

CHAPTER-I

INTRODUCTION

1.1 General Background of Telecommunication Services

Nepal is one of the least developed countries of the world. It is predominantly an agricultural country, where about 70% of its population engaged in agriculture. Due to the low productivity, primitive farming system, unscientific management, and poor irrigation, the living standard of average Nepali people is poor. As a result, “The estimated per capita GDP for the year 2010/2011 is US \$ 642.” 31% of the population is below the absolute poverty line. “Comparatively the GDP was only \$1346 (billion US \$) in 2010/2011,” which is the lowest GDP rate among the other countries of the world, Economic survey 2010/11:19.

Besides Nepal’s geography and dispersed population, the insufficient use of information and communication technology (ICT) is directly relevant to this low economic performance. The Government realizes that ICT is the most effective way of lowering the country’s geographic barriers, enabling information and knowledge management, providing new means of service delivery, introducing innovation, and thereby creating opportunities for economic and social development. ICT access is an MDG target, as it is important by itself and can help attain other poverty reduction goals and improve access to health and education services.

With the unprecedented innovations in the field of telecommunication services and rapid telecommunications development in the world, it has become necessary to bring with the same pace development and expansion in this sector in Nepal also. Keeping in harmony with the currently evolving new technological developments, the emerging craze for globalization and liberalization of market economy concept, it is felt that the resources and efforts of Nepal government alone cannot fulfill the steadily increasing demand of the telecommunication services in a competitive environment. Even though the private sector entrepreneurs are interested in investing in the novel sectors, flow of private sector capital in productive areas could not be made effective due to unfavorable environment and lack of opportunities. Taking this scenario into account, the National Communication Policy 1992 envisaged the concept of encouraging the private sector participation for providing

telecommunication services to the public and to assist to the extent possible as is deemed necessary in an easily available, simple and well planned manner for the development, expansion and operation of this sector inside the kingdom of Nepal as well as abroad.

1.1.1 Brief Introduction of Nepal Telecommunication (NTC)

This dissertation is conducted on Nepal Telecommunication, one of the public utility enterprises in Nepal. At a short glance of the telecommunication history in Nepal, its development began from a very few lines reaching to huge exchanges in Kathmandu valley and other parts of the country. Telecommunication development and urbanization went hand in hand. Though rate of telecommunication growth is a higher than that of urban population in recent years. After a stunning series of development, Nepal telecommunication was finally established in 2031 Ashad 1st under Telecommunication Act 2028 as public enterprises to provide reliable and affordable telecommunication.

The main purpose of establishment of Nepal Telecommunication (NTC) in Nepal was to strengthen the administrative efficiency of the government. It was later expanded to serve the needs of development of various sectors as expansion of foreign trade, tourism development and international integration. NTC was dissolved and converted to Nepal Doorsanchar Company Limited (Nepal Telecom) from 1st Baisakh 2061 (13th April 2004). The new company was registered with the Company Registrar Office on 2060-10-22 under company act 2053. However, the company shall also be known to general public by the name NEPAL TELECOM as registered trademark. NTC, 2002-03:3.

Nepal Telecom, as a progressive, public spirited and consumer responsive entity, is committed to provide nationwide reliable telecommunication services to serve as an impetus to the social, political and economic development of the country. Nepal Telecom's vision is to remain as a dominant player in the telecommunication sector of the country while extending reliable and affordable telecommunication services to all regions including the remotest area of the country and at the same time retaining its present sound financial health even in the coming competitive environment. NTC, 2002-03:3.

Nepal Telecommunication Corporation (NTC), renamed Nepal Telecom now is a partly government owned public sector entity, administered by a government appointed Board of Directors, which includes a chairman and four voting members. The company is an inevitably accountable autonomous and organized institution.

The history of rural telecommunication begins from late 1980's and this service is playing the role of catalyst for the economic development. Many place getting initial services of a single line VHF services were already passed to many phases like VHF-MARTS-CDOT 500 line change with in the period of less than 15 years before. The fast urbanization process is creating high demand of telephone lines throughout the country and all small exchanges are running to their fullest capacity with in a year of their installation. Globalization has made it compulsory to integrate all domestic market with regional and global markets and the fast growth of telecommunication is essential for such integration. NTC, 2002-03:17.

The study mostly deals with the marketing practices of Nepal telecom. The study also depicts the future of telecommunication in Nepal. Nepal telecom is one of the most prominent public enterprises that is earning relatively good profit and paying highest taxes to government exchequer. The main purpose of establishment of the company in Nepal was to strengthen the administrative efficiency of the government. Nepal telecom, even with its present status of being a public sector enterprise, has the ambition of becoming a dominant player in the telecommunication sector, giving an affordable and the cheapest possible services to all regions including the remotest areas of country retaining its present financial health even in the coming competitive environment. "Goal of Nepal Telecom is to provide cost effective telecommunication services to every nooks and corner of the country". It was later expanded to serve the needs of development of various sectors as expansion of foreign trade tourism development and international integration. NTC, 2007:03

Nepal Telecommunication has operating its activities with its distinct vision and mission. "Vision of Nepal Telecom is to remain a leading player in telecommunication sector in the country while also extending reliable and cost effective services to all". NTC, 2007:03.

The mission of the company is: "Nepal Telecom, as a progressive, customer spirited and consumer responsive entity, is committed to provide nation-wide reliable telecommunication services to serve as an impetus to the social, political and economic development of the country". NTC, 2007:03.

Since, telecommunication is informative services, many fields such as agriculture, business, transaction and other socio-economic sectors use these services heavily. Telephone has now plunged into the wide world of informative and competitive age simultaneously establishing itself in the strangest dimension of technology as a heartthrob of general people. Telecommunication has led the information world from traditional to modern system. Nepal Telecom is the role institution in the state to provide telephone services. It has offered price and position. Nepal Telecom as far as possible has adopted the new technologies and inventions around the world. Liberalization in telecommunication services is the result of globalization growth of markets, new technological, changes and the emergence of new services.

The growing presence of the private sector in business directly or indirectly related to telecommunication has forced Nepal Telecom to find alternative strategies in taking the emerging competition. Revision of tariff, customer care and introduction of value added services have now become the top priority in this competitive telecommunication market introduced by the policy of Nepal Government. GSM mobile phone capacity has been increased and expanded to the far western region. Recently, the company has introduced low tariff structure in PSTN, prepaid and post-paid mobile has shown growing demand. The ongoing East West Highway Optical Fiber Link Project has established a reliable alternative backbone link in addition to the existing microwave radio network. This will play a major role in support of the development of the information technology in the country, aiding its participation in the global economy and ultimately helping in the poverty alleviation.

Under the ongoing Tenth National Plan, Nepal Telecom has been launching rehabilitation and expansion program in its rural network. The program is aimed at replacing some of its exiting rural telecommunications network, which is now obsolete or damaged due to the recent political insurgency or with exhausted capacities. The company has plans to expand new network. There by will help in modernizing the overall national telecommunication infrastructure of Nepal.

Nepal Telecom generates its revenue by providing different type of services such as basic fixed line services, GSM mobile, internet, lease line etc. Apart from these source, which generates significance revenue for the company, is international settlements from international call. Nepal Telecom, due to its nature of business, has to transact with

significant number of customers in addition to dealing with foreign carriers for its international sharing revenue.

Revenue collection is always a much-contemplated topic for companies and enterprises. If we review the following data related to annual revenue and annual cash collection of past few years, it is satisfying considering the defaults of dues in other business in our country. Pokhrel, 1st Anniversary Souvenir, 2005:59-60.

Nepal Telecom has two different ways of revenue collection process

➤ **Collection through Counters.**

In smaller exchanges collection is being done manually but in almost 50 places collection of cash has been done through online cash collection process, which has for better efficiency than manual cash collection. For the sake of increasing efficiency Nepal Telecom is collecting its revenue online its exchanges having lines more than 1000.

➤ **Collection through the Banks.**

Now, Nepal Telecom has started to collect its revenue through the banks also. Nepal Investment Bank, Bank of Kathmandu, Kumari Bank are collecting revenue through their counters. As a result, subscribers are able to pay their dues at their nearest bank's counters as per their convenience. Similarly also in PSTN's case, here in Kathmandu Valley, already Bank of Kathmandu, Kumari Bank, Nepal Investment Bank, Nepal Industrial and Commercial Bank, Machhapuchare Bank, Laxmi Bank, Rastrya Banijya Bank are collecting the revenues for Nepal Telecom and in near future few other banks will also be participating in PSTN revenue collection process.

Likewise in 50 places, different banks visit Company premises to collect the cash. And these banks are providing interest in the range of 2.50 to 4.25 percent per annum. Now, Nepal Telecom has adopted different strategies which deserve appreciation in revenue collection such as advance payment facility, weekly bill payment facility for high paying subscribers, anywhere payment facility in Kathmandu Valley, introduction of token system at counters. Presently, Nepal Telecom has made a policy for disconnect telephone line for that customer who doesn't pay in time (3.5% fine) that generates excess cash to the company.

Nepal Telecom was fully government owned and government controlled organization in past years. After the restoration of democracy in 2047 B.S, government adopted privatization policy in order to privatize state controlled enterprises. In the same way, "in an attempt to privatize the hundred percent state owned NT, the incumbent and leading telecom operator in Nepal, the government has decided to offload its holding in NT by providing 5 % of total shares to employees of NT and 10 % of total shares to general public. Currently paid up capital of NT is Nepalese Rupees 15 Billion (150,000,000 number of ordinary shares @ Rs. 100 per share). As decided by Nepal Government, 5 % of total share i.e. 7,500,000 number of shares would be distributed to employees at a discounted rate of Rs. 90 per share. Regarding sale of shares to general public, minimum price of each share is fixed at Rs. 600 for public bidding. An individual or organization is allowed to buy minimum 100 shares and maximum 5000 shares. As per Nepal Government decision, these share will be allotted to applicants who quote the highest price (Higher bidder winning more shares). After these arrangements, NT will have employees as well as general public participation in its ownership structure. Hopefully, participation of employees and general public in company's ownership would strengthen its mission of remaining leading telecom operator in Nepal". NTC, 2007:14.

In overall, the general objective of Nepal Telecom is to provide essential nationwide low cost, reliable, affordable and readily available telecommunication services to the general public for the overall improvement of integrity and economic development. In the age of information technology, Nepal Telecom's vast communications network plays a vital role in supporting the growth of business in IT field. Nepal Telecom's responsibility is to provide reliable and affordable telecommunications services throughout the country. Nepal Telecom fulfills this responsibility and contributes towards the overall Scio-economic development of the nation. Since, Nepal Telecom is the role device and powerful instrument for the development of information system and has been struggling hard to enter Nepal into modern arena of this changing world.

1.1.2 Brief Introduction of Ncell

Ncell is the first private GSM mobile operator in Nepal. Company was established in 2004 and commercially launched on 17th September 2005. Ncell stands as a privately owned GSM mobile operator in Nepal and is the first company to operate private GSM services in telecommunications sector of Nepal with the brand name "Ncell". It broke

the monopoly held by the state-owned telecommunications company, Nepal Telecom by building a new arena in cellular telephony services.

Ncell was established in the year 2004 with the license issued by Nepal Telecommunications Authority to operate GSM mobile services both Post-Paid and Pre-Paid in the country and commercially launched its services on September 17, 2005 in the capital valley and vicinity. Within the time span of 2 years of operation (since its commercial launch) Ncell has extended its services to different geographical areas of Nepal such as; Dhulikhel, Banepa, Nagarkot, Bharatpur in Chitwan, Hetauda, Birgunj, Simara, Biratnagar, Itahari, Dharan, Janakpur, Nijgadh, Rajbiraj, Kakarbhitta, Bhadrapur, Pokhara, Butwal, Bardagath, Bhairahawa, Nepalgunj, Surkhet, Dhangadi and Mahendra Nagar. All of the 14 zones of Nepal are covered with Ncell.

Ncell is gradually expanding its network coverage in various urban, semi-urban and rural areas of the country. In many places Ncell is providing services to the subscribers by installing and using satellite equipments and network.

A company that started its service with basic services like Voice call & SMS service at the launching phase, has one by one, introduced services like Call Waiting, Call Forwarding, Conference Call, Voice Mail, Missed Calls Notification, SMS to e-mail, e-mail to SMS, USSD, Mobile Internet (GPRS/EGDE), Multimedia Messaging Services (MMS), Personalized Ring Back Tones (PRBT) and different types of Value added Services, Ncell has always planned and adopted new technologies and services available in the international market and provided them among its subscribers. Most of the services were introduced for the first time in Nepalese Telecommunication Services market which has re-defined Ncell as the most innovative, modern, accessible and popular brand in Nepal with more than 1,298,165 subscribers within the country.

Ncell is providing services to the subscribers via its huge distribution network along with its many customer care centers located in Kathmandu, Biratnagar and Pokhara. It is gradually opening new customer care centers in different parts of Nepal where Ncell has extended its networks. Along with a big distribution channel, Ncell owned customer care centers and call center, Ncell is providing all types of services and help to the subscribers related to the brand.

At the CEO Conclave Award-2006, organized by Voice & Data, South Aisa's leading information and communication magazine Ncell bagged awards for "Mobile Operator with Best Consumer Pull in Nepal" and "Most Innovative Mobile Operator in Nepal". The winners were chosen among best mobile operators in the SAARC region for their contributions in cellular phone development, innovative products introduction and value added services rendition held at Colombo, Sri Lanka. Ncell was rewarded as "Mobile Operator with Best Consumer Pull in Nepal 2007" at an event held at Kathmandu.

Ncell is determined to introduce new innovative services and facilities to the people of Nepal. It has recently received license to operate an ISP, which it is planning to launch in the near future.

1.2 Focus of the Study

The study is mainly based on the customer opinion of different areas, age groups, caste, ethnicity, region, religion etc. The study is mainly based on the opinion of customer who is the real user of Mobile services. The services provided by the existing mobile industries and their tariff rates are the main root of this study. Mainly the study includes the opinion of different people about the services of existing mobile industries, their rates, their facilities and the potentiality for the growth for the emerging telecommunications industries. Some of the focusing points are listed below

- Future Scope of emerging telecommunications in Nepal
- Satisfaction Level of Customers on Network coverage, Services and Tariffs
- Services to be included in New Mobile Services
- Drawbacks of existing telecommunications if any

1.3 Statement of the Problem

In order to provide access of the telecommunication services to the general public of rural and urban areas of the Kingdom, arrangement shall be made in a manner that telecommunication services shall be made available within shouting distance in the inhabited areas.

The telecommunication services shall be made available on demand in the urban areas of the Kingdom. Corporate telecommunication service shall be made available in the business areas.

Opportunity shall be provided to the customers of the urban areas to choose services from different service providers. Arrangement of opportunity to choose services accordingly shall be extended gradually to the rural areas also.

Arrangement shall be made for availing the use of appropriate information and communication technology for poverty alleviation and development of the rural areas.

Distribution of telecom services, user status, Factor of motivation, curiosity and capability of Nepalese people, and satisfaction level of existing users has to be find out. The probability of establishment of telecommunication industry in Nepalese market has to be researched.

1.4 Objectives of the Study

The primary objective of this study is to find out the potential market for the emerging telecommunications in Nepal. Among Many objectives some of the important objectives which the study tries to find out are listed in this manner.

- To evaluate customers' opinion and experiences on the prevailing services of mobile service providers.
- To identify satisfaction level of customers based on network, customer service, ca rates, value added services.
- To identify the customer future expectation with new mobile services or improvement in existing mobile services.

1.5 Significance of the Study

The research work is mainly based on the interest and opinion of the customer who is the real user of the product of Telecommunication industries. The study is done to find out the customer opinion regarding pros and cons of telecom industries. This study is also the primary survey for the potential market for the new emerging telecommunication industries in the opinion of Customer. The main aspect of this study is to promote the

industries in the field of telecommunications. The dissatisfaction regarding the network coverage, services, Facilities and rates of the customer should be decreased by introducing innovative services in mobile. The monopoly of limited telecommunications regarding rates, facilities, services should be removed. The importance of this study is to introduce the real problems of customers.

1.6 Limitations of the Study

- Demerits of this survey are that it doesn't represent the total market as a whole and only that of sample size selected.
- The Data presented are Collected within the short period of Six Months
- The Data are based on consumer opinion.

1.7 Organization of the Study

As specified format of the research study, this study also comprises of five major chapters they are.

Chapter-I: Introduction

This chapter contains the brief introduction of the subject matter i.e. General background of Telecommunication services, Brief overview of telecommunications of Nepal, Statement of the problem, Objectives of the study, Significance of the study, Limitations of the study and Organizations of the study.

Chapter-II: Review of Literature

This Chapter Describes towards the review of literature of related studies. It Contains conceptual review and Major studies Related with this research.

Chapter-III: Research Methodology

This chapter acknowledges the research methodology used in this study. It includes Research Design, Nature and Source of Data, Period covered, Data Processing Procedure and Tables and Diagrams used for the study.

Chapter-IV: Presentation and Analysis of Data

In This chapter various data (Primary and Secondary) data are gathered from different sources and Presented as required by the research objective. In this chapter data are analyzed and interpreted with the help of various tables and diagrams.

Chapter-V: Summary, Conclusion and recommendations

This Chapter states Summary, conclusion and Recommendations of this Study.

At the beginning of the thesis viva voce sheet, recommendation, declaration, acknowledgement, table of content and abbreviation are also submitted. And finally, bibliography and appendices are presented at the end of the study.

CHAPTER-II

REVIEW OF LITERATURE

Review of literature is basically a stock taking of available literature in one's field of research. The literature survey thus provides the students with the knowledge of the status of their field of research. The primary purpose of literature review is to learn not to accumulate. The purpose of literature review is thus, to find out what research studies have been conducted in one's chosen field of study and what remains to be done.

2.1 Conceptual Review

It works as a theoretical framework in the field of research. All the basic knowledge required in the field of research can be cleared from the conceptual review. The concepts of those required basic knowledge are as follows:

2.1.1 Services provided by the NT

NT is moving ahead to establish nationwide telecommunication infrastructure, the foundation for IT revolution in the country. In the view of unprecedented development in the world of information and telecommunication, NT is trying its best to make a quantum leap forward to expand services not only in urban areas but also in the vast rural areas. More efficiency, increased productivity, better consumer services and more professionalism in the management are the key areas NT will be giving top priority in the coming days of competitive environment in the telecom sector.

The main services provided by the NT are as follows:

➤ Basic Telephone Services:

In its continued effort to satisfy the ever growing demand for telephone lines, NT has been augmenting its telephone exchange line capacity for the best interest of its valued customers. As per MIS reports of Chaitra 2059, the total installed capacity and distributed telephone line of NT has reached the 417919 and 359428 mark respectively. The total capacity includes all the telephone exchange, RLUs and Rural exchange Spread throughout the country. Recently NT has 160 operational exchanges in 67 districts and the services are available in all the 75 districts in Nepal. All the exchange of the

Kathmandu valley is linked by optical fiber SDH network. Outside the valley the exchanges between Bhairhawa-Butawal is also linked by optical fiber network. This shift towards the optical transmission systems has resulted in more reliable network significantly improved quality of voice and data transmission.

➤ **National Trunk telephone services:**

The total number of trunk circuits is 50,700. This network enables NT to provide telephone services to more than 1761 village development committee, metropolitan centers and main towns of the country.

➤ **Rural Telecom Service:**

The significant of communication channels such as public call offices (PCOs) in a country where about 85 percent of people live in the rural areas with very remote and inaccessible terrains, cannot be overlooked. NT is working vigorously towards achieving the government objectives to serve all the VDCs of Nepal with basic telephone lines and is expanding its communications infrastructures in rural area to connect more VDCs to the national network irrespective of economical value and low prospects of returns. NT now covers about 1761 VDCs.

➤ **Pay Phone Services:**

Catering to the customer's needs who do not own telephone line, for easy access to the telephone services anywhere, anytime while on the move without having to carry coins make phone calls. NT launched payphone services using smart cards in Kathmandu since 2058 and other parts of the country such as Pokhara, Bharatpur, Nepalgunj and Dhangadhi later. Today there are altogether 260 payphones sets (201 indoors and 59 outdoors sets) installed in key commercial, business oriented and public services places of the country.

➤ **GSM Mobile Services:**

NT started GSM cellular Mobile in year 1999. In recent days this services has been expanded to various major cities throughout the country. At present, the total mobile subscribes in the country is reaching a 38,000 landmark. By end of July 2006, GSM cellular mobile coverage has been extended along the highways from Kathmandu to Pokhara, Kathmandu to Bharatpur, Bhairahawa region, Nepalgunj region in the west and

to Kakarvitta in the East .Hence all the neighboring towns along the highways shall also have GSM coverage. Together with the expansion of the coverage area of the mobile services the subscribers capacity has been increased to 500,000 lines for post paid services for new services like PPS(pre-paid services)which has been introduced from September 2003 .Mobile subscribers continue to avail services such as voice ,fax ,data ,voice mail system(VSM),short message services (SMS),national and international Roaming Services.

➤ **Voice, Data and Telegraph Leased Circuits Services:**

NT provides voice leased circuits services for voice telecast to the various countries to which NT has direct links. NT also provides national and international leased circuits services of high speed and low speed for data communication purposes.

➤ **International Subscriber Trunk Dialing Services:**

The main outlet Nepal's international telecommunication traffic is the satellite link accessing the primary path INTELSAT satellite over the Indian Ocean region .Nepal is a signatory member of INTELSAT, Nepal is connected to India Via optical Fiber System. Now Nepal has direct telephone links with 19 destinations and direct dialing services with 131 countries worldwide.

➤ **Email Internet Services:**

NT has been providing email and internet services to its customers in Kathmandu valley since 2000.Internet billing system has been in operation since October 2001 .monthly bills for all mobile telephone subscribers have been put on the net since January 2002.Number of subscribers utilizing these facilities is on the rise everyday .at present a total of 2,270 internet user and 1,101 email users have registered to this services.

➤ **Home Country Direct Dialing Services:**

Foreign visitors in Nepal can directly call their own country's telephone operator by dialing specific access code and book to their home country numbers without need of paying locally. Presently NT provides home country direct dialing services to USA, UK, Japan, South – Korea and Singapore.

➤ **International telegraphs services:**

International telegraph services is available to all parts of the world through satellite and optical fiber links .Nepal has direct telegraph circuits with India and Japan .

➤ **International Program TV services:**

NT provides these services for occasional use. This service includes transmission of video message by press correspondent, TV broadcast of major events recorded or live on booked basis.

➤ **Telex services:**

The telex service provided by NT is fully automatic. The present new telex exchange was installed in 2001. telex service operates through satellites circuits and optical links .Nepal has direct telex links with 7 countries -8 destinations (USA ,UK, Germany, Japan, Honk Kong, and India–Mumbai and Kolkata).it provides international telex services to more than 200 countries. Domestic telex services are available in Birgunj, Biratnagar, Bhairahawa , Pokhara, Butwal and Nepalgunj.

➤ **V_SAT and WLL Services:**

NT has been providing telecommunication services in various remote and inaccessible parts of the northern mountains region by V-SAT equipment. The V-SAT services provided by NT has altogether 61 stations installed in various parts of the country .under the WLL system 67 lines in Nawalparasi, 62 lines in Rupandhi and 15 lines in Kapilbastu district were distributed.

➤ **CDMA Services:**

C-PHONE is based on CDMA 2000 1X technology which is the latest version of CDMA. CDMA (Code Division Multiple Access) is the fast growing wireless technology in the world. It has the advantage of voice clarity, large coverage and high speed data. With the aim of providing on demand telephone lines in all cities and towns as well as serving most of the sparsely populated rural areas of the country, Nepal Telecom is introducing CDMA2000 1X based wireless in local loop system. Apart from the good quality voice, we believe that by providing high speed data along with other supplementary and value

added services; we can also meet your growing need of being acquainted with the new technology.

➤ **Easy Phone Service**

Nepal Telecom (NT) introduced its first ever Soft phone based on SIP (Session Initiation Protocol) with its brand name Easy Phone. Using Easy Phone, subscribers can make economical IP calls from their computer (working as a phone) having broadband internet connection. Subscribers just need to download the Easy Phone soft phone software application from NT's website www.ntc.net.np, install in their computers and input the account number and password in the Easy Phone GUI to make IP calls. Two types of Easy Phone services are available: SIP PPP (Permanent Prepaid Phone) Service and SIP Easy Call (Prepaid Calling Card) Service.

➤ **NT EVDO (Evolution Data Optimized)**

EVDO, (Wireless Broadband Internet) also known as CDMA 2000 EVDO, is a telecommunications standard for the wireless transmission of data through radio signals, typically for broadband Internet access. It uses multiplexing techniques including code division multiple access (CDMA) as well as time division multiple access (TDMA) to maximize both individual user's throughput and the overall system throughput. It is a third generation (3G) system evolved from CDMA IS-95 and optimized for packet data services to achieve high speed, high capacity and excellent portability. It lets you move seamlessly from cell to cell, creating a true mobile wireless broadband internet experience at any time or place, including real-time video streaming, large volume data downloads and web browsing.

➤ **ADSL Services**

Broadband Internet Service - An always-on data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 128 kilo bits per second (kbps) up to 2Mbps to an individual PSTN subscriber from NT.

Baisak 17, 2065, Nepal Telecom launched its broadband services by use of ADSL 2+ technology to its valued customers. The service is initially available for Kathmandu valley but now it is available in All 75 districts across the country.

The services will be provided by use of existing copper cable network infrastructure. Initially only high speed Internet Service shall be available and gradually services such as VPN, multicasting, video conferencing, video-on-demand and broadcast application etc. shall also be added in future.

➤ **3G (3rd generation)**

3G or 3rd generation mobile telecommunications is a generation of standards for mobile phones and mobile telecommunication services fulfilling the International Mobile Telecommunications-2000 (IMT-2000) specifications by the International Telecommunication Union. Application services include wide-area wireless voice telephone, mobile Internet access, video calls and mobile TV, all in a mobile environment.

Several telecommunications companies market wireless mobile Internet services as 3G, indicating that the advertised service is provided over a 3G wireless network. Services advertised as 3G are required to meet IMT-2000 technical standards, including standards for reliability and speed (data transfer rates). To meet the IMT-2000 standards, a system is required to provide peak data rates of at least 200 kbit/s (about 0.2 Mbit/s). However, many services advertised as 3G provide higher speed than the minimum technical requirements for a 3G service.

2.1.2 Services Provided by Ncell

Ncell is moving ahead to establish nationwide telecommunication infrastructure, the foundation for IT revolution in the country through private sector. In the view of unprecedented development in the world of information and telecommunication, Ncell is trying its best to make a quantum leap forward to expand services not only in urban areas but also in the vast rural areas. More efficiency, increased productivity, better consumer services and more professionalism in the management are the key areas Ncell will be giving top priority in the coming days of competitive environment in the telecommunication sector.

The main services provided by the Ncell are as follows:

➤ **GSM Mobile Services:**

Ncell started GSM cellular Mobile in year 2005. In recent days this services has been expanded to various major cities throughout the country. At present, the total mobile subscribes in the country is reaching 55%. In 2011, GSM cellular mobile coverage has been extended whole country.

➤ **Call Forwarding**

This service enables to divert all incoming calls to any other mobile number or to a landline number of office or residence when we are busy, out of reach, our mobile phone is switched off or when we are talking on the other line.

To activate this service we need to go to Call Forwarding or Call Divert in call setting menu. Select “divert calls” and enter the number you want to forward or divert your calls to. To cancel Call Forwarding or Call Divert: ##002#

➤ **Voice SMS**

Ncell provides voice leased circuits services for voice telecast to the various countries to which Ncell has direct links. Voice sms help to record our voice and send it to friends and family. It is fun and a lot more personal than just texts.

➤ **Call Waiting**

This service notifies that another incoming call during a conversation and allows keeping the first caller on hold and answering the second call. It will hear a beep whenever there is another call waiting to be answered.

➤ **Missed Call Notification**

Missed Call Notification is a service which enables not to miss a single call even when phone is switched off or when phone is out of network coverage. It will receive detailed SMS of all the missed calls when switch on mobile phone or when enter network coverage area.

➤ **Voice Mail**

Voice Mail is a service which will answer our calls automatically and allow callers to leave messages when we are unable to answer the calls or when our mobile phone is switched off.

➤ **Personal Ring Back Tone (PRBT)**

Personal Ring Back Tone service enables the person who calls us to listen to popular tunes instead of the regular tones. We can choose popular songs from a wide list ranging from international chart busters to our local hits and send it as a gift to anyone.

➤ **Multimedia Messaging Service (MMS)**

It allows to share special moments or experiences by sending and receiving messages that include images, audio and video clips in addition to text.

➤ **Mobile Internet (WAP/GPRS/ EDGE)**

Depending on mobile device model capabilities, it can get connected to internet or download various items via different protocols (WAP, GPRS, EDGE). We can use these services to surf the net, check our emails, use the handset as modem to connect wireless internet to our personal computer, MMS, chatting and downloading different applications.

➤ **SMS to Email**

It helps to Relay message from SMS-to-Email or vice versa. SMS-to-Email service will make it easy to stay connected. SMS-to-Email service relays SMS as emails and the message is delivered to the recipient's email address. It can also receive emails sent to our number as SMS.

➤ **USSD (Unstructured Supplementary Service Data)**

USSD based service is a special data exchange service used for receiving instant information. This service provides exchange of information between subscribers and operator's special application in the real time mode.

➤ **SMS Banking**

These services inform our bank account balance, transactions, withdrawal and many other services such as utility invoice payments and money transfer. The services are available only on Kumari Bank and Nepal Investment Bank.

➤ **Video Call**

A video call allows the user to do two way communication through voice as well as video. It gives the user a unique experience of seeing the person live who s/he is talking to. The handsets must support video call facility at both ends to enjoy this service. This service is available within Ncell network only.

➤ **M2M**

M2M is a postpaid data SIM specially developed for machines to communicate together. It is a data service which enables organizations to monitor the condition and location of Assets, Goods, and vehicles on the move. M2M is useful for security, ATM Machines, point of sale, Track and Trace, etc. This specially designed M2M SIM uses Ncell's extensive data network, which is available across Nepal. The service is available for corporate houses on a postpaid plan. This SIM is designed for services where a minimum amount of data is needed and where the importance is not to get disconnected.

➤ **Ncell Blackberry services**

Ncell is the first service provider to introduce the BlackBerry solution in Nepal and EMS will assist Ncell in launching, delivering, supporting and selling the BlackBerry solution to its customers. Together, EMS and Ncell will address the market by delivering a suite of BlackBerry products and services for Ncell's business and individual customers.

Ncell is offering BlackBerry® Enterprise Server for corporate customers and BlackBerry® Internet Service for smaller businesses and individual users. At launch, Ncell will offer the BlackBerry® Bold™ 9700 smart phone to its customers.

BlackBerry Enterprise Server is designed for organizations that manage their own email servers. The BlackBerry Enterprise Server software tightly integrates with IBM® Lotus® Domino®, Microsoft® Exchange and Novell® GroupWise® and provides advanced

security and IT policy controls to enable secure, push-based wireless access to email and other corporate data.

BlackBerry Internet Service is designed for smaller businesses and individuals. It allows customers to access up to 10 supported corporate and personal email accounts, including most popular ISP and web-based email accounts such as Windows Live™ Hotmail®, Yahoo!® Mail and Google Mail™, from a BlackBerry smart phone.

The BlackBerry Bold 9700 smart phone offers top-of-the-line performance, functionality and features with support for 3G HSDPA networks around the world, a next-generation (624 MHz) processor, 256 MB Flash memory, built-in GPS and Wi-Fi®, a 3.2MP camera and a sharp, dazzling display.

➤ **Ncell Connect with a Wi-Fi Router**

It is a small, handy router used for accessing internet through Ncell's mobile data network. It can use any device with the router: Laptops, desktops, tablets or mobile phones. The router can connect multiple devices to internet at the same time and is designed to primary home and office connection – but with higher flexibility than a fixed line connection.

To get started insert Ncell Connect data SIM in to the router, turn it on, and connect to it any of laptops or mobile devices simply use the regular Wi-Fi applications on devices to get connected exactly as when it connect to any other Wi-Fi network.

➤ **Ncell Saapati**

Ncell Saapati allows prepaid customers to request for a loan when their current balance is less than or equal to Rs. 2. The received Saapati amount is added to the main balance and allows the customer to make calls to any network, send SMS and use mobile internet as well as other services. The amount has no expiry date. When the customer recharges his/her balance the next time, along with the loan Rs. 20, a service fee of Rs. 2 (exclusive of tax) will be deducted from the new balance.

➤ **Daily Packs**

Customers can now subscribe to various services like daily zodiac, love quotes, jokes, and amazing facts and get content on your mobile every day. Each day Rs. 2 will be deducted

for the content unless you unsubscribe from the service. Customer is charged Rs 2 per day for this service.

➤ **Conference Call**

This service can connect up to 5 callers at the same time simultaneously. Customers can meet face to face virtually with their friends, family and colleagues. Customers can organize a business meeting or catch up with their circle of friends and family over the phone. This will save time and money of customers as they can stay connected anywhere, anytime with a group of your choice. This service can only be initiated by post paid subscribers.

➤ **Closed User Group**

Closed User (CUG) is a value-added service to all the Corporates subscribing Ncell Corporate. This service enables them to minimize their mobile communication costs considerably within your co-workers in a corporate account. To enable the service, there should be at least three subscribers within the corporate account. The CUG facility is available under Corporate Account only.

➤ **Unlimited CUG**

Under this service customers can talk to their colleagues at no cost by subscribing to Unlimited CUG. Customers will be able to talk to members within their CUG for free by just paying a very affordable monthly rental. Registered CUG groups within a corporate account will be able to avail this offer. This service adds to significant cost savings for businesses houses. The Monthly rentals will be based on a per line per month basis depending on the number of lines within Unlimited CUG.

➤ **Pro Planner**

An all-in-one tool that allows corporate houses the power to assign, manage and control the communication allowances and services of all their employees under one consolidated account. It helps to subscribe only to those services that the corporate wants the employees to use, thus helping control communication allowances.

➤ **Ncell Pro Payment**

Customers can make payments of your Pro accounts through Ncell Centers, bank counters and also online payment. Once your payment is received, your Pro account will be adjusted accordingly. This provides customer with ease regarding their bill payments. Customers can also pay their Pro Bills through the main offices of authorized distributors across Nepal.

➤ **Toll Free Numbers**

Toll Free Numbers will be provided to different organizations which will in turn ease the callers since they will be able to call for free of cost from their Ncell numbers. This service gives the business access to all Ncell customers. Now all Ncell customers can call Toll Free Number for free. Ncell Toll Free Number is reachable from all operators in Nepal, International destinations, in-roamers and outbound roamers.

➤ **Mobile Datapackage**

Customers who surf internet through their mobile in excess can subscribe to mobile data pacakags that offers the internet data in low rates. This service has three categories i.e. Classic, Plus and Premium of mobile internet and various data pacakages. Customers can choose among these plans that suit their need.

➤ **Prepaid International Roaming**

Stay connected away from home! This service enables customers to carry their cell phone with their Ncell number while travelling abroad. Ncell has made roaming convenient due to its global network which covers most of the places customers wish to visit. Ncell is constantly increasing their networks worldwide so that its customers can stay connected with their friends, family and business.

2.2 Concept of Marketing

Generally we understand the word marketing means trading in a market or buying or selling which promotes and actualizes a sales transaction. In the current millennium, marketing has entered a new dimension and this is the age of marketing. Every manufacturing organization needs to produce and market products to achieve its goal. With increased consumer awareness due to globalization, liberalization and IT

development, many new challenges have been arisen in the market place. Because of rapid improvement in technology the marketing environment is being more competitive day by day. The entire ways of communication and marketing logistics have totally changed the marketing practices both at the domestic and international arena. Marketing has gained a great deal of strategic importance in modern organization. Marketing stimulates demand for products. It helps organizations to find out what their customer need and want. It also helps to decide what products should be offered to satisfy their needs and wants. Marketing's task is to design a product/service combination that provides real value to targeted customers. There have been various attempts to define 'marketing' but so far no universally accepted definition has been devised. This is perhaps due to the fact that 'marketing' as a comprehensive management function is a fairly recent concept which effectively only started to be applied in the early 1950s.

Philips and Duncan have defined marketing as "Marketing includes all the activities necessary to place goods and services in the hands of consumers and industrial users, excluding only such activities as involve a significant change in the form of goods."

The American Management Association has defined marketing as "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.

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

According to William J. Stanton, "Marketing is a total system of business activities designed to plan, price, promote and distribute want-satisfying products to target markets to achieve organization's objectives.

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

2.2.1 Marketing Mix

Marketing mix is one of the most fundamental concepts associated with the marketing process. It is the combination of the four major components that comprise a company's marketing program. It is a blend of product, price, place and promotion tools. It is offered for customer need satisfaction. Every organization must create and manage an effective mix that satisfies customer needs in a target market.

A marketing firm designs a scheme to achieve its overall objectives selecting definite segments. But until it produces fixed price for its products, distributes them to the target market, and persuades buyers for buying, the plan remains only a paper draft. Therefore, the firm strives to an integrated decision about the product to be offered, its price to be charged, its distribution system to be adopted, and its promotional activities to be undertaken. These four decision-making aspects reinforce each other. Therefore, the perspectives of product, price, distribution, and promotion need to be properly balanced against each other for meeting optimal marketing objectives.

An effective combination of the four marketing variables can help the firm to be a winner in a competitive environment because all these variables are so interrelated and independent that decision in one area certainly affects actions in another. It so happens because of the dynamic nature of the marketing conditions and environmental factors such as, technical, social, economic, political, and so on. Hence, an alteration in any one area of marketing mix depends upon analysis of marketing conditions and environmental factors. Sharma G.R, p. 12.

Marketing mix is defined as the set of marketing tools that organization use to pursue their marketing objective in the target market. These tools or marketing mix are known as 4ps product, price, place and promotion. The total marketing effort consists of the design; implementation and evaluation of the marketing mix. Organization should strike right balance between these 4ps.

- **Product:** Mix to satisfy consumer need, quality variety, branding, design (shape, size, color), and packaging.
- **Price:** Reasonable, discount in bulk buying stockiest, allowance, terms of sale.
- **Place:** Distribution channels - its either direct selling approach through which services can be offered to the customer at a lower cost or through agents and

brokers, franchisers and electronic channels which could be used for distribution channel.

- **Promotion:** Advertising, sales promotion, public relation, personal selling, direct marketing.

Beside these 4ps other 3ps are also added in the case of service marketing. They are:

- **Physical Evidence:** Most evidence cannot be offered without the support of tangibles. Though customers cannot see service; they can definitely see the tangibles associated, examine them and try to form an opinion on the service provider.
- **People:** Service organization is people-oriented and people-based organizations. Employees of a service firm constitute the major competency in undertaking business operations. Every employ of the service organization is a marketing person, who undertakes either full-time or part-time marketing activity. Whether an employee is involved in direct contact with the customer or not, if he/she was placed on the line of visibility, his behavior, activities and performance will have a direct influence on consumers. Service employees are to be trained and motivated for better performance in marketing activities.
- **Process:** Process is a functional activity that assures service availability and quality. The way the physical setting is designed technically and how the functions are scheduled and routed to provide promise services to the customers speaks of the efficiency of the process. In simple terms, the management of the process is to manage service encounters effectively.

2.2.2 Meaning of Full Communication

Communication can be broadly defined an interchange of thought or information to bring about a mutual understanding between two or more parties. It may be accomplished by a combination of words, symbols, message and subtleties of understanding that come from working together, day in and day out, by two or more individuals.

Communication is needed for both the feed forward and feed backward process, which are most important for operation any organization. Role of communication can be justified in all aspect of management. It is needed either for decision making or for supervision or for evaluation. Flows of information must be adequate in all side. For

comprehensive marketing, effective communication means development of well defined objective, specification of goals, development of profit plans and reporting and follows up activities related to performance evaluation for each responsibility center. To have effective communication for comprehensive marketing, all the parties related with the marketing activities must have some understanding responsibilities and goals, full participation in all matter, well-defined downward flow of information and well-defined reporting system is needed.

2.2.3 Communication in Nepal

Nepal has integrated itself fully with the changing world. It has enough flexibility in itself to come in terms with modern technology and changes. The same stands true for communication medium as well. Nepal has a good network of Telephones and Internet. Apart from that, State-run as well as Private-operated channels and radio stations are in ample numbers in Nepal.

❖ Telephones in Nepal

Nepal has a good telephone network for both Cellular as well as Landline services. The phone network is quite modern and is in accordance with the ongoing technologies in the West. There are lots of phone booths or kiosks in Nepal with both STD and ISD services apart from the local service. The local calls are cheap and so are trunk calls. The international trunk calls are very costly in comparison to the rates prevailing in other South-Asian countries. The network is generally congestion free. As far as cellular service is concerned, Nepal is yet to modernize. The cellular service is not as per international standards but is good enough in comparison to most of the countries in Central Asia and Sub-Sahara Africa. Local calls are cheap but international and national calls are quite costly. It is better you to stick to the landlines.

❖ Internet

Nepal had a tryst with the Internet service as early as 1997, when the foreign tourists brought the idea of electronic communication with them. Since then, Nepal has convincingly modernized its Internet service. Nearly all high-end hotels provide Internet facility in the hotels itself. Apart from that you will find government as well as private operated Internet cafés in every town of Nepal. The major service provider is the government itself but there are private parties too.

❖ **Television and Radio**

State run and private satellite channels are available in Nepal. Though highly censored, these channels are the only ways for entertainment for inhabitants. Some good hotels have their own downlink facilities and thus these can provide European and American channels to their consumers. It is true for the radio too. Lots of FM channels, that mostly play Hindi and Nepalese songs, are available in Nepal. Some of the European and American channels can be heard on Short wave but the broadcast quality is below the mark. High-end hotels have World space satellite service that has crystal clear audio and plays more than 50 different channels. Many of these channels are from Western Europe and America.

❖ **Newspapers and Magazine**

Nepal has many dailies and weeklies. Most of these newspapers are in Nepalese. Very few newspapers are published in English. The contents and editorials of these newspapers are not very convincing and that too come through heavy state censorships. High-end hotels will provide international papers such as New York Times and The Guardian on demand but it will be a postal edition that carries 3-days back news.

2.2.4 Marketing Communication Mix

One of the four P's of marketing mix is promotion also known as marketing communication. Organizations have to communicate with their existing and potential customers about what they are doing. Marketing communication is very important and at the same time challenging in the service sector as the nature of services is characterized by intangibility of the service product, which is decisive to convince customers on the value of a product. The intangibility of services has a number of managerial implications. Marketing communication is defined as all strategies, tactics, and activities involved in getting the desired marketing messages to intended target markets, regardless of the media use (MarcommWise, 2006). Most service marketers have access to numerous forms of communication, referred to collectively as the marketing communication mix. The mix includes advertising, personal contact, publicity and public relations, sales promotion, instructional materials, and corporate design (Lovelock and Wirtz, 2004). Marketing communication mix elements provide information and consultation that are important components to add value to a product or service. Customers need information

about the features of the product or service, its price and how they can access it, to make informed purchase decision. Thus, if customers are able to get the necessary information about the product timely and adequately, they may feel that they are buying quality product or service. This means having good and effective communication channels adds value to the product or service of the company as customers have confidence on their purchase.

Promotion is a persuasive communication that tells the target customers about product, price and place. It stimulates demand / purchase intent. The objectives of the promotion are:

- **Informing:** Promotion informs the target consumers about the product, price and availability and it creates awareness about the product. Providing information about the product helps customers make purchase choice.
- **Persuading:** Customers have many products to choose from and thus organizations are facing intense competition in the market. Promotions persuade customers to make purchase decision in favor of the promoted brand. It also stimulates product demand, influences buyer behavior, and induces the intermediaries to carry such product.
- **Reminding:** Consumers have short – lived memory hence promotion acts as a reminder of a particular brand. It also reminds customers that the brand has the potential to satisfy their needs.
- **Re-enforcing:** Since promotion plays a vital role in post-purchase stage of the buying process it reassures the consumers about the products benefits to reduce their anxiety.

2.2.5 Components of Marketing Communication Mix

Marketing Communication Mix consists of the specific blend of **advertising, sales promotion, public relations, personal selling and direct marketing** tools that the company uses to pursue its advertising and marketing objectives.

- **Advertising:**
Advertising is a paid communication. It refers to the means employed to draw attention to object or purpose. It can be any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. It

uses various media for delivering messages to reach numerous buyers at a low cost. They are:

- Print Media: Newspapers, journals, brochures, newsletters
- Visual Media: bill boards, point of purchase displays
- Audio: Radio, FM
- Audio Visual Media: TV, Video Tapes, Cinema
- Internet: Email, Websites

Ncell launched several advertisement campaigns widely using print media, visual media, Audio and Audio Visual Media

➤ **Features of Advertising**

- Advertising involves cost for visualization, copywriting, illustration and layout design (development cost) and for recording, filming, photographing and printing (production cost). Advertising has a message (verbal or visual).
- Advertising is non-personal and physical presence of the sender is not required.
- Advertising is sponsored by the organization and the sponsor pays the cost.
- Advertising promotes products by business firms, social awareness like family planning and environment protection by social organization and ideologies by political parties.
- Advertising has objectives such as informing, persuading, reminding, re-enforcing and achieving sales.

➤ **Importance / Objectives of Advertising**

- **Information:** Firms use advertisements to disseminate information about product use, features, advantages, benefits, price and availability to the target consumers and to create brand awareness and acceptance.
- **Persuasion:** Advertisements persuade the target consumers to make the purchase decision in favor of the advertised brand. It helps to stimulate product demand, build brand preference, encourages purchase and brand switching, attracts intermediaries to carry the brand. Thus, it helps maintaining market share.
- **Reminder:** Advertisements remind the customers about the brand.

- **New Segments:** Advertisement creates brand awareness in new segments and persuades trial purchase.
- **Image:** Advertisements build image of the organization. It can be about quality, price or social responsibility. John Philip Jones used data provided by AC Nielsen, a marketing research firm, to study the effects of advertising. Jones found that 70% of the advertisement campaigns in his sample boosted sales immediately, but the effect was strong only in 30% of the cases. Only 46% of the campaigns appeared to result in a long-term sales boost. Jones also asserts that increased sales can come from a single advertisement, that blitz campaigns suffer from diminishing returns, and those advertisements that do not generate extra sales on first airing should be pulled. (Phillip Kotler, 1995:52)

➤ **Public Relations (PR):**

PR involves a variety of programs designed to promote or protect a company's image or its individual products. PR promotes favorable attitude and opinion about an organization, its policies and products. Publicity is any communication about an organization, its products or policies through the media that is not paid for by the organization.

➤ **Nature of PR:**

Public Relation can be divided broadly in two categories i.e. Press Relation and Public Service Activities. Press Relation helps a company to pass its positive information (improved performance, new products, sponsorship etc) to its customers and public through press conferences, news release, featured articles and various publications. Public Service Activities (like sponsoring sports, socio-cultural events and exhibition and displays) helps a company to promote its image or product image.

➤ **PR Objectives:**

Organization uses this approach of promotion to announce new product / repositioning of product / performances, to build favorable image, to persuade and remind customers about established products, to announce change in policies, to build interest in established products, to announce technological development and to counter negative publicity about organization or its products. Ncell launched several public relation campaigns including organizing various social events and

distributing free sim card with purchase of concert tickets *Extreme Rock Show at National Stadium and 100% Live Concert at Tudikhel:*

By distributing free pre-paid sim cards with each concert ticket, it was inted to give public, young participants in particular, a taste of Ncell's services, thereby creating awareness and increasing the volume of subscribers.

- **Sales Promotion:**

Sales promotions are non-personal promotional efforts that are designed to have an immediate impact on sales. Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). The sales promotion is directed at consumers, intermediaries or sales personnel to push the sales, to encourage purchase, to attract new consumers, to introduce new products, to display better and to provide more shelf space. The basic objective of sales promotion is to achieve faster and higher sales.

- **Features of Sales Promotion:**

- Duration of sales promotion is small – lasts from a few days to a few months (2 to 3 months.). It can be seasonal as well.
- Sales Promotion provides attractive incentives to the buyer.
- Sales promotion aims at quicker and higher sales volume. Existing customers buy more of the product and possibly new consumers try the product.
- Target Audience can be the consumer, the intermediaries, or the sales persons.

Methods of Sales Promotion: There are three methods of sales promotion which are described below:

- **Consumer Promotion:** Sales promotions targeted at the consumer are called consumer sales promotions. Some of the tactics commonly used for consumer promotion are free sampling, offering coupons, Instant Win, Collect & Win, Price Offs, Contest / Prizes etc. Consumer Promotion encourages greater use of the products by the existing customers, attracts new consumers (trial purchase, switchers) and increases impulse buying. Consumer promotions may be used during the launch of a product to create brand awareness

- **Trade Promotion:** Sales promotions targeted at retailers and wholesale are called trade sales promotions. Trade promotion persuades the channel members to carry the product, attracts new channel members and offset competitive promotions. Trade promotional methods generally used by companies are Free Goods, Allowances, Sales Contests, Gift Items, Price Offs, Scratch and Win, Trade Shows, Credit Facilities etc.
- **Sales Force Promotion:** Sales promotion targeted at sales force is called Sales Force Promotion. The objectives for sales force promotion is to motivate sales force and to support new products. A company entices sales force by offering Sales Commissions, Promotional Kits, Gifts Items, and Sales Contest etc.

➤ **Personal Selling:**

It is personal communication with customers to persuade them to buy the products. Either sales personnel goes to the customers or the customers come to the sales persons i.e. it is a two-way information flow. It involves face-to-face interactions between the sales person and the customer. Sales person provide information about the products and consumers give feedback if any to the sales persons. Personal Selling involves persuasion. Sales personal persuade customers to buy products. Presentations are made, queries are answered. The sales person can make presentation and demonstration about the product. The message design can be made flexible according to buyer characteristics.

Personal selling is the most powerful tool in persuading customers to make purchase decisions. Several visits can be made by the sales person to influence customer- buying decision. Relationship Building: Relationships develop between the sales person & the customer during sale. Relationship build through personal selling helps perform these.

- **Direct Selling:** It consists of direct connection with carefully targeted individual consumers to obtain both immediate response and cultivate lasting relationships. Use of telephone, mail, fax, and internet is made extensively during direct selling. The message and marketing communications are tailored as per the need of the consumers.
- **Brand Awareness:** Brands are more than just names and symbols. Brands represent consumer perceptions and feeling about a product and its performance – everything that the product or services means to consumers.

Brand awareness is a process of promoting particular brand with its entire service feature through the help of aggressive promotional tools. A full brand communication strategy and program is developed to build awareness of the brand attribute.

As one branding expert suggests, “ultimately, brands reside in the minds of consumers”. Thus a real value of a strong brand is its power to capture consumer preference and loyalty continuously. Philip Kotler 2003:419.

2.3 About Technology

Technology is the making, modification, usage, and knowledge of tools, machines, techniques, crafts, systems, methods of organization, in order to solve a problem, improve a preexisting solution to a problem, achieve a goal or perform a specific function. It can also refer to the collection of such tools, machinery, modifications, arrangements and procedures. Technologies significantly affect human as well as other animal species' ability to control and adapt to their natural environments. The word technology comes from Greek. There are various technology for examples construction technology, medical technology, and information technology.

The human species' use of technology began with the conversion of natural resources into simple tools. The prehistorically discovery of the ability to control fire increased the available sources of food and the invention of the wheel helped humans in travelling in and controlling their environment. Recent technological developments, including the printing press, the telephone, and the Internet, have lessened physical barriers to communication and allowed humans to interact freely on a global scale. However, not all technology has been used for peaceful purposes; the development of weapons of ever-increasing destructive power has progressed throughout history, from clubs to nuclear weapons.

Technology has affected society and its surroundings in a number of ways. In many societies, technology has helped develop more advanced economies (including today's global economy) and has allowed the rise of a leisure class. Many technological processes produce unwanted by-products, known as pollution, and deplete natural resources, to the detriment of the Earth and its environment. Various implementations of technology influence the values of a society and new technology often raises new ethical questions.

Examples include the rise of the notion of efficiency in terms of human productivity, a term originally applied only to machines, and the challenge of traditional norms.

Philosophical debates have arisen over the present and future use of technology in society, with disagreements over whether technology improves the human condition or worsens it. Neo-Luddism, anarcho-primitivism, and similar movements criticize the pervasiveness of technology in the modern world, opining that it harms the environment and alienates people; proponents of ideologies such as transhumanism and techno-progressivism view continued technological progress as beneficial to society and the human condition. Indeed, until recently, it was believed that the development of technology was restricted only to human beings, but recent scientific studies indicate that other primates and certain dolphin communities have developed simple tools and learned to pass their knowledge to other generations.

2.4 Review of Previous Research

Review of literature is essential to explore what other research in the area have uncovered. A literature review is the process of reading, locating and obtaining the relevant subject matters in the area of student's interest. The purpose is to develop some expertise in the area, to see what new contribution new contributions can be made, and to review some idea for developing a research design.

“A critical review of the literature helps the researcher to develop a thorough understanding and insight into previous research work that relates to the present study. It is also a way to avoid investigating problems that have already been definitely answered” (Wolf and Pant, 2004:39).

There are some research works conducted by the students of T U in the field of marketing practices on communication as well as in the field of Ncell or Nepal telecom sector. Few researches relevant to the study conducted in Nepal and abroad are presented below.

Shrestha (2006) in thesis entitled “A study of Marketing Communication Mix and its Impact on Nepal Telecom Services”. The main objective of this study is to examine the overall impact of Telecom promotional strategy, brand awareness and target audience. The research is mainly focused on consumer point of view.

Researcher recommended that marketing communication campaign is highly focused and popular among youth population and improved its services quality. Again her major findings According to survey reports obtained that sales of NTC Sim are in increasing trend, Advertising, sales promotion and public relation are the main promotional strategies of the company.

Ghimire (2007) conducted research titled “Sales Promotion and its effect on Nepal telecom” with an objective of finding out which mode of sales promotion is more acceptable by the Nepalese consumers and which mode is more wisely used by manufacturers as sales promotional tools, to find out the most suitable media to advertise about the sales promotion to evaluate the effectiveness of sales promotional activities in sales of telecom equipments and services and to predict the sales of coming year if every factor remain same.

Khadka (2008) in thesis entitled “Effectiveness of advertising on marketing of Nell in Nepal” dealt with finding out impact of advertisement on buying behavior. The objective of the study was to find out the relationship between consumer’s attitude towards advertisement and buying decisions, to understand the consumer’s credibility towards advertising and its effect on buying decision and to get insights about the factors affecting consumer decision process. Thus the study show findings like advertising is the first effective source of conveying information which affects consumers while making buying decisions.

Bajracharya (2009) in his thesis “Advertising and sales promotion of Samsung Television in Nepal” conducted study on advertising and sales promotion activities of promotional mix. The objective of the study was to evaluate the effectiveness of advertising and sales promotion for attaining and retaining the market share of television business in Nepal, to analyze the importance of sales promotion in building company’s reputation, to review the market status of Samsung television, and to examine brand awareness of the consumers. The study came up with findings that the advertising plays a vital role in sales of TV in this competitive market and trade promotion is more effective way to increase the sales of the company.

Nepal (2010) in “Marketing practices and its impact of Nepal Telecom” tried to show that sales promotion, advertising, price and consumer behaviour impact on sales of the product. It also showed how it affects market share of NTC. The research tried to find out

the popular media of advertisement for Nepal Telecommunication, which can easily attract the potential consumers on each brand of companies. Most of the people used telecom services where it reached. Consumer buying behavior , and to observe the impact of pricing factor on NTC is the main policy under marketing practices.

Poudel (2011) in his thesis “Effectiveness of marketing Communication mix and its impact on Ncell in Nepal” evaluated the effectiveness of advertising and personal selling practices of Service Sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction. The findings of the analysis showed that communicating Service Sector’s advertising and personal selling indicated moderately effective in providing information, creating awareness, and changing attitude and ineffective in building company image and enforcing brand loyalty. The research also identified lack of integration between advertising and personal selling.

Researcher recommended to increase the net work coverage area and services features. Among all promotional alternatives, advertising is the most power full tools to get success in marketing activities. It is the main pool which helps to get success and to meet the target.

2.5 Research Gap

I have found so many previous research reports on marketing field with related subject Matter. But the choice of this subject is due to the fact, there is no previous research found on Market Analysis of Telecommunications of Nepal Based on customer survey. The study tried to find out the probability of market for the emerging telecommunication industry in Nepalese Market by doing Customer Survey. The study tries to find out the status of landline and mobile users, habit of Monthly expenditure on mobile services, satisfaction level of customers regarding network, tariffs, and services. By analyzing these elements of existing telecommunications of Nepal the study tries to find out the potential market for rising telecommunication. In This study the existing market trend, Growing status, factors influencing customers for using telecommunication services are studied and analyzed. Research has attempted to prepare and present this report with full enthusiasm and all possible primary as well as secondary data. Sources are collected analyzed and presented here in respective Manner.

CHAPTER-III

RESEARCH METHODOLOGY

The main objective of this chapter is to present the details of research design followed during the case Study. The chapter mainly includes description of research design, nature and source of Data, populations and Sample and technique of Analysis Research Design.

3.1 Research Design

The main objective of this study is to analyze and evaluate the market of telecommunications of Nepal. Especially the telecommunications included in this study are Nepal Telecom and Ncell of Nepal. The primary objective of this study is to search for the potential market for emerging telecommunication in Nepal. In order to meet the primary as well as secondary objectives it adopts the descriptive case Study research design.

3.2 Nature and Sources of Data

In this study, both primary and secondary data have been used. The primary data have been collected through the customer survey. The identical locations have been based on, primarily, intending to cover the 5 points of Kathmandu Valley.

Secondary data have been collected from annual report of Nepal telecom and Ncell, websites of concerned telecommunications, journals, News, Bulletins, and Published articles and Books.

3.3 Population and Sample

Nepal's population doubled in the last 30 years from around 12 million in 1971 to 23 million in 2001. The population grew at a rapid rate between 1971 and 1981 from 2.1 percent to 2.6 percent, but the population growth rate has slowed since 1981 to just over 2 percent (Central Bureau of Statistics, 2003). The population density has doubled over the three decades from 79 persons per square kilometer in 1971 to 157 persons per square kilometer in 2001. Life expectancy in Nepal is improving, increasing by about 20 years for males and females between 1971 and 2001. Female life expectancy is slightly higher

than male life expectancy (60.7 years versus 60.1years). The Total population of Nepal according to Development regions is as follows

3.4 Data collection procedure

The Questionnaire has been distributed to 100 people within the hole of Nepal selecting the major populated cities of 5 administration region. Among 75 district 46 cities have been selected for the study. Around 50 customers and 50 are staff of telecommunication have been selected for the questionnaire survey. For the survey people of different age group, literate and illiterate people and Male and Female.

The primary sources of data have been used to collect the job related information. It has been collected through questionnaires and interview undertakings whereas secondary data have been collected from different journals, websites of concerned offices, bulletins and prospectus of Concerned Telecommunications. The Data collection work has been completed within 6 months.

3.5 Technique of Data Analysis

The collected data are logically and systematically considered and tabulated in different format. Basically the percentage is calculated to draw the inference. The key information is received during the period of working in an advertising agency, called ANS creation. The information are carefully considered and analyzed during the interpretation of Facts and Figures

CHAPTER-IV

PRESENTATION AND ANALYSIS OF DATA

The Chapter Present and interprets the various data Gathered from the application of different methods and Presented and decorated as required by the research objective. In this chapter, data are interpreted and analyzed with the means of collected questionnaires and interviews.

In this chapter the collected data are tabulated and interpreted. In this study the findings of the customer survey is tabulated by using personally developed software Named SPSS. From this software it is easy to tabulate and analyze the findings. First of all the findings are tabulated and presented in table and later on the findings is shown on graphical representation, For the Market Analysis, customer survey is performed preparing the Questionnaire . To meet the primary objective of This Study the survey questionnaire tries to find out the status of Landline and Mobile users, then its demographic and Socioeconomic Status in Survey Areas. The study also tries to find out the user of Ncell and NTC and its reason. People expenditure habit on Ncell phones is also presented in this study. The Satisfaction level and Dissatisfaction level of People on telecommunication services are also presented in this study with the suggestions of services to be included in Mobile Phones. The Detail of this study is Presented Below.

4.1 Status of landline and Mobile Users

4.1.1 Distribution of landline and mobile users according to development region

Table: 4.1

Landline and Mobile users according to development region

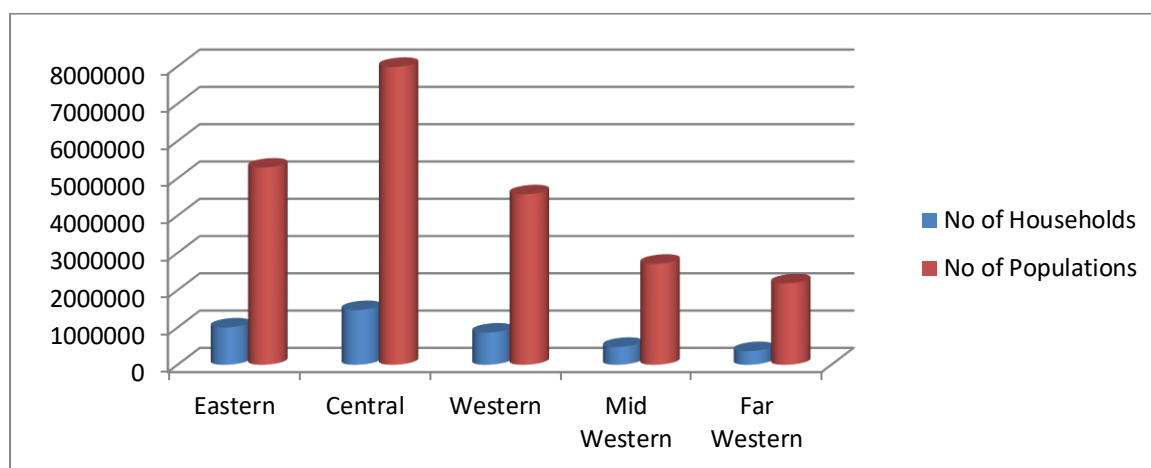
	No of Households	No of Populations	% of Landline and mobile users in survey areas	
			Landline (HH)	Mobile (Pax)
Overall	4174374	227336934	15.2	14.5
Kathmandu Valley	345562	1645091	85.2	66.1
Outside Kathmandu Valley	3828812	21091843	8.7	10.4

Development Regions				
Eastern	1000358	5286890	13.4	7.1
Central	1465753	7988612	25.7	21.2
Western	863045	4571013	12.2	14.8
Mid Western	479817	2707244	11.6	8.8
Far Western	365401	2183175	8.6	7.3

Source: The base of population is taken from CBS data 2011.

Figure: 4.1

Population Distribution by Development Regions



Up to last fiscal year (Ashadh 2068) the subscriber of NTC (except landline) was around 1.8 million and Ncell 1.3 million. NTSC's landline subscription was 0.63 million.

Table 4.1 and figure 4.1 depicts that in Nepal overall there is only 14.5% subscription of mobile phone services. Major gap area can be seen in the Far Western, Mid Western and Eastern region with mobile service subscription of 7.3%, 8.8% and 7.1% respectively. Present analysis shows that there is high potentiality of new mobile phone services in these regions where the concentration of population is higher. Here the landline indicates that there is slow development in PSTN service whereas mobile services have shown considerable development in the small period of time. Reason behind this is the hassles and investment during installation of PSTN landline service which is not there in the case of mobile phone. In overall Nepal there is only 15.2% (household base) subscription of landline service. Highest (85.2%) subscription of landline is in Kathmandu Valley which

is because there was no other substitute in the initial stage which led to higher subscription. Apart from that corporate customers and offices have multiple subscriptions.

4.1.2 Distribution of landline and mobile users by demographic and socioeconomic status in survey areas

Table: 4.2

		% of Landline and mobile users in survey areas	
		Landline	Mobile
Gender	Male	45.9	78.0
	Female	33.1	64.0
Age Group	15-19	32.1	86.7
	20-24	46.4	66.1
	25-29	58.0	75.9
	30-59	66.0	72.9
	60+	89.3	11.7
Educational Level	Illiterate	47.3	23.3
	Read/write	67.7	26.7
	Under SLC	82.8	36.4
	11-12/Certificate	20.8	81.4
	Bachelor	74.9	76.2
Occupation of Respondent	Masters and above	76.9	65.5
	Agriculture	49.4	26.5
	Business	89.4	79.8
	Industry	69.0	52.0
	Government service	93.3	69.5
	Government teacher	94.1	28.5
	Private service	89.3	85.7
	Private teacher	68.9	73.0
	Housewife	80.3	36.0
Monthly Income of Respondent	Student	58.0	77.4
	Others	79.5	72.8
	less than 5000	20.8	62.7
	5000-9999	78.6	80.1
	10000-14999	66.5	92.1
	15000-19999	98.2	96.6
	20000 and above	96.6	94.3

Source: The base of population is taken from CBS data 2011.

Table 4.2 depicts the general usage pattern of landline and mobile phones. It can be found out that in general male use more mobile phone than that of female. Further in the age group, higher the age, higher the use of landline. Mix of both can be seen in 25-29 and 30-59 years age which uses both landline and mobile. This age group has more spending

capacity. Age group of 15-19 uses mobile phone to show off. Generally this age group use mobile for SMS and miss call.

Illiterate and people with ability of only reading and writing use more landline than mobile. However, penetration of communication is less in this group. Although under SLC use more landline, the trend of using mobile is increasing in this education group. Maximum use of mobile is being done by 11/12 and certificate level students. However, this group is not revenue generator. They generally use mobile for SMS and miss call. Bachelor and Masters Level use mix of both. Generally they are also earning group and have capacity to spend in occupational group division, agriculturists use landline more than mobile phones and in general, they are not using means of communication frequently. Highest mix of both landline and mobile phones can be seen in business and private sector. In the similar manner Government job holders and housewives use landline more than mobile service. Higher the income, higher the use of both Landline and Mobile. Highest of mix can be seen in the income group 15000 and above.

4.1.3 Cellular Mobile Phone and Fixed Telephone Service

Table: 4.3

Cellular Mobile Phone and Fixed Telephone Service

	Cellular Mobile Service Providers		Fixed telephone Service Providers
	NDCL	SPNL	NDCL
Number of Subscribers(Postpaid)	106546	7196	694260
Number of Subscribers(Prepaid) including CDMA and WCDMA Mobile	1645169	1237386	
Services areas in terms of Districts (No of Districts):	43	39	72
Average Revenue Per user in Rs	975	378.07	910

Source: Quarterly performance indicator of Telecom Service

According to quarterly performance indicator of Telecom services/sector (15 January 2008-12 April 2008) there coverage of NDCL is on 72 districts on which Mobile service providers are on 43 districts and fixed line telephone services is on 75 districts. Similarly the quarterly performance indicator has not shown the a of Subscribers according to

region, gender, and literacy rate etc, but it indicates the population (Subscriber) according to Type that is Post paid and Prepaid and it also indicate the subscriber according to Mobile Phone users and Fixed Line users. The above table clearly indicates that the fixed line service Provider industry is NDCL but the Cellular Mobile Service Provider is NDCL and Ncell. The above Data Shows that the Subscribers have used More Fixed line Services than Cellular Mobile Services. But the data also that the user or subscriber of cellular phone is increasing day by day.

4.2 Distribution of GSM prepaid and postpaid and CDMA users

Table: 4.4

		Prepaid Type	Postpaid Type	CDMA Type
	Nepal	64.1	4.2	4.3
Kathman du vs others	Kathmandu valley	65.1	9.4	2.5
	Outside Kathmandu valley	63.9	3.6	4.7
Development Region	Eastern	64.9	4.4	2.6
	Central	54.7	7.8	3.5
	Western	71.0	3.4	3.4
	Mid Western	61.8	3.3	5.9
	Far Western	72.3	2.9	6.9
Gender	Male	67.6	5.2	4.7
	Female	56.3	1.8	3.4
Age Group	15-19	59.6	0.8	4.1
	20-24	68.2	2.2	3.0
	25-29	67.5	4.1	3.9
	30-59	59.4	6.8	5.9
	60+	41.4	10.3	3.4
Educational Level	Illiterate	23.9	0.2	4.3
	Read/write	40.2	0.7	3.5
	Under SLC	59.4	1.8	4.6
	11-12/Certificate	71.2	5.2	4.1
	Bachelor	78.0	6.6	4.7
	Masters and above	79.5	12.1	6.1
Occupation of Respondent	Agriculture	34.0	0.3	2.9
	Business	67.9	5.4	6.1
	Industry	43.3	6.2	3.1
	Gov-service	74.5	8.8	5.0
	Gov-teacher	78.8	7.7	5.8

	Private service	73.4	6.0	4.1
	Private teacher	63.5	1.6	4.8
	Housewife	49.0	1.7	3.4
	Student	68.0	2.3	3.2
	Others	69.1	1.2	2.5
Monthly Income of Respondent	less than 5000	54.4	0.7	4.3
	5000-9999	71.3	3.2	4.6
	10000-14999	80.4	10.3	6.6
	15000-19999	76.7	14.2	5.8
	20000 and above	65.0	17.9	4.1

Source: The base of population is taken from CBS data 2011.

Based on table 4.4, users of GSM prepaid mobile is significantly higher than the GSM postpaid and CDMA. However, users of GSM postpaid mobile is higher in Kathmandu valley than in other regions. Similarly, users of CDMA phone are higher in Far Western region than the other regions.

4.3 Distribution of brand of mobile users of NTC and Ncell (Users Only)

Table: 4.5

		NTC	Ncell
	Overall	52.0	46.5
Kathmandu vs. others	Kathmandu Valley	67.6	28.9
	Outside Kathmandu	51.5	48.3
Development Region	Eastern	59.9	40.1
	Central	69.1	28.4
	Western	47.8	52.2
	Mid Western	70.5	29.5
	Far Western	76.4	23.6
Gender	Male	74.2	25.1
	Female	35.8	60.9
Age Group	15-19	45.8	52.6
	20-24	65.2	32.2
	25-29	67.5	31.8
	30-59	71.4	27.7
	60+	85.7	11.9
Educational Level	Illiterate	20.7	55.4
	Read/write	28.9	53.4
	Under SLC	29.7	51.8
	11-12/Certificate	43.3	49.8
	Bachelor	70.2	27.2

	Masters and above	85.9	13.1
Occupation of Respondent	Agriculture	35.7	36.5
	Business	60.5	27.8
	Industry	45.9	38.8
	Gov-service	78.4	21.4
	Gov-teacher	76.7	21.9
	Private service	86.6	13.4
	Private teacher	84.3	15.7
	Housewife	52.8	38.4
	Student	69.7	30.3
	Others	59.7	30.9
Monthly Income of Respondent	less than 5000	65.8	29.4
	5000-9999	64.2	26.6
	10000-14999	78.5	20.9
	15000-19999	92.6	7.4
	20000 and above	98.7	1.3

Source: The base of population is taken from CBS data 2011.

Table 4.5 shows that Ncell is more active in outside Kathmandu Valley because of unavailability or less supply of sim cards of NTC Mobile. In overall scenario, brand size of NTC is 52% and Ncell is 46.5% among the total positive responders.

But According to quarterly performance indicator of Telecom services/sector (15 January 2008-12 April 2008) The subscriber base of incumbent NDCL has reached 17,51,715 including GSM, CDMA and WCDMA mobiles whereas that of Ncell Nepal is 12,44,582 GSM mobiles, hence a total of 29,96,297 mobile subscribers. This quarter has also registered a significant growth in mobile subscriber base as NDCL distributed 2, 58,446 new lines whereas NCELL distributed 2, 37,727 lines in the same period, almost equal in number. Even though the postpaid subscribers of NCELL added 1144 postpaid subscribers, the number of postpaid subscribers for NDCL has gone down to 1, 06,546, less by 3189 from previous quarter. NCELL now holds 41.54% of the market share, slightly more than the previous quarter whereas that of NDCL has decreased to 58.46%. The mobile customer base has still continued to grow and it is about to cross 3 million mark. Apart from Kathmandu Valley, NDCL is providing mobile service in 43 districts (old data) and Spice Nepal Pvt. Ltd. too has extended its service in 39 districts, five more than the previous quarter. The mobile penetration has been increasing steadily and it has reached 11.11 in this quarter. Subscriber base Of NDCL and NCELL is shown as below.

Figure: 4.2

Graphical Representation of Cellular Services of Ndc1 And Ncell

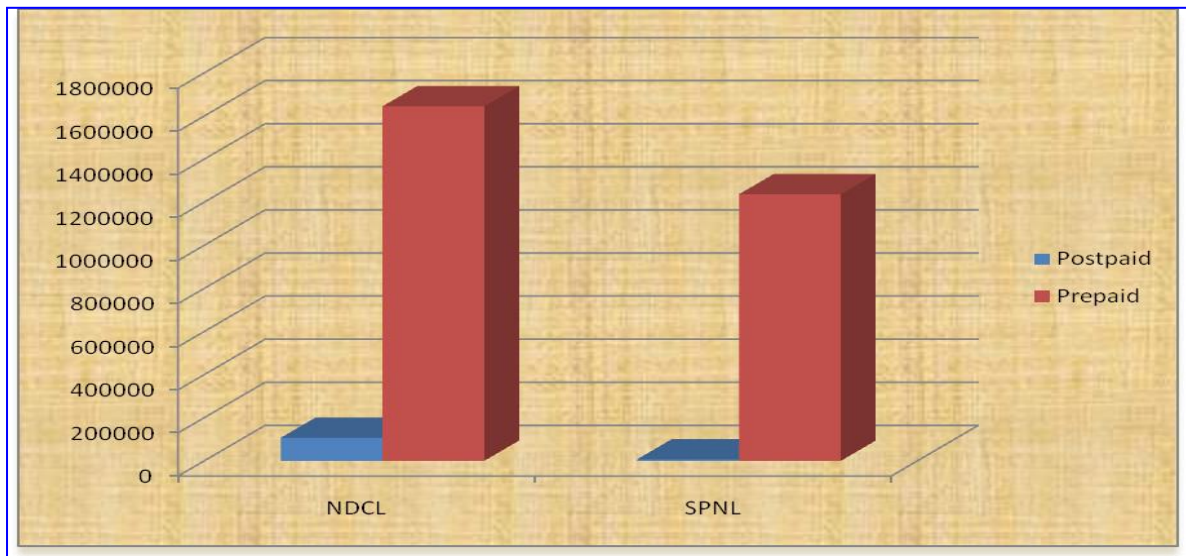
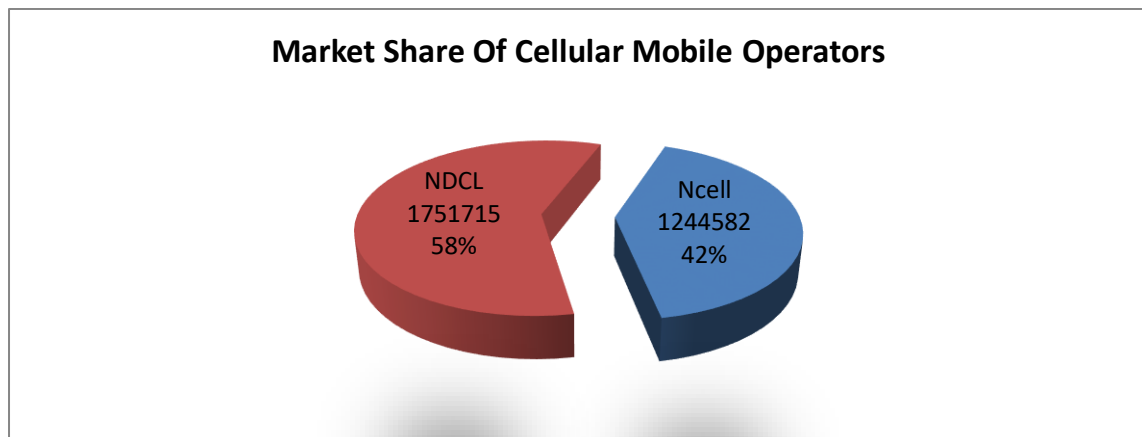


Table: 4.6

Subscribers of Cellular Services

	NDCL	Ncell
Postpaid	106546	7196
Prepaid	1645169	1237386

Figure: 4.3



4.4 Reasons for using mobiles

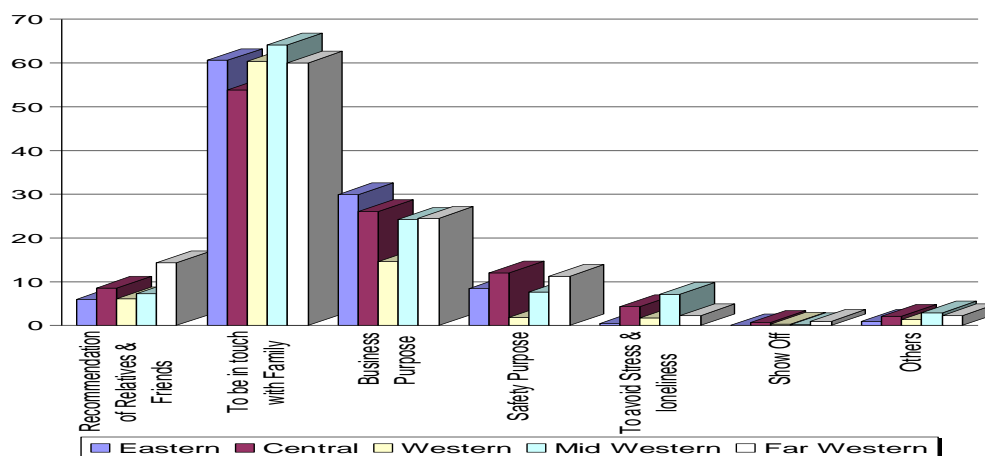
Table: 4.7
Reasons for using mobiles

		Recommendations from relatives and Friends	To be in touch with Family	Business Purpose	Safety Purpose	To avoid stress and loneliness	Show Off	Others
	Overall	8.5	59	23.8	8.6	3.2	0.5	1.9
Kathmandu vs others	Kathmandu	2.7	62.9	29.5	5	0.5	0.5	1.1
	Outside Kathmandu	9.5	58.4	22.8	9.2	3.6	0.5	2
Development Region	Eastern	6	60.6	29.9	8.4	0.4	0	1
	Central	8.6	53.9	26.1	12	4.3	0.7	2.1
	Western	6.1	60.4	14.6	1.9	1.8	0.3	1.3
	Mid Western	7.3	64.2	24.3	7.7	7.1	0.2	2.9
	Far Western	14.3	60	24.5	11.3	2.2	1	2.2
Gender	Male	9.6	60.1	30	9.9	3.7	0.7	2.4
	Female	6	56.5	9.7	5.6	2	0.1	0.8
Age Group	15-19	14.7	53.8	5.3	6.8	4.7	0.3	1.2
	20-24	10.2	62.2	12.9	8.1	3.7	0.3	2
	25-29	7.9	61.3	31.8	10.4	3.6	0.8	2
	30-59	5.1	56.2	33.4	8.5	1.7	0.4	2.2
	60+	10.3	34.5	10.3	0	3.4	0	0
Educational Level	Illiterate	2.2	28.3	10.9	8.7	1.1	1.1	1.1
	Read/write	7.2	38.7	17.9	3.7	3	0	0.5
	Under SLC	10.1	53.5	22.5	7.3	3	0.1	1.9
	+2/Certificate	9.1	64.2	24.3	10.4	3.7	0.8	2.5
	Bachelor	8.6	73.2	26.6	10	3.1	0.5	2.3

	Masters and above	4.5	75.8	40.2	15.2	2.3	2.3	1.5	
Occupation of Respondent	Agriculture	6.5	30.1	12.8	1.9	1.9	0.6	0.6	
	Business	7.5	57.1	53.2	9.3	1.6	0.4	0.8	
	Industry	3.1	35.1	36.1	5.2	1	0	1	
	Gov- service	10	75.7	17.2	13.8	4.2	0.4	3.4	
	Gov-teacher	9.6	67.3	30.8	11.5	3.8	3.8	1.9	
	Private service	7.1	67	21.3	10.1	4.1	1.1	3.7	
	Private teacher	4.8	58.7	7.9	6.3	3.2	0	4.8	
	Housewife	3.1	53.2	3.1	6	3.1	0.3	1.1	
	Student	13.8	66.2	1.7	8.8	4.8	0.4	2.4	
	Others	9.9	53.1	25.9	9.9	6.2	0	4.9	
	Monthly Income of Respondent	less than 5000	11.8	50.6	12.8	9.1	3.1	0.5	2
		5000-9999	7.6	62.4	33.4	10.6	3	0.4	2.3
10000-14999		5.3	68.8	50.5	10	2.3	1.7	1	
15000-19999		5.9	69.2	59.2	8.3	0.8	0	0.8	
20000 and above		5.7	63.4	68.3	17.1	0.8	0.8	2.4	

Source: The base of population is taken from CBS data 2011.

Figure: 4.4
Reasons For Using Mobile Phone



The data reveals that, among these different reasons for using mobile phone, the most important reasons are - to be in contact with the family and for business purpose. Except in few cases, more than 50% of the respondents in different categories use mobile phones to be in direct contact with the family. It is the primary reason for the use of mobile phones. The second important reason is for business purpose.

4.5 Distribution of monthly expenditure on mobiles

Table: 4.8

		Monthly Expenditure on Mobiles including all types				
		Less than 500	500-999	1000-1499	1500-1999	2000 +
	Overall	35.1	33.1	14.3	8.2	9.4
Kathmandu vs others	Kathmandu Valley	8.1	23.1	24.2	22.2	22.4
	Outside Kathmandu	39.7	34.8	12.6	5.8	7.1
Development Region	Eastern	33.5	47.9	10.1	6.3	2.2
	Central	35.0	23.9	17.2	11.8	12.1
	Western	35.1	31.7	17.8	8.2	7.3
	Mid Western	28.8	36.8	15.1	8.2	11.1
	Far Western	41.4	31.8	9.4	4.8	12.5
Gender	Male	32.5	33.7	14.8	9.1	9.9
	Female	41.4	30.9	12.9	6.4	8.4
Age Group	15-19	54.6	26.2	8.8	4.0	6.4
	20-24	41.0	33.7	12.1	5.8	7.4
	25-29	31.4	36.4	14.6	9.8	7.7
	30-59	25.8	32.3	17.4	10.4	14.0
	60+	31.0	17.2	31.0	10.3	10.3
Educational Level	Illiterate	65.5	16.7	8.3	6.0	3.6
	Read/write	52.4	26.2	12.6	4.5	4.3
	Under SLC	44.5	30.9	11.9	6.0	6.8
	11-12/Certificate	30.4	39.0	14.7	7.2	8.7
	Bachelor	21.4	34.4	15.6	12.8	15.8
	Masters and above	6.8	30.8	27.8	18.0	16.5
Occupation of Respondent	Agriculture	68.0	21.8	6.8	1.4	2.0
	Business	22.3	33.2	19.4	10.5	14.6
	Industry	43.0	31.2	6.5	6.5	12.9
	Government service	24.5	42.8	17.0	7.4	8.3

	Government teacher	23.1	46.2	11.5	3.8	15.4
	Private service	28.2	36.3	13.7	13.7	8.0
	Private teacher	34.4	39.1	12.5	10.9	3.1
	Housewife	42.9	30.9	12.1	6.8	7.4
	Student	44.9	31.8	11.0	5.9	6.3
	Others	47.4	28.9	7.9	11.8	3.9
Monthly Income of Respondent	less than 5000	64.6	24.8	5.1	2.0	3.5
	5000-9999	23.8	49.9	14.4	5.3	6.5
	10000-14999	8.4	29.9	27.5	17.8	16.4
	15000-19999	1.7	18.5	36.1	25.2	18.5
	20000 and above	3.3	12.2	13.8	25.2	45.5

Source: The base of population is taken from CBS data 2011.

Figure: 4.5

Graphical Representation

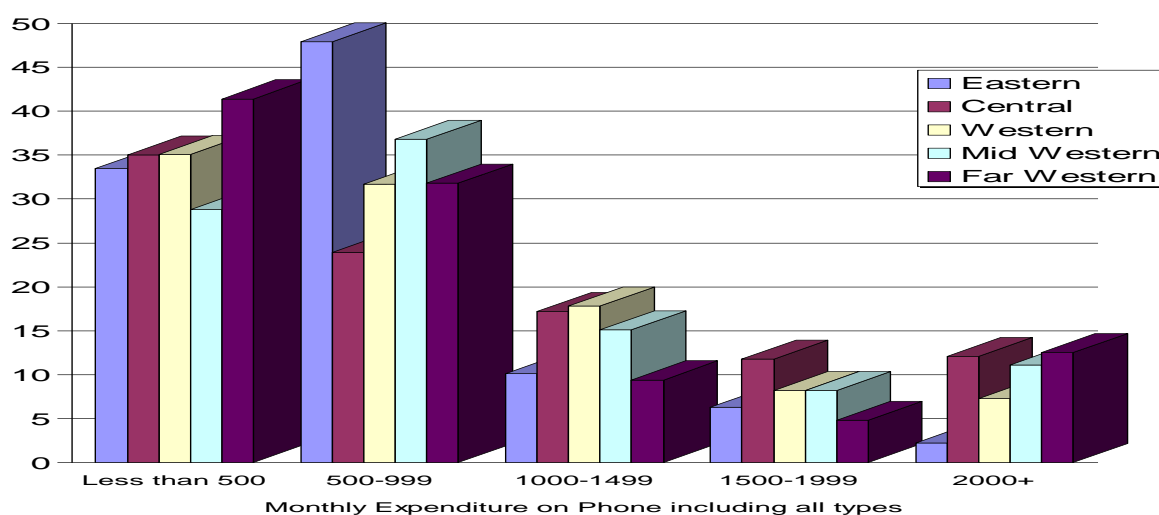


Table 4.8 depicts that respondents in Kathmandu valley the majority of subscribers (24.2%) spends 1000-1499 per month and 22.4% spends about more than 2000 per month. Outside Kathmandu valley, 39.7% of the respondents show their monthly phone expenditure to be less than 500, 34.8% between 500 to 999, 14.3% between 1000 to 1499, 5.8% between 1500 to 1999 and 7.1% in 2000 plus. In overall, around 33% of the subscribers are spending 500-999 per month.

4.5.1 Average Revenue Per User (ARUP):

Table: 4.9

Service	ARPU/ Month(in Rs)
Fixed Telephone (Wireline+WLL+Limited Mobility)	855.69
Cellular Service (Prepaid + Postpaid)	374.12
Internet	2136.12
GMPCS	6344.62
Rural Telecom Services	1200.88 (STM Only Per PCO)

*Source Quarterly Performance Indicator of Telecom Services (August 2008)

Though the Table doesn't clearly segment the total population into development regions, Gender, Age Group, Education, Level, occupation of Respondent, Monthly income of Respondent but it separates the Purchasing Rate or Average Revenue per user of Subscribers. According to the table the ARPU of Fixed Line is 855.69 and Cellular Service is 374.12 which are almost equivalent to the average Spending of Subscribers of Consumers Survey which is 500-999 per Month.

4.5.2 Satisfaction level of network coverage:

Table: 4.10

		NTC Mobie			Ncell			NTC CDMA		
		***	**	*	***	**	*	***	**	*
	Overall	8.5	36.4	55.1	36.3	44.1	19.7	32.5	44.4	23.1
Kathmandu vs others	Kathmandu Valley	3	43.5	53.5	36.2	46.6	17.2	25	75	0
	Outside Kathmandu	9.7	34.9	55.4	36.3	43.7	20	33	42.2	24.8
Development Region	Eastern	6.9	59.3	33.8	40.6	52.3	7	36.4	36.4	27.3
	Central	22.1	40.8	37.1	50.7	27.8	21.5	53.1	46.9	0
	Western	4.9	43.2	51.9	29.4	50.3	20.2	30.8	69.2	0

	Mid Western	0.4	10.1	89.6	5.9	41.2	52.9	13.8	55.2	31
	Far Western	3.5	32.5	64	19.7	49.2	31.1	28.1	25	46.9
Gender	Male	8.5	34	57.4	34.4	45.4	20.2	30.2	40.7	29.1
	Female	8.2	43.8	47.9	41.1	41.1	17.8	42.9	50	7.1
Age Group	15-19	10.8	28.5	60.8	45.1	32.9	22	40	50	10
	20-24	8.8	39	52.3	33.5	42.7	23.9	33.3	47.6	19
	25-29	8.9	41	50.1	40.6	46.2	13.3	42.4	33.3	24.2
	30-59	7.9	32.7	59.5	26.9	58.2	14.9	24.5	46.9	28.6
	60+	0	28.6	71.4	0	0	100	0	100	0
Educational Level	Illiterate	11.1	27.8	61.1	50	25	25	66.7	33.3	0
	Read/write	8.3	42.9	48.9	36.7	42.9	20.4	40	60	0
	Under SLC	8.4	37.1	54.5	37.8	40.9	21.3	35.1	37.8	27
	11-12/Certificate	10.7	37.8	51.5	39	40.5	20.5	24.2	57.6	18.2
	Bachelor	7.4	36.6	56	30.6	51.6	17.7	33.3	28.6	38.1
	Masters and above	3.7	19.4	76.9	25	75	0	25	37.5	37.5
Occupation of Respondent	Agriculture	3.1	50	46.9	35.7	42.9	21.4	37.5	50	12.5
	Business	7.7	34.4	57.8	38.6	47.9	13.6	42.6	29.8	27.7
	Industry	25.6	41	33.3	12.5	75	12.5	0	50	50
	Gov-service	12.3	38.3	49.4	27.3	69.7	3	35.7	50	14.3
	Gov-teacher	16.2	10.8	73	33.3	50	16.7	50	50	0
	Private service	2.3	33.1	64.6	38.5	43.6	17.9	0	70	30
	Private teacher	5.9	44.1	50	16.7	83.3	0	20	40	40
	Housewife	4.5	48.5	47	37.2	34.9	27.9	22.2	55.6	22.2
	Student	9.3	35.6	55.1	38	38	24	33.3	50	16.7
	Others	22	41.5	36.6	7.7	38.5	53.8	0	100	0

Monthly Income of Respondent	less than 5000	10.5	38.3	51.2	42.7	41.4	15.9	51.5	30.3	18.2
	5000-9999	12.9	34.6	52.5	37.5	49.3	13.2	28.1	50	21.9
	10000-14999	5.1	41.4	53.5	24.4	64.4	11.1	17.6	52.9	29.4
	15000-19999	5.1	35.7	59.2	25	50	25	22.2	44.4	33.3
	20000 and above	5.1	38.4	56.6	33.3	66.7	0	33.3	50	16.7

Source: The base of population is taken from CBS data 2011.

Table 4.10, hence * means not satisfied, ** means average satisfied and *** means full satisfied so it shows that inside Kathmandu valley, 53.5% of the respondents are not satisfied, 43.5% feel average and only 3% are satisfied with the network coverage of NTC. Similarly, 17.2% are not satisfied, 46.6% feel average and 36.2% are satisfied with the network coverage of Ncell.

In eastern region, 59.3% of the respondents feel average and 33.8% are not satisfied by the network coverage of NTC. Similarly, 7% are not happy, 40.6% are satisfied and 52.3% feel average about the network coverage of Ncell. In mid western and far western regions 89.6% and 64% of the respondents are not satisfied with the network coverage of NTC.

4.5.3 Satisfaction level of customer service

Table: 4.11

		NTC Phone			Ncell			NTC CDMA		
		***	**	*	***	**	*	***	**	*
	Overall	8.2	50.1	41.7	29.7	55.0	15.3	26.4	45.3	28.3
Kathmandu vs others	Kathmandu	10.0	55.2	34.9	27.6	63.8	8.6	37.5	50.0	12.5
	Outside Kathmandu	7.8	48.9	43.3	30.0	53.8	16.3	25.5	44.9	29.6
Development Region	Eastern	16.3	40.1	43.5	25.8	64.5	9.7	10.0	30.0	60.0
	Central	9.7	64.0	26.3	41.7	51.4	6.9	28.1	40.6	31.3

	Western	5.6	52.9	41.5	23.6	52.9	23.6	15.4	76.9	7.7
	Mid Western	6.8	32.7	60.5	35.3	29.4	35.3	40.7	48.1	11.1
	Far Western	5.8	48.8	45.3	19.1	63.8	17.0	20.8	37.5	41.7
Gender	Male	7.8	48.3	43.8	29.0	55.7	15.3	22.4	42.1	35.5
	Female	9.6	55.1	35.2	32.0	53.1	15.0	40.7	48.1	11.1
Age Group	15-19	4.5	52.3	43.2	42.1	39.5	18.4	62.5	25.0	12.5
	20-24	8.2	53.4	38.5	23.5	61.7	14.8	36.8	36.8	26.3
	25-29	10.0	52.5	37.5	32.2	54.2	13.6	22.6	41.9	35.5
	30-59	7.9	45.7	46.3	30.8	55.4	13.8	15.9	56.8	27.3
	60+	0.0	23.1	76.9	0.0	0.0	100	0.0	0.0	100
Educational Level	Illiterate	12.5	37.5	50.0	0.0	75.0	25.0	0.0	100.0	0.0
	Read/write	6.5	58.5	35.0	33.3	58.3	8.3	40.0	26.7	33.3
	Under SLC	11.8	50.0	38.2	37.7	47.4	14.9	32.4	52.9	14.7
	11-12/Certificate	7.5	49.9	42.6	26.5	54.7	18.8	30.0	40.0	30.0
	Bachelor	5.9	51.5	42.6	28.4	58.7	12.8	10.5	42.1	47.4
	Masters and above	9.7	36.9	53.4	12.5	75.0	12.5	0.0	66.7	33.3
Occupation of Respondent	Agriculture	10.3	55.2	34.5	35.7	64.3	0.0	50.0	37.5	12.5
	Business	8.3	46.7	45.0	30.6	55.4	14.0	23.3	44.2	32.6
	Industry	21.9	59.4	18.8	37.5	50.0	12.5	50.0	0.0	50.0
	Gov-service	11.1	53.5	35.4	37.5	59.4	3.1	7.1	57.1	35.7
	Gov- teacher	6.1	54.5	39.4	33.3	33.3	33.3	0.0	50.0	50.0
	Private service	7.2	47.4	45.4	40.5	51.4	8.1	0.0	62.5	37.5
	Private teacher	16.1	38.7	45.2	16.7	66.7	16.7	25.0	50.0	25.0
	Housewife	11.0	50.0	39.0	26.3	50.0	23.7	25.0	62.5	12.5
	Student	4.4	52.2	43.3	27.6	53.0	19.3	60.0	20.0	20.0
	Others	2.7	64.9	32.4	7.7	84.6	7.7	0.0	100.0	0.0

Monthly Income of Respondent	less than 5000	7.5	49.1	43.3	35.6	55.5	8.9	48.3	24.1	27.6
	5000-9999	10.3	53.1	36.6	30.5	60.2	9.3	10.7	60.7	28.6
	10000-14999	8.9	52.6	38.4	18.4	65.8	15.8	6.3	43.8	50.0
	15000-19999	9.6	50.0	40.4	27.3	54.5	18.2	11.1	66.7	22.2
	20000 and above	2.2	46.1	51.7	28.6	57.1	14.3	16.7	66.7	16.7

Source: The base of population is taken from CBS data 2011.

Table 4.11, hence * means not satisfied, ** means average satisfied and *** means full satisfied. Here the shows that inside Kathmandu valley, 55.2% and 63.8% of the respondent feel that customer services provided by NTC and Ncell respectively is average. Similarly, in outside Kathmandu Valley area, 48.9% and 53.8% of the respondents feel that customer services provided by NTC and Ncell respectively is average.

In eastern region, 43.5% and in mid western region 60.5% of the respondents are not satisfied by the customer service of NTC. Similarly, in central, western and far western regions, 64%, 52.9% and 48.8% respectively feel that customer service provided by NTC is average.

In overall scenario, 50.1% and 55% of the respondents feel that customer service being provided by the NTC and Ncell respectively is average.

4.5.4 Satisfaction level of call rate of mobile service:

Table: 4.12

		NTC Phone			Ncell			NTC CDMA		
		***	**	*	***	**	*	***	**	*
	Overall	11.7	40.0	48.3	8.4	31.4	60.2	25.9	46.4	27.7
Kathmandu vs others	Kathmandu Valley	5.0	32.2	62.8	1.7	8.6	89.7	0.0	62.5	37.5
	Outside Kathmandu	13.1	41.7	45.2	9.4	34.7	55.9	27.9	45.2	26.9

Development Region	Eastern	11.9	22.2	65.9	16.0	9.9	74.1	33.3	44.4	22.2
	Central	13.5	42.1	44.4	6.3	36.1	57.6	15.6	68.8	15.6
	Western	9.2	53.1	37.6	8.8	42.5	48.8	23.1	53.8	23.1
	Mid Western	20.1	44.0	35.8	0.0	11.8	88.2	41.4	48.3	10.3
	Far Western	5.3	29.9	64.8	5.0	25.0	70.0	20.7	17.2	62.1
Gender	Male	12.6	38.7	48.7	7.4	30.6	61.9	24.4	45.1	30.5
	Female	8.9	44.2	46.9	10.1	33.8	56.1	33.3	44.4	22.2
Age Group	15-19	13.9	29.5	56.6	10.4	19.5	70.1	37.5	25.0	37.5
	20-24	10.1	43.8	46.0	7.9	33.0	59.1	36.8	47.4	15.8
	25-29	12.7	43.9	43.4	10.3	40.5	49.1	18.8	53.1	28.1
	30-59	11.6	37.1	51.3	4.8	25.4	69.8	20.4	49.0	30.6
	60+	8.3	25.0	66.7	0.0	0.0	100.0	100.0	0.0	0.0
Educational Level	Illiterate	11.1	22.2	66.7	0.0	75.0	25.0	0.0	33.3	66.7
	Read/write	12.9	53.2	33.9	8.3	47.9	43.8	33.3	60.0	6.7
	Under SLC	11.8	43.2	45.0	12.3	32.8	54.9	27.8	47.2	25.0
	11-12/Certificate	13.1	37.6	49.2	7.8	31.9	60.2	38.7	38.7	22.6
	Bachelor	9.9	37.5	52.6	5.4	22.5	72.1	10.5	52.6	36.8
	Masters and above	9.6	35.6	54.8	0.0	0.0	100.0	0.0	37.5	62.5
Occupation of Respondent	Agriculture	3.3	53.3	43.3	7.7	53.8	38.5	12.5	87.5	0.0
	Business	12.8	41.2	46.0	10.7	35.5	53.7	31.9	44.7	23.4
	Industry	16.7	47.2	36.1	12.5	37.5	50.0	50.0	0.0	50.0
	Gov-service	12.7	35.9	51.4	6.9	44.8	48.3	14.3	50.0	35.7
	Gov-teacher	19.4	38.9	41.7	20.0	20.0	60.0	0.0	100.0	0.0
	Private service	11.7	40.4	48.0	13.2	28.9	57.9	20.0	20.0	60.0
	Private teacher	11.8	32.4	55.9	16.7	16.7	66.7	20.0	40.0	40.0
	Housewife	7.3	42.7	50.0	7.9	26.3	65.8	12.5	62.5	25.0
	Student	11.5	34.4	54.1	6.5	26.3	67.2	42.9	35.7	21.4

	Others	2.7	56.8	40.5	0.0	40.0	60.0	0.0	0.0	100.0
Monthly Income of Respondent	less than 5000	8.5	42.8	48.7	9.2	40.8	50.0	37.5	37.5	25.0
	5000-9999	17.8	38.8	43.4	14.0	35.1	50.9	25.0	40.6	34.4
	10000-14999	12.1	42.4	45.5	2.8	36.1	61.1	11.8	64.7	23.5
	15000-19999	10.0	44.4	45.6	8.3	16.7	75.0	25.0	50.0	25.0
	20000 and above	5.2	34.0	60.8	0.0	0.0	100.0	16.7	50.0	33.3

Source: The base of population is taken from CBS data 2011.

Table 4.12, hence * means not satisfied, ** means average satisfied and *** means full satisfied and table shows that inside Kathmandu valley, 62.8% and 89.7% of the respondent are not happy with the call tariff of NTC and Ncell respectively. Similarly, in outside Kathmandu Valley area, 45.2% and 55.9% of the respondents are not satisfied with the call tariff of NTC and Ncell respectively.

The research indicates that in all places, subscribers are not satisfied by the tariffs of either NTC or Ncell.

4.5.5 Satisfaction level of value added service of different Mobile service

Table: 4.13

		NTC Phone			Ncell			NTC CDMA		
		***	**	*	***	**	*	***	**	*
	Overall	38.9	41.7	19.4	51.6	37.1	11.4	27.8	39.2	33.0
Kathmandu vs others	Kathmandu Valley	23.9	66.5	9.6	24.6	66.7	8.8	0.0	33.3	66.7
	Outside Kathmandu	41.9	36.7	21.4	55.1	33.3	11.7	28.7	39.4	31.9
Development Region	Eastern	81.3	16.7	2.0	92.9	6.3	0.8	10.0	20.0	70.0
	Central	23.3	61.5	15.2	29.4	59.4	11.2	15.8	47.4	36.8
	Western	18.3	46.0	35.7	40.6	42.6	16.8	8.3	50.0	41.7

	Mid Western	49.2	38.6	12.1	70.6	17.6	11.8	48.3	44.8	6.9
	Far Western	41.7	32.8	25.6	41.0	39.3	19.7	29.6	29.6	40.7
Gender	Male	39.4	40.3	20.3	50.1	36.4	13.5	31.1	35.1	33.8
	Female	35.8	47.1	17.2	54.1	38.9	7.0	20.0	55.0	25.0
Age Group	15-19	37.9	41.1	21.0	55.1	35.9	9.0	25.0	75.0	0.0
	20-24	36.1	40.5	23.4	49.3	39.4	11.3	11.8	41.2	47.1
	25-29	45.8	38.5	15.7	55.3	34.0	10.6	36.7	30.0	33.3
	30-59	35.2	45.7	19.2	47.8	37.3	14.9	26.2	42.9	31.0
	60+	28.6	42.9	28.6	0.0	0.0	0	0	0.0	0.0
Educational Level	Illiterate	43.8	56.3	0.0	75.0	25.0	0.0	0.0	50.0	50.0
	Read/write	46.2	35.9	17.9	36.7	55.1	8.2	23.1	53.8	23.1
	Under SLC	34.5	42.0	23.4	49.2	40.3	10.5	25.9	48.1	25.9
	11-12/Certificate	37.1	42.7	20.1	56.0	32.5	11.5	37.9	34.5	27.6
	Bachelor	39.0	42.6	18.4	54.5	32.2	13.2	26.3	26.3	47.4
	Masters and above	51.9	34.9	13.2	25.0	50.0	25.0	14.3	28.6	57.1
Occupation of Respondent	Agriculture	31.0	48.3	20.7	42.9	50.0	7.1	37.5	25.0	37.5
	Business	41.8	36.8	21.5	44.2	39.9	15.9	28.9	39.5	31.6
	Industry	29.7	51.4	18.9	37.5	62.5	0.0	50.0	50.0	0.0
	Government service	42.5	42.5	15.0	72.7	27.3	0.0	14.3	28.6	57.1

	Government teacher	35.1	45.9	18.9	33.3	50.0	16.7	0.0	50.0	50.0
	Private service	33.9	46.8	19.3	56.4	35.9	7.7	40.0	30.0	30.0
	Private teacher	32.4	52.9	14.7	50.0	50.0	0.0	50.0	0.0	50.0
	Housewife	41.0	42.6	16.4	57.1	33.3	9.5	14.3	71.4	14.3
	Student	40.4	40.8	18.8	55.0	33.0	12.0	20.0	60.0	20.0
	Others	24.4	51.2	24.4	15.4	69.2	15.4	0.0	100.0	0.0
Monthly Income of Respondent	less than 5000	39.7	40.6	19.7	53.3	40.1	6.6	32.1	35.7	32.1
	5000-9999	39.9	41.4	18.7	58.2	32.8	9.0	32.1	39.3	28.6
	10000-14999	38.0	40.8	21.1	47.7	40.9	11.4	28.6	28.6	42.9
	15000-19999	40.2	41.3	18.5	16.7	41.7	41.7	0.0	44.4	55.6
	20000 and above	48.4	42.1	9.5	33.3	66.7	0.0	40.0	0.0	60.0

Source: The base of population is taken from CBS data 2011.

Table 4.13, hence * means not satisfied, ** means average satisfied and *** means full satisfied and above table shows that in overall, Ncell users are highly satisfied with the Value added service with 51.6% users and 41.7% feel average about the value added service of NTC. Similarly, in Kathmandu Valley, 66.5% and 66.7% feel average about the value added services provided by NTC and Ncell respectively.

4.6 Future expectation about new mobile service or improvement in existing mobile service

Table: 4.14

		% of respondents who want new mobile service or improvement in existing mobile service	
		New Mobile Service	Improvement on existing mobile service
	Overall	55.4	44.6
Kathmandu vs others	Kathmandu Valley	58.9	41.1
	Outside Kathmandu	54.8	45.2
Development Region	Eastern	54.0	46.0
	Central	73.4	26.6
	Western	53.7	46.3
	Mid Western	34.3	65.7
	Far Western	47.7	52.3
Gender	Male	55.7	44.3
	Female	54.3	45.7
Age Group	15-19	63.3	36.7
	20-24	58.9	41.1
	25-29	55.0	45.0
	30-59	49.7	50.3
	60+	44.8	55.2
Educational Level	Illiterate	50.0	50.0
	Read/write	51.5	48.5
	Under SLC	58.4	41.6
	11-12/Certificate	54.9	45.1
	Bachelor	55.5	44.5
	Masters and above	60.0	40.0
Occupation of Respondent	Agriculture	59.4	40.6
	Business	53.0	47.0
	Industry	47.1	52.9
	Government service	57.8	42.2
	Government teacher	55.8	44.2
	Private service	53.4	46.6

	Private teacher	51.6	48.4
	Housewife	44.0	56.0
	Student	64.3	35.7
	Others	56.3	43.8
Monthly Income of Respondent	less than 5000	55.2	44.8
	5000-9999	55.0	45.0
	10000-14999	53.2	46.8
	15000-19999	54.6	45.4
	20000 and above	56.6	43.4

Source: The base of population is taken from CBS data 2011.

Table 4.14 depicts that with only few exceptions, majority of respondents in all categories prefer new mobile service over improvement on existing mobile service. Inside Kathmandu valley, 58.9% of the respondents prefer new mobile service as compared to 41.1% respondents preferring improvement on existing mobile service. Outside Kathmandu valley, 54.8% of the respondents prefer new mobile service as compared to 45.25% preferring improvement on existing mobile service. Considering total respondents both inside and outside Kathmandu valley, 55.4% respondents prefer new mobile service as compared to 44.6% respondents expecting improvement in existing mobile service.

4.7 Services to be included in New Mobile service

Table: 4.15

		Traffic update	News update	Television viewing system	Ticketing	Stock price update
	Overall	23.6	68.4	33.8	12.4	12.2
Kathmandu vs others	Kathmandu	30.8	74.0	35.7	7.4	14.7
	Outside Kathmandu	22.4	67.5	33.5	13.2	11.8
Development Region	Eastern	4.3	64.8	42.3	5.8	9.2
	Central	37.5	78.4	33.1	16.0	17.6
	Western	4.6	44.6	13.0	2.8	4.0
	Mid	18.0	64.1	44.4	21.4	11.1

	Western					
	Far Western	44.0	85.5	41.4	15.6	16.6
Gender	Male	26.6	71.8	33.6	14.8	14.5
	Female	17.4	60.5	33.8	7.0	7.1
Age Group	15-19	22.2	55.0	35.3	9.4	2.9
	20-24	25.6	66.9	32.9	10.7	9.9
	25-29	23.7	68.3	34.1	12.2	13.0
	30-59	22.7	75.1	34.0	15.4	17.2
	60+	13.8	65.5	24.1	6.9	17.2
Educational Level	Illiterate	10.8	58.1	28.0	5.4	4.3
	Read/write	18.4	63.0	30.8	9.0	6.6
	Under SLC	23.3	71.0	36.5	13.3	9.2
	11-12/Certificate	24.5	67.3	32.2	12.6	13.6
	Bachelor	26.7	71.5	34.6	12.6	15.7
	Masters and above	32.6	71.2	39.1	21.1	30.1
Occupation of Respondent	Agriculture	13.9	59.1	27.7	10.9	9.8
	Business	26.4	71.0	35.7	15.1	17.3
	Industry	22.8	68.3	39.2	12.7	17.6
	Gov-service	26.2	79.4	29.0	14.7	18.1
	Gov-teacher	23.1	82.7	30.8	21.2	21.2
	Private service	27.4	71.9	32.1	12.7	13.9
	Private teacher	26.6	71.9	40.6	14.1	14.1
	Housewife	11.7	62.3	34.5	4.2	3.9
	Student	25.5	65.4	32.9	11.5	7.7
	Others	29.6	58.0	44.4	16.0	7.4

Monthly Income of Respondent	Less than 5000	27.3	70.8	32.4	11.6	10.7
	5000-9999	25.9	73.3	31.8	13.7	15.1
	10000- 14999	28.3	71.7	33.3	14.8	17.8
	15000- 19999	19.3	63.9	33.6	14.3	29.4
	20000 and above	26.0	82.0	38.2	22.8	24.4

Source: The base of population is taken from CBS data 2011.

4.8 Services to be included in New Mobile service (Contd.)

Table: 4.16

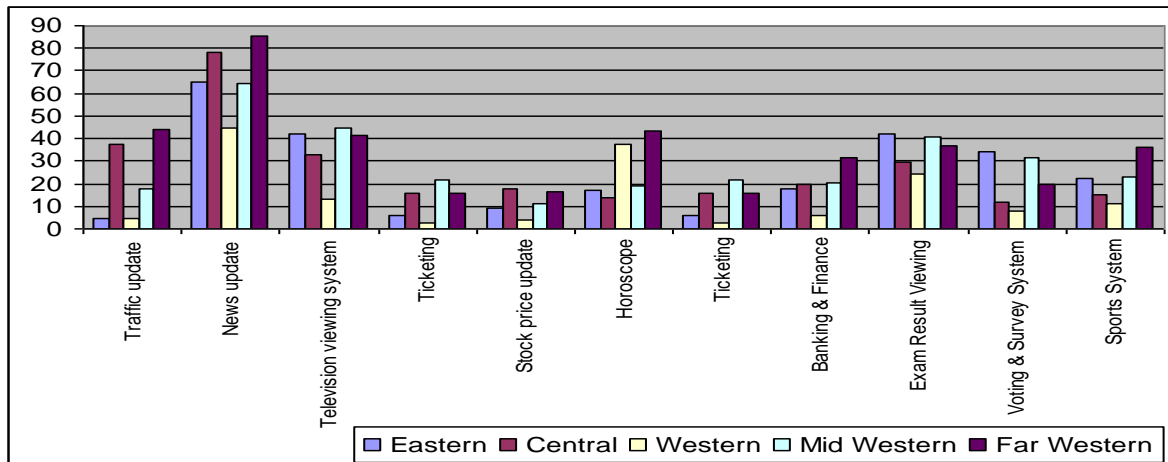
		Horoscope	Ticketing	Banking and Finance	Exam result viewing system	Voting and survey system	sports system
Kathmandu vs others	Kathmandu	17.2	7.4	26.4	21.9	9.3	23.0
	Outside Kathmandu	26.8	13.2	17.7	35.5	21.0	20.2
	Total	25.4	12.4	19.0	33.5	19.3	20.6
Development Region	Eastern	17.0	5.8	17.9	41.9	33.9	22.2
	Central	13.6	16.0	19.5	29.4	12.0	14.9
	Western	37.2	2.8	6.0	24.1	8.1	11.4
	Mid Western	18.8	21.4	20.6	40.6	31.4	22.8
	Far Western	43.1	15.6	31.8	37.0	20.0	35.9
Gender	Male	22.5	14.8	22.0	34.0	21.1	25.4
	Female	31.9	7.0	11.4	32.0	15.4	9.7
Age Group	15-19	29.7	9.4	9.4	64.7	19.7	29.7
	20-24	26.0	10.7	14.4	44.4	21.4	26.2
	25-29	26.8	12.2	20.1	24.1	20.7	18.7
	30-59	21.9	15.4	25.9	21.0	16.3	14.4

	60+	17.2	6.9	10.3	31.0	13.8	6.9
Educational Level	Illiterate	19.4	5.4	9.7	12.9	12.9	12.9
	Read/write	23.8	9.0	8.6	8.6	13.3	7.7
	Under SLC	28.8	13.3	14.1	32.4	18.5	17.2
	11-12/Certificate	25.1	12.6	18.8	41.8	21.5	23.8
	Bachelor	25.4	12.6	27.7	42.9	22.0	28.5
	Masters and above	18.8	21.1	48.9	37.6	21.1	30.8
Occupation of Respondent	Agriculture	23.8	10.9	9.1	13.9	18.2	10.9
	Business	23.6	15.1	26.7	22.2	18.0	17.2
	Industry	17.6	12.7	20.6	27.5	31.4	24.5
	Gov-service	17.2	14.7	27.7	26.1	22.7	19.3
	Gov-teacher	19.2	21.2	23.1	48.1	21.2	15.4
	Private service	22.1	12.7	23.6	22.2	16.5	23.7
	Private teacher	20.3	14.1	26.6	43.8	12.5	34.4
	Housewife	38.4	4.2	7.0	20.1	13.6	5.0
	Student	27.6	11.5	13.2	65.7	23.0	33.7
	Others	28.8	16.0	11.1	23.5	18.5	16.0
Monthly Income of Respondent	less than 5000	28.3	11.6	13.1	29.1	17.1	20.6
	5000-9999	18.9	13.7	20.3	26.1	19.5	17.6
	10000-14999	27.6	14.8	31.9	28.9	21.1	22.7
	15000-19999	32.8	14.3	42.9	25.2	17.6	24.4
	20000 and above	22.8	22.8	44.7	26.8	17.9	23.6

Source: The base of population is taken from CBS data 2011.

Figure: 4.6

Services to be Included in New Mobile Service



From above, the table shows different services to be included by new mobile service provider as follows:

- Traffic update
- News update
- Television viewing system
- Ticketing
- Stock price update
- Horoscope
- Ticketing
- Banking and finance
- Exam result viewing system
- Voting and survey system
- Sports update

Majority of the respondents in all categories preferred news update the most which is followed by other services like television viewing system and exam result viewing system.

4.9 Major Findings of the Study

The major findings of the study are as follows;

- ❖ Use of mobile phones (Handheld Devices) is showing the increasing trends over the short period of time as compared with the PSTN Landline service
- ❖ There is a wide area in Nepal especially outside the Valley which is yet to experience the convenience of mobile phones and the people there have both curiousness and capacity to use the mobile phones.
- ❖ Only 14.5 % of the population of Nepal is using mobile phones. Major gap area can be seen in the Far Western, Mid Western and Eastern region with mobile service subscription of 7.3%, 8.8% and 7.1% respectively.
- ❖ Inside Kathmandu valley, 58.9% of the respondents prefer new mobile service as compared to 41.1% respondents preferring improvement on existing mobile service. So there is high priority of the new mobile services. Similarly outside Kathmandu valley, 54.8% of the respondents prefer new mobile service as compared to 45.25% preferring improvement on existing mobile service.
- ❖ Considering total respondents both inside and outside Kathmandu valley, 55.4% respondents prefer new mobile service as compared to 44.6% respondents expecting improvement in existing mobile service.
- ❖ Prepaid mobile phones are most preferred type of mobile service in Nepal, especially in Kathmandu. 55.1% of the NTC mobile users and, 19.7% of the Ncell as are not satisfied with the network coverage Satisfaction regarding Network coverage of NTC and Ncell is Very Low that is only 8.5 and 36.3% only. 41.7% of NTC mobile users and 15.3% of Ncell users are not satisfied with the customer service of the respective companies. 48.3% of NTC mobile users and 60.2% of Ncell users are not happy with the rates (tariffs) of the respective companies.
- ❖ Customers have lots of expectations from the value added services in mobile phones. Mostly people are satisfied with Ncell because Most of the time the industries have added some value for its customers.
- ❖ People generally use mobile phones to be in touch with the family members. This is also because majority of the population had been displaced from their usual place of living. Most of the people have also left their family members due to the

nature of their jobs and mobile phones have been the convenient way for them to be in touch with their loved ones.

- ❖ Major Markets are Kathmandu Lalitpur and Bhaktapur.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the state of the whole research process, its prospects as consequence. The study is carried out to assess the potential market for emerging telecommunication in Nepal. The whole research process is concentrated on the services provided by top telecommunication industries of Nepal (NTC and Ncell) The study mainly focus on the opinion of customer of different zones about the services and Facilities provided by the current telecommunications of Nepal. These Chapters summarizes the study and presents summary, conclusion and the main recommendation based on the whole study process and analysis of the data

5.1 Summary

Nepal Telecom

Nepal Telecom is one of the most popular and pioneer company in telecommunication industry in Nepal. In ancient time NTC has its Monopoly in its services and its tariffs. Earlier people use to wait for the schedule of distribution of the services and connection offered by NTC. Then the day, the distribution was announced people had to wait in a long queue. But with the entrance of Spice mobile (later got popular and accepted as Ncell) the market turned out a bit competitive and sensitive for NTC. Responding to the scenario NTC made its connections and services available at anytime.

At present it has also introduced a new scheme called Friend and family offer where the customers talk to three numbers at 75% of the actual rate for per minute. It has also introduced a value added service called Nepal Telecom Notice Board Service targeting the School, Hospitals, Corporate Houses and Financial Institutions by giving them important notices. Airlines by giving their customers update regarding flight arrival/departure/delay flights. Media Houses by broadcasting them the breaking news, Traffic Police by providing traffic updates, Stock exchange by updating them with the market price of the shares.

Ncell Nepal

Spice Nepal Private Ltd., popularly known under its brand name "Ncell", is the first private GSM mobile operator in Nepal at Present Ncell introduce many scheme plans which are as follows

No STD Charges: Ncell gives the call made by its mobile subscribe to landlines and other networks across the city within Nepal at local call rates. Therefore, there is no STD charge for any calls made to mobile or landline, anywhere within Nepal. All outgoing call will be at local rates.

It has introduced from November 1st, 2008, NCELL new "Free Talk Time" scheme that will be implemented for Access, Smart, Light tariff plans.

Free talk time will be provided to the subscriber in accordance to his/her spending on any chargeable services such as outgoing calls, SMS, MMS, GPRS or PRBT during one week.

Free Talk Time will be provided to subscriber according to the following scheme: Subscriber will get 15 minutes free Mero to Mero time and 4 SMS only in case he/she spends not less than NRs. 50 during the previous week. Validity period of 15 minutes free talk time and 4 SMS in one week. 1 week is a period from Sunday to Saturday. In total during one month period subscriber can get 60 minutes free Mero to Mero talk time and 16 SMS.

Free USSD Service: Unstructured Supplementary Service Data (USSD) is a GSM technology, used to send text between a mobile phone and an application in the operator's network. USSD provides session-based communication, enabling a variety of applications.

Free Missed Call Notifications: Missed Call is the unique feature in mobile, which enables you to know when and who called during your busy hours, out of coverage or your mobile is switched off.

5.2 Conclusions

Use of mobile phones (Handheld Devices) is showing the increasing trends over the short period of time as compared with the PSTN Landline service. There is a wide area in Nepal especially outside the Valley which is yet to experience the convenience of mobile phones and the people there have both curiousness and capacity to use the mobile phones.

Only 14.5 % of the population of Nepal is using mobile phones. Major gap area can be seen in the Far Western, Mid Western and Eastern region with mobile service subscription of 7.3%, 8.8% and 7.1% respectively.

Inside Kathmandu valley, 58.9% of the respondents prefer new mobile service as compared to 41.1% respondents preferring improvement on existing mobile service. So there is high priority of the new mobile services. Similarly outside Kathmandu valley, 54.8% of the respondents prefer new mobile service as compared to 45.25% preferring improvement on existing mobile service.

Considering total respondents both inside and outside Kathmandu valley, 55.4% respondents prefer new mobile service as compared to 44.6% respondents expecting improvement in existing mobile service.

Prepaid mobile phones are most preferred type of mobile service in Nepal, especially in Kathmandu. 55.1% of the NTC mobile users and, 19.7% of the Ncell as are not satisfied with the network coverage Satisfaction regarding Network coverage of NTC and Ncell is Very Low that is only 8.5 and 36.3% only. 41.7% of NTC mobile users and 15.3% of Ncell users are not satisfied with the customer service of the respective companies. 48.3% of NTC mobile users and 60.2% of Ncell users are not happy with the rates (tariffs) of the respective companies.

Customers have lots of expectations from the value added services in mobile phones. Mostly people are satisfied with Ncell because Most of the time the industries have added some value for its customers.

People generally use mobile phones to be in touch with the family members. This is also because majority of the population had been displaced from their usual place of living. Most of the people have also left their family members due to the nature of their jobs and

mobile phones have been the convenient way for them to be in touch with their loved ones.

5.3 Recommendations

The Main recommendations of this study are as follows:

- ❖ Good Network coverage of Telecom service is highly appreciated by people. So, the company should be able to maintain such quality though achieving large quantity subscribe.
- ❖ There are almost twenty two development districts that can be an active market for telecom product.
- ❖ Major Markets are Kathmandu Lalitpur and Bhaktapur. Dang district may be divided into two parts, Dang Valley and Deukhuri in Terai. NTC and Ncell operating only in Banke, Bardiya, Surkhet, Dang and Jumla hence an opportunity for emerging telecommunication is to make the whole area as their property.
- ❖ Another opportunity for growing telecom industry is that only 200 thousand people are carrying mobile in Banke, Bardiya, Surkhet, Dang and Jumla.
- ❖ Thus among the five development regions the mid western region provides more opportunity and favorable market due to low mobile penetration yet growing economies.
- ❖ The data of reason of using Mobile phone reveals that, among these different reasons for using mobile phone, the most common reasons are - to be in contact with the family and for business purpose. Except in few cases, more than 50% of the respondents in different categories use mobile phones to be in direct contact with the family. Hence it can be concluded that it is the primary and most common reason for the use of mobile phones.
- ❖ Hence the communication should capitalize the primary and second reason and build strategy focusing on the same. But it does not mean that the other factors are neglected, at times it is also important to focus on those minute factors too in fact, and in other words the basic focus which would also work as a motivational factor is the first two important and common factors.

- ❖ Majority of the respondents in all categories preferred news update the most which is followed by other services like television viewing system and exam result viewing system. So Customer preference should be given high priority for the new industry.
- ❖ 55% of the NTC mobile users are not satisfied with the network coverage.41.7% of NTC mobile users and 15.3% of Ncell users are not satisfied with the customer service of the respective companies.48.3% of NTC mobile users and 60.2% of Ncell users are not happy with the rates (tariffs) of the respective companies. Customers have lots of expectations from the value added services in mobile phones. Considering these data as a major source the emerging telecommunication must try to satisfy customers in Network, tariffs, and services.
- ❖ Marketing communication is highly focused and popular among youth population. So, the upcoming campaign should be able to cover remaining population too.
- ❖ Advertising is indispensable tool of the marketing protocol of the telecom. So, the upcoming advertisement should be more entertaining, attractive and effective which will be able to cater the need of brand information too.

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APPENDIX-I

Questionnaire

Dear Respondents,

I am a student of MBS from Tribhuvan University and going to conduct a survey for partial fulfillment of master level. So I request you to provide a few minutes of yours. I assure you that this questionnaire updated by you will be kept confidential and will be use only for my Study.

Respondents Name.....

Address.....

Mobile No:.....

Email.....

Section 1 for Customers

1.1 Are you the user of mobile? Yes No

1.2 Gender: Male Female

1.3 Age: 15 to 19 years 20 to 24 years 25 to 29 years
 30 to 59 years over 60 years

1.4 Education: Unable to read and write only to read and write
 Up to class 10 Intermediate Levels
 Bachelor Level

1.5 Occupation: Farmer Business Entrepreneurship
 Government Service Government Teacher
 Private

1.6 Income: House Wife Student Others
 Below Rs 5000 From Rs 5000 to Rs 1000
 From Rs 10000 to Rs15000 From Rs 15000 to Rs20000
 Over Rs 20000

1.7 Are you the user of Telephone or not? Yes No

1.8 If yes then which one?

- Nepal Telecom
 Mero Mobile
 UTL

Land Line	Prepaid	CDMA

Others

1.9 How much of your Average Monthly expenses spent on Mobile Phones?

- Below Rs 500 From Rs 500 to Rs 1000
 From rs 1000 to Rs 1500 From Rs 1500 to Rs 2000
 Over Rs 2000

1.10 What types of Phones are used by your Total family Members?

- NTC Line NTC Prepaid NTC Postpaid
 NTC CDMA Mero Prepaid Mero Postpaid
 UTL Line UTL CDMA

Section 2 for Mobile User

2.1 What type of Mobile do you use?

Prepaid Postpaid CDMA

2.2 For what reason do you use mobile?

Because of Perks, Friends and Family

To be in contact with family

For business Purpose

To be Safe

To reduce loneliness

To show the status in Society

Others

2.3 Currently, which company's Mobile you are using?

NTC Mero Mobile UTL Others

Section 3 Suggestions and Advance Regarding Mobile

3.1 Do you prefer new mobile service in market or some correction to the existing one?

New One Correction to the existing one

3.2 Whose investment do you feel would be believable?

Domestic Investment Foreign Investment Both is same

3.3 In recent future how much money do you think you spent on mobile?

Below Rs 500 From Rs 500 to Rs 1000 From Rs 1000 to 1500

From Rs 1500 to 2000 From Rs 2000 to Rs 3000 Above Rs 3000

3.4 What are the facilities do you prefer in your mobile service?

To delivery message

Missed call Facilities

To play game

Internet facilities

To listen songs

To take Photo

To listen F.M Radio

Joke Facilities