:** Consumer in terms of their search characteristics can be categorized into three groups: low searchers high searchers, and selective searchers. The low searchers seek very little information from external sources and largely depend on information stored in their memory. The low searchers also make purchase decisions with very little information. Generally, low searchers are found to be less educated and from lower income groups. The high searchers go through a variety of information sources before forming their choice. This extensive search behavior is found among professionals with high-income level. Consumers with selective search behavior opt for selective sources of information such as media and friends and ignore other sources. A consumer's market experience self confidence,

educational level and income level, also influence the extent of information search.

2. **Market Conditions:** Many factors relating to the market effect the extent of information search behavior of consumers. These market related factors include availability of information, product or brand alternatives available price of the products, and price and style difference between the brands.
3. **Buying Strategies:** Consumers normally adopt strategies to reduce the external search. . They show brand and store loyalty over time that reduce the need to collect information. In case of unknown products consumers are found to adopt a simple choice role of picking the "middle price" brand to avoid external search.
4. **Situational Factors:** Situational factors such as urgency of a product, time pressure, store conditions (crowd), special price purchase opportunities also affect the extent of information search.
5. **Perceived Risk:** Various types of risk may emerge from a purchase decision. A purchase may include monetary, functional physical, social, and psychological risks. Consumer are found to evaluate these rests and adjust their information seeking behavior to the amount and type of risks involved in their purchase decisions. Thus, it suggests that higher the risk higher will be the information search behavior.

2.3.3 Evaluation of Alternatives

In this stage, a consumer uses the information to clarify the various alternatives and their relative attractiveness. This is the least understood part of the consumer buying process. Each individual has his / her own system of evaluations. In general, the evaluation process includes determination of the evaluative criteria, reducing the range of alternatives and evaluating alternatives.

2.3.3.1 Evaluative Eritrea

A consumer uses some criteria to evaluate product or brand options. These criteria are based on some standards and specifications that may be objective or subjective. In

general, consumers tend to evaluate alternative in terms of product class attributes. Normally, consumers view as in terms of product as multi-attribute object having a number of characteristics, such as features, name, price quality, service warranty etc.

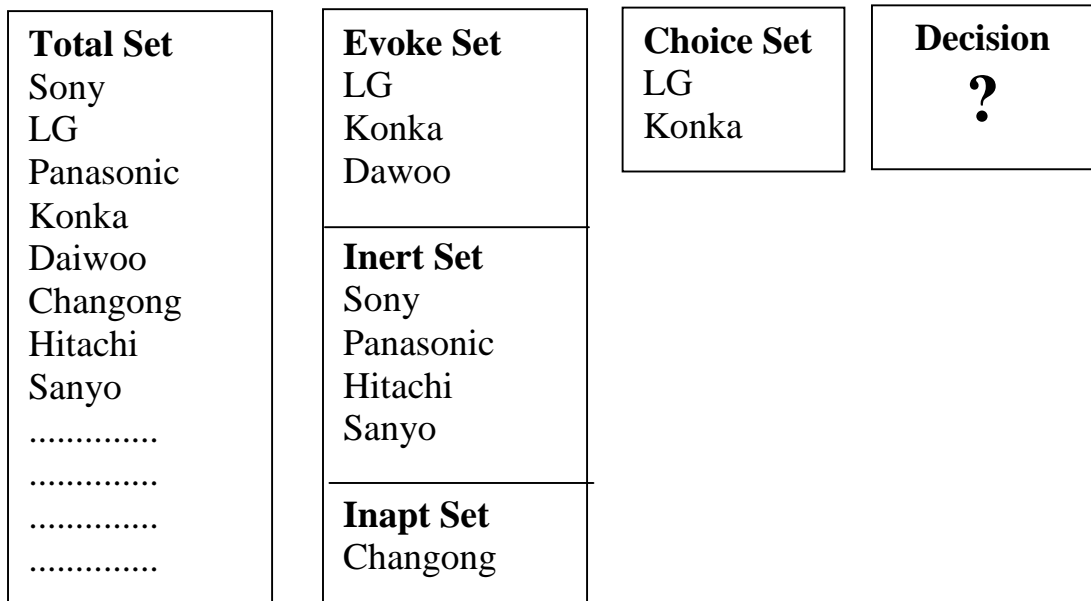
During the evaluation stage, consumers are interested to find out how each brands stands in term of the various attributes. Generally, all consumers are not interested in all the attributes of a product, but only those which are important to them. Consumers compare the product's major attributes with the attributes important to them. For example, while buying a pair of walking shoes the brand name, price, style material used, and comfort are the major attributes. A consumer may give high priority to the brand name while another may give high priority to comfort, and still others may consider the materials used in the manufacture of the shoes .

The number of evaluative criteria greatly varies across products. In buying a car or a motorcycle a consumer may use numerous evaluative criteria (brand, price, style, model, fuel economy, serviceability, warranty etc), while very few evaluative criteria are used in grocery items. The number of evaluative criteria becomes narrow when a consumer gains shopping experience over time. The nature of evaluative criteria also changes with the learning process and access to information.

2.3.3.2 Reducing Range of Alternatives

After developing evaluative criteria, a consumer normally move towards narrowing down the product choice alternatives. A consumer generally screens out the inert set and inept set of brands from his/her awareness (evoked) set and determines the choice set. Thus, the brand awareness level and brand believe play important role in this process. For example, a consumer may organize the awareness sets in the following manner while reducing alternatives in the case of television brands.

Figure 2.6: Consumers' Successive Sets



Consumers are likely to develop brand beliefs or brand image during evaluation. Consumers use their past experience to develop positive or negative feelings toward the brands of a product class. Opinion of other people such as family members, friends and other reference group members also contribute to shape a consumer's brand beliefs.

2.3.3.3 Evaluating Alternatives

Consumers use two major approaches to evaluate the alternatives; brand processing and attribute processing.

1. Brand Processing: This approach is known as choice by processing brands (CPB). In CPB, a consumer evaluates one brand at a time. During evaluation, the consumer assesses the attributes present in a brand first and then repeat the process for other brands in his/her evoked set.

2. Attribute Processing: This approach is known as choice by processing attributes (CPA). In CPA, a consumer considers a major attribute and evaluates the various brands in relation to that attribute. Then the consumer takes another attribute and evaluates the brands on the second attribute and so on.

The CPB processing approach is found to be more prevalent than the CPA approach. However, during the initial phase of evaluation consumers are found to use the CPA method, and in later phase the CPB method.

2.3.3.4 Evaluation in High-Involvement and Low-Involvement Situations

In high involvement decision situation consumers make from belief formation (brand beliefs) to affect formation (brand attitude) to behavioral intentions (brand consideration) In low - involvement decision situations the consumer moves from a rudimentary belief to purchase and the affect (attitudes) develop after the purchase behavior.

2.3.4 Choice or Purchase Decision

The evaluation process leads a consumer to make a choice among several alternatives. In this stage, the consumer normally has to make two types of choice the brand choice and the store choice. Sometimes, a consumer also faces problem of choosing between non-comparable alternatives such as purchasing a car or buying a house or going for an expensive vacation.

2.3.4.1 Brand Choice

The brand choice behavior differs between high involvement decisions, low involvement decisions and experiential choice situations. Consumers are found to use two types of decision rules evaluating brand attributes: The compensatory and non-compensatory decision rules. In high-involvement situations consumers are found to use the compensatory decision rule and in low involvement situations non - compensatory decision rules.

High Involvement Choice - Compensatory decision rule: Under this rule, consumers use favorable attributes of a brand to overcome the unfavorable attributes. That is, brand strengths are used to compensate for brand weaknesses. Thus, to follow this rule a consumer needs to evaluate brands over several attributes. Consumers under go the mental exercise to rate brands over attributes one-by-one. The brands obtaining the highest total rating are usually considered for purchase. Thus, according to this

decision rule a brand is not rejected if it is weak in one or two attributes. It has high chance of acceptance if it has other stronger attributes.

Low - involvement Choice Non-compensatory decision rule: Under this decision rule consumer consider the strengths and weakness of the brands independently and are attributes does not compensate the other. There are several varieties of non-compensatory rules used by consumers.

(a) **Disjunctive rule:** Consumers establish a minimum performance standard for a product category and all brands that meet the minimum standard are considered for purchase.

(b) **Conjunctive rule:** Consumers establish a minimum level of acceptability on each brand attribute and brands that meet the minimum acceptability are considered for purchase.

(c) **Lexicographic rule:** Sequential eliminative brands from the consideration list that does not meet the minimum performance standards set for a product category.

(iii) **Experiential choice:** In experiential behavior, the choice is a direct result of the consumer's feelings toward the brand. Experiential choice refers to habitual impulsive and brand loyal purchase situations.

a) **Habitual Choice:** Habitual purchases are made repetitively by consumers and are formed out of habit. This types of choice behavior is found in the low involvement products. There is very little information processing and evaluation in habitual choices. consumers generally have at least one good reason to explain their habitual purchases.

b) **Impulsive Choice :** An impulse purchase is made without prior recognition of a problem. The choice is made in the spur of the moment motivated by strong feelings toward the brand. Most of the department store purchases are driven by impulses. A consumer's state of the mood is also found to influence

impulse purchases. When consumers are in free and relaxed they tend to make more impulse purchases than when they are tense.

- c) **Brand Loyal Choice:** Brand loyalty is a result of strong favorable attitude and continuous satisfaction with a brand. Thus, brand loyal choices result from the outcomes of previous purchase. There is very little information processing and evaluation in brand loyal choices.

Choices among Non-Comparable Alternatives very often consumers face the problem of choice between non-comparable alternatives. This issue is more focused on the process of best allocation of resources by consumers. There has been very little research in this area. However, some consumer research have pointed out some considerations consumers make in this type of choice situation.

Consumers are found to we abstract association, on the product or service such as style, innovativeness, image, and prestige. They evaluate the different alternatives in terms of their attributes Apart from the attribute evaluations, they are also found to use a holistic approach of using overall attitudes towards the different alternatives to determine their choice. Previous experience whit products also guide consumer to select between non - comparable alternatives.

2.3.4.2 Store Choice

Store choice decision of consumer is a very important aspect in retail marketing. The store choice decision is very similar to the brand choice decision. Like brands consumers have evaluative criteria for stores' which they compare with stores characteristics or attributes. When they find a particular store acceptable over the evaluative criteria they adopt the store. If satisfied over a period of time they tend to develop a store loyalty. However, There are several factors that affect the choice of a store. There factors may be grouped into two categories: consumer characteristics and store characteristics.

- (i) **Consumer Characteristics:** consumer's demographic and psycho graphic profiles influence the choice of a store.

- (a) **Demographic Profiles:** The most important demographic variables is the proximity of the store from the consumer's residence or place of work. Consumer's generally reduce the search time in their RRB and LPS related purchases. The second set of demographic variables relates to the consumer's social class and includes income and education. Higher income people tend to shop in a large - size store a little distance from their residence while lower-income people prefer the neighborhood stores. Similarly, the higher the education higher will be the shopping behavior.
- (b) **Psychographic Profiles:** The life - style of the consumer is a major determinant of the store choice-Consumers who like to spend their evening with friends outside their home prefer stores that open till late hours. Family oriented consumers normally buy from the nearest store

Store Characteristics: Store characteristics include store atmospherics, variety of merchandise, promotion levels and store personnel. The outer appearance and inner design and decorations are major variables in store choice. The self space, size of the shopping alley and outlet crowding also determine store choice . The variety of merchandise available in the store, quality, brand, and price options; availability of unique products; the in - store promotions; and sales incentives also affect store choice. The attitude and behavior of store personnel also determine the store choice .

2.3.5 Post Acquisition (Purchase) Behavior

Understanding the post - acquisition behavior of consumers has become extremely important in today's context. This is very important from the viewpoint of consumers' satisfaction with the product. Satisfied consumers not only become brand loyal but also work as brand ambassadors. Dissatisfied consumers not only show strong complaint behavior but also spread negative image of the brand and the company. The method of product disposal has become a critical issue in the societal marketing concept. There are four areas of marketing interest in the post acquisition phase. They are: consumption and usage, satisfaction and dissatisfactions, complain behavior cognitive dissonance, and product disposition.

2.3.5.1 Consumption and Usage

An understanding of how consumer use and consumer products is very important in marketing. This becomes relevant not only to provide use alternatives but also to design new product or services offers. It also supports a marketer's effort to provide product installation services and offer related products. Study of the usage and consumption behavior of consumers help determine the consumption frequency, consumption amount, consumption interval and consumption purpose.

2.3.5.2 Satisfaction and Dissatisfaction

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

After consumers buy, use, or consume a product they need to develop a feelings of satisfaction or dissatisfaction toward the product. Satisfaction refers to the buyers state of being adequately rewarded by the purchase decision. Thus consumer satisfaction is a type of consumer attitude several researchers into consumers' satisfaction/dissatisfaction / dissatisfaction have led to a general theory of satisfaction/dissatisfaction.

The theory suggests that consumers have certain prior or pre-purchase expectations from a product or service. They compare the product's or service's performance to their prior expectations. If they find the performance higher than their expectations then they are satisfied and if they find the performance lower than their expectations than they are dissatisfied.

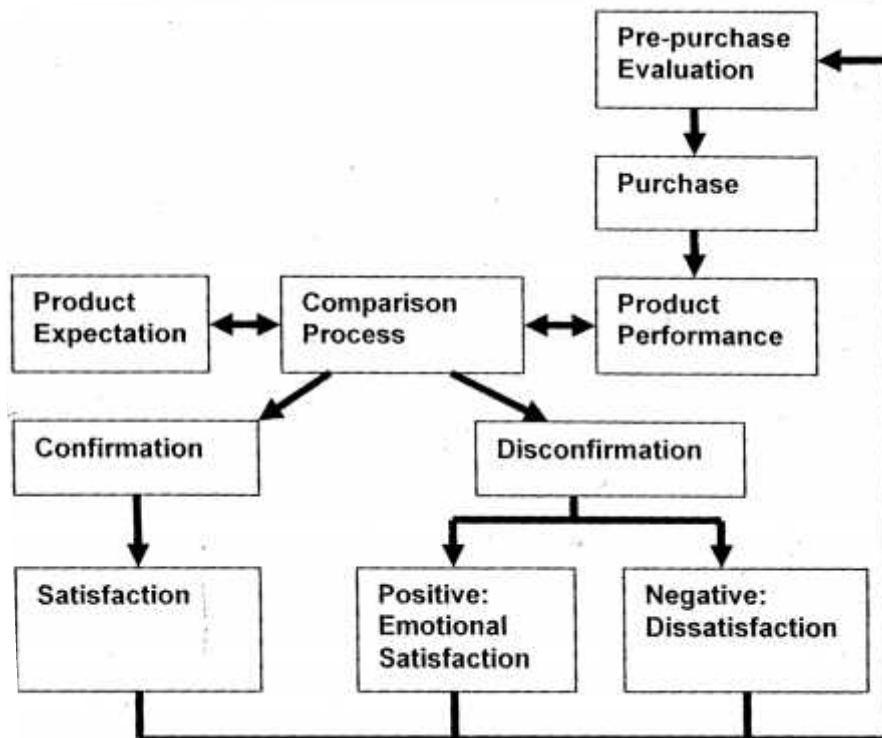
Consumers' pre - purchase expectations are in the following three areas:

1. ***The nature and performance of the product.*** This includes the anticipated benefits to be derived directly form the use of the product.

2. **Costs and efforts to be expended for obtaining the product benefits:** This includes physical, mental, time and monetary costs.
3. **Social cost and benefits from the product or services:** This includes the anticipated impact of the purchase on other people. Advertising has a major role to play in forming consumers' expectations. Consumers form their product performance expectation on the basis of the costs and efforts but into buying and using the products. When they use or consume the product they compare the actual performance to their expectations. The interaction between the expectation and actual performance produce satisfaction or dissatisfaction. Consumers' confirmation process determines the level of satisfaction or dissatisfaction.

Figure 2.7

The Post-purchase Evaluation Process: Satisfaction and Dissatisfaction



When a consumer gets what he/she has expected from a product he/ she confirms that the product's performance is equal to his/her expectations. This leads to satisfaction.

When a consumer does not get what he/she has expected from the product it leads to a situation of disconfirmation that leads to dissatisfaction.

Disconfirmation can be Two Types: Positive and negative, When a consumer receives more than his/her expectation, it leads to positive disconfirmation. Positive disconfirmation is a state of emotional satisfaction or delight. When a consumer receives less than his/her expectation, it leads to negative disconfirmation or dissatisfaction. The output of consumers' net experience with a product works as a feed back in the pre purchase evaluation process. several correlation of satisfaction and dissatisfaction have been noted down in various researches . Some of the correlates are presented here:

- Older consumers have lower level of expectations and tend to be more satisfied.
- Higher education level is associated lower satisfaction.
- Men tend to be more satisfied then women.
- Higher confidence level and competency in purchases leads to higher satisfaction.
- When a consumer perceives that other people are satisfied they also tend to be satisfied .
- Consumers who are satisfied with their life tend to be satisfied with products.

2.3.5.3 Consumer Complain Behavior

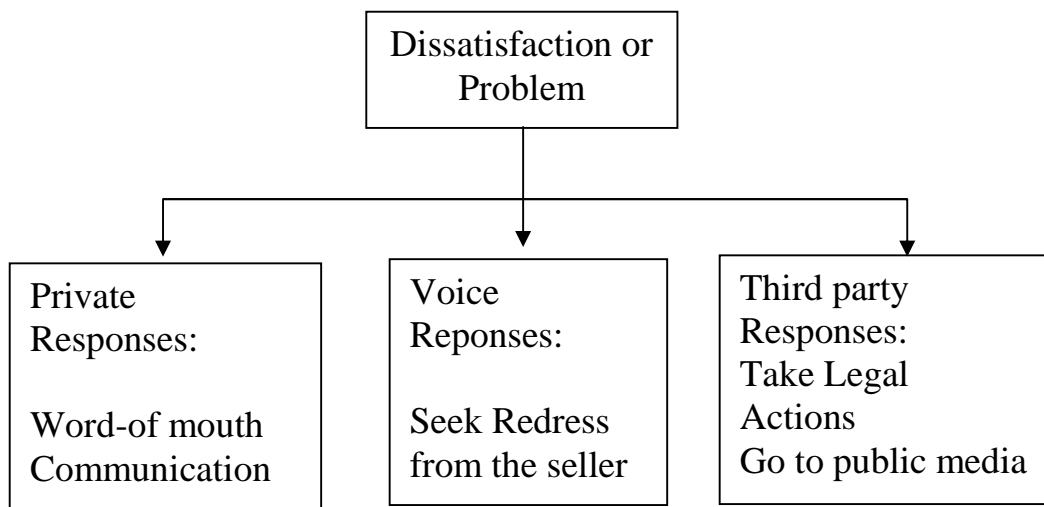
The consumer complaint behavior is a direct result of dissatisfaction with a product or service. There are several forms of complain behavior. Consumers may exhibit unfavorable word-of-mouth communication behavior and tell other people about their dissatisfaction . This behavior is very powerful in developing negative image of the brand and the Company. Dissatisfied consumer may not purchase the brand again consumers may lodge verbal or written complaint to register their dissatisfaction. The general attribute of complainers have been explored in different resources.

- Complainers are more form the high socio-economic class than low socio-economic class.

- Severity of dissatisfaction (Problem) is positively related to complain behavior.
- Complaining is positively related to perceived retailer responsiveness.

The following figure depicts three actions of a dissatisfied consumer

Figure 2.8
Three Actions of a Dissatisfied Consumer



The private response is very strong when a consumer tells his/her friends, neighbors, and colleagues about their frustrations with a product or service. Consumers often directly communicate with the seller or the manufacturer about their problem and seek redress in the form of money-back, product replacement or compensation. As a third alternative they may file a suit in the consumer forums or court of law and seek heavy damages. Some consumers also take the help of public media to voice their complaints.

2.3.5.4 Post Purchase Dissonance

Very often, negative feelings may arise after the purchase of a high involvement product. This is known as the post purchase anxiety and is explained by the concept of cognitive dissonance developed by Leon Festinger.

In post purchase situation, a consumer may develop imbalance or lack of harmony on two cognitions or beliefs about the product and all other forgone opportunities. The

consumer is tormented with anxiety relating to whether the purchase decision was sound or unsound. The dissonance theory is based on the following two major principles.

1. Dissonance is uncomfortable and motivates a person to reduce it .
2. Individuals experiencing dissonance will avoid situations that produce more dissonance.

2.3.5.5 Magnitude of Dissonance

The magnitude of dissonance is determined by several factors.

1. ***The Degree of the Consumer's Commitment to the Purchase:*** If the consumer has entailed high monetary, psychic, and social costs in the choice, the consumer is likely to experience higher level of dissonance.
2. ***Irrevocability of the Decision:*** If a consumer is unable to alter the decision, the consumer is likely to face dissonance. Products that provide money-back guarantee is directed at reducing the magnitude of dissonance.
3. ***The importance of the decision to the consumer:*** if the purchase decision is important to the consumer it is likely have dissonance.
4. ***Difficulty in Choosing among Alternatives:*** Greater the similarity between product alternatives leading to difficult brand choice higher will be the dissonance.
5. ***Individuals Tendency to Experience Anxiety:*** Consumers' personal characteristic of experiencing anxiety also lead to dissonance. Therefore higher the tendency to experience anxiety, the more likely the consumer will experience the post - purchase dissonance.

2.3.5.6 Resolving Dissonance

The tension introduced by dissonance related anxiety force the consumer to seek adequate remedies. This drive leads the dissonant buyer to one of the three courses of action of action.

1. Break the link between the consumer's self concept and the product by returning it or complaining about it . This alternative has strong negative implications for the brand because consumers try to reduce their anxiety by either returning the product or spreading negative word-of-mouth communication among his/her peers family and neighbors. Either way the brand loses sales.

2. Add new information by reading materials relevant to the choice. It leads the consumer to seek favorable information about the product and look for support from family and friends on his/her choice. Marketers of high involvement products normally place reassuring advertisements and train salespersons to support the consumer's choice in order to reduce the dissonance.

3. Psychologically reevaluate the derivability of the chosen alternatives in the positive direction and the desirability of the unchosen alternatives in a negative direction. This alternative has positive consequences for the brand . In this process the consumer reduces the psychological imbalance by gradually changing his/her brand perception in favor of the chosen alternative. This leads the consumer to develop strong favorable feelings towards the brand.

2.3.5.7 Disposal

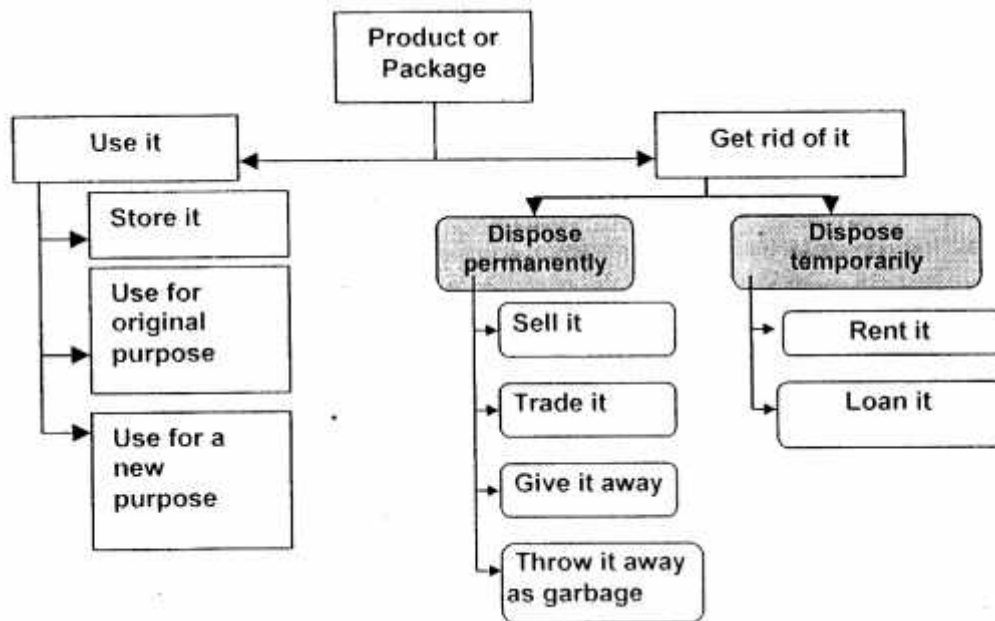
Consumer researchers and marketers recognized importance of the study of product disposal methods only recently . Thus very little research has been focused on this area product or package disposition may occur before, during, or after product use. For some products such as the ice - cream cone there is no problem of disposition.

Disposition has become very important from the perspective of markers as well as public policy makers. For marketers the study of disposition is important to understand consumers re-use and alternative use processes. For public policy makers, disposition is a critical issue of management of solid waste in the urban centers.

Methods of Disposition: Consumers have two basic options for the product disposal: keep it, dispose it. In term of disposal there are two more options: temporary disposal

and permanent disposal . The various method of product disposal are presented in the following diagram.

Figure 2.9
Methods of Product or Package Disposal



Keep It : Option one involves keeping the product after using it for sometime. If the product is keeps, it can be continued to be used for the intended purpose, convert to a new use or stored for future use.

If a consumer is highly satisfied with the he/she may continue to use the product for a long time. Consumers may also convert the product for a new use. For example an old tooth - brush can be used as a cleaning device. if consumers find new uses for the product, marketers may advertise on the new use. A consumer may also store the product for future use. Research has indicated that consumers generally store a product if they are not fully satisfied with the product .

Temporary Disposal: Temporary disposal can be executed either by renting it or loaning it to someone consumers often handle dissatisfaction through temperance disposal method. The option of the renting has some monetary incentive to the consumer while loaning is usually free of charge.

Permanent disposal: Permanent disposal of the product may result out of dissatisfaction with the product immediately after purchase or sometimes after its use.

Consumers have four alternative methods of permanent disposal sell the product, exchange it with another product, give it away to someone free of cost or throw it away as garbage .

Once consumers are dissatisfied with the product they try to sell the product to resellers, second hand shops or some other person. A consumer may also make an effort to exchange the product hand some other product. Availability of second hand buy and sell outlets facilitates such transactions.

Consumers, often give away used or stored products in charity. Consumers may also throw the product away if they find no use for it. If consumers throw the product away, marketers should be interested to know how they dispose it, especially if the product can harm the environment (Koirala 2062 :1 - 25).

2.4 Socio-Environmental Determinants of Consumer Behavior

2.4.1 Group Influence on Consumer behavior Meaning and Types of Group

A group is defined as two or more people who interact to accomplish either individual or mutual goals. According to J.C. Mowen (2000). A group is defined as a set of individuals who interact with one another over some period of time and who share some common need or goal" This means group includes family, neighbors, colleagues friendship circle, social club members and reference groups.

The groups can be classified into primary and secondary, formal and informal and membership and symbolic.

Primary and Secondary Groups: From the viewpoint of the degree of personal involvement and consistency of interactions a group may be categorized into primary and secondary groups. In primary groups, the person is deeply involved and interacts on a regular basis with other individuals, while in secondary groups the interaction is

occasional. Family, neighbourhood groups, and colleagues are primary groups. Members of a social or religious club and certain firm's stockholders are secondary groups.

Formal and Informal Groups: From the view point of the degree of organization a group may be formal or informal. In formal groups, the structure is well defined along with the member's role, responsibility and authority and the group's purpose. For example, a business club or a political party of an NGO has well defined structures and thus are known as formal groups. In informal groups, the structure is not defined and group members come together and interact with each other for a specific purpose. The neighborhood groups, friendship groups and children's play groups are informal groups.

Membership and symbolic Groups: From the viewpoint of the physical proximity of group members, a group may be membership or symbolic. In membership groups the person takes group membership and usually meets the other group members under formal or informal structures. Friendship circle, club members, neighborhood groups are membership groups. In symbolic groups the person adopts the group's values attitudes and behavior without coming into direct contact with the group members. Film stars, politicians sports persons singers and other types of celebrities work as role models for many people and thus are known as symbolic groups.

From the viewpoint of consumer behavior six types of groups are very important as they influence the purchase decision of a consumer. These are the family, friendship groups, formal groups, shopping groups, consumer action groups and work groups.

2.4.1.1 Group Influence on Consumer Behavior

Group provide the members with status, norms, role, socialization, and power (Louden and Bitta 2003, 200) Group members are assigned a status in the group hierarchy. The group also provides behavioral norms for each group member to act or react in a specific situation Each member in the group is also assigned a role. The group provides an access for socialization through which individual members learn

group values and norms along with information, skill and attitudes. A group also gives power to its members.

Groups influence consumer behavior in different ways. The major sources of group influence are normative, informational, value expressive, role related conformity, and socialization.

1. **Normative Influence :** Groups norms are written or unwritten codes of behavior prescribed for group members. Norms represent shared value judgments that determine standards for group members' behavior. Such norms influence the consumption of dresses vehicle homes, and entertainment.
2. **Informational Influence:** Group provide valuable information on products service and outlets that are suitable for purchase and consumption by group members. This information is likely to influence the consumer's purchase decisions.
3. **Value Expression Influence:** Groups provide certain attitudes to its members through shared value and norms. These attitudes influence in the choice of products and outlets.
4. **Role related Influence:** Groups provide its members with specific roles that they are expected to perform for the group's benefit. In a group such as family different members play different roles as initiator, influencers, deciders, payers, buyers, and users of products. The group also prescribes certain life-style for its members that are reflected in choice of products and services.
5. **Conformity Influence:** The group provides a direct or indirect pressure on its members to act according to the group's wishes. Individual consumers belonging to a group adopt the consumption behavior prescribed by the group.
6. **Socialization Influence :** Groups provide its members to socialize within the group. In the socialization process, individuals compare themselves with other members in terms of ownership and use of products and services. This process

results in purchase of dresses, vehicles, education and many other consumer products.

2.4.1.2 Group Shifts, Social Traps, and Fences

Groups influence consumer in different ways. In the group dynamics, group members tend to act for their short-term individual benefits at the expenses of long term group benefits. This phenomenon is explained by the concepts of group shifts, social traps and fences. (Koirala 2062: 1 - 3).

2.4.1.3 Family

The family is defined as two or more people persons related by blood, marriage or adoption who reside together. The family is the most basic form of groups who live together and interact to satisfy their personal and mutual needs. Family can either be nuclear or extended. In nuclear family, the husband, wife and their children live together. In extended family, three or more generation live together.

Functions of Family

Family provides the following four basic functions:

Economic well-being: The provision of financial means to the dependents or providing economy security to family members is one of the basic family functions. In most of the urban areas, the responsibility for providing financial security has changed from sole responsibility of the male adult to a form of male female joint responsibility. The economic security provided by the family to its members contributes to the consumption of various products and services.

Emotional Support: Family provides emotional support to its members. A family helps its members to solve personal and social problems.

Suitable Family Lifestyles: Family provides a suitable lifestyle for its members through the process of upbringing, experience, education, career and commonly shared leisure activities.

Family Member Socialization: Socialization of family members, particularly of children is one of the basic function of family. Children learn basic values and modes of behavior from the family.

Family Decision Making

In consumer behavior, the family is known as the basic decision making unit (DMU). The family purchase decision is influenced by the roles performed by each family member. Marketing executives want to know about the role of each family member in order to design effective marketing strategy to influence family buying. There are up to eight different roles performed by family members

Influencers: Family members (s) who provide information and advice about a product or services.

Gatekeepers: Family members (s) who control the flow of information about a product or service. Parents take the role of gate keepers when they control the times and types of television programs children watch.

Deciders: Family members (s) with the power to determine unilaterally or jointly whether or not to purchase a specific product or service.

Buyers: Family members (s) who make the actual purchase of a particular product or service.

Prepares: Family member (s) who transform the product into a form suitable for consumption by other family members.

Users: Family members (s) who use or consume a particular product or service.

Maintainers: Family members (s) who service or repair the product so that it will provide continued satisfaction.

Disposers: Family members (s) who initiate or carry out the disposal or discontinuation of a particular product or service.

The type of role assumed by a family member in the purchase decision varies across families situation and product. In some cases, one member may be performing several of the roles while in others; several family members may be performing certain roles jointly.

2.4.2 Family Life Cycle

The family life cycle variable is used to define the stage of the family in which the family size changes with time. The family life cycle variables have been designed in the context of the western social system where young people like away from the family to pursue studies and career. The young people many and raise their family. Once their children reach mid teens they leave their family to pursue studies career. This concept although western is gradually entering the urban social structure of Asia including Nepal (Koirala, 2062: 8-9).

2.4.3 Family Life Cycle and Consumer Behavior

The life cycle stage determines the consumption behavior of families. As a family moves through the life cycle stages their product and service needs change. At the young bachelor stage of the life cycle, the single person has a relatively low income but has high expenditures in life-style and fashion related consumption. This group is likely consumers of sporting goods, motorcycles, entertainment and recreational services. As individuals start to live together the couple will have better income as both individuals in the family may be earning. This group is the likely consumers of homes, furniture, home appliances, schools, insurance policies etc.

When the couple starts the family they need to focus on the need of the child. This group is the likely consumers of baby food, clothing, toys, medical services etc. When the family becomes larger with several children their product needs are further enlarged. This group becomes the likely consumers of large food purchase, medical care, higher priced automobiles, fast-food services etc. A time will come when family size begins to contract. Children move away from the family. At these stages (empty nests) the product and services needs also diminishes.

2.4.4 Reference Groups

A reference groups is any person or group that serves as a point of comparison or reference for an individual in the formation of either general or specific values, attitudes or behavior.

Types of Reference Groups

There are four broad categories of reference groups, such as contact group, aspiration group, disclaimant group, and avoidance group.

- i. Contact Group :** It is that group in which a person holds membership or has regular face to face contact and whose values, attitudes and standards the person accepts. Normative reference group such as a family is a contact group.
- ii. Aspiration Group :** It is that group in which the person holds neither direct membership nor comes, into direct contact with the referent but wants to be a member of the group. It is the comparative reference group in which the person adopts the values, attitudes and behavior of the referent. Movie stars, musicians, pop stars and sportspersons often work as reference groups for young people. Successful businessman, politicians and other celebrates work as reference group for adults.
- iii. Disclaimant Group:** It is that group in which a person holds membership or face-to-face contact act but disapproves of the groups values, attitudes and behavior. In this case, the person adopts values, attitudes and behavior which are against those adopted by the group.
- iv. Avoidance Group :** It is that group in which a person does not hold membership and does not have direct contact with the referent. The individual also disapproves of the group's values, attitude and behavior.

Role of Reference on Consumer Behavior

Influence of reference group on consumer buying decision depends on the nature of the person along with the type of product and other social factors. Reference groups influence consumer buying in the following ways:

- i. Information :** Reference groups provide information on the product and serve. Consumer buying is influenced if the referent is perceived by the consumer as credible source of information. The degree of influence through information supply depends on the amount of information stored by the person about the product or service. If the person already has first-hand information about the product the influence of reference group in the person's purchase decision is minimized.
- ii. Norms:** Reference group provides norms or behavioral rules of conduct for a person which influence his/her purchase decisions. The reference group norms influence the persons consumption behavior.
- iii. Values and Attitudes :** Reference groups provide a person with certain values and attitude which guide a person in the choice of products and brands. Normally, the person will be buying those brands recommended by the referent as they are within the accepted group values and attitudes.
- iv. Conformity:** Conformity is the change in behavior or belief toward a group as result of real or imagined group pressure. The person conforms to the wishes of the group and changes his/her beliefs in the direction of the group (Koirala, 2062: 11-13).

2.4.5 Social Class

Social class is the relatively permanent and homogeneous strata in a society that differ in their status, wealth, education, possessions and values. All societies have social hierarchies based on the above aspect. Different social classes exhibit significant difference in their purchase behavior. The difference in the consumption behavior of social classes is due to the following factors.

- (i) Economic:** Families belonging to different social classes have different levels of income. The variation in income levels result in differences in choice of stores, choice of products and brands and frequency of buying.

- (ii) **Psychological:** Different social classes vary to some extent in terms of the psychological facts such as values, beliefs and attitude of the families which influences the consumption behavior.
- (iii) **Life-Styles:** Social class also determines the type of life style adopted by individuals and families. Choice of leisure activities, hobbies, opinions considerably differ in various social classes.

Social Class Categories in Nepal

Social class stratifications are artificial divisions in a society based on income, wealth, education and profession. The type of stratification differs from one society to the other society. For instance, the American society is divided into blue color, grey color and white color working class. In Nepal, social class stratification is still not very clear. Nevertheless, the following class categories exist in the Nepalese society.

- (i) **Lower Class:** This class represents the highest proportion of the population. It constitute of the people who live below the poverty line. People in this class are mostly illiterate and have high mortality and morbidity rate. They represent the marginal farmers of the villages and migrant workers in the urban areas. This class dependents on their daily earnings for their livelihood.
- (ii) **Lower Middle Class:** This class has mostly clerical jobs in the public or private sector, or are small traders. They send their children to government or community schools. They have a fixed income and manage their modest life style within their income. They also have some ancestral property in the form of farm land and a very modest house. This class cannot save any money and have very little discretionary income.
- (iii) **Middle Class:** This class has good income from their salaries jobs or businesses. They send their children to private schools. They are capable of saving money from their income and have moderate discretionary income. They also own small houses and motorcycle as family vehicles.

- (iv) **The Upper-Middle Class:** This class constitute of people who have secondary sources of income apart from their professional income. They have more than one house and also own moderately priced family car. This class sends their children to expensive schools in Nepal and India for education. This category constitute of government officials, and professionals such as doctors, engineers and lawyers. This is the major consuming class in Nepal. They adopt a mixed lifestyle that party Nepalese and partly western.
- (v) **The Upper Class:** This class constitute of a very small population (about one percent) who have either inherited huge ancestral property or amassed huge wealth through business or corruption. The neo-rich class also belongs to this category. This class ends their children aboard for education, own huge houses, have big bank balance, and own expensive foreign cars. This class has fully adopted the western life-style.

Social Class Mobility

Social class is measured in terms of households. Household membership in a class category changes as the family income, education, and occupation changes. This social class is dynamics. People move both upwards as well as downwards from their current class membership. If a country provides free education and ample opportunities for self development people rapidly move upwards.

In Nepal, access to free quality education is very rare that results in very slow upward social class movement. Large parts of the population live in a vicious cycle of poverty, illiteracy, and malnutrition. Government's effort to break this vicious cycle through various intervention programs has miserably failed. This has resulted in a downward movement in Nepal's rural masses. Nevertheless, many farming families have moved upwards from lower class to lower-middle class through horticulture and poultry farming. Some families have moved upwards due to foreign employment. Better education has also made possible for many urban middle-class families to move to upper-middle class.

Affluent and non-Affluent Consumer Behavior: The social class structure in every society has grouped the total population into haves and have nots. The rapid pace of development in India and China is creating a very large affluent class that has good income that can be spend a large part of their discretionary income on luxury products such as expensive cars homes, consumer durables, and jewellery. The affluent market consumers much of the supply of expensive wines, travels, and cars. They are also the target consumers of private schools, expensive restaurants, health clubs, golf clubs and credit cards. The holiday resorts around Kathmandu valley (Nagarkot and Dhulikhel) are targeted a affluent class's leisure time activities.

On the other hand, non affluent classis involved in their basic consumption pattern making ends meet with their low discretionary incomes. This class represents a very large part of the total population and cannot be ignored by marketers. The non-affluent class is the target customers for cheap electronics, ready-to-wear garments, common grocery, cinemas, and quick snack items.

Consumer Behavior Applications of Social Class

The influence of social class is reflected in the following aspect of consumer behavior.

Shopping Patterns: The reason or shopping differs among different classes. For instance, the upper class and upper-middle class tend to stop not only out of necessity but also for pleasure. This class is known to prefer stores with high fashion image. Many department stores target the upper classes by making shopping a pleasure. The middle class usually prefer the stores with price appeals. Middle class also show positive attitude toward bargaining.

(i) **Clothing and Fashion:** Class belonging is often reflected in choice of clothing and adoption of fashion related products. Upper classes prefer to buy clothes from boutiques or go for the original brands. The middle class buy clothing materials and get it stitched from a tailoring shop or go for copies of the original brands. The lower classes buy cheap ready-to-wear dresses from flea market. Brand name has no importance for the lower class. The upper

classes are the first to adopt new fashion that slowly trickles down to middle classes and lower classes.

- (ii) **Leisure Time Activities:** The leisure activities of classes differ in predictable ways. Type and place of entertainment sought by different classes significantly differ. Upper classes seek entertainment through partying in clubs, dining in expensive restaurants, through travels and foreign shopping trips. Television is the major source of entertainment for the middle class. The lower class visit cinema halls for entertainment.
- (iii) **Home Decoration:** Class difference is clearly visible in the purchase of items required for decorating homes. Upper, middle and lower classes have distinct choice in the purchase and use of furniture, curtains and other home decorating items such as paintings, sculptures, television, flower pots etc.

2.4.6 Culture

Culture is a set of socially acquired behavior patterns transmitted symbolically through language and other means to the members of a particular society. Culture, in brief, is the way of life of people in a society. Culture can be tangible as well as intangible. Tangible culture is represented by housing, tools, dresses, food, habits works of art etc. Intangible culture is represented by language, religions, values, beliefs, attitudes etc.

(i) Characteristics of Culture

Culture has the following characteristics.

- (a) **Culture is Learned:** Culture is learned behavior from the past generation. The culture behavior is transmitted to future generation from the current generation. Anthropologists have identified three forms of learning in the context of culture formal, informal and technical learning.

In formal learning, the adults teach the younger generation the culture behavior. In formal learning, the younger generation observes and imitates the behavior of other people. Informal learning can also take place from media

exposures. In technical learning, the teachers instruct the child in an educational environment as what should and should not be done. Through the learning process an individual learns the consumption behavior of this culture and behaves accordingly.

- (b) **Culture is Dynamic:** Culture is also dynamic and adaptive. Cultural behavior changes with cross cultural exchanges as new behavior is learned from other culture. It also changes with new challenges to the current society. For instance, the challenges posed by the population explosion in the Hindu society have resulted in the adaptation of birth control devices in a very short period of time. Thus, cross cultural influences and new challenges establishes new consumption behavior in a society.
- (c) **Culture Satisfied Needs :** Culture exists to satisfy the needs of people in a society. Culture offers social order direction and guidance to the people in all types of problem solving situations. It provides proven methods of satisfying physiological, psychological and social needs. The culture rituals, symbols, customers, traditions, dressing, housing, marital system and many other cultural values provide satisfaction to individuals and groups.
- (d) **Culture has Sub-Culture:** The sub-culture is a sub-division of national culture based on some homogeneous characteristics such as language, ethnicity, race, region etc. The culture provides a board behavior guideline, while sub-culture provides specific behavior norms under the culture. Sub-culture has similar characteristics of culture, i.e. sub-culture behavior is learned, sub-cultural behavior is dynamic; and subculture provides outlet for need satisfaction. Subculture influences on consumer behavior are similar to cultural influences.

Cultural Influences on Consumer Behavior

Culture is the accumulation of shared meanings, rituals, norms, and traditions among the members of a society. Culture has strong influence on consumer behavior in terms of consumption choices, core values, myths and superstitions, and rituals.

- (i) **Consumption Choices:** People's consumption behavior is largely guided by the culture. What people wear, what they eat, and what importance are attributed on products and services are determined by the culture. Cultural acceptance is the most important factor in the success of product or service. The western concept of a healthy body is slim and trim while in the middle-east such a body is perceived to an indicator of poverty. Thus, a low calorie product becomes an instant hit in the western market. While in the East there is more demand for high calorie food. Even in the Eastern culture there is a great variation among the various notions. For example in Japan men share the same bath tank and are not ashamed to bathe in nude which is unthinkable in other cultures.

- (ii) **Core Values:** Culture provides care values to the people. The western cultures have core values such as individualism, equality, hardworking, achievement, and technology dependency. The Nepalese core values consist of fatalism, collectivism, nepotism, and lack of importance of time.

Most of the Eastern Cultures are based on a power hierarchy, the center of power lies in the head of a family, institution or an organization. Eastern cultures provide a value to work for mutual benefits of the members of a family and society. In the western culture such hierarchy does not exist. people are perceived to be equal and free to make individual decisions.

Myths and Superstitions: Every culture has certain myths and superstitions that influence consumer behavior. Myths related to good luck and bad luck are prevalent in every culture whether it is modern or traditional. In the western culture the number 7 is associated with good luck and number 13 with bad luck. In the Hindu society, the numbers 8 and 12 are associated with bad luck. Similarly, in Nepal, people avoid buying new clothes on Monday and iron-based items on Saturday.

- (i) **Rituals:** Rituals are socio-religious practices of a society that are performed to please gods, goddesses, and ancestors. Religious ceremonies (worships) and social ceremonies (birth, initiations, marriage, and death) differ among the

different cultures and sub-culture. The use of products in the ceremonies also differs among the cultures. Similarly, the rituals related to gift-giving also influences consumer behavior. The recent trend in Nepal's urban life has introduced flower bouquet as a major gift item that has increased the demand for flower in the market (Prof. K.D. Koirala, Hands Out 2062: 16-21).

2.5 Review of Related Studies

2.5.1 Subas Bhandari

Subas Bhandari (2059 B.S.) conducted a research entitled "Consumer Preference Towards Various Brands of Instant Noodles with Emphasis on Wai Wai" with the following objectives.

- a) To study the position of Wai-Wai in present Instant Noodles Market.
- b) To find out the sales and market share of Wai Wai in the market.
- c) To know the factors which induce the consumer for buying the Instant Noodles Wai Wai.
- d) To study the consumer's perception of Wai Wai advertisement.

Major Findings of the Study

1. Most of the consumers of instant noodles is male. It's about 50% more than female. The instant noodles is more popular in children and teenagers. About 43.33% of the consumers of Instant Noodles is lies on 5-20 age groups. Secondly young people between the age group of 20-35 use the instant noodles. most of the school students about 50% take the instant noodles. The consumers of Instant Noodles are in huge number in city of Kathmandu than city of Lalitpur and Bhaktapur.
2. The package of 75 gms instant noodles is popular. Most of the consumers prefer packet of 75 gms of instant noodles than that of 50 gms and 60 gms. About one three-fourth of the respondents found to have 75 gms of instant noodles. Most of the consumers about 63.33% like to have instant noodles as tiffinss then after like to have as dinner and any time. The main reason for

having instant Noodles is found to be "directly, can eat without cook" then after having instant noodles due to easy to cook, for fun and enough for mail,

3. 43.33% consumers prefer to have Wai Wai. So most of the consumers want to have Wai Wai. Wai Wai is the brand leader in instant Noodles. After that most of the about 26.67% consumers prefer to have Rum Pum. Rum Pum is the second brand leader in instant noodles followed by Mayos and RaRa.
4. The effective media for advertisement for all brand of instant noodles is T.V. media. Besides TV other popular as well as effective media are newspaper, FM radio magazines, friends circle, poster hoarding boards etc.
5. The best advertisement of instant noodles is of Mayos. About 33.34% consumers liked the advertisement of Mayos, followed by Wai Wai and Rum Pum. So Mayos have qualitative advertisement.
6. Most of the consumers take instant noodles oftenly then after consumers takes instant noodles always and sometime.
7. Most of about 80% of the consumers would buy and available brand if there was not their favorite brand. It means there are not brand loyalty in Instant Noodles. Consumers are found easily go for substitute brands when the favorite brand is not available in the market.
8. There is not so aware in quality of the instant noodles. About 40% consumers are moderately aware about the quality of the instant noodles. Most of the consumers are moderately aware about the quality followed by highly, very highly, lowly and very lowly. The study found that most of the consumers liked the quality of the Wai Wai followed by Mayos, Rum Pum, RaRa and U-key. Wai Wai have the best quality than other instant noodles. Huge number of consumers accepted that the quality of the Wai Wai dood as well as very good.
9. Price factor did not play any role in the purchase of instant noodles by the consumers. All the consumers accepted that the price of instant noodles is ok.

They never care in price while buying the instant noodles. All brand of instant noodles have best price. Means the price of instant noodles is neither high or low.

10. From this study, it is found that most of the consumers changed their favorite brand due to desire of testing new brand. The world is the changing world. Consumers are also from the same world so they have also changing habit, due to this habit they switched to any new brand easily. Advertisement campaign and attractive packing also make the consumers to change their favorite brand.
11. Any attractive scheme could not affect the consumers to leave their favorite brand. Most of the consumers gave stress in the test of instant noodles. They bought the instant noodles due to test followed by attractive advertisement, scheme and good prizes.
12. Most of the consumers of instant are children and teenager so they liked the scheme of chocolate inside very much. Children wants to buy the instant for the chocolate inside. After this most of the consumers liked the scheme of prize like car, motorcycle, cycle, video game, cash etc.
13. The availability of the Wai Wai is very high them other brands. Wai Wai are in 100% retailers. It means Wai Wai have good availability in the market followed by Mayos, Rum Pum, U-key, Gol Mol, JoJo have poor availability in the market. Most of the retailers sales the brand Wai Wai more. Wai Wai have good sale in the market. Secondly Mayos, Rum Pum and RaRa also have good sale in the market.
14. According to retailers Wai Wai have the best quality than other brands of instant Noodles. Mayos, Rum Pum, RaRa and U-key have also good in quality. Retailers sell the instant noodles due to good sales. They give the second preference to the commission. Most of the retailers are getting good commission in Mayos, RumPum and RaRa. Only the few numbers of retailers are getting good commission in Wai Wai.

15. Retailers perceive that Mayos has the best marketing strategy followed by Wai Wai, Rum Pum and RaRa. Remaining all other brands of instant noodles have poor marketing strategy.

2.5.2 Khila Raj Ojha

Khila Raj Ojha (2003) tried to study about marketing, usage pattern, attitudes and image of cold drinks in Kathmandu area on his thesis work.

The objectives of this thesis were

- (a) To examine the consumer's perception and behavior in the purchase of cold drink in Kathmandu.
- (b) To find out the level of awareness of different brand, their images and attitudes towards different brands.
- (c) To evaluate the distribution network and marketing strategies of cold drink companies in Kathmandu.
- (d) To evaluate the impact of advertisement and sales promotion schemes on sales of cold drinks in the study area.
- (e) To identify consumers' profile and their preference of cold drink in study area.

Major Findings of the Study

1. Coke is the number one choice. People's attitude towards coke is far more positive than to other brands and together with this the Coca-Cola company has rightly combined coke with it's other product's i.e. Fanta, Sprite, and Lemon Fanta, so that it has about 90% of the cold drink market.
2. More than 67% people prefer to have cold drinks at day time. Similarly, more than 55% of the respondents pinpoints the reason to have cold drinks for quenching the thirst. It is more suitable to have in a restaurant or bakery shop. More than 52% prefer cold drinks in restaurant and surrounding.

3. Third finding includes that consumers' first preference goes to quality, taste and brand name and only the moderate level of preference to availability, advertisement and price.
4. More than 66% of the total sale of cold drinks is occupied by coke. Hence, consumption pattern of cold drinks is dominated by coke.
5. It has been found that the consumers have more exposure of cold drink ads through the television as this figure for Coke, Pepsi, Frooti and Rio are 82.67%, 74.67%, 70.67%, and 58.6% respectively. Magazine provide the second most important exposure, while exposure through radio is found to be very low. In terms of consumers perception of the most effective media, the TV is the most effective media (60.67%), followed by radio (13.33%), magazines (10.67%) electric board (4.67%) and wall paintings (4%).
6. Cold drink advertisements have not only higher level of exposure but also a very high recall value. The study found that 54% respondents remember ads of coke, 20.67% remember advertisement of Pepsi, 10.67% remember advertisements of Frooti, 5.33% remember advertisement of Fanta, 2% remember advertisement of Rio and 0.67 remember advertisement of Mirinda.
7. The study also found that 86% of respondents remember TV advertising, while 6.67% of respondents remember advertising in magazine, 2% of respondents remember advertisement in electronic board, wall painting and fridge and 1.33% respondents remember advertisement in radio.
8. The advertisements have very little action effects as 60% of respondent are found to buy cold drink when they need, while 16% respondent found that they buy cold drink without consulting any advertisements. Only 1.33% of the respondents is found to buy cold drink immediately after exposure to an advertisement and additional 8% after a few exposures. However, 90% consumer replied that they were fully influenced by the ads while 10% influenced by the advertisement. From it should be inferred that although

consumers buy cold drink when the need arises, advertisements have played a very strong role in the choice of cold drink.

9. Forty seven point three, three percent respondents are found to be brand switching to find new tastes, while 36.67% respondents change their brand due to shortage. Only 11.33 percent respondents change due to price factor, 4% due to sales scheme and 0.67% due to advertisement. Thus, it concludes that a large number of respondents change their brand to find new taste.
10. The study found that 68.67% consumers purchase cold drink for themselves, 24% through their family members, 5.33% purchase through their friends and 2% through other people.
11. Out of the total respondents, 34% used to have Coke and Pepsi because of its taste, 24.67% because of this brand name and easy availability, 4.67% for its freshness and 2% have for fashion. From this, it can be concluded that taste stands the first attribute for having coke followed by quality.
12. In terms of the reasons for having the fruit based cold drink particularly, Frooti and Rio, 56% respondents consume Frooti and Rio because of its taste. 13.33% of respondents consume for quenching the thirst, 6.67% fir quality, 6% for brand availability and for freshness, 4.67% for other reasons and 1.33% as a fashion.
13. The study shows that 41.33% of the respondents like ads based on Nepalese folksong, while 21.33% like cartoon picture based ads, 20% with Nepalese model, and 17.33% like foreign ads.
14. Among 60 retailers surveyed, 60% of them have been running their business for the last five years, 28.33% retailers for the last 5 to 10 years, 10% for last the 10-15 years and 1.67% have been running their business for the last 15 years.
15. The study showed that availability of coca-cola products (Coke, Fanta, Sprite and Lemon Fanta) is generally higher than Pepsi products (Pepsi, Mirinda, and

7-Up). Frooti is also found to be very strong in terms of availability in retail stores of the study area, while Rio is slowly catching up in the market.

16. The coke is the top position among the brands as 66.67% retailers opined it as the most-selling brand and it followed by Fanta (28.33%) and Pepsi (5.0%). According to retailers (96.67%) 250 ml. bottles has the highest sales. It is found that it is easy to sale the cold drinks in bottles for retailers.
17. The Coca-Cola and Pepsi salesman visit about half of the retail outlets on a daily basis. The shop visit by the company sales person for Frooti and Rio is found to be mostly once a week. This indicates that Coca-Cola and Pepsi have more aggressive marketing strategy in Kathmandu than that of Frooti and Rio.
18. The study found that 25% of the retailers are highly satisfied with the current distribution. 65% are satisfied, 8.33% are dissatisfied, and 1.66% are highly dissatisfied.
19. In the study, 66.67% of the retailers are found to prefer to sell coke, 21.67 for fanta, 8.33% for Pepsi and 3.33% for other brands of cold drinks, only 10% of the retailers prefer to sell the brand because the company provides them with sales schemes.
20. The study also reveals that 60% of the total retailers believe in increase in sales due to ads, 33.33% believes as it is partly responsible for the sales of brand, 5% believes that is not responsible.
21. In the study, 81.67% of the retailers opined that the company provides them with sales promotion scheme, while 18.33% said that they don't provide them with scheme.
22. In the study, 81.67% of the retailers opined that even if a competing company provides more sales schemes they don't stop selling the old brand, while 18.33% of them are found to be willing to stop selling the old brand if they received better sales schemes. This indicates that more than four fifth of the retailers are brand loyal.

2.5.3 Yudha Sagar Bhandari

Yudha Sagar Bhandari (2004) conducted a research entitled "Brand Performance on Motorbike" with the following objectives:

- (a) To identify the profiles of customers of specific brand.
- (b) To examine the product attributes sought in the motorcycle brand.
- (c) To assess the customer's perception on brand preference.

Major Findings of Study

1. Hero Honda brand has been found as the most preferred brand, Yamaha as the second, K-Bajaj as the third, other brand as the fourth, Lifan as the fifth and Dayang as the sixth preferred brand respectively.
2. On the basis of the age group, most of the respondents have been found in the age 25-39 years. Hero Honda is the most preferred brand in the age group of people below 25 and 25-39 years. In the natural segments group, 40 years and above, Yamaha holds its first position.
3. On the basis of profession, large numbers of respondents have been found in the category of 'Job Holders' . In most category of profession, Hero Honda has been popular except in 'business category'. In business category, K-Bajaj seen as the popular brand.
4. On the basis of education level, large number of respondents has been found in the graduate level. Only few respondents have been found in the 'up to SLC level'. Up to SLC level and graduate level of education Hero Honda has been the most popular in the intermediate and post graduate level of education.
5. On the basis of the income level most respondents have been found in Rs.50,000 and Rs.150,000 per month. Yamaha has been popular in under 50,000 income level and K-Bajaj in Rs.15000 and above.
6. Economic aspect is the primary reason for saving of time and easy handling of the motorcycle follows it.

7. The main purpose of motorcycle riding has been found as transportation but some riders prefer other purpose as well such as business, pleasure etc.
8. It has been found that there is brand loyalty on this sector as the motorcycle is purchased rarely.
9. The price factor has been found as the main factor for brand switching.
10. The major attributes for an ideal brand have been found in the following order rank for the preference of brand.

Price	1 st rank
Fuel and efficiency	2 nd rank
Aesthetic books	3 rd rank
Resale value	4 th rank
Financing facility	5 th rank
After sale services	6 th rank
Attractive advertising	7 th rank
11. According to the preference of total respondents, Hero Honda has been found in the 1st rank, Yamaha the 2nd, K-Bajaj the 3rd other brands the 4th, Lifan the 5th and Dayang the 6th.
12. Hero Honda has been found as in the 1st rank, Bajaj 2nd, Yamaha 3rd, other 4th Dayang, 5th and Lifan 6th on the basis of price.
13. Hero Honda has been found 1st rank Bajaj, 2nd other brands 3rd Yamaha 4th on the basis of fuel efficiency.
14. Daying has been found Ist rank, Lifan 2nd, Yamaha 3rd on the basis of aesthetic looks of the motorcycle brand.
15. The 1st rank has been occupied by Yamaha, 2nd by Hero Honda, 3rd by K-Bajaj on the basis of resale value.
16. High degree of price sensitivity has been realized in brand preference of high involvement goods-motorcycle.

17. Advertising has moderate effect in the brand performance.
18. Hero Honda has been positively perceived in terms of fuel efficiency, resale value and aesthetic looks.
19. Yamaha has been found having the high resale value, high power and moderate look.
20. K-Bajaj has been represented by it's fuel efficiency, more after sales services and moderate looks.
21. High power and high degree of aesthetic looks have been found as the strong attributes of Lifan brand. It has been found that Lifan is disadvantages with regard to fuel efficiency and resale value.
22. Deyang brand of motorcycle has been found that more positive on it's aesthetic looks and finance facility.

The foregoing review of literature shows that brand prefer is an important factor which should be kept in mind by a marketer. But it is noted that there is lack of researcher activities in the field of consumer preference. Very few research works have been found while reviewing previous studies. Moreover, no one had conducted the study on consumer preference, toward various brand i.e. 'NamasteMobile', 'Mero Mobile' and 'U-Sim Mobile'. Hence, this study is conducted to analyze the brand preference variables related Mobiles phone. This study is an application of the concept of brand preference in the field of marketing.

CHAPTER-III

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It explains the methods, used in the study including presentation of the research design (Wolff and Panta, 2003: 25).

It is necessary to choose an appropriate research methodology that helps to carryout this study. In this chapter, an effort has been made to provide a description of data sought for meeting study objectives together with procedure employed for collecting and analyzing the data. The main focus of this study was to analyze the way, how consumers' brand prefer can be altered into positive; it is negative and the methodology is based on the main objective. The procedures followed by the researcher in this study has been explained more precisely below.

3.1 The Research Design

This research study is an attempt to analyze the relationship between consumers brand prefer (dependent variable) and the service related factors. (Independent variables). Hence, a descriptive research design has been used. The data collected from the survey of 'Namaste Mobile', Mero Mobile and 'U Sim Mobile' consumers has been arranged, tabulated, analyzed and interpreted for attaining the research objectives. It has examined the brand preference of consumers on the basis of their perceptions and preferences.

3.2 Population and Sample

All the people using mobile services within Kathmandu valley above 16 years area the total population for this study.

From the population, 150 respondents have selected as sample for representing the population by using a stratified judgmental sampling method. First the total population has been divided into three equally part. Fifty respondents has been selected for Nasmaste mobile user and 50 respondents is also selected for Mero

Mobile and users and fifty respondents are U Sim Mobile Card users. Then data is collected equally from within each strata on the basis of Judgmental sample method.

3.3 The Sample Characteristics

The sample comprises 50 Nepal telecom Sim Card i.e. Namaste, 50 Spice Nepal i.e. Mero Mobile users and rest are i.e. 50 UTL Nepal, i.e. U Sim Mobile users. The attempt has to equalize male and female respondents. Since all the sample data are taken from Kathmandu valley. Sample respondents are comparatively more educated and mostly from middle and lower class family. No respondent in the sample was below the age 16 years.

3.4 Data Collection Tools

Primary data have been collected by distribution questionnaire to 150 people from different profession of mobile phone users. Respondents are 50 from Namaste card holder, 50 from Mero mobile card holder and 50 from U sim card holder. After distribution of questionnaire, questionnaire has been collected and coded, tabulated and presented. Categories wise respondent are separated and percentage are also given then it is taken to the table form.

3.5 Data Analysis Tools

Simple statistical tools have been applied. Percentage analysis is done by separating 3 categories of Mobile brand of showing multiple bar diagram to proved different seven variables.

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

Out of 150 questionnaires, 50 questionnaire were distributed for Namaste Mobile card holder, 50 were Mero Mobile Card holder and then 50 were U Sim Card holder. Namaste Mobile Card holder and Mero Mobile Card holder were easily available in market and received required information but due to small market of U Sim Mobile Card holder were difficulty to receive information, near about one week time took it. After reviewing the available literature, a research methodology has focused on the primary data collected through consumer survey. In this data collected from consumer (respondents) by using questionnaire method has been presented and analyzed. Simultaneously to fulfill the objectives. While developing questionnaire respondents are divided with 7 ranks categories to tick mark to indicate their opinion. seven alternative rank have been presented. Rank 1 indicates very low, rank 2 indicates moderate low, and rank 3 indicates slightly low. Similarly, rank 4, 5, 6 and 7 are indicate moderate, slightly high, moderate high and very high respectively.

4.1 Price of Sim Card

Table 4.1

Respondents' Belief for Price of Sim Card

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	1	2	3	6	2	4
2	3	6	4	8	3	6
3	7	14	3	6	5	10
4	5	10	6	12	10	20
5	8	16	8	16	7	14
6	10	20	14	28	9	18
7	16	36	12	24	14	28
	50	100%	50	100%	50	100%

In table No. 4.1 there are seven ranks of three difference Sim Card with the respondents belief for the price. At rank 5, 16 respondents (32%), 12 respondents (24%) and 14 respondents (28%) respectively shows the higher purchase price of Namaste, Mero and U Sim Mobile Sim Card. At rank 5 (10%) respondents, 6 (12%) and 10 (20%) respondents shows the average price of mobile telephone Sim Card, it means respondents indicate purchase price of Sim Card are neither high nor low. Similarly, These, 3 (6%), 4 (85%), 3 (6%) no. of respondents shows moderate low' price of Sim Card. At rank 3, 7 (14%), 3 (6%), 5 (10%) respondents show the view slightly low price of Sim Card. Again at rank 5, no. of respondents 8 (16%), 8 (16%) and 7 (14%) respondent indicates slightly, high purchase price of Sim Card. Again at rank 7, 10 (20%), 14 (18%), 9 (28%), respondents shows the moderate high price of Sim Card. Price of Sim Card has been shown in multiple Bar Diagram.

Figure 4.1
Respondents' Belief for Price of Sim Card

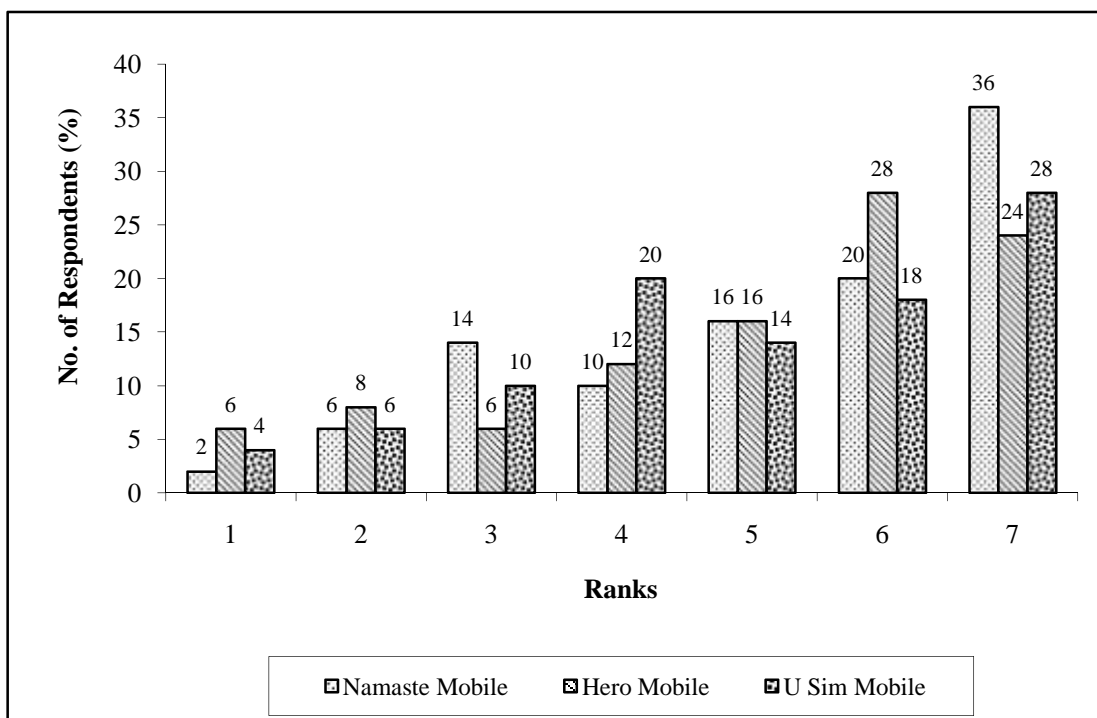


Figure 4.1, multiple bar diagram i.e. no. of respondents. 16 (32%), 12 (24%), 14 (28%) shows very high price of Sim Card of Namaste Mobile Mero Mobile and U

Sim Mobile respectively. Similarly, No. of respondents 1 (2%), 3 (6%), 2 (4%) are very low price of Sim Card of Namaste, Mero and U Sim Mobiles. Again, 5 (10%) of respondents, 6 (12%) of respondents and 10 (20%) of respondents are average or moderate price of Sim Card of mobiles. Now, 3 (6%), 4 (8%), 3 (6%) no. of consumer i.e. respondents shows moderate low price of Sim Card of mobile. Again, 7 (14%), 3 (6%), 5 (10%) respondents are slightly low respectively. Now, 8 (16%), 8 (16%), 7 (14%) respondents are shown slightly high price of Sim Card. Similarly, 10 (20%), 14 (28%) and 9 (18%) respondents indicates the moderate high price of Sim Card of Mobiles.

4.2 Service Charges

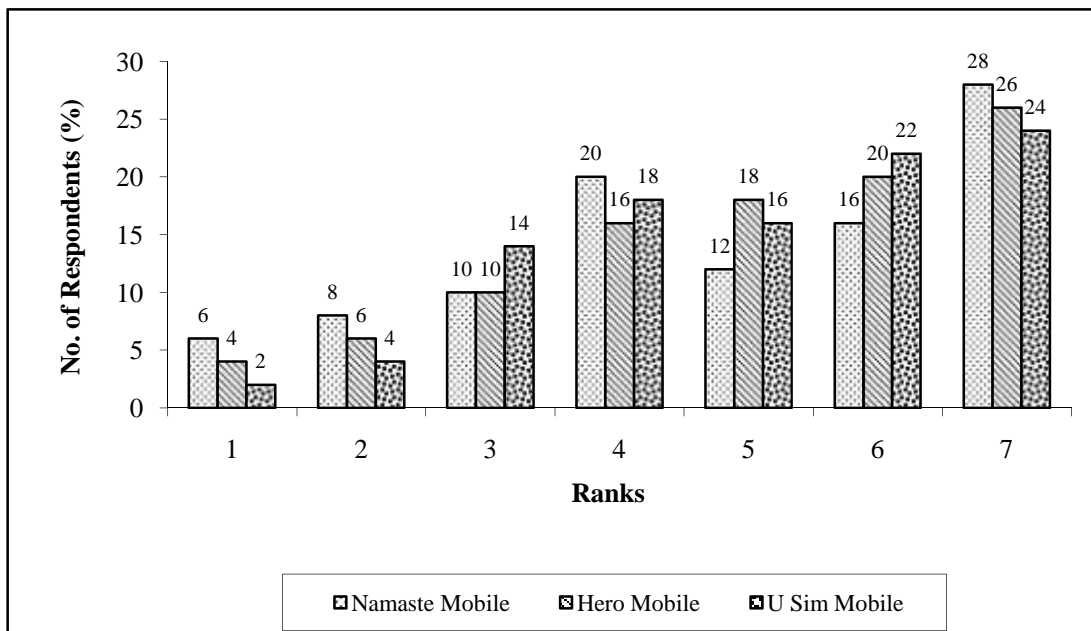
Table 4.2
Respondents' Belief on Service Charges

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	3	6	2	4	1	2
2	4	8	3	6	2	4
3	5	10	5	10	7	14
4	10	20	8	16	9	18
5	6	12	9	18	8	16
6	8	16	10	20	11	22
7	14	28	13	26	12	24
	50	100%	50	100%	50	100%

Table 4.2 shows that no. of rank i.e. 7 which has 14 respondents (28%), 13 (26%) and 12 (24%) indicates that service charge of Namaste Mobile, Mero Mobile and U Sim Mobile are very high price respectively. Similarly, rank 1, no. of people (consumer, respondents) i.e. 3 (6%), 2 (4%), 1 (2%) are very low. Again rank 4, no. of respondents 10 (20%), 8 (16%), 9 (18%) respondents indicates that service charges of Mobile Telephone service are moderate (average), in other words, no. of respondents of rank 4 express their opinion neighbour high service charges of mobile telephone

nor lower charges of mobile telephone service. Again at rank 2, 4 (8%) respondents, 3 (6%) respondents, 2 (4%) respondents give their opinion as slightly low. Again at rank 3, 5 (10%) people of Namaste Mobile, 5 (10%) no. of Mero Mobile and 7 (14%) no. of people express their view as a slightly low of service charges of mobile telephone. Now, rank 6, 6 (12%) respondents, 9 (18%) respondents and 8 (16%), respondents are express their opinion as slightly high. In the end rank 6, 8 (16%) people 10 (20%) of people and 11 (22%) of people indicates their opinion as moderate high.

Figure 4.2
Respondents' Belief on Service Charges



In figure 4.2, multiple diagram, it is clearly seen that no. of respondents regarding rank 7 is high, that is only 6% and 2% are in rank 1 and 28%, 26% and 24% are in rank 7. It means service charge of all the mobile service is high.

4.3 Reliability of Services

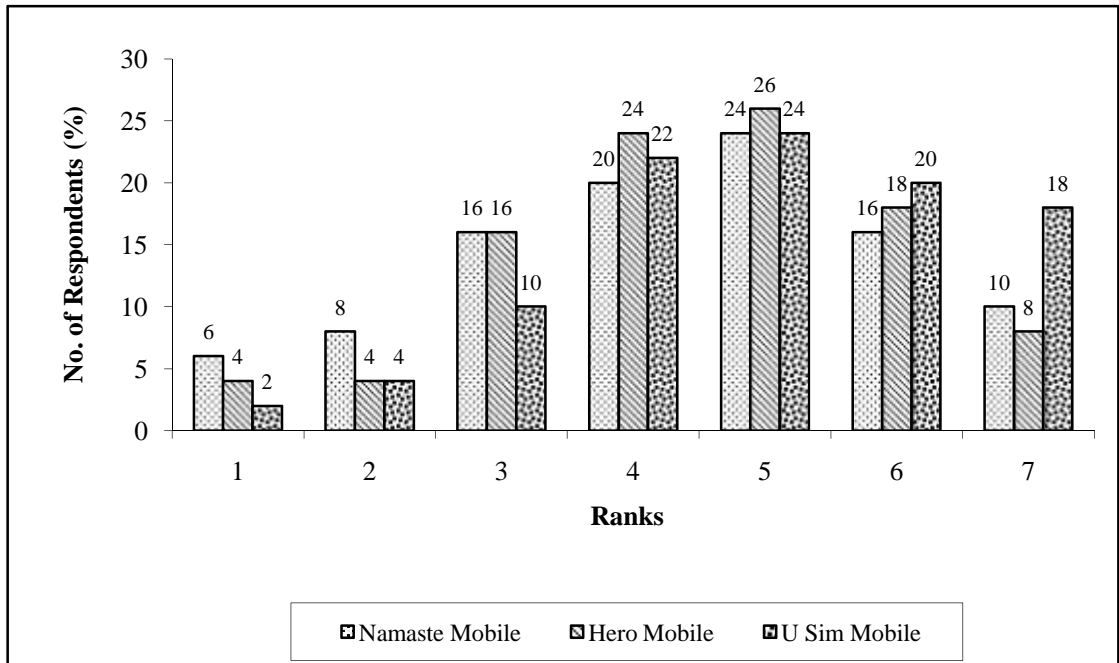
Table 4.3
Respondents' Belief on Reliability of Services

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	3	6	2	4	1	2
2	4	8	2	4	2	4
3	8	16	8	16	5	10
4	10	20	12	24	11	22
5	12	24	13	26	12	24
6	8	16	9	18	10	20
7	5	10	4	8	9	18
	50	100%	50	100%	50	100%

Table 4.3 shows that highest rank at 7 rank, no. of respondents 5 (10%), 4 (8%) and 9 (18%) are few people indicates reability of mobile telephone services. Rank 1 i.e. 3 (6%) respondents 2 (4%) respondents and 1 (2%) respondents at rank 1 are indicate very low reliability of services. Rank 2 is 4 (8%), 2 (4%) respondents and 2 (4%) respondents are express as moderate low. Rank 3 i.e. 8 (16%) respondents, 8 (16%) of respondents and finally 5 (10%) respondents are indicate their opinion as a slightly low. Now Rank 4 i.e. 10 (20%) no. of respondents 12 (24%) of respondents and 11 (22%) of respondents indicates their opinions average type or moderate, it means reliability of service of mobile telephone is satisfactory services. Similarly, at rank 5, 12 (24%), 13 (25%) respondents and 12 (24%) respondents express their view as slightly high, it means ratability of services are good available. Now, at rank 6, 8 (16%), respondents, 9 (18%) respondents and 70 (20%) respondents (people) express their view as also good. It means, at the end and in conclusion, reliability of services of Namaste mobile, Mero Mobile and U Sim Mobile have provide good service.

Figure 4.3

Respondents' Belief on Reliability of Services



Above 4.3 multiple bar diagram at rank 1, no. of respondents 3 (6%), 2 (4%) and 1 (2%) indicates very low of Namaste Mobile, Mero Mobile and U Sim Mobile on reliable of services. Similarly, at rank 2 no. of person (respondent) 4 (8%), 2 (4%) and 2 (4%) indicates of moderate low of reliable services of mobile telephone. Now, at rank 3 no. of respondents 8 (16%) and 5 (10%) indicates reliable services of mobile telephone is slightly low. Again at rank 4, no. of respondents 10 (20%), 12 (24%), 11 (22%) are moderate. It means average no. of customer (respondents) belief reliability of services. At rank 5 no. of respondents 12 (24%), 13 (26%), 12 (24%) belief that consumer are belief slightly high reliability of mobile telephone services. Now, No. of people 8 (16%), 9 (18%) and 10 (20%) at rank 6 are moderate high in beliefs of reliability of services. At the end, no. of respondents 5 (10%), 4 (8%) and 9 (18%) are indicate very high of reliability of services.

4.4 Clarity of Repetition

Table 4.4
Respondents' Belief on Clarity of Repetition

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	16	32	4	8	2	4
2	8	16	4	8	5	10
3	9	18	5	10	6	12
4	3	6	7	14	8	16
5	7	14	10	20	10	20
6	3	6	12	24	11	22
7	4	8	8	16	8	16
	50	100%	50	100%	50	100%

Table 4.4 shows the clarity of repetition of mobile holder. At rank 1, no. of respondents i.e. 16 (32%), 4 (8%) and 2 (4%) indicates the degree of clarity, rank 1, indicates very low of clarity of repetition. Where as Namaste Mobile is very low clarity instead of Mero Mobile and U Sim Mobile. Rank 2 indicates the moderate low of clarity of repetition. Here at rank 2, Namaste mobile has 8 no. of respondent i.e. 16%, Mero Mobile has 4 respondents (8%) and U Sim Mobile has 5 (10%) no. of respondents, that shows moderate low of clarity of repetition. At rank 3 no. of respondents 9 (18%) of Namaste mobile, no. of respondents (10%). Mero Mobile, 6 (12%) respondents of U sim mobile are slightly low indicate that, people of these mobile holder uses at this type. Rank 4, is the Average rank (moderate) where as 3 (6%), 7 (14%) and 8 (16%) are using Namaste mobile, Mero and U Sim Mobile. Similarly, rank 5, 7 (14%) respondents, 10 (20%) respondents and 11 (22%) respondents are using Namaste mobile, Mero and U Sim Mobile. Similarly ranks 6, 3 (6%) respondents, 12 (24%) respondents and 11 (22%) respondents shows the consumer moderate high but no. of respondents are decreasing, rate of clarity of repetition rank 7 are, 4 (8%), 9 (16%) and 8 (16%) respondents, Mero Mobile and U

Sim indicates low clarity of Namaste Mobile but Mero Mobile and U Sim Mobile is good clarity of Namaste Mobile of repetition. Now, no. of respondents is decreasing of clarity of repetition at Namaste Mobile, and Mero Mobile U Sim Mobile of respondents is increasing towards clarity of repetition. At last rank is also decreasing of Namastemobile and comparatively increasing towards Mero Mobile and U Sim Mobile. Above table can be shown at Multiple Bar diagram in below.

Figure 4.4
Respondents' Belief on Clarity of Repetition

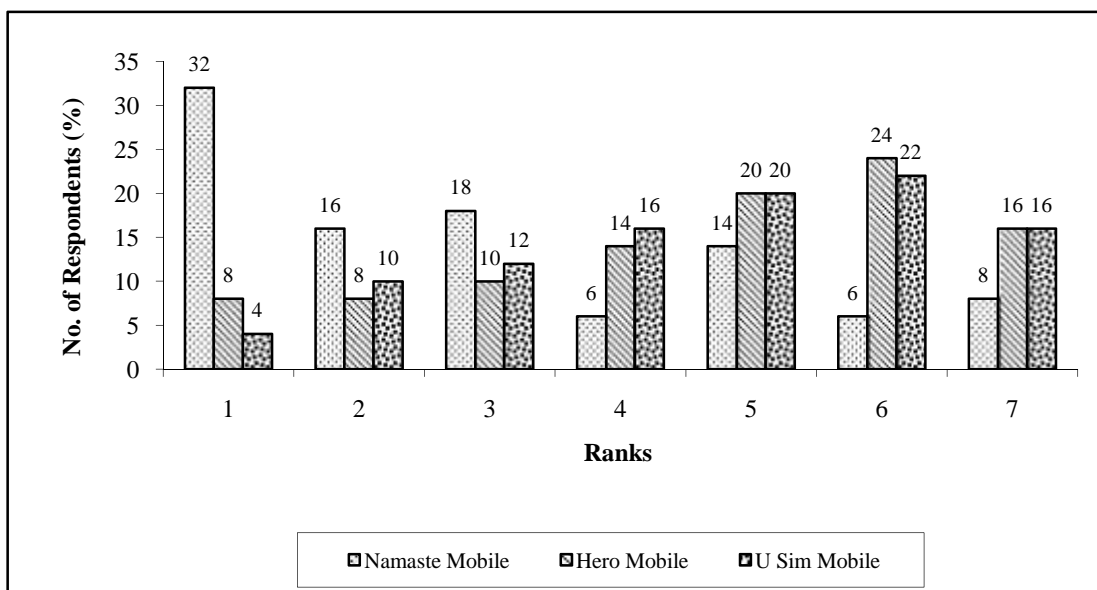


Figure 4.4, multiple bar diagram shows the degree of clarity of repetition of mobile users. Bar diagram indicate at rank 1 very low rank. At rank 1 no. of respondents 16 (32%) indicates the clarity of repetition is very low. Mero Mobile and U Sim Mobile, low percent is 8% and 4% and its corresponding no. of respondents are 4 and 2. In comparison people indicate their opinion is that Nepal telecom company its brand name Namaste Mobile in so much low of clarity of repetition, consumers gave against view for this brand and Mero Mobile and U Sim Mobile are comparatively high repetition. At rank 2, no. of respondents 8 (16%), 4 (8%) and 5 (10%) are respectively of Namaste Mobile, Mero Mobile and U Sim Mobile. Again, 9 (18%) respondents' 5 (10%) and 6 (12%) are respectively of Namaste Mobile, Mero Mobile and U Sim Mobile. Again, 3 (6%) respondents 7 (14%) and 8 (16%) respondents are

shown of Mobile telephone services respectively. No. of respondents 7 (14%), 10 (20%) and 10 (20%) lies at 5 rank which is slightly high. rate at rank 6, no. of respondent 4 (6%), 12 (24%), 11 (22%) is clarity of mobiles respectively. In this rank 6, Mero Mobile and U Sim Mobile show good clarity at last rank 7, no. of respondents 4 (8%), 8 (16%), 8 (16%) which shows clarity of mobile phones.

4.5 Allied Services

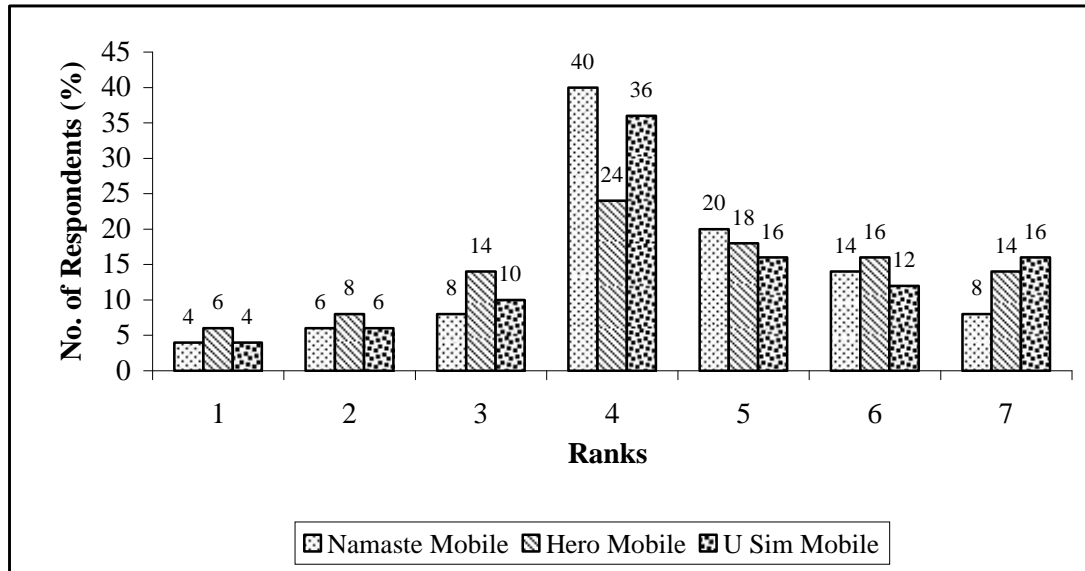
Table 4.5
Respondents' Belief on Allied Services

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	2	4	3	6	2	4
2	3	6	4	8	3	6
3	4	8	7	14	5	10
4	20	40	12	24	18	36
5	10	20	9	18	8	16
6	7	14	8	16	6	12
7	4	8	7	14	8	16
	50	100%	50	100%	50	100%

Table 4.5 rank categories are 1 to 7. In rank1 no. of respondent of Namaste Mero Mobile and U Sim Mobile are 2 (4%), 3 (6%), 2 (4%) respectively. It shows very low of mobile telephone service. It mean allied services of each other mobile telephone is poor. At rank 2 and 3 no. of respondents are 3 (6%), 4 (8%), 3 (6%) and 4 (8%), 7 (14%) and 5 (10%) respectively. It means allied services are moderate low and slightly low. Slowly allied service increasing rate. At rank 4, no. of respondents (consumer or people mobile user) 20 (40%) 12 (24%) and 18 (36%) are moderate. Here in average rank 4, no. of people is higher than other tank. It is said to good condition. Similarly, at ranks 5 and rank 6, no. of consumer (respondents) are 10 (20%), 9 (18%), 8 (16%) and 7 (14%), 8 (16%) and 6 (12%). There indicate degree of slightly high and moderate high. At last few no. of people i.e. 4 (8%), 7 (14%), 8

(16%) are very high opinion their. Above table can be shown in multiple diagram form, which is given below:

Figure 4.5
Respondents' Belief on Allied Services



Multiple bar diagram show the rank of allied services. Here, at rank 1 no. of respondent 2 (4%) of Namaste Mobile 3 (6%) Mero Mobile, and 2 (4%), U Sim Mobile Indicates allied service is very low. Similarly rank 2 no. of respondents 3 (6%), 4 (8%) 3 (6%) and at rank 3, no. of respondents 4 (8%), 7 (14%), 5 (10%) are indicate moderate low and slightly low. Now, at rank 4, 20 (40%) respondents, 12 (24%) respondents and no. of respondents 18 (36%) are moderate. It means, no. of respondents of Namaste Mobile is highest other than respondents which 20 number of respondents of Mero Mobile and U Sim Mobile are 12 and 18 which is greater than other respondents of their. Corresponding respondent numbers. So, above bar diagram shows the relationship of mobile each other is good. Again, at rank 5, 6 and 7, no. of respondents of Namaste 10 (20%), 9 Mero (18%), U Sim 8 (16%) and 7 (14%), 8 (16%), 6 (12%), then after 4 (8%), 7 (14%), 8 (16%) are slightly high moderate high and very high respectively. It means few no. of respondents indicates slightly high moderate high and very high.

4.6 Network Efficiency

Table 4.6

Respondents' Belief on Network Efficiency

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	13	26	2	4	2	4
2	12	24	3	6	4	8
3	9	18	4	8	6	12
4	7	14	7	14	8	16
5	4	8	14	28	15	30
6	3	6	10	20	9	18
7	2	4	8	16	6	12
	50	100%	50	100%	50%	100%

Table 4.6 of Network efficiency at rank 1, no. of respondents 13 (26%), 2 (4%) and 2 (4%) are Namaste Mobile, Mero Mobile and U Sim Mobile. It means network efficiency of Namaste Mobile is not effective, like this at rank 2, 12 (24%) respondents, 3 (6%) respondents and 2 (4%) respondents are similar as rank 1. At last rank 6 and 7, no. of respondents 3 (6%), 10 (20%), 9 (18%) and 2 (4%), 8 (16%), 6 (12%) indicates the condition of Network efficiency bad of Namaste Mobile and mero Mobile and U Sim Mobile is good.

Figure 4.6
Respondents' Belief on Network Efficiency

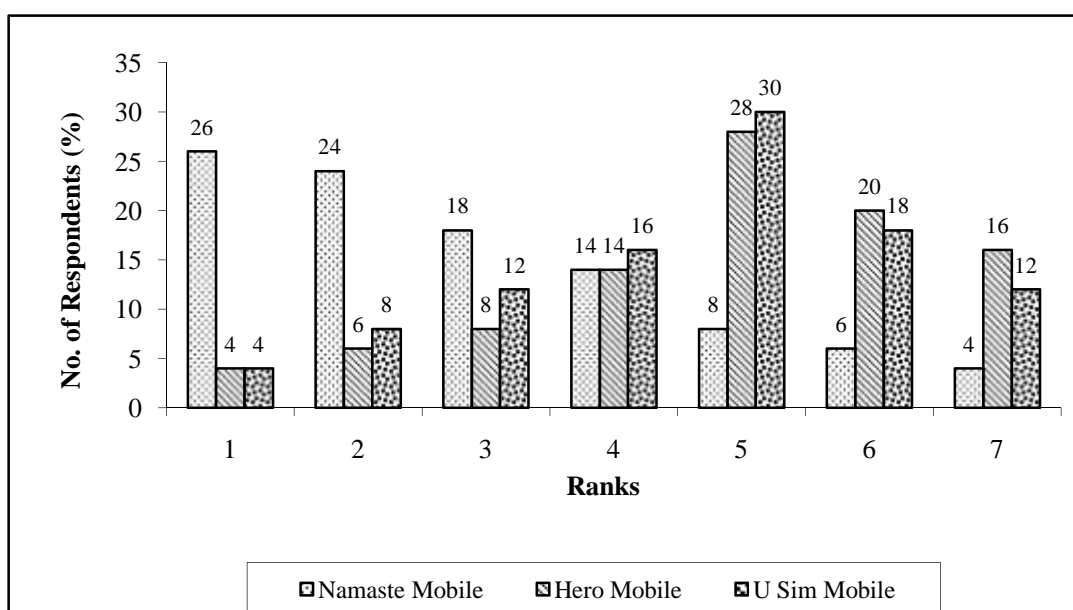


Figure 4.6, multiple bar diagram clearly shows the network efficiency of mobiles telephone. 26% of respondents said not good network efficiency of Namaste at rank 1 similarly rank 2, 3, 4, 5, 6, 7 are 24%, 18%, 14%, 28%, 20% and 16% indicates the condition of Namaste Mobile. In last network efficiency of Namaste mobile are bad and Mero Mobile and U Sim mobile of Network efficiency are good.

4.7 Net Work Coverage

Table 4.7
Respondents' Belief on Net Work Coverage

Rank	Namaste Mobile		Mero Mobile		U Sim Mobile	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	1	2	3	6	15	30
2	2	4	4	8	12	24
3	4	8	8	16	8	16
4	6	12	10	20	6	12
5	10	20	12	24	4	8
6	12	24	7	14	3	6
7	15	30	6	12	2	4
	50	100%	50	100%	50	100%

At Table no. 4.7 at rank 1, no. of respondents 1 (2%) of Namaste, 3 (6%) of Mero Mobile 15 (30%) of U Sim Mobile indicates the network coverage. Namaste Mobile has large network coverage and Mero and U Sim are small network coverage which proved at rank 7 no. of respondents mobile telephone services.

Figure 4.7
Respondents' Belief on Net Work Coverage

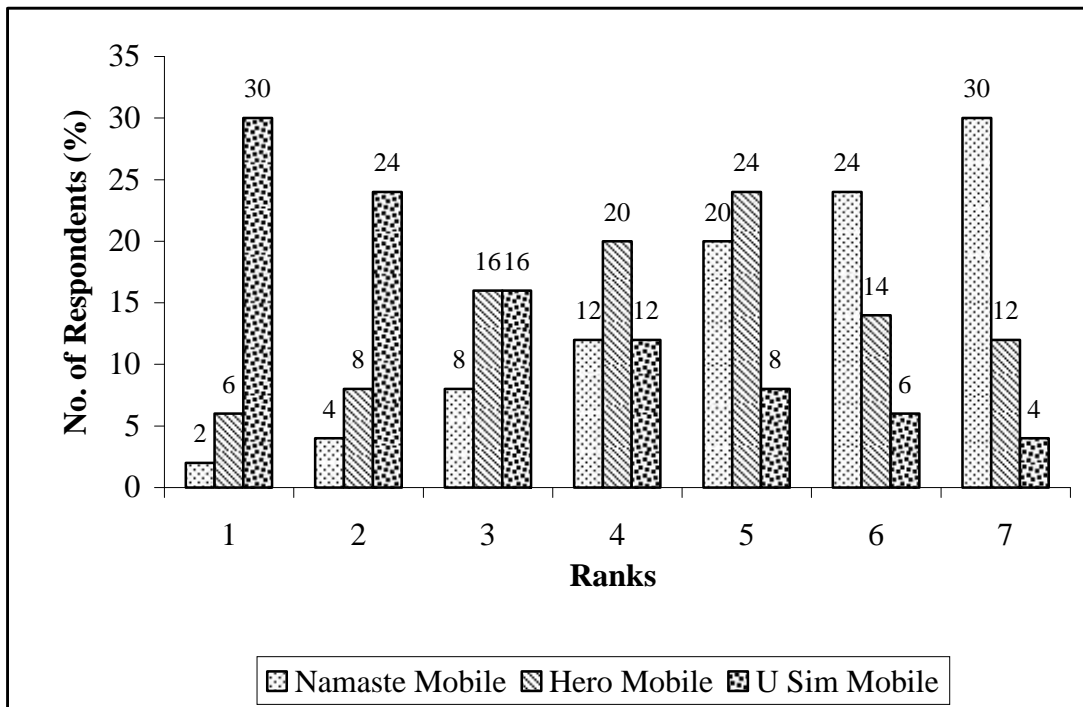


Table 4.7, network coverage of Namaste, Mero and U Sim Mobile are clearly shown at multiple bar diagrammatic 2% of respondents said that network coverage is small of Namastey Mobile. Namaste Mobile has increasing percentage of Multiple Bar Diagram which 4%, 8%, 12%, 20%, 24% and 30% at rank 1, 2, 3, 4, 5, 6, and 7 respectively provided Namaste Mobil has large network coverage. Mero Mobile has moderate network coverage which is shown bar diagram but U Sim mobile as small network coverage i.e. only Kathmandu valley.

4.8 Major Findings

From the analysis interpretation of data some conclusion have been drawn. They are-

1. The data obtained from respondents showed that price Sim Card of Mero Mobile, U Sim and Namate was quite high.

2. The service charges including tariff rate charge by mobile companies perceived as higher and respondents were found against the higher charger as mobiles.
3. Regarding reliability (dependability) of Mero Mobile services, consumers' were found quite moderate but most of the respondents liked reliability, than other mobile services.
4. Most of the consumers perceived Namaste Mobile as a less clearly audible service and Mero Mobile Sim users were found in favor of clearly audible service. Consumers perception regarding clarity with U Sim was moderate.
5. A significant no. of respondents were found unknown or indifferent to the allied services available in Mobile Sim, however, additional services in Namaste and Mero Mobile Sim were liked by most of the respondents rather than U Sim.
6. Regarding connecting of Namaste Mobile it was not perceived as well network connection. Consumers have good experience with Mero Mobile and U Sim rather than Namaste Mobile.
7. Most of the respondents perceived network coverage of U Sim Mobile as very weak or narrow. The highest no. of respondents were found liking the wider network coverage of Namaste Mobile and Mero Mobile.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The cellular phone has made our lives much easier in the world of communication. By the help of mobile, wherever we are going or whatever we are doing, we can talk to our friends, relatives and other important persons whenever we want. Nepal telecom has launched this service called 'Namaste Mobile'. Previously when Spice Nepal private Limited (SNPL) and United Telecom Limited (UTL), Nepal were not in existence, the market was fully dominated by Nepal telecom Corporation (NTC) and it was a monopolistic market, people did not have options to choose but now the case is different. They are free to select a brand according to their preference. However, this research was mainly concern with Namaste Mobile, Mero Mobile and U Sim Mobile and aimed at assessing perception, feelings, opinions and ultimately preferences of the consumers which brand is favorable. So this study was focused on the position and analysis of the brand prefer variables related to these mobile services. If the consumer prefer toward a brand is unfavorable, the company is supposed to be less successful.

In this study, altogether seven independent variables related to Namaste Mobile, Mero Mobile and U Sim Mobile were described and analyzed. They are price of Sim Card, service charges, reliability of services, clarity of repetition allied services, network efficiency and network coverage of mobile phone being a field based study it examined preference of consumers in their natural setting. The sample for study comprised 150 respondents. Belonging to 50 Namaste Mobile users, 50 Mero Mobile user and 50 U Sim Mobile user. Respondents were included in sample from different age groups above 16 years. The endeavor while collecting data, are equalized sample size from each strata. So, equally sampling method was used. The sample was taken from within the consumers of Kathmandu valley only. The data, thus obtained are analyzed using frequency distribution, percentage etc.

5.2 Conclusion

Marketing is primarily related to creating value for customers and return for the company. The marketer seeks to understand which factors motives customers to buy or pay more. One of the most important objectives of the marketer is to increase the sales volume of their product. The sales volume of every product is directly influenced by consumer preference towards brand.

In Nepal, operating any form of telecommunication services date back to 94 years in BS 1970. But formally telecom services was provided mainly after the establishment of Mohan Akashwani in BS 2005. Now, Nepal has adopted very modern technology of telecommunication sector. There are various companies providing telecommunication service. Now a days, people have cell phone in their hands. These shows the development of telecommunication sector in Nepal. Although, in the era of globalization achievement of the past are not enough to catch up with the global trend in the development of telecommunication sector.

This study has been conducted specially within Kathmandu valley with reference to the consumer of 'Namaste Mobile', 'Mero Mobile', and 'U Sim Mobile'. Researcher has aimed at assessing perception, feelings, opinions and ultimately preferences of the consumers' which brand is favorite. While conducting research it was found that among those mobile services Namaste and Mero Mobile service was mostly preferred by the users. But in case of price, service, reliability/audibility and network coverage users have many more grievances. Any way people had got opportunities to use newly adopted technology. Now, the market of mobile service is seems to be quite competitive so marketing manager should try to make strategy of address the consumer's preferences and their demand.

5.3 Recommendations

Based on the result of the study some recommendations are presented here. It would be quite helpful for marketing manager and mobile provider company too.

1. Price of Sim Card and audibility service is weakness of mobile. Hence, it is recommended to maintain the quality of service in term of audibility and decrease the price of Sim Card. On the other hand, price of Mero Mobile Sim and U Sim should also be decreased as per consumers demand.
2. The service charges have been perceived highly rated. So, the service charges should little bit be minimize.
3. The reliability of Namaste Mobile should be maintained as it is and Mero Mobile and U Sim have to adopt new marketing strategy to maximize the reliability among various consumers.
4. For the effective communication most of the users want various allied services. So each mobile service company should maximize pertaining to this.
5. The mobile service in Nepal is newly adopted technology, it has access to only few places or city concentrated, so it has very small network coverage. Hence, as soon as possible, all the company should expand it's services all over the nation and rural areas too. Furthermore, mobile service companies should increase the number of tower and enhance the capacity.
6. The consumers' attitude towards U Sim has been found slightly negative. Hence marketing manage should try to make this attitude positive to survive and win in long run. For this in addition to above recommendations the marketer can launch effective promotional campaigns.

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APPENDIX

Questionnaire

Dear Respondent

I am Ishwori Prasad Khanal student of Master of Business Studies at Central Department of Management, Tribhuvan University, Kirtipur, conducting a study to examine your brand prefer toward mobile telephone services (i.e. Namaste Mobile, Mero Mobile and U Sim Mobile).

So, you are kindly requested to tick (✓) for the following statement to show your brand prefer.

1. Which mobile do you currently use ? Namaste Mero U Sim

2. How long have you been using this mobile ?

3. Did you change the service provider ?

Yes No

4. If yes, when did you change ? Since : year / month

Please indicate (✓) your opinion

Indicators	Mero Mobile								
Price of sim card	Very high	7	6	5	4	3	2	1	Very low
Service charge	Very high	7	6	5	4	3	2	1	Very low
Reliability of services	Very high	7	6	5	4	3	2	1	Very low
Clarify (to make clear voice) of repetition	Good	7	6	5	4	3	2	1	Poor
Allied services (related)	Many	7	6	5	4	3	2	1	Few
Network efficiency	Good	7	6	5	4	3	2	1	Poor
Network coverage	Extensive	7	6	5	4	3	2	1	Small