

CHAPTER – I

INTRODUCTION

1.1 General Information of Nepal

Physical state of Nepal can be explained by three variables: Location & size, Landlocked and diversity. Geographically, Nepal is looked like a tiny and rectangular size. It is explained as pin point country of 141781 sq./km. in the world map, where the country is 0.03% of the world and is 0.3% of Asia. This lies between two giant economies, China and India. Its longevity from Mechi in East Nepal to Mahakali in West Nepal is 885 km. Therefore, Nepal is categorized into small country group. Demographically, she is said medium sized country in accordance with World Bank's Categorisation.

1.2 Historical Observations

Historical evidence describes explicitly that Indo-Nepal Trade has been preferred major trade of Nepal more than Tibet since Malla period, The political economy can be observed into four periods: Mall-Shah Dynasty, Rana Regime, Panchyat Regime and Democratic system for analyzing trade and policy shift. Up to the earlier period of Rana Regime, trade policy was expansionary and protective character, In other words, the policy was export trade intensive but restrictive to import trade, Trade pundits and political economists advocate that it was hidden reason behind prosperity of the country at that time period. In mid period of Junga Bahadur Rana, trade policy was slightly towards import intensive, rather than restrictive import trade after visiting in Britain, Indo- Nepal trade that was approximately

more than 70% was import dominance led higher rate growth of trade deficit. Once again it was adopted in Panchyat period (1970-1980) for revenue prospective, although the government had given Priority on Industrial development. Indo-Nepal was leading. Its negative consequence was macro economic instability and crisis. Since 1980 the country has shifted trade policy towards export intensive. The policy was shifted towards liberalization for competition, interdependency and efficiency in 1980s in the course of globalization in the World. Its consequences are relatively vibrating trade pattern, composition and direction towards growth and diversification of export. Then Indo-Nepal trade dominance declined with the growth of third world countries trade. However, Indo-Nepal trade share was still larger than third world countries trade, The trade statistics shows unsatisfactory in terms of its more negative fueling economic growth and economic development because of relatively lower exports trade growth. Its acceleration and strength can be found in 1990. It has brought vibration in international trade development. Having unsettled key economic issues led instabilities, it raises a question, is the adopted trade policy appropriate to this land locked country's trade development? (Economics of Nepal; Raghu bir Bista)

1.3 State of Nepalese Economy

Nepalese economy is dominated by the agriculture. Only 18% of Nepal's total land area is arable. Among mountain, hill and Terai regions of Nepal Mountain region has covered about 15 % of total area. But only 2% of its land is arable. Even the arable land is less fertile. The current state of Nepalese economy is a)Unutilised natural resources, b)Mass poverty, c)Low social development, d)Agricultural

country, e)Tourism, f)Trade deficit in Foreign trade, g)Slow Industrial Development etc.

".....Unfortunately, the infant industrial climate which the early reforms created could not continue for long because of political instability, bad governance and prolonged insurgency. Investment in the hydro sector practically stopped for about a decade. Rising production costs in the face of low productivity and poor security conditions vitiated the industrial climate and reduced our competitive edge. ..."- Dr. Ram Saran Mahat, (Life's getting better), The Kathmandu Post; 2 April 2013

1.4 Marketing Research In Nepal

Even though marketing research in developed countries has already reach a much developed stage, it is still at a primitive stage in Nepal, as very few Nepalese companies are actually doing marketing research.

With the advent of multinational companies (MNSc) in Nepal, there came realization of the need for marketing research in the business organizations. The governments of Restoration of Democracy in 1990 have adopted the policy to adopt liberalized economic system. They also gradually championed with open market policies and more foreign direct investments (FDIs). As a result, more MNCs entered Nepal. One of the results was then that a number of marketing research activities have been conducted by such business Organizations in Nepal as well. Many international non-governmental Organizations (INGOs), non-governmental organization (NGOs) and

other bilateral agencies have also followed suit to have society research works (like impact research, user of market research) for their respective organizations.

1.5 Background of the Study

Markets are dynamic; as economies grow, markets become different, larger, and more demanding. Industrialisation, privatization, liberalization, globalization will affect the attitudes toward business activity, the demand for goods, distribution systems and the entire marketing process. In a dynamic economy, marketing efforts must be matched with ever changing market needs and wants in such a way that marketing objectives are achieved.

Marketing satisfies the needs and wants of target customers. Marketers must understand how customers select, buy, use and dispose products. The study of consumer behavior enables marketers or producers to understand the feelings of users in the market place. Such understanding helps to promote the business activities among the potential buyers and hence helps to achieve the predetermined goal of an organization.

Consumer behavior can also be perceived as an input-output system as presented in the following diagram:-

Figure 1.1

Consumer buying process

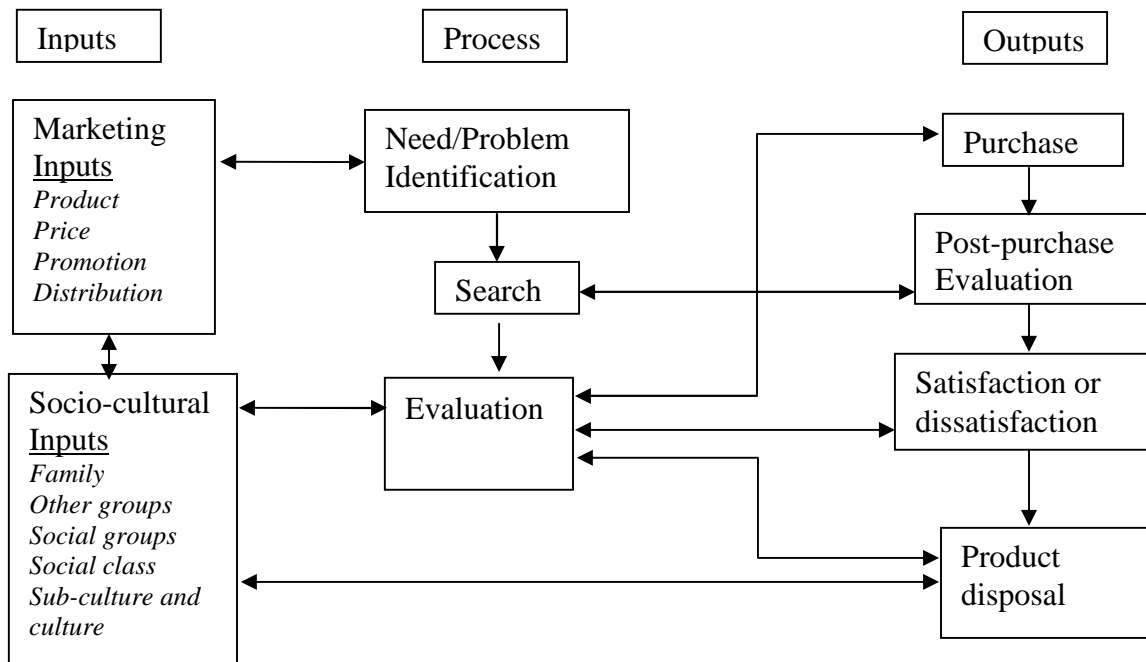


Diagram: Adapted from Schiffman and Kanuk.

Inputs: In this system, there are two types of inputs: the marketing inputs and socio-cultural inputs. The marketing inputs to consumer buying process constitute of the marketing mix which includes product, price, promotion and distribution. Consumers' perception of the marketing efforts determines the impact of the marketing inputs on their buying behavior. The socio-cultural environment in which the consumer lives also provide inputs in the form of family and other group's pressure, social class behavior norms and sub-cultural and cultural influences.

Process: The process component of the system is concerned with how consumers make purchase decisions. The process part includes the

buying decision stages, such as need-problem identification, search for information and evaluation of alternatives.

Output: The output component of the system includes the purchase decision and the post-purchase evaluation normally visible in high-involvement purchases. Through post-purchase evaluations, consumers arrive at a stage of satisfaction or dissatisfaction with the purchase decision. This experience is stored in the long-term memory of the consumer to be used in future evaluations. If the consumer is dissatisfied with the current purchase, he or she is likely to discard the product through the process of disposition.

Consumers face several buying decisions every day. Consumer behavior varies with the type of buying decision. Some buying decisions are simpler than others. The complexity of buying process is affected by whether the product to be bought is of high involvement or of low involvement.

- i) Low Involvement Purchase and
- ii) High Involvement Purchase.

Consumer behavior is a most considerable factor to increase market size and profit of every company.

In low involvement purchase, consumers invest low opportunities cost so the post purchase evaluation is simple or nominal. In this situation, the consumer is comfortable with the amount of information he/she has about the product, the amount of money involved is small, the product has low social importance and it gives short-term

benefits. For example, the purchase of soap, tooth paste, stationary etc.

Whereas in high involvement products the entailed opportunities cost is high so consumers continually evaluate their purchase decision. In this situation, the consumer lacks full information about the product has high social importance and the product is perceived to give long-run benefits. For example, the purchase of car, refrigerator, motor bike etc.

Let's see the characteristics of Low involvement and high involvement purchase with the help of the following table:

Table 1.1

Characteristics of Buying Decisions		
Characteristics	Low Involvement Purchase	High Involvement purchase
1. Brand of the product	Many	Few
2. Level of buying risk	Low	High
3. Amount of money involved	Small	Large
4. Purchase time needed	Short	Long
5. Interest in product information	Passive	Active
6. Attitude toward the product	Positive	Uncertain
7. Product benefits	Short term	Long term
8. Interest in the product	Limited	High

(Govinda R. Agrawal, 2005)

Market is a want creating and satisfying unit. Today's business can no longer sustain without marketing strategy. Whatever is the marketing strategy it has only one motto i.e. increasing market share through consumer satisfaction. As more be the consumer satisfaction as more will be the market share, so will be the organization's profitability.

Consumer dissatisfaction creates an obstacle in progress of a firm. Dissatisfied consumers stop buying or consuming the product/service and influence others not to go for the same product. Marketers should take steps to reduce dissatisfaction through follow-up, post purchase services, speedy handling of consumer's grievances and persuasive communication. Some consumers may complain to the firm for their dissatisfaction. How the firm takes their complaints, affects heavily the feelings of consumers. If the organization encourages the consumers to make their complaints and seriously listen to them they may turn into satisfied consumers. On the other hand, if the company turns its deaf ears towards the complaints it really initiates to destroy its own existence.

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

Such a negative rumor about an organization or its product can make negative attitude of potential buyers. So every firm has to delight its consumers through the distribution of quality products and services. Marketing and sales activities had started in Nepal relatively very late as compared to other countries. Nepalese consumers have habit to use imported goods since very long period due to not availability of product within manufacture in Nepal. After democracy B.S. 2046, some well-known multinational companies had come in the country and began to produce their products in international standards. It contributes to develop marketing activities. The advent of global enterprises and cable television in Nepal has brought some consciousness about the need for better understanding of buying behaviour. The emergence of marketing research Organizations is also likely to promote marketing research about buyer behaviour of Nepalese consumers in the years to come.

This research will be conducted within Hetauda. High involvement products such as Motorbike, T.V., Refrigerator and Computer etc. will be selected for our study purpose. This research is going to be conducted mainly for academic purpose. Secondly, it helps to widen the horizon of knowledge.

Generally consumers tend to show their dissatisfaction behavior in high involvement products because in high involvement, high monetary, psychic and time costs are involved. Similarly, opportunity cost is high so consumers become more skeptics about high involvement products. This study will try to find out the main factors which consumers consider for satisfaction or dissatisfaction. Factors

that encourage satisfying the consumers and factors that lead to dissatisfaction will be high lighted in this study. Consumer's satisfaction, dissatisfaction and complaint behaviour help not only to understand the consumer behaviour but also to formulate the new marketing strategies to the producers. Since consumer behaviour plays crucial role in the success of the business so this study is going to be conducted in the same field.

1.6 Focus of the Study

This study will be focused on the study of consumer behaviour in high involvement products. As the researcher is going to carry out the research in four products which are motorbike, TV, refrigerator and computer, so his main concentration will be on the consumer feelings about the product. How do they take the service of these products? Are they satisfied or not? If they are not satisfied, are they going to complain or not. If yes, what is their way of complaint; such factors/matters will be seen with great attention.

Since the firm which respects the feelings of consumer can rise in the future. So this study will try to find out the particular sentiments of users whether they are satisfied or not.

As we know many big organizations establish their own separate Research and Development (R&D) department to know the changing wants of people so that they will be able to fulfill their consumer desires. So they have only one vision that is how to satisfy the consumers and hence give strong support to the existence of an organization. In this background, profitability supported by

consumers will, can longer constantly grow. To satisfy a single consumer is much more important than to attract ten potential buyers. In Nepalese context we have different feelings about the marketers. First they want to attract the consumers but after purchase they do not take care or do not respect the buyers. They are driven by short sightedness (myopia). They are to the large extent unable to understand the buyers' feelings. In such a situation, this study will provide valuable suggestions to marketers and producers about their products, which will ultimately help mounting the prosperity of business and trade in the country. So the researcher wants to focus on consumers' behavior in high involvement products under this study.

1.7 Statement of the Problem

Many established organizations do not get success due to their negligence of consumer's feelings. Some are still in the infant stage, where as there are some other organizations that are expanding their business magnificently, because these organizations always focus on consumers' need, want and expectation. They not only merely fulfill consumer expectations but also satisfy their needs and even delight them. So, they are running their business very well. It becomes only possible when they first start understanding the vary need of the consumers. Consumers' satisfaction and dissatisfaction are closely being inspected by them with proper settlement to the complaints made by their customers. Therefore no organization can survive in this competitive age without knowing the consumer's satisfaction and dissatisfaction level. Equally they need to solve the consumers' complaints in a very frank way, even in a supporting manner. So the researcher wants to know the consumer satisfaction and

dissatisfaction level in high involvement products along with their complaint behavior.

This research will try to find out the satisfaction level of consumers. When consumers are dissatisfied then whether they complain or not will be analyzed under this study. So it supports both consumers and marketers to understand the problem and to solve it. What factors are responsible for dissatisfaction and what determines satisfaction of consumer will be observed in this study.

The researcher will mainly focus on the following questions while carrying out the research.

- i) How far the consumers are satisfied with the performance of the product?
- ii) What are the factors that satisfy consumers?
- iii) What are the factors that dissatisfy consumers?

1.8 Theoretical Framework

This research is based on general theory of satisfaction / dissatisfaction of consumer behavior. Satisfaction or dissatisfaction is seen as post purchase behavior in high involvement products. Consumers have certain pre-purchase expectations from a product or service. They compare the product's or service's performance to their prior expectations. If they find the performance higher than their expectations then they are satisfied and if they find the performance lower than their expectations then they are dissatisfied.

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

- i) The nature and performance of the product.
- ii) Monetary costs and efforts to be expended for obtaining the product benefits.
- iii) Social costs and benefits from the product or service.

The study of consumer behavior enables marketers to understand and predict consumer behavior in the marketplace; it is concerned not only with what consumers buy but also with why, when, where, how and how often they buy it.

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

1.9 Objectives of the Study

The general objectives of this research will be to identify the satisfaction/dissatisfaction level of motor bike, TV Refrigerator and computer owners.

The specific objectives of this research can be illustrated through the following questions:

- i) To compare the expectations and performance of various attributes of the products.
- ii) To evaluate the level of satisfaction/dissatisfaction.
- iii) To find out the reasons of satisfaction/dissatisfaction.
- iv) To examine the nature of complaining by consumers.

1.10 Significance of the Study

Marketing research had received only little importance in the past, as the Nepalese economy was less concerned with the market sentiment and consumer aspirations. Nepalese consumers also had limited exposure to foreign media and cultures that limited their range of needs and wants. After the restoration of democracy in 1990 more multinationals and foreign investments have come into Nepali business making the market more open to the business competition, necessitating them to know the markets and buyers better.

There are several reasons for understanding consumer behavior. Consumer behavior helps an organization in efficient use of marketing resources, location of new marketing opportunities, selection of market segments, product positioning market research, and improvement of marketing strategy.

Today's business world is running with cut throat competition. Trade and business is almost leading the entire society of the world. High performing business houses are not only able to expand their monetary reach but also to uplift the economic status of their host community.

In this competitive age marketers duty does not end with product preparation but it goes long after the sale of product too. They have to understand consumer behaviour in relation to the company's product provide convenience, have to delight them, satisfy them. It is not the time of pre-purchase respect to lure the buyers. It is the time of 21st

century where marketers' role ends long after post-purchase behavior of consumers. Today's manager has to evoke the potential buyers to come to the door of the marketers and has to delight them with the performance of their product/service so that they (consumers) start spreading positive word-of-mouth communication in the society. As we know that to satisfy a consumer is the best advertising of an organization that works for a long period of time with great enthusiasm but free of cost.

The business and trade grow faster along with the spread of information by the satisfied consumers. So it is very important to satisfy the consumers. When they are dissatisfied at that time, marketer has to ask them the reasons of their dissatisfaction and thus try to solve the problem as properly as possible. Producers have to encourage the customers who come to complain to the firm. They have to seriously listen to each and every complaint made by the consumers and even have to take action to make them happy. In this background also, it is very important for the consumers as well as marketers.

1.11 Limitations of the Study

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

1. The sample size will not be more than 150 so the generalization will be very difficult.
2. The sampling method will be judgmental. Thus, it may have some errors resulting from the sampling method.

CHAPTER-II

LITERATURE REVIEW

After selecting the topic the researcher studies previous studies and provide handy guide to a particular topic. During this research, the research has done literature review.

2.1 Introduction

The meaning and practices of marketing is modifying day by day, new and novel practices are practicing in the field of marketing with several tools and tactics. It is not sufficient that what is producing with the view to sell in current situation. Rather, a clear understanding of social aspects, market place and more specifically the consumer behavior is significant very much. Due to changing behavior of consumer and competition, a company has to pay attention not only in the sale and adornment but also at the consumer attribute, buying behavior, packaging and pricing policy. So it is clearly seeing that marketing in today's business is facing more complexity.

2.2 Marketing

We can distinguish between a social and a managerial definition of marketing. A social definition shows the role of marketing plays in society. One marketer said the marketing role is to "deliver a higher standard of living". Here is a social definition that serves our purpose: marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, freely exchanging products and services of value with others. For a

managerial definition, marketing has often been described as "the art of selling products", but people are surprised when they hear that the most important part of marketing is not selling! selling is only the tip of the marketing iceberg. Peter Drucker, a leading management theorist, plus in this way:

There will always, one can assume, be need for some selling. But aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits them and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

When Sony designed its Walkman, when Nintendo designed a Superior Video game, and when Toyota introduced its Lexus automobile, these manufactures were swamped with orders because they had designed the "right" product based on careful marketing homework.

The American Marketing Association Offer the following definition. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Coping with exchange process calls for a considerable amount of work and skill. Marketing management takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value. (Kotler, Philip, 1999)

2.3 Marketing Concept

"Marketing has been developing together with development in human civilization. If we trace three-four hundred years back to the history of human civilization, we find marketing of that time, by modern standard we relatively uncultured. They did not need mechanism or tools or techniques of marketing as used today. But now all the situations have changed, the needs and wants have changed. Human aspiration for excellent and better status have given birth to thousand of discoveries, inventions and innovations and established thousand of units of different types of industry to fulfill that aspiration. These changes in turn not only in rented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most competitive field". (Parajuli, Sanjaya, 2001)

There are five completing concepts under which organizations can choose to conduct their business. They are production concept, the product concept, the selling concept, the marketing concept and the societal marketing concept. The first three concepts are of limited usefulness today. The marketing concepts holds that the key to achieving organizational goals consists of determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.

It starts with a well defined market, focuses on consumer needs, coordinates all the activities that will affects customers, and produces profits by satisfying customers.

In recent years, some have questioned whether the marketing concept is an appropriate philosophy in a world faced with major demographics and environmental challenges. The societal marketing concept holds that the

organization's task is to determine the needs, wants and interest of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserve or enhance the consumer's and the society's well beings. The concept calls upon marketers to balance three considerations. (Kotler, Philip, 1999)

-) Company profits
-) Consumer satisfaction and
-) Public interest

2.4 Evolution of Marketing

The evolution of marketing has been analyzed in similar way by various authors in their independent works. Some of the authors were William J. Stanton, Philip Kotler, Gary Armstrong etc. The different stages in the process of evolution of marketing area as follows:

A. Production Oriented Stage

The production concept lies in the philosophy that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency. (Kotler Philip, 1997).

Kotler and Armstrong think that it is still a useful philosophy in two types of situations:

-) When the demand of a product exceeds the supply, management should look for ways to increase production.
-) When cost of production is high it is required to decrease to expand market. (Kotler, Philip and Armstrong Gary, 1997)

B. The Product Orientation Stage

The idea that the consumer will favor products that offer the most quality, performance and features and that the organization should devote its energy on making continuous product improvements. (Kotler, Philip, 1997)

C. The Sales Oriented Stage

This stage emerged with philosophy that consumers would not buy enough of the organizations products unless the organization undertakes a large- scale selling and promotion effort. (Kotler, Philip, 1997)

D. Marketing Orientation Stage

The basic target of this stage is that the achievements of organizations goal depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than do competitors. (Kotler, Philip, 1997)

E. Societal- Marketing Orientation Stage

This is the least development in the field of marketing. The stage is based upon the fact that the organization should determine the needs/ wants and interests of the target markets and deliver the desired satisfactions more effectively than do competitors in a way that maintains or improves the consumer's and society's well being. (Kotler, Philip, 1997)

Table 2.1

Comparative Features of Marketing Concepts

Concept	Starting Point	Focus	Means	Ends
1. Production concept (Aims at selling what can be produced)	Factory	Production orientation	<ul style="list-style-type: none"> ▪ Mass production ▪ Low price ▪ Wide availability 	Profit through production efficiency
2. Product concept (Aims at improving the product)	Factory	Product Quality Orientation	<ul style="list-style-type: none"> ▪ High Quality ▪ Innovation ▪ Performance ▪ Guarantee 	Profit through well- made products
3. Selling Concept	Factory	Seller needs orientation	<ul style="list-style-type: none"> ▪ Aggressive selling ▪ Heavy Promotion 	Profit through high scales volume
4. Marketing Concept	Market	Customer needs orientation	<ul style="list-style-type: none"> ▪ Integrate marketing 	Profit through customer satisfaction
5. Societal Marketing (Aims at promoting social welfare)	Market	Social Responsibility Orientation	<ul style="list-style-type: none"> ▪ Intergrate marketing ▪ Concern for social welfare 	Profit through customer and social well being

(Agrawal, G.R., 2005)

2.5 The Marketing Concept in Nepal

- a) The economy of Nepal is characterized by excessive dependence on agriculture. The industrial sector is in a developing stage. The role of services has been growing in the recent years. Due to the topographic diversity of the country coupled with poor transport and communication facilities, marketing has remained fragmented.
- b) The public sector remains dominant in the Nepalese economy. The private sector is developing and dominated by the family owned and managed business. The advent of global companies, especially in tourism and fiancé sectors, has resulted in the transfer of new marketing skill along with capital and technology.
- c) Marketing has traditionally remained a neglected aspect in Nepal. Enterprises tend to concentrate on production and selling rather than marketing. The selling concept has been serving as the marketing philosophy of Nepalese managers. The public sector has generally remained indifferent to the marketing concept.
- d) The Marketing concept has not embraced by most Nepalese organizations. This is clear from the following points:
 - Management philosophy's most organizations of Nepal does not emphasize customer oriented.
 - Target markets have not been clearly defined by most Nepalese organizations.
 - Marketing information system has remained very weak in most organizations.
 - Marketing activities has remained fragmented in the organization structures. They have not been organizationally coordinated. Marketing department hasnot a become a part of the top management team.

- Organizations tend to be more interested in producing products and making profit through selling and production. This seems least concerned about satisfying the needs of the customers.

e) Prospects for the Marketing concept:

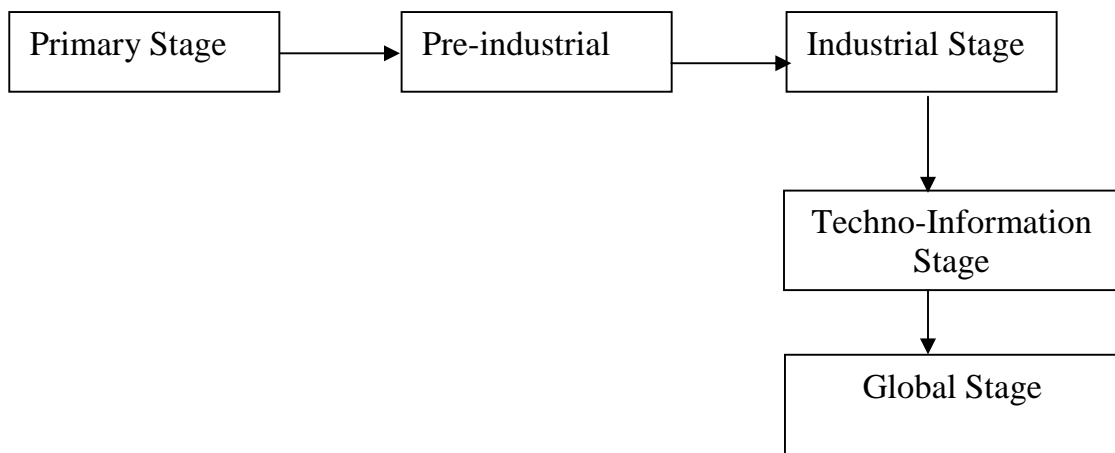
Nepal has experienced significant socio-economic changes over the last 25 years. The supply- driven marketing where organizations could sell everything they produced, is increasingly giving way to demand driven marketing. The realization is gradually coming that customers and their needs are important in marketing. The increasing intensity of competition in the Nepalese market has also helped in this regards. (Agrawal, G.R., 2001)

2.6 Development of Marketing

Marketing has developed in an evolutionary rather than revolution fashions. Its development has been influenced by the progress of civilization and economic development of nations.

Figure 2.1

Stages of Marketing Development



2.7 Basic Principle of Marketing Concept

- a) Target markets should be defined carefully. No organization can operate in every market and satisfy every need.
- b) Customer orientation is the key to organization success. Organizational activities should be focused on determining and satisfying customer needs.
- c) Integrate marketing action is the essence of customer need satisfaction. All departments in the organization should work together to serve the customers interest.
- d) The ultimate purpose of marketing concept is to help organizations achieve their objectives. Organizations can best achieve objectives by providing customer need satisfaction. (Agrawal, G.R., 2001)

2.8 Market System

A marketing system is a unified whole composed of interrelated and interacting subsystem (parts) to achieve desired objectives. Marketing is a dynamic system consisting of input- processing- output- feedback.

- a) Input of the marketing system consists of the marketing mix elements product, price, promotion and place.
- b) Processing of the marketing system consists of environmental influences and buyer decision processes.
- c) Output of the marketing system consists of customer response reflected by profit, market share, social welfare and organizational image.
- d) Feedback provides information to design input. (Agrawal,. G.R., 1999)

2.9 Marketing Mix

Marketing is the process of choosing markets to be in, products to offer, prices to charge distributors to use, and message to send. Organization must create and

maintain an effective marketing mix that satisfies customer needs. "Marketing mix is the set of marketing tools that organizations use to purpose their marketing objective in the target market."

Figure 2.2

The Tools of Marketing Mix are known as 4 Ps.



- a) The four elements of marketing mix are interrelated. Decision is one element usually affect actions in others.
- b) The design, implementation and evaluation of the marketing mix constitute important aspects of the total marketing effort. Organizations should offer different marketing mix for different segments of the target market.

Now, it is necessary to go in brief of tools of marketing mix. Always market situation is measured with the help of tools of marketing mix i.e. 4 ps. If we neglect one from other the effectiveness of market situation is not measured by better way. Now, respectively we discuss about: promotion, product, price and distribution channel. (Agrawal, G.R., 1999)

2.10 Conceptual Review

Customer satisfaction is the goal of the marketing concept. Marketing should understand consumer behaviour in relation to product. After consumers obtain and use a product or service, they will develop feelings of satisfaction or dissatisfaction towards it. "Satisfaction is a person's feelings of pleasure or disappointment resultin from comparing a product's perceived performance in relation to his/her expectation"-Philip Kotler.

The field of buyer behavior analyses how individuals, groups and organizations buy products to satisfy their needs and desires. Buying behavior is the decision process and acts of people involved in buying and using products. Consumer behavior refers to the buying behavior of ultimate consumers, those people who purchase products for personal or household use. Consumer behavior is the sub-set of human behavior focusing on the buying by business organizations, social institutions and government.

According to Schiffman and Kanuk, "The term consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services,

that they expect will satisfy their needs." It includes various aspects of buying, using, and disposing products and services, such as:

<i>Objects:</i>	<i>What they buy?</i>
<i>Reasons:</i>	<i>Why they buy it?</i>
<i>Occasions:</i>	<i>When they buy it?</i>
<i>Place:</i>	<i>Where they buy it?</i>
<i>Frequency:</i>	<i>How often they buy it?</i>
<i>Use:</i>	<i>How they use it?</i>
<i>Frequency of use:</i>	<i>How often they use it?</i>
<i>Disposal method:</i>	<i>What they do to the residual part of the product after the use?</i>

The study of consumer behavior enables marketers to understand and predict consumer behavior in the marketplace: it is concerned not only with what consumers buy but also with why, when, where, how, and how often they buy it?

Marketer should formulate the marketing strategy as per need and want of consumer. The product and service should be design in relation to the consumer behavior.

2.11 Need for Understanding Consumer Behavior

- i) The main objective of understanding consumer behavior is to develop efficient use of marketing resources. The goal of marketing is to understand, meet and satisfy target customers' needs and wants. Consumer behavior analysis helps the marketing executive to find answers as why consumers buy a product and how they respond to

- marketing inputs such price, quality, service, availability, styles, images etc.
- ii) The study of consumer behavior helps the business organizations to locate consuming groups with unmet and unsatisfied needs and desires.
 - iii) Consumer behavior analysis helps to identify and categorise the need and desire clusters in a market in terms of geographic, an organization well-demarcated market segments. The organization can select the market segments based on their size, growth and profit factors.
 - iv) Consumer behavior helps an organization to study how consumers perceive different brands of products sold in the market. Once consumers' images of the brands are studied and profiled, the organization can select and appropriate position for its brand.
 - v) Consumer behavior analysis helps in conducting the market research.
 - vi) Consumer behavior analysis provides valuable information feedback to the firm on the changes in consumer needs, preferences and buying power. This information can be used for effective design of marketing strategy.

2.12 Factors Influencing Complaint Behavior

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

1. The level of dissatisfaction of the consumer
2. The importance of the product to the consumer
3. The amount of benefit to be gained from complaining

4. The personality of the consumer
5. To whom the blame for the problem is attributed
6. The attitude of the consumer toward complaining
7. The resources available to the consumer for complaining
8. Previous experience with the product and with complaining

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

2.13 Customer Value and Satisfaction

Marketing provides value and satisfaction to customers. Value attracts customers. Satisfaction retains customers.

A. Customer value:

Customers are value maximizers. They act on an expectation of value. Value represents ratio of perceived benefits to costs. Marketing creates and adds value for customers. Value is the ratio between what the

customer gets and what he gives. The customer gets benefits and gives costs. product choice is guided by the value provided by the product.

. Benefits: They can be functional and emotional.

. Costs: They can be monetary, time, energy, psychic.

Customers value is the difference between total customer value and total customer costs. It is also known as Customer Delivered Value.

B. *Customer Satisfaction:*

Customer satisfaction is the goal of the marketing concept. Satisfaction is a function of performance and expectations. It is the customer's perceived performance from a product in relation to the expectations. Organizations should aim for total customer satisfaction. It is a post-purchase outcome.

Customer expectations are formed by:

. Past buying experience

. Advice from friends and relatives

. Marketing promotions and promises

The customer is:

a. Dissatisfied, if the performance falls short of expectations.

b. Satisfied, if the performance matches the expectations.

c. Delighted(highly satisfied), if the performance exceeds the expectation. Organizations should aim for delighted customers.

. High customer satisfaction leads to high customer loyalty. It creates emotional bond of the customer with the Brand.

Methods for tracking customer satisfaction

a) *Complaint and Suggestion System*: Customers are encouraged to make suggestions and complaints. Hotel provides printed forms to guests for this purpose. Web pages and e-mail is used to facilitate information flow.

-This method Provides good ideas. Problems can be resolved quickly. However, not many customers like to complain. They just switch brands.

b) *Customer Satisfaction Surveys*: Periodic surveys of customer opinions are conducted. Questionnaire or interview is used to conduct the surveys. Customer view can also be asked about competitor's performance.

-This method involves customers to get information. But it is costly and time consuming.

c) *Ghost Shopping*: "Mystery shoppers" are hired by the organization who pose as potential buyers. They report strong and weak points experienced in buying the products.

d) *Lost customer Analysis*: Customers who have stopped buying or switched brands are contacted to learn about the reasons for their behavior. Exit interviews can also be conducted from such customers. Increasing Customer Loss Rate is an indication of customer dissatisfaction.

- High performance organizations have customers with high satisfaction. They deliver total customer satisfaction to delight the customers.

- Guarantee, warranty, after sales service and money refunds increase customer satisfaction.

2.14 Cost of Lost Customer

Organizations need to attract new customers. They also need to retain them. The customer defection rate should be carefully monitored. Customer defection rate is the rate at which organization lose customers.

Computing cost of lost customer

A Customer's life time value is the cost of losing him. Life time value is the present value of profit stream that would have been realized if the customer had not defected prematurely.

The following example gives an indication of the cost of lost customer for one year:

- The customers 10000 accounts
- Lost customers 5%=500
- Revenue loss per account Rs. 10000
Total Revenue loss(10000x500)= Rs. 5 million
- Profit margin 10%
- Profit loss for the year(10% of Rs. 5000000)= Rs 500000
The profit loss is the cost of lost customers.

Steps for Reducing Customer Defection Rate

- *Define measurement basis for retention rate:* The measurement basis for retention rate should be defined. For a newspaper, renewal rate is a measure of retention. For a college, it is admission in second year after completing first year.
- *Analyze causes of defection:* The reasons for defection can be poor service, poor products, high price, inconvenient distribution, etc. Examine the percentage of defection for each reason.

- *Calculate loss of profit:* Customer defection results in loss of profit. Profit loss from lost customers should be calculated in terms of life time value of lost customers.
- *Introduce Anti-defection measures:* They can be in terms of extra benefits and services that add value.
- *Find out cost of reducing defection rate:* The cost of anti-defection measures such as benefits or services should be calculated. The cost should be less than benefit of reducing defection rate.
- *Listen to customers:* Customer feedback is essential for reducing defection rate. Exit interviews of customers can also be useful. Complaints and suggestions should be carefully handled.

2.14 Customer Retention

Customer retention is as important as customer attraction. Lost customers involve high costs. Organizations should cultivate current customers, so that they don't defect.

The key to customer retention is high customer satisfaction. Satisfied customers are loyal. They stay with the product brand.

Methods of customer Retention

Customer retention can be done by the following methods:

- *Erecting High Switching Barriers:* High switching barriers are erected. Switching may involve high capital costs, high search costs and loss of attractive discounts for current customers. They will be less attracted to switching inducements by competitors.
- *Relationship Marketing:* Relationship marketing is practiced. It is one-to-one customer relationship. It is building long term mutually satisfying

relations with current customers to retain their long term loyalty. Organizations take steps to know and serve their customers better. They ensure that customers remain as loyal customers with high satisfaction.

2.15 Consumer Complaint Behavior

Once a consumer perceives that he or she is dissatisfied with a product or service, the problem arises as to what to do about it. Consumer complaint behavior has been defined as a multiple set of actions triggered by perceived dissatisfaction with a purchase episode. Researchers have identified three different sets of actions in which consumers may engage. The three dimensions of complaint behavior are as follows.

1. Do nothing or deal with the retailer in some manner.
 - a. Forget about incident and do nothing.
 - b. Definitely complain to the store manager.
 - c. Go back or call retailer immediately and ask them to take care of problem.
2. Avoid using the retailer again and persuade friends of same.
 - a. Decide not to use retailer again.
 - b. Speak to friends and relatives about your bad experience.
 - c. Convince friends and relatives not to use retailer.
3. Take overt action with third parties
 - a. Complain to a consumer agency.
 - b. Write letter to a local newspaper.
 - c. Take some legal action against retailer.

The actions of not patronizing the brand or store, of telling friends about the problem, and of complaining are straight forward responses

to products or service problems. When consumers seek redress to their dissatisfaction, they take steps to obtain some type of refund. The refund could be in the form of money or through a new product.

Study of consumer complaint behavior; however, have shown that a minority of dissatisfied customers actually take overt action to complain.

In general, the models of consumer complaint behavior have identified two major purposes for complaining. First, consumers will complain in order to receive an economic loss. They may seek to make an exchange of the problem product for another product. They may seek to make an exchange of the problem product for another product. They may seek to get their money back either directly from the company or store or indirectly through legal means. A second reason for engaging to some type of complaint behavior is to rebuild the person's self-image particularly when the self image of a consumer is tied to the purchase will lower the person's self image. In order to raise his or her self image, the consumer may use negative word - of - mouth communications, may stop buying the brand, may complain to the company or Better Business Bureau or may take legal action.(Mowen,1990:355-356)

2.16 Review of Related Studies

Review of Related Books Journals and Other Studies

Consumer behaviour is relatively a new area of study so there are not sufficient books, journals and articles, however, available resources are quite useful while conducting a research. Researcher has tried to

consult as many resources as possible among which some mentionable are as follows:-

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

According to Hunt, "Satisfaction is a kind of stepping away from an experience and evaluating it..... One could have a pleasurable experience that caused dissatisfaction because even though pleasurable, it wasn't as pleasurable as it was supposed and expected to be. So satisfaction/dissatisfaction isn't an emotion, it's the evaluation of an emotion."

Loudon and Bitta mention that consumers form certain expectations prior to the purchase. These expectations may be about (1) the nature and performance of the product or service (that is, the anticipated benefits to be desired directly from the item), (2) the costs and effects to be expended before obtaining the direct product or service benefits, and (3) the social benefits of cost accruing to the consumer as a result of the purchase (that is the anticipated impact of the purchase on significant others). Advertising may often be an important factor influencing these expectations. Consumer may have a variety of product performance expectations, including what the consumers

hope performance will be in terms of an ideal level, what would be fair and equitable given the consumer's expenditure of time and money in obtaining and using the product, and what the consumer expects to actually occur.

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

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

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

The emotional context in which product failure occurs may affect consumers' subsequent information processing. Research on the satisfaction/dissatisfaction process has led to the proposition that disconfirmation is mediated by attribution processing in which consumers seek to understand why product fail. Consumers seek to know three features about the causes of a problem: (1) stability (i.e. is it temporary or permanent?); (2) locus (i.e., is the problem with the consumer or the company?); and (3) controllability (i.e. is the problem within or out-side the control of someone?) Research on attribution also indicates that attributions can lead to specific type of emotional reactions. For instance, if consumers felt a product problem were preventable by the company they might be expected to rather angry. It also appears that the consumer's mood prior to product

failure can influence later cognitive and affective reactions. For example, if a consumer is in an angry mood because of the day's events prior to ordering a meal in a restaurant, he is liable to engage in grater attribution processing over a poor meal being served than if the consumer were not in a bad mood. Emotional context, therefore, interacts with disconfirmations affect attribution, which results in certain emotions influencing satisfaction or dissatisfaction.

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

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

This study provides some important implications for messages and executives which are

a) Go on, say you're sorry

Customers who are satisfied with the way complaint is handled can become better customer and sometimes advocates for a particular firm. The best business actively encourages their customers to complain because such actions not only enable the company to solve the customer's problem but provide valuable information as product and service quality.

b) Start buy saying sorry

Fisher et. al. express surprise that firms do not offer apologies. Almost all the research into customer's complaints and the experience of practicing managers shows us that saying sorry is a great start to dealing with an upset or disgruntled customer. And in some cases that apology is sufficient to resolve the problem especially when it's a case of bad service.

c) Do the work

Sometimes when consumers want the work done then the company has to do it. So, if you are in business, do the work rather than make excuses about why the work isn't done or is done badly.

d) Offer reparation

When your customers complain they are not just dissatisfied but have been put out by the need to contact you. The complaining customer has taken time out to call in or ring you. They have gone to some

trouble to complain. The least you can do is recognize the inconvenience and offer reparation. Not just a refund but a "no strings attached" offer of some sort.

e) Think about the next sale not the one you have just made

Fisher et. al., show how damaging it is to fail to sort out a customer complaint. And if your customer is so upset that goes to BBB, the customer will exact revenge. Every person the customer encounters will be regaled with just what a useless shower you and your firms are.

f) Put BBB Out of Business

No, not because they are a bunch of troublemakers, but because you sort out your customers' complaints. If you do that the customer won't need to go to BBB and BBB will lose its reason for existence. Organizations like BBB are only there because too many businesses mistreat their customers.

The finding from this study indicate that companies can ill afford to ignore complaints raised by dissatisfied consumers to the level of BBB involvement, companies face considerable financial risk due to highly of these negatives word-of- mouth communication of these intensely dissatisfied consumers. Therefore, customer service managers should need the results in this study that reveal the inconsistencies between dissatisfied consumers preferred resolution options. And what companies actually offer to them. These data suggest that the companies may make significant progress in dealing with dissatisfied consumers if they train their customer service

personnel to become better communicators who can respond more carefully to each consumer's particular complaint.

2.17 Consumers' Response on Dissatisfaction

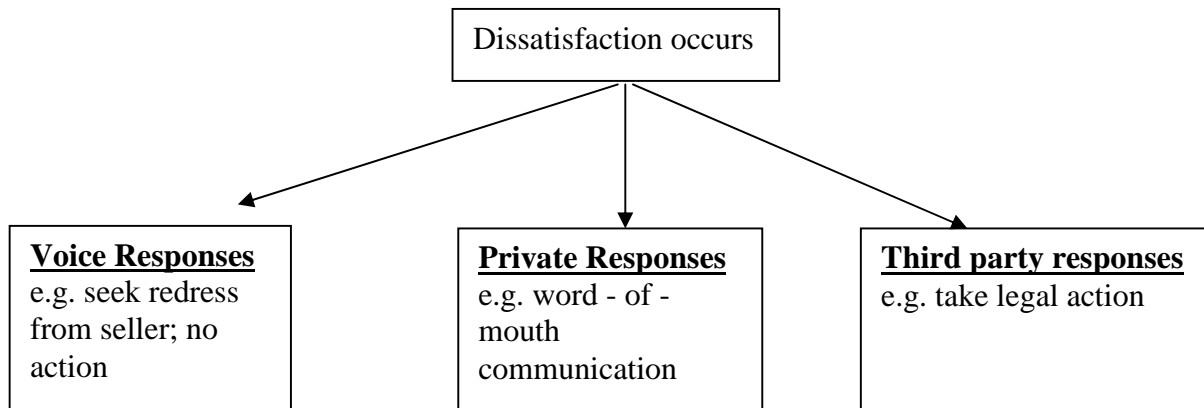
What happens when consumers experience dissatisfaction? There are several negative outcomes possible. First, consumer may exhibit unfavorable word-of-mouth communication; that is, they tell others about their problem. In fact, studies show that customer tell twice as many people about bad experiences as good ones. Such behavior can severely damage a company's image. Second, consumers may not repurchase the brand. Those who are not fully satisfied with a brand are less likely to repurchase it, than are satisfied buyers. A third action for the consumer is to complain. Several generalizations exist from research on consumer complaining:

-) Complainers tend to be members of more upscale socioeconomic groups than non complainers.
-) The severity of the dissatisfaction or problem is positively related to complaint behavior.
-) Complaining is more likely when there is a more positive perception of retailer responsiveness to customer complaints.

A model of consumer complaining behavior (CCB) is shown below. It illustrates the variety of actions possible. For instance, consumers may complain, not to the seller, but to some formal third parties such as the Better Business Bureau, a newspaper, or the legal system. Second, they may engage in private CCB actions such as telling friends and relatives about the bad experience and changing their own patronage behavior. Third they may voice their complaints to the

manufacturer or retailer involved or take no action even when dissatisfied if they are loyal to the seller or believe complaining is pointless.

Figure 2.3
Model of Consumer Complaining Behavior



Along similar lines one researcher classified dissatisfied consumers into four grouping based on the way they communicate their dissatisfaction: passives, voicers, irates, and activists. The choice of a response style exhibited by consumer is determined by episode-specific variables (such as the probability of obtaining redress, the costs and benefits from complaining actions, and the nature of dissatisfying service) and personality variables.(such as prior experiences, alienation, and attitudes toward complaining). It could be that a consumer may consistently use the same response style in different dissatisfaction contexts over time. Above table presents characteristics of individuals for the four response styles. These style differences imply that retailers could (1) assess the distribution of the four groups among their customer over time to see how they are doing ;(2) institute programs so as to make the voicer style a more attractive

option, compared to other styles; and (3) focus on corrective strategies for customer alienation because it undermines retailer loyalty and tends to lead to produce irates and activists.

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

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

Auto manufacturers are designing elaborate training producers and operations manuals for dealership customer-service managers in an effort to help dealers win back dissatisfied customers. Nissan has found, for example, that as many as 20 percent of customers said they could not buy from the same dealership after only six months of

ownership. But when dissatisfied customers are allowed to complain the dealer or manufacturer, nearly 20 percent of them change their minds and buy from that dealership again. Another study found that 54 percent of dissatisfied customers who feel that their complaint has been solved will buy from the offending dealer again. (Loudon and Bitta, 1993: 581-583)

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

Eight factors about customer behavior are keys to understanding the implications of complaint data: (1) Dissatisfied individual and business customers tend not to complain. (2) Complaints often do not directly identify the source or cause of the problem. (3) Retail, field sales and service system filter and discourage complaints. (4) Brand loyalty can be retained by merely getting customers to articulate their problems. (5) Increase the ease of access to the provider can reduce the complaint ratio (also known as the multiplier). (6) The propensity to complain is directly proportional to the damage to the respondent.

- (7) Complainers tend to be the heaviest users of the product or service
- (8) Problem experience' especially in the case of those consumers who remain unsatisfied after complaining, results in substantial amounts of negative word-of-mouth. (Goodman and Newman, 2003: 51)

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

CHAPTER – III

RESEARCH METHODOLOGY

Research methodology is the process of arriving at the solution of problems through a planned and systematic dealing with the collection, analysis and interpretation of the facts and figure. In simple words, research methodology refers to the various sequential steps to be adopted by a researcher in studying a problem, with certain objectives in view. It may be understood as a science of studying new research is done significantly. It is necessary for the researcher to know not only the research methods/techniques but also the methodology. Researchers not only need to know how to develop certain indices on tests, how to calculated the mean, the mode, the research techniques, but they also need to know which of these methods or techniques are relevant and which are not, and what would they mean and indicate and why.

The topic of the problem has been selected as "Consumer Behavior in High Involvement Products." Therefore, here an attempt is made to find out the satisfaction level of consumers over their products. At the same time causes of dissatisfaction are also noticed and hence complaint behavior is checked. Besides this, consumer attitude towards different attributes of the product is also judged. Patterns of behavior shown by consumer are quite useful in the pursuit of success of business in this competitive age. The research methodology employed in the present study is described in this chapter.

3.1 Research Design

This study is exploratory in nature. It is based on the descriptive research design. It mainly aims to find out the satisfaction and dissatisfaction level of consumers of high-involvement products and hence their complaint behavior. For this study, four products namely computer, TV, Refrigerator and motorcycle are selected. The survey approach has been adopted to conduct the research. The data and information collected from the survey of the consumer are rearranged, tabulated analyzed and interpreted according to the need of the study for attaining stated objectives. Consumers inside Hetauda are extensively surveyed so as to procure data and information about consumers, their expectations, importance, and satisfaction and dissatisfaction level along with complaint behavior, towards their products.

3.2 Nature and Sources of Data

The data used in this study are primary in nature. These primary data essential for this study are collected from the Nepalese consumers of the products (i.e. computer, TV, motorcycle and Refrigerator) across the Hetauda.

3.3 Population

All the Nepalese consumers residing in Hetauda, who have at least one of these products among computer, motorcycle, TV and Refrigerator and which are bought within 2 years time period, are considered to be the population of this study. Data indicating the exact number of such consumers is not available.

3.4 Sampling

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

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

Respondents' Profile

Sex	Number	Percentage
Male	88	58.67
Female	62	41.33
Total	150	100

Age category	Number	Percentage
a) 15-25 years	45	30
b) 25-35 "	72	48
c) 35-45 "	23	15.33
d) 45-55 "	10	6.67
e) Above 55 years	-	-
Total	150	100

Profession	Number	Percentage
a) Students	39	26
b) Business	26	17.33
c) Government job	21	14
d) Private job	32	21.34
e) Teacher	20	13.33
f) House wife	12	8
Total	150	100

Marital Status	Number	Percentage
Married	84	56
Unmarried	66	44
Total	150	100

Income	Number	Percentage
a) Below Rs. 10,000	85	56.67
b) Between Rs. 10,000-20,000	40	26.67
c) Between Rs. 20,000-40,000	15	10
d) Above Rs. 40,000	10	6.66
Total	150	100

3.5 Data Collection Procedure

A well-structured questionnaire is prepared as the main instrument of the data collection for this study. The questionnaire was most carefully designed as well as pre-tested so that it could best serve the purpose of this study. All questions of the questionnaire are based on close-ended response format except question number 8-, which is

open-ended. The questionnaire contained Likert scale (summated scale), dichotomous (i.e. yes/no type) format as well as multiple-choice questions. Altogether 150 questionnaires were distributed all of them are collected. Since it is the interviewer administered survey method, cent percent response became possible. Maximum attention has been given while filling up the questionnaires. The objective of the research, meaning of the question and filling up way were explained before getting response from the respondents.

3.6 Data Processing and Analysis

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

All the analysis is made on the basis of the data as presented in different tables. Data is analyzed both descriptively and statistically as per the need of the research. Simple mean, percentage and Chi-Square test (χ^2) are used as statistical tools.

CHAPTER – IV

DATA PRESENTATION AND ANALYSIS

Data presentation and analysis, the main part of study, is presented in this chapter. The data and information collected from the consumers are presented, analyzed and interpreted in this chapter for attaining the stated objectives of the study. What is found after the analysis and interpretation is given at the end of this chapter.

4.1. Presentation and Analysis

According to the research questions the data and information collected from the consumers are presented, interpreted and analyzed. Many research questions formulated for this study have been answered by means of the very analysis and interpretation. Therefore, each research question is reviewed first before the collected data are presented and analyzed to get the answer of the question.

4.2 Ownership of High Involvement Products

The first research question formulated for this study is "Do you have any one of the following high involvement products –

a) Motorcycle b) Computer c) TV & d) Refrigerator?"

As there are four products for this study so this question needs the numbers of products possessed by the respondents. Response from the consumers reveals that maximum number of respondents have TV i.e. 44 consumers have TV product. Similarly 37 consumers have motorcycle which is second highest number in rank. Likewise 35

Consumers have Refrigerator and the least number of products possessed by consumers is computer i.e. 34 in number.

4.3 Duration of Ownership

Second question asks about the time period that is when did consumer buy it. For this question there are four options to answer: - a) 6 months ago b) 1 year ago c) 1 and ½ years ago & d) 2 years ago.

In the survey, 80 respondents out of 150 bought their product 2 years ago where as only 19 respondents got it 1 and ½ year ago. Similarly, 22 Consumers purchased the product one year ago. Likewise Consumers who obtained their product only 6 months ago are 29 in number.

Table 4.1
Time of Purchase

S.N.	Time when did Consumers buy their product	Number	Percentage
1	6 months ago	29	19.33
2	1 year ago	22	14.67
3	1 and ½ years ago	19	12.67
4	2 years ago	80	53.33
5	Total	150	100

Source: Field Survey, 2013

Table 4.2

Number of product possessed by Respondents

S.N.	Name of product	Number	Percentage
1	Television (TV)	44	29.33
2	Motorcycle	37	24.67
3	Refrigerator	35	23.33
4	Computer	34	22.67
	Total	150	100

Source: Field Survey, 2013

4.4 Matching of Expectation with the Performance

Research Question formulated for this study is, "To what extent did your expectations match with the performance of the product?" There are five options to be answered to this question which are a) Fully Matched b) Matched c) neither Matched nor Mismatched d) Mismatched & e) Fully Mismatched.

To analyze this question two categories are created for simplicity similarity these are a) Matched & b) Mismatched group. Fully Matched & Matched are put in to a) Matched Group. Similarly neither Matched nor-Mismatched Mismatched & Fully Mismatched are put into b) Mismatched Group.

Out of 150, 121 respondents, expectations are found to be matched where as only 29 respondents' expectations are mismatched. In this way 74 males and 47 females' expectations are matched; however, 14 males & 15 females' expectation are mismatched. Therefore, it is

better to look in to the expectation of male and female i.e. whether there is any difference in male & females' expectation or not. Do male & female differ in the formation of expectations or not is analyzed on the basis of Chi-Square (χ^2) Test, which is calculated on the bases of Table No.3

Table 4.3
Expectation and Performance of the Product

Expectations	Male	Percentage	Female	Percentage	Total	Percentage
Matched	74	84.1	47	75.81	121	81
Mismatched	14	15.9	15	24.19	29	19
Total	88	100	62	100	150	100

Source: Field Survey, 2013

Null Hypothesis (H₀)

There is no significant difference between male & female in forming their expectations towards the products.

Alternative Hypothesis (H₁):

There is significant difference between male & female in forming their expectation towards the products.

Test statistics under Ho is

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

Where,

O = Observed frequency

E = Expected frequency

$$X \frac{RT \times CT}{N}$$

RT = Row Total

CT = Column Total

N= Total number of observation

Table 4.4

Calculation of Chi- Square (χ^2)

O	$E = \frac{RT \times CT}{N}$	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
74	$(121 \times 88) / 150$ =70.99	3.01	9.06	0.127
47	50.01	-3.01	9.06	0.181
14	17.01	-3.01	9.06	0.532
15	11.99	3.01	9.06	0.756
$O \times 150$	$E \times 150$			$\chi^2 = 1.596$

Degree of freedom (d.f)

$$= (r-1) (c-1)$$

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

Here,

Calculated value of Chi-Square (χ^2) = 1.596. Whereas tabulated value of Chi-Square (χ^2) at 0.05 confidence level for 1 degree freedom = 3.84.

Decision

Since calculated value of χ^2 (i.e. 1.596) is less than tabulated value of χ^2 (i.e. 3.84) so alternative hypothesis (H_1) is rejected and hence null hypothesis (H_0) is accepted.

Therefore, it is concluded that there is no significant difference between male & female in forming their expectations towards various products. That is why male & female having almost same kind of expectations towards their products.

4.5 Aspects Considered Important

Many questions were asked to the consumers to get the objective of the study. In this context, question no.4 asks about the importance that consumers give to a) price b) durability c) design d) performance and e) after sales service.

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

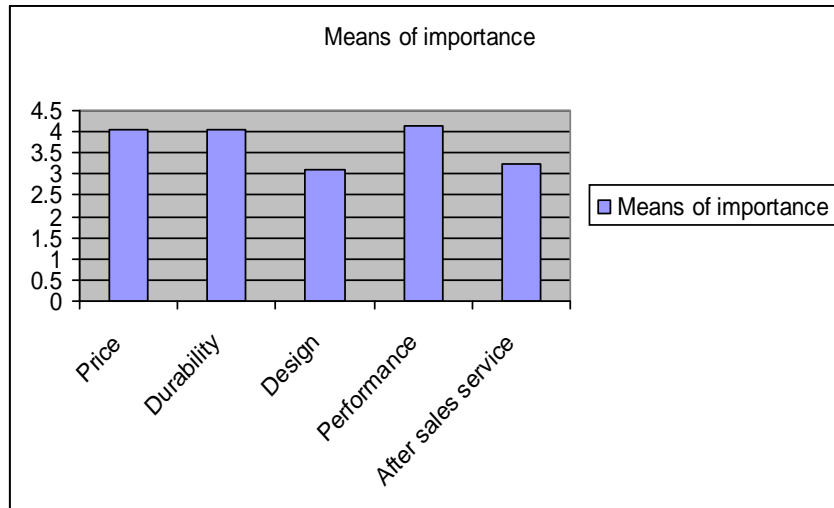
Table 4.5
Importance of Attributes

Attributes	Means of importance
Price	4.03
Durability	4.05
Design	3.10
Performance	4.12
After sales service	3.24

Source: Field Survey, 2013

Table 4.5 reveals that consumers give maximum importance to the performance of the product. The highest mean (4.12) which is very close to the maximum important point i.e. 5 obviously indicates that how does the product perform or how does a product work is the most concern issue of consumers rather than any other attributes. Similarly, second highest position is held by durability from the importance point of view. Mean 4.05, which is very close to the performance, informs that consumers give most importance to the durability of the product immediately after the performance. The general perception of people that price plays the most important role in the market place remains no longer true in our study. This study has shown that price holds the third position from the consumers' importance point of view. Scoring 4.03 mean value, price ensures its position after performance and durability of the product. With mean 3.24 after sales service got the second last position from the importance point of view still it is more important than design. Because design has the smallest mean which is 3.10 i.e. consumers give the least importance to the design of the product. Though, the comparative description is presented above but except design and after sale service, all other attributes are important from consumers' perception because all other attribute have more than 4 mean values which is very close to the maximum importance point i.e. 5.

Figure 4.1
Importance of Attributes



4.6 Satisfaction with Various Aspects of the Product

The fifth question formulated for the study is "To what extent are you satisfied with a) price b) durability c) design d) performance and e) after sales service of the product? "

This question is related to the question No. 4. Question no.4 asks about the importance given to the price, durability, design performance and after sales service. In connection to that question it asks about the satisfaction level that consumers obtained from the same attributes (i.e. price, durability, design, performance and after sales service). In this way, it finds out the gap realized between the importance given and satisfaction achieved from those attributes.

This question had Likert Scales from 1 to 5 (1 minimum satisfaction level – 5 maximum satisfaction level). To show the satisfaction level

that consumers obtained from different attributes, mean values is calculated and shown in the Table 4.6.

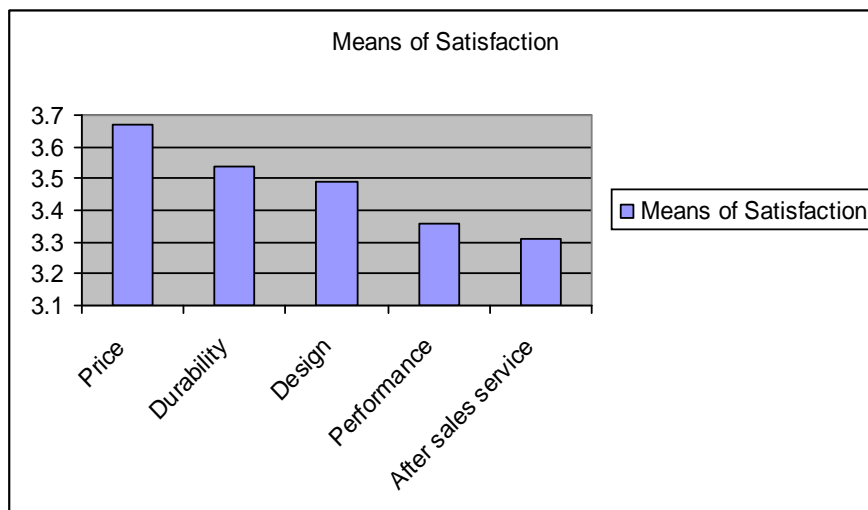
Table 4.6
Satisfaction level of Attributes

Attributes	Means of Satisfaction
Price	3.67
Durability	3.54
Design	3.49
Performance	3.36
After sales service	3.31

Source: Field Survey, 2013

Consumers' satisfaction level can be presented in the following bar diagram more clearly.

Figure 4.2
Satisfaction Level of Attributes



From the above table any one can easily find out that consumers are more satisfied with the price of the product than other attributes. Price has 3.67 mean value to hold the first position from the point of view of satisfaction level. Immediately after price durability holds the second highest position of satisfaction level by scoring 3.54 mean value. It means after price consumers are more satisfied with the durability of the product. Design has 3.49 mean values, which shows its third position of satisfaction level. So it seems that consumers are less satisfied than price and durability and more satisfied than performance and after sales service in design. In performance (mean value=3.36) consumers are more satisfied than after sales service but less satisfied than all other remaining attributes. Holding 3.31 mean value after sales service occupies the last position. Therefore consumers are more dissatisfied in after sales service than in any other attributes.

Mean value of price, durability, design and performance are closer to the point 4. Thus, it seems that consumers are a bit satisfied with price, durability, design and performance of the product. However, they are not as satisfied as they give importance to these attributes. Except design they give more importance to all other remaining aspects (more than 4 mean values) where as none of the aspects from satisfaction point of view scores more than 4 mean values. So still there is gap between required and acquired level of satisfaction in all aspects. Only in case of design the importance given to it is less than satisfaction obtained from it i.e. importance given (mean value 3.10) is less than satisfaction level (mean value 3.49).From this we can argue that design is the least important part of product from

consumers side so they did not make any expectations over design so what did they get simply became more than expectations itself.

Comparison of importance and satisfaction can be together presented in the table below: -

Table 4.7
Comparison of importance and satisfaction level

Attributes	Mean of satisfaction realized	Means of importance given	Difference
Price	3.67	4.03	-0.36
Durability	3.54	4.05	-0.51
Design	3.49	3.10	0.39
Performance	3.36	4.12	-0.76
After sales service	3.31	3.24	0.07

Source: Field Survey, 2013

From this table we can easily see the mean value of different attributes in two categories (i.e. importance given and satisfaction realized). Except in design and after sale service, all other means of importance are greater than the means of satisfaction. Similarly, means of importance are closer to the maximum important point i.e. 5 than the means of satisfaction. All mean values (except design and after sale service) are above 4 in case of importance given where as none of the means are above 4 in satisfaction level realized. It shows that consumers give more importance to all aspects (except design and after sale service) but in the same way they cannot realize the satisfaction level from those aspects.

From the above table it is seen that performance got the highest importance level which is more close to the maximum importance point i.e. 5 where as satisfaction realized level is the almost lowest point in performance so there is the vast gap between importance given to the performance and the satisfaction obtained from it. Many consumers felt less satisfied with the performance of the product. Durability has 4.05 mean value which is also too close to the maximum importance point(5) but the satisfaction realized from the durability has only 3.54 mean value which is not as close as the importance level. Consumers give more importance to the durability but get less satisfaction from it. In case of design consumers get more than expectation but still it is not more close to the maximum level. Price has also clear distinction between required and acquired level. Acquired level (3.67) is less than required level (4.03). After sales service has 3.24 mean value from the importance point of view in contrast to 3.31 mean value from the satisfaction point of view. In this way a difference is realized between the expected and the achieved level of after sales service.

4.7 Complaint Behavior of Consumers

A separate question is being asked which needs information about the complaint behavior of the consumers. Whenever consumers' feel dissatisfaction they may complain against the product/service they get. Among the total 50 respondents complained against the product. Remaining 100 respondents did not make any complaints against the product no matter whether they were satisfied or not.

Only 33.33 percent respondents complain about the product remaining 66.67 percent never complained. It shows the low complaining habit of Nepalese consumers. Even those who complained also used only two options either (a) Tell to other about dissatisfaction or (b) Ask compensation from the seller. No one used legal action and public media. Some 20 percent complainers told to others about dissatisfaction and 80 percent ask compensation from the seller.

4.8 Compensation from the Company

Out of the total compensation seekers 67.5 percent got it but remaining 32.5 percent did not get any compensation. Those who got compensation was only warranty compensation. Monetary, guarantee and social compensation were not entertained by the Nepalese consumers. Neither Nepalese consumers have habit to go to public media nor to legal action nor are do they being compensated by other than warranty compensation.

What is the complaint behavior of Nepalese consumer? What percentages of consumers do seek for compensation? How do sellers compensate them? The answer to these questions can be presented in the following tables.

Table 4.8

Nature of Consumers towards Complaint Behavior

Types of consumers	Number of consumers	Percentage
Complaining	50	33.33
Not complaining	100	66.67
Total	150	100

Source: Field Survey, 2013

The table value can be presented in the following pie chart to make it more understandable.

Figure 4.3

Nature of Consumers towards Complaint Behavior

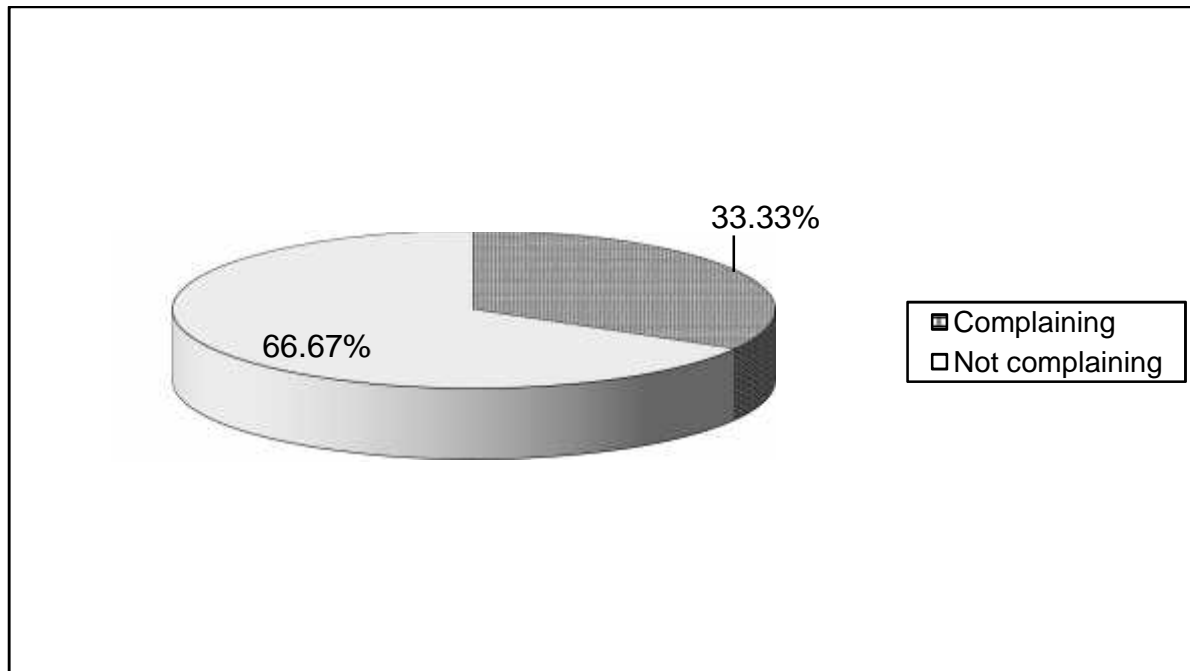


Table 4.9
Consumers' Complaints to the Product

Types of complaints made	Number of consumer	Percentage
Tell to the other about dissatisfaction	10	20
Ask compensation from the seller	40	80
Take legal Action	-	
Go to Public Media	-	
Total	50	100

Source: Field Survey, 2013

Table 4.10
Compensation Seekers and Compensation

Consumer	Number of Consumers	Percentage
Compensated	27	67.5
Not Compensated	13	32.5
Total	40	100

Source: Field Survey, 2013

The following pie chart will precisely reveal the table message to the readers.

Figure 4.4
Compensation Seekers and Compensation

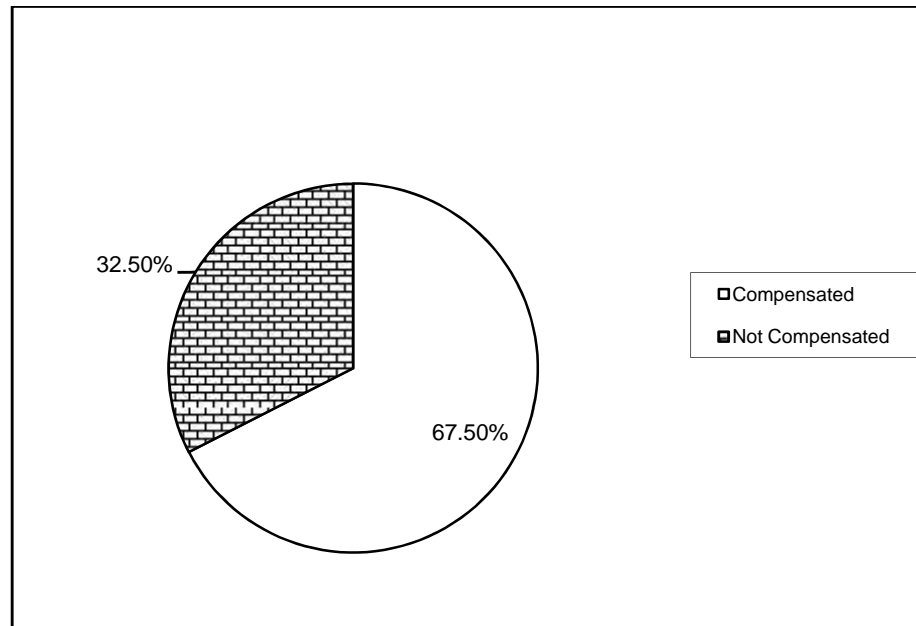


Table 4.11
Compensation Recovered by the Compensated Consumers

Types of compensation	Number of consumer	Percentage
Monetary compensation	-	-
Guarantee compensation	-	-
Warranty compensation	27	100
Social compensation	-	
Total	27	100

Source: Field Survey, 2013

Here, one must not be confused in the above mentioned term monetary, guarantee, warrantee and social compensations. Monetary compensation refers to any part or full amount of cash payment returned to the buyer by the seller in case of default found in the product. Here, on the basis of injustice occurred to buyer a sum of

money is paid back to the consumer. Guarantee compensation ensures the buyer that if any default is found in the product then it will be exchanged to the better one with free of cost. In this case buyer feels safe because he/she can immediately change the product with another if any weakness is found in it. Warranty compensation does not change the product but it only changes the part of product which does not work smoothly. So, here only parts are either changed or repaired without any payment. Social compensation indicates any excuse, sorry or regret that company or seller asks to the buyer whenever consumer gets offset because of the defaulted product. Here, the company (or seller) apologizes through the public media or any other sources where ordinary people have easy access.

4.9 Respondents' Suggestions to the Company

“What is your suggestion to the company?” this is the last question formulated for this study. Some respondents have given no suggestion to the company. Some have presented more than one suggestions. Those who gave suggestion are also mainly concentrated on the quality, durability, good performance as well as originality of the product.

The suggestions presented by the consumers to the different products are summarized below product wise.

(A) Motorcycle

Motorcycle is one among four products of our study. Motorcycle owners have resented many suggestions to the company (or seller) are pointed as follows:-

- Improve quality, durability and design of the product.
- Promise what you can deliver specialty in case of after sales service, originality of spare parts and timely delivery.
- Change tiny spare parts without charging extra money from the buyer.
- While selling through installment basis many obstructions emerge out so try to minimize such hurdles.
- Make after sales service available over the country no matter wherever be the purchasing point.
- Improvise stands, carrier and seat for comfort use.
- Pick up, weight bearing capacity and power of engine should be enhanced.
- Average mileage should be increased.
- Install self start in motorcycle without disk brakes.

(B) Computer

Computer is the second product under our study. As in motorcycle we got many suggestions in computer too. Some of the very realistic ones are as follows:

- Produce advance quality of computer along with the attractive model.
- Make after sales service available at user's home.
- Use original spare and parts of same brand rather than using different brands.
- Keep as many programs as possible while selling the product
- Promise what you can perform in case of quality, durability, warranty and guarantee too.
- Nepali letters should be introduced in keyboards.

- Hang up problem should not occur i.e. computer should continuously run.
- Cheap with extra performance will be our attractive point.
- Responsibility towards customer should be seriously implemented without cheating them.

(C) TV

TV is the product of our study area for which also we have many suggestions. Some of the important suggestions are as follows:

- Visual system and sound system should be standardized.
- After sales service at home must be provided in time.
- Quality, durability and design should be superior one.
- TV should start working as a computer too as computer also functions as a TV.
- Use original spare parts to earn the good will among the potential customers too.
- Exchange offers should be included so that buyer can entertain such facility.
- Expand the warranty time period.
- Offer some gift hampers.

(D) Refrigerator

It is the last product of our study. It has also some useful suggestions that can be presented as:

- Quality, durability and performance should be ensured.
- Easy financing system must be used rather than following lengthy and boring way.

- While selling the product seller should disclose the different characteristics of various brands to the customers.
- After sales service should be reliable.
- Refrigerator should be multi functional.
- It should be cheaper.
- Install strong stand system along with back side covering to make it safe and attractive one.
- Provide easily understandable menu for smooth operation.
- Attach indicator outside the Refrigerator.

4.10 Major Findings

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

- (a) Male and female do not differ in terms of their expectation formation. Both have almost similar kind of expectation from the product before purchase.
- (b) Majority of the consumers think performance as the most important part of the product. Mean 4.12 reveals the same fact.
- (c) Durability is the second most important aspect of the product only then price comes in their priority.
- (d) Most of the consumers are found indifferent towards the design of the product whereas after sales service is found to be inadequate and even absent in some cases.
- (e) It is found that none of the consumers are quite satisfied with all aspects of the product; of course, some are satisfied with one or two aspects.
- (f) As compared to the other aspects Nepalese consumers are more satisfied with the price of the product. Mean 3.88 indicates the same meaning.

- (g) Durability is found to take second position in satisfaction level as compared to the all aspects of the product.
- (h) It is also found that performance of product has the largest gap between the expected and the actual level of service.
- (i) Only one third of consumers are found to complain against the product. Remaining two third are found to maintain their silence irrespective of their feeling.
- (j) Majority of the compensation seekers are found to be compensated through warranty compensation.
- (k) Some 32.5 percent compensation seekers got nothing regardless of their voice.
- (l) Among four products, none of product sellers are found to offer either monetary or guarantee or social compensation.
- (m) Almost all of the consumers are found to emphasize on quality, durability performance and after sales service of the product.
- (n) Most of the consumers are found to be quite dissatisfied with the after sales service and the behavior of the seller after purchase.
- (o) False promise is found to be quite irritating side of consumers life.
- (p) Clarity, originality and the true commitment are found to be the consumers very will.
- (q) Satisfaction/dissatisfaction does not get affected through sex, income group, age category and marital status, better-educated people do complain more than uneducated ones.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Modern facilities are becoming more accessible day by day to the ordinary people of our country. Some years ago motorcycle was the product associated with the affluent group of the society. Refrigerator was used to appear in only some houses of the society. So was the case of TV and computer too. But now the time has changed. We can see motorcycle, TV, Refrigerator and computer in almost all of the homes in urban area. At least one product among those can easily be found out in each and every house of the city. Even in village these products started appearing gradually. These four products are found with different brands in the market. There are many users of such products in our urban society. There is one proverb, "It is better to satisfy one consumer rather than attracting ten potential customers." So every organization has to satisfy its customers to achieve its goals, those who satisfy the consumers can expand their market share and hence be in profit.

As it is commonly accepted that without winning the heart of consumer, no business can go far. Therefore, the main objective of this study is to find the satisfaction, dissatisfaction and complaint behavior of Nepalese consumers. Besides the main objective, attempts have been made to know consumer's expectations, their interest and their own needs associated with these products. What is their satisfaction/ dissatisfaction level? If they are dissatisfied, did they

make any effort to compensate themselves through complaint behavior or not. This study is mainly concentrated on the very aspects of consumers.

This study is based on scientific method of research. All the Nepalese consumers inside Hetauda who have at least one product among motorcycle, computer, TV and Refrigerator are considered population of the study. A sample of 150 consumers is taken out from the population on the basis of judgmental sampling. For the collection of data, requires for the study, a well structured questionnaire as the main instrument is prepared. Altogether 150 questionnaires were distributed across the Hetauda and all of them were collected.

The data and information collected by means of the questionnaires are presented, interpreted and analyzed so as to attain the stated objectives of the study. In this way the interpretation and analysis of the data and information collected from the consumers enables to find the very feeling of the consumers towards the products. It helps to unveil the hidden aspects of consumers. In the due course of our attempt some important views are came to know. As it is found that Nepalese consumers are a bit satisfied with the price they paid, durability they got and the design they had. Less than this they are satisfied with the performance or of the product whereas after sales service remains dissatisfied aspect of their products as compared to others. Similarly a gap is realized between expectation and actual performance of the product. Male and female do not differ in terms of their expectations. Similarly marital status, age, income group and profession do not distinguish in terms of satisfaction and

dissatisfaction. Educated people more complain than uneducated ones. It is also found that a small numbers of consumers complain against the product. Those who complain and seek compensation get only warranty compensation. Nepalese consumers are still far from the reach of monetary, guarantee and social compensation.

5.2 Conclusion

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

Every consumer has certain prior expectations while buying any products or services. If these prior expectations match with the performance then they get satisfaction while mismatch of the expectation with performance make them dissatisfied. Consumers mainly see on the performance of the products rather than looking on any other sides. In this way performance becomes the most concern issue of consumers in the products. Durability and price of the product also attract consumer attention while buying the product.

Consumers respect the true promise made by the sellers where as false promise not only dissatisfies them but also irritate. Consumers still smell a rat over aspects like after sales service, warranty and guarantee of the products. Sellers are not yet become alert about such matters so they are still engaged in making false promises. No promise is far better than making false promise. Though, it is quite difficult to give full satisfaction to the consumers but sellers' reasonable behavior can, of course, help to decrease the dissatisfaction level of the consumers. Marketer should possess

personal qualities, ability to understand and satisfy customer need, flexibility, skills and knowledge.

Satisfaction / dissatisfaction is caused by the comparison made between expectation and performance of the product but not any other factors as income, age, education and sex etc. Clarity in saying, originality of the spare parts and true commitments are the very things which consumers want from the sellers and of course, that ensure the satisfaction to the large extent. Education and status do not claim satisfaction but can invite some complaints over the products a bit easily than the uneducated consumers.

5.3 Recommendations

Consumer is the king. This is the philosophy of modern business. Consumers are the sovereign power of the modern marketing world. Success and failure of every business is totally dependent on consumers' response. Every successful product in this world is an embodiment of the consumers' needs, wants, prestige preference, satisfaction, aspiration and mental horizon. Hence understanding the consumers' needs, wants, satisfaction, preference, aspiration and mental horizon is the key to success today. So some of the recommendations that will be useful to the marketers as well as producers of the products are presented as follows: -

- a) Special attention should be given to the quality, durability and performance of the product.
- b) Promise should be performed specially in case of after sales service warranty and other facilities.

- c) Clarity of commitment, originality of spare parts and performance of true promise must be ensured to the consumer so that they will be aware of the things.
- d) Markets should try to disseminate as more information's as possible. While selling the product they should disclose the distinguished characteristics of brands available in the market.
- e) While selling any products either through installment or through financing, process wise hurdles should be eliminated to facilitate the consumers' transaction.
- f) Rather than sustaining the consumer only in warranty compensation marketers should start providing monetary, guarantee as well as social compensation as per the requirements of the consumers.
- g) Consumers are frustrated neither the indifferent feelings of sellers. So they should respect consumers feeling even long after the sale of the product.
- h) Computer, TV and Refrigerator are difficult to carry here and there so after sales service should be provided at home if possible.
- i) Tiny spare parts should be changed with free of cost to win the heart of the consumers.
- j) Seller should provide easily understandable menu, continuous guidelines and information to the users so that no difficulty will lie with the operation of the product.
- k) A product bought inside Nepal should be provided after sales service throughout the country wherever be the point of purchase.

Nepalese consumers do not prefer to complain about the product to the company. So there is a fear to quit the same product from which they are dissatisfied. To handle this problem the marketer should provide information about product handling and welcome the feedback from the consumer so that marketer can understand the buyers' preference. After sale service and sound relation with consumer helps to retain customer as a brand loyal. To handle customer effectively, the marketer have to play an important role. They must possess personal qualities, ability to understand and satisfy customer needs, flexibility, skills and knowledge. Employees must be recruited, trained, motivated; Customers must be educated and trained about the product and service benefits; Research should be conducted periodically about the consumer behavior.

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ANNEX-I

QUESTIONNAIRE

Dear Respondent,

I am Kumar Lama, student of Master of Business Studies at Saraswati Multiple Campus, Lainchour, Kathmandu. I am going to conduct a study to measure Consumer behavior in high involvement products. So, you are kindly requested to mark tick () for the following statements to show your degree of agreement or disagreement.

1. Do you have any one of these products?

a. Motorcycle

b. Computer

c. TV

d. Refrigerator

Yes

No

2. When did you buy it?

a. 6 months ago

b. 1 year ago

c. 1 and $\frac{1}{2}$ years ago

d. 2 years ago

3. To what extent did your expectations match with the performance of the product?

Fully Matched

Matched

Neither Matched nor Mismatched

Mismatched

Fully mismatched

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

Price	Very important	5	4	3	2	1	Not important at all
Durability	Very important	5	4	3	2	1	Not important at all
Design	Very important	5	4	3	2	1	Not important at all
Performance	Very important	5	4	3	2	1	Not important at all
After sales service	Very important	5	4	3	2	1	Not important at all

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

Price	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Durability	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Design	Fully Satisfied	5	4	3	2	1	Not at all satisfied
Performance	Fully Satisfied	5	4	3	2	1	Not at all satisfied
After sales service	Fully Satisfied	5	4	3	2	1	Not at all satisfied

6. Have you ever complained about your product?

Yes No

If yes, what is your complaint behavior?

- Tell to others about dissatisfaction.
- Ask compensation from the seller.
- Take legal action.
- Go to the public media.

7. Have you ever got compensation by the company?

Yes No

If yes, what kind of compensation did you get?

- Monetary compensation
- Guarantee compensation
- Warranty compensation
- Social compensation (excuse etc)

8. What is your Suggestion to the company?

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

GENERAL INFORMATION

Name.....

Gender:- Male Female

Age Category: a) 15-25 years

b) 25-35 years

c) 35-45 years

d) 45-55 years

e) Above 55 years

Profession:-

Place of Residence

Marital Status: -

Income Group (Monthly)

a. Below Rs.10,000

b. Between Rs.10,000-20,000

c. Between Rs.20,000-40,000

d. Above Rs.40,000

*** Thank You ***