

# **Chapter -1**

## **1. Introduction**

### **1.1. Background of the study**

Nepal is a developing country in South Asia. It is the landlocked country situated between two large countries China in North and India in East, South and West. The country has occupied 147181 square kilometers of land and total population is approximately 30 millions. Majority of population here are dependable on agriculture. However, the country is gradually shifting its economy from agriculture to industrial sector for sustaining its economic life. This has resulted in increased industrial activities in the recent years. Today's market is full of competition and consumers have many choices to look at. Marketing plays a major role on success of a product.

Marketing deals with customers. Marketing activities are part of everyday life. This is the age of marketing. All types of organizations need marketing to achieve their objectives. Marketing has gained a great deal of importance for the success of modern organizations.

To general public, marketing is selling products and services. However, selling represents only part of marketing. Marketing consists of creating,

promoting and delivering products to satisfy customer needs. It creates value for customers. It delivers satisfaction to customers.

Marketing is demand management. It stimulates demand for products and services. It helps organizations to understand what their customers need and want. It also helps to decide what products and services should be offered to satisfy their needs and wants.

Marketing is concerned not only with attracting customers but also with retaining customers. Value attracts customers. Satisfaction retains customers. It is carried on long after the customer has bought the product and service. It aims to develop long term relationships to keep the customers satisfied.

The main motto of the marketing is increasing market share through customer satisfaction. As more the customer satisfaction the more will be the market share. Customer satisfaction act as the backbone for the business organization.

**According to American Marketing Association:**

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services to create exchanges that satisfy individual and organizational goals."

**According to E. Jerome McCarthy:**

"Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client."

**According to Stanton, Etzel and Walker:**

"Marketing is a total system of business activities designed to plan, price, promote, and distribute want-satisfying products to target markets to achieve organizational objectives."

**According to Philip Kotler:**

"Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others."

Market-oriented thinking is a necessity in today's competitive world. There are too many goods chasing too few customers. There are global gluts of steel, agriculture produce, automobiles, and many other products and services. Some companies are trying to expand the size of the market, but most are competing to enlarge their share of the existing market. As a result, there are winners and losers. The losers are those that bring nothing special to the market. We believe that if you can't bring something special to a market, you don't belong in it. The winners are those who carefully analyze needs, identify opportunities, and create value rich offers for target customer groups that competitors can't match.

In today's era, no business can survive without understanding the customers' feeling, attitudes and preferences towards the product and service provided. The dissatisfaction creates obstacles in the progress of the firm. They start getting the negative word-of-mouth communication to their colleagues, friends, relatives and other.

This could result a negative rumor about the organization and on the top of that, the competitors could get good chance to capture the market share generated by the company. Since, customer's satisfaction plays the vital role in the success of the business so this study has been conducted in the same area.

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

This study focused on the study of the customer satisfaction with the service provided by the SIPRADI. The survey has been done with the existing customer of the SIPRADI. The main concentration of the study is whether the customer is satisfied or not with the service provided by the SIPRADI on the commercial vehicle of the Tata Motor in Kathmandu valley.

We have reach to each customer and try to calculate their satisfaction level along with sentiments and emotions attach with SIPRADI.

### **1.3. Statement of the Problem**

In today's Nepali market the demand of commercial vehicle are increased in a rapid way. People from different background are attracted towards it since it has been the easiest and fastest means of generating revenue. However, as the number of customer is increased their expectation level toward the organization is also increasing.

Our study also focuses knowing more about the hidden value of the customer toward the organization, which could help in formulating marketing strategies and stay ahead in the cutthroat competition.

According to the questionnaire, people give their own way of interpretation of the satisfaction as well as dissatisfaction with the service provided by the SIPRADI. So it becomes important for us to find the major features and factors that affected the satisfaction level of the customer.

The Research has been focused on the following questions:

1. How is the hospitality of the staff member?
2. How often they need to visit the Thapathali branch at the time of buying the vehicle.
3. How the staffs make them aware of the product?
4. Do they provide complete knowledge of the product?

5. What is the importance of the factors such as price, discount, finance, after sales service, delivery, and spare parts availability.
6. Do the technical support is as there expectation?
7. Are you satisfied with the service provided by the SIPRADI?
8. Did your expectation meet with the service provided by the SIPRADI?
9. How you rate the service provided by the SIPRADI?
10. What are the major complaints you want to point out to the SIPRADI?
11. What kind of further improvement is needed?

#### **1.4. Objective of the study**

Satisfaction as well as dissatisfaction is the post purchase behavior of the customer. So the general objective is to measure the satisfaction level and the complain behavior of existing customer of the SIPRADI. The main objective of the study is:

1. To compare the expectation of the customer before and after buying the product.
2. To analyze the reasons of satisfaction and dissatisfaction
3. To find out the complaints of the customers.
4. To identify the reason behind the dissatisfaction with the service.

### **1.5. Significance of the study**

Success of organizations largely depends on the function of successful marketing of its products and services. In the era of cut throat competition, successful marketing of products and services depend on understanding of customers' needs and want, their preferences and choices. As we know, the demand for commercial vehicle is increasing day by day. The main reason would be quick profit. SIPRADI is the leading player for the commercial vehicle in today's Nepal Market. It has reach at the boom stage of the business cycle with undetermined number of customer. To be on the top, do not end with just selling the vehicle, the most essential factor is the Customer, and their satisfaction. In addition, there are many other organizations dealing with the sale and service of the commercial vehicle. Thus, in the competitive market if we could not identify the satisfaction need of the customer then there would be most chances of losing the number one position.

## **1.6. Limitations of the study**

The research was conducted in Kathmandu Valley. Study of satisfaction and dissatisfaction of the existing customer of the SIPRADI and there complaining behavior was observed. This study has following limitation:

1. The Sample size of 130 numbers was selected within Kathmandu Valley.
2. Judgmental and convenience method of sampling was used so there could be possibility of sampling error.
3. The responses given by the respondents may not be true.
4. The respondents may be careless in responding to the questionnaire.
5. The respondents may be illiterate.

## **1.7. Organization of the Study**

The whole study has been divided in to five chapters starting from Introduction, Review of Literature, Research methodology, Data presentation and analysis, Summary, Conclusion and Recommendation. A brief outline of this chapter has been outlined as under.



- ❖ **Introduction:** The first chapter of the study serves as an introduction to the study. It includes the background of the study, focus of the study, statement of the problem, objective of the study, importance of the study and limitation of the study.
  
- ❖ **Review of Literature:** This chapter deals with review of the different literature in regards to the theoretical analysis and review of books, article and thesis related to the study field. Therefore it includes conceptual framework and other related studies.
  
- ❖ **Research Methodology:** This chapter deals with research methodology used to carry out the research. It includes research design, population, and samples, sources and techniques of data collection and data analysis tools.
  
- ❖ **Data Presentation and Analysis:** It is the main body of research. It includes data analysis. The collected data are analyzed and interpreted by the research design set in methodology chapter and concludes with the main findings of the study.
  
- ❖ **Summary, Conclusion and Recommendation:** The last chapter concludes summary, conclusion and makes some recommendation obtained from the whole study.

## **CHAPTER-II**

### **REVIEW OF LITERATURE**

#### **2.1. Conceptual Review**

##### **2.1.1. The Market**

In general a market may be defined as a place where buyers and sellers meet together, product or service is offered for sales, and transfers of ownership occur. A market may also be defined as the demand made by a certain group of potential buyers for a product or service. "Market is defined as people or organizations with wants, to satisfy, many to spend, and the willingness to spend it. Thus in the market demand for any given product or service, there are three factors to consider. People or organization with wants their purchasing power and their buying behavior."

A market consists of people or organization with:

- A. Need to satisfy
- B. Money to spend
- C. Willingness to spend

Market is a group of individuals and organizations who may want the good or service being offered to sale and who meet these three additional criteria:

- A. Members of a market must have the purchasing power to be able to buy the product being offered.

- B. Market members must be willing to spend their money or exchange other resources to obtain the product.
- C. Market members must have the authority to make such expenditures.

### **2.1.2. Marketing**

The concepts of markets bring us full circle to the concept of marketing. Marketing means human activity taking place in relation to markets. Marketing means working with markets to actualize potential exchanges for the purpose of satisfying human needs and wants.

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### **2.1.3 Marketing System**

A system is a set of units with relationships among them. Marketing is a system of business activities designed to plan, price, promote, and distribute want satisfying product to target market to achieve organizational objectives.

The term 'marketing system' consists of two separate words "marketing" and "system". Marketing is a human activity directed at satisfying needs and wants through exchange process. On the other hand, the term 'system' means regularly interacting group of activities forming a unified whole. In other words, system means systematic or regular flow of anything directed at fulfilling basic goals.

"Marketing system deals with the smooth functioning of the marketing activities for the fulfillment of the consumer needs and wants. If a marketer

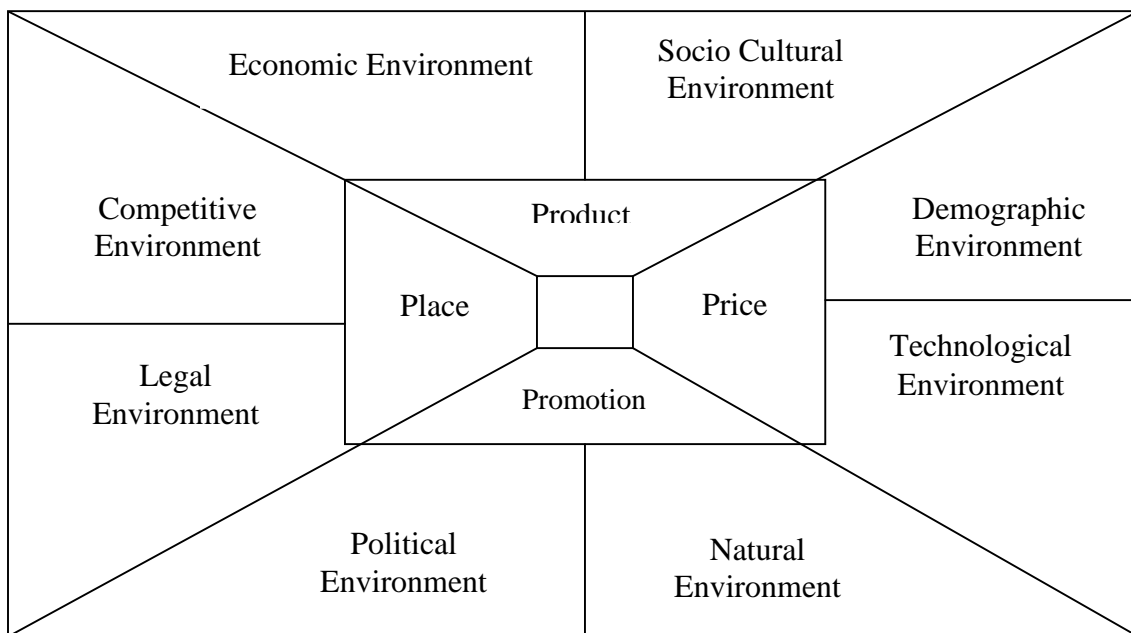
fails to do so, then we must know that there is something wrong with the marketing organization. And in this situation no marketer can work successfully. So, the marketing manager must be able to analyze the marketing system in systematic manner."

#### **2.1.4. Marketing Environment**

"Environment is an outside organization but potentially relevant to the firm's market and marketing activities. It consists of the factors that affect the firm's ability to develop and maintain both the successful transactions and the relationships with its target customers." The marketing environment consists of external forces that directly or indirectly influence an organization's acquisition of inputs and generation of outputs. Examples of inputs include skilled personnel, financial resources, raw materials and information. The output should be information, packages, goods, services, or ideas. "The marketing environment as consisting of six categories of forces: political, legal, regulatory, societal, economic and competitive, and technological." In this sense, marketing environment lies upon limits or constraints on the firm's marketing activities, such as, marketing information system, marketing planning system, implementation system, control system, production activities, pricing promotion, placing etc. The effect of marketing environment cannot be goal achievements. That's why; investing a huge amount of time, money, energy etc has become a new life style of almost all marketing enterprises. The key to marketing success lies more than ever, on knowing: what a firm is; what it is in the competitive environment; and who its competitors are"

"The company's decision is directly affected by the marketing mix and the marketing mix decision is affected by the marketing environment. Therefore, while deciding marketing mix, a comprehensive study and analysis on marketing environment must be made to make the decision more effective and suitable marketing environment includes forces such as, economic, socio cultural, demographic, competitive, technological, political, and legal natural etc."

**Figure 2.1**



The importance of marketing environment to the management has been increasing these days than ever before, because there are several opportunities and threats or challenges within the marketing environment, which should be, forecasted and rightly analyzed by the marketing manager

to enjoy the opportunities. A successful marketer is one who can appropriately analyze these forces. A successful marketer can acquire several opportunities through these forces and successfully run his business.

### **2.1.5. The Marketing Mix**

Organization must create and manage an effective marketing mix that satisfies customer needs in a target market. Marketing mix is a blend of product, price, place and promotion tools. It is offered for customer need satisfaction.

#### **According to Philip Kotler**

Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market.

The component of marketing mix is known as 4Ps (Figure 2.2):

- ) Product: Offer to the target market.
- ) Price: Function of setting what customers pay.
- ) Place (Distribution): Getting the product to target market
- ) Promotion: Communicating with target market

**Figure 2.2**

<b>Marketing Mix</b>	
<b>Product</b>	<b>Price</b>
<b>Place</b>	<b>Promotion</b>

Figure 2.2: The Elements of Marketing Mix

The four component of marketing mix are interrelated. Decisions in one element usually affect others.

The design, implementation, and control of the marketing mix constitute important aspects of marketing. Organizations should offer different marketing mixes for different segments of the target market. Ultimately, marketing management is the management of the marketing mix.

The marketing mix should satisfy customer needs. It should be cost effective. It should change with changes in the environment and customer preferences.

### **2.1.6. Component of Marketing Mix**

Product, Price, Place, Promotion (4Ps) constitute the components of the marketing mix. Each component has its own mix. (Figure 2.3)



- ) Product Mix
- ) Price Mix
- ) Place Mix
- ) Promotion Mix

**Figure 2.3**

<b>Marketing Mix</b>	
<p><b><u>Product Mix</u></b></p> <ul style="list-style-type: none"> <li>) Product Variety</li> <li>) Quality</li> <li>) Design</li> <li>) Features</li> <li>) Branding</li> <li>) Packaging</li> <li>) Services</li> <li>) Warranties</li> </ul>	<p><b><u>Price Mix</u></b></p> <ul style="list-style-type: none"> <li>) List Price</li> <li>) Discounts</li> <li>) Allowances</li> <li>) Terms of sale</li> </ul>
<p><b><u>Place Mix</u></b></p> <p>Channels</p> <ul style="list-style-type: none"> <li>) Wholesaler</li> <li>) Retailer</li> </ul> <p>Physical Distribution</p> <ul style="list-style-type: none"> <li>) Order Processing</li> <li>) Warehousing</li> <li>) Material Handling</li> <li>) Inventory Management</li> <li>) Transportation</li> </ul>	<p><b><u>Promotion Mix</u></b></p> <ul style="list-style-type: none"> <li>) Advertising</li> <li>) Sales Promotion</li> <li>) Publicity Public Relations</li> <li>) Personal Selling</li> <li>) Direct Marketing</li> </ul>

Figure 2.3: Component of Marketing Mix

## **A) Product:**

Product is one of the most important parts of the marketing mix. Without product we cannot sell or buy the things. The product area is concerned with developing the right product for the target market. This product may involve a physical and or some combination of services. The crux of the matter in the product area is to develop something, which satisfy the customers' needs.

Most of the text will be concerned with tangible products, but the principles in most cases also apply to services. It is important to keep this in mind, since the service side of our economy is growing. It is also important to see the product concept as including service, because it is too easy to become overly occupied with producing and selling tangible products. Too Many production oriented people fall into these trap and neglect important opportunities for satisfying needs in other ways.

A product is anything that can be offered to a market to satisfy a want of need. Products that are marketed include physical good, services, persons, place, organization and ideas.

The product offered by an organization is what the business (or no business) entity is all about. While we tend to think of products as objectives we can see and touch the term product may be used in referring to intangible services and ideas as well. So product is a market's offering as perceived by the market. Product mix includes decisions on product line and mix, product quality, variety, design feature, branding, packaging, labeling, etc. It also includes important activities such as product planning and development.

## **B) Place:**

A product is not much good to a customer if it is not available when and where he/she wants it. We must consider where, when and by whom the goods and services are to be offered for sale.

Goods and services do not flow from producers to consumers automatically. They move through channels of distribution where a great deal of marketing work is done. Channel members may or may not handle goods. Some may own them and transfer title, while others do neither. Some may provide return and repair services, while also storing and transporting them. And others may be primarily concerned with transmitting money and information. In other words, a number of things flow through a channel, besides goods, in both ways.

Place or distribution mix includes design of the distribution channels, distribution networks, dealer, promotion, and motivation systems, and physical distribution of the product. Any sequence of marketing institutions, from producer to final user or consumer, including any number of middlemen is called a channel of distribution. Marketing managers must work in and through such channels and so our study of place will be very important to marketing strategy planning.

Even though marketing intermediaries are primarily a non controllable environmental factor, a marketing executive has considerable attitude when working with them. Management's responsibility is:

- ) To select and manage the trade channels through which the products will reach the right market at the right time and
- ) To develop a distribution system for physical handling products and then transporting them through the appropriate channels.

### **C) Promotion:**

Promotion, one of the four major variables with the marketing manager works, is communicating information between seller and buyer with a view to changing attitudes and behavior. The marketing manager's job is to tell target customers that the right product is available at the place at the right price.

Promotion is the ingredient used to inform and persuade the market regarding a company's product. Advertising personal selling and sales promotion are the major promotional activities.

The major promotional methods include personal selling, mass and sales promotion. Personal selling involves direct face to face relationships between sellers and potential customers. Mass selling is designed to communicate with large number of customers at the same time. Advertising is the main form of mass selling, but it also involves publicity. Sales promotion refers to specific activities that complement personal and mass selling such as point of purchase displays booklets, leaflets, and direct mailings.

Companies face the task of distributing the total promotion budget over the five promotional tools advertising, sales promotion, public relations and publicity, sales force, and direct marketing. Within the same industry, companies can differ considerably in how they allocate their promotional budget. It is possible to achieve a given sales level with varying promotional mixes.

It is the variable that communicates to the consumer about other variable of marketing mix for their need satisfaction. It consists of advertising, publicity, personal selling and sales promotion.

#### **D) Price:**

Price is also one of the major parts of the marketing mix. While the marketing manager is developing the right product and promotion, he also must decide on the right price. In setting the price, he must consider the nature of competition in his target market as well as the existing practices on markups, discounts, and terms of sale. He also must consider legal restrictions affecting prices.

"Price mix includes such as analysis of competitors prices, formulation of pricing objectives, setting the price, determining terms and conditions of sales, discounts and commission etc." In pricing, management must determine the right base price for its products. In must decide on strategies concerning discounts, freight payments, and many other price related variables.

In economic theory, we learn that price, value, and utility are related concepts. Utility is the attribute of an item that makes it capable of satisfying human wants. Value is the quantitative measures of the worth of a product to attract other products in exchange. Price is value expressed in terms of dollars and cents, or any other monetary medium of exchange. In pricing we must consider more than the physical product and several services and wants satisfying benefits. Price is the value place on goods and services. Price is tile amount of money and/or product that are needed to acquire some combination of another product and its accompanying services.

It is the variable that creates sales revenue. Customers pay price to buy products for their need satisfaction. It may be fixed on the basis of cost, demand or competition. It may involve discounts, allowances, credit facilities etc. Price has become the second most important variable of marketing mix because of inflationary pressures in recent years.

### **2.1.7. Marketing Strategy**

Marketing strategy is both unique and common. That might sound like a contradiction of terms but it is not. The term "Strategy" is widely used to describe a seemingly endless number of marketing activities. Today, everything in marketing seems to be "Strategic". There is strategic pricing, strategic marketing entry, strategic advertising, and may be even strategic strategy. The glut of competition has focused more attention on performing the traditional marketing actions strategically with an eye towards beating

the traditional marketing actions strategically with an eye towards beating the competition. In that sense, marketing strategy is commonplace. In recent years it seems to have been appended to nearly every marketing action.

Marketing strategy is also unique. There is not one unified definition upon which marketers agree. Marketing strategy is a commonly used term, but no one is really sure what it means. "A strategic sector is one in which you can obtain a competitive advantage, exploit strategic sectors are the key to strategy because each sector's frame of reference is competition. The largest competitor in an industry can be unprofitable if the individual strategic sectors are dominated by smaller competitors. "Boyd and Larreche (1978) had found in the history of marketing strategy that tremendous confusion over just what strategy is. The term "strategy" as used in marketing, has been applied to at least three types of issues, each at a different level of aggregation."

At the macro level, there are marketing strategies, which focus on manipulations of the marketing mix variables; product, price, place, and promotion. According to that definition setting a strategy for a product consists of selection a price for a product, designing an advertising campaign, and then deciding on a plan of distribution. Finally there are product market entry strategies, which include strategies that look at specific marketing decisions strategies that call for a firm to built markets share harvest profit and share of defined share from competitors. Another widely used definition of strategy in marketing emphasized the broader perspective of strategy in management. That definition views strategic market planning as a four steps.

- ❖ Defining the business
- ❖ Setting a mission
- ❖ Selecting functional plans for marketing, production, and other areas and
- ❖ Budgeting for those plans, (A bell and Hamond 1979) in that sense, marketing strategy is more akin to corporate strategy."

Strategic marketing is a major component of the strategic planning. Its main objective is to establish the product/market scope of a business. Strategic and marketing is the method that concentrates on the market to serve, the competition to be tackled and the timing of market entry/exit and related moves. Formally, strategic marketing deals with the following question:

- ❖ Where to complete?
- ❖ How to complete?
- ❖ When to complete?

Strategic marketing helps to define the market in entering and competing. That may be either an entire market or one or more segments of the entire market. Strategic marketing provides inputs or techniques for solving customer need. That technique may be either an introduction of a new product of existing product with improvements. Similarly, strategic marketing tries to identify an appropriate time for entering to the market defined. The appropriate time to enter the market may be the first in the market or wait until primary demand is established.



## **A) Product Strategy**

In a very narrow sense, a product is a set of tangible physical attributes assembled in an identifiable form. Each product carries a commonly understood descriptive name, such as apples, steel of baseball bats. "A product is a set of tangible and intangible attributes, including packaging, color, price, manufacturer's and retailer's service." "Product is anything that can be offered to market for attention, acquisition, use or consumption, and that might satisfy a want or need. Products include physical objects, service, persons, place, organizations, ideas or mixes of these entities." A product is anything that is potentially valued by a target market for the benefits of satisfaction it provides (Graven, Hills and Woodruff). The general principle is that a firm must have a right product that can satisfy the needs and wants of the consumers. But a product cannot satisfy their needs and wants over the time period, because of several reasons:

First, like living creatures a product also has a life during which a firm has to reformulate or modify or differentiate or standardize it to maintain its position in the market.

Second consumer demand goes on changing over the time period. As such, the same consumer may demand different products over the time period.

Finally the requirement of all consumers is not a like, different consumers may demand for different product attributes (such as quality, product service, branding, good packing, attractive color and design prestige, problem, solution etc) at the same time.

It clearly indicate that the product decision is not only an important decision in the marketing but also most challenging task for the marketers, to succeed in the competitive markets the marketer must be able to study each and every aspects of the product including product life cycle, new product development, product mix and product line, product positioning, branding packaging etc.

Product is what marketers offer to consumers. They include goods, service, ideas, and any other things that can be exchanged by a supplier and a buyer or consumer. The term product concept refers to the marketing strategist's selection and blending of a product's primary characteristics and auxiliary dimensions into a basic idea or concept emphasizing a particular set of consumer benefits.

Product strategy is the core of strategic planning for the enterprise and it plays pivotal role in shaping marketing strategy. Management's strategic decisions about the product to be offered are among the most important of those affecting the future of a company. No other strategic decision has such widespread impact, cutting across every functional area and affecting all level of an organization. This key strategic role should not come as surprise since meeting people's needs and wants with goods and services is what business is all about.

A product strategy consists of:

- ❖ Deciding how to position a business unit's product offering (specific product, line or mix) to serve its target market.
- ❖ Setting strategic objectives for the product offering.

- ❖ Selecting a branding strategy.
- ❖ Developing and implementing a management strategy for new and existing products.

## **B) Pricing Strategy**

Pricing is one of the four major elements that the marketing manager must consider while preparing the marketing program. Price is regarded as a backbone on which the success of the marketing program largely depends. No rational product policy, no marketing strategy can able to formulate without consideration of price, no price is set in isolation of the total strategy. Since price decisions affect not only the firm's sales and profit but also determines its future prospects, they must be taken in to account seriously.

In general, price is value or amount of money sacrificed to obtain a particular product or service. Price may also be defined as the exchange of something of value between parties involved in a transaction. In economic sense, price is value expressed in terms of rupees or dollars; or any other monetary medium of exchange.

Pricing on the other means the determination of proper value to a particular product or service. In broader sense, price settings involve the determination of some object that can be used to establish the value of the exchange to all parties involved in the transaction. Determining the valued to base price is a

strategic decision. Pricing as a strategic variable in marketing it should be based on systematic decisions to assign a value to communication the seller's estimated worth of the offering.

Price strategy has many characteristics in common with a bomb. The consequences of pricing decision can be explosive and far reaching and it may be difficult to alter a strategy once it has been implemented, particularly if the change calls for significant price increases. Price has many possible uses as a strategic instrument in corporate and marketing strategy.

We define a price strategy as: "Deciding how to position price within the range of feasible; establishing whether price shall be used as an active or passive element in the marketing program, setting the specific objectives to be accomplished by price; and establishing policies and structure for guiding pricing decisions."

### **C) Distribution Strategy**

Distribution is one of the majors marketing functions. Without it's effective and efficient management the whole marketing system may be failed. So that, clever marketing manager should have given due attention towards its better functioning. Simply speaking, distribution is the delivery of the products to the right time, place and consumer. It is not a single element, but it is a mixed of various to consolidate functions. Such as channel of distribution, transportation warehousing and inventory control etc.

Most producer work with marketing intermediaries to bring their product to market, they try to forget a distribution channel. A producer should decide how many middlemen he should seek at each level of distribution. He will determine the numbers of retailers, wholesalers, agents and so on.

Distribution may be defined as an operation or a series of operation which physically bring the goods manufactured or produced by any particular manufactures in to the hands of the final consumer or users. Distribution channels are major factors in the effective development of the market share, internationally to maintain quality and ensure services; direct distribution is also undertaken by many manufactures. Also, the use of multiple channels will expand and include Tele-marketing, direct response marketing, mail-order and computer assisted buying.

Distribution is concerned with the activities involved in transferring goods from producers to final buyers and users. It includes not only physical activities, such as transporting and storing goods, but also the legal promotional, and financial activities performed in the course of transferring ownership. Since a succession of enterprises is generally involved in the distribution process leading to the final sale to the consumer or user, to understand distribution one must analyze both the different kind of marketing institutions and the marketing channels in which they operate.

The means of distribution have a very significant effect upon the prices of goods and a single means is not enough due to the geographical diversity, where there is single system this has led to the rise in the price of commodities on the one hand and the non availability of them in time, on the

other hand. These problems have pointed to the necessity of a new management in the means of distribution which specially considers the factors like the nature of the commodity, the behavior of the customers, effectiveness of time, education and social values.

The distribution channel moves goods from producers to consumers. It's overcomes time, place and possession gaps that separate goods and services from those who would use them. The different distribution channels are useful for receiving information, finding and communicating with perspective buyers, attempting to agree on price and the other terms that the transfer of ownership possession can happen.

In today is mass production economy; most producers do not sell their goods directly to the final users. Distribution channels are among the most complete and challenging function of decision making facing a firm in modern business organization. The channel and physical distribution programmer are developed to deliver right products at the right place at the right time at the lower cost.

Effective control of distribution costs can give an organization an advantage, if the organization cannot control distribution costs profit will be impaired in the short run and survival may be threatened in the long run.

Most producers do not sell their product directly to the consumers. That is why; they use a variety of intermediaries. Channels are the medium for taking the goods and services to ultimate buyers. These organization and

agencies are grouped together in various combinations linking particular producing units through the channels of distribution.

In today's economy most of the producer of goods and services do not sell their goods directly to the final users. Between them and the final users stands a host of marketing intermediaries performing in a variety of functions and bearing a variety of names. Some middlemen such as wholesalers and retailer buy, take title to, and re-sell the merchandise. They are called merchant middlemen other such as brokers, manufacturers and may negotiate on behalf of the producer but do not take title to the goods. They are agent middlemen.

After the product has been produced, producers must distribute or supply these products to the target markets. In most of the cases, producers use several middlemen or channels of distribution to supply goods and services to the consumption point.

A channel of distribution shall be considered to comprise a set of institutions, which perform all of the activities utilized to move a product and its title from production to consumption (Bucklin). Channels of distribution is an organized network of agencies and institutions which in combination, perform all the activities required to link producers with users and users with producers to accomplish the marketing task (Craven, Hills & woodruff).

These intermediaries or channels distribution tend to be used for several reasons:

- ) The number of sellers and buyers and the distance of product movement are relatively large.
- ) The frequency of purchase is high.
- ) Markets are decentralized.

There are three levels of marketing channels:

- ) Direct channels
- ) Indirect channel
- ) Mixed channel

Under direct channel, producer himself distributes goods and services to the end users. No intermediaries are used in this case. Under indirect channel, several intermediaries such as wholesalers, retailers, dealers, agents etc are used to supply good and services from production point to the consumption point. Under mixed channel, producer uses both direct as well as indirect channels at the same time for the purpose.

Here intermediaries or middlemen can be divided in to two categories:

- ) Merchant middlemen and
- ) Agents

Merchant middlemen purchase outright and actually take title to the goods. Merchant middlemen include wholesalers, retailer's etc. Agent acts in an agency capacity on behalf of clients and does not take title to the goods,



which they deal. They usually charge certain commission in terms of percentage or lump sum.

### **D) Physical Distribution**

Physical distribution is concerned to the management of physical flow of goods from the points of suppliers to the points of purchasers. Cravens, Hills and woodruff define physical distribution management as the process of strategically managing the movement and storage of materials, parts and finished inventory from suppliers, between enterprise facilities and to customers. Stanton defines physical distribution as the activities concerned with the movement of the right amount of the right products to the right place of the right time.

The main objectives of physical distribution are getting the right product safely to the right places at the right time at the least possible cost. More specifically, the objectives of physical distribution are:

- ) To provide customer service
- ) To distribute goods more safely
- ) To minimize the total cost
- ) To supply goods to the right target market function of physical distribution.

A physical distribution system consists of a set of interrelated functions with specific boundaries. The interrelated functions include the following element:

- ) Transportation
- ) Warehousing
- ) Inventory Management and control
- ) Order processing
- ) Material Handling

Transportation is the element of the physical distribution system that links geographically separated markets and facilities. There are five models of transportation.

- ) Rail Transport
- ) Highway transport
- ) Water transport
- ) Pipe-line transport
- ) Air transport

Warehousing decision determines the number, size and location of storage facilities needed to service customer demand. Developing effective warehousing strategy includes the decisions regarding the following elements:

- ) Location of warehouse
- ) Determine the type of warehouse i.e. private or public warehouse.

) Evaluate developments in warehousing.

Inventory decisions are concerned with balancing the costs of carrying inventory, ordering products from suppliers and controlling other inventory costs to achieve a desired level of consumer satisfaction. Inventory accumulation is expensive, yet availability is essential to having satisfaction customers.

Order processing constitutes the communication linkage that stimulates a physical distribution system into action. In other words, order processing regard to all those activities involved in collecting, checking and transmitting sales-order information. It is the handling of all paper work associated with the sale of goods and services offered by an organization.

Material handling, also called the physical handling of goods and activity that is important in inventory, warehousing, and transportation. The characteristics of a product determine to a large extent how it will be handled.

### **E) Promotion Strategy**

Promotional strategy is also one of the most important marketing strategies. There is various type of promotion. These include advertising personal selling, sales promotion and various miscellaneous efforts. When

management has a message to pass to target consumers, promotion is the proper vehicle.

Like other marketing tools, both business and non business organization use promotion. The state of Louisiana has been promoting family planning since 1965. Promotion can be used to improve the image of police work as a career.

A company needs to make marketing decisions only in the areas of segmentation, product offering, pricing, and distribution but also in the area of promotion. Promotion is "any marketing effort whose function is to inform or persuade actual or potential consumers about the merits of a given product or service for the purpose of inducing a consumer either to continue or to start purchasing the firm's product or service at some given price.

Promotion is persuasive communication. It is a highly visible element in the marketing mix. It tells the target customers about product, price, and place. It is also known as marketing communication. "Promotion is applied communication used by marketers to exchange persuasive messages and information between buyers and sellers."

Promotion represents the various communications to inform and persuade people that a firm directs towards its market targets, channel organization consists of advertising, personal selling, and sales promotion activities. Increasingly, marketing management is finding it profitable to combine advertising, personal selling, packaging, and point of purchase, direct mail, product sampling, publicity, and public relations decisions into an integrated

promotion strategy for communicating with buyers and other involved in marketing purchasing decision. Since each type of promotion has certain strengths and short comings, the strategy adopted should capitalize upon the advantage of every component in shaping a cost effective communications mix.

There are various promotion methods.

### **A. Advertising:**

Unlike personal selling and some sales promotion and public relation techniques, advertising is an impersonal means of communication. Advertising is an impersonal promotion to groups that is paid for by an identified sponsor. It focuses upon group of persons, rather than upon individuals. Advertising can be described as any paid of non personal communication by a sponsor. Advertising any persuasive message carried by a mass medium and paid for by a sponsor who signs the message.

### **B. Personal Selling:**

Personal selling can be a very intense means of promotion. Personal selling consists of person communication between sales persons and their prospects. Unlike advertising, it involves personal interaction between the source and the destination. Personal selling refers to oral presentation to one or more customers in a face to face situation for stimulating demand for products and services or enhancing company image. Personal selling is a person to person dialogue between buyer and seller where the purpose of the interaction,

whether face to face or over the phone is to buyer to accept a point of view or to convince the buyer to take a specific course of action.

### **C. Publicity:**

Publicity is a means of promoting to the mass market. Publicity is similar to advertising, except that it is free, is found in the editorial portion of news media, and pertains to newsworthy events. The most common types of publicity are news releases (also called press releases), photographs, and features stories. Publicity is similar to advertising except that it involves an unpaid and unsigned message even though it may use the same mass media as advertising does.

### **D. Public Relation:**

Marketers engage in public relations in order to develop a favorable image of their organizations and products in the eyes of the public, they direct this activity to parties other than target consumers. These 'others' include the public at large labor union, the press, and environment groups. Public relations activities include sponsoring floats in parades, lobbying and using promotion message to persuade members of the public to take a desired position.

## **2.2. Review of Related Studies**

### **2.2.1. Review of previous research articles:**

In ancient days, goods and services were transported to the place of consumption by carrying at the back of people. Huge number of goods was transported by these methods. After years, the goods were then transported by carrying at the back of the donkey, horse, ox and elephant. In the early modern age, the traders and merchants used donkey to carry goods and transported to the place of consumption. In ancient days Nepalese, Indian and Tibetan merchant used donkey, sheep, horse, elephant, and even people to carry goods from one place to another place to consume.

In the 21<sup>st</sup> century there are numbers of transportation facilities available. Today, transportation has become major issue for the customer satisfaction. The customer does not wait at one place to get goods and services. They are always attracted by other sellers who provide well transportation and services. So to meet the demand of the customer, the product is immediately transported to the market for the availability of the customers.

The 21<sup>st</sup> century business person, use many means of transportation, huge amount of product is transported by truck, lorry, cargo van, cargo aero plane, helicopters and rails. Similarly, the liquid products like oil, petrol, diesel, gas are transported by tanker.

**On the basis of New Business Age magazine, November 2001, "SIPRADI redefining service setting up a large service centre and countrywide service network of its own, this vehicle dealer tries to differentiate its products also through services."---**Sunil Thapa, Vice President (Technical) of the company.

Alongside focusing in increased sales, it is now time for the automobile dealers to invest in after sales services. That is the message one receives when looking at what SIPRADI Trading (P) Ltd., a Sole trading Group company started recently. Set up with an investment of nearly Rs. 100 million, the company's service centre at Naikap on the outskirts of the capital went into operation in June. Though the immediate business of the centre is after-sales service on the vehicles that SIPRADI deals in, the company's officials say that the centre is for more than that and is a profit centre in itself. "In fact after sales service is a product by itself", says Suneil Thapa, Vice President (Technical) of the company.

The dealer of TATA range of vehicles from India, SIPRADI holds almost 95% of share of the market in the bus and truck vehicles and is one of the most prominent players in the personal vehicle market with TATA's Indica brand of passenger car. In between are the pick-ups, MUV's, SUV's and other.

But the possibility to expand the unit sales is not so bright, says Thapa, citing at the growing congestion on the city-roads and highways. The solution to expand business in that situation is to harness the existing market, and for that the only way is to go for servicing the existing customers, he adds.

Right now, however, the problem of immediate decline in unit sales may not be there. Finding no alternate field attractive enough to invest into, people are going for vehicles - both commercial and personal. And with the range of products that it offers, SIPRADI naturally becomes a place for the prospective investors to call on. And SIPRADI, according to Thapa, is getting more consumer-focused and building relationship that is long-term one. "Buying our product means investing in us. We want the customer to be a customer for life".

With more than one hundred employees including 10 managers working, the SIPRADI workshop looks like a factory and that is exactly what Thapa



claims it to be. "Our work practices and systems can be compared with the best in industry", he claims. Built over an expanse of twenty *ropanies* of land, the outfit can boast of a service backbone similar to a 5-star category hotel. The vehicle checks into a computer network at the gate and thereafter all the details are recorded. The registration, billing and spare part and entire operations are automated using internally developed software. Complete engine rebuilding workshop, state of the art accident repair and paint workshop and every conceivable service equipment take care of all aspects of the automobile except the engine manufacturing itself. In all, the centre is more a factory than a service centre going by the existing standards in this sector in Nepal. The company even claims the centre to be the first of its kind in South East Asia. Having linked all its service centers in the country together through a computerized network, it can arrange for any spare-part needed within a day or two as long as it is available in any of the centers.

Other vehicle dealers have their service centers mainly in Kathmandu, and very rarely elsewhere. In this situation, the expansion of service centers outside the valley has made SIPRADI ahead of other vehicle dealers. "We are already the best in this sector" adds Thapa "but the objective is to work towards total customer satisfaction in this field".

The company is running eight service centers across the country including in Pokhara, Birtamod, Birganj, Butwal, Itahari, Attaria and Nepalganj. But looking at the market requirement and the customer profile the outlets are still not enough. On many occasions, the customers have to depend on roadside garages, and it is particularly so for TATA trucks and buses.

"As the cost of repairs of trucks and buses directly impacts the earning, the owners of these vehicles are highly price sensitive towards cost of repairs and spares", explains Thapa "and this is where we face the toughest challenge, as our spares are more expensive due to genuineness, custom duties and overheads." Such competition of an organized sector company with the unorganized sector units has more than one aspect to it : The roadside garages have a very high flexibility apart from price - the working time, high credit, loose systems etc., whereas the organized sector company has no such flexibility.

Reading that SIPRADI has also started providing training to the mechanics and owners of roadside garages and the owners as well as drivers of the vehicles. "We want our products serviced properly no matter that provide

such services. We give back to our customers more than the differential cost through genuine spares, better quality of work, customer dealing and through workmanship and spares warranty," claims Thapa and informs that it is being understood and appreciated by the customers. "This can be seen by growing number of vehicles visiting our workshop for purposes ranging from simple servicing to engine overhauling." He further adds "In the end, it is the performance that a customer would measure against what he spends and that's where we would like to make an impact". SIPRADI's scheme - Navjeevan - which rebuilds the engine as good as new at a very competitive price and comes with warranty similar to a new engine, is claimed to be a big success.

Going through the workshop, one also notices workforce with proper attire busy with repair work. "In the end, it's the people who reflect company's performance" adds Thapa. "SIPRADI's remuneration are said to be parallel to that in Surya Tobacco Company, one of the best in the corporate sector. "We at SIPRADI also have performance based growth. Incentive which is linked to productivity and quality plays a major role in ensuring employee motivation and customer satisfaction", Thapa further adds. To keep in tune with advancement in technology, the company has its own training cell which also ensures proper employee update and regular training at Telco, the owner of TATA brand, to further add value to the quality of diagnosis and repairs.

Thapa's bottom-line: "We have definitely set a trend in this sector".

**2.2.2. Bhattarai, Mukesh, (2007),"Consumers' behaviors towards buying cars in kathmandu valley", an unpublished Master's Degree Thesis, Nepal commerce campus, Min Bhavan T.U.**

Mukesh Bhattarai conducted a researched entitled, "Consumers' behavior towards buying cars in kathmandu valley." The main objective of the study is to analyze the consumer behavior towards buying the cars.

The modern marketing theory is based on satisfying the consumers. To reach this assumption, the marketers should concentrate about the consumer behavior in decision making. The success and failure of business is depended upon the consumers' reaction on the firm's marketing mix. It is therefore marketers need to analyze the behavior of consumer to make the best decision.

According to researcher's conclusion, consumers in kathmandu valley showed mixed behavior due to their economic states, education, professional life, brand awareness. The kathmandu valley is growing rapidly, and car marketing is also growing in same pace. Consequently, car selling has become complex, competitive and challenging. To survive in such a changing and tense competitive business environment, the marketers have no option rather than understanding buyer's behavior and implementing strategy as per requirement.

Researcher has tried to find out the major market segmentations, factors influencing car buying decisions, buying process and brand awareness of customers' of kathmandu valley.

An interesting fact to note that, among the total vehicles registered throughout the country, more than 50% vehicles are in kathmandu valley alone. This has made the study relevant nationwide.

Researcher also cleared that there are different customer groups of car buyers, they have different decision process, and they are influenced by different factors and features during car buying. Customers are now more informative and analytical in kathmandu valley. They are brand aware and more or less satisfied.

Researcher recommended that it could be helpful for developing specific marketing campaign targeting specific market segment, identify popular features and factors that customers of kathmandu valley for specific brand of vehicles.

**2.2.3 Malla, Suresh, (2007), "A study on market potential of Chevrolet AVEO in Kathmandu", an unpublished Master's Degree Thesis, Nepal commerce campus, Min Bhavan T.U.**

Mr. Suresh Malla conducted a research study entitled, "A study on market potentials of Chevrolet AVEO in kathmandu", with the objectives of:

- ) To find out and analyze the market potential of cars in kathmandu valley with a special focus on mid-sized, affordable cars, commonly known as C-segment.
- ) C-segment means cars with price range from 17 lakhs to 24 lakhs.
- ) To find out customers' attitude towards Chevrolet AVEO.
- ) To analyze market potentiality of Chevrolet AVEO.

To suggest and recommend for the improvement to all concerned parties on the basis of findings and customers' base on this study.

MALLA'S MAJOR FINDING WAS:

- ) In kathmandu valley, total registration of car, van, jeep, is in increasing trend every year. But sales for the last few years are affected adversely by political instability and Maoist insurgency.
- ) Sales of car, van, jeep, in Bagmati zone are comparatively higher than others.
- ) By analyzing last two months sales of AVEO, researcher found that AVEO has been able to grab large part of market share which shows the market potential of vehicles is very positive.

- ) By doing survey on most preferred car by customers in kathmandu valley in terms of its features, researcher found AVEO got highest rating which proves it to most like cars in C-segment.
- ) By analyzing rating of various attributes of cars by respondents, researcher found that business men are the most potential customers in kathmandu valley for Chevrolet AVEO.
- ) By going through price of all competing C-segment cars, researcher found that Chevrolet AVEO is priced average on C-segment category with highest being TOYOTA Yaris.
- ) By SWOT analysis of Chevrolet AVEO, researcher found that brand awareness and trust of the customers towards general motor's products are biggest strength of the vehicles whereas high price can be considered against weakness. Opportunity of AVEO is, there are many customers favoring product of general motor, where as intense competition from other imported cars can be taken as big threat.

**2.2.4. Shrestha, Arpita,(2010),"A study of customer satisfaction on after sales and service of bajaj motor bikes", an unpublished Master's Degree Thesis, Nepal commerce campus, Min Bhavan T.U.**

Customer satisfaction is related to the human activity directed at satisfying human wants through the exchange of goods and service. Satisfying the customers occupies a most important position in business management. Customer satisfaction plays a crucial and critical role as it deals with customers and their needs. The major task of organization is to satisfy customers by meeting their needs and wants. The essence of organization is the customer and not the product shall be the heart of the entire business system. It emphasizes on customer oriented business. . “Satisfaction of a customer is so basic that it cannot be considered as a separate function. It is

the way whole business seen from the point of view of its final results i.e., from the customer's point of view".

#### OBJECTIVES OF THE STUDY:

- To know the after sales service perception of customers
- To ascertain the satisfaction level & its influencers
- To measure the impact of the above analysis on future sales
- To study the whether they satisfied with their service.

The consumer's who wants to be mobile today considers personal transportation as one of his basic needs. In Nepal, the two-wheeler is used in variety of purposes, particularly in urban areas communicating to work, visiting people, carrying loads, outdoors jobs like selling and the like. In rural areas, it enables people to travel more frequently to nearby towns for their daily needs. In other words, it has also become a valuable support for increasing productivity and profits, besides helping personal transportation.

To suggest and recommend for the improvement to all concerned parties on the basis of findings and customers' base on this study.

#### MAJOR FINDINGS OF THE STUDY:

##### STRENGTHHS:

- ) Banks and financial institutions are giving more attention to provide auto loan.
- ) Ever time more demand.
- ) Minimum Response Time due to good Team Work.

) Focus on Customer Delight besides Customer Satisfaction.

) Latest Hi-tech Core Concepts of Production & Quality.

#### WEAKNESS:

) More than 50% of the targeted customers are youths.

) Cost for maintaining standard is more.

Customer satisfaction after sales & service phase starts after the customer has brought the product and started using it. Customer satisfaction will be matching customer expectation if the required support or advice is provided by the firm, efficient and effective follow up process, efficient repair and maintenance service and smooth and straight forward complaint follows. Customer satisfaction with a product or service is influenced significantly by the customer evaluation of product and service features. The important features and attributes and perception of those features all determine the overall satisfaction. Consumer emotion can also affect their perceptions of satisfactions with products and services. These emotions can be stable pre-existing emotions like mood state or life satisfaction. These include positive emotions such as happiness, pleasures and negative emotions such as sadness, sorrow, regret, anger and depression. Customer Satisfaction is also influenced by perceptions of equity and fairness. Customers ask themselves whether they had been treated fairly compared with other customers, whether they got a better treatment, better prices or better quality service. Most of the companies believe in TCS-“Total Customer Satisfaction”. If the exiting customers are satisfied, then they advertise the product and thereby it reduces the cost on promotional activities. Their peer groups including friends and relatives will also be influenced by the product and thereby enabling the company to earn high market share. So if it happens, that means the esteem organization is successful to retain customer satisfaction otherwise not.

### **2.2.5. Shrestha, Mahesh,(2010),"A comparative study on marketing practices of HYUNDAI AND KIA cars in Nepal."**

Mr. Mahesh Shrestha conducted a research study entitled, "A comparative study on marketing practices of Hyundai and KIA cars in Nepal." The major objectives of this study are as follows:

- ) To examine the market situation of KIA and Hyundai cars in Nepal and to assess effectiveness of marketing strategy (specially pricing in comparison with the competitors).
- ) To evaluate the trend of vehicle sales in Nepal.
- ) To see level of consumer satisfaction towards purchase of Hyundai and KIA cars.
- ) To analyze market potentiality of KIA and Hyundai cars in Nepal.

To suggest and recommend for the improvement to all concerned parties on the basis of findings and customers' base on this study.

#### **MAJOR FINDINGS:**

AVCO International and Continental International Trading Pvt. Ltd. are getting aggressive to push the Hyundai and KIA cars in the market. It is adopting every possible and available promotion tools to sell its product in the market. Those schemes are also working to help the product sell. The two companies believe that technologically advanced product and the strong brand appeal are pulling the feet of the customers towards showroom. To capture the greater market share the companies are expanding its sub-dealers and personal sell agent. Not only that they also importing the most wanted vehicles such as Hyundai Santro, i10, i20, KIA Sportage, Picanto. These cars and micro buses are demanded more than stock.

To capture more its market, both companies are regularly doing social work such as blood donation, sport event and exchanging facility, mobile service



etc. They always trying to launch new model and new technology such as i10 and i20 are the new model of Hyundai brand and sportage is the new brand of KIA.

In the context of Nepalese market, Hyundai and KIA are the successful brand even they have tough competition. These brands are successful due to its world class standard, efficient and prompt after sales service provided by importers. Hyundai and KIA are in the 5<sup>th</sup> position in the worldwide sales 2007 AD. On 2007 AD, 4.23 million vehicles are sold by Hyundai and KIA Company. So they ranked as 5<sup>th</sup> position. These brands have given great contribution in the development of transportation, living standard of Nepalese people and to generate high tax revenue.

### **RESEARCH GAP ANALYSIS:**

All previous related studies are mainly focused about consumers' behaviors towards buying cars, market potential of vehicles, marketing practices of cars Distributors Company and after sales service of vehicle Distributor Company. Those studies are concentrated on after sales services and consumer behavior. But the essence of the business is all about customer satisfaction by putting the customer satisfaction is only the main priority. So the customer satisfaction starts from, when they come in to the showroom or organization to purchase the products and to till the end of using that products. That is why; the organization duty does not end towards consumer by only providing the after sales services. It should come from the day one when customer comes in the frame of mind of buying the products. So this study is mainly based on the service provided by the SIPRADI towards its customers. This study has tried to know how their staff members deals with the customers when they arrive at the showroom, how they well serve the customers, how they provide the information about the products, how they provide any financial suggestion, how their staff member provide the technical support about vehicles, what is the influencing factors that effect the buying decision of customers and so on. This project has tried to study the comparative expectation of the customers before and after buying the vehicles. It has also tried to analyze the reasons of satisfaction and dissatisfaction of the customer and it has also tried to identify the reasons of satisfaction and dissatisfaction with the service provided by SIPRADI.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1. Methodology**

##### **3.1.1. Research Design**

This study is based on the descriptive research design. The problem definition are converted into hypothesis or models, which are in testable form to ascertain whether they can be verified statistically or are feasible for solution procedures. After the formation of hypothesis, the result obtained determines about the research objective as to whether the customer are fully satisfied or dissatisfied with the service provided by SIPRADI.

##### **3.1.2. Data - Collection Method**

This study is mainly based on primary data; therefore primary data collection method is used. The respondents for this study are the consumers of Kathmandu valley. Questionnaire designing and observation method is used for collecting primary data collection. The questionnaires were distributed through personal contact in which the respondents were requested to fill up the questionnaire. The researcher personally visited to take interview of the consumers.

### **3.1.3. Sampling**

A sample is a small collection of units selected from the population i.e. finite subset of individuals in a population. Therefore, finite and smaller number of population is chose for collecting data. The total number of sample size is 130 within Kathmandu Valley

### **3.1.4. Fieldwork**

The Institutional as well as individual level of analysis has been done on Fifteen days period of survey.

### **3.1.5. Limitations of the study**

The research was conducted in Kathmandu Valley. Study of satisfaction and dissatisfaction of the existing customer of the SIPRADI and there complaining behavior was observed. This study has following limitation:

1. The Sample size of 130 numbers was selected within Kathmandu Valley.
2. Judgmental and convenience method of sampling was used so there could be possibility of sampling error.

### **3.1.6. Data Processing and Analysis**

The raw data collected through the questionnaire have been manually processed and presented in the form of tables. Once the data are arranged sequentially, simple statistical tools were used for analysis. The processed data have also been presented graph, bar diagram and pie chart. All the questionnaires were distributed and by the researcher himself. So there was no delay in collection of the questionnaires distributed to the consumers. Every questionnaire was thoroughly checked after the collection.

## **CHAPTER IV**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1. INDUSTRY ANALYSIS**

Automobile put the horses on rest and changed the way of living for mankind, is a wheeled passenger vehicle that carries its own motor. The term 'automobile' is derived from Greek and Latin words. 'Auto' in Greek means 'self' and 'mobiles' in Latin means 'movable.' The phrase refers the fact that it 'moves by itself.' Automobile used to be also addressed as 'motorwagen' or 'horseless carriage'.

Nepal is an ancient culture and the Himalayan as a backdrop, the landlocked kingdom of Nepal has for many years been the destination of choice for foreign company in search of adventure. After Nepal embarked on the path of economic liberalization in early nineties, the Government of Nepal has adopted various policy measures and established institutional support mechanism to attract greater flow of fund in the country.

The commercial vehicles market in Nepal is set to experience significant changes with the hub- and-spoke model of transportation. With the burgeoning road infrastructure development, commercial vehicles sales will be driven by a focus on application specific commercial vehicles such as medium and heavy commercial vehicles (M&HCVS) for long distance

transportation and light commercial vehicles (LCVS), typically the sub-305-ton vehicles, for last mile connectivity.

Nepal is one of the developing country that emerge for improving road infrastructure and hydro power project will also impel the demand for commercial vehicles with a significant rise in goods and passenger transport by road, due to enhanced connectivity. Road transport is key to the global economy. In the developing countries, trucks carry nearly 80 percent of all freight. Commercial vehicles are also enablers of employment and an engine of economic growth in many other sectors worldwide.

Modern trucks, vans and buses already set the standard in terms of safety, efficiency and environment. Moreover the trucks and buses of tomorrow serve our society, with minimum impact on our environment.

- ) Among the two-wheeler segment, motorcycles has the major share in the market. Honda and Hero Honda holds 60 percent market share in the market.
- ) Hyundai overtook Marty Suzuki as the market leader with about 42 percent share in Nepal's automobile market.
- ) In commercial vehicle, TATA Motors dominates the market with more than 75% share. Tata Motors is also the world's fifth largest medium & heavy commercial vehicle manufacturer.

The researcher found that the major competitor of TATA Motors, in case of Commercial Vehicle Unit is Ape, Ashok Leyland, Eicher, Force, Mahindra, Toyota, Swaraj Mazda and Nissan.

**Figure: 4.1**

S.N.	Competitor	Bus	Truck	Mini-Van	Pick-up
1.	Ape				✓
2.	Ashok Leyland	✓	✓		
3.	Eicher	✓	✓		
4.	Force	✓			
5.	Mahindra	✓	✓		
6.	Toyota	✓		✓	
7.	Swaraj Mazda	✓	✓		
8.	Nissan			✓	✓

**Table: Competitor with product segment wise**

- Ape as the mini Pick up van Launch by Paramdu Motors, Nagpokhari, Naxal, Kathmandu. Is the major competitor for the TATA Motor's Ace. (Which is also presented as small elephant) and Mahendra is also the next bigger competitor for TATA Motor's in case of Pickup vehicle.
- Ashok Leyland, Eicher and Mahindra are the major competitor for both Bus and Truck segment. Whereas Force and Toyota are the major competitor for the Bus segment
- Toyota and Nissan is the major competitor for the Mini van segment.

The researcher suggests that Ace segment has threats from ape truck because it sells more than 50 units of truck in 6 months of its operation which is a very challenging work. And it is also finding that SIPRADI has a potential threats from Ashok Leyland's Infrastructure because nowadays it is managed by two big corporate house of Nepal i.e. Golcha and Sarada group.

## **4.2. COMPANY ANALYSIS**

SIPRADI Trading Private Limited is the sole dealer in Nepal for vehicles manufactured by Tata Motors of India. The Company has offices and representation throughout the country and sells TATA Motor's range of heavy, medium and light Commercial Vehicles as well as Passenger Vehicles. SIPRADI has the largest owned network of sales service and spares centers in Nepal. The state-of-the-art workshop in Kathmandu (the largest and best equipped in Nepal) and other workshops throughout the country offer speedy and thoroughly reliable service, repair, and after sales-support for all Tata vehicles

Tata Motors Limited is India's largest automobile company, with consolidated revenues of Rs. 92,519 crores (USD 20 billion) in 2009-10. It is the leader in commercial vehicles in each segment, and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. The company is the world's fourth largest truck manufacturer, and the world's second largest bus manufacturer. The company's 24,000 employees are guided by the vision to be "best in the



manner in which we operate best in the products we deliver and best in our value system and ethics."

Established in 1945, Tata Motors' presence indeed cuts across the length and breadth of India. Over 5.9 million Tata vehicles ply on Indian roads, since the first rolled out in 1954. The company's manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand) and Dharwad (Karnataka). Following a strategic alliance with Fiat in 2005, it has set up an industrial joint venture with Fiat Group Automobiles at Ranjangaon (Maharashtra) to produce both Fiat and Tata cars and Fiat powertrains. The company is establishing a new plant at Sanand (Gujarat). The company's dealership, sales, services and spare parts network comprises over 3500 touch points; Tata Motors also distributes and markets Fiat branded cars in India.

Tata Motors, the first company from India's engineering sector to be listed in the New York Stock Exchange (September 2004), has also emerged as an international automobile company. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand and Spain. Among them is Jaguar Land Rover, a business comprising the two iconic British brands that was acquired in 2008. In 2004, it acquired the Daewoo Commercial Vehicles Company, South Korea's second largest truck maker. The rechristened Tata Daewoo Commercial Vehicles Company has launched several new products in the Korean market, while also exporting these products to several international markets.

Today two-thirds of heavy commercial vehicle exports out of South Korea are from Tata Daewoo. In 2005, Tata Motors acquired a 21% stake in Hispano Carrocera, a reputed Spanish bus and coach manufacturer, and subsequently the remaining stake in 2009. Hispano's presence is being expanded in other markets. In 2006, Tata Motors formed a joint venture with the Brazil-based Marcopolo, a global leader in body-building for buses and coaches to manufacture fully-built buses and coaches for India and select international markets. In 2006, Tata Motors entered into joint venture with Thonburi Automotive Assembly Plant Company of Thailand to manufacture and market the company's pickup vehicles in Thailand. The new plant of Tata Motors (Thailand) has begun production of the Xenon pickup truck, with the Xenon having been launched in Thailand in 2008.

Tata Motors is also expanding its international footprint, established through exports since 1961. The company's commercial and passenger vehicles are already being marketed in several countries in Europe, Africa, the Middle East, South East Asia, South Asia and South America. It has franchisee/joint venture assembly operations in Kenya, Bangladesh, Ukraine, Russia, Senegal and South Africa. The foundation of the company's growth over the last 50 years is a deep understanding of economic stimuli and customer needs, and the ability to translate them into customer-desired offerings through leading edge R&D. With over 3,000 engineers and scientists, the company's Engineering Research Centre, established in 1966, has enabled pioneering technologies and products. The company today has R&D centers in Pune, Jamshedpur, Lucknow, Dharwad in India, and in South Korea, Spain, and the UK. It was Tata Motors, which developed the first indigenously developed Light Commercial Vehicle, India's first Sports

Utility Vehicle and, in 1998, the TATA INDICA, India's first fully indigenous passenger car. Within two years of launch, TATA INDICA became India's largest selling car in its segment. In 2005, Tata Motors created a new segment by launching the Tata Ace, India's first indigenously developed mini-truck.

In January 2008, Tata Motors unveiled its People's Car, the TATA NANO, which India and the world have been looking forward to. The TATA NANO has been subsequently launched, as planned, in India in March 2009. A development, which signifies a first for the global automobile industry, the NANO brings the comfort and safety of a car within the reach of thousands of families. The standard version has been priced at Rs.100,000 (excluding VAT and transportation cost).

Designed with a family in mind, it has a roomy passenger compartment with generous leg space and head room. It can comfortably seat four persons. Its mono-volume design will set a new benchmark among small cars. Its safety performance exceeds regulatory requirements in India. Its tailpipe emission performance too exceeds regulatory requirements. In terms of overall pollutants, it has a lower pollution level than two-wheelers being manufactured in India today. The lean design strategy has helped minimize weight, which helps maximize performance per unit of energy consumed and delivers high fuel efficiency. The high fuel efficiency also ensures that the car has low carbon dioxide emissions, thereby providing the twin benefits of an affordable transportation solution with a low carbon footprint. In May 2009, Tata Motors introduced ushered in a new era in the Indian automobile industry, in keeping with its pioneering tradition, by unveiling its

new range of world standard trucks called Prima. In their power, speed, carrying capacity, operating economy and trims, they will introduce new benchmarks in India and match the best in the world in performance at a lower life-cycle cost.

Tata Motors is equally focused on environment-friendly technologies in emissions and alternative fuels. . It has developed electric and hybrid vehicles both for personal and public transportation. It has also been implementing several environment-friendly technologies in manufacturing processes, significantly enhancing resource conservation. Through its subsidiaries, the company is engaged in engineering and automotive solutions, construction equipment manufacturing, automotive vehicle components manufacturing and supply chain activities, machine tools and factory automation solutions, high-precision tooling and plastic and electronic components for automotive and computer applications, and automotive retailing and service operations.

TATA Motors is committed to improving the quality of life of communities by working on four thrust areas – employability, education, health and environment. The activities touch the lives of more than a million citizens. The company's support on education and employability is focused on youth and women. They range from schools to technical education institutes to actual facilitation of income generation. In health, our intervention is in both preventive and curative health care. The goal of environment protection is achieved through tree plantation, conserving water and creating new water bodies and, last but not the least, by introducing appropriate technologies in our vehicles and operations for constantly enhancing environment care.

With the foundation of its rich heritage, TATA Motors today is etching a refulgent future.

SIPRADI Trading is also the exclusive dealer in Nepal for Exide Industries Limited (industrial and automotive batteries), Bharat Petroleum Corporation Limited (MAK lubricants industrial and automotive) and Luminous Inverters and UPS.

**Board Members and Different Corporate location in Kathmandu Valley.**

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### **4.3. Customer Satisfaction Analysis of Sipradi with TATA Motor's Commerical Vehicle**

According to the research questions, the data and information collected from the costumer are presented here.

#### **4.3.1. The product currently being used :**

This formulates the analysis made by the sample collected for five segment of the product. HCV and MCV Truck and Tipper, MCV Buses , LCV Truck, Pick up and SCV (Ace/ Winger) The number of responded having LCV Truck is 13,H & MCV Truck is 40, MCV Bus is 28 , pickup is 33, SCV is 14. Therefore, the total respondent is 128 in number. And research showed that Pick-Up is used more number where as LCV Truck is used in lower side.

Table 4.1: Product Category

	Frequency	Percent
LCV Truck	13	10.2
H&MCV Truck	40	31.3
Buses	28	21.9
Pick-Up	33	25.8
SCV	14	10.9
Total	128	100.0

Source: Field Survey 20

### **4.3.2. Duration of the ownership**

The question was asked about the time period that is when did they brought the current product. For this question there are four options to answer: A) Less than 1 Year B) 1 to 2 years c) 2 to 3 years and d) more than 3 years. In the survey, 25 percentage of responded brought their product less than 1 year, 16.4 percentage brought their product in 1 to 2 years of duration, 10.9 percentage brought their product in 2 to 3 years of duration and 47.7 percentage brought their product in more than 3 years of duration.

Table 4.2: Duration of Ownership

	Frequency	Percent
Less Than 1 Year	32	25.0
1 to 2 Years	21	16.4
2 to 3 Years	14	10.9
More than 3 Years	61	47.7
Total	128	100.0

Source: Field Survey 2011

### **4.3.3. Top of the Mind**

The Question was asked about how they get aware of the product. And the options were by advertisement, showroom display, friends, family, neighbors, past experience or any other. The result presented in the following Table 3:

Table 4.3: Top of the mind

		Frequency	Percent
Valid	Advertisement	10	7.8
	Showroom Display	20	15.6
	Friends	20	15.6
	Family	2	1.6
	Neighbors	1	.8
	Past Experience	56	43.8
	Others	18	14.1
	Total	127	99.2
Missing	System	1	.8
Total		128	100.0

Source: Field Survey 2011

The research showed that customers get aware of the product, 43.8% by past experience, which is high and 0.8% by the neighbors, which are low. And respectively by advertisement 7.8%, showroom display 15.6%, friends 15.6%, family 1.6%, others 14.1%.



#### **4.3.4. Knowledge of the product**

The question asked about the complete knowledge of the product provided by the staff member of the SIPRADI. The 78 percentage of respondents answer yes and 16 percentage respondents answer No, where as 6 percentage was missing. This shows that the knowledge of the product provided by the staff member can be taken as satisfactory level.

Table 4.4: Product Knowledge

		Frequency	Percent
Valid	Yes	100	78
	No	20	16
	Missing	8	6
Total		130	100.0

Source: Survey of 2011

### **4.3.5. Waiting period**

The question asked about how long they have to wait for the staff at Thapathali branch of SIPRADI and the option provide where below 10 minute, 10 to 20 minute, 20 to 30 minute and above 30 minute.

For this 77 percentage of respondents answer below 10 minutes or no waiting, 14 percentage of respondents answer 10 to 20 minute, 3 percentage of respondents answer 20 to 30 minute and 6 percentage respondents answer above 30 minute of waiting. So, the research indicates that customers don't have to wait for a long period to get services by the staff members.

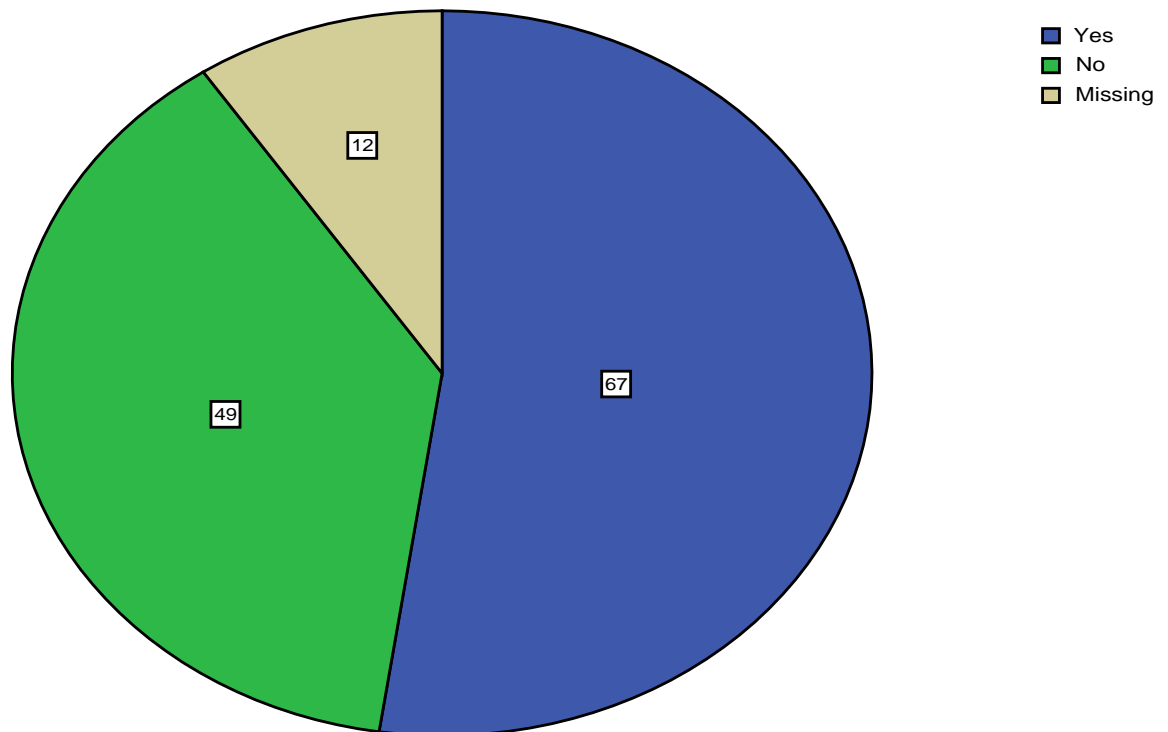
Table 4.5: Waiting Period

		Frequency	Percent
Valid	Below 10 min	98	77
	10 to 20 min.	18	14
	20 to 30 min.	4	3
	Above 30 min	8	6
Total		128	100.0

Source: Survey of 2011

### 4.3.6. Hospitality

The Survey was made on the hospitality of the staff member of SIPRADI for which the question was asked whether they are provided with the welcome drinks or not. 67 percentages response yes and 49 percentages response No. So, the research shows the hospitality of SIPRADI is ok.



**Fig 4.6: Hospitality**

### **4.3.7. Sales people visit**

When asked about how often the sales people of SIPRADI visit at their place. They responded 1.6 percentage for 1 time in a week, 1.6 percentage for 2 to 4 times in a week, 0.8 percentage responded for above 4 times in a week, 31.3 percentage said when needed and 60.9 percentage said No. So, the research shows that, there is less number of sales people visit at customers' place.

Table 4.7: Sales people visit

		Frequency	Percent
Valid	1 time in week	2	1.6
	2 to 4 time in week	2	1.6
	Above 4 times in week	1	0.8
	When needed	40	31.3
	No	79	60.9
	Total	124	96.9
Missing	System	4	3.1
Total		128	100.0

Source: Survey 2011

### **4.3.8. Finance**

When asked about whether SIPRADI Staff helps for arranging finance or not. 28.9 percentages said yes and 65.4 percentages said NO. So, the research clearly indicates that SIPRADI doesn't provide or arrange for financing help.

Table 4.8: Financing

		Frequency	Percent
Valid	Yes	37	28.9
	No	84	65.6
	Total	121	94.5
Missing	System	7	5.5
Total		128	100.0

Source: Survey 2011

### **4.3.9. Influencing factor**

When asked about how important or relevant is the six dimension while taking the buying decision i.e. Price, Discount, Financing, After sales, Delivery, Spare parts available or any other and the result generated are as follow:

Table 4.9: Influencing Factor

	Price	Discount	Financing	After Sales service	Delivery	Spare Parts Available	Other
Valid	123	123	123	122	120	120	6
Missing	5	5	5	6	8	8	122
Total	128	128	128	128	128	128	128
Influence %	96.09	96.09	96.09	95.31	93.75	93.75	4.68

Here, Price has 96.09 percentage influences, Discount has 96.06 percentage influences, Financing has 96.06 influences and after sales service has 95.31 percentage influence and delivery and spare parts available both have 93.75 percentage influences. Other influencing factor has only 4.68 percentage influence while taking the buying decision.

### **4.3.10. Performance Perception**

Research question formulate for this is do the technical support SIPRADI provide meet the expectation of the customer or not and why is it so. 33.6

percent response 'Yes' and 60.2 percent response 'No'. Hence, the research clearly indicates the technical support SIPRADI provide doesn't meet the expectation level of customers.

Table 4.10: Performance Perception

		Frequency	Percent
Valid	Yes	43	33.6
	No	77	60.2
	Total	120	93.8
Missing	System	8	6.3
Total		128	100.0

Source: Survey 2011

#### **4.3.11. Satisfaction Condition**

The questions asked about are you satisfied with the service provided by the SIPRADI and the options provided are: YES, OK, NO respectively.

For this 16 percentages of respondents answer YES, 54 percentages of respondents answer OK, and 30 percentages respondents answer NO. So, the research indicates that satisfaction level is good but not up to the mark and level of unsatisfied customers are increasing.

Table 4.11: Satisfaction Condition

		Frequency	Percent
Valid	Yes	20	16
	Ok	70	54
	No	38	30
Total		128	100.0

Source: Survey 2011

#### **4.3.12. Expectations meet level**

The question asked about did your expectation meet with the service provided by the SIPRADI and the product wise expectation meet level options provided were YES, MODERATELY YES, OK, and NO.

Table 4.12: Product wise expectation meet level

		Frequency	Percent
Valid	Yes	20	15
	Moderately yes	70	55
	Ok	38	28
	No	0	0
Total		128	100.0

Source: Survey 2011



For this research, 15 percentages answer YES, 55 percentages answer MODERATELY YES, and 28 percentages answer OK. So, the research indicates that expectation meet level with product wise is very good.

Similarly, the service wise expectation meet level options provided were YES, MODERATELY YES, OK, and NO.

Table 4.12: Service wise expectation meet level

		Frequency	Percent
Valid	Yes	8	6
	Moderately yes	20	15
	Ok	60	48
	No	40	31
Total		128	100.0

Source: Survey 2011

For this 6 percentages answer YES, 15 percentages respondents answer MODERATELY YES, 49 percentages respondents answer OK, and 31 percentages answer NO respectively. So, the research indicates that expectation meet level with service wise is very poor.

### **4.3.13. Service rating**

The question asked about how you rate the service provided by the SIPRADI and the options provided are VERY HIGH, HIGH, MEDIUM, and LOW respectively.

For this 6 percentages respondents answer VERY HIGH, 23 percentages respondents answer HIGH, 40 percentage respondents answer MEDIUM and 31 percentages respondents answer LOW. So, the research indicates that the service quality is in decreasing level which should be considered seriously.

Table 4.13: Service rating

		Frequency	Percent
Valid	Very High	8	6
	High	30	23
	Medium	50	40
	Low	40	31
Total		128	100.0

Source: Survey 2011

#### **4.3.14. Customers' complaints**

The questions asked about what are the major complaints you want to point out to SIPRADI. Respondents have given many complaints to SIPRADI but in terms of similarity in complaints which are mostly come from the customers are as follows:

- ✚ Some vehicles have gear box, turbo filter, pick-up problem.
- ✚ Service price and spare parts are so expensive in SIPRADI servicing center.
- ✚ Biasness in providing services and has to pay money to technician to get service fast.
- ✚ Guarantee and warrantee service is not up to the commitment.
- ✚ Lack of well-equipped servicing center when reached outside the valley.

#### **4.3.15. Further Improvement**

The view of the customer about what further improvement SIPRADI need to make in Future and the option provided was in the field of PRODUCT, MARKETING, SERVICE, DELIVERY, ANY OTHER or they are SATISFIED.

For this, 9.4 Percentage of suggest in PRODUCT, 3.9 percentage suggest in MARKETING, 59.4 percentage suggest for SERVICE, 5.5 percentage suggest for DELIVERY, 6.3 percentage suggest for OTHERS improvement

whereas 14.1 percentage were SATISFIED with the service provided by SIPRADI. So, the research suggests that SIPRADI needs to improve its services more than other respective factors.

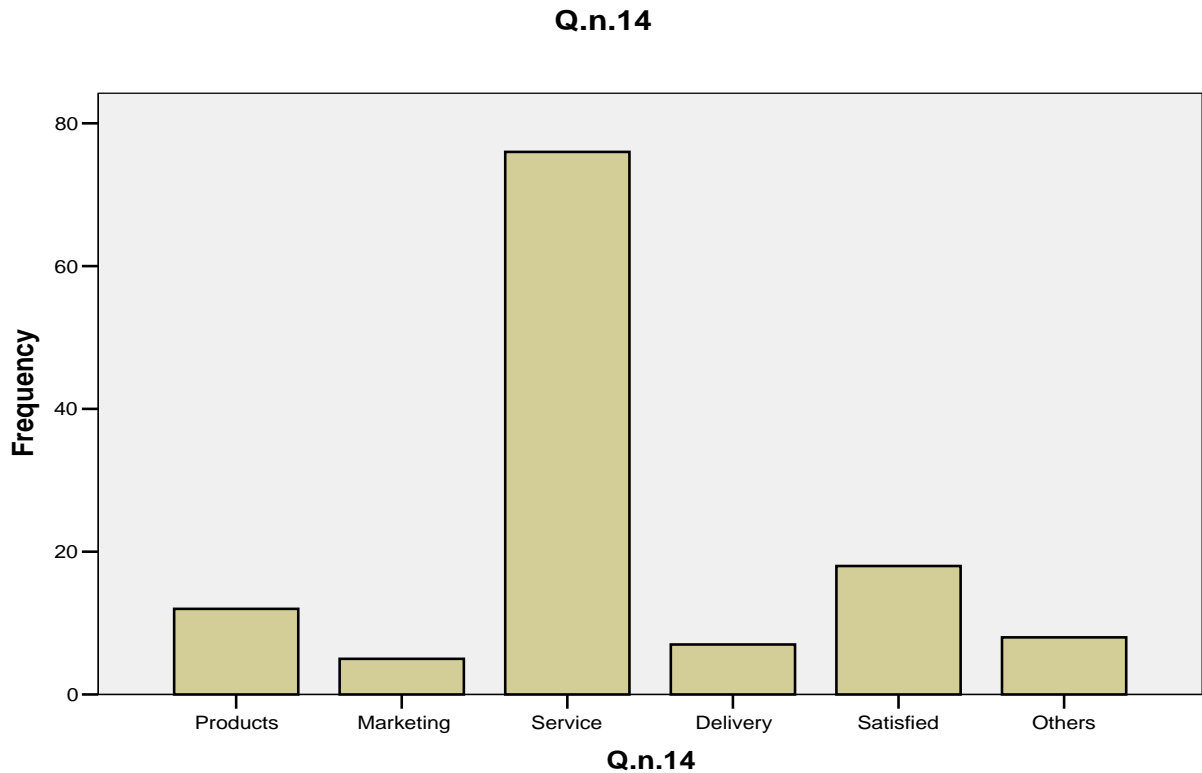


Figure 4.15: Further Improvement

### **4.3.16. Further purchase**

When Research about what further purchase the existing customer wants to make. The research shows that 3.1 percentages wants to purchase LCV Truck, 23.4 percentages for H & MCV Truck, 17.2 percentage for the Buses, 15.6 percentage for the Pick Up and 7.8 percentage for SCV (Ace/ Winger)

These purchases are made within month by 27.3 percentages, 18.8 percentages will make in less than 6 month period, 10.2 percentages will make in 6 to 1 year of period, 10.2 percentages will make in above one year per

**Table 4.16: Further Purchase**

		Frequency	Percent
Valid	Within Month	35	27.3
	Less than 6 Month	24	18.8
	6 month to 1 year	13	10.2
	Above1 Year	13	10.2
	Total	85	66.4
Missing	System	43	33.6
		Frequency	Percent
Valid	LCV Truck	4	3.1
	H&MCV Truck	30	23.4
	Buses	22	17.2
	Pick-Up	20	15.6
	Ace/Winger	10	7.8
	No	32	25.0
	Total	118	92.2
Missing	System	10	7.8
Total		128	100.0

Source: Survey of 2011

#### **4.4. Major Findings**

Following are the finding made by the survey on customer satisfaction with the service provided by SIPRADI.

- The Customer of SIPRADI for commercial vehicle of TATA has long time relationship.
- Most of the customer gets aware of the product with their past experience.
- Staff of the SIPRADI helps to get very good knowledge of the product.
- There is no long hour waiting to meet the staff member.
- SIPRADI has good hospitality.
- There is less number of sales people visit at customers' place.
- Normally, SIPRADI staffs do not arrange finance to their customer.

Analysis of important component shows that,

- Z Pricing of the product is ok
- Z Discount provided contains biasness.
- Z After sales service is very poor. Even Sales people do not give good attention to their customer after selling product.
- Z Delivery could not made in time
- Z Spare part availability is ok.
- Expectation level of the customer for the technical performance is very bad.
- Satisfaction level of the customers with the service provided by the SIPRADI is just ok.

- Customers' expectation meet level with the service provided by the SIPRADI is also just ok.
- Customers' rating to the service provided by the SIPRADI is medium level.
- The large number of purchasing of the product could be made in the six month period by the existing customer.

### **Product Wise Finding:**

#### **Bus:**

- ✓ Service price is higher at Naikaps' Service Center
- ✓ Service center is opening in different places
- ✓ Need service center at Bhaktapur
- ✓ After sale service is very poor, they didn't give warrantee to those spare parts in which they promise, to get service on warranted spare parts is very difficult
- ✓ Star bus is not comfortable as 709, more polluted then general vehicles
- ✓ Star bus has no pick up, biasness in vehicles delivery
- ✓ Sales people gives unnecessary promise which they don't meet
- ✓ Turbo filter problem
- ✓ Sanjevanni scheme is not working properly, it doesn't satisfy customers

## **LCV Truck**

- ✓ Mobile van Service is very poor
- ✓ No good service for country side vehicle
- ✓ 608 model outdated, because of their spare parts are not available
- ✓ Gear box problem
- ✓ Technical people do not visit in time at customers' place.
- ✓ Tube problem within 1.5 months but they didn't replace

## **HCV Truck**

- ✓ Very Biasness in behavior before and after buying vehicle
- ✓ Spare part are expensive then outside
- ✓ Service has discrimination
- ✓ Guarantee and warrantee service need to be provide
- ✓ Inexperience staff member.
- ✓ Spare parts are very expensive in comparison to outside workshop
- ✓ Battery warrantee problem
- ✓ Service center is time consuming
- ✓ Technical people are not co-operative
- ✓ Spare parts not available in timely
- ✓ Have to pay money to technician to get service fast
- ✓ Front side window is not easily available



## **SCV:**

### **Tata ACE**

- ✓ Poor service
- ✓ We can't get spare parts easily
- ✓ Insurance is not good
- ✓ Traffic do not allow to sit 3 people
- ✓ Body has plastic look and very difficult to repair
- ✓ While lading as well as uploading the tire get slippy
- ✓ Free service is not provided properly
- ✓ They focus on changing the spare parts instead of repairing

### **TATA – DI**

- ✓ Gear box problem
- ✓ Spare parts price is very high.
- ✓ Performance is very poor in compare to the Tata Mobile.

## **CHAPTER V**

### **Summary, Conclusion and Recommendations**

#### **5.1. Summary**

Nepal is a landlocked country dwelling between two giant countries: India and China. It is fully surrounded by hills and mountains. The only possibilities of transportation are air transport and road transport. Since, the Nepal is developing country with poor economy strength; it would be difficult to afford air transport. So, the road transport is only the famous, useful and economic way of transportation here in Nepal. Nepal is one of the developing countries that emerge for improving road infrastructure because road transport is keys to strengthen its economy. It has enabled to join different places and different people from different cultures. Road transport is key to success of industrialization, tourism and trade. This is why; the road transport has impelled the demand for commercial vehicles. In the developing country like our country, trucks carry nearly 80% of all freight. The other main supportive role is that road transport has provided thousands of jobs for the people of our country, and it has become the easiest and fastest means of generating revenue.

Since, the very start of road transport, TATA motor vehicles has taken its place in Nepal. It has become a huge brand name for the Nepalese people. It has become the first choice of customers. However, as the number of customer is increased, their expectation level toward organization is also

increasing. So, this study has focused to know more about hidden value of the customer toward the organization, which could help in formulating marketing strategies and stay ahead in the cutthroat competition. This project has studied the comparative expectation of the customers before and after buying the vehicles. It has also analyzed the reasons of satisfaction and dissatisfaction of the customer and it has also identified the reasons of satisfaction and dissatisfaction with the service provided by SIPRADI. This study has been concluded through a survey of finite no. of sample from the population. The total no. of sample size is 130 with in Kathmandu valley. So, all together, 130 customers' opinions have been concluded for addressing questionnaires to complete this project.

## **5.2. Conclusion**

As per the evaluation, interpretation and finding of the research the following conclusion has been derived from this study.

Every customer has certain prior expectation while buying any products or service. If these prior expectation match with the performance then they get satisfaction while mismatch of the expectation result dissatisfaction. Customer mainly sees on the performance of the product rather then seeing on the other sides. They also expect true promise made to them where as the false promise create dissatisfaction on them. That could be promise of the service, after sales etc.

After completing this report, the main conclusions came to know that customers of SIPRADI are satisfied with the pre-services provided by the staff members of SIPRADI and the organization itself. Despite products quality are so good but the after sales service is little bit poor as comparison to pre-service provided by the SIPRADI. Customers have lots of complaints about after sales service and warranty and guarantee commitment. Their expectation is no fulfilled by the SIPRADI in terms of after sales service.

### **5.3. Recommendations**

Customers are the most important factor of the business. Every successful product of the world embodiment of the customer needs, wants, satisfaction, aspiration and mental horizon. Hence, understanding the customers' needs, wants, satisfaction, preference, aspiration and mental horizon is very important.

In order to get a competitive advantage, the company should look after every aspect of the competitive market. The customer expectation level has increase very high with the product, after sales service, delivery, hospitality, and finance.

Most of the customers switch off vehicle because of poor service and non-cooperative behaviors of Vehicle Distribution Organization as well as service center's staff. Therefore, the researcher strongly recommended that they should give proper attention to dissatisfied customers.

Some of the recommendations that will be useful are presented as follow:

- Z Special attention should be given towards the product performance and service.
- Z Promise should be performed specially in case of after sales service warranty and other facilities.
- Z Clarity of commitment, originality of spare parts and performance of true promise must be ensure to the customer so that they will aware of the things
- Z No biasness with the customer while providing information and service.
- Z SIPRADI should increase the well-equipped servicing center inside and outside the valley.

In sum, with the overall inspection at the end of the day product should be reliable, meet the standard, with good resale value and most important is, it should match the wants, need and values of the customer.

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- ❖ The Annapurna Post
- ❖ Nagarik Patrika
- ❖ Republica Nepal

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- ❖ [www.google.com](http://www.google.com)
- ❖ [www.psc.gov.np](http://www.psc.gov.np)
- ❖ [www.autonepal.com.np](http://www.autonepal.com.np)
- ❖ [www.sipradi.com](http://www.sipradi.com)

## **MAGAZINE**

- ❖ The Boss
- ❖ Abhiyan
- ❖ Wave
- ❖ Auto Nepal
- ❖ SIPRADI BOOKLETS



## Appendix-I

### Questionnaire for consumer

Dear Respondents:

I would be highly obliged if you kindly grant me your precious time for filling up this questionnaire which could contribute significantly to my research study of MBS. And I assume you that your response will only be used for my thesis purpose and it will not harm you at any cost.

- 1) What is your name, please?
- 2) Where do you live?
- 3) What is your occupation?
- 4) Do you have TATA motor vehicles?
  - a) Yes
  - b) No
- 5) Which product (vehicle) do you have currently in use?
  - a) LCV Truck
  - b) H & MCV Truck
  - c) Bus
  - d) Pick Up
  - e) SCV
- 6) How long you have brought your vehicle?
  - a) Less than 1 yr.
  - b) 1 to 2 yr.
  - c) 2 to 3 yr.
  - d) More than 3 yr.
- 7) How you get aware about the product?
  - a) Advertisement
  - b) Showroom Display
  - c) Friends
  - d) Family
  - e) Neighbors
  - f) Past experience

g) Any others

8) Did the complete knowledge of the product provide by the staff member of the SIPRADI?

a) Yes          b) No          c) Missing

9) How long you have to wait to meet the staff member of the SIPRADI?

a) Below 10 mins          b) 10 to 20 mins          c) 20 to 30 mins  
d) above 30 mins

10) How is the hospitality of the staff members of the SIPRADI, whether they offer welcome drinks or not?

a) Yes                  b) No

11) How often the sales people of SIPRADI visit at their place?

a) 1 time in a week          b) 2 to 4 time in a week  
c) More than 4 time in a week          d) When needed          e) No

12) Do the SIPRADI Staff helps for arranging finance or not?

a) Yes          b) No

13) How important the following factors play the role while taking the buying decision?

a) Price          b) Discount          c) Financing          d) after sales  
service  
e) Delivery          f) Spare parts available          g) others

14) Do the technical support SIPRADI provide meet the expectation of the customer or not?

- a) Yes                      b) No

15) Are you satisfied with the service provided by the SIPRADI?

- a) Yes                      b) ok                      c) No

16) Did your expectation meet with the service provided by the SIPRADI?

A) Expectation met with product wise:

- a) Yes    b) Moderately Yes                      c) Ok                      d) No

B) Expectation met with service wise:

- a) Yes    b) Moderately Yes                      c) Ok                      d) No

17) How you rate the service provided by the SIPRADI?

- a) Very high                      b) High                      c) Medium                      e) Low

18) What are the major complaints you want to point out to the SIPRADI?

Just point out major five complaints.

19) What further improvement SIPRADI need to make?

- a) Products                      b) Marketing                      c) Services  
e) Delivery                      f) Satisfied                      g) Any other

20) Do you want to make further purchase? The options are as follows:

- a) LCV Truck                      b) H & MCV Truck                      c) Buses  
d) Pick up                      e) ACE/WINGER