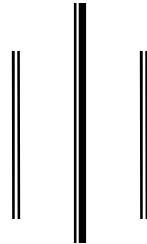


# **BUYING ATTITUDE OF CONSUMERS TOWARDS MERO AND NTC MOBILE SERVICES**



**A Thesis**

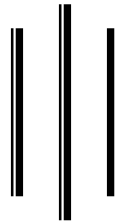
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**Submitted to:**

**Office of The Dean**

Faculty of Management

Tribhuvan University

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

Birgunj, Nepal

March , 2010

# **RECOMMENDATION**

This is certify that the thesis

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Has been prepared as approved by this department in the prescribed format of Faculty of Management .This is forwarded for examination.

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And found the thesis to be original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the Master's Degree in Business Studies(M.B.S)

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## DECLARATION

I here by declare that this entitled “ Buying Attitude of Consumers towards Mero and NTC Mobile Services” submitted to Research Department of Hari Khetan Multiple Campus , Faculty of Management , Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master in Business Studies(M.B.S) .This is prepared under the supervision of Dr. Alok Dutta of Hari Khetan Multiple Campus, Birgunj.

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## **ABBREVIATION**

GSM: Global Service Management

NTC: Nepal Telecom

MM: Mero Mobile

SNPL: Spice Nepal Private Limited

WAM: Weighted Arithmetic Mean

M: Mero

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

Marketing is one of the highly dynamic fields of study which changes with change which takes place in social, economic and other aspects. Its primary objective is to serve customers by creating greater product value and return to the company as well. The marketer seeks to understand which factor motivates customers to buy or pay more. The marketers should know why the customers might prefer the particular brand of product.

The modern marketing accepts customers as king/queen because he/she has the purchasing power and no one can compel any customer to buy a particular goods or service. Customers have remote control at their hands as they are all in all today, so customer has freedom to spend on the goods or services according to his/her choice and preference. Customer's preferences, attitudes, opinions etc has got priority in the production program and marketing activities of producer.

Today most of products are bought by brand rather than inspection. So every marketer is trying to develop a positive attitude in the mind of consumers toward the brand of their products. People are

always specific about selecting a brand and selection of the product highly depend upon their attitude towards the same brand. As the new marketing strategies are emerging and new competitors are in the market, sellers have to be extremely cautious about the consumer's attitude toward their product.

All the people engaged in evaluation, acquisition, use or disposition of goods and services are called consumers. More specifically, ultimate consumers are those individuals who purchase goods or services for the purpose of individual use or household consumption.

Attitude is an organization of concepts, beliefs and motives associated with a particular object or idea. It is not observed but must be inferred from what people say or what they do. Attitudes are learned predisposition to respond to a stimulus in a consistently favorable or unfavorable way. So, attitudes are essentially stable structure and can no be easily formed or modified. Despite their consistency, attitudes are not necessarily permanent, they do change. But it is very difficult to answer what goes in the mind of a customer while taking purchase related decision. As such, we have selected this as our study area- Consumers attitude in telecom marketing.

## **1.2. Focus of the Study**

One of the most important objectives of the marketer is to increase the sales volume of their product. The sales volume of every product is directly influenced by buying attitudes of consumer towards the brand. Spice Nepal Private Limited has been established on 2005 with the basic aim to serve the Nepalese people by providing communication service. This organization has launched cellular phone service as “Mero Mobile”. Currently, this service is available and competing with Nepal Telecom only in few selective places. However, Nepal Telecom is a well established organization that has large market share, wider market coverage, better goodwill, image, reputation and favorable attitudes among the Nepalese consumers. Hence, it is difficult for Spice Nepal to capture a large market share. Due to this reason, Spice Nepal has to begin with creating and modifying consumers’ attitudes towards its product. This comparative study should try to understand consumers’ perception, preferences and ultimately their attitudes towards “Mero Mobile” and “NTC Mobile”. This attempt certainly may assist to the marketing manager for his/her future planning and decision making related to product positioning and for designing advertising campaigns.

If the buying attitude of consumer towards a brand is favorable, and positive the company can survive, compete, flourish and be a market leader in the competitive market place. If not, otherwise, the company can do nothing rather it should be vanished from that market. Thus, both Spice Nepal Private Limited and Nepal Telecom have to take full attention for altering its consumers' attitudes. However, this research work has been focused on the same phenomenon.

The buying attitudes of consumer can not be neutral; it should be favorable or unfavorable. The purpose of this work is to examine what is the consumers' buying attitudes can be altered into favorable.

### **1.3. An introduction to “Mero Mobile” and “Nepal Telecom”**

Spice Nepal Private Limited is the first privately owned GSM mobile operator in the kingdom of Nepal, headquartered in Lalitpur and planning to have its customer care offices throughout the country. Currently its corporate office is located at Krishna Tower, New Baneshwor, Kathmandu, technical office MM Complex, Ekantakuna, Lalitpur.

SNPL has built its GSM mobile network using the most advanced telecommunication equipments available in the market in order to provide its valued subscribers with the highest quality of services. It has distributed SIM card at Kathmandu valley, Pokhara, Banepa, Birgunj, Janakpur, Biratnagar, Hetauda, Butwal, and Bardagath and started to serve its subscribers. Their goal is to make Mero Mobile brand synonymous with innovation and quality. They want to be an integral part of their consumers' lives, providing exceptional and memorable experiences of the mobile phone. In Butwal SNPL has started its operation in 2006 to serve the people basically for better communication services. In Butwal its customers care office is situated at Milan Chowk and serve different kinds of customers and can possibly win the market share if its services will be better.

Nepal Telecom history was very old than that of SNPL. Firstly it was established in 1992 B.S. as Sanchar Samiti, government passed the Sanchar Ain in 2028. It was reestablished as Dursanchar Sansthan in 2032 and as Nepal Telecom in 2060. NTC has launched wide range of services to its customers throughout Nepal. NTC has launched Mobile services in 2056 from Kathmandu valley. Nepal Telecom's head office is in Bhadrakali, Kathmandu and has regional offices and branch offices throughout the nation.



Its gateway exchange office (which deals with international calls and billing system) is in Birgunj. NTC has customers in almost all the major part of the nation. NTC has provided wide range of telecommunication services by using advanced telecommunication equipments in order to provide its valued customers the highest quality of services.

#### **1.4. Statement of the Problem**

The problem toward which this study is directed is to identify the consumers buying attitudes towards “Mero Mobile” and “Nepal Telecom Mobile”. A favorable consumers’ attitude help to increase consumer satisfaction and its value. The words of mouth communication also take place, which is cost free advertisement for a company. But an unfavorable attitude can diffuse rumors among the consumers which ultimately affects negatively the brand image. This is why the research problem emerged.

With respect to Nepal Telecom, SNPL is a newly established company it has spent large amount money on advertising and for applying different marketing strategies. But still it is often seen that most of the consumers’ appear to be favorable towards Nepal Telecom. The market share of Mero Mobile is also considerably

smaller than that of Nepal Telecom. Indeed, individuals can have a variety of attitudes towards a particular behavior each corresponding to a particular situation. It is important to understand how consumer buying attitudes vary from situation to situation such as lower purchasing cost, lower operating cost, and dependable, service quality, and advertisement, promotional activities, bearing social responsibilities etc. in this way the study especially surrounds and leads with the following aspects of consumer attitudes.

- ) What are the direction, degree and intensity of consumer attitude towards “Mero Mobile” and “Nepal Telecom Mobile”?
- ) What are the strengths and weakness of “Mero Mobile” and “Nepal Telecom Mobile” on consumer’s view?
- ) What are the variables pertinent to change consumer’s attitudes towards “Mero Mobile” and “Nepal Telecom Mobile” and how can the consumer’s attitude be changed?

### **1.5. Objective of the Study**

The main objective of this study is to analyze the consumers buying attitudes and find out the factors affecting consumer behavior can be changed. More specially, the study objectives are-

To identify the direction, degree and intensity of consumer's buying attitudes toward "Mero Mobile" and "Nepal Telecom Mobile" service.

- ) To evaluate strengths and weakness of "Mero Mobile" and "Nepal Telecom Mobile" on the basis of consumer's attitude and their particular perception.
- ) To compare and analyze the essential variables that play significant role to alter consumer's perception and attitudes toward "Mero Mobile" and "Nepal Telecom".
- ) To suggest and recommend to the concerned organization on the basis of major findings of the study.

### **1.6. Significance of the Study**

The consumers of the future will be increasingly demanding, skeptical and critical. A whole universe of consumer behaviors consistency of a purchase, recommendations to others, top rankings, beliefs, evaluations, and intentions are related to attitudes. So, marketers who fail to understand the consumer's attitude and doomed to be less successful than they otherwise might be.

As learned predispositions, attitudes have a motivational quality that is they might propel a consumer toward a particular behavior. That is why; altering consumer attitudes is a key strategy consideration for most marketers. Their objective is to change the attitude of the market leader's consumers and win them over.

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

### **1.7. Limitations of the Study**

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

- ) This study has been conducted specially within Kathmandu with reference to the consumers of “Mero Mobile” and “Nepal Telecom” so the study can't be generalized.
- ) The primary data collected from respondents through questionnaire survey are assumed to be representative of the population.
- ) The variables other than purchasing cost, operating charges, reliable service, audibility, network coverage of services have not been included in the study.

- ) The primary data are collected from Birgunj, kalaiya, and Parwanipur from only limited places.
- ) Because of lack of research in this topic, secondary data are limited within few researchers.

## **1.8. Organization of the Study**

### **CHAPTER 1: INTRODUCTION**

Introduction chapter includes general background of the thesis, focus of the study, a brief introduction to Mero Mobile and Nepal Telecom, statement of the problem, objective, significance and limitations.

### **CHAPTER 2: REVIEW OF LITERATURE**

The review of literature has been divided into two categories- conceptual review, concept of attitude are explained.

### **CHAPTER 3: RESEARCH METHODOLOGY**

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

## **CHAPTER 4: DATA PRESENTATION AND ANALYSIS**

In this chapter, data collected from questionnaire are presented and analyzed by using different tools.

## **CHAPTER 5: FINDINGS, CONCLUSION AND RECOMMENDATION**

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

## **CHAPTER 2**

### **REVIEW OF LITERATURE**

#### **2.1 Introduction**

The concept of attitude is not a new concept in psychology and social psychology. It is the focal point for considerable research on these disciplines. But in marketing, this concept is applied for developing various marketing programs related to all the components of marketing mix- product, price, place and promotion. Here, in this second chapter, concept of attitude, elements of attitudes and theories and models of attitude are reviewed. The process of attitude change is also reviewed in this chapter. In the second section review of one dissertation is included.

#### **2.2 Meaning of Consumer Attitudes**

The word “attitude” comes from the Latin term, aptus, which means “fitness”. By the eighteenth century the term had come to refer to bodily posture, and to this day the word “attitude” can mean something general physical orientation with respect to something else. Late in the eighteenth century Charles Darwin used the word in a biological sense as a physical expression of an emotion. Indeed, well into the twentieth century researchers tended

to link attitudes with physiological tendencies to approach or avoid something.

Over the past thirty years the term “attitude” has been defined in numerous ways. The definition that best captures the ideas developed in this text was put forth by L.L. Thurstone, who one of the originators of modern attitude measurement theory. Thurstone viewed attitudes as “The amount of affect or feeling for or against a stimulus”.

Examples of some definitions of attitudes include the following:

“Attitudes are likes and dislikes.”

“The major characteristics that distinguish attitude from other concepts are its evaluative or affective nature.”

“Attitudes are the core of the likes and dislikes for certain people groups, situation, objects, and intangible ideas.”

“Attitudes refers to subject- object relationship that the individual forms in his encounters with motivationally relevant objects (persons, groups, events, etc) that set the individual for or against them in some degree in a lasting away. Operationally, an attitude is



inferred from the person's consistent, characteristics and selective modes of behavior towards the objects question.”

The person classifies the domain of relevant objects as positive or negative in some degree.

The criteria distinguishing attitudes from other internal factors are-

“Attitudes are not innate.”

“Attitudes are not temporary states of the organism but more or less enduring once they are formed.”

“Attitudes stabilize a relationship between the person and objects.”

“The subject- object relationship has motivational- affective properties.”

“Attitude formation involves the formation of categories encompassing a small or large number of specific items.”

“Principles applicable to attitude formation in general are applicable to the formation of social attitudes.”

“Attitudes are necessary cognitive- motivational- behavioral. Any sharp separation of these criteria in theory or research practice is bound to be arbitrary and to distort the nature of attitudes.”

Definitions of attitude in the literature have certain features in common. One of these is that attitudes are acquired. Another is that attitudes are inferred from characteristic, consistent and selective behavior over a time span. Attitude is inferred from verbal or non-verbal behavior, preferably both. Accordingly, attitude can be defined in a way that leads to definite research operation in assessing attitudes. “ An attitude is the individual’s set of categories for evaluating a domain of social stimuli ( objects, persons, values, groups, ideas, etc) which he has established as he learns about that domain ( in interaction with other person, as a general rule) and which relate him to subjects within the domain with varying degree of positive or negative affect (motivation emotion). To the extent that a person consistently selects items relevant to the attitude and consistently locates them within categories acceptable or objectionable to him, we may say that his attitude on this issue at hand is stabilized. Change of attitude is inferred from changes in these in these modes of behavior.

Now it is obvious that consumer attitude means a person’s learned predisposition towards a goods or services that may be consistently favorable or unfavorable. The consumers have their own direction, degree and intensity of predisposition towards a brand which refers

consumer attitude is a feeling or an evaluative reaction towards a product or service exposed by an individual overtly or covertly.

### **2.3 Nature of Attitudes**

Social psychologists, unfortunately, do not agree on the precise definition of attitude. In fact, there are more than 100 different definition of the concept. Even though London and Della Bitta have described several important characteristics or properties of attitudes namely, (1) have an object, (2) have direction, intensity and degree (3) have structure and (4) are learned.

Attitude has an object

By definition, attitudes must have an object. That is, they must have a focal point- whether it is an abstract concept, such as “ethical behavior”, or a tangible item, such as a SIM card. The object can be a physical thing, such as a product, or it can be an action, such as buying a lawnmower. In addition, the object can be either one item, such as a person, or a collection of items such as a social group, it also can be either specific (Deutschmacher bologna) or general (imported meats).

Attitudes have direction, degree and intensity

An attitude expresses how a person feels towards an object. It expresses (1) direction- the person is either favorable or unfavorable toward, or for or against the object. (2) degree- how much the person either likes or dislikes the object and (3) intensity- the level of sureness or confidence of expression about the object, or how strongly a person feels about his or her conviction. Although degree and intensity might seem the same and are actually related, they are not synonymous. For example, a person may feel that a snapper riding mower is very poorly made. This indicates that his attitude is negative and the degree of negative feeling is quite extensive. However, the individual may have little conviction or feeling of sureness (intensity in attitude) that he is right. Thus, his attitude could be more easily changed in a favorable direction than a person who feels a strong conviction that snapper mower is poorly made.

The direction, degree and intensity of a person's attitude toward a product have been said to provide marketers with an estimate of his or her readiness to act towards or purchase the product. However, a marketer must also understand how important the consumer's attitude is vis-à-vis other attitudes and the situational constraints such as ability to pay, that might inhibit the consumer from marketing a purchase decision.

## **Attitude has structure**

Attitudes display organization, which means that they have internal consistency and possess inter attitudinal centrality. They also tend to be stable, to have varying degrees of salience, and to be generalized.

The structure of human attitudes may be viewed as a complex thinker toy set erected in a type of circular pattern. At the center of this structure are the individual's important values and self-concept. Attitudes close to the hub of this system are said to have a high degree of centrality. Other attitudes located farther out in the structure possess less centrality.

Attitudes do not stand in isolation. They are associated with each other to form a complex whole. This implies that a certain degree of consistency must exist between them. That is, because they are related, there must be some amount of "fit" between them, or conflict will result. Also because the more central attitudes are related to a larger number of other attitudes, they must exhibit a greater degree of consistency than more peripheral attitudes do.

Because attitudes cluster into a structure, they tend to show stability over time. The length of time may not be infinite, but it is far from being temporary. Also, because attitudes

are learned, they tend to become stronger, or at least more resistant to change, the longer they are held. Thus, newly formed attitudes are easier to change and less stable than are older ones of equal strength.

Attitude tends to be generalizable. That is a person's attitude toward a specific object tends to generalize toward a class of objects. Thus a consumer who purchases a Porsches which develops mechanical difficulties may believe that all Porsches and Volkswagen products, and possible all German- made products are poorly constructed. Consumers tend to generalize in such a manner in order to simplify their decision making.

### **2.3.1. Attitudes are learned**

Just as a golf swing, a tennis stroke and tastes are learned, so are attitudes. They develop from our personal experiences with reality, as well as from information from friend, salesperson, and news media. They are also derived from both direct and indirect experiences in life. Thus, it is important to recognize that learning precedes attitude formation and change, and that principles of learning can aid marketers in developing and changing consume attitudes.

Schiffman and Kanuk (2004) have further added an important point attitudes occur with a situation. This point is also explained in detail below and assumed to be ensured point continue to the above points.

### **2.3.2 Attitudes occur within a situation**

It is not immediately evident from our definition that attitudes occur within and affected by situation. By situation, we mean events or circumstances that, at a particular point of time, influence the relationship between an attitude and behavior. A specific situation can cause consumers to behave in a way seemingly inconsistent with their attitudes. For instance, let us assume that one purchase a different brand of deodorant each time the brand he is using runs low. Although his brand switching behavior may seem to reflect a negative attitude or dissatisfaction with the brands he tries, it actually may be influenced by specific situation, for example his wish to economize. Thus he will buy whatever is the least expensive brand. Consider the recent slowdown in the U.S. economy. For the first in more than 65 years, the market share of popularity priced suave brand hair care products topped 10 percent while other manufactures cut prices on their premium priced offerings.

The opposite can also be true. If Noah stays at a Hampton Inn each time he goes out of town on business, we may erroneously infer that he has particularly favorable attitude toward Hampton Inn to be “Just Okay”. However, because he own business and travels at his own expense, he may feel that Hampton Inn is “good enough”, given that he may be paying less than he paying if he stayed at a Marriott, Sheraton or Hilton hotel.

Indeed, individuals can have a variety of attitudes toward a particular behavior, each corresponding to a particular situation. Dana may feel it is alright to eat lunch at Taco Bell but does not consider it appropriate for dinner. In this case, Taco Bell has its “Time and Place”, which functions as a boundary delineating the situations when Dana considers Taco Bell acceptable. However if Dana is coming home late from school one night, feels exhausted and hungry, and spots Taco Bell, she may just decide to have dinner there. Why? Because it is late, she is tired and hungry, and Taco Bell is convenient. Has she changed her attitude? Probably not.

It is important to understand how consumer attitude vary from situation to situation. For instance, it is useful to know whether consumer performance for different burger chains (Burger King,



Mc Donald's, Wendy's) vary in terms of eating situation (lunch or snack, evening meal when rushed for time). Consumer preference for the various burger restaurants might be favored by as segment of consumers as a good place to have dinner with their families. This suggests that its management might position Wendy's restaurants as a nice place to take the family for a leisurely dinner. In this way, when measuring attitudes, it is important to consider the situation in which the behavior takes place, or we can misinterpret the relationship between attitudes and behavior.

## **2.4 Importance of attitudes**

In most countries of the world, government have been emphasizing on the free economy with open competition. Consumers also are becoming pleased to welcome such types of government policies which work as a catalyst for being free economy. Where there is free competition, consumers have many alternatives to select different brands according to their needs, desires, tastes and preferences, prices for that products are also fixed accordingly. So, the world's economy is increasingly directed towards free competition. In such condition, marketers have to understand their consumer's attitudes towards their brand or product. Marketers

who fail to understand the consumers' attitudes are doomed to be less successful than they otherwise might be.

Today's customers are becoming harder to please. They are smarter, more price conscious, more demanding, less forgiving, and they are approached by many more competitors with equal or better offers. The challenge, according to Jeffrey Gitomer, is not to produce satisfied customers, several competitors can do this. The challenge is to produce delighted and loyal customers. To cope with this challenge, too a deep knowledge of attitudes of consumers should be there with marketer. Hence, a good knowledge about consumer attitudes may definitely assist to form and/ or change consumer attitudes favorably towards their brands.

Consumer decision making varies with the type of buying decision. The decisions to buy toothpaste, a tennis racket, a personal computer, and a new car are all very different. Complex and expensive purchases are likely to involve more buyer deliberation and more participation. While purchasing any kinds of products, low involvement or high involvement, the effect of their attitude towards the product is definitely existed. Five attitude groups can be found in a market: enthusiastic, positive, indifferent, negative and hostile. Door to door workers in a political campaign use the

voter's attitude to determine how much time to spend with that voter. They thank enthusiastic voters and remind them to vote, they reinforce those who are positively disposed, they try to win the votes of indifferent voters, and they spend no time trying to change the attitudes of negative and hostile voters. To the extent that attitudes are correlated with demographic descriptors, the political party can more efficiently locate the best prospects.

Attitudes usually play a major role in shaping behavior. In deciding which brand to buy, or which store to patronize, consumers will typically select the brand or store that is evaluated most favorably. Consequently, enhancing attitude can be a worthy marketing objective. Attitudes are useful to marketers in many ways. For example, they are often used for judging the effectiveness of marketing activities. Consider an advertising campaign designed to increase sales by enhancing consumer's attitudes. Relying solely on sales is affected by many factors beyond advertising. Consequently, it is possible for advertising to have a positive impact on attitudes without influencing sales. If, however, the ads failed to have the desired effect on attitudes, then it would probably be necessary to revise the campaign.

Attitude can also help evaluate marketing actions before they are implemented within the market place. A packaging decision is one example, establishing which version of several alternative packages evoked the most favorable attitudes from consumers could prove quite useful in making the final selection.

Attitude can also be very useful in segmenting market and choosing target segments. One approach to segmentation involves slicing a market based on how favorable consumers are toward the product. All other thing being equal, a firm would target the segment holding favorable attitudes, since these consumers should be more responsive to the product offering than those possessing less favorable attitudes. Even if some other base is used to segment a market one should still attempt to examine the relative favorability of various segments towards the product. The barriers to success become smaller as a segments liking for a product increases.

Product attitudes are of course, but one of many different types of attitudes that marketers must concern themselves with. The attitudes hold by consumer toward various product attributes plays an important role in determining product attitudes. The attitudes formed toward an advertisement should also be considered as they

can determine the ad's persuasive power. Attitudes toward health and fitness can carry potent implication for many industries, including cigarettes, exercise equipment, and diet foods. In sum, an understanding of consumer attitudes can be beneficial in a number of ways. Fortunately, decades of attitudes research have yielded a wealth of information, upon which we can draw. Unfortunately, the amount of information, necessary for even a basic appreciation of attitudes can not fit within the constraints of a conventional textbook.

Last but not the least, attitudes are inferred from characteristic, consistent, and selective modes of behavior directed toward or against relevant objects, persons and events. However, not all such modes of behavior indicate as attitude. Attitude regulates an individual's behavior by affecting their perception, and their judgment and behavior in relevant situations- both experimental and natural. Hence, a successful marketer always tries to form a highly favorable attitude towards his or her product. Stereo typed attitude of a consumer is harder or almost impossible to change and definitely, some stereo- typed persons may be inherent there within a society.

## **2.5 Elements of attitudes**

### **Functions of attitudes**

Attitudes serve four major functions for the individual. Ultimately, these functions serve people's need to be protected and enhance the image they hold of themselves. In more general terms, these functions are the motivational bases which shape and reinforce positive attitudes toward goal objects perceived as need satisfying, and/or negative attitudes toward other objects perceived as punishing or threatening. The functions themselves can help us to understand why people hold the attitudes they do toward psychological objects.

According to Mowen, Daniel Katz identified four functions of attitudes: the utilitarian, the ego- defensive, the knowledge, and the value expressive functions.

#### **2.5.1 The Utilitarian Function**

The Utilitarian Function of attitudes refers to the concept that people express feelings in order to obtain certain outcomes and avoid others. Similarly, in the words of Schiffman and Kanuk (2004), we hold certain brand attitudes partly because of a brand's utility. When a product has been useful or helped us in the past, our attitude towards it tends to be favorable, for example having a

positive attitude toward a brand may reduce the amount of search time required to find a product to fulfill a need.

### **2.5.2 Ego-Defensive Function**

Attitude may also be held in order to protect people from basic truths about themselves or harsh realities of the external world (Mowen, 1990:227). According to Schiffman and Kaunk (2004), most people want to protect their self images from inner feelings of doubt- they want to replace their uncertainty with a sense of security and personal confidence. For example, people hold positive attitudes towards smoking in order to defend themselves against the reality what they are doing to their bodies.

### **2.5.3 The Knowledge function**

Individuals generally have a strong need to know and understand the people and things they encounter. The consumer's "need to know", a cognitive need, is important to marketers concerned with product positioning. Indeed, many product and brand positioning are attempts to satisfy the need to know and improve the consumer's attitude towards the brand by emphasizing its advantage over competitive brands (Schiffman and Kaunk, 2004: 273).

Therefore, an individual who does not play golf, nor wish to learn the sport, is unlikely to seek knowledge or an understanding of the game. This will influence the amount of information search devoted to this topic. Thus, out of our need to know comes attitude about what we believe we need or do not need to understand (Loudon and Della Bitta, 1993: 426).

#### **2.5.4 Value-Expressive Function**

According to Mowen (1990), rather than acting as an ego-defense mechanism, the value-expressive function acts to express a person's central values and self-concept to himself and to others. Similarly, Schiffman and Kaunk (2004) have described attitude as an expression or reflection of the consumer segment generally holds a positive attitude towards owning the latest personal communication devices (e.g. owning the smallest cellular phone), then their attitude towards new electronic devices are likely to reflect that orientation. The behavioral expression of such values can be seen in the purchase of products that express a consumer's self-concept.

#### **2.5.5 Combining Several Functions**

As different consumers may like or dislike the same goods or services for different reasons, a functional framework for



examining attitudes can be very useful. For instance, three consumers may all have positive attitudes towards same hair care products. However, only one may be responding solely to the fact that the products work well (the utilitarian function), the second may have the inner confidence to agree with the point “when you know beautiful hair doesn’t have to cost a fortune” (an ego defensive function). The third consumer’s favorable attitude might reflect the realization that suave has for many years stressed value (equal or better products for less) the knowledge function (Schiffman and Kaunk, 2004:273).

In addition, attitudes enable consumers to simplify the complexity of the real world. That is, the real world is too complex for us to cope with so we develop mechanisms to simplify situations. We saw that this involves sensory thresholds and selective attention, and it also involves attitudes. Attitudes allow us to categorize or group objects as a way of knowing about them. Thus, when a new object experienced we attempt to categorize it into a group which we know something about. In this way the object can share the reactions we have for other objects in the same category. This is efficient because we do not have to spend much effort reacting to each new object as a completely unique situation. Consequently, we often find consumers reacting in similar ways to ads for “going

out” of business sales, “limited time” offers, “American made” goods, etc. Of course, there is some risk of error in not looking at the unique aspects or new information about objects, but for better or worse, our attitudes have influenced how we feel and react to new examples of these situations (Louden and Della Bitta, 1993:426).

## **2.6 Sources of Attitude Development**

Loudon and Della Bitta, (1993), spent their efforts to discuss some courses of attitude development. They explained that all attitudes ultimately develop from human needs and the values people place upon objects that satisfy those perceived needs. This section discusses sources that make us aware of needs, their importance to us and how our attitude develops towards objects that satisfy needs.

### **2.6.1 Personal Experience**

People come into contact with objects in their everyday environment. Some are familiar, while others are new. We evaluate the new and re-evaluate the old, and this evaluation process assists in developing attitudes towards objects. For examples, consider a gourmet cook who has searched two months for new food processor only to have it break down three month after purchases.

Though direct experience, she will then re-evaluate her earlier attitude toward the processor.

Our direct experiences with sales representatives, goods, services and store help to create and shape our attitudes towards those markets objects. However, several factors influence how we will evaluate such direct contacts:

### **2.6.2 Needs**

As needs differ and also vary overtime, people can develop different attitudes towards the same object at different points in their life.

### **2.6.3 Selective Perception**

We have seen that people operate on their personal interpretation of reality. Therefore, the way people interpret interpretation about products, stores and so on affects their attitudes towards them.

### **2.6.4 Personality**

Personality is another factor influencing hoe people process their direct experiences with objects. How aggressive-passive, introverted-extroverted and so on that people are will affect the attitude they form.

### **2.6.5 Group Associations**

All people are influenced to one degree or another by other members in the groups to which they belong. Attitudes are one target for this influence our attitudes towards products, ethics, warfare and a multitude of other subjects are influenced strongly by groups that we value and with which we do or wish to associate. Several groups, including family, work and peer groups and culture and sub-cultural groups are important in affecting a person's attitude development.

### **2.6.6 Influential Others**

A consumer's attitude can be formatted and changed through personal contact with influential persons such as respected friends, relatives and experts. Opinion leaders are examples of people who are respected by their followers and who may strongly influence the attitudes and purchase behavior of followers.

To capitalize on this type of influence, advertisers often use actors who look similar to or act similar to their intended audience. People tend to like others who are similar to themselves, because they share the same problems from the same judgments and use the same criteria for evaluating products. Another application

which advertisers use to influence audience attitudes is the so called “slice of life” commercial. These ads show “typical” people confronting “typical” problems and findings solutions in the use of advertised brand. Examples include ads for ‘Head and Shoulders’ shampoo (to solve dandruff problems), crest toothpaste (to fight cavities) and Midas mufflers.

## **2.7 Formation of Beliefs Attitudes and Behaviors**

Indeed, beliefs and attitudes have their separate definitions. Beliefs refer to the cognitive knowledge that consumers have linking attributes, benefits and objects. In contrast, attitude refers to the feelings or affective responsive that people have about attributes benefits objects. However, attitude may be formed based upon the set of beliefs held by a person. Once attitudes are formed, they can be viewed as being stored in long term memory. When appropriate occasions arise, the attitude can be retrieved from memory to help the person deal with the issue or problem. In this manner attitudes have a function (Mowen, 1990:226).

Though doing and learning, people acquire beliefs and attitudes. These in turn, influence buying behavior. A belief is descriptive thought that a person hold about something. People’s beliefs about a product or brand influence their buying decisions. A study of the

influence of brand beliefs found that consumers were equally split in their preference for Diet Coke versus Diet Pepsi when tasting both on a blind basis. When tasting the branded versions, consumers preferred Diet Coke by 65% and Pepsi by only 23% (with the remainder seeing no difference). This example highlights the role brand beliefs play in product choice.

Marketers are interested in the beliefs people carry in their heads about their products and brands. Brands beliefs exist in consumer's memory. The associative network memory model posits that memory is network of nodes and connecting links. The nodes represent stored information (verbal, visual, abstract or contextual) and the links represent the associations between nodes. Retrieval occurs through a process of spreading activation. When a particular node is activated, the information is recalled and further associative information is recalled through links. Thus a particular brand that is triggered in a node, say, Apple computer, will activate other nodes carrying such information as "innovative", "user-friendly", "Apple logo" and "Macintosh".

Marketers can study the memory networks of different consumers concerning a particular brand and map the main associations that are triggered and their relative strength are frequency. One of these

associations can be with products country of origin (Kotler, 2003:198).

Just as important as beliefs are attitudes. An attitude is a person's enduring favorable or unfavorable evaluations, emotional feelings and action tendencies toward some object or idea. People have attitudes towards almost everything: religion, politics, clothes, music and food. Attitudes put them into a frame of mind of liking or disliking an object moving towards or away from it.

Attitudes lead people to behave in a fairly consistent way toward similar objects people do not have to interpret and react to every object in a fresh way because attitudes economize on energy and thought; they are very difficult to change. A person's attitude settle into a consistent pattern: to change a single attitude may require major adjustments in order attitudes.

Thus a company would be well advised to fit its product into existing attitudes rather than to try to change people's attitudes. Of course there are exceptions, where the cost of trying to change attitudes might pay off (Kotler, 2003:199).

After belief, attitude or behavior is induced, a tendency exists for the concepts to build upon each other to form hierarchies. Thus, the consumer may first form beliefs about a product, then develop

attitudes toward it and finally purchase it. In a similar manner, the consumer may first engage in the behavior of buying a product and then form beliefs and attitudes.

Beliefs, attitudes and behaviors may be formed in two distinct ways. The first is through direct influence in which a belief, attitude or behavior is created without either of the other concepts occurring first. Thus, as the behavioral influence perspective on consumer behavior suggests, a behavior could be induced to occur without the consumer having formed strong attitudes or beliefs about the object to which the behavior is directed. Similarly, as the experiential perspective suggests an attitude (i.e. a feeling) may be created without the consumer's having specific beliefs about the attitudinal objects, such as a product or service and without the consumer ever having bought the product (Mowen, 1990:228).

### **2.7.1 Creating Beliefs Directly**

The direct formation of beliefs occurs through the information processing activities of the consumers. Thus, the information retrieved about the attributes of a product are received, encoded into memory and later retrieved from memory for use. The information processing activities involved in cognitive learning



can occur in either high or low involvement case in a high-involvement case, the consumer is more actively processing information than in the low-involvement situation-that is the consumer is actively engaged in attempting to solve a problem when highly involved in the decision task. In low-involvement case the consumer receives information passively little information processing occurring (Mowen, 1990:229).

### **2.7.2 Forming Attitudes Directly**

Attitudes are frequently formed as a result of direct contact with the attitudinal object. Consumers who enjoy a pleasant shopping trip to a retailer are likely to develop favorable attitudes towards the retailer. In contrast, a product that fails to perform as expected can easily lead to negative attitudes.

Attitudes can be formed even in the absence of actual experience with an object. For example, many consumers have never driven a Mercedes-Benz or vacationed in Hawaii, but they still hold favorable attitudes towards this car and the state. Similarly, product attitudes may be formed even when consumers experience with the product is limited to what they saw in an ad.

An important characteristic of attitude based on direct experience is that they are usually held with more confidence. Consistent with this research has shown that consumers have much stronger convictions about their product attitudes when based on actual product usage than when based on advertising alone.

In order to more effectively develop strategies and activities that will create, reinforce or modify consumer attitudes, it is important to understand the processes that govern attitude formation (Engel, Blackwell and Minard, 1990:304).

Two mechanisms have been identified to explain how attitudes are formed directly. The first is through the process of classical and operant conditioning. The second mechanism of attitude formation is through a process called the mere exposure phenomenon (Mowen, 1990:229).

### **2.7.3 Conditioning Process and Attitude Formation**

From a classical perspective an attitude is a conditioned response that can be elicited by a conditioned stimulus. Advertisers frequently attempt to pair their brands with emotionally pleasing scenes. Similarly, emotional advertising may also act through

classical conditioning principles. For example, the “Reach-out-and-touch-something” campaign used by AT and T was highly successful in creating positive feelings among those who saw the ads. From a classical conditioning perspective, the sight of people communicating with friends and loved ones is an unconditioned response of positive feelings.

Attitudes may also result from operant condition processes. For example, an individual may have a conversation with friends about various cars. During the conversation, the person may make statements about alternative models. The positive and negative responses of the friends will act to reinforce or punish the individual’s evaluations. The positively reinforced evaluations are likely to reoccur, while the punished evaluations are likely to be suppressed. The social reinforcement of attitudes may also lead to the direct formation. Vicarious learning may also lead to the direct formation of attitudes. The observation of important others expressing their feelings and evaluations of products may result in the target audience’s modeling these actions. Through such a process, a person may form his or her attitudes in part by taking on the attitudes of opinion leaders. Celebrity endorsers may have such an effect on consumers.

#### **2.7.4 Main Exposure Effects**

Another method through which feeling and evaluation may be formed in through repeated exposure phenomenon, people's liking for something may increase simply because they see it over and over again. The all-else-equal caveat is important. If the consumer perceives the stimulus negatively, the repeated exposures could lead to an increase in the dislike for the stimulus. For mere exposure influence affect it must occur in either neutral or positively evaluated circumstances. An interesting aspect of mere exposure phenomenon is that it does not seem to be cognitively based. The positive feelings created from repeated exposures can occur without the person consciously knowing or perceiving that the object is familiar (Mowen, 1990:232-233).

#### **2.7.5 Creating Behavior Directly**

Traditionally, consumer researchers have viewed the behavior of buying a good or service as occurring after the formation of beliefs and attitudes. However, in certain circumstances behavior may be influenced directly without consumers first having developed strong beliefs or attitudes. About the product the ecological design of the physical environment is an excellent example of how behaviors can be directly induced. Retailers and restaurateurs must pay particular attention to the physical layout of their building. The

appropriate arrangement of aisles in supermarket can move costumers in desired directions past high-margin food and non-food items. Similarly, sales promotion tactics used by marketers are designed to directly influence behavior.

Operant conditioning can also be used to influence behavior directly. Indeed, its proponents claim that may not even be aware of conditioning when it occurs. The direct influence of behavior has not received much attention from consumer researchers. Thus, the frequency with which it occurs among consumers is unknown. However, it would not be surprising to find through future research that a surprising number of activities in which consumers engage result from their direct induction without specific attitudes of beliefs occur  
ring first (Mowen, 1990:233-234).

## **2.8 Theories and Models of Attitudes**

Attitudes theories primarily are concerned with how attitudes develop and change. Three of most popular view points are founded on general principle that the human mind strives to maintain harmony or consistent state. Three classical theories based upon the consistency principle are congruity, balance and cognitive dissonance (Louden and Della Bitta, 1993:428).

### **2.8.1 Congruity Theory**

A state of incongruity produces uncomfortable tension that must ultimately lead to resolution of the incongruous state. The consumer will have inconsistent attitudes when, for example, a group whom he/she doesn't like. The congruity model predicts that a person in this situation would reduce his/her favorable attitude toward the brand of Guitar. The model would predict a movement of two units of each attitude toward each other because the consumer perceives both objects as being of equal strength but in opposite directions of the zero neutral point. Most of the time, the resulting equilibrium point is not determined so simply strong attitudes are more difficult to change than are weak or moderate ones. Thus, the consumer has stronger positive attitude towards the guitar. This idea suggests that when consumers develop a strong dislike toward a brand, company efforts to improve these attitudes will require a large marketing effort, which may not be worth the expense. The company may be better off in many cases to either (1) Drop the brand and reintroduce it under another name, if promotional positioning has been the problem or (2) introduce a new reformulated brand, if product quality, design or formulation has been the problem. Conversely, if the consumers hold an extremely positive attitude toward the brand, considerable unfavorable experiences and words-of-mouth influence would be

required to deteriorate the attitude significantly. Consumers who hold extremely negative attitudes toward a brand will not only be difficult to change but will ignore or discount information to the contrary.

The congruity principle is used frequently in marketing. Advertisers often use hired celebrities to endorse brands, services, organizations and causes. Athletes speak against drug use among the young people, movie actresses endorse various kinds of beauty aids and race-car drivers promote brands of tires, spark plugs and other auto mobile accessories. Of course, the intent is to have consumers who hold positive attitude towards a source (the person making such favorable statements about and object) to develop a positive value association between the source and the object (Louden and Della Bittta, 1993:430).

### **2.8.2 Balance Theory**

According to balance theory, a person perceives his/her environment in terms of traits. That a person views herself or himself as being involved in a triangular relationship in which all three elements (persons, ideas or things) have either positive (liking, favorable) or negative (disliking, unfavorable)

relationships with each other. This relationship is termed sentiment.

Unlike the congruity model, there are no numerical values used to express the degree of unity between elements. Instead, the model is described as unbalanced if the multiplicative among the three elements is negative, and balanced if it is positive. To illustrate consider the consumer situation expressed as three statements: (1) I like large luxurious cars (2) I don't like energy wasting products (3) I believe large luxurious cars waste energy. Notice that the structure is not in balance because there is a positive relationship on two sides of the triad and a negative relationship on the third side and these results in a negative multiplicative product.

Because the relationship presented in the example is unbalanced it will produce tension for the consumer. It may be possible for her to "I live with" the tension and do nothing to resolve it. However, if sufficient tension exists, it is likely that attitude change will occur regarding at least one element in the triad in order to restore balance to the system. These attempts at resolution can result in the consumer (1) disliking large (2) believing that large luxurious cars are not really energy-wasting products (3) liking energy-wasting products (they create jobs and provide psychological satisfaction,



for example). As we can see, rationalization can help to change our production of relationships and thus our attitudes (Loudon and Della Bitta, 1993:430-431).

### **2.8.3. Cognitive Dissonance**

The theory of cognitive dissonance was developed in 1957 by Leon Festinger. Festinger described cognitive dissonance as a psychological state which results when a person perceives that two cognitions (thoughts) both of which he believes to be true, do not “fit” together, that is they seem inconsistent. The resulting dissonance produces tension (Loudon and Della Bitta, 1993:431).

According to this theory, individuals have expectations about their own behavior. Rationality is central in most individual’s self image as few people willingly recognize themselves as irrational. All individuals try to remove all inconsistencies. When new information fits comfortably with the current perpetual patterns, individuals are in a state of consonance. When consistent to themselves are irrational. All individuals try to appear consistent to themselves and try to remove all inconsistencies. When new information fits comfortably with the current perpetual patterns individuals are in a state of consonance. When contradictory information or evidence is encountered, the individual enters a

psychological state of discomfort called cognitive dissonance-the imbalance between two or more cognitions (feelings). This state produces a tension or drive to reduce the dissonance.

Festinger suggested that an individual may reduce dissonance in three ways:

- ) Changing a behavioral cognitive element by changing behavior, attitude or opinion so that a consonance is achieved.
- ) Changing the environmental cognitive element by modifying the new information to conform to the existing attitude, and
- ) Adding new cognitive elements by seeking new information that decreases the present discomfort resulting from dissonance.

## **2.9 Structural Models**

Motivated by a desire to understand the relationship between attitudes and behavior, psychologists have sought to construct models that capture the underlying dimensions of an attitude. To this end, the focus has been on specifying the composition of an attitude to better explain or predict behavior. The main structural models constitute of the tri-component model, multi-attribute models, trying-to-consume model and attitude-towards-ad model.

### **2.9.1 Tri-component Attitude Model**

According to this model attitude consists of three major components: a cognitive component, an affective component and a conative component (Schiffman and Kanuk, 2004:256-259).

### **2.9.2 The Cognitive Component**

The first part of the tri-component attitude model consists of a person's cognitions, that is, the knowledge and perceptions that are acquired by a combination of direct experience with the attitude object and related information from various sources. This knowledge and resulting perceptions commonly take the form of beliefs, that is, the consumer believes that the attitude object possesses various attributes and that specific behavior will lead to specific outcomes (Schiffman and Kaunk, 2004:256).

### **2.9.3.The Affective Component**

A consumer's emotions or feelings about a particular product or brand constitute the affective component of an attitude. These emotions and feelings are frequently treated by consumer researchers as primarily evaluative in nature, that is, they capture an individual's direct or global assessment of the attitude object as "favorable" or "unfavorable", "good" or "bad" (Schiffman and

Kaunk, 2004:257). This dimension is the stirred up psychological state of the individual. In addition to using direct or global evaluative measures of an attitude object, consumer researchers can also use a battery of affective response scales to construct a picture of consumers overall feeling about a product, service or ad.

#### **2.9.4 The Conative Component**

Conation, the final component of the tri-component attitude model, is concerned with the likelihood or tendency that an individual will undertake a specific action or behave in a particular way with regard to the attitude object. According to some interpretation, the conative component may include the actual behavior itself (Schiffman and Kaunk, 2004:258-259). If the individual has negative attitude towards the stimulus he/she is potentially ready to attack, destroy or punish the stimulus. Whereas, if he/she has positive attitude he/she is potentially ready to help, reward, purchase and recommended to others. Conative component is generally measured in terms of consumer buying intent.

#### **2.9.5 Multi-attribute Attitude Models**

In recent years, the adequacy of earlier attitude theories and models has come under question. An important criticism has been the lack of attention to the complexity and interactions of attitude

components. The tri-component attitude model recognized only three components of attitudes. As a consequence, it was difficult to determine basis of a person's overall attitude and how it might be possible to influence it to change over time are to considerations of high importance for the design of marketing strategies. Therefore, attitude measures that continued to focus only on the effective component were of limited usefulness to marketers (Louden and Della Bitta, 1993:433).

While it is certainly important for the marketers to know whether consumers hold favorable or unfavorable attitudes toward their products, it is also imperative for them to understand the basis or reasons for these attitudes. Knowing that consumers dislike your product does not tell you why this is so, or how you might go about overcoming this unfavorable evaluation.

Traditionally, consumer researchers have focused on the cognitive foundations for explaining attitudes. From this perspective, attitude is seen as depending on knowledge about the attitude object. Consequently, emphasis is placed on ascertaining the important beliefs a person holds about the attitude object. Multi-attribute attitude models represent a valuable approach to examining the relationship between consumer's product knowledge and their product attitudes in terms of product features or attitudes (Engel, Blackwell and Miniard 1990:310). However, this multi-attribute

model assumes that consumers are using the standard-hierarchy-of-effects model in which beliefs lead to attitude formation. Attitude, in turn, leads to purchase behavior (Mowen, 1990:238).

Although, there are many variations of this type of attitude model, following three models are much more important than others: the attitude-towards-object model, the attitude-towards-behavior model and the theory-of-reasoned-action model.

### **2.9.6 The Attitude-Toward-Object Model:**

Martin Fishbein (1963) developed an attitude model based on white's attitude towards Negroes in USA. In this model, the first component is belief. Belief is defined as the probability that an object does or does not have a particular attribute. The second component of the model is an affective term normally stated as in terms of good or bad.

Symbolically, it can be expressed as:

$$A_0 =$$

**Where,**

$A_0$  = Attitude towards the object

Because any object such as a product has numerous attributes (size, features, shape and the like) an individual will process information and form beliefs about many of these individual attributes. Positive or negative feelings are formed on the basis of the beliefs held about these attributes. Therefore, Fishbein's model is constructed so that a person's overall attitude toward some object is derived from his beliefs and feelings about various attributes of the object. This is why we refer to it as a multi-attribute attitude model (Loudon and Della Bitta, 1993:433).

According to this model attitudes ( $A_0$ ) are a function of beliefs ( $b_i$ ) and the evaluation aspects of the beliefs ( $e_i$ ). The attitude is thus a product of beliefs multiplied by the evaluative criteria. Information regarding consumer's beliefs and evaluations generated by a multi-attribute model provides important knowledge relevant to marketing strategy. The information can be used to suggest changes in brand attributes, modifications of promotional messages to better acquaint consumers with existing brand attributes, and the identification of new market opportunities.

From the view point of consumer behavior the model works in the following manner:

- ) Every product or brand has certain attributes such as price, durability, serviceability, design, styles, etc.
- ) Consumers give high importance to some of these attributes or in other words, they have certain desired attributes in a product or brand.
- ) Consumer's attitude toward a product or brand is formed on the basis of the presence (or absence) of certain desired attributes.
- ) Consumers evaluate the product or brand-specific attributes in terms of the desired attributes.
- ) Consumers generally have favorable attitudes towards product or brands that have adequate level of desired attributes and have unfavorable attitudes towards those brands they feel do not have adequate level of desired attitudes.

The attitude-toward-behavior model is the individual's attitude toward behaving or acting with respect to an object rather than the attitude towards the object itself. The appeal of this model is that it seems to correspond some what more closely to actual behavior than does the attitude-toward-object model. For instance, knowing Howard's attitude about the act of purchasing a top-to-the-line BMW i.e., his attitude toward behavior, reveals more about the



potential act of purchasing than does simply knowing his attitude toward expensive German cars or specially BMW (i.e. the attitude toward object). This seems logical for a consumer might have a positive attitude toward an expensive BMW but a negative attitude as to his prospects for purchasing such an expensive vehicle (Schiffman and Kanuk, 2004:206).

Fishbein along with his colleagues Aizen (1977) realized that attitude toward the object was a limited concept since it does not lead to behavior. Here, we see that a person's behavior is a function of his intention to behave in a certain manner and other intervening factors. This means that intention to behave cannot be expected to be a perfect predictor of behavior (Loudon and Della Bitta, 1993:436).

Fishbein expressed these relationships in equation forms as:

$$B = B1 = W1 (Ab) + W2 (SN)$$

**Where,**

B= the person's actual or overt behavior, which is approximately equal to B1

B1= his intention to behave in a specific manner

Ab= his attitude toward performing that behavior

SN= the subjective norm regarding his behavior

W1 & W2= Weight representing the relative influence of Ab and SN respectively, on the behavioral intention.

The weight (W1 and W2) are determined empirically through regression analysis. Ab and SN are obtained from consumers via questionnaires. In fact, Ab and SN are themselves indices that sure obtained from other measures. Specially, the attitude toward the behavior is obtained from the following equation (Mowen, 1990, 244-245).

$$Ab =$$

**Where,**

Ab= Attitude towards behavior

bi= the person's belief that performing the behavior will result in consequence i.

ei = the person's evaluation of consequence i.

n. = the number of beliefs

The second component of subjective norm represents an individual's perceptions of what other people think he/she should do subjective. Norm is thus a function of the people's beliefs about the expectation to comply with what they say. Subjective norm is explained by the following formula:

$$SN =$$

**Where,**

SN = Subjective norm

NB<sub>j</sub> = the normative belief that a group on person j thinks that the consumer should not perform the behavior.

MC<sub>j</sub> = the motivation to comply with the influence of referent j.

n = number of relevant reference groups reference groups of individuals.

**2.9.7 Trying-to-consume Model**

The theory of trying to consume reflects on many consumers action that are not certain. Consumers are found to be “planning and contemplating” a purchase intention. The theory suggests that there are mainly two types of impediments that stop a consumer to move from a ‘trying position’ to an action position. They are personal impediments and environmental impediments. The personal impediment works on the consumer’s affective dimension such as a consumer is trying to lose weight but can’t give up fatty food. The environmental impediments work at the market level such as stock outs, shortages, price hikes, etc.

### **2.9.8 Attitude-toward-the-ad Model**

The Attitude-toward-the-ad Model focuses on impact of advertisement on consumer attitudes toward a particular product or brand. According to this model, a consumer forms various feelings (affects) and judgments (cognitions) as a result of the exposure to an advertisement. These feelings and judgments affect the exposure to an advertisement and also affect the consumer's attitude towards the advertisement and belief about the brand influences his/her overall attitude the brand (Schiffman and Kaunk, 2004: 263-264).

A number of researchers have investigated the relationship among attitude toward the brand and product-attribute belief. The following statements summarize some of the major findings of the research:

- ) Strong evidence exists that the formation of attitudes toward the ad can influence attitude towards the brand.
- ) Emotions elicited by the ad (e.g. positive and negative affect as well as feelings of dominance) may influence the attitude toward the ad.
- ) The content of the advertisement may influence the emotions felt by the consumers.
- ) The visual and verbal components of an ad may independently influence the attitude toward the advertisement

and the formation of the product-attribute beliefs (Mowen, 1990:270).

### **2.10 Attitude Change**

The formation of attitude and their change will be viewed within a framework of interacting influence from within the person and from his surroundings, in which he himself is an active participant. On one hand, neither his motivations nor cognitive processes associated with attitude change are independent of the social conditions around him. On the other hand, attitude formation and change can't be viewed as a one way process, in which the individual is merely a target, reacting to environmental forces. Particularly in times of crisis of rapid social change, the person's heightened sensitivity's and his active participation with others in the same boat identify him as an agent of the existing stability or of change (Sheriff and Sherif, 1969:471).

Managers cannot expect to influence consumer beliefs and attitude without first obtaining information on which the target market is and on what the initial attitude readings for the use as a baseline to determine if marketing communications effect any changes. Furthermore, the study can identify the extent of attitude commitment among the consumers. Thus, attitude change requires

different strategies depending on the consumer's level of involvement (Mowen, 1990:254).

The persuasive communication process appears capable of influencing attitude change among consumers, the degree of success in changing consumer's attitude depends on how strongly existing attitudes are hold. Those they are strongly entrenched are difficult to change, while natural and weakly held attitudes are much easier to influence.

### **2.10.1 What is changed when an attitude changes?**

What we refer to the person's attitudes we are not talking about momentary or transitory affairs. We are talking about psychological factors responsible for the individual's characteristic and consistent modes models of reacting for or against a class of objects and subjects within the class. Being cognitive-motivational and behavioral systems, attitudes include more or less lasting assumptions about the world, premises and regular expectations about the way the world operates and people within it beliefs and perspectives about one's own kind and other people and sentiments and convictions about what is wrong and to be desired and to be scorned. Clearly there are vital matters for the individual. Some of

his attitudes define what he includes within the radius of his self-concept and what he excludes. They define what family relatives, non relatives, groups, schools, political party, religion, ideology are his and what are not (Sheriff and Sheriff, 1969:471).

### **2.10.2 Strategies for Changing Attitude and Intentions**

Different models can be used to change consumer attitudes. The strategies for changing attitudes and intentions vary for low-involvement situation to high involvement.

### **2.10.3 Low-Involvement Strategies**

According to Loudon and Della Bita (1993:449-450), under low-involvement conditions consumers are not likely to make brand choices on the basis of attitude established through developing clearly formulated beliefs about the product or service. In essence, their interest is too low to spend time thinking about the product or service and evaluating them in a rational and deliberative fashion. Given this, it is generally unproductive for marketers to develop communications designed to develop or modify through-intensive pre purchase beliefs about their brands among consumers. This seems especially so in-low-involvement situations. Consequently, in low involvement strategy may be to change to consumer's attitudes by using so called peripheral clues to encourage favorable

reactions towards advertisements used to promote brands. Such cues might involve use of pictures, color, attractive spokes people or characters, creative placement of ad computers and music in broadcast ads. What is important to appreciate here is that the ensuring favorable reactions these mechanisms can generate among consumers toward the advertisement itself would then be expected to become associated with the product being advertised.

The options that remain stress capitalize on a means to transform the situation into one characterized by high-involvement. Success here would allow use of high-involvement attitude change methods to influence brand choices. How can this increase in pre purchase involvement be accomplished? A list of options suggested by various researchers has been compiled by Loudon and Della Bitta (1993:449-451). They are:

- ) Link the product or service to an involving issue.
- ) Link the product to a presently involving personal situation.
- ) Develop high-involvement advertisements.
- ) Change the importance of product benefits and
- ) Reveal or introduce importance of product characteristics.



In all of these cases, the attempt has been to increase involvement levels among consumers to the point where they will form attitudes prior to purchases and use these attitudes to influence their purchase decision.

#### **2.10.4 High-Involvement Strategies**

Potentially, a variety of strategies are available for changing consumer attitudes under high-involvement conditions. Before implementation such strategies, however, the marketer must be clear on whether it is to change consumer attitudes about behaving toward the brand. Therefore, Loudon and Della Bitta, based on Fishbein's behavioral intentions model, suggest a variety of potential strategies for influencing change consumer attitudes about behavior. We can argue that behavioral intention and other intervening factors. Changes in behavioral intentions are related to changes in attitudes toward the behavior and changes in subjective norms about the behavior. These relations suggest the following potential strategies:

- ) Change existing beliefs about the consequences of behavior.
- ) Change consumer's evaluation of the consequences of a particular action.
- ) Introduce new belief/evaluation combinations.

- ) Change existing normative beliefs.
- ) Change motivation to comply with subjective norms.
- ) Introduce new normative components.

## **2.11 Compliance, Identification and Internationalization: Three Processes of Attitude Change**

A psychologist named H. Kelman identified three means through which attitudes are formed that have implications for attitude change. His approach to attitude change focused on the idea that knowledge of how an attitude was acquired is the key to knowing how to change it. They are compliance, identification and internationalization.

### **2.11.1 Compliance**

Compliance occurs when an individual accepts influence because he or she hopes to obtain a favorable response from another person. The goal of expressing the attitude is to obtain specific rewards or avoid specific punishments. When attitudes are formed via compliance they tend to be expressed only under conditions of surveillance by the influencing agent. Of course, the way to change the attitude from via compliance is to change the reinforcement structure. Thus, children may express certain attitudes because they know that is what their parents express certain attitudes because

they know that is what their parents expect and demand. If the kids move away from their parents, however, an entirely, an entirely different set of attitudes may be expressed.

### **2.11.2 Identification**

Identification occurs when people accept influence because they want to establish or maintain a “Satisfying self defining relationship to another person or group”. Thus, identification results in the receiver forming attitudes in order to be similar to other person. A person may hold and express an attitude be liked by other people and to follow wishes.

Implications for attitude change through identification are that one should determine the models or reference groups with whom the person is identifying. If the model or reference group can be made sufficiently attractive, the person may take on attitudes expressed in order to identify with the referent. For example, Ralph Lauren’s polo shops sell extremely trendy and high-priced clothing to well-to do customers. The policy in these stores is for the sales personnel to wear Ralph Lauren clothing.

### **2.11.3 Internationalization**

Internationalization can be said to occur when an individual accepts influence because the content of the induced behavior- the ideas and actions of which it is composed- is intrinsically rewarding. Thus an attitude is expressed because it fits which the person's value system. For attitude change to occur, the information must be consistent with the person's value system. One can assume that information about the attitudinal object will be evaluated carefully in order to assess whether it matches the person's beliefs.

From a consumer behavior perspective, if an attitude occurs through international it will tend to be highly resistant to change. Perhaps, the only approach would involve determining new beliefs or value held by the person that are inconsistent with the attitude identified for change. Internationalization is perhaps most relevant to the formation of attitudes about new products and services. In such cases, the goal of the communicator (i.e. advertiser or sales person) would be to attempt to link the properties of the stimulus to the values of the person in order to help the person internalize an attitude (Mowen, 1990:271-273).

## **2.12 Influencing Factors in Attitude Change**

In marketing, a great deal of effort is made at consumer persuasion through personal selling and advertising. These efforts are directed at attitude and behavior change. Attitudes are essentially stable structures and cannot be easily modified. Attitude change depends on two factors: Strengths of the attitude and the persuasive communication.

**2.12.1 Attitude Strength:** One of the important factors influencing attitude change is the attitude strength. A general rule, the probability of attitude change is high in the following circumstances.

**Size of stored information by the individual:** Attitude change is possible if the mass of stored information about the object is small. In such circumstances the input of new information may have contributed to change of attitude in the individual.

**Centrality of attitude:** Attitudes having object's close relationship with the individual's central value system and self-image are more resistant to change than general attitude related to perception. Attitude change is possible if the individual is not dogmatic or close-minded.

**2.12.2 Persuasive Communication:** Marketing heavily relies on persuasive communication for attitude change and depends on the following communication related factors:

- **Source of communication:** A trustworthy and credible information source is expected to produce attitude change. For this marketing firms use credible media for advertising their products. The use of reference group in advertising is also targeted at providing persuasive communication through credible sources. Research has shown greater persuasion when the source is physically attractive likeable, a celebrity or is similar to the target audience. Remember, however, that such effects may be most likely to occur when consumers engage in little elaboration during message processing (Engle, Blackwell and Mansard, 1990:348).
  
- **Message Content:** The content of the message influences attitude change. The persuasive message is more effective in attitude than general informative message. Attitude change is noted to be higher when the individual is presented with both sides (pros and cons) of the topic than presenting only one side of the story. Objective claims are preferred by

consumers over subjective claims because they are more precise and more easily confirmed. Research has shown that objective claims are perceived as more believable, reduce counter argumentation while increasing the number of support arguments and create more favorable product beliefs and attitudes.

- **Message appeals:** Jams and Feshbac's findings revealed that a communication arousing least fear is most effective in achieving attitude change. It is assumed that a communication stress the unfavorable consequences of not taking the suggested course of behavior can have adverse effect on attitude change if the fear appeal in the communication is too intense. Current researches on fear apple, however, show contradicting results. Some of the recent studies have shown positive relationship between fear apple and attitude change increasing, advertisers are using fear apple in selling a variety of consumer product such as toothpaste (Colgate), deodorants, etc.
  
- **Repetition:** Repeating persuasive message to attitude change and behavior is very common in marketing. This is mainly because the human memory decays at high rate and the

information presented in the advertisement may be forgotten by the consumer before the objective of attitude change is achieved.

### **2.13 Review of Related Studies**

Bhandari, Y.S. (2004), tried to study about Brand Preference on Motorbike, in Birgunj area on his thesis work. He concludes that:

Hero Honda brand has been found to be the most preferred brand, Yamaha as the second, K-Bajaj as the third, other brand as fourth, Lifan as fifth and Dayang as the sixth preferred brands respectively. On the basis of age group, most of the respondents have been found in the age of 25-39 years. Hero Honda is the most preferred brand in the age group of people below 25 and 25-39 years. In the matured segments groups, 40 years and above, Yamaha holds its first position. On the basis of profession, large numbers of respondents have been found in the category of 'job holders'. In most category of profession, Hero Honda has been popular except in business category. In business category, Kawasaki Bajaj is seen as the popular brand. Economic aspect is the primary reason for saving of time and easy handling of the motorcycle follows it. The main purpose of motorcycle riding has



been found as transportations but some riders prefer other purposes as well such as business, pleasure, etc. It has been found that there is brand loyalty on this sector as the motorcycle is purchased rarely. The price factor has been found as the main factor for brand switching. High degree of price sensitivity has been realized in brand preference of high involvement goods- Motorcycle. Advertising has moderate effect in the brand preference. Hero Honda has been possibly perceived in terms of fuel efficiency, resale value and aesthetic looks. Yamaha has been found having the high resale value, high power and moderate look. K-Bajaj has been represented by its fuel efficiency, more after sales services and moderate look. High power and high degree of aesthetic looks have been found as the strong attributes of Lifan brand. It has been found Lifan is disadvantage with regard to fuel efficiency and resale value. Dayang brand of motorcycle has been found that more positive on its aesthetic looks and finance facility.

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

Coke is the number one choice. People's attitude towards coke is far more positive than other brands and together with this the Coca-Cola Company has rightly combined coke with its other

products i.e. Fanta, Sprite and Lemon Fanta, so that it is about 90% of the total cold drink market. More than 67% people prefer to have drinks at day time. Seemingly, more than 55% of the respondents pinpoint the reason to have cold drinks for quenching thirst. It is more suitable to have in a restaurant or a bakery shop. More than 52% prefer cold drinks in restaurant and surroundings. Third finding includes that consumers' first preference goes to quality, taste and brand name and only a moderate level of preference to availability, advertisement and price. More than 66% of the total sale of cold drinks is occupied by Coke. Hence, consumption pattern of cold drinks is dominated by coke. It has been found that the consumers have more exposure of cold drinks ads through televisions as these figures for Coke, Pepsi, Frooti and Rio are 82.67%, 74.67%, 70.67% and 58.6% respectively. Magazine is the second most important exposure, while exposure through radio is found to be very low. In terms of consumers perception television is the most effective (60.67). The foregoing review of literature shows that attitude is an important factor which should be kept in mind by marketer. But it is noted that there is lack of research activities in the field of consumer attitude. Very few research works have been found while reviewing previous studies. Moreover, no one had conducted study on buying attitude of consumer toward Mero Mobile and NTC mobile. Hence, this

study has been conducted to analyze the attitude which is normally a psychological and social concept. However, this study is an application of the concept of attitude in the field of marketing.

Jim Haughey studied about retail and shopping and came out with some of the following conclusions as to what so people consider while going for retail shopping:

Do shoppers see the product on the shelf?

How many of the products on the shelf are noticed?

How much attention does the product get compared to competing products?

How quickly is the product able to attract attention?

How long time does it take for shoppers to find a product that they are actively looking for?

Can find ability be increased by changing color, shape, glossiness of the packaging?

For how long is the product considered?

How many times do shoppers look at the product?

Does the placement of the product on the shelf have an impact on the duration or order in which the shopper looks at the product?

How large is the attraction power of different elements in a package design?

How much attention does a design get when the shopper is looking for a product with certain properties, for example an exclusive product?

Which products in the same product category are seen as having a certain property, for example being exclusive?

Another research was conducted by Green TECHpulse'08 in the earlier part of 2008 in the US and it showed what influenced the people to purchase goods. The main findings of the study were:

A key factor of this study is its focus on affluent consumers with household annual income of over \$50,000. Of those surveyed, about three fifths (63%) indicate that the environment is an important consideration when purchasing products or services; the environment is unimportant. These consumers are inspired by a desire to do the right thing with respect to the environment and global warming issues. At the same time, they are still concerned about cost and want their environmental efforts to save money, for instance, through reduced usage of resources such as power or water. Consumers are Serious about Green. Here we showcase environmentally related personal practices to underscore that they are serious and committed to Green. Consumers are mindful of environmental impacts when making purchase decisions for

products and services.  Consumers are purchasing greener technology products and are feeling good about it.

J. Kevin Bokeno is president of Keynote Consulting, an Advance, N.C., research consulting firm. In his research he found out that:

Impulse-buying behavior is not only increasing in traditionally high-involvement categories, but in day-to-day purchases as well. POPAI's (the Point of Purchase Advertising Institute) Consumer Buying Habits Study indicates that in-store decision-making behavior for packaged goods has risen over the last decade and that brand switching rates are also going up. Unlike the deliberate purchase decision process that characterized our parents' generation, we Boomers are increasingly shunning deliberation for efficiency. In the '60s, when product differentiation was re-emerging as an integral part of the selling process, a natural and predictable reaction to the "you make it, we'll buy it" demand curve of the post-WW II era. The recession-burdened and angst-filled '70s put the emphasis on price as the key driver in purchase decisions (generics) and the '80s shifted it to the other side of the value equation by emphasizing brand names -- the more conspicuous, the better. If each generation has its buying experience label, the tightening of time constraints is certainly the

dominant theme of the '90s. We are willing to squeeze our buying decision process into a few in-store seconds is our relative affluence. Our haste does not allow us to critically evaluate the value/price equation, but we willingly acknowledge this shortcoming going in; and, more importantly, we know that if we make a mistake, we have the resources to cover it later. An increasing number of consumers are willing to shorten the purchase decision time and act without the facts. For more and more of us, if a true need exists, behavior occurs after a very minimum level of product familiarity and actually before attitude formation.

Betsy Charles is an account manager and senior research analyst at The Dieringer Research Group, Inc., Milwaukee, Wis. He researched on modeling buying behavior and found out that:

Based upon limited knowledge, marketing researchers blindly assume that customer satisfaction is necessary for loyalty and that loyalty is necessary for repeat purchase. This hierarchical assumption is inaccurate because factors may directly influence repeat purchase without funneling from customer satisfaction through loyalty to repeat purchase. In fact, repeat purchase is not necessarily contingent upon customer satisfaction and loyalty.

Unconstrained modeling has become a popular technique because it confirms causal relationships without unrealistic assumptions and requirements. Rather than assuming that customer satisfaction funnels through loyalty and repeat purchase, unconstrained modeling allows the data to speak for itself.

Paul Gibler in his research about buying behavior noted that:

Window shopping isn't dead, it has simply moved into a different dimension. This is a dimension where your business has “nowhere to hide” or can be “completely hidden” given the power of the Internet. Whether buying through a virtual, real or multi-channel storefront, the options consumers use to learn about products, compare products, or shop prices have multiplied exponentially. The greater transparency created by these tools has made it critical that you understand and incorporate them into your business and marketing plans. Before the days of the Internet, buyer behavior often focused on word of mouth recommendations and feedback; in-store questioning; listening to, watching or reviewing ads; or reading print reviews in vertical publications or from multi-line authorities like Consumer's Report. Today, the options for information search and product comparisons have multiplied beyond consumer's processing ability. While this creates an

opportunity for high service marketers with high touch products it has also generated the need to understand how consumers are behaving in their product purchasing activities. Tools that consumers are using in their search behavior include shopping bots (online price comparison sites), online reviews, online video, product specifications, photos, coupon sites, blog postings and online chat. 46% of online buyers looked at 4 - 6 reviews before buying a product. Consumers are finding these reviews at the retailer's sites, at the shopping comparison sites, on blogs, at vertical portals and through aggregator sites that pull together consumer reviews. Among the other tools that consumers are using in their shopping activities are watching product videos. They are visiting retail and manufacturing sites to see products in use, are viewing videos when visiting content sites that publish product reviews.

Lloyd and Clancy in their research on organizational buying behavior since the publication of Sheth's model of industrial buying behavior in 1973 discovers an impressive amount of research primarily focused on the decision-making process, environmental influences and conflict resolution in joint decisions. Their main findings were:



There is an emerging area of research on supply-chain partnering and the use of information technology such as networked computing and online data services. There is a surplus of empirical studies using descriptive methods and those more analytical approaches on the one hand, and conceptual constructs on the other. Concludes that purchasing function is dramatically shifting from the transaction-oriented to the relational-oriented philosophy, and it is also shifting from domestic to global sourcing. This will change the role, processes and strategies of procurement and, therefore, new research opportunities will emerge for academic scholars. These include understanding suppliers as customers; cross-functional supplier teaming; economic value of supplier equity; supply experience curves; hub and spoke organization; bonding with suppliers; global sourcing processes; cross-cultural values in purchasing; cross-national rules and regulations; and service procurement.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

In measuring attitudes, the psychologists look at the judgments and choice. He may examine the patterns of agreement or disagreement expressed by a person with respect to a variety of statements about an object (an attitude scale). He may evaluate a person's voluntary remarks about an object or frequency with which a person preferentially chooses one object rather than another.

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

### **3.2 The Research Design**

The research study is an attempt to analyze the relation between consumer's attitude (dependent variable) and the service related factors (independent variables). Hence, a survey research design was used. The data collected from the survey of 'Mero Mobile' and Nepal Telecom (NTC) mobile consumers were arranged, analyzed and interpreted for attaining research objectives. It has examined the attitude of consumers on the basis of their own perceptions and preferences.

### **3.3 Population and Sample**

The total people within Birgunj, and its nearest are and were the total population for this study. The population has been consisting of total consumers-whether they are male or female, mobile users or non-users. The people other than mobile users have also been included in the sense that they are potential buyers of 'Mero Mobile' and NTC mobile.

Only 80 respondents were selected as sample for representing the whole population by using a stratified random sampling method. First, the total population was divided into three strata's. The stratification has been made on the basis of respondent's

characteristics- whether they use NTC or Mero Mobile card or they do not use a mobile. Then, the data was collected equally from within each stratum on the basis of judgmental sampling method.

### 3.4 The Sample Characteristics

The sample comprises of 32 Nepal Telecom SIM card users, 24 Mero Mobile users and 24 non-users. The attempt was to equalize male and female respondents from within each stratum, but the sample was taken from 50 male and 30 female respondents. Since, all the sample data were taken from within various places of Birgunj, sample respondents were comparatively more education and mostly from middle and lower-class families. No respondent in the sample was below the age of 15 years. The following table shows clear characteristics of the sample.

**Table 3.1: Questionnaires Distributed and Collected**

<b>Gender</b>	<b>Questionnaire</b>	
	<b>Distributed</b>	<b>Collected</b>
<b>Male</b>	50	50
<b>Female</b>	30	30
<b>Total</b>	80	80

**Table 3.2: Sample Characteristics**

<b>Gender</b>	<b>Age</b>			
	<b>15-30 years</b>	<b>31-50 years</b>	<b>&gt;50 years</b>	<b>Total</b>
<b>Male</b>	25	10	10	45
<b>Female</b>	25	5	5	35
<b>Total</b>	50	15	15	80

**Table 3.3: Sample Characteristics**

<b>Education</b>	<b>Family income per month</b>				<b>Total</b>
	<b>Below Rs. 10,000</b>	<b>Rs. 10,000- 20,000</b>	<b>Rs. 20,000- 30,000</b>	<b>Above Rs. 30,000</b>	
<b>Undergraduate</b>	10	5	3	0	18
<b>Graduate</b>	5	6	1	0	12
<b>Post-graduate</b>	8	20	12	8	48
<b>Doctorate</b>	0	0	0	2	2
<b>Total</b>	23	31	16	10	80

### **3.5 Variables and Measures**

The variable for this study were-payment of dues mode of, availability of recharge vouchers, dependability, audibility,

connectively, network coverage of the service and additional services available along with the primary service. These all variables have been assumed to be independent variables and consumer attitude variable. However, consumer attitude have been depended upon all the independent variables. These were measured in single items. Some demographic information such as gender, age, education etc was also asked. To measure consumer's attitudes the questionnaire was designed on the basis of 7 point Likert scale.

### **3.6 The Data Collection Techniques**

This study was conducted on the basis of information collected from consumers through questionnaire. The structured questionnaire was designed to collect required information and that has been presented in appendix. Along with the questionnaire some open ended questions were asked as interview in need to different parties while collecting information. For construction of questionnaire, ideas were collected from my research guide and experienced scholars. The respondents were assured that their responses would be kept confidential. Out of 100 questionnaires distributed, 80 questionnaires were received with full confidence.

### **3.7 Pre-Testing**

The Pre-testing of the questionnaire was conducted on the sample of 19 consumers. After realizing the questions, its initial format was suitably modified. The endeavor has been concentrated on making the questionnaire as easier as possible to be understood by the respondents.

### **3.8 The Data Analysis Tools**

Some statistical tools such as frequency distribution and simple bar diagram have been used for presentation of data. And the responses have been categorized, tabulated, processed and analyzed using different methods. The weighted means have been calculated to identify attitude.

The whole procedure of this study is based of Fishbein's Attitude-Toward-Object Model. In this model, the first component is belief and second component is an affective term normally stated as in terms of good or bad. Symbolically, it can be expressed as:

$$A_b =$$

Where,

A= Attitude towards the object

$b_i$ = the strength of the belief that the object has attribute i

$e_i$  = the evaluation/intensity of feelings (liking/disliking) toward the attribute  $i$

$n$  = the number of salient attributes

### 3.9 Simple Average Method

It assumes that all the items under consideration are of equal importance in the distribution. But in many cases, the relative importance of the items in the distribution is not same. In such a situation, the relative importance is considered as weights of the variable and the weighted average is to be computed. Weighted average mean is calculated by using the following formula.

$$\text{Weight average mean}(XW) = \frac{X_1W_1 + X_2W_2 + \dots + X_nW_n}{W_1 + W_2 + \dots + W_n}$$

Examples

Solution

Her,  $N_1=90$  and  $X_1= 9.5$

$N_2=60$  and  $X_2= 13.5$

$$\text{Combined mean } X = \frac{N_1X_1 + N_2X_2}{N_1 + N_2}$$



$$\begin{aligned} &= \frac{90 \times 9.5 + 60 \times 13.5}{90 + 60} \\ &= \frac{855 + 810}{150} \\ &= 11.1 \end{aligned}$$

So, the average age of the students of the school is 11.1 years.

## **CHAPTER 4**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

Out of 100 questionnaires distributed only 80 questionnaires were obtained with full information and rest 15 questionnaires were not returned and 5 had incomplete information. After reviewing the available literature a research methodology had focused on the primary data collected through customer survey. In this chapter, data collected from consumers (respondents) by using questionnaire method has been presented and analyzed simultaneously to fulfill research objectives. While developing questionnaires, respondents were provided with 7 alternative points to tick mark whether they agree or disagree. Since ranking scale was used in the questionnaire, extremely agree, neither agree nor disagree, moderately agree, moderately disagree and extremely disagree were assigned the ranks +3, +2, +1, 0, -1, -2 and -3 respectively to make calculation easier and same in case of good or bad.

## 4.2 Respondent's Belief (Payment mode of Mero Mobile and NTC Mobile)

The every first question asked to the respondents was about the payment mode of Mero Mobile SIM card and NTC SIM card. The following table shows disagrees of consumer belief that Mero Mobile SIM card has better payment mode of dues where as respondent agree with NTC Mobile SIM card has better payment mode of dues as obtained by questionnaires.

**Table 4.1: Comparison on respondent's belief towards payment mode for Mero mobile and NTC mobile SIM card**

Ranks	No. of respondents		Percentage		Belief strength	
	Mero	NTC	Mero	NTC	Mero	NTC
Extremely Agree(+3)	6	20	7.5	25	18	60
Moderately Agree(+2)	12	14	15	17.5	24	28
Slightly Agree(+1)	14	12	17.5	15	14	12
Neither/Nor(0)	4	4	5	5	0	0

Slightly disagree(-1)	10	12	12.5	15	-10	-12
Moderately disagree(-2)	14	14	17.5	17.5	-28	-28
Extremely disagree(-3)	20	4	25	5	-60	-12
	N=80	N=80	100	100	-42 (bi)	48 (bi)

Table 4.1 shows the degrees of agreement and disagreement of the respondent in first column. The second column shows number of respondents in different degrees of agreement and disagreement. According to the table, respondents fully agreed that NTC SIM card has better payment mode of dues than that of Mero mobile. Also by market survey NTC mobile has better payment mode, because of NTC mobile's better links with banks and more payment offices in contrast to SNPL. For Mero 6 respondents fully agreed where NTC 20 respondents fully agreed with the statement.

The total belief strength is calculated by multiplying rank and its corresponding number of respondents. The data presented in Table

4.1 is also depicted in diagram below to make it easier to understand

**figure 4.1: Response for the statement of better payment of dues of Mero mobile SIM card and NTC**

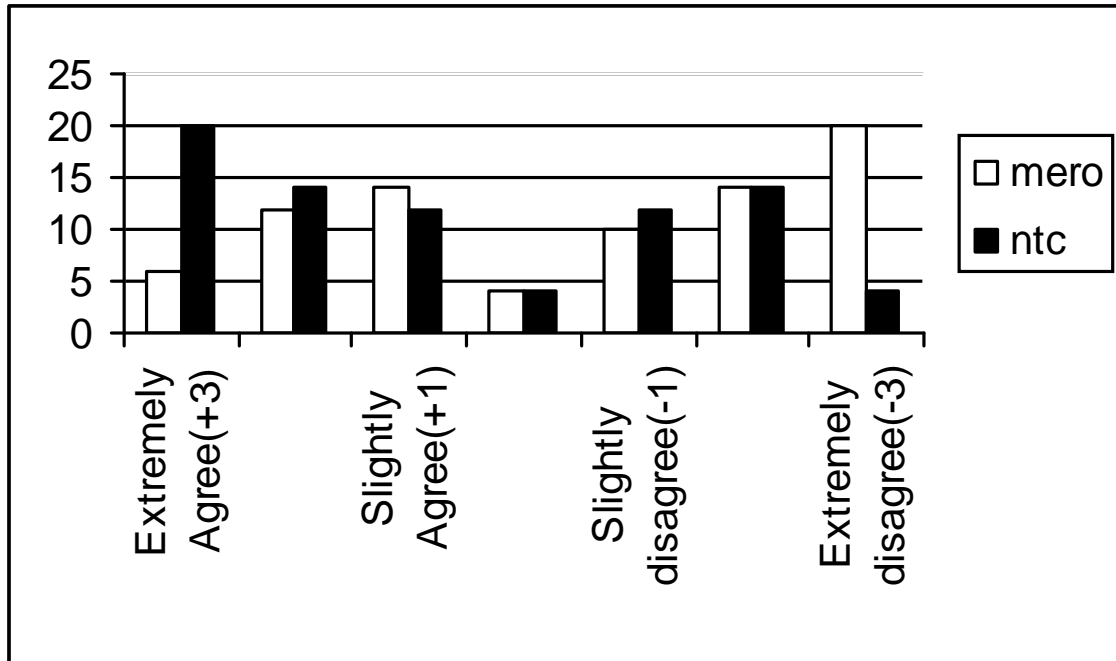


Figure 4.1 shows that with respect to Mero mobile and NTC mobile, NTC’S payment mode of dues is better. Most of the respondents agreed that payment mode of dues of NTC is better than that of Mero.

**4.2 Evaluation score for High price of SIM card**

**Table 4.2: Evaluation score for High price of SIM card**

Ranks	No. of Respondents	Percentage	Total Evaluation Score
Extremely Good (+3)	6	7.5	18
Moderately Good (+2)	4	5	8
Slightly Good (+1)	4	5	4
Neither/nor (0)	5	6.25	0
Slightly Bad (-1)	18	22.5	-18
Moderately Bad (-2)	20	25	-40
Extremely Bad (-3)	23	28.75	-69
Grand Total	N=80	100	-97 (ei)

Table 4.2 shows number of respondents who evaluate purchase price of SIM card and the table also shows calculation of total evaluation score (ei) which is used in calculation of overall attitude. According to the table, 6 respondents thought that a high price of SIM card is extremely good, 4 thought that it is

moderately good and so on. This can also be shown in figure below:

**Figure 4.2: Respondents Evaluation for high price of SIM card**

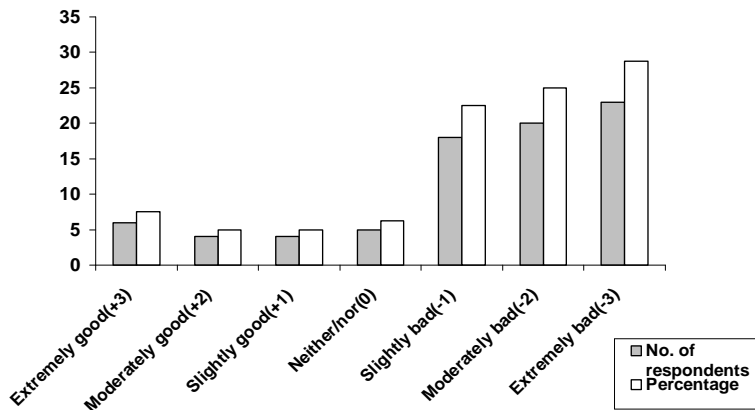


Figure 4.2 shows it is clear that high price of Mero mobile SIM card is extremely bad than that of NTC mobile SIM card. Most of the respondents agreed that NTC mobile SIM card is favorable than that for Mero mobile SIM card because of NTC mobile's goodwill and reputation. But high price makes consumer attitude negative. In our context, price is the most determining factor for the purchase of any product. Consumers were found to be very price sensitive.

### 4.3 Comparison of Respondent’s belief for availability of Mero mobile and NTC mobile recharge vouchers

Respondents were asked whether they think that which company either NTC or SNPL’s recharge vouchers are easily available. The availability of recharge vouchers is also another important factor for the use of any SIM card. The responses obtained from this question are shown in table 4.3 below:

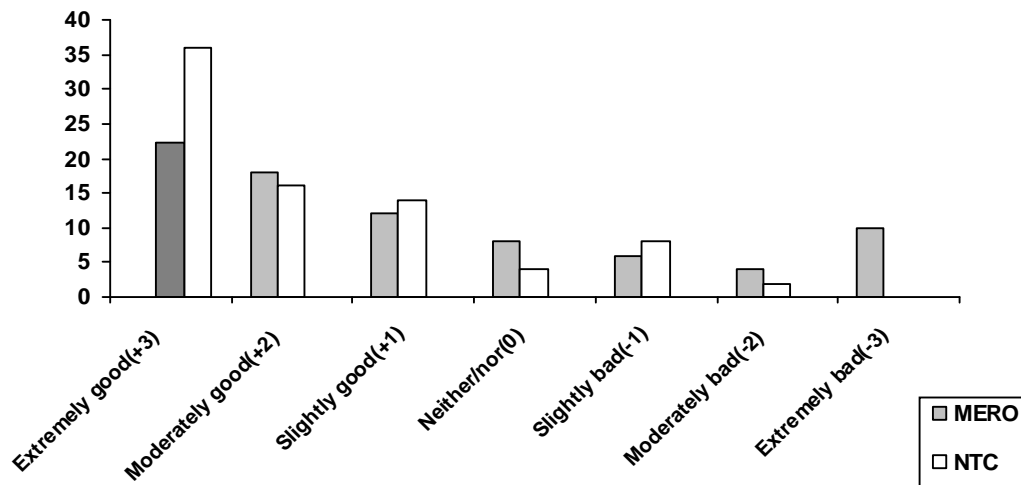
**Table 4.3: Comparison of Respondent’s belief for availability of Mero mobile and NTC mobile recharge vouchers**

Ranks	No. of Respondents		Percentage		Total belief strength	
	MERO	NTC	MERO	NTC	MERO	NTC
+3	-22	36	27.5	45	66	108
+2	18	16	22.5	20	36	32
+1	12	14	15	17.5	12	14
0	8	4	10	5	0	0
-1	6	8	7.5	10	-6	-8
-2	4	2	5	2.5	-8	-4
-3	10	-	12.5	-	-30	0
	N= 80	N=80	100	100	70 (bi)	142 (bi)



Table 4.3, shows that 22 respondents fully agreed that spice Nepal's recharge vouchers are moderately easily available where as the number is high in case of NTC, it is 36 like wise 18 and 16 (Mero & NTC respectively) respondents moderately agreed, 12 & 14 respondents slightly agreed and so on. In the table total belief strength for Mero mobile is 70 and for NTC is 142 and both belief strength is positive. Thus, it is clear that respondents agreed that NTC's recharge vouchers are easily available than Mero mobile.

**Figure 4.3: Responses for the statement: Which company Mero or NTC takes higher service charge?**



#### 4.4 Respondents Evaluation for High Service Charges

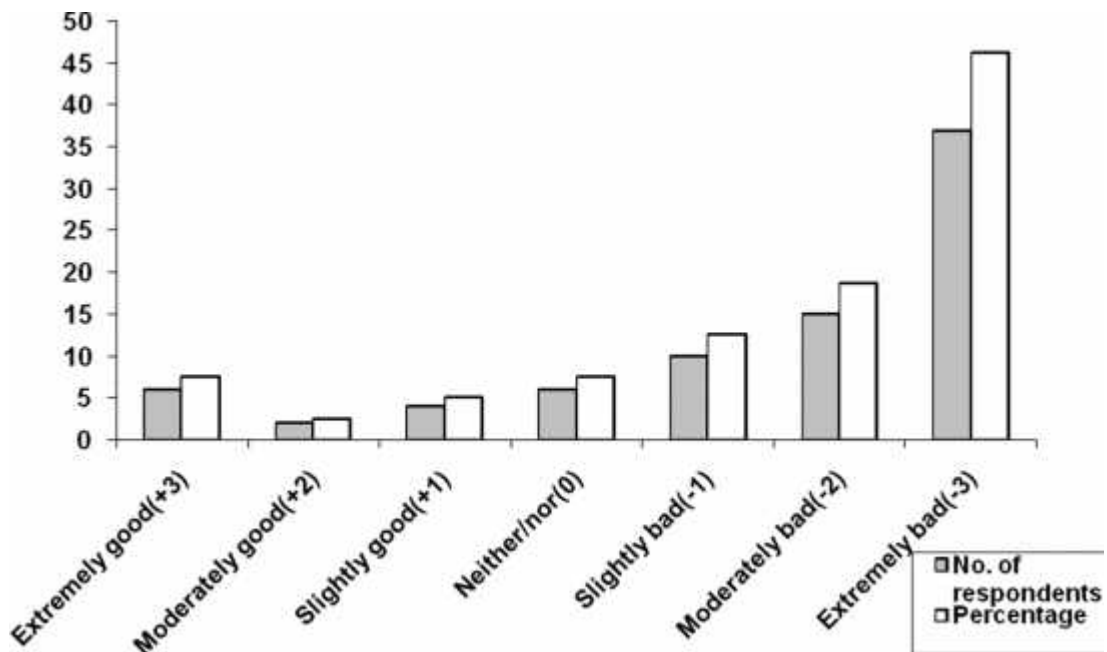
While purchasing any SIM card, people look for its tariff rate and other service charges. Most of the people seek SIM card which has lower operating charges. The below given table 4.4 shows number of respondents and their evaluation score for operating charges for Mero and NTC mobile.

**Table 4.4: Evaluation score for High Mobile Service Charges**

Ranks	No. of Respondents	Percentage	Total Evaluation Score
+3	6	7.5	18
+2	2	2.5	4
+1	4	5	4
0	6	7.5	0
-1	10	12.5	-10
-2	15	18.75	-30
-3	37	46.25	-111
Grand Total	N= 80	100	-125

Table 4.4 shows that most of the consumers think that high operating charges for mobile is not good charge for mobile operation. According to the table, only 12 respondents observed high service charges as good, 6 respondents were indifferent and the rest 62 (about 80%) considered high charges as bad 28 respondents regarded high charges as extremely bad. These are also shown in figure below:

**Figure 4.4: Evaluation Score for High Mobile Service Charges**



#### 4.5 Respondent's Belief for reliability for Mero and NTC Mobile Service

If the goods or services are reliable or dependable it has a greater value. Thus, if the service is not reliable consumers will not believe which creates negative attitude which mobile company has more dependable service. Table 4.5 shows belief of the consumers.

**Table 4.5: Respondent's Belief for reliability for Mero and NTC Mobile Service**

Ranks	No. of Respondents		Percentage		Total belief strength	
	NTC	MERO	NTC	MERO	NTC	MERO
+3	43	8	53.75	10	129	24
+2	20	12	25	15	40	24
+1	12	15	15	18.75	12	15
0	3	5	3.75	6.25	0	0
-1	2	15	2.5	18.75	-2	-15
-2	-	20	-	25	-	-40
-3	-	5	-	6.25	-	-15
	N= 80	N=80	100	100	179 (bi)	-7 (bi)

Table 4.5 shows number of respondents and calculation of belief strength. According to the table, respondents highly believe on NTC than Mero mobile service because of its reliability. That means people have positive attitude towards NTC. Mero mobile is also reliable but in selected area only.

#### **4.6 Respondents' Evaluation for Reliability of Mobile Service**

Respondents were asked how far it is important to be mobile service reliable. A reliable service always reduces uncertainties and minimizes tension. The data related to reliability of mobile service is presented below in table 4.6.

**Table 4.6: Evaluation Score for Reliability of Mobile Service**

Ranks	No. of Respondents	Percentage	Total Evaluation Score
+3	35	43.75	105
+2	24	30	28
+1	15	18.75	15
0	0	0	0
-1	4	5	-4
-2	2	2.5	-4
-3	0	-	-
	N=80	100	140

#### 4.7 Respondent's belief for Audibility of Mero mobile

Another important variable that should be available in any mobile service is its audibility. While talking through mobile, the voice should be clearly audible.

**Table 4.7: Respondent's belief for Audibility of Mero mobile**

Ranks	No. of Respondents		Percentage		Total belief strength	
	NTC	MERO	NTC	MERO	NTC	MERO
+3	17	14	21.25	17.5	51	42
+2	25	16	31.25	20	50	32
+1	28	6	35	7.5	28	6
0	2	5	2.5	6.25	-	0
-1	6	14	7.5	17.5	-6	-14
-2	2	20	2.5	25	-4	-40
-3	0	5	-	6.25	-	-15
	N= 80	N=80	100	100	119 (bi)	-11 (bi)

Table 4.7 shows that most of the consumers (about 45%) believe that the voice of Mero mobile is not clear in this area. It seems that audibility of Mero mobile is not good and is the weakness of the company. 14 respondents claimed that the voice is not clearly audible, 20 respondents moderately claimed and 5 slightly claimed the audibility of Mero mobile is not clear. According to the data, 5 respondents of remote area believed that while talking through Mero mobile the voice is not clearly audible. In contrast, about 90% respondents believe that audibility of NTC mobile is clear in most of the area.

#### **4.8 Respondents' Evaluation for Audibility of Mobile Service**

Any kind of disturbance while talking creates problems. If one person can not clearly listen to another through mobile than what is the essence of having a mobile? It is a means of communication and if communication is not smooth then no one buys a mobile SIM card. This attributes in mobile shows quality of the company. Every consumer seeks quality services.

**Table 4.8: Evaluation Score for clearly Audible Mobile Service**

Ranks	No. of Respondents	Percentage	Total Evaluation Score
+3	30	37.5	90
+2	27	33.75	54
+1	18	22.5	18
0	4	5	0
-1	1	1.25	-1
-2	0	-	-
-3	0	-	-
Grand Total	N= 80	100	161

Table 4.8 shows that more than 92% respondents preferred clearly audible mobile service. No respondent is there to prefer non audible mobile service with full intensity (i.e. extremely bad). 1 respondent slightly rated. Thus for more effectiveness audibility network tower must be added. 35 respondents thought that clearly audible mobile service is extremely good.



## 4.9 Respondents' Belief for Connectivity of NTC and Mero Mobile

**Table 4.9: Respondents' Belief for Connectivity of NTC and Mero Mobile**

Ranks	No. of Respondents		Percentage		Total belief strength	
	NTC	MERO	NTC	MERO	NTC	MERO
+3	19	3	23.75	3.75	51	9
+2	20	8	25	10	40	16
+1	22	15	27.5	18.75	22	15
0	10	10	12.5	12.5	0	0
-1	9	22	11.25	27.5	-9	-22
-2	-	20	-	25	-	-40
-3	-	2	-	2.5	-	-6
	N= 80	N=80	100	100	104	-28

Table 4.9 shows that, for Mero mobile only 3 respondents extremely agreed that it has good connectivity where as for NTC the number of respondents is 19, who say that it has good connectivity. Likewise 8 and 20 respondents moderately agreed (Mero and NTC) that it has good connectivity. Most of the

respondents believe in connectivity of NTC than that of Mero mobile.

#### **4.10 Respondents Evaluation for Connectivity of Mobile Service**

Consumers usually look for some important attributes before they purchase any product. Thus, while taking mobile service consumers also look for the same. Respondents have different views for connectivity of mobile service which is presented in table 4.10 below:

**Table 4.10: Evaluation Score for Connectivity of Mobile**

Ranks	No. of Respondents	Percentage	Total Evaluation Score
+3	25	31.25	75
+2	21	26.25	42
+1	15	18.75	15
0	5	6.25	0
-1	4	5	-4
-2	6	7.5	-12
-3	4	5	-12
Grand Total	N= 80	100	104

Table 4.10 shows that 25 respondents (i.e. about 31%) out of total respondents considered connectivity as the extremely good attribute. Similarly, for 21 respondents it was moderately good and for 15 respondents it was slightly good attribute. Very few (i.e. non considerable) respondents were not interested about the connectivity of mobile service.

#### **4.10.1 Respondents' Belief for Network Coverage of NTC and Mero Mobile**

Network coverage is one of the most important attributes that it should be is Mobile if there is no network coverage, people cannot use the mobile. It depends upon the number and capacity network towards. The major duty of the telecom is to make network coverage wider. The following table shows respondents belief about network coverage.

**Table 4.10.1: Respondents' Belief for Network Coverage of  
NTC and Mero Mobile**

Ranks	No. of Respondents		Percentage		Total belief strength	
	MERO	NTC	MERO	NTC	MERO	NTC
+3	0	8	-	10	0	24
+2	3	28	3.75	35	6	56
+1	10	30	12.5	37.5	10	30
0	3	2	3.75	2.5	0	0
-1	28	10	35	12.5	-28	-10
-2	22	2	27.5	2.5	-44	-4
-3	14	-	17.5	-	-42	-
	N= 80	N=80	100	100	-98	96

Table 4.10.1 shows that 64 respondents agreed that Mero mobile do not have good and wider network coverage. Similarly, for NTC mobile 64 respondents agreed that it has a wider and good coverage. Thus, NTC has large positive belief strength.

#### 4.11 Respondents' Evaluation for Wider Network Coverage

Respondents were asked what attribute they need in the mobile service all the respondents prefer wider network coverage. There were no respondents who were against this attribute. The table below shows the evaluation score for wider network coverage.

**Table 4.11: Evaluation Score for Wider Network Coverage**

Ranks	No. of Respondents	Percentage	Total Evaluation Score
+3	53	66.25	159
+2	13	16.25	26
+1	12	15	12
0	2	2.5	0
-1	0	0	0
-2	0	0	0
-3	0	0	0
Grand Total	N= 80	100	197

Table 4.11 shows that, 66% i.e. 53 respondents of the total respondents fully liked wider network coverage of mobile service. 16% i.e. 13 respondents moderately preferred wider network coverage. In this way, 97.5% i.e. 78 respondents preferred wider network coverage. Only 2 respondents were indifferent. There were no respondents who were against wider network coverage, evaluation score (ei) for wider network coverage is positive i.e. 197 respondents so that telecom companies should focus on their network technology. If their network is very good then consumers will automatically be attracted.

## **4.12 Presentation of Consumers' Degree of Response for different variables**

### **4.12.1 Section 'A': For Mero Mobile**

**Table 4.12.1: Section ‘A’: For Mero Mobile**

Ranks	Degree							
	+3	+2	+1	0	-1	-2	-3	Total
Has better payment mode	6	12	14	4	10	14	20	80
Easily available recharge vouchers	22	18	12	8	6	4	10	80
Has clearly reliable service	8	12	15	5	15	20	5	80
Has clearly available services	14	16	6	5	14	20	5	80
Has good connectivity	3	8	15	10	22	20	2	80
Has wider network coverage	-	3	10	3	28	22	14	80
Total	53	69	72	35	95	100	56	480

Table 4.12.1 shows a clear picture of consumer response regarding various variables used in questionnaire to their attitude towards related attributes attached with mobile services. According to the table, most of the respondents disagreed with the mobile attributes of Mero mobile. It means that they have negative attitude towards the services of Mero mobile. It also seems that the capacity of the tower is lower and has no reliable services. The table also shows that the strength of Mero mobile is only in variables first and second.

#### 4.12.2 Section ‘B’: For NTC Mobile

**Table 4.12.2: Section ‘B’: For NTC Mobile**

Ranks	Degree							Total
	+3	+2	+1	0	-1	-2	-3	
Has higher initial purchase price	20	14	12	4	12	14	4	80
Takes higher service charges	36	16	14	4	8	2	-	80
Has clearly	43	20	12	3	2	-	-	80



reliable service								
Has clearly available services	17	25	28	2	6	2	-	80
Has good connectivity	19	20	22	10	9	-	-	80
Has wider network coverage	8	28	30	2	10	2	-	80
Total	143	123	118	25	47	20	4	480

Table 4.12.2 clearly shows the respondents responses on various attributes of NTC mobile services. For most of the variables NTC has a good strength so the consumers' first preference is NTC mobile. But due to distribution of limited SIM cards of NTC, consumers are using Mero Mobile services. It doesn't mean that SNPL cannot compete with NTC, SNPL has to design its service in such a way that consumer will believe.

### 4.13 Calculation of Consumer's overall Attitude towards Mero and NTC mobile

**Table 4.13: Calculation of Consumer's overall Attitude towards Mero and NTC mobile**

Salient beliefs	Belief strength		Evaluation score	Product	
	MERO	NTC		MERO	NTC
Has better payment mode	-42	48	-97	-4074	-4656
Easily available recharge vouchers	70	124	-125	-8750	-15500
Has clearly reliable service	-7	179	140	-980	25060
Has clearly available services	11	119	161	1771	19159
Has good connectivity	-28	100	104	2912	10400

Has wider network coverage	-98	96	197	-19306	18912
Overall attitude score A =				-20279	53375

Table 4.13 shows different values of  $b_i$  and  $e_i$  derived by calculating in the table 4.1 to 4.11. The first column of the table shows different attributes related to Mero Mobile and NTC mobile. The fourth and fifth column is the product of  $b_i e_i$  for Mero and NTC mobile consumer attitude towards Mobile service is calculated by using Fishbein's Attitude Model which show negative attitude i.e. -20279 for Mero Mobile and positive attitude i.e. 53375 for NTC mobile. Further to identify the degree of the attitude whether it is negative or positive, some calculations are needed.

The degree of attitude has been calculated by using following formula:

Degree of attitude = (No. of respondents in beliefs x Value of respective degree) x (No. of respondents evaluation x Value of respective degree) x No. of variables

Here,

Calculation for extremely negative attitude

$$= - [(80 \times 3) \times (80 \times 3) \times 3] = -345600$$

Now,

Calculation for moderately negative attitude

$$= - [(80 \times 2) \times (80 \times 2) \times 6] = -153600$$

Again,

Calculation for slightly negative

$$= - [(80 \times 1) \times (80 \times 1) \times 6] = -38400$$

Likewise,

Calculation for positive attitude

$$\text{Extremely positive attitude} = [(80 \times 3) \times (80 \times 3) \times 6] = 345600$$

$$\text{Moderately positive attitude} = [(80 \times 2) \times (80 \times 2) \times 6] = 153600$$

$$\text{Slightly positive attitude} = [(80 \times 1) \times (80 \times 1) \times 6] = 38400$$

From the above calculation, the attitude scores for different degrees of attitude are identified. Findings of the calculation are summarized in the table below;

Degrees	
Extremely positive	From 153600 to 345600
Moderately positive	From 38400 to 153600
Slightly positive	From 0 to 38400
Extremely positive	From -153,600 to -345600
Slightly negative	From -38,400 to -153,600

Now, it is obvious that the obtain value (attitude score), -20279 for Mero mobile in Birgunj lies between 0 to -38400. Hence respondents have slightly negative attitude towards Mero mobile. Likewise, for NTC mobile attitude score is 53375 lies between 38400 to 153600. Hence respondents are moderately positive attitude towards NTC mobile.

**Table 4.14: Calculation of Weighted Arithmetic Mean (WAM) (An alternation way to analyze consumer attitude)**

Degree	Total score (x)		Weights(w)	Products (wx)	
	MERO	NIC		MERO	NIC
Extremely agree	53	143	3	159	429
Moderately agree	69	123	2	138	246
Slightly agree	72	118	1	72	118
Neither/ Nor	35	25	0	0	0
Slightly disagree	95	47	-1	-95	-47
Moderately disagree	100	20	-2	-200	-40
Extremely disagree	56	4	-3	-168	-12
	£X <sub>m</sub> =480	IX <sub>n</sub> =480	£W=12	£WX <sub>m</sub> =832	WX <sub>n</sub> =892

Here,

£W=12, £WX<sub>m</sub>=832, £WX<sub>ntc</sub>=992

Now, calculation of weighted mean

x (Mean) for Mero Mobile

x (Mean) for NTC Mobile

$$x_m \sim = 69.33$$

$$w = 74.33$$

From above weighted average mean of NTC 892 is higher than that of Mero Mobile 832 and is near to the WAM of the degrees i.e 80. Hence it is obvious that consumer attitude towards NTC is more favorable than that of Mero Mobile.

People do prefer NTC network more than Mero mobile in the present scenario as the payment mode of dues, availability of recharge vouchers, service, the number of towers of NTC, etc are better in NTC network than that of Mero Mobile. Also, there is a defect in Mero Mobile as the calls are cut automatically right after 45 minutes of the call in Mero Mobile whereas it isn't there in NTC. In NTC a person can call for as much time as he wants without any interruption. So, I can conclude that NTC is a better option among mobile networks available in the country.

## **CHAPTER 5**

### **SUMMARY , MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

After late 80's there has been a rapid development in the field of information, technology and communication. The latest outcome of the development was cell phones. The cell phone has become the part of our lives. Cell phone has made our life more comfortable & easier. In our country Nepal Telecom (NTC) and other is Spice Nepal private limited. NTC has launched Namaste Mobile & SNPL has launched Mero Mobile. Among Nepal and the market is fully dominated by NTC at present. It has been a year the SNPL has launched its service in Birgunj.

People did not have options to choose from but now, the case indifferent. They are free to select a brand according to their preference. However , this thesis was mainly concerned with comparative study of Mero Mobile & NTC in Birgunj and aimed at assessing perception, feelings, opinions, and ultimately attitudes of the consumers towards a brand is unfavorable, the company is supposed to be less successful that it otherwise might be .



In this study, altogether six independent variables related to mobile were described and analyzed. They were price of SIM card, service charges, reliability of services, audibility connectivity and network coverage of mobile phone. Being a field based study, it examined attitude of consumers in their natural setting. The sample for study comprised 80 respondents belonging to NTC users, Mero mobile users and non users. 60 male & 20 female respondents were included in the sample from different age groups. Out of total sample 26 were under graduate, 18 were post graduate, and 2 were doctorate. The endeavor, while collecting data, was to equalize sample size from each strata. So, a stratified random sampling method was used to select the samples. The sample was taken from within the consumers of Birgunj and areas near to it only. The data thus obtained were analyzed using frequency distribution, percentage, weighted mean and Fishbein's attitude model.

## **5.2 Major findings the study**

After analyzing the data collected from the respondents, some findings have been drawn; Major findings of the study are presented below:

1. Most of the respondents have been found disagreed with the statement related to payment mode of dues of both Mero & NTC Mobile SIM card, such as 37.5% respondents extremely disagreed,

- 25 percent moderately disagreed and 22.5 percent slightly disagreed. However, the respondent belief for Mero Mobile is only 40 percent that Mero Mobile it was 57.5 percent.
2. Out of total respondents, 28 percent extremely believed that Mero Mobile's recharge vouchers are moderately easily available, where as it was 45 percent for NTC. Like wise 23 percent & 20 percent (Mero & NTC moderately believed that service charge is higher and 15 percent & 18 percent believed it was slightly high. In contrast, 25 & 12.5 percent respondents for Mero & NTC believed that the service charge is lower.
  3. Most of the respondents i.e. (78 percent) thought it is not good to take higher service charges in mobile service. But around 13 percent respondents thought it is good to take higher service charges.
  4. 85 percent of respondents believed that NTC Mobile has a reliable service and only 43 percent respondents believed that Mero Mobile has reliable service. On other hand only 2.5 percent believed NTC has no reliable service and for Mero Mobile it was 50 percent. So it can be conclude that NTC has more reliable service in Birgunj than that of Mero Mobile.

5. Among the total respondents, 92.5 percent of the respondents though that reliable service is a important factor to provide mobile services. But 7.5 percent respondents were found against the reliable mobile service.
6. Regarding the statement "which mobile Mero or NTC has clearly audible service" about 70 respondents i.e 87.5 percent believed that NTC has clear audible service where as for Mero Mobile it was only 45% it was also found clear audible service of Mero Mobile was not good.
7. Among the total respondents about 94 percent like a clear audible mobile service. Where as, 4 respondents were indifferent this factor and I respondent slightly disagree that clear audible service is a important factor for Mobile service.
8. According to the information gathered regarding the statement which mobile Mero or NTC has good connectivity, 78 percent believed that NTC Mobile has good connectivity with national and international telecom. In contrast about 32 percent respondent believed Mero Mobile regarding the connectivity of Mobile with other telecom.

9. 76 percent, a very large number of respondents liked a good connectivity of mobile service followed by 17.5 percent respondents who doesn't like this attribute in mobile service.
10. Most of the respondents i.e. 82.5 percent respondents agreed with the wider network net work coverage of NTC mobile. Similarly, in case of Mero Mobile 80 percent respondents agreed that it has no wider network coverage .Moreover, No respondents extremely disagreed that NTC has no wider network coverage.
11. Almost all the respondents liked the wider network coverage of mobile phone. There were no any respondents' who disliked wider network coverage.
12. After calculation of consumer's overall attitude by using fishbeins attitude, it was found that the overall score for Mero Mobile is '-20275' and for NTC '53375'. So it can be concluded that attitude towards Mero Mobile is slightly negative where as for NTC attitude is moderately positive.

### **5.3 Conclusion**

From the analysis and interpretation of data, some conclusions have been drawn. They are:

The data obtained from respondents showed that Mero mobile SIM card was not high in price compared to NTC SIM card and the higher price for mobile SIM card was disliked by most of the consumers.

The service charges including tariff rate charged by Mero were perceived as higher than that of Nepal Telecom and the respondents were found against that higher charges.

Regarding reliability (dependability) of mobile services, it was found that Nepal Telecom is more & more reliable than Mero mobile and most of the respondents liked a reliable service.

Most of the consumer perceived Mero mobile has not clearly audible service and incase of NTC audible service consumers were found in favor of its clear audible service.

A significant number of respondents were found unknown or indifferent to the additional services available in Mero & NTC mobile. The reason may be lack of information oriented effective.

## **5.4 Recommendations**

Based on the result of the study some recommendations are presented here for marketing manager, SPNL private limited and Nepal Telecom itself.

The payment mode of dues is only the strength of Mero mobile in Birgunj. Hence to compete with Nepal Telecom, Mero has to provide quality, dependable & reliable mobile service.

The service charges have been perceived high by consumers for both Mero & NTC mobile. So the service charges should be minimized a little bit.

The effective communication channel in mobile should be developed to inform customers about additional services because most of the respondents are unaware of additional services available in mobile.

In-relation with Mero, NTC has fully dominated the market and has better goodwill. Thus NTC has to provide more & more additional services to maintain its competitive advantage.

SPNL should establish a good relationship with other national & international telecom companies that make its competitive advantage.

With respect to NTC, Mero has very small network coverage in Birgunj. Hence as soon as possible, the company should increase the number of towers and its capacity.

The consumer's attitude towards Mero mobile has been found slightly negative, where as towards NTC it is moderately positive. Hence, the marketing manager of Mero should try to make the attitude extremely positive to survive and compete with NTC. For this the marketer should lunch various promotional campaigns and better services than that of NTC.

Reliability, audibility, connectivity & wider network coverage are the strengths of NTC mobile. Thus to maintain its position in the market, NTC does not have to neglect consumer's needs, wants and demand otherwise competitor will get chance to attack NTC'S targets customer

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