# CHAPTER-I INTRODUCTION

#### **1.1 Background of the Study**

Consumer behavior is the study of when, why, how, and where peoples do or do not buys products. It blends the elements from psychology, sociology, social anthropology and economics. It tries attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Customer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behavior is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behavior analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

Consumer behavior is defined as the behavior that consumer display in seeking, purchasing, using, evaluating and disposing off the any product and services. Consumer behavior include how consumer think (their mental decisions) and feel, and the physical action that result from these decision (purchase). Abraham Maslow's " Hierarchy of Needs" theory identify the higher order needs i.e. ego needs and self-actualization needs and low order needs which are physiological needs and social needs. Both higher and lower involvement purchase is basically aimed to satisfy these needs. Normally however, low involvement purchase act to satisfy the lower order needs while higher involvement purchase act to satisfy the higher order needs.

Consumer behavior is an integral part of marketing. The basic philosophy of marketing is to achieve organizational success through consumer satisfaction in the dynamic competitive environment. The study of consumer behavior enables marketers or producers to understand the feelings of users in the market place. Such understanding promotes the business activities among the potential buyers and hence helps to achieve the predetermined goal of an organization.

Consumer dissatisfaction may be defined as the result of the discrepancy between expected and realized performance or dissatisfaction with an attribute. Others defined it as a mental state which results from the customer's comparison of expectations prior to a purchase with performance perceptions after a purchase (Oliver 1993). It is also defined as the customer's psychological response to his/her positive evaluation of the consumption outcome in relation to his/her expectation (Oliver, 1993). This definition is rooted in the disconfirmation paradigm, which suggests that satisfaction judgments are formed in a process of comparison of perceived performance with pre-experience expectations. A satisfaction result from positive disconfirmation i.e. performance perception is greater than that initially expected. This formulation of the link between satisfaction and its antecedents posits only an indirect effect of product performance on satisfaction.

Consumer satisfaction/ dissatisfaction depends upon the degree of satisfying various categories of needs such as stated needs, unstated needs, real needs, secret needs etc. Consumer satisfaction can be referred to the buyer's state of being adequately rewarded by the purchase decision or as the difference between consumers spend with the expectation and what he or she get actual from actual performance of goods and services. After consumer buy use or consume the product or service; if they find the performance is higher than their expectation than they are satisfied and if they find the performance lower than their expectation than they are dissatisfied. When consumers become dissatisfied with product or service then they may show the different forms of complaint behavior.

High involvement products are the products with high capital value goods or services that are psychologically important to the buyer because they address social or ego needs and therefore carry social and psychological risk. The buyer is prepared to spend careful, considerable time and effort in searching for the right and most suitable product. They are all expensive products, purchases which tend to be linked to high cost where the advertising is focus on visual and emotional appeals. Lots of celebrity endorsements are used. The products are mostly found at specific locations: showrooms, specialized guide books/ booklets/ magazines and own website.

Consumer dissatisfaction creates an obstacle in the progress of a firm. Dissatisfied consumers stop buying or consuming the product/service and influence others not to go for the same product. Some consumers may complain to the firm for their dissatisfaction. How the firm takes their complaints, affects heavily the feelings of consumers. If the organization encourages the consumers to make their complaints and seriously listen to them they may turn into satisfied consumers. On the other hand, if the company turns its deaf ears towards the complaints it really initiates to destroy its own existence.

No business in today's world can survive without understanding the consumer's feelings, attitudes and preferences. A firm can of course cheat or deceive consumers for the first time but it is almost impossible to run the business in long run in the same manner. When consumers become aware of the low quality or inferior goods they never seek for the same product in coming days. Rather they expand the negative word of mouth communication to their colleagues, friends, relatives and others.

Such a negative rumor about an organization or its product can make negative attitude of potential buyers. So every firm has to delight its consumers through the distribution of quality products and services.

Eventually, every firm wants to earn profit. When a consumer becomes satisfied with product or service he/she would likely to be brand loyal. Brand loyalty is considered to be a continuous strong asset of an organization, which generates a large sum of money and equally throws favorable word-of- mouth communication to the potential customers. Generally consumers tend to show their dissatisfaction behavior in high involvement products because in high involvement, high monetary, psychic and time costs are involved. Similarly, opportunity cost is high so consumers become more skeptics about high involvement products.

This study will try to find out the main factors which consumers consider for satisfaction or dissatisfaction. Factors that encourage satisfying the consumers and factors that lead to dissatisfaction will be high lighted in this study. Similarly, consumers' complaint behavior will be another main part of the study. Consumer's satisfaction, dissatisfaction and complaint behavior help not only to understand the feelings of buyers but also to formulate the new marketing strategies to the producers. Since consumer satisfaction plays crucial role in the success of the business so this study is going to be conducted in the same field.

The term "consumer" refers to the buyers who consume the product/service themselves. In other words they are the ultimate users of products/services. Though the terms customers and consumers are used alternatively, there is difference in meaning between these two words. Consumer are final users where as customers do not necessarily mean to consume the product/service themselves.

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 product. In low involvement products consumers invest low opportunities cost so the post purchase evaluation is simple or nominal. Where as in high involvement products the entailed opportunities cost is high so consumers continually evaluate their purchase decision.

Consumer is the main actor of marketing activities. Consumer starts and ends with marketing process. Marketing start with the identification consumer wants and desire and ends with the satisfaction of that needs. The success and failure of business depends upon the consumer reaction towards Company's marketing action of marketing mix.[ Kotler, 1999]

This study will be conducted within the Nawalpur area. Different brands of laptops Apple, Acer, Dell and Toshiba are selected for study purpose. This research is going to be conducted mainly for academic purpose. Secondly, it helps to widen the horizon of knowledge

## **1.2 Focus of the Study**

Today's consumers are becoming much conscious about the product. They are being smarter, more price conscious less forgiving and frequent testing the availability of products in the market. Consumers are the value maximizes with in the bounds of search cost and limited knowledge and income.

Consumer dissatisfaction creates a problem in progress of a firm. Dissatisfied consumers stop purchasing or consuming the product/service and persuade others not to go for the

same product. Some consumers may complain to the firm for their dissatisfaction. How the firm knob their complaints, affects heavily the feelings of consumers. If the producer encourages the consumers to make their complaints and seriously listen to them, it may turn that dissatisfied consumer into satisfied consumers. On the other hand, if the producer neglects their complaints it really initiates to wipe out its own life of the organization.

This study will be focused on the study of consumers' satisfaction, dissatisfaction and complaint behavior in high involvement products. As the researcher is going to carry out the research in four different brand of laptops which are Apple, Acer, Dell and Toshiba, so his main concentration will be on the consumer feelings about the product. How do they take the service of these products? Are they satisfied or not? If they are not satisfied, are they going to complain or not? If yes, what is their way of complaint; such factors/matters will be seen with great attention.

Since the firm which can respect the feelings of consumer can rise in future. So this research will tried to find out particular sentiments of consumer whether they are satisfied or not.

Now a days organization establish their own separate Research and Development (R&D) department to know the changing wants and desire of people so that they will be able to fulfill their consumer/customer's desires. So they have only one vision that is how to satisfy the consumers which give strong support to the existence of an organization. In this condition, profitability not supported by consumers will, can no longer constantly grow. To satisfy a single consumer is much more important than to attract ten potential buyers.

In Nepalese context we have different feelings about the marketers. First they want to attract the consumers but after purchase they do not take care or do not respect the buyers. They are driven by short sightedness (myopia). They are to the large extent unable to understand the buyers' feelings. In such circumstances, this study will provide valuable suggestions to marketers and producers about their products, which will ultimately help mounting the prosperity of business and trade in the country. So the researcher wants to focus on consumers' satisfaction dissatisfaction and complaint behavior in high involvement products under this study.

## **1.3 Statement of the Problem**

This study tried to discover the satisfaction level of consumers. When consumers are dissatisfied then whether they complain or not will be analyzed under this study. So it supports both consumers and marketers to understand the problem and to solve it. What factors are responsible for dissatisfaction? And what determines satisfaction of consumer? The same will be observed in this study. Similarly, if dissatisfied consumers do or do not complain against the products. If, complain, what is the way of complaining their dissatisfaction?

The researcher mainly focuses on the following questions while carrying out the research. Satisfaction and dissatisfaction level will be traced on the basis of the following question.

- a. How far the consumers are satisfied with the performance of the product?
- b. What are the factors that satisfy consumers?
- c. What are the factors that dissatisfy consumers?
- d. What is the nature of the complain behavior when dissatisfied?

#### **1.4 Objectives of the Study**

The general objectives of this research will be to identify the satisfaction level and complaint behavior of different brand laptops owners. The specific objectives of this research can be illustrated through the following points:

- a. To compare the expectations and actual performance of various attributes of the products.
- b. To evaluate the factors with which consumers feel satisfaction and dissatisfaction.
- c. To analyze the reasons of satisfaction/dissatisfaction.
- d. To examine the nature of complaining behavior of consumers.

## **1.5 Significance of the Study**

The Nepalese market has been progressively turned into throat cut competition. Different types of product with large number of alternative brands are available in the market. In this context, it is essential for the manufacturer or marketer of the product to know the consumer's satisfaction/dissatisfaction level and complaint behavior. Through this, they can solve and handle the complaint to turn success in their favors. The study about the Consumer Satisfaction and Complaint Behavior in High Involvement Products has special significance to the following:

## To the Marketing Manger:

The study about the Consumer Satisfaction and Complaint Behavior in High Involvement Products helps the concerned marketing manger.

## To the producer:

The study about the Consumer Satisfaction and Complaint Behavior in High Involvement Products helps the concerned Producer.

## To the Student:

The student will get the test of knowledge of the Consumer Satisfaction and Complaint Behavior in High Involvement Products.

# 1.6 Hypotheses of the Study:

According to objectives of the study, following hypotheses test have been developed for this research.

i) Null Hypothesis. H<sub>0</sub>: There is no significant difference between female and males' complain behavior of consumer.

ii) Alternative Hypothesis ( $H_1$ ): There is significant difference between female and males' complain behavior of consumer

Following formula is used to determine the value of chi square:

$$\chi^2 = \sum \frac{(0-E)^2}{E}$$

# 1.7 Limitations of the Study

This research is going to be conducted in Nawalpur Area. Satisfaction, dissatisfaction and complaint behavior are going to be observed under this study. This study will have the following limitations:

- a. The sample size is not more than 150 so the generalization will be very difficult.
- b. The sampling method is judgmental. Thus, it may have some errors resulting from the sampling method.
- c. The study is limited in the partial fulfillment of the requirement for the degree of Master in Business Studies.
- d. The study was entirely based on the opinion, views and responses of the respondents. Opinions of the respondents were as a sense of truth, which may not be correct at all

time due to changing behavior of customers.

In spite of these limitations, lots of effort has been made to make this study more accurate.

# 1.8 Organization of the study

This study is organized into five major sections/ chapters.

The first is introductory chapter, which includes general background, statement of the problems, hypothesis objectives of the study, significance of the study and limitations of the study.

The second chapter deals with the review of available and related literatures, international literatures review as well as national literatures review. The reviews of literatures are based on the related books, journals and previous theses.

The third chapter consists of research methodology, which enumerates the research design, nature and sources of data, data collection techniques, data processing, tools for analysis, etc.

The fourth chapter consists of presentation, analysis, interpretation and scoring of the empirical findings of the study through the definite course of research methodology.

The fifth chapter, i.e., last chapter of the study, is conclusive and suggestive chapter, which includes summary of the study, conclusion of the major findings and recommendations for further betterment and improvement.

Along these chapters, bibliography and annexes are also presented at the end of this study. Similarly, table of contents, list of tables, abbreviations are presented in the initial part of this study.

# CHAPTER-II REVIEW OF LITERATURE

# 2.1 Conceptual Review

### 2.1.1 Customer satisfaction

The customers are one of the most difficult elements for firms to analyze. Therefore firms try to set off their marketing mix in order to meet their target market's needs and desires. While profit maximization and the presence are the major goals to reach, such as firms, have to satisfy their customers to achieve these goals.

While customers expressing satisfaction with the relationship between their expectations and the product performance, dissatisfaction occurs when the product performance is below expectations. In this case, customer complaints arise. In order to maintain their profits and presence by creating loyal customers, firms have to pay attention to their customer complaint management. Customer complaint management can be described as the whole practice for the purpose of eliminating the circumstance or discontent that leads to customer complaint (Seyran, 2005: 50). In customer complaint management it is a key benefit to analyze the differences of each customer's complaint behavior. When it is thought that every customer has different buying behavior according to their demographic characteristics, they also have different complaint behavior.

#### Satisfaction and Customer Value

Customer exercises their choice with the objective of getting maximum value and satisfactions from the product and service they buy. They form and expectation from each product they buy. It the product or service delivers value as per the expectation they are satisfied, if it delivers more value than expectation they are delighted, and if it delivers less value than expectation they are dissatisfied.

#### **Customer Delivered Value**

Customer buys products that have highest delivered value. Customer Deliver value is the difference between total customer value and the total customer cost. Therefore,

#### **Customer delivered value = Total customer value - Total customer cost**

#### **Total customer value:**

The total customer value is the composite of all the benefits a customer expects from a

product/ service offer. There are four types of values of customer receives from a product/service offer.

**Product value:** Delivered through product attributes and benefits including product quality, functions, designs, packaging, and price.

**Service Value:** Delivered through service attached with the product such as warenty, delivery, installation, training etc.

**Personal value:** Delivered through expertise, experience, and good behavior of sales persons,

**Image Value:** Delivered through brand image and company image. Enhance the ownership value of the product and service.

**Total customer cost:** it is the composite of all the cost incurred by a customer in evaluating, obtaining, using, and disposing the product/service offer. A consumer normally incurs the following types of costs.

Monetary cost: money spent on buying the product or service represented by the price.

Time cost: Time spent on searching, evaluating and buying the product.

**Energy cost:** Energy spent on searching, evaluating and buying the product.

**Psychic Cost**: Physiological frustration and dissatisfaction from the product usually reflected during post purchase situations.

Customer normally evaluate the total expected value and the total expected cost of different product offers of competing companies in the market place before coming to a buying decision. Thus customers' choice is normally guided by the value maximization principle. This principle, however, may not apply in some organizational purchase in which the buyer is guided by personal motivation (corruption). In such situations, the buyer may buy a product with higher total cost and lower total value.

#### **Customer Perception (CP)**

Customer perceptions are influenced by a variety of factors. Besides the actual outcome – i.e. did the product or service deliver the expected function and did it fulfil the customers need – the whole process of consumption and all interactions involved are of crucial importance. In to days globalize information driven economy this can also comprise issues like: How other customers or influencing groups perceive the product or brand, the

degree to which the customer feels the actual marketing campaign addresses the most important issues, and Responsiveness and service quality of any affiliates. Having that in mind this research relay on Brand Name, Quality, Price, Design, Durability and Country of Origin of manufacturing product to calculate CP.

#### **Customer Expectation (CE)**

It is the needs, wants, and preconceived ideas of a customer about a product or service. Customer expectations are related to complaints through post-purchase affective states that cause affective behavior such as complaining. These post-purchase affective states range from delight, satisfaction and dissatisfaction – all relative to the original customer expectation. Affective behaviors stemming from satisfaction and delight are compliments. Those emerging from dissatisfaction are complaints, increasing in intensity as more dissatisfaction is felt Expectations provide the vardstick people use to evaluate the attractiveness and desirability of outcomes, events, people, products, services and the like. What forms the basis of expectations has been discussed extensively in the literature. Expectations can be based on market communication, image, word of mouth or customer needs. Additionally, customer pre-attitudes or even the traditional marketing mix can influence what the consumer will expect from a product or service. Expectations have also been described as standards: an ideal standard or subjective norm; an industry standard or objective norm relating to the marketplace; and a relationship standard based on the overall experience a customer has had in the past with a particular product or service. They have also been identified as being fuzzy or focused, implicit or explicit, unrealistic or realistic

Expectations have also been described as customer needs divided into three main categories: must be needs – those which the customer would not think about expressing, but will only be missed if not provided for; expected needs – those which customers are able to articulate when asked about what they want; and exciting requirements – those unexpected needs that produce great satisfaction. Customer expectation will be influenced by a customer's perception of the product or service and can be created by previous experience, advertising, hearsay, awareness of competitors, and brand image. The level of customer service is also a factor, and a customer might expect to encounter efficiency, helpfulness, reliability, confidence in the staff, and a personal interest in his or her support. But in this research Customer Expectation (CE) relay on Brand Name, Quality,

Price, Design, Durability and Country of Origin of manufacturing product.

## 2.1.2 Customer Satisfaction and Behaviors of Dissatisfied Customers

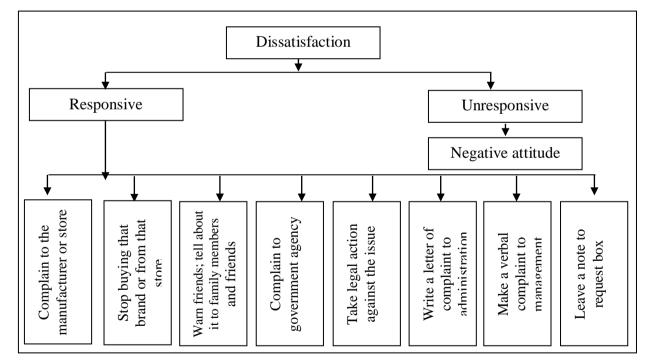
Nowadays the philosophy of "the customer is always right" depends on the concept of customer satisfaction and builds up the heart of the firm's activities. Customer satisfaction is the customers' perceived relation of expectation and the performance of the goods and services. Accordingly, the concept of customer satisfaction is a function of the customer's expectations. If the customer's experiences from a product is higher, than that customer is satisfied, or else dissatisfaction emerges. (Schiffman, Kanuk, 2004: 14-15). There are several reasons for the emergence of dissatisfaction. Such as (Pride, Ferrell, 1997: 10);

Incomprehension of customer's expectations,

Wrong customer satisfaction standards,

Lack of expectation - performance,

Undelivered commitments.



## Figure: 2.1 Dissatisfied Customer's Behaviors

Source: Hawkins, Del I., Best, Roger J., Coney, Kenneth

Dissatisfied customers' behaviors are shown in above Figure 1. Accordingly, customers exhibit two major behaviors such as; responsive and unresponsive. Being unresponsive, the customer is acknowledging living with the dissatisfied situation. This behavior is a

function of the customer's emphasis on purchasing. The main point, when the customer selects to be unresponsive, the customer has no positive attitude about the firm or the brand. When the customer selects to be responsive than s/he can answerback in five types of behavior for the dissatisfaction as shown in the Figure 1. Every behavior pattern has a result of losing sales or customers (Healy et al, 2001: 184).

Firms can satisfy their customers by making sensible promotion activities. Every behavior type that is displayed by the customers when they are dissatisfied will cause firms to lose sales and customers. When customers are dissatisfied, the most intelligent behavior is to connect with the customer, determine the sources of dissatisfaction and solve them.

## 2.1.3 Customer Complaints

The reasons for customer loss of an entity can be counted as; product defect, the behavior of employees, discontent with pricing policies, other disturbing factors and the entity's inadequate policies concerning the complaint management. In this sense, customer complaints should be regarded as a tool in enhancing the elements of marketing mix to render them likeliest with the target market rather than regarded as a negative circumstance.

## **Types of Complaining Customers**

There are different types of complainers. These are as follows (Hoyer, MacInnis, 2007: 289):

## Passives:

These customers who are least likely to complain.

#### Voicers:

Those who are likely to complain directly to the retailer or service provider.

#### Irates:

Those who are angry customers that are most likely to engage in negative word of mouth, stop patronage, and complain to the provider but not to a third party such as the media or government.

## Activist:

They engage heavily in all types of complaining, including complaining to a third party.

#### 2.1.4 Factors Influencing Complaint Behavior

A number of factors have been found to influence whether or not consumers will complain. As noted above the type of product or service involved will influence the tendency to complain. As the cost and social importance of the product rises, the tendency to complain tends to increase. Authors have suggested that complaint behavior is related to the following variables:

- a. The level of dissatisfaction of the consumer
- b. The importance of the product to the consumer
- c. The amount of benefit to be gained from complaining
- d. The personality of the consumer
- e. To whom the blame for the problem is attributed
- f. The attitude of the consumer toward complaining
- g. The resources available to the consumer for complaining
- h. Previous experience with the product and with complaining

These variables are logically related to complaint behavior. Thus, the greater dissatisfaction of the consumer; the greater tendency to complaint. Similarly, as the product increases in importance to the consumer, complaint behavior increases. Consumers with a positive attitude toward complaining will complain more. Similarly, if the consumer can attribute the blame for the product or service problem on a specific company or store, complaint behavior is more likely to occur. The ability to complain requires certain resources such as time, the ability to write letters, or the personal power to confront an employee of a firm and make him or her listen to a problem. Previous experience may be associated with increased complaint behavior because people with higher levels of experience know how to go about contacting appropriate authorities and are less bothered by such task. (Mowen, 1990: 357)

#### 2.1.5 Customer Complaints Management

Up to this point, it has been discussed why the customers are not satisfied and why they complain. Vigorously designed complaint management enables the firms to know how they should behave when they are faced with customer complaints. Customer complaint management can be described as the whole practice for the purpose of eliminating the circumstance or discontent that leads to customer complaint (Seyran, 2005). Entities need the absolute support of the senior management to effectively manage the customer

complaints. Any activity without the participation of senior management will come through adequately. For this reason, the senior management primarily should be disposed to manage customer complaints and evoke the subordinates on this issue. Besides, the employees should have the product and entity knowledge which will enable them to eliminate customer complaints and persuasive skills of employees should be at a high level.

The benefits of customer complaint management one of the most important objects that entities and especially marketing managers try to accomplish is to create loyal customers. Enabling this depends on which level the customers are satisfied and if experience of satisfaction is continual or not. For this purpose, effectively conducted customer complaint management will yield the following benefits (Seyran, 2005: 48):

- i. To prevent customer loss,
- ii. To reveal the production problems of the entity,
- iii. To develop the current products,
- iv. To attain new product concepts,
- v. To protect the trademark,
- vi. To prevent the negative word of mouth communication.

#### 2.1.6. Demographic Characteristics and Complaint Behavior

There are various studies about the relationship between demographic characteristics and customers complaint behavior. These studies have searched complaint behaviors of customers from different countries according to their demographic characteristics. Evidence from the literature, it can be thought that customers from different demographic characteristics would have varied in post purchase behavior. In this research, we suggest that customers would act in various compliant behaviors according to their different demographical characteristics. In literature occupation, education, household income, age, gender, status, residence etc. have been used as variables for defining customers' demographical and socioeconomic characteristics and these variables have been widely used to differentiate the complaint behavior. Higher status occupations are defined in terms of ownership, control of the means of production and control over the labor power of others. People who function in higher status occupations have characteristic personalities, motives and values that set them apart from those in less prestigious positions (Williams, 2002:252). Tronvoll (2007), reported from previous research that there is a significant relationship between occupation and complaint behavior and from the study of

Liefeld et.al. (1975) people who have managerial and professional occupational status are complainers.

It is important for marketers to realize that complaints are actually opportunities. Simply listening to complaints tremendously boosts brand loyalty. The key is getting buyers to complain to the company rather than telling the typical nine or ten people about their problem. But for everyone who complains, there are twenty-six others who feel the same way but did not voice a complaint.

Two factors deter consumers for complaining to the company. First, it is hard because over culture does not encourage being a whiner. Second, employees don't encourage it because they view it as a personal attack on their self-esteem. Nevertheless, when companies invent money on units that handle complaints and inquiries the average return is over 100 percent for makers of certain consumer durables. Thus, such companies on GE, Coca-Cola and British Airways are investing millions of dollars to improve complaint handling. Programs include tell-free 800-number telephone systems, intensive staff training, liberal refund polices, and even booths where irate customers can complain on videotape.

Auto manufactures are designing elaborate training producers and operations manuals for dealership customer-service managers in an effort to help dealers win back dissatisfied customers. Nissan has found, for example, that as many as 20 percent of customers said they could not buy from the same dealership after only six months of ownership. But when dissatisfied customers are allowed to complain the dealer or manufacturer, nearly 20 percent of them change their minds and buy from that dealership again. Another study found that 54 percent of dissatisfied customers who feel that their complaint has been solved will buy from the offending dealer again. (Loudon and Bitta, 1993: 581-583)

Complaints, like death and taxes, are inevitable. Even market leader encounter them. But each grievance represents a chance to correct a flawed process, educate a customer and strengthen loyalty. Multiple studies already show companies with high quality customer service and effective complaint handling process can change a premium as well as increase loyalty. The case for investing in improvements is clear, or so it would seem. Unless decision makers fully understand customer complaint behavior and quantity the return on investment (ROI) of complaint handling, they won't see the link between complaint handling and loyalty and profits, and it's unlikely they will ever allocate adequate resources for change. (Goodman, 2006: 28)

Eight factors about customer behavior are keys to understanding the implications of complaint data:

- 1. Dissatisfied individual and business customers tend not to complain.
- 2. Complaints often do not directly identify the source or cause of the problem.
- 3. Retail, field sales and service system filter and discourage complaints.
- 4. Brand loyalty can be retained by merely getting customers to articulate their problems.
- 5. Increase the case of access to the provider can reduce the complaint ratio (also known as the multiplier).
- 6. The propensity to complain is directly proportional to the damage to the respondent.
- 7. Complainers tend to be the heaviest users of the product or service
- Problem experience' especially in the case of those consumers who remain unsatisfied after complaining, results in substantial amounts of negative word-ofmouth. (Goodman and Newman, 2003: 51)

Richard L. Oliver had conducted a study to explore the relation between the nature of complaint behavior and satisfaction with problem resolution. A simple model depicting interrelationships among several frequently hypothesized antecedents of complaint behavior, private and public complaints, and satisfaction with complaint resolution is proposed. Data were gathered in a 2- wave longitudinal study through the use of a bi-state university omnibus consumer panel; some 292 panel members had participated in both waves. The data had revealed 3 consistent themes: 1. greater problem cost seem to stimulate both forms of complaint behavior, 2. the extent of private complaint behavior is inversely related to satisfaction with the firm's response, and 3. public complaining is positively related to resolution satisfaction.

#### 2.1.7 High involvement Product:

A product that; a consumer buys only after carefully considering the choices. The buying behavior is complex. Few brands, high risk, large amount of money. Long purchase time, active interest in product information, uncertain attitude toward the product, long term product benefits and high interest in the product characterize high involvement purchase. Examples are: car, motorcycle, house, computer etc.

#### 2.1.8 Evolution of the Field of Consumer Research

To begin by considering the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline. As described in this article, a set of dimensions can be identified in the literature, which can be used to characterize and differentiate the various perspectives on consumer research. It is argued that consumer behavior itself emerged as a distinct field of study during the 1960s; and is characterized by two broad paradigms, the positivist and the non-positivist. The positivist paradigm encompasses the economic, behavioral, cognitive, motivational/trait/attitudinal, and situational perspectives; these perspectives are referred to as the traditional perspectives as they pre-date the development of the non-positivist paradigm. The positivist paradigm, which is still the dominant paradigm, emphasizes the supremacy of human reason and that there is a single, objective truth that can be discovered by science.

This paradigm regards the world as a rational and ordered place with a clearly defined past, present, and future. The assumption of rationalism is therefore fundamental to the traditional perspective.

The opposing, non-positivist paradigm, envelops the interpretive and postmodern perspectives, which have emerged more recently during the period post-1980 to date. The proponents of this emerging perspective argue that positivism overemphasizes the rational view and the ideology of a homogenous social culture and thereby denies the complex social and cultural world in which consumers live. This paradigm instead stresses, the importance of symbolic and subjective experience and the idea that consumers construct meanings based on unique and shared cultural experiences, and thus there can be no single unified world view.

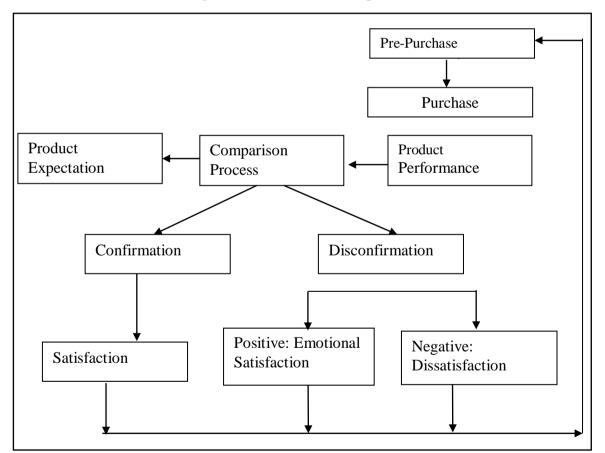
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# **2.2 Theoretical Framework**

This research is based on general theory of satisfaction/ dissatisfaction of consumer behavior. Satisfaction or dissatisfaction is seen as post purchase behavior in high involvement products. Consumers have certain 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 then they are dissatisfied. Consumers' pre-purchase expectations are in the following three areas:

- 1. The nature and performance of the product.
- 2. Monetary costs and efforts to be expended for obtaining the product benefits.
- 3. Social costs and benefits from the product or service.

The following figure shows the confirmation process determines the level of satisfaction or dissatisfaction.



**Figure 2.2: Conformation process** 

Sources: K.D. Koirala "Marketing Management" 2064

When consumers feels problem they search information to solve that problem they collect

different information before purchasing the product which can solve their problem and they purchase the product and then they compare the performance of that product between expected performance and actual performance it they found the performance of that product is equal to the expectation they became satisfied otherwise they become dissatisfied. When a customer receives more than his expectation, it leads to positive disconfirmation. Positive disconfirmation is state of emotional satisfaction or delight. When customer receives lass than his expectation it leads to negative disconfirmation or dissatisfaction. The output of the customer's net experience with the product works as a feedback in the pre-purchase evaluation process.

When consumer feels dissatisfaction with product or service then they may follow the complaint behavior. Generally people from high socio-economic class easily complain about product. Similarly, severity of dissatisfaction (problem) is positively related to complaint behavior. In the same way, complaining is positively related to perceived retailer responsiveness.

The black box model shows the interaction of stimuli, consumer characteristics, and decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people). The black box model is related to the black box theory of behaviorism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer. The marketing stimuli are planned and processed by the companies, whereas the environmental stimulus is given by social factors, based on the economical, political and cultural circumstances of a society. The buyer's black box contains the buyer characteristics and the decision process, which determines the buyer's response.

The black box model considers the buyers response as a result of a conscious, rational decision process, in which it is assumed that the buyer has recognized the problem. However, in reality many decisions are not made in awareness of a determined problem by the consumer.

Environmental factors (stimuli)		Buyer's black box		Buyer's response
Marketing Stimuli	Environmental Stimuli	Buyer Characteristics	Decision Process	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitudes Motivation Perceptions Personality Lifestyle Knowledge	Problem recognition Information search Alternative evaluation Purchase decision Post-purchase behavior	Product choice Brand choice Dealer choice Purchase timing Purchase amount

# Figure.2.2.1 The Black Box Model of Consumer Behavior

*Source:- http://en.wikipedia.org/wiki/Consumer\_behaviour* 

## 1. Marketing Stimuli:

Marketing stimuli consist of Product, Price, Place and promotion mix variables.

**Product:** It is the most important components of marketing mix. Product means goods, material, services and even ideas. In marketing product doesn't indicate only physical goods or materials, It also indicates quality, price, brand, color, Packaging, sellers' service, reputation, guarantee, and warranty of goods. Product mix include the following

- a. Product planning and development
- b. Standardizing and grading
- c. Branding and Packaging

**Price:** It is very sensitive components of marketing mix. It directly affects the consumer behavior. Decisions on selling price, discount, commission rate etc. are taken in price mix. While taking a decision on price, reasonable return of investment of the firm and customer services should be consider at a time. While determining the price of product, production cost, demand situation, competition, possible sales expenses, expected profit etc. should be carefully analyzed. Price mix include the following

- a. Selling price
- b. Discount
- c. Allowances
- d. Terms of sales

**Place:** Another important component of marketing mix is Place mix. This includes two components selection of distribution channel and physical distribution of products. Easy available of goods affects the consumer behavior. Place mix include the following

- a. Distribution channels
- b. Distribution network
- c. Physical distribution
- d. Customer services

**Promotion:** Promotion mix includes the activities such as personal selling, advertising, sales promotion, publicity and public relation. Any firm wants to increase the volume of selling in short period of time they should use the promotion mix properly. It is very important in attracting consumer towards the product and creating demands by giving information and message about the products. Today's tough competition and complex market situation have made promotion activities more challenging. Success can be achieved in business only through proper promotional policy and use of means and resources. Promotion mix include the following

- a. Personal selling
- b. Advertising
- c. Sales promotions
- d. Publicity
- e. Public relations

#### 2. Environmental stimuli

Environmental stimuli comprise the Economic, Technological, Political, Cultural, Demographic and Natural variables.

#### **Economic Stimuli:**

The economic environment is very powerful forces that only affect the marketers and consumer's secession and activities. The major economic forces affecting marketing are general economic condition, the overall state of economy changes in all country. The

changes in business cycle from prosperity to recession to depression to recovery have major influence in the marketing activities and consumer buying behavior. During prosperity, when unemployment is low and aggregate income is high, consumer are generally willing to spend, during recession unemployment is high and people's income decreases as a result, consumer's purchasing power also falls. When economy enter in to depression there will be high level of unemployment and rapid fall of income level of consumer in that time consumer only consume necessity items only in the recovery period the employment and income level will increase that result consumer consuming behavior also changed and they have higher willingness to spend.

#### **Technological stimuli:**

Technology is the most dynamic environmental forces and rapidly influences the peoples' lifestyles consumption behavior and attitude. It is very strong forces that cannot be neglected by business form and it provides various means to people to raise their living standards. Technological developments in the field of communication and information technology has made the world as a small village so changes in technology has touched the every aspect of human life when technology changed the consumer behavior also changed.

#### **Political stimuli:**

Politics of the country determines how the marketing organization should pursue its goal. Political environment includes laws, government policies, and pressure groups power blocks and regional groups.

#### **Cultural Stimuli:**

Cultural environment is represented by the structure and dynamism of individual and groups in a society socio-cultural environment includes tangible and intangible aspects. Tangible aspect is reflected in housing, foods tools products and works of arts of society. Intangible aspect is reflected in traditions, religion, language, values, attitudes and beliefs. The socio-cultural aspects, whether tangible or intangible, affect buyers' choice and preferences. They should be evaluated carefully by the organization and integrated in the design of marketing mix.

#### **Demographic Stimuli:**

Demography is the study of human population and its distribution characteristics. Demography is concerned with the study of changes in population structure in term of

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age, sex; geographic region etc. demography affects marketing activity mainly because the basis of market and marketing is the human population. Demographic factors having direct influence on marketing are population size, growth migration and urbanization.

#### Natural stimuli:

Natural stimuli consist of all geographical and physical forces, such as natural resources which include raw material, energy and water; location, topography and climate are the factor influencing the consumer behavior and marketing activities.

#### 3. Buyer Characteristics:

Attitude: An attitude can be defined as a positive and negative evaluation of people, objects, events, ideas or just about anything in environment. Attitude is an organization of concepts, beliefs and motives associated with a particular object or idea. Attitudes develop out of the learning process as a result of direct experience, information acquired from others and exposure to mass media. Attitudes are relatively consistent with the behavior it reflects. Attitudes are not permanents and subject to change in the lung run. Attitudes are often influenced by situations. Attitudes are either positive or negative, it can be natural.

**Motivation:** Motivation refers to an activated state within a person that leads to goal directed behavior. It is the psychological feature that arouses an organism to action toward a desired goal elicits, controls and sustains certain goal directed behavior. A person has many needs at any given time. Some needs arise from physiological states of tension such as hunger, thirst or discomfort. Other needs arise from psychological states of tension such as the need of recognition, esteem or belonging. A need becomes a motive when it is around to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act.

**Perceptions:** A motivated person is ready to act. How the motivated person actually acts influenced by his or her perception of the situation. Perception is the process by which individual selects, organizes and interprets information inputs to create a meaningful picture the world. Perceptions can vary widely among individuals exposed to the same ability.

**Personality:** Each person has personality characteristics that influence his or her buying behavior. By personality, we mean a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli. Personality

is often described in terms of such traits as self confidence, dominance, autonomy, deference, sociability, defensiveness and adaptability. Personality can be a useful variable in analysis consumer brand choices. The idea is the brands also have personalities and that consumers are likely to choose brands whose personalities match their own.

**Lifestyle:** A lifestyle is a person's pattern of living in the world as expressed in activities, interest and opinions. Lifestyle portrays the "whole person" interacting with his or her environment. Marketers search for relationship between their products and lifestyle groups. People from the same subculture, social class and occupation may lead quite different life style.

**Knowledge:** Knowledge is a familiarity with something or some one, which can include acts, information, description or skill acquired through experience or education. It can refer to the theoretical or practical understanding of subjects.

#### **Decision Process:**

One of the important and traditional areas of study in consumer behavior has been the consumer decision-making process leading to product/service purchase. The study of consumer decision-making involves the analysis of how people choose between two or more alternative acquisitions and of the processes that take place before and after the choice (Mown, 1990:.283)

Five stages can be mentioned in the consumer buying process or decision process as follows.

**i) Problem recognition:** The buying process of consumer starts from need recognition or problem identification. Consumer feels tension or unease after a needs or problem recognized and until it has been solved. Such need or problem recognized by the person themselves or through initiators or communication media. The psychological aspects like motivation and perception may create a consumption problem. Experience of a certain event or situation also creates a need or problem. Problem recognition occurs when a discrepancy develops between an actual and a desired state of being. In essence, problem recognition occurs when a need state is felt. Typically, researchers seek to identify consumer problem by analyzing the factors that act to widen the gap between the actual state and the desired state. Thus, if the satisfaction with the actual state decreases, or if the level of the desired state increases, a problem may be recognized that propels consumer to action.

**ii) Information search:** Once the consumer has recognized a problem, they search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumers undertake both an internal (memory) and an external search. Sources of information include:

- 1. Personal sources
- 2. Commercial sources
- 3. Public sources
- 4. Personal experience

The relevant internal psychological process that is associated with information search is perception. Perception is defined as "the process by which an individual receives, selects, organizes, and interprets information to create a meaningful picture of the world". Consumers' tendency to search for information on goods and services makes it possible for researchers to forecast the purchasing plans of consumers using brief descriptions of the products of interest.

The selective perception process

Stage Description

- a. Selective exposure consumers select which promotional messages they will expose themselves to.
- b. Selective attention consumers select which promotional messages they will pay attention to.
- c. Selective comprehension consumers interpret messages in line with their beliefs, attitudes, motives and experiences.
- d. Selective retention consumers remember messages that are more meaningful or important to them.

**iii) Information evaluation:** At this time the consumer compares the brands and products that are in their evoked set. How can the marketing organization increase the likelihood that their brand is part of the consumer's evoked set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organization needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision. It also needs to check other brands of the customer's consideration set to prepare the right plan for its own brand.

**iv) Purchase decision:** Once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organization must facilitate the consumer to act on their purchase intention. The organization can use a variety of techniques to achieve this. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration. Once the integration is achieved, the organization can influence the purchase decisions much more easily.

**v) Post purchase evaluation:** After purchased the product consumer used it then he started to evaluate the performance of the product with expected performance and actual performance of the product. Satisfied customers not only became brad loyal but also work as brand ambassador. Dissatisfied consumer not only show strong complaint behavior but also spreads negative image of the brand and company.

After consumers buy, use, a product they tend to develop feelings of satisfaction or dissatisfaction towards the product. Satisfaction refers to the buyer's state of being adequately rewarded by the purchase decision.

**Other influences:** Consumer behavior is influenced by internal conditions such as demographics, psychographics (lifestyle), personality, motivation, knowledge, attitudes, beliefs, and feelings. Psychological factors include an individual's motivation, perception, attitude and belief, while personal factors include income level, personality, age, occupation and lifestyle.

Behavior can also be affected by external influences, such as culture, sub-culture, locality, royalty, ethnicity, and family, social class, past experience reference groups, lifestyle, and market mix factors.

#### **Buying Motives of Consumer**

There are different kind of consumers. So they want and needs also different. They buy goods or services to satisfy their needs. The causes and factors which stimulate consumer to buy certain goods or services are called buying motives

Identifying buying motives of consumers is difficult task. There are various kind of factors to induces consumer to buy any product profit, fear, dignity, pride, fashion,

entertainment, love, health, facility securities etc lead people to buy products. Such motives may be different from person to person. There are different motives among them Prof Alfred Gross has classified buying motives as following

- a. Emotional Motives
- b. Rational Motives
- c. Patronage Motives
- d. Prestige motives

**a) Emotional Motives:** emotional buying motives depend on the emotion, feelings and attitude of consumers. These types of motive are purely a physiological aspect of a person. It may be different from person to person. Under this motives fear, love, affection, curiosity, fashion, possession etc. are included.

**b) Rational Motives:** The entire consumer does not buy any goods with emotional motives. They became thoughtful, consider carefully their needs, priority, financial capacity, etc. study and analyzes the necessities , utilities, prices, etc. of the goods. Then they make final decisions to buy or no to buy. The consumer became logical, rational. Consumers buy goods or services considering the cheapness, profitability, health, securities, utility, comfort and conveniences etc.

c) **Patronage Motives:** Patronage motive describes why certain customers buys specific brands goods but other brands and always buy necessary goods only from a particular shop. So this motive includes brand loyalty and store loyalty

**d**) **Prestige Motives:** this motives related with the want of consumer for promotion of self-image and protection their ego. Under this vanity and pride are buying motives of consumer

#### 4. Buyers Responses:

They are consumer decision about Product choice, Brand choice, Channel choice, Purchase timing, and Purchase amount. Marketers can influence consumer behavior. They cannot control it.

## 2.3 Review of Related Studies

#### 2.3.1 Research on Consumer Behavior

Although there are some researchers conducted on Consumer Behavior, the present research area has not been touched yet. So, the researcher has taken into consideration of researches of consumer behavior which have a bit touched this study area. Among theses one research is mentioned below:-

Palungwa (2003) carried out a research study on, "A study on personal computer buyer behavior" with the objective of:

- i. To analyze the level of buyer awareness about personal computer.
- ii. To ascertain brand preference of buyers.

iii. To analyze the purpose of buying personal computer.

Fifty respondents were selected from Kathmandu valley. Only those samples were included who had acquired personal computer. Random and convenience sampling method was used in this study. The data were collected through a self-administered questionnaire survey in Kathmandu valley manually at convenient time. The major findings of this study were as follows:

- a. The respondents from Kathmandu valley preferred assembled personal computer than branded personal computer.
- b. One of the important findings was that time efficiency was basic motivating factor for personal computer user.
- c. The respondents had their priority for personal and family use of personal computer.
- d. Respondents were price sensitive; they are dependent on process of purchasing personal computer.

Dahal (1994) conducted a research study on "Patterns of consumer decision making process while purchasing high involvement goods in Nepal" with the objective of:

- a. Patterns of decision making strategies consumers utilize while making purchase of a durable goods.
- b. The level of pre purchase information seeking and their correlates.
- c. Size of the choice set.
- d. Decision making criteria and rules employed in evaluation of alternatives.

The study was based strictly on primary data. All the required information was collected from 300 respondents of Kathmandu district with the help of a structured questionnaire. The analysis tools included the factor analysis, cluster analysis, discriminate analysis and path analysis. The major findings of the study were:

- a. Though not very extensive, the Nepalese buyers undertake information search with greater emphasis upon dealer and interpersonal sources of information.
- b. Source of information available to Nepalese buyers have five dimension brochures, test-drive, advertisements, interpersonal source and dealer visit.
- c. Nepalese buyers have rather small-evoked set size for both the makers and model.
- d. Total search effort was positively related with education, but it was negatively related with prior preference for manufacturer and model.

Sapkota(2002) had carried out a research title, "Customer Satisfaction in Service Sector" with the major objectives of

- a. To investigate the level of satisfaction as customer with Nepalese joint venture commercial banks.
- b. To identify the reasons/factors responsible for customer satisfaction or dissatisfaction.

His findings relating to satisfaction of customer reveals that most of the customers are satisfied with the service system of the bank. Some have a bit negative feeling of bank activities blaming that these are not directed towards poor and needy people. They are almost satisfied with employee behavior but in some banks employee behavior is a bit poor. Factors that satisfy/dissatisfy are not clearly mentioned in this thesis.

## 2.3.2 Review of Related Books Journals and Other Studies

Consumer behavior is relatively a new area of study so there are not sufficient books, journals and articles, however, available resources are quite useful while conducting a research .Researcher has tried to consult as many resources as possible among which some mentionable are as follows:-

Satisfaction is an important element in the evaluation stage. Satisfaction refers to the buyer's state of being adequately rewarded in buying situation for the sacrifice he was made. Adequacy of satisfaction is a result of matching actual past purchase and consumption experience with the expected reward from the brand in terms of its anticipated potential to satisfy the consumer's motives. (Loudon and Bitta, 1993:579)

According to Hunt, "Satisfaction is a kind of stepping away from an experience and evaluating it. One could have a pleasurable experience that caused dissatisfaction because

even though pleasurable, it wasn't as pleasurable as it was supposed and expected to be. So satisfaction/dissatisfaction isn't an emotion, it's the evaluation of an emotion."

Loudon and Bitta mention that consumers form certain expectations prior to the purchase. These expectations may be about

- 1. The nature and performance of the product are service (that is, the anticipated benefits to be desired directly from the item)
- The costs and effects to be expended before obtaining the direct product or service benefits.
- 3. The social benefits of cost accruing to the consumer as a result of the purchase (that is the anticipated impact of the purchase on significant others).

Advertising may often be an important factor influencing these expectations. Consumer may have a variety of product performance expectations, including what the consumers hope performance will be in terms of an ideal level, what would be fair and equitable given the consumer's expenditure of time and money in obtaining and using the product, and what the consumer expects to actually occur.

Once consumer purchase and use a product, they may then become either satisfied or dissatisfied. Research has uncovered several determinants which appear to influence satisfaction, including demographic variables, personality variables, expectations, and other factors. For example, older consumers tend to have lower expectations and to be more satisfied. Higher education tends to be associated with lower satisfaction. Men tend to be more satisfied than women. The more confidence one has in purchase decision making and the more competence in a given product area, the grater one's satisfaction tends to be. There is also greater satisfaction when relevant others are perceived to be more satisfied. Higher levels of product satisfaction are also indicated by person who are more satisfied with their lives as a whole, and by persons with more favorable attitudes toward the consumer domain, that is, the market place, business firms and consumerism.

The interaction between expectations and actual product performance produces either satisfaction or dissatisfaction. However, there does not appear to be merely a direct relationship between the level of expectations and the level of satisfaction. Instead, a modifying variable known as "disconfirmation of expectations" is brought to be a significant mediator of this situation. When a consumer does not get what is expected, the

situation is one of disconfirmation. Such disconfirmation can be of two verities: a positive disconfirmation occurs when what is received is better than expected, and a negative disconfirmation occurs when things turn out worse than anticipated. Thus, any situation in which the consumer's judgment is proven wrong is a disconfirmation. Confirmation occurs if the expectations of performance are met. Consumers' expectations from a product, as well as whether these expectations are met, are strong determinants, then, of satisfaction. Although, the cognitive dimension of post purchase evaluation has been stressed here, it is important to recognize that consumers' emotional experiences in connection with product ownership and usage are also important. These positive affective responses need to be stimulated by marketers in the post purchase period in order to enhance consumers' satisfaction and possibly favorable word-of-mouth communication.

The emotional context in which product failure occurs may affect consumers' subsequent information processing. Research on the satisfaction/dissatisfaction process has led to the proposition that disconfirmation is mediated by attribution processing in which consumer seek to understand why product fail. Consumers seek to know three features about the causes of a problem:

- 1. Stability (i.e. is it temporary or permanent?);
- 2. Locus (i.e., is the problem with the consumer or the company?)
- 3. Controllability (i.e. is the problem within or out-side the control of someone?)

Research on attribution also indicates that attributions can lead to specific type of emotional reactions. For instance, if consumers felt a product problem were preventable by the company they might be expected to rather angry. It also appears that the consumer's mood prior to product failure can influence later cognitive and affective reactions. For example, if a consumer is in an angry mood because of the day's events prior to ordering a meal in a restaurant, he is liable to engage in grater attribution processing over a poor meal being served than if the consumer were not in a bad mood.

The result of satisfaction to the consumer from the product or service is that morefavorable post purchase attitudes, higher purchase intentions, and brand loyalty and likely to be exhibited. That is, the same behavior is likely to be exhibited in a similar purchasing situation. Thus, as long as positive reinforcement takes place, the consumer will tend to continue to purchase the same brand. It is true, however, that consumers will sometimes not follow these established patterns but will purchases differently simply for the sake of novelty. On the other hand, if consumers are dissatisfied, they are likely to exhibit less favorable post purchase attitudes, lower or non existent purchase intentions, brand switching, complaining behavior, and negative word-of-mouth. (Loudon and Bitta, 1993: 579-581)

One of the studies, title "Dissatisfied consumers who complain to the Better Business Bureau" carried out (by Fisher et. al. 1999: 531) reveals significant gaps between dissatisfied consumer resolution preferences and companies' resolution offers. Further, the resultants highlight the highly negative word-of-mouth communication activity and repeat purchase intentions of dissatisfied consumers who complain to the BBB.

#### 2.5 Research Gap

There have been number of valuable research conducted on consumer behavior using different method. Consumer behavior is dynamics it changes with the changes in environment variables so past research do not show the recent changes in environmental factor. However, none of these studies were conducted in Nawalpur Area or Nawalparasi District regarding the topic therefore researcher tries to explore the consumers' satisfaction and complain behavior in high involvement products.

# CHAPTER – III RESEARCH METHODOLOGY

Theoretical concept and background information regarding marketing has already been described in the earlier chapters. Besides this review of literature with possible review of relevant ideas and research finding has also been described. In the selection of appropriate research methodology, the study and analysis in this chapter has helped a lot.

Research methodology is the way to solve the research problem systematically. It facilitates the research work and provides reliability, and validity to it. C.R Kothari defines "research as a scientific and systematic search for pertinent information on specific topic" (C. R. Kothari, 1995: 1).

It refers the various sequential steps to be adopted by a researcher during study to solve the problem. It would be appropriate to mention that research project are not susceptible to any one for completing the inflexible sequence of step and the types of problems to be studied that determine the particular steps to be taken, and their order too. This chapter deals with the following aspects of methodology.

- 3.1 Research design
- 3.2 Nature and Source of Data
- 3.3 Population and Sample
- 3.4 Data Collection procedures
- 3.5 Data Processing and Analysis

# 3.1 Research Design

Research design is the main part of a thesis, or of any research work. It has plan structure and strategy to obtain answer to research questions through investigation and data analysis. The research design of this study is an exploratory in nature. It is based on the descriptive research design. It mainly aims to find out the satisfaction and dissatisfaction level of consumers of high-involvement products and hence their complaint behavior. For this study, four brands of laptops Apple brand, Acer brand, Dell brand and Toshiba are selected. The survey approach has been adopted to conduct the research. The data and information collected from the survey of the consumer are rearranged, tabulated, analyzed and interpreted according to the need of the study for achieving stated objectives. Consumers inside Nwalpur Area are extensively surveyed so as to procure data and information about consumers, their expectations, importance, and satisfaction and dissatisfaction level along with complaint behavior, towards the respective products.

# 3.2 Nature and Source of Data

In the research, primary data collected from Nawalpur Area (Rajahar, Pragatinagar, Kawasoti, Chormara) secondary data have been also used, for the fulfilling the study purpose. Most of the information is collected from the primary source through the questionnaire and oral conversation.

# 3.3 Population and sample

All the Nepalese consumers living inside Jabalpur Area and above 20 years, who have at least one of the following brands laptops Apple, Acer, Dell and Toshiba which are bought with in 2 years time period, are considered to be the population of this study. Data indicating the exact number of such consumers is not available.

The above stated population of the study is very large. It is very difficult to include the whole population in this study. Therefore, 150 consumers out of the whole population are selected as a sample. The sampling method used for the study is judgmental and quota (i.e. non random) sampling. Sampling is very small in size as considered to the population.

Even though the sample size is very small in comparison to the population, sufficient efforts have been made to make the sample truly representative of the population and thus present the specific characteristics of the population. Therefore the respondent is comprised of different professionals, age, groups, income groups, education groups and equally of both sexes male and female.

# 3.4 Profile of respondents

# **3.4.1 Location of Respondent**

To collection the data respondent are selected from the different palace of Nawalpur area. Following table shows the detail about it.

S.N.	Area	Sample Size	Sample size in percentage
1	Rajhar	50	33.34%
2	Pragatinagar	25	16.66%
3	Kawasoti	50	33.34 %
4	Chormara	25	16.66%
	Total	150	100%

**Table 3.4.1 Location of Respondent** 

Source: Consumer Survey 2068

Above table shows that respondent are selected from different palace of Nawalpur area 33.33% of respondent are selected from Rajhar, 16.66% are selected from Pragatinagar, 33.34% of respondent are selected from Kawasoti and 16.66% of the respondent are selected from Charmer.

#### 3.4.2 Sex groups of respondents

The researcher analyzed has the responses of consumer behavior on the basis of sex groups and shows those male consumers are more than female Consumer. Table 4.2.1 has made the interpretation of the analyzed data.

Sex	Total	Percentage
Female	47	31.33
Male	103	68.67
Total	150	100.00

Table No.3.4.2 : Sex Groups of Respondent

Source: Consumer Survey 2068

The above table no. 3.4.2 shows the sex groups of consumer. Among 150 respondents 69.67 % are male and 31.33% are female. It shows that male consumers are 38% more than female consumer.

#### **3.4.3 Occupation:**

The analysis of the responses of consumer behavior is made on the basis of occupation as well as sex Groups .Preparing Table 3.4.3 has made the interpretation of the analyzed data.

Occupation:	F	emale	Ν	/lale	Grand Total		
	No.	Per.(%)	No.	Per.(%)	No.	Per.(%)	
Business	7	4.67	25	16.67	32	21.33	
Service	11	7.33	40	26.67	51	34.00	
Student	5	3.33	20	13.33	25	16.67	
Housewife	11	7.33	0	0	11	7.33	
others	13	8.67	18	12.00	31	20.67	
Total	47	31.33	103	68.67	150	100.00	

Table No. 3.4.3 Occupation and sex group of Consumer

Source: Consumer Survey 2069

The above table no.3.4.3 shows that most of the consumers are engaged in service that is 34% among them 8.67% are female and 25.33% are male. Out of them 21.33% are engaged in business sector, 16.67% are student, 7.33% are house wife and 20.67% follow the other occupation.

## **3.4.4 Age of Consumers:**

As the study tried to find out different age groups, it noticed that age group 20-30 and 30-40 age groups have equal number. Table 3.4.4 makes it clear.

Age Category	Sex								
Age Category	Female	%	Male	%	Total	%			
20-30 years	19	12.66	38	25.34	57	38.00			
30-40 years	14	9.33	43	28.67	57	38.00			
40-50 years	13	8.67	17	11.33	30	20.00			
Above 50 years	1	0.67	5	3.33	6	4.00			
Total	47	31.33	103	68.67	150	100.00			

Table No.3.4.4: Age and sex group of Consumer

Source: Consumer Survey 2068

The above table 3.4.4 shows that there are 19 female and 38 male in age group 20-30 ;14 female and 43 male in age group 30-40, 13 female and 37 male in age group 40-50 and 1 female and 5 male in age group Above 50 years.

## **3.4.5 Marital Status:**

The analysis of the responses of consumer behavior on the basis of marital status attempts

to show the relationship between consumer behavior and their marital status.

	]	Female	-	Male	Grand Total		
Marital Status	No.	Per.(%)	No.	Per.(%)	No.	Per.(%)	
Married	37	24.66	83	55.34	120	80.00	
Unmarried	10	6.67	20	13.33	30	20.00	
Total	47	31.33	103	68.67	150	100.00	

Table No.3.4.5: Marital status of consumer

Source: Consumer Survey 2069

The above table no 3.4.5. Reveals the relationship between marital status of consumers and their behavior regarding the use of Laptops. Among 150 respondents 80% are married and 20% are unmarried. It seems that unmarried consumers are less than number of married consumers.

## 3.4.6 Income Level

To analyze of the responses of Consumer behavior on the basis of their income level in this regards researcher has asked the respondent about their income level in monthly basis and has made the following categories; a. Below Rs.15,000 b. Between Rs.15,000-25,000 c. Between Rs.25,000-35,000 d. Above Rs.35,000. Preparing table 3.4.6 researcher has made the interpretation and analyzed the data regarding the income level.

Income Level	Fema	le	Ma	ale	Grand Total	
	No	Per. (%)	No	Per. (%)	No	Per. (%)
a. Below Rs.15,000	18	12	36	24	54	36
b. Between Rs.15,000-25,000	18	12	24	16	42	28
c. Between Rs.25,000-35,000	4	2.67	20	13.33	24	16
d. Above Rs.35,000	7	4.66	23	15.34	30	20
Grand Total	47	31.33	103	68.67	150	100

 Table No.3.4.6: Income Level of consumer

Above table show that the income level of, 36% of consumer is less than Rs.15000 per month, among them 12% are female and 24% are male consumer, 28% of consumer earn between 15000-25000 per month out of them 12 % and 16% consumer are female and male respectively and 16% and 20% consumer earn between 25000-35000 per month and above 35000 earn by the consumer.

## 3.5 Source of Data:

The present study is basically conducted on primary data and there is less use of seconddary data. Depending on the nature of data and information following sources have been utilized

#### **Primary Sources**

Primary data has been collected through questionnaire for different levels of consumers.

#### **Secondary Sources**

As a regard, supporting literature, relevant books, journals, bulletins, magazines, newspapers etc., have been studied.

## **3.6 Data Collection Procedure**

A well-structured questionnaire is prepared as the main tool of the data collection for this study. The questionnaire was most carefully designed as well as pre-tested so that it could best serve the purpose of this study. All questions of the questionnaire are based on close-ended response format except the last question, which is open-ended. The questionnaire contained Likert scale (summated scale), dichotomous (i.e. yes/no type) format as well as multiple-choice questions. Altogether 150 questionnaires were distributed all of them are collected. Since it is the interviewer administered survey method, cent percent response became possible. Maximum attention has been given while filling up the questionnaires. The objective of the research, meaning of the question and filling up way were explained before getting response from the respondents.

## 3.7 Data Processing and Analysis

All the questionnaires were distributed and collected by the researcher himself and were filled up in presence of the respondents so there was no misunderstanding among the respondents about the questionnaire. Each and every questionnaire was thoroughly check-ed up after the collection and was found correct in filling up style. After gathering the questionnaires, sorting and tabulating was proceeded on. Same responses of the collected questionnaires were put in to one place under the respective heading and the total responses were presented in different table according to the need of the responses. Necessary calculation and adjustments have been made for the attainment of the objectives of the study.

All the analysis is made on the basis of the data as presented in different tables. Data is analyzed both descriptively and statistically as per the need of the research.

**a**) **Simple mean:** It is statistical tool, which is called average or mean. Mean is the ratio of the sum of all observation to the number of observations. It is calculated from ungroup data & frequency distribution.

Mean =  $\frac{Sum \ Of \ Observation}{No. of \ Observation} = \frac{\sum fx}{N}$ 

**b) Percentage:** Sampling statistics are used to test whether the observed difference between the two numbers is large enough to be considered statistically significant. It represents the proportion of any variable in terms of its totality. In the present study, percentage has been used to obtain the actual number of customer preference.

c) Chi- Square test ( $\chi 2$ ):- Chi-square test is used here to determine the independency of the two attributes.

**d**) **Bar diagram & pie chart:-** There are particular tools, which help to know the true picture of the different variables in the absence of complicated formula and equations. The result of analysis has been properly tabulated, compared and analyzed in presentation and analysis chapter.

## CHAPTER-IV DATA PRESENTATION AND ANALYSIS

This chapter is the main heart of the study. This chapter present and analyze the primary data collected in Nawalpur Area with the help of field survey. For this purpose the researcher has used both descriptive, statistical tools and techniques. The data are presented and analyzed by using tables, bar diagrams, pie charts to clarify the actual data. The first section of this chapter incorporates the respondent's profile and subsequent section contain objective wise analysis and interpretation of data

In course of conducting this research, the researcher has selected 150 consumers or respondents from Rajhar, Pragatinagar, Kawasoti and Chormara regarding their views of consumers for the Laptops of different brand. The data are presented and analyzed here under.

## **4.1 Description of variable:**

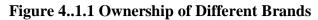
## 4.1.1Ownership of the Product

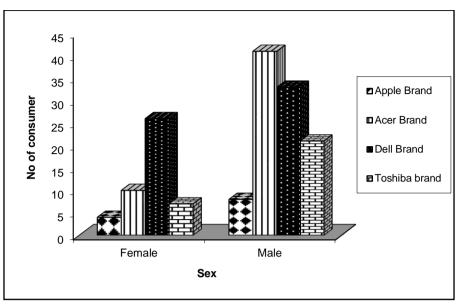
For the ownership of the laptop a question has asked to the respondent, do you have any one of the following brand laptop? And option was a. Apple brand b. Dell brand c. Acer brand d. Toshiba brand

Preparing the table 4.1.1 researcher has made the interpretation and analyzed the data regarding the ownership of the product.

Brands	Female	Male	Total	Percentage
Apple	4	8	12	8.00
Acer	10	41	51	34.00
Dell	26	33	59	39.33
Toshiba	7	21	28	18.67
Total	47	103	150	100

**Table 4.1.1 ownership of Different Brands** 



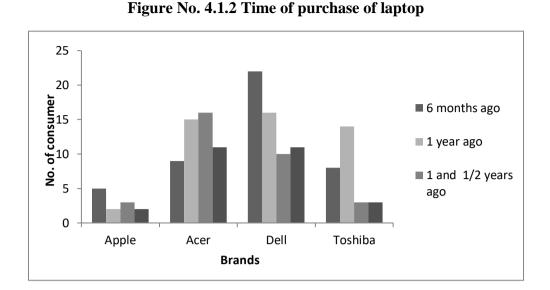


As there are four brands of laptops for this study this question needs the numbers of brands owned by the respondents. Responses from the consumers reveal that maximum numbers of respondents have Dell laptops i.e. 59(39.33%). Similarly 51 (34%) consumers have Acer laptops which are the second highest number in rank. Like wise 28(18.67%) consumers have Toshiba laptop and the least number of products possessed by consumers is Apple Laptops i.e. 12(8%) in number.

## 4.1.2 Time of Purchase

			1	1	L	
Time of Purchase	Apple	Acer	Dell	Toshiba	Grand Total	Percentage (%)
6 months ago	5	9	22	8	44	29.33
1 year ago	2	15	16	14	47	31.33
1 and 1/2 years ago	3	16	10	3	32	21.33
2 years ago	2	11	11	3	27	18
Total	12	51	59	28	150	100

Table No. 4.1.2 Time of purchase of laptop



Above table and Figure 4.1.2 show the different Brand laptop; Apple, Acer, Dell and Toshiba are purchased on different time period. Among the total 150 respondent 18 % of respondent have purchased 2 Apple laptops, 11 Acer laptops, 11 Dell laptops and 3 Toshiba laptops two years ago, 31.33% of the respondent have purchased 2 Apple laptops, 15Acer laptops, 16 Dell laptops and 14 Toshiba laptops one year ago, like wise 21.33 % of respondent has purchased 3 Apple laptop, 16 Acer laptop, 10 Dell laptop and 3 Toshiba laptop one and ½ years ago. Lastly 29.33% of the respondents have purchased 5 Apple laptops, 9 Acer laptops, 22 Dell laptops and 8 Toshiba laptops six month ago.

#### 4.1.3 Expectations match with the performance of the laptop

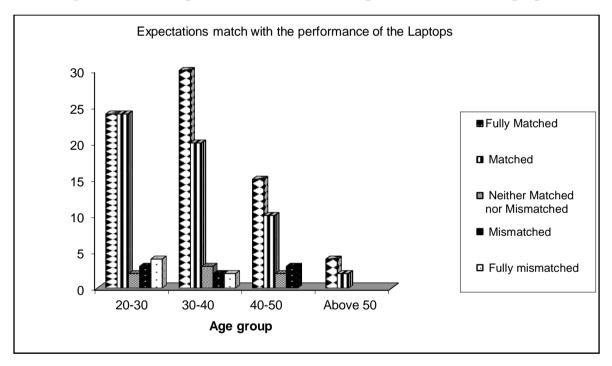
To know the expectation matched with the performance of the product question has asked the respondents, "To what extent did your expectations match with the performance of the product?" There are five options to be answered to this question which are a) Fully Matched b) Matched c) Neither Matched nor Mismatched d) Mismatched & e) Fully mismatched.

	Age Group in Years								
Expectation	20-30	30-40	40-50	Above 50	Total	Per. (%)			
Fully Matched	24	30	15	4	73	48.67			
Matched	24	20	10	2	56	37.33			
Neither Matched nor Mismatched	2	3	2	-	7	4.67			
Mismatched	3	2	3	-	8	5.33			
Fully mismatched	4	2	-	-	6	4.00			
Total	57	57	30	6	150	100.00			

## Table No 4.1.3 Expectations match with the performance of the laptop

Source: Consumer Survey 2069

<b>Figure No</b>	4.1.3 E	xpectations	match	with the	performance	of the laptop
					P ••••••	or the hereb



The following table and figure shows that 73 of the respondent or 48.67% (among them 24 consumers are in 20-30 age group, 30 respondent are in 30-40 age group, 15 respondent are in 40-50 age group and 4 respondents are in above 50 years age group) of respondents found that their expectation is fully matched with the performance of the products. Likewise 37.33% of respondents (among them 24 consumer are in 20-30 age group, 20 respondents are in 30-40 age group, 10 respondents are in 40-50 age group and

2 respondents are in above 50 years age group) said that their expectation is matched with the performance of the product similarly 4.67% of respondent found that their expectation is neither matched nor mismatched and 5.33 % of respondent's expectation is mismatched with the performance of the product , lastly 4% of the respondent's expectation is fully mismatched with the expectation.

## 4.1.4 Different Aspects of Important Attribute in a Laptop

Different questions were asked to the respondent to get the objective of the study. In this context, question a is asked about the importance that consumers give to a) price b) durability c) design d) performance and e) after sales service f) Brand Name g) Quality h) Origin of product

The consumers surveyed for this study were given Likert rating scale to measure their degree of importance given to the different attributes of the products. Each scale included five points from 1 to 5. 1 was given for the minimum importance and 5 were given for maximum important. Consumers were asked to mark tick on the point they think correct or appropriate. Different consumers ticked on different points from 1 to 5. I have calculated means of consumers responses concerning to the importance of different attributes. Table 4.1.4. Shows the detail about this.

Rank (f)	1	2	3	4	5	Total	$\sum fx$	Mean Value
Price				37	113	150	713	4.75
Durability				54	96	150	696	4.64
Design			78	72		150	522	3.48
Performance				59	91	150	691	4.61
After sales service		91	58	1		150	360	2.40
Brand Name		91	56	3		150	362	2.41
Quality				38	112	150	712	4.75
Origin of product	~	110	40			150	340	2.27

 Table 4.1.4 Aspects of important attribute in a laptop

Source: Consumer Survey 2069

Above table can be shown in following figure

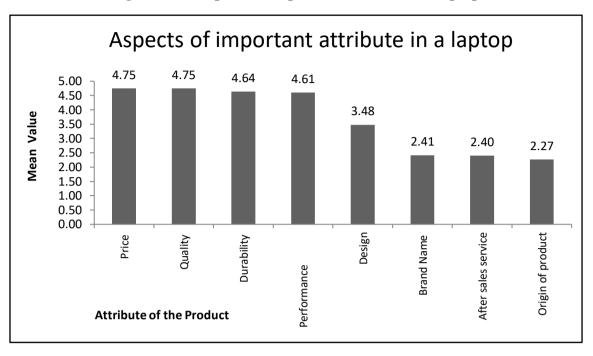


Figure 4.1.4 Aspects of important attribute in a laptop

Table No. 4.1.4 reveals that consumers give maximum importance to the price and quality of the product. The highest mean (4.75) which are very close to the maximum important point i.e. 5 shows that the general perception of people that price and quality plays the most important role in the market place proves true in our study. This study has shown that price and quality holds the first position from the consumers' importance point of view. Secondly, consumers give to the importance to durability of the product i.e. 4.64 mean value according to figure. Similarly consumers give the third highest importance to the performance of the product. It indicates that how does the product perform or how does a product work is also the most concerned issue of consumers. Likewise scoring mean value of 3.48 design stands at 4th important attribute of product. Brand name, after sales service and origin of product stand at 5th, 6th and 7th position by scoring 2.41, 2.40, and 2.27 mean value respectively.

#### 4.1.5 Satisfaction level for after sales service of the laptop

To know the satisfaction level gain by the laptop user from the after sales service provide by the supplier. In this context, question a is asked about the after sales service provide by supplier in the following aspect a) Home service b) Prompt service c) cost of service d) behavior of staff. The consumers surveyed for this study were given Likert rating scale to measure their degree of importance given to the different attributes of the products. Each scale included five points from 1 to 5. 1 was given for the minimum satisfaction and 5 were given for maximum satisfaction. Consumers were asked to mark tick on the point they think correct or appropriate. Different consumers ticked on different points from 1 to 5. I have calculated means of consumers responses concerning to the satisfaction of different attributes. Table 4.1.5. Shows the detail about this.

Rank (f)	1	2	3	4	5	Total	$\sum fx$	Mean Value
Home service	77	73				150	223	1.49
Prompt service	5	27	30	43	45	150	546	3.64
Behavior of staff		15	30	40	65	150	605	4.03
Cost of service	18	17	15	40	60	150	557	3.71

Table 4.1.5 Satisfaction level for after sales service of the laptop

Source: Consumer Survey 2069

Above table can be shown in following figure

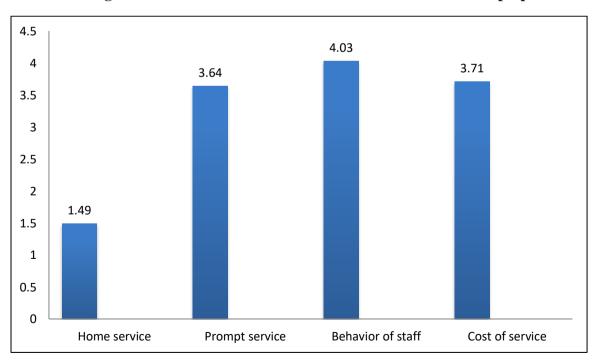


Figure 4.1.5 Satisfaction level for after sales service of the laptop

Above table and figure shows that consumer feel maximum satisfaction from behavior of

staff mean value 4.03 reveals the same fact, secondly consumers are satisfied with the cost of services and then they are satisfied with the prompt services. Consumers are less satisfied with the home service of supplier the mean value 1.49 reveal the same facts.

#### 4.1.6 Satisfaction level with Various Aspects of the Product

This is related to the previous question. Which was asked about importance given to price, durability, design, performance, after sales service, brand name, quality and origin of the products. In connection to that this question asked about the satisfaction level that consumers obtained from the same attributes (i.e. price, durability, design, performance and after sales service, brand name Quality and origin of the product). In this way, it finds out the gap realized between the importance given and satisfaction achieved from those attributes.

This question had Likert Scale from 1 to 5 (1 minimum satisfaction level - 5 maximum satisfaction level). To show the satisfaction level that consumers obtained from different attributes, mean values is calculated and shown in the table no.41.6

Rank (x)	1	2	3	4	5	Total	$\sum fx$	Min Value
Price		55	20	32	43	150	513	3.42
Durability		23	16	67	44	150	582	3.88
Design		55	92	3		150	398	2.65
		55			70			
Performance			10	61	79	150	669	4.46
After sales service		77	26	47		150	420	2.80
Brand Name		94		3	53	150	465	3.10
Quality			55	77	18	150	563	3.75
Origin of product	22	46	81	1		150	361	2.41

 Table No. 4.1.6 Satisfaction level with Various Aspects of the Product

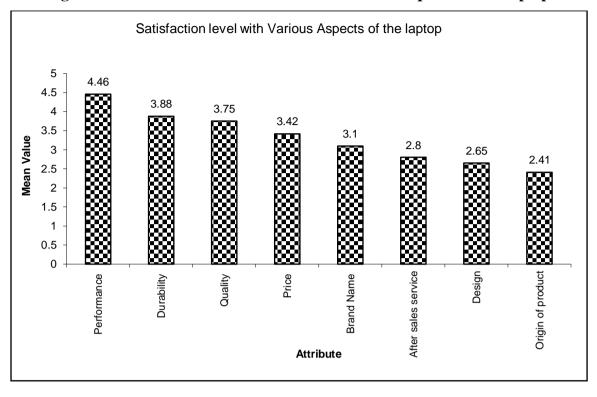


Figure No. 4.1.6 Satisfaction level with Various Aspects of the laptop

From the above table and figure it is found out that consumers are more satisfied with the performance of the product than other attributes. Performance has 4.46 mean values to hold the first position from the point of view of satisfaction level. Immediately after performance durability holds the second highest position of satisfaction level by scoring 3.88 mean values. It means after performance consumers are more satisfied with the durability of the product. Quality has 3.75 mean values, which shows it is third position of satisfaction level. Price has 3.42 mean value it got the 4th place of satisfaction level and then brand name, After sales service, design and origin of the product are in 5th, 6th , 7th and last 8th position of satisfaction level holding 3.1, 2.8, 2.65 and 2.41 mean value respectively.

# 4.1.7 Comparison between importance given and satisfaction level from different attribute of laptop.

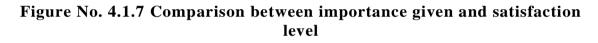
To compare the importance given and satisfaction level gained by the consumer after consuming the product the following table and figure are presented below.

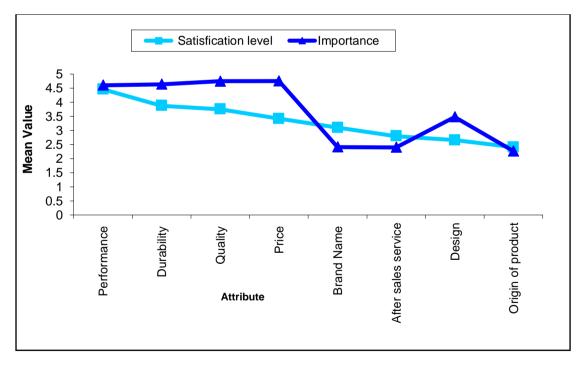
level									
A 1	Mean V	alues							
Attribute	Importance given	satisfaction level	Difference						
Performance	4.61	4.46	0.15						
Durability	4.64	3.88	0.76						
Quality	4.75	3.75	0.99						
Price	4.75	3.42	1.33						
Brand Name	2.41	3.1	-0.69						
After sales service	2.4	2.8	-0.40						
Design	3.48	2.65	0.83						
Origin of product	2.27	2.41	-0.14						

 Table No. 4.1.7 Comparison between importance given and satisfaction

 level

Source: Consumer Survey 2069





Analyzing the above table and figure we can see that the importance given by the consumer for the different attribute of products got the different level of satisfactions. The importance given for the attribute performance, Durability ,quality and Price have 4.61, 6.64, 4.75, 4.75 mean value respectively but the satisfactions level realized by the consumer from the attribute performance, Durability ,quality and Price are 4.46, 3.88,

3.75, 3.42 mean value respectively which are less than the importance given by the consumer. This trend shows that consumers have put more importance in performance, Durability, quality and Price which is more than 4 mean values but the satisfaction level realized by the consumer is more than 3 mean values except in performance attribute so consumers can not get satisfaction as they give importance to the attribute. Beside this consumer give importance to the Brand Name, After Sales service and origin of the products with mean value 2.41, 2.4 and 2.27 which is less than the important given to performance, Durability, quality and Price but they realized satisfaction level of 3.1 2.8 and 2.41 mean value respectively which is more than the importance given which shows that they are more satisfied than with other attribute of the products. And from the attribute design of the product consumer do not get the satisfaction level than the importance given on it.

#### 4.1.8 Consumer Complain Behavior

A separate question was asked as "Have you ever complained about your product? Yes/No If yes, what is your complaint behavior? i) Tell to others about dissatisfaction. ii) Ask compensation from the Supplier. iii) Go for legal action. iv) Go to the public media". The following table and figure present the detail about complaint behavior of consumer

	App	ole	Ace	er	Dell		Toshiba		Total		Grand Total	percentage
Complain Behavior	F	М	F	М	F	М	F	М	F	М	Gra	per
Tell to others about dissatisfaction.			2	8	7	9	2	12	11	29	40	26.67
Ask compensation from the Supplier.		3	5	31	19	24	4	6	28	64	92	61.33
Go for legal action.												
Go to the public media.												
Not Complain at all	4	5	3	2			1	3	8	10	18	12
Total	4	8	10	41	26	33	7	21	47	103	150	100

 Table No. 4.1.8 Consumer Complain Behavior

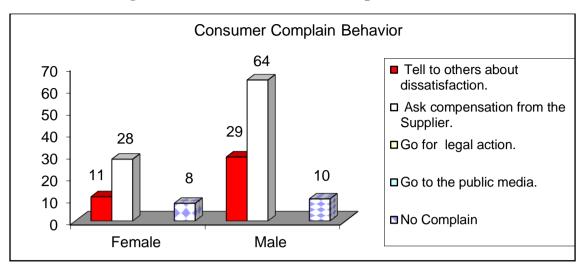


Figure No. 4.1.8 Consumer Complain Behavior

The above table shows that Out of total 150 respondent 18 (8 female and 10 male) respondent did not go to complain about their dissatisfaction. 40 of the total respondent (11 female and 29 male) have complained but they are not complaining to the suppliers; they express their dissatisfaction to others. 92 (28 female and 64 male) respondents went to complain about their problem of laptops to the suppliers to ask for the compensation. Even those who complained also used only two options either (a) Tell to other about dissatisfaction or (b) Ask compensation from the seller. No one used legal action and public media.

## 4.1.9 Compensation Received from the Company

Another question was asked which needs information about the complaint and compensation received by the consumers. Whenever consumers feel dissatisfaction they may complain against the product/service they get the following types of compensation.

Types of compensation	Female	%	Male	%	Total	%
Monetary compensation	1	1.09	2	2.17	3	3.26
Guarantee compensation	2	2.17	6	6.52	8	8.69
Warranty compensation	23	25	51	55.43	74	80.43
Social compensation (apology)	1	1.09	3	3.27	4	4.36
Not compensated	1	1.09	2	2.17	3	3.26
Total	28	30.44	64	69.56	92	100.00

Table No. 4.1.9 Compensation received from the company

The above table can be presented in the following figure

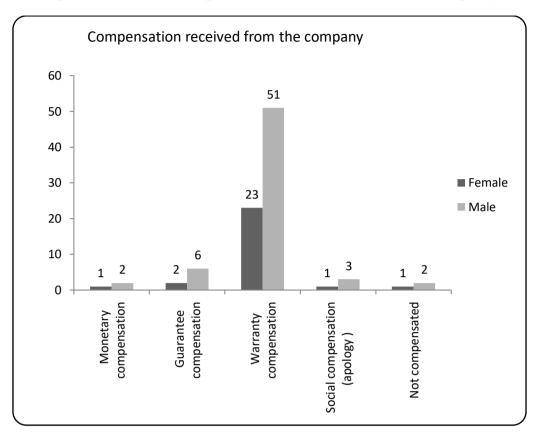


Figure No. 4.1.9 Compensation received from the company

Above table and figure reveals that among the total 92 respondents complained against the product and ask for the compensation; only 89 respondents got different types of compensation. Among them 3 respondents got monetary compensation, 8 respondents got Guarantee compensation,74 respondent got warranty compensation and 4 respondents got social compensation (request for forgiveness) and 3 respondent did not get compensation even they asked for it. Remaining 58 respondents did not make any complaints against to the products suppliers or Producer even though they were not satisfied with the product's performance, out of them 18 respondent did not make any complain and 40 respondent express their dissatisfaction to others not to producer and suppliers. More detail can be analyzed by using following table.

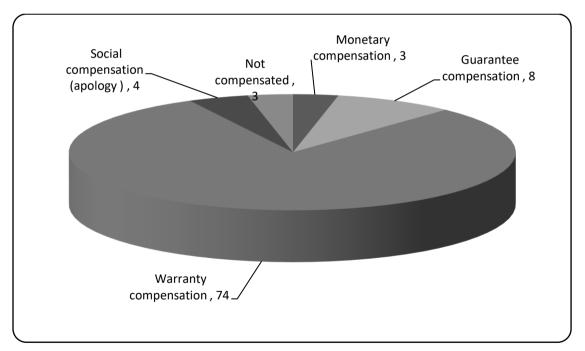
Types of componention	Apple	Acor	Dell	Toshiba	Total
Types of compensation	Apple	Acer	Den	TOSIIIDa	Total
					2
Monetary compensation		1		2	3
Guarantee compensation		6	2		8
Warranty compensation	3	27	36	8	74
Social compensation (apology)		1	3		4
Not compensated			3		3
Grand Total	3	36	43	10	92

## Table No 4.1.10 Different types of compensation received in product wise

Source: Consumer Survey 2069

The above table can be presented in the following figure





Above table and figure shows that; most of the respondents who asked for compensation got Warranty compensation where 3 Apple owners, 27 Acer brand owners, 36 Dell owners and 8 Toshiba owners compensated by this compensation. 3 respondents got monetary compensation in which 1 was for Acer brand and 2 for Toshiba Laptops; Apple and Dell didn't get monetary compensation. 8 respondents got Guarantee compensation

where 6 Acer brands and 2 Dell brands got it; Toshiba brand did not get guarantee compensation. Least number of respondents got social compensation that includes one Acer laptop owner and 3 Dell laptops owners got this compensation. Total 58 respondent did not get any kind of compensation out of them 40 respondent did not tell to the suppliers about problem (40 respondents did not tell to the suppliers about problem (40 respondents did not tell to the suppliers about problem because they purchased those product from foreign country. So it is difficult to get compensation from them) and 18 respondents did not make any kind of complaint but 3 respondent has asked for compensation they were not compensated.

#### 4.1.11 Chi square test for independence of complain behavior and sex of consumer.

Table No. 4.1.11 complain behavior and sex of consumer.

	Se		
Complain Behavior			
	Female	Male	Total
Tell to others about dissatisfaction.	11	29	40
Ask compensation from the Supplier.	28	64	92
No Complain at all	8	10	18
Grand Total	47	103	150

Source: Consumer Survey 2069

#### 1. Setup hypothesis

- i. Null Hypothesis. H<sub>o</sub>: There is no significant difference between female and males' complain behavior of consumer.
- ii. Alternative Hypothesis (H<sub>1</sub>): There is significant difference between female and males' complain behavior of consumer

#### 2. Test statistics under H<sub>o</sub> is

**Calculated**  $\chi 2 = 1.746$  (Annex 1)

- **3. Level of significance:**  $\alpha = 0.05$  OR 5%
- 4. Degree of freedom (df) = (r-1)(c-1)

$$= (3-1)(2-1) = 2$$

5. Tabulated critical value of  $\chi^2$  at 5% level of significance is = 5.9914 at 2 degree of freedom

6. **Decision**: Since calculated value of  $\chi^2$  (i.e. 1.746) is less than tabulated value of  $\chi^2$  (i.e. 5.9914). So alternative hypothesis (H<sub>1</sub>) is rejected and hence null hypothesis (H<sub>0</sub>) is

accepted·

Therefore, it is concluded that there is no significant difference between female and males' complain behavior. That is why female and male have almost same kind of expectations and show the same complaint behavior towards high involvement products.

## 4.1.12 Respondents' Suggestions to the Company

During the data collection some suggestions also asked with the respondents. Some respondents have given no suggestion to the company. Some have presented more than one suggestions. Those who gave suggestion are also mainly related to the quality, durability, good performance as well as originality of the product and after sales services. The suggestions presented by the consumers to the different brand of laptops are summarized below.

## Suggestion from consumer

Some of the very realistic suggestions presented by respondent are as follows:

- 1 Produce advance quality of laptop along with attractive model.
- 2 Use original spare parts of same brand rather than using the parts of different brands.
- 3 Keep as genuine programs as possible while selling the product.
- 4 Promise what you can perform in case of quality, durability, warranty and guarantee too.
- 5 Install free antivirus to the Laptop.
- 6 Latest software and application should be installed with out charging money.
- 7 Devanagari alphabets should be introduced in keyboards.
- 8 Webcam should have the high resolution and high definition picture quality.
- 9 Processing capacity, storage capacity, and Random Access Memory power should be increased.
- 10 It is better to have any kind of program to type with voice command on laptops.
- 11 Battery back up power should increase.

## **4.2 Major Findings**

The following major findings are traced out from the data presentation and analysis made in this chapter,

- 1 Majority of the respondent have Dell laptops that is 39.33% Acer brand is the second highest product owned by respondent i.e. 34% and Toshiba laptops and Apple laptops are in 3rd and 4th position i.e. 18.67% and 8% of total respondents.
- 2 Most of the Laptops i.e.31.33% were purchased one year ago, 29.33% of the product were purchased six month ago 21.33% were purchased one and half year ago and 18% of the laptop were purchased two years ago.
- 3 This study shows that 48.67% of the respondents found their expectation is fully matched with the performance of the product and 37.33% of the respondent found their expectation is matched with the performance of the product.
- 4 Among different attribute of the product Customer give the most importance to the price, quality, durability, performance, design, Brand name, after sales service and origin of the product respectively.
- 5 Consumers are maximum satisfied with the service of staff of service center after this consumer are satisfied with the cost of service provided by supplier, then prompt service at last consumer are least satisfied with the home service.
- 6 This study reveals that the satisfaction level of the respondent with the importance given to the different attribute of the product is high in performance, Durability, quality, price, Brand name, after sales service design and origin of the product in descending order.
- 7 Majority of the consumers think performance as the most important part of the product. Mean 4.46 reveals the same fact.
- 8 Quality is the second most important aspect of the product only then Durability comes in their priority.
- 9 It is found that none of the consumers are quite satisfied with all aspects of the product; of course, some are satisfied with one or two aspects i.e. Brand name and after sales service .
- 10 Performance and Durability is found to take first and second position in satisfaction level as compared to the all aspects of the product.
- 11 It is also found that price of product has the largest gap between the expected and the actual satisfaction level.
- 12 Among 150 respondent 61.33% of consumers are found to complain against the product. Remaining 26.67% are used to tell their problem to others and 12% of consumers are not complaining at all.

- 13 No one consumer is going to complain about their problem to the public media and legal action.
- 14 Majority of the compensation seekers 74 out of 92 are found to be compensated through warranty compensation.
- 15 Three respondents did not get any kind of compensation even they were asked for compensation.
- 16 Almost all of the respondents are found to emphasize on Price, quality, durability, performance and after sales service of the product.
- 17 Most of the consumers are found to be quite dissatisfied with the after sales service and the behavior of the employee (staff) of service center and seller after the sale of product.
- 18 Female and male do not differ in terms of their expectation formation and complain behavior.
- 19 Both Female and male have almost similar kind of complain behavior.
- 20 There is no significant difference in complaint behavior between female and male consumer.
- 21 Satisfaction/dissatisfaction does not get affected through sex, income group, age category and marital status.

## **CHAPTER -V**

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Introduction**

This is the concluding chapter of the study. This chapter is divided into three sections: Summary, Conclusions and Recommendations. In the first section the researcher has summarized the study in brief; with the conclusions of the study in the second section. In the last section of this chapter some recommendations have been given, which are useful to stakeholders. They can use these recommendations to take some corrective actions to draw decisions.

#### 5.2. Summary

The topic of this study is "Consumer Satisfaction and Complaint Behavior Consumer in High Involvement Products", makes it clear that is to find out consumer satisfaction and complaint behavior towards high involvement product i.e. laptops. The objective of this research is studying behavior of consumers. Consumer behavior is important to all the marketers, who are producing consumer goods. It deals with consumer satisfaction. Moreover, an attempt is made to reveals consumers' attitude towards this product with some suitable suggestions. It is accepted that without winning the heart of consumer, no business can go far in long run. Therefore, the main objective of this study is to find the satisfaction, dissatisfaction and complaint behavior of Nepalese consumers of Nawalpur area of Nawlparasi district. Besides the main objective, attempts have been made to know consumer's expectations, their interest and their own needs associated with these products. What is their satisfaction/ dissatisfaction level? If they are dissatisfied, did they make any effort to compensate themselves through complaint behavior or not. This study is mainly concentrated on such aspect of consumers.

This study is based on the descriptive research design. The sample population were selected via nonrandom sampling method out of the total population of all Nepalese consumer living in side the Nawalpur area above 20 years age and who have the at least one of the laptop among Apple brand, Acer brand, Dell brand and Toshiba brand brought with in two years time period. Primary method of data collection was used for collecting

data. Total 150 questionnaires were distributed and collected the data. After gathering the questionnaire, sorting and tabulating was proceeded. All the analysis was made by using both descriptive and statistical method as per the need of objective by using simple mean, Percentage, bar graph, pie chars and chi-square test

Now a days, we can see that Laptops are in almost all of the homes in city area. Even in rural areas the users of laptops have been increasing gradually. Laptops are found in different brands in the market. There are many users of such different brands in our urban as well as rural society. There is one proverb, "It is better to satisfy one consumer rather than attracting ten potential customers." So every organization has to satisfy its customers to achieve its goals, those who satisfy the consumers can expand their market share and maximize profit in future.

This study has tried to find the every feeling of the consumers towards the products. It helps to discover the hidden aspects of consumers. In the due course of our research some important views have come to light. It is found that Nepalese consumers are a bit satisfied with the performance, price and durability of the products. Similarly a gap is realized between expectation and actual performance of the product. Males and females do not differ in terms of their expectations and complaint behavior. Similarly marital status, age, income group and profession do not distinguish in terms of satisfaction and dissatisfaction. Educated people complain more than uneducated ones. It is also found that a small number of consumers are not complaining against the product. Those who complain and seek compensation get only warranty compensation. Another fact is that some consumers directly purchase goods from foreign country which make them difficult to get compensation if any problem and dissatisfaction arise.

## **5.3 Conclusion**

The following conclusions can be drawn from the present study "Consumer Satisfaction and Complaint Behavior in High Involvement Product" after the evaluation, interpretation and findings of the research.

Majority of the respondent have Dell laptops and Acer laptops the second highest product owned by respondents; Toshiba and Apple are the 3rd and 4th position. Most of the products were purchased one year ago; every consumer has certain prior expectations while purchasing any products. If these expectations match with the performance then they get satisfaction whereas mismatch of the expectation with performance make them dissatisfied. Consumers mainly focus on the performance of the products rather than other attribute of product.

This study shows that majority of the respondents have their expectations fully matched with the performance of the product and about one third of the respondent found their expectation is matched with the performance of the products. Among different attribute of the products Customers give the most importance to the price, qualities, durability, performance, designs, Brand name, after sales service and origin of the product orderly or respectively.

One of the significant findings to emerge from this study is that performance and durability is found to take first and second position in satisfaction level as compared to all other aspects of the product.

The most obvious findings to emerge from this study are that Females and males do not differ in terms of their expectation formation and complaint behavior. Both Female and male have almost similar kind of complaint behavior. There is no significant difference of complain behavior between females and males consumer. Satisfaction/dissatisfaction does not get affected by sex, income group, age category and marital status.

## 5.4 Recommendations and Suggestions

Consumers are the sovereign power of the modern marketing world. The products and services manufactured today are not the ones that the manufacturers want to sell, but the ones that consumers want to buy. The consumers are always right. Every successful product in the modern marketing world in an image of the consumer needs, wants, prestige, preference, satisfaction, aspiration and mental horizon. Hence, understanding the consumers' needs, wants, satisfaction, preferences, aspirations and mental horizon or understanding the consumer in total is the success of today's business. From the above findings regarding the population under the study, the following recommendations can be made.

- a. Quality, durability and performance should be ensured.
- b. Make After sales service should be reliable. After sales services show room should be established all over the country.
- c. Change simple and small spare parts without charging extra money from the buyer.

- d. Be sure the behavior of service center employee is polite and respective to the costumer. If needed take corrective action.
- e. Standardized the Picture quality and sound quality.
- f. Keep genuine programs in Laptops.
- g. Install free antivirus to the Laptop.
- h. Install Latest software and application with out charging money.
- i. Increase Processing capacity, storage capacity, and Random Access Memory power.
- j. Provide laptop bag free.
- k. Increase battery back up power.

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## **Internet Search**

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## **ANNEX-1**

## Chi square test for independence of complain behavior and sex of

Complain Behavior	Sex : M/F					
	Female	Male	Total			
Tell to others about dissatisfaction.	11	29	40			
Ask compensation from the Supplier.	28	64	92			
No Complain at all	8	10	18			
Grand Total	47	103	150			

## consumer

## 1. Setup hypothesis

- **i. Null Hypothesis.** H<sub>0</sub><sup>:</sup> There is no significant difference between female and males' complain behavior of consumer.
- **ii. Alternative Hypothesis (H**<sub>1</sub>**):** There is significant difference between female and males' complain behavior of consumer

## 2. Test statistics under $H_0$

$$\chi^{2} = \sum_{i=1}^{i} \frac{(O-E)^{2}}{E}$$
Where,  
O = Observed frequency  
E = Expected frequency  
RT = Row Total ;  
CT = Column Total

N= Total number of observation

0	$E = \frac{RT \times CT}{N}$	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
11	12.533	-1.533	2.351	0.188
29	27.467	1.533	2.351	0.086
28	28.827	- 0.827	0.683	0.024
64	63.173	0.827	0.683	0.011
8	5.640	2.360	5.570	0.988
10	12.360	- 2.360	5.570	0.451
$\sum O = 150$	$\Sigma E = 150$			1.746

Calculation of Chi- Square  $(\chi^2)$ 

Calculated

 $\chi^2 = \sum \frac{(O-E)^2}{E} = 1.746$ 

- **3. Level of significance**:  $\alpha = 0.05$  OR 5%
- 4. **Degree of freedom** (**df**) = (r-1)(c-1)

= (3-1)(2-1) = 2

5. Critical value  $\chi 2$  tabulated = 5.9914 at 2 degree of freedom

6. **Decision**: Since calculated value of  $\chi^2$  (i.e. 1.746) is less than tabulated value of  $\chi^2$  (i.e. 5.9914). so alternative hypothesis (H<sub>1</sub>) is rejected and hence null hypothesis (H<sub>0</sub>) is accepted.

## **QUESTIONNAIRE**

## Dear Respondent,

I am Ramesh Gaywali student of Master of Business Studies at Birendra Multiple Campus. I am going to conduct a study to measure satisfaction and complaint behavior in high involvement products with reference to laptop. So, you are kindly requested to mark tick ( $\sqrt{}$ ) for the following statements to show your degree of agreement or disagreement.

- a) Name:-....
- b) Address:-....
- c) Phone No.:-
- d) Sex: Male Female
- e) Age Category: a) 20-30 years
  b) 30-40 years
  c) 40-50 years
  d) Above 50 years
- f) Occupation:- a) Business b) Service c) Student d) Housewife e) others
- g) Marital Status: Married / unmarried
- h) Income (Monthly)
- i) a. Below Rs.15,000 b. Between Rs.15,000-25,000 c. Between Rs.25,000-35,000 d. Above Rs.35,000
- 1. Do you have any one of the following brand Laptop?
  - a. Apple \_\_\_\_\_ b. Acer
  - c. Dell d. Toshiba
- 2. When did you buy it?
  - a. 6 months ago b. 1 year ago
  - c. 1 and  $\frac{1}{2}$  years ago d. 2 years ago
- 3. To what extent did your expectations match with the performance of the product?

Fully Matched	
Matched	
Neither Matched nor Mismatched	

Mismatched

Fully mismatched

#### Q.4 What aspects are important for you in a product?

Price	Very important	5	4	3	2	1	Not important at all
Durability	Very important	5	4	3	2	1	Not important at all
Design	Very important	5	4	3	2	1	Not important at all
Performance	Very important	5	4	3	2	1	Not important at all
After sales service	Very important	5	4	3	2	1	Not important at all
Brand Name	Very important	5	4	3	2	1	Not important at all
Quality	Very important	5	4	3	2	1	Not important at all
Origin of product	Very important	5	4	3	2	1	Not important at all

## Q.5 To what extent are you satisfied with the following aspect of after sales service?

Home service	Fully Satisfied	5 4 3 2 1	Not at all satisfied
<b>Prompt service</b>	Fully Satisfied	5 4 3 2 1	Not at all satisfied
Behavior of staff	Fully Satisfied	5 4 3 2 1	Not at all satisfied
Cost of service	Fully Satisfied	5 4 3 2 1	Not at all satisfied

## 6. To what extent are you satisfied with the following aspects of the product?

Price	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Durability	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Design	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Performance	Fully Satisfied	5	4	3	2	1	Not at all satisfied
After sales service	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Brand Name	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Quality	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Origin of product	Fully Satisfied	5	4	3	2	1	Not at all satisfied

#### 6. Have you ever complained about your product?

Yes

No

If yes, what is your complaint behavior?

- i) Tell to others about dissatisfaction.
- ii) Ask compensation from the Supplier.
- iii) Go for legal action.

iv) Go to the public media.

## 7. Have you ever got compensation by the company?

Yes No No If yes, what kind of compensation did you get?

,	1	2	U	
Monetary compe	ensation			
Guarantee comp	ensation			
Warranty compe	ensation			
Social compensa	tion (apology	7)		

## 8. What is your Suggestion to the company?

.....

Thank You