

CHAPTER-I

INTRODUCTION

1.1 Background of the Study

Marketing plays a very pivotal role in accelerating the pace of industrialization. So, marketing considered consumers as a king of marketing because consumer needs and wants are beginning point of economic activities. While fulfilling the needs and wants of individual consumers different kinds of products and services are being invented and marketed in the human society.

In the dynamic environment the producers or marketers need to know every aspect about the consumer. Their total efforts should be directed towards the consumer and market. Consumer behaviors help an organization in efficient use of marketing resources, location of new marketing opportunities, selection of market segment, product position, and market research and improvement of marketing strategy (Koirala, 2056:76). Marketers who understand consumer behavior have great competitive advantage in the market. Therefore, study of the consumer's buying attitude is the most important for successful operation and long term survival of a business firm.

Consumer behaviors can be defined as the behaviors that consumers display in searching for, using, evaluating, and disposing of product services and ideas that they expect will satisfy their needs (Schiffman and Kanuk, 1997:8). That is why; a consumer behavior is the key point for today's marketers or businessman. The study of buying behavior of particular segment or a group of consumer helps marketers to create and design appropriate marketing strategies for that segment or group. Moreover, marketer can serve that segment or group in a better way than competitors.

Marketers should know the type of buying behavior; otherwise the business in the market would not be survived. Consumers go through complete buying behavior when they are highly involved in a purchase and aware of significant differences among brands. Consumers are highly involved when the product is expensive, bought infrequently, risky and highly self-expensive. The marketer of a high involvement product must understand the information-gathering and evaluation behavior of high-involvement consumer (Adhikari, 2002:3).

Buying personal computer is also high involvement product. Computer is one of the latest technologies and the most convenient means of collecting information and communication. Personal computers are being used in every aspects of today's life and its uses are accruing day by day because it is not merely changed the pace of the life but also added easier and comfortable. It has made the life much easier than before. It is not only convenient, also more efficient and faster than manual work. In addition to, it also helps in reducing the time and efforts to perform tasks. Here, therefore, an attempt has been made to study has been made to study consumer choice on personal computer brand in Pokhara valley.

The buying behavior of the computer will be described in this study in the light of following variables: particularly computer brands which are available in Pokhara, relative importance of various factors affecting in brand choice decision, marketing coverage by different brands of computers.

1.2 Statement of the Problem

Nepalese market is growing gradually in trading sector rather than industrial sector. The provision of Open General License indirectly helps to import consumer durable in large quantity. After liberalization of economy, has tremendous choice in selecting consumer durable product.

With the changing environment of the country, Pokhara has gradually turned into a competitive market. Pokhara is an urban area and people of Pokhara are living in better and more comfortable conditions of life than living in rural areas. Computer is one of the products, which made the urban people life more comfortable and easier. Busy people can use their time more effectively by the help of computer. So, the use of this computer is increasing day by day. Therefore, it is being widely used from primary level of education to the highest level of scientific research and for all kinds of business, education, health and agriculture and so on.

Numerous brands and models of computer are available in Pokhara.

Computers are imported from different countries. The sellers of these brands are facing the top most competition. New brands are entered in the market due to the increasing demand for computers. Marketers are using various promotional tools, but they are not confident whether these buying incentives are effective or not in consumer decision to choose a particular brand. In this background, the consumers are not fully aware about the personal computer technology. They are interested to

buy best one. Due to developing nature of manner, it will be better to know the activities shown by the consumers while choosing the computer brand to buy. Specifically, the study is focused to find the answers of following questions.

1. What are the brand preference, purpose and reasons of buying personal computer used by jobholders and businessman?
2. What are the important factors affecting to the buying behavior of personal computers?
3. How buyers make the decision while choosing and buying the personal computer?
4. How the buyers dispose of the chosen brand of personal computer after its end use?
5. To what extent promotional activities effect the brand choice of personal computer in Pokhara?
6. How the personal computer sellers are helping the buyers choose and buy the needed brand?

1.3 Objective of the Study

The basic objective of the study is to analyze consumers' choice on computer brand in Pokhara .The specific objective of the study in connection with setting problems are as follows:

1. To analyze the brand preference, purpose and reasons of buying personal computers used by buyers of jobholders and business.
2. To ascertain important factors affecting to the buying behavior of personal computer.
3. To measure the buyers decision while choosing and buying the personal computer.
4. To assess the buyers disposal of the chosen brand of personal computer after its end use.
5. To analyze the buying promotional activities effect on brand choice of personal computer in Pokhara.
6. To assess how the personal computer sellers are helping the buyer for choosing and buying the needed brand.

1.4 Significance of the Study

This study will be fruitful to those existing and potential company or marketers who want to know the buyer-buying behavior of personal computer. The numbers of computer shops are increasing day by day in Pokhara. In absence of proper knowledge, the sellers or marketers are unable to sell their particular products. This study will provide the input of marketers to make effective marketing strategies in future in relation to personal computer. Such marketing strategies may help to the marketers to reach in the target market as per the buying nature of consumers. The findings of the study will be useful to those researchers who want to carry out further research in same avenues.

1.5 Delimitation of the Study

This research is the requirement for the partial fulfillment of master's degree in business studies. The researcher being a student has very limited time and resources. Therefore, the study confined only in Pokhara valley. However, the exact population of the study was unknown; the sample size has taken for this study is small in comparison to the population. There are different types of buyers, only two-types of buyers have been considered for the study i.e. jobholders and businessman. 100 samples have been taken as a representative samples and 50 from each group were selected for the study. The whole study is based on primary and secondary data.

The study has dealt only on consumer buying behavior with special reference to personal computer. The consumer buying behavior is explained in the light of brand preference, purpose and reasons of buying personal computer, relative importance of various factors in decision making, promotional activities effect on brand and sellers are helping buyers for choosing and buying the personal computers.

1.6 Organization of the Study

The study is organized into five major sections.

The first is introduction chapter, which incorporates general background, statement of the problem, objective of the study, significance of the study and delimitation of the study.

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

The third chapter consists of research methodologies which enumerate the research design, population and sample, nature and sources of data, data collection techniques, data processing tools for analysis.

The fourth chapter includes of presentation, analysis and interpretation of the data as well as findings of the study through the definite course of research methodology.

The fifth chapter of the study deals with conclusive and suggestive chapter that includes summary of the study, conclusion of the findings and recommendation for further betterment and improvement.

Finally, bibliography and appendixes are incorporated at the end of the study. Similarly, acknowledgement, tables of contents, list of the diagrams, abbreviation are presented in the preliminary parts of this study.

CHAPTER-II

REVIEW OF LITERATURE

Conceptual framework is a most important part of every study, without knowing the clear concept on the subject matter that the study may not go through right way. Therefore, the review of literature is taken as very important part, which works as a cornerstone of the study. The review of literature has been carried out in two parts-conceptual review and research review. In conceptual review; attempts have been made to reconsider the theoretical aspects of the study. Under the research review; attempts have been made to reexamine the relevant research study done so far.

2.1 Conceptual Review

As long as there has been exchange of goods and services between buyers and sellers, the ultimate success of all economic activities are depended upon producing goods and services that the buyers consider suitable. Since long before the record of the history, the buyers have had some freedom of choice in accepting or rejecting the product of the sellers. But in this modern period, survival of a business or a firm depends on the behavior of consumers in the market place (Neupane, 2001:7).

"In this modern marketing era, every marketer should understand the consumer's satisfaction which creates the behavior of consumer. In an era of cut –throat competition successful marketing of the products demands a through understanding of consumer taste, choice, preference, loyalty or say consumer behavior"

Consumer is the king in business. The understanding of why consumers behave as they do and reasons of their behavior has tremendous implications both for the marketers and the public policy makers. Such understanding is likely to help marketers to match their marketing mix or strategies with the needs of different consumer segments and it also enables public policy makers to formulate such programmes and regulations (Neupane, 2001:7).

Present study is an attempt in this direction aimed at examining the consumer behavior especially buying behavior of computer brand choice in Pokhara. In order to provide a framework for this study available theoretical and past study on consumer buying behavior, brand choice and effect of promotion on computer has been reviewed and present in subsequent headings in this chapter.

2.1.1 Concept of Computer

As a human being is the most intelligent autonomous data processing system, computer can also be compared to a human being. A human being reads data using eyes, hears the data using ears, and smells some data-using nose. So, the parts like eyes, ears and nose are use to get input. So, these parts are called input units or input device. The output of information can be given orally (using mouth) and also in writing (using hands). Sometimes the information can also be given out using eyes, facial expressions and body postures. These parts used for giving out the information are called output devices. The logical and arithmetic operations are done using the brain. The data are also kept in the memory. So, the brain is considered as the memory as well as processing unit (Xavier, 1998:3).

A computer also contains different units for doing operations. The following are the major units of computer.

- i. Input unit
- ii. Output unit
- iii. Memory unit
- iv. Arithmetic and logic unit
- v. Control unit

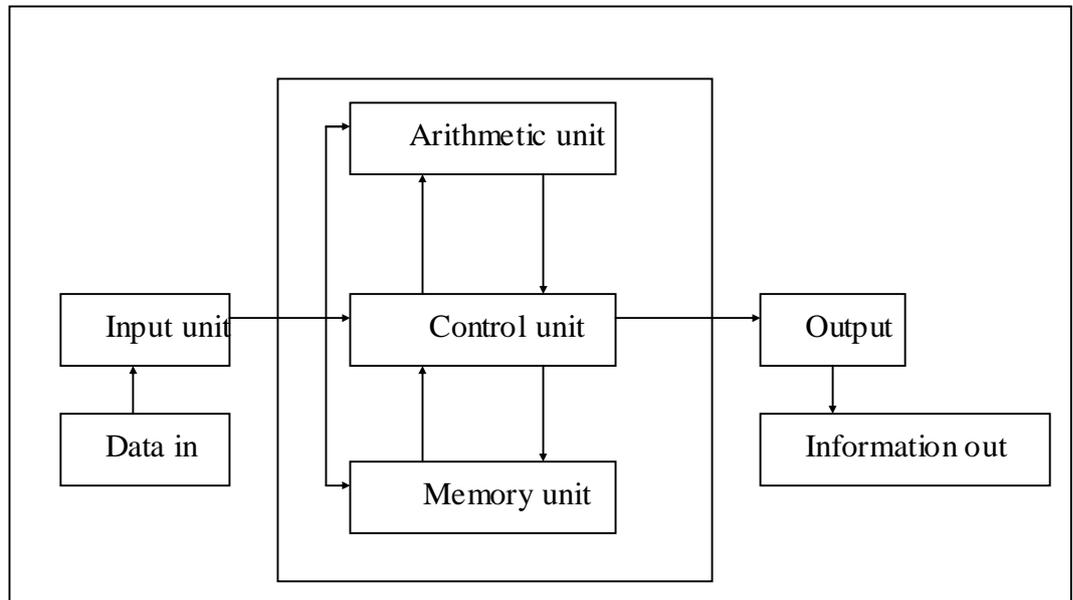


Fig-1: Block Diagram of a Computer

(Source: C. Xavier, "Introduction to Computers," 2nd ed., (New Delhi: New Age International, Pvt. Ltd., 1998), P.3)

2.1.2 Historical Development of Computer Product

The computing history starts from the early civilization of 4,000 years ago. History of computer means the gradual change in the concept over a long period of time. Around fifth century A.D., Hindu philosophers developed a new method of counting from 0 to 9. Counting the numbers from 0 to 9 can be performed with the help of fingers. The development of counting started from the development of simple counting device called 'Abacus' (Baral, 2062:6). Device like Abacus is considered as ancient form of the computer, which was invented in China, Egypt and Greece during 500B.C. to 2,000B.C. Early man can be solved the simple calculations of subtraction and addition by the help of 'Abacus' during that period. The first real calculating machine that could add and subtract was a mechanical calculator, based on toothed wheels, invented by a French Scientist Blaise Pascal in 1642. But, the modern computer is based upon the Professor Charles Babbage concept. He was an Englishman, taught mathematic at Cambridge University and started a small model calculator named 'Difference Engine'. His continuous work led him to develop the concept of an 'Analytical Engine' in the year of 1833. He developed 'Analytical Engine' on the basis of punched card principle. In 1944, Harvard Professor Dr. Howard Alken propounded electromechanical computer using vacuum tubes with the help of IBM engineers. The first electronic digital computer

with three system of working: input unit, processing unit and output unit was introduced by the name of an ENIAC, which was developed by John Mauchly and John P. Eckert. It was developed at the University of Pennsylvania. ENIAC used high-speed switching devices. The high-speed operation of the computer in the world was first experienced in 1946. In fact, ENIAC was the result of the efforts made by US armed force to complete new trajectory tables for use in the world war-II. After developing ENIAC, Mauchly and Eckert formed their own company and built a new computer called UNIVAC-1 in 1951. UNIVAC –1 was delivered to the US Census Bureau. Hence, it was the first commercially used electronic computer in the world. Then in 1954, IBM started its service in Boston with its IBM-650 series. In 1984, Apple introduces the Macintosh, the first widely available computer with a 'user –friendly' graphical interface using icons, windows, and a mouse device. Now, many computer manufacturers attempted to produce more reliable, accurate and fast machine for data manipulation (Khanal, 1999:33).

If computer history is summarized in brief, modern computer was specially based on Pascal's calculator, Charles Babbage's 'Differential Analyzer' and Herman Rollerinth's punch card equipment in 1889.

2.1.2.1 Computer Generations

On the basis of the development of computer, its period has been classified into five generations (Khanal, 1999:44-49).

i. First Generation Computer (1946-1958)

First generation computers are manufactured using vacuum tubes.

ii. Second Generation Computer (1959-1965)

Second generation computers are manufactured using transistors.

iii. Third Generation Computer (1966-1973)

These kinds of computers are manufactured using integrated circuit chips or silicon chips

iv. Fourth Generation Computer (1974-1990)

This kind of computers is manufactured using microprocessors.

v. Fifth Generation Computer (1991-above)

These kinds of computers are manufactured using Bio-chips.

2.1.2.2 Types of Computer

Computer is an electronic device, which accepts the input and processes them to give desired output. There are various types of computers available on the market. The computer can be classified into special purpose and general purpose. Special purpose computers are mostly analog and hybrid and general purpose for the digital computers. Computers are further categorized on the basis of activity, volume, brand and model of the computers as follows (Khanal, 1999: 67-73):

I. On the basis of Activity

On the basis of activity preformed, computer has been divided into three types (Shrestha, Pudasaini, and Suwal, 2060: 39-40).

- i. **Analog Computer:** Analog computer is that measures physical values of continuous variance like temperature, pressure. For example, analog processor of gasoline pump station, speedometer of car etc are analog devices.
- ii. **Digital Computer:** It counts directly in digits, letters, or other symbol.
- iii. **Hybrid computer:** it can do the tasks of digital well as analog computer. Hybrid computers can transfer data from analog to digital and vice-versa.

II. On the Basis of Volume

According to its size, computers are classified into three types.

- i. **Mainframe Computer:** it is a big computer, which processes huge amount of data at a high speed and occupies a large space.
- ii. **Mini Computer:** it is a medium size computer, which is more powerful and more expensive than microcomputer.
- iii. **Micro Computer:** It is the smallest sized computer. It is based on microchips. It can do only one task at a time. Microcomputer is also known as personal computer (PC) or home computer or desktop computer. The PCs are used for general-purpose computation. So, it becomes most popular among users because of its wide application areas. Writing simple letters to desktop publishing from video games to railway and airlines ticketing and so on can be done with a PC (Khanal, 1999:72-73).

III. On the Basis of Brand

On the basis of brand, computer has two world- wide brands; they are IBM PC and Apple/ Macintosh computer.

i. IBM PC

The computers manufactured by IBM Company are called IBM PC. IBM is one of the leading companies in computer manufacturing. These are reliable, strong and high processing speed. These are quite expensive than others and of original types (Shrestha, Pudasaini and Sulwal, 2060: 44).

ii. IBM Compatible

Computer developed on the principles of IBM computers are called IBM compatible .It can perform all the tasks that an IBM computer does. They are less expensive than original IBM computers. IBM computers are nearly 80 % in the world and 95 % in Nepal.

iii. Apple/ Macintosh

The computer manufactured by the Apple Company is called Apple Computers. They are specially used in the desktop designing. These are originals and quite expensive as IBM and IBM compatible. The operating system and other peripherals are completely different than IBM and IBM Compatibles.

IV. On the Basis of the Model or Processing Speed

On the basis of processing speed with memory (processor used), it can be classified accordingly:

- i. XT (8086 and 8088 processor, 640KB - 4.77 to 8 MHz)
- ii. AT 286 (1.2 MB –10 to 16 MHz)
- iii. AT 386 (1.2MB –16 to 25 MHz)
- iv. AT 486 (4 MB- 25 to 63 MHz)
- v. Pentium I (16 MB-unto 200 MHz)
- vi. Pentium II (32 MB- unto 450 MHz)
- vii. Pentium III (128 MB-unto 850 MHz)
- viii. Pentium IV (256/512 MB-1.7/1.8/2.6/GHz)

2.1.3 History of Computer in Nepal

The first digital computer was developed in mid 1940's, however, Nepal government had brought a second generation computer 'IBM-1401' in 1972 for the first time to process 1 crore 12.5 lakhs population census. The census was completed in 1 year 7 months and 15 days with the help of machine. Government had paid Rs. 1 lakh 25 thousand per month as rent for this machine. This machines was not sent back to the owner but purchased by the government for further data processing in the bureau of statistics for the optimum utilization of computer and integration of computer service, a separation branch had been established in 1974 (2031 B.S.). After 6 years in 1980, it was named as 'National Computer Centre'. NCC provided computer training and other computer services. It imported a fourth generation computer ICL 2950/10 in 1981 with the aid of UNDP and UNFPA from England in 20 lakhs US dollars. By the help of this fourth generation computer the 2038B.S. Census was completed within 1 year and 3 months. Meanwhile for proper handling and operation of this computer, the British Government provided training to the manpower of national Computer Centre and awarded the degree like graduate and post-graduate. (Khanal, 1999:34)

In 1982 (2039 B.S.), some microcomputer such as Apple, Vector and Sirius were introduced in Kathmandu. At the same time, some new companies like computer consultancy, Management Information Processing System (MIPS) and Data System International (DSI) had been established in this field, and today more than 100 branded types of microcomputers are imported and used and more than 20 group of companies are working for assembling computer, and many other new companies started their sales and distribution along with training, maintenance and upgrading etc (Khanal, 1999:35).

A private domestic company 'Mercantile' has launched first branded computer in 2002. They are available in personal computer in four models with two years guarantees (Dhakal, 2004:16).

Thus, computer was introduced in late1970's for the first time in Nepal. But, it came in assess of the public level only in 1980's the computer industry with IT in fact has appeared as a strong potential sector in Nepal only in and after 1990's.

2.1.4 Uses or Application of Computer

Now-a-days computers are being widely used in industries, offices, schools, colleges, universities, homes and so on. They are being used in almost every field concerning the society. They have a great impact on the human society. They are changing the way of our working even the way of life. Computers enable people getting better services from government or private organizations. There will be shorter waiting lines in queue in banks, ticket reservation counters, airline ticket offices, better and fast services at hospitals, improved clinical tests and diagnosis of diseases and so on (Adhikary and Singh, 2006: 5).

Computers are one of the most powerful forces today, and are being put to use every where .The impact of computer usage on various sectors is explained in subsequent headings.

I. Home

House management, amusement, communication, and data processing are done through computer.

II. Education

E-books, multimedia kits for an all subjects, recent information for admission, fee structure from different universities through Internet. It is very effective tools for on line education. Many universities offer distance education through Internet .the learning materials are packed in CD-ROM with interactive multimedia. The CAL, CAI, multiple choice and examination paper result-processing etc. are done through computer.

III. Data Processing

All types of data processing like as word processing, image, and data related with research and other fields are processed through computers etc.

IV. Science and Engineering

Computer is a strong tool for every branch of engineering started with civil, electrical, computer, aeronautic, ceramics, chemical, leather technology etc. the electronic circuit, mother board, building models, machine designs and models are taught very effectively through computer.

V. Medicine and Surgery

The computer is applied in medicine, surgery and research .the expert systems for doctors are also available in market. The multimedia kits for surgeon are also available to learn surgery on virtual patients. The concept of expert system is also introduced in computer science. An expert system is a computer program designed to operate at the level of an expert in particular field. It shows performance at expert designed at Stanford University for diagnosis of blood and meningitis infection. Pacemaker is a microprocessor-controlled devices used in-patient of heart trouble. CADULEUS or INTERNIST 2 designed by computer engineer at university of Pittsburgh for diagnosis more than 500 diseases at expert level.

VI. Industries

Industrial research, budgeting, process control all are computer based. The robotics is also a branch of computer science. Now –a –day, robots are used in complicated industrial process, which is dangerous for human. CAD is used in manufacture sector to design model of electrical, electronics, mechanical models of machine and it is more popular among architect engineers also. CAM and CADMPT are also more popular terms in industries.

VII. Banking, Railways, Aeronautic Department, meteorology

These systems are totally computerized for processing customer's services. ATM and EFTS etc are computer-based system for customer services provided by banks.

VIII. Fine Arts, Animations, and Advertisements

Computer is used in film industries in cartoon films, special effects and image processing. Animation is a sequence of images or frames that is displayed over time. Each frame varies slightly from the preceding frame. The art of animation is abundantly supplied in film industries and advertisement department.

IX. Communications

E-mail, E-fax, Internet etc are computer-based communications. The computer and Internet integration is the backbone of recent communication.

2.1.5 Consumer Buying Concept

A buyer is anyone who might buy a given product. A buyer may be either an individual person or an organization that have an interest in the product and the means to acquire it. Therefore, a buyer is someone who is potentially willing and able to buy products offered by the marketer. The terms “Buyer” and “Consumer” are interchangeably used. In comprehensive term buyers or consumers are people in families and other kinds of households who buy and use products and services in order to satisfy their personal needs and wants. Since, the buyers or consumers create demand for the products, the aggregate of individual consumer or buyer is called as the “market” for the firm. The success of the firm largely depends upon the acts or responses of the market towards the firm’s offer. These acts or responses denote the behavior of buyers of consumers. More specifically, behavior refers to any action a consumer takes toward a product or brand. These actions may be either positive or negative. Positive actions of the buyers secure the future success of the firm. While negative action of the buyers create problems to the firm and are largely responsible to make the firm failure in the market placed. Therefore, the marketer should be able to rightly analyze the buyer’s behavior in a competitive market (Shrestha, 1990:97)

Buyer behavior can be defined as “the term consumer behavior refers to the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs” (Schiffman and Kanuk, 1997:7). According to J.C. Mowen “consumer behavior is the study of the decision –making units and processes involved in acquiring, consuming and disposing of goods, services, experiences and ideas” (Mowen, 1992:5).

Consumer behavior is the study of how individuals and groups make their decisions to use their resources in terms of time, money and effort. It includes the study of various aspects of buying, using and disposing products and services.

Consumer buying concept can also be defined as an input-process- output system (Schiffman and Kanuk, 1997:56).

I. Inputs:

The input component of consumer buying behavior draws on external influences that serve as sources of information about a particular product and

influence a consumer's product related values, attitudes, and behavior. Among these input factors are the marketing mix activities of organization (i.e. product's package, size, and guarantees: mass media advertising; direct marketing; personal selling and; other promotional efforts: pricing policy, selection of distribution channels and non-marketing, socio-cultural influences (i.e. social class, culture and sub-culture) affect the consumer's purchase decision (Schiffman and Kanuk, 1997:56).

II. Process:

The process components of the consumer buying behavior are concerned with how consumers make decision. In this process, influence of the psychological field concepts examined. The psychological field represents the internal influence (Motivation, perception, learning, personality and attitudes) that affect consumers decision making process (what they need or what their awareness of various product choices, their information –gathering, activities, and their evaluation of alternatives). As the process components of the overview buying decision consists of three stages: (Schiffman and Kanuk, 1997:56).

- i. Need Recognition
- ii. Pre-Purchase Search
- iii. Evaluation of Alternatives

III. Output:

The output component of the system includes the purchase decision and the post purchase evaluation. Through post –purchase evaluations consumers arrive at a stage of satisfaction or dissatisfaction. This experience is stored in the long term memory of the consumer to be used in future decision making. If the consumer is dissatisfied with the current purchase, consumer is likely to discard the product through the process of disposition.

A model of input –output system (Schiffman and Kanuk, 1997:561).

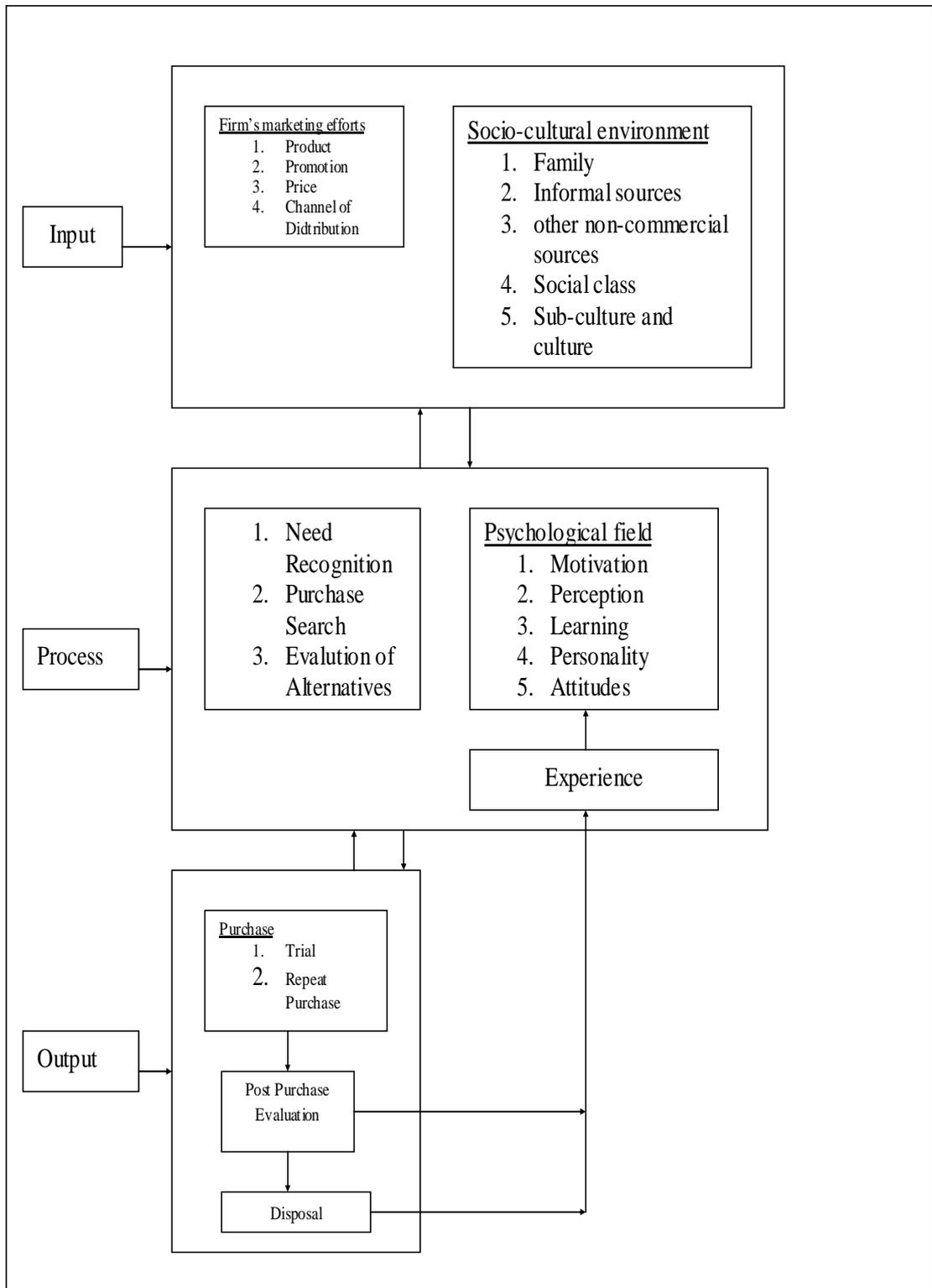


Fig-2: Buyer Behavior: input –output system

2.1.6 Types of Buying Behavior

Consumer decision making varies with the types of buying decision. Complex and expensive purchases are likely to involve more buyer deliberation and more participants. Four types of consumer buying behavior based on the degree of buyer involvement and degree of difference among brands.

I. Complex Buying Behavior

Complex buying behavior involves a three-step process. First, the buyer develops beliefs about the product. Second, consumer develops attitude about the product. Third, he or she makes a thoughtful choice. Consumers engage in complex buying behavior when they are highly involved in a purchase and aware of significant differences among brands. This is usually the case when the product is expensive, bought infrequently, and risky and highly self- expressive (Kotler, 1999:177).

II. Dissonance-Reducing Buyer Behavior

Sometimes the consumer is highly involvement in a purchase but sees little difference in brands. The high -involvement is based on the fact that the purchase is expressive, infrequent, and risky. In this case, the buyer will shop around to learn what is available, but will buy fairly quickly, perhaps responding primarily to a good price or to purchase convenience. After purchase, the consumer might experience dissonance that stems from noticing certain disquieting features or hearing favorable things about other brands. The consumer will be alert to information that supports his or her decision. The consumer first acted, then acquired new beliefs, then ended up with a set of attitudes. Beliefs and evaluations that help the consumer feel good about his or her brand choice (Kotler, 1999:77).

III. Habitual Buying Behavior

Many products are bought under conditions of low –involvement and the absence of significant brand differences. If they keep reaching for the same brand, it is out of habit, not strong brand loyalty. There is good evidence that consumers have low involvement with most low-cost, frequently purchased products. With these products, consumer behavior does not pass through the normal sequence of belief,

attitude, and behavior. Consumers do not search extensively for information, evaluate characteristics, and make a decision on which brand to buy. Instead, they are passive recipients of information. Advertising repetition creates brand familiarity rather than brand conviction. After purchase, they may not even evaluate the choice because they are not highly involved with the product (Kotler, 1999:178).

IV. Variety –Seeking Buying Behavior

Some buying situations are characterized by low-involvement but significant brand differences. Consumers are often doing a lot of brand switching. The consumer may reach for another brand out of a wish for a different taste. Brand switching occurs for the sake of variety rather than dissatisfaction.

The market leader and minor brands in this product category have different marketing strategies. The market leader will try to encourage habitual buying behavior by dominating the shelf space, avoiding out of stock conditions, and sponsoring frequent remainder advertising. Challenger firms will encourage variety seeking by offering lower prices, deals, coupons, free samples, and advertising that presents reasons for trying something new (Kotler, 1999:178).

2.1.7 Consumer Buying Decision Process

2.1.7.1 What is decision?

A decision is the selection of an action from two or more alternative choices. In other words, in order for a person to make a decision there must be a choice of alternative available (Schiffman and Kanuk, 1990:625).

Decision problem is presented as a choice between status quo and some alternatives. A decision; therefore, is a course of action consciously chosen from the available relevant alternatives for the purpose of achieving desired objectives (Drucker, 1975:470).

A decision is a judgement. It is a choice between alternatives. It is rarely a choice between right and wrong.

Consumer decision making consists of input-output system and a consumer has to pass six steps to complete the buying process. These stages are need or problem recognition, search, evaluation, purchase, post-purchase evaluation, and product dispositions (Koirala, 2056:78).

2.1.7.2 Four Views of Decision Making

There are four views of consumer decision-making (Schiffamn and Kanuk, 1990:560):

- i. An economic view
- ii. A passive view
- iii. A cognitive view
- iv. An emotional view

I. An Economic View

The economic model, which portrays a world of perfect competition, the consumer has often been characterized as making rational decisions. This model, called the economic man theory, has been criticized by a number of reasons. To behave rationally in the economic sense, a consumer would have to be aware of all available product alternatives, be capable of correctly ranking each alternative in terms of its benefit and disadvantages, and be able to identify the one best alternative. However, consumers rarely have all of information, or sufficiently accurate information or even an adequate degree of involvement or motivation, to make the so-called 'perfect' decision.

According to the classical economic model of all rational consumers is unrealistic. Consumers operate in an imperfect world in which they do not maximize their decisions in terms of economic considerations, such as price-quantity relationships, marginal utility, or indifference curves. Indeed, the consumers generally are unwilling to engage in extensive decision- 'good enough'. For this reason, the economic model is often rejected as too idealistic and simplistic (Schiffamn and Kanuk, 1990:560).

II. A Passive View

Quite opposite to the rational economic view of consumer is the passive that depicts the consumer as basically submissive to the self-serving interests and promotional efforts. In the passive view, consumers are perceived as impulsive and irrational purchasers, ready to yield to aims and arms. At least to some degree, the passive model of the consumer was subscribed to by the hard-driving. The principal limitation of the passive model is that it fails to recognize that the consumer plays an equal, if not dominant, role in many buying situations—sometimes by seeking

information about product alternatives and selecting the product that appears to offer the greatest satisfaction and at other times impulsively selecting a product that satisfies the mood or emotion of the moment (Schiffamn and Kanuk, 1990:563). Therefore, this simple and single-minded view should also be rejected as unrealistic.

III. A Cognitive View

The third model portrays the consumer as a thinking problem solver with in this framework, consumers frequently are pictured as either receptive to or actively searching for products and services that fulfill their needs and enrich their lives. The cognitive model focuses on the processes by which consumers seek and evaluate information about selected brands and retail outlets. In contrast to the economic view, the cognitive view recognizes that the consumer is unlikely to even attempt to obtain all available information about choice. Instead, consumers are likely to cease their information seeking efforts when they perceive that they have sufficient information about some of alternatives to make “satisfactory” decisions. As this information –processing viewpoint, consumers often develop short cut decision rules to facilitate the decision-making process (Schiffamn and Kanuk, 1990:564).

IV. An Emotional View

An emotional view is closely associated with deep feelings or emotional such as joy, fear, love, hope, sexuality, fantasy, and even a little ‘magic’ with certain purchases or possessions. These feelings or emotions are likely to be highly involving. When a consumer makes what is basically an emotional purchase decision, less emphasis is placed on the search for pre-purchase information. Instead, more emphasis is placed on current mood and feelings (Go for it!) This is not saying those emotional decisions are not rational. Buying products that afford emotional satisfaction is a perfectly rational consumer decision. Furthermore, in the case of a good number of products, the choice of one brand over another has little to do with rationality. Consumer’s moods are also important to decision making. Mood is a ‘feeling state’ or state of mind. In general, individuals in a positive mood recall more information about a product than those in a negative mood (Schiffamn and Kanuk, 1990:564).

2.1.7.3 Consumer Buying Process

Consumers are the decision –makers regarding the purchase of goods and services that can provide current and future satisfaction. Consumers require to purchase several products in different situations to meet their needs and wants, some products are frequently purchased to meet daily needs. While others are purchased infrequently such products may involve high investment. Hence, consumer buying process is affected by high and low involvement product. High –involvement purchase includes those products which are expensive and unfamiliar to the consumers and are purchased infrequently. This is the most complex type of consumer buying decision and it requires adequate search and decision efforts because consumers have to use many criteria for evaluating alternative brands and spends much time for seeking information. Low –involvement purchase incorporates low –cost essential items, which needs very little search and decision efforts because consumers are aware with brand and purchased frequently without any efforts (Shrestha, 1990:102).

A consumer has to pass through six stages to complete the buying process. These stages are need or problem recognition, search, evaluation, purchase, post-purchase evaluations, and product dispositions (Kotler, 1999:179).

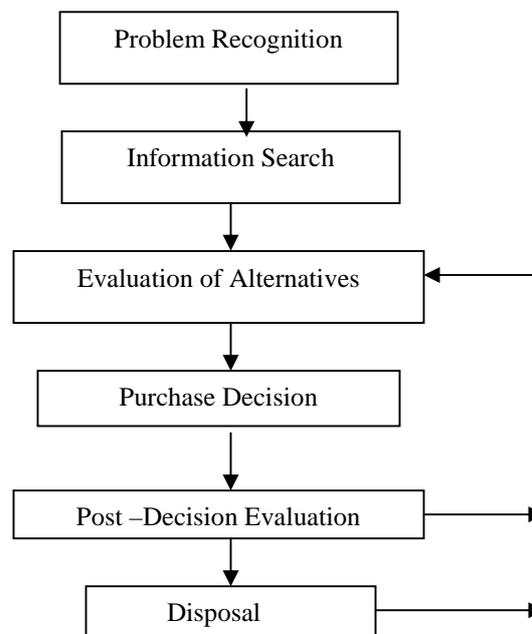


Fig-3: A Consumer Buying Process

I. Need or Problem Recognition

The buying process starts with need recognition –the buyer recognizes a problem or need. The need can be triggered by internal stimuli when one of the person's normal needs- hunger, thirst, sex, shelter or sleep-rises to a level high enough to become a drive . A need can also be triggered by external stimuli such as beautiful advertisement, publicity or exposure to the object itself (Kotler, 1999:178).

II. Information Search

An interested consumer will be inclined to search for more information. Information search can focus on availability of brands, product features, seller characteristics, warranties, prices etc. The duration and intensity of search efforts depend on the consumer's experience in purchasing product and the importance of the purchase to the consumer.

The consumer can obtain information from any of several sources (Koirala, 2057:102):

Personal sources: family, friends, neighbors, acquaintances

Commercial sources: Advertising, salespersons, dealers, packaging, displays

Public sources: mass media, consumer-rating organizations

Experimental sources: handling, examining, and using the product

The relative amount and influence of these information sources vary with the product category and the buyer's characteristics. There are two types of purchase situations:

i. Reutilized Response Behavior (RRB): It is related with low-involvement convenience products.

ii. Extensive Problem Solving (EPS): It is related with high –involvement products such as high –price shopping products and unsought products.

III. Evaluation of Alternatives

Consumers do not always use a simple and single evaluation process in all buying situations. There is several decision evaluation processes, but the most current models of evaluating process as cognitively oriented (Kotler, 1999:180). That is, they see the consumer as forming judgements largely on a conscious and rational basis.

The consumer evaluation processes involved three steps: first, the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the products solution. Third, the consumer sees each product as a bundle of attributes with varying abilities of delivering the benefits sought to satisfy this need. The attributes of interest to buyers vary by product (i.e. consumers are evaluating the alternatives in term of product class, attributes brand beliefs and utility function attributes) (Koirala, 2057:103).

i. Product attributes: consumers will pay the most attention to attributes that deliver the sought benefits: such as features name, price, quality, service and warranty etc. Generally, all consumers are not interested in all the attributes of a product, but are interested only to those which are important to them.

ii. Brand beliefs: Consumers are developing a set of brand belief about where each brand stands on each attribute. The set of beliefs about a brand make up the brand image. The consumers' brand image will vary with his or her experience as filtered by the effects of selective perception, selective distortion, and selective retention.

iii. Utility function attributes: consumers are likely to have a utility function for each product attribute. The utility function is the expected total satisfaction from various attributes of the different brands of a product.

IV. Purchase Decision

In this stage, the consumer forms preferences among the brands in choice set. The consumer may also form an intention to buy the most preferred brand. Two factors influencing the purchase decision to the consumers. These are attitudes of others and unanticipated situational factors (Kotler, 1999:181).

i. Attitudes of others: family, friends and neighbors strongly influenced a consumer's in order to purchase product.

ii. Unanticipated situational factors: It may change the purchase intention, consumers thought to be bought one thing, but some other purchase might become more urgent. Consumers generally undergo certain amount of economic, physical, psychological, and social risks in every purchase decision, and they will try to minimize these risks. A consumer may modify,

postpone or avoid a purchase decision depending on the level of the perceived risk (Koirala, 2057: 103).

V. Post Purchase Evaluation

The consumer continues to make evaluation after the purchase has been made. In low-involvement products, the consumer has invested low opportunity costs and thus post-purchase evaluation is not intense, but in high involvement products consumers constantly evaluate their purchase decision (Koirala, 2056:105). If consumer is fully satisfied will the performance of the product consumed, he/she will make repurchase the same brand from the same store or from any available. While making affects his/her buying decision and consumers evaluate alternative. If the performance falls short of expectations, the consumer became disappointed. These feelings make a customer to seek favorable information about the product to others or may abandon, return or resale the product (Shrestha, 1990:107).

VI. Disposal

Consumers have three options for product once they complete its use (Koirala, 2056: 105):

- i. Keeps the product:** option one involves keeping the product after using it. If the product is kept, it can be continued to be used for the intended purpose, converted to anew use or stored for future use.
- ii. Dispose permanently:** consumers have four alternative methods of permanent disposal: sell the product, exchange it with another product, give it away to someone free of cost or throw it away.
- iii. Dispose temporarily:** temporary disposal can be executed either by renting it or loaning it to someone. Consumers often handle dissatisfaction through temporary disposal method.

2.1.8 Consumer Choice Process

" A consume decision making process as he makes his choice from among different products is quite complex. A number of factor, such as the image of the manufacture, the price of the product, its quality, its brand name and packaging influence his decision s also the choice he makes" (Mehta, 1978:53).

After engaging in an evaluation of the alternatives the consumer's next step in the decision process is to make a choice among alternatives. Consumers make different types of choice. They can choose among alternative brands or services and they can make choices among stores (Mowen, 1992:327).

However, choice also is made at a more general level with a person choosing between going on an expensive vacation.

How a consumer makes choices is strongly influenced by the types of decision process in which they are engaged. Good evidence exists that the choice process differs if consumers use a high-involvement approach. Similarly, if consumers issue an experiential orientation the choice process will be altered.

I. High –Involvement Choice

Under conditions of high –involvement, consumers have been found to act as though they are pursuing a compensatory model. In compensatory models of choice, consumers are viewed as analyzing each alternative in a brand is combined into an overall judgement of the preference for the brand. Such an evaluation is made for each of the brand alternative. According to the compensatory preference the first is then chosen.

One aspect of compensatory models (Fishbein model) should be noted. An alternative is not necessarily rejected because it has low ratings on any particular attribute. Thus, a consumer may rate a particular brand. However, the computer is rated more highly on other attributes because judgement is based upon a global evaluation. The brand could still be chosen. The quality of having high ratings on some attributes compensates for low ratings on their attributes are the basis for calling these models 'compensatory' (Mowen, 1992:327).

II. Low –Involvement Choice

In low-involvement circumstances consumers have been found to act as though they use non-compensatory models of choice. In these models, high ratings on some attributes may not compensate for low ratings on their attributes. These non-compensatory models are also called hierarchical models of choice. They are hierarchical because consumer is viewed as comparing alternatives on attributes one at a time. Thus, one attribute is chosen and all alternatives are compared on it. The person then moves to the next attribute and alternatives are compared on it. The

process then continues in a hierarchical manner. The non-compensatory choice model is that they are relatively simple to implement. When consumers are in a low-involvement situation, they are not willing to engage in the large amount of information –processing effort required by a compensatory model. The non-compensatory models are essentially shortcuts to reach satisfactory decisions rather than optimal ones. Such a process has been called satisfactory (Mowen, 1992:328).

The non-compensatory models are including the conjunctive, disjunctive, lexicographic, and elimination-by-aspects rules.

2.1.9 Determinants of Consumer Buying Behavior

A consumer-buying behavior is influenced strongly by cultural, social, personal, and psychological characteristics. These factors exert the broadest and deepest influence in buying process (Kotler, 1999:161).

I. Cultural Factors

Cultural factors are deeply influence on consumer behavior that includes culture, sub-culture, and social class.

i. Culture: culture is the most fundamental determinants of a person's wants and behavior. Human behavior is largely learned. Growing up in a society, a child learns basic values, perceptions, wants and behaviors from the family and other key institutions.

ii. Subculture: The subculture is a subdivision of national culture based on some homogeneous characteristics such as language, ethnicity, race,region etc. The culture provides a broad behavior guideline, while subculture provides specific behavior norms under theculture (Koirala, 2057: 127) .

iii. Social Class: A person's buying behavior is also influenced by groups such groups re social class which are classified on the basis of social status, such as upper class, middle class, lower class and so on. The buying behavior of each of these groups differs significantly from one another, since possession of wealth (Shrestha, 1999:112).

II. Social Factors

In addition to cultural factors, a consumer behavior is influenced by social factors, such as reference groups, family, and social roles, and statuses.

i. Reference Groups: A person's reference groups consist of all the groups that have a direct (face to face) or indirect influence on the person's attitudes or behavior. Groups having a direct influence on a person are called membership groups, some membership groups are primary groups such as family, friends, and neighbors. People also belong to secondary groups, such as religious, professional and trade union group; which tend to more formal and require less continuous interaction (Shrestha, 1991:12).

ii. Family: A family is a group of individuals related by blood, marriages or adoption who reside together. The family consists of one's parents and siblings. From parents a person acquires an orientation toward religion, politics, and economics and a sense of personal ambition, self-worth and love. Even if the buyer no longer interacts very much with his or her parents, their influence on the buyer's behavior can be significant (Kotler, 1991:167).

iii. Social Roles and Statuses: the person's position in each group (family, club, organizations) can be defined in terms of role and status. A role consists of the activities that a person is expected to perform. Each role carries a status reflecting the general esteem given to it by society. People often choose products that show their status in society.

III. Personal Factors

The personality theories relevant to consumer behavior are age and stages, occupation, lifestyle and self-concept.

i. Age and Stage in the Life Style: People buy different goods and services over a lifetime. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle-the stages through which families might pass as they mature over time (Kotler, 1999:167).

ii. Occupation and Economic Circumstances: Occupation also influences a person's consumption pattern. A Company can even specialize in making products for certain occupational groups.

Product choice is greatly affected by economic situation: spend able income (level, stability, and time pattern), savings and assets including the percentage that is liquid, debts, borrowing power and attitude toward spending versus saving (Koirala, 2057:109). Marketers of income-sensitive goods pay constant attention to trends in personal income, savings, and interest rates.

iii. Lifestyle : People from the same sub culture, social class, and occupation may lead quite different lifestyles. Lifestyle is a person's pattern of living as expressed in activities; interests, and opinions, lifestyle portrays the 'whole person' interacting with his or her environment (Kotler, 1999:168).

iv. Personality and Self –concept: Personality is an individual's pattern of traits that influences behavioral responses. In other words, personality is defined as a consistent set of responses that individuals have to their environments. Individuals with different personalities may have different responses on same objects. Personality is usually described in term of such traits as self-confidence, dominance, autonomy, deference, sociability, defensiveness, and adaptability etc. Personality represents the internal quality of the people, which is psychologically or behavioristically expressed to respond. Therefore, the buying decision of the each person may vary depending upon his/her personality (Shrestha, 2005:53-54).

Related to personality is self –concept (or self-image). Consumers are likely to choose brand images that match their own. It is possible that a person's actual self –concept (how they view themselves) differs from their ideal self-concept (how they would like to view themselves) and from his/ her others self-concept (how they think others see them) (Kotler, 1999:170).

IV. Psychological Factors

A consumer's buying behaviors are further influenced by four major psychological factors: motivation; perception; learning; and beliefs and attitudes.

i. Motivation: A consumer has many needs at any given time. Some are biological, arising from states of tension and others are psychological, arising from the need for recognition esteem or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive (or drive) is a need

that is sufficiently pressing to direct the person to seek satisfaction. Psychologists have developed theories of human motivation. Two of the most popular theories of Sigmund Freud and Abraham Maslow- have quite different meanings for consumer behavior (Kotler, 1999:171).

a. Maslow's Hierarchy of Needs

Abraham Maslow presented the theory of motivation in 1954. Maslow sought to explain why people are driven by particular needs at particular times (Koirala, 2057:112). According to Maslow human needs are arranged in a hierarchy order.

Physical needs- this is the basic need for survival and it includes food, drink, shelter, sleep and sex.

Safety needs- like security for one's self and secured social life.

Social needs- it includes family relations, companionship and social discourses etc.

Esteem needs- like self-respect, desire for independence popularity and fame in a narrow or wider circle.

Needs for self-actualization- like rising to one's full capabilities and to achieve the maximum.

This model suggests that each higher level motive is not activated and functional unless the lower levels needs are fully satisfied.

b. Freud's Hedonistic Principle

Sigmund Freud's work in the field of clinical psychology views the motivating factors to be present in the sub-conscious and unconscious part of the human mind. Freud believed that a person is controlled and driven more by unseen forces than by conscious and rational thought (Koirala, 2057:113). Sigmund Freud assumed that people are largely unconscious about the real psychological forces shaping their behavior. He saw the person as growing up and repressing many urges. These urges are never eliminated or under perfect control; they emerge in dreams, in slips of the tongue, in neurotic and obsessive behavior ultimately in psychoses. Thus, Freud suggested that a person does not fully understand his or her motivation (Kotler, 1999:172).

iii. Perception

A motivated person is ready to act and his action is influenced by his or her perception of the situation. Individual will receives, organizes, and interprets this by the flow of information through five senses: sights, hearing, smell, touch and taste. Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world (Kotler, 1999:172).

Perception depends not only on the physical stimuli but also on the stimuli's relation to the surrounding field and on conditions within the individual. There are three types of perception emerged during the perceptual process (Koirala, 2057:117).

a. Selective Expose: individuals are selective as to which stimuli they recognize. They subconsciously exercise selectivity as to which aspects of the stimuli they perceive.

b. Selective Distortion: it is the tendency to twist information into personal meanings and interpret information in a way that will fit their preconceptions.

c. Selective Retention: individuals will forget much that they learn but will tend to retain information that supports their attitudes and beliefs.

iv. Learning

Learning involves changes in an individual's behavior arising from experience. Learning theorists believe that learning is produced through the interplay of drives, stimuli, cues, responses, and reinforcement (Kotler, 1999:173).

a. Drive: A drive is a string internal stimulus impelling action.

Cues: Cues are minor stimuli that determine when, where, and how a person responds.

b. Response: The response is the person's answer to a given drive and stimulus (cue). Positive response results in trial of the product and negative response lead to the consumer in search for alternative drive reducing products.

c. Reinforcement: When positive experience towards the products is rewarding, the particular response is reinforced.

v. Beliefs and attitudes

A belief is a descriptive thought that a person holds about something or objects, which is based on knowledge, opinion or faith. These make up product and brand images, and people act on their images (Shrestha, 2005:54).

Attitude describes a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea. Attitudes put individual into a frame of mind of liking or disliking an object, moving toward or away from it. Attitudes lead individuals to behave in a fairly consistent way toward similar objects. Individuals do not have to interpret and react to every object in a fresh way. Because attitudes economize on energy and thought, they are very difficult to change. A person's attitudes settle into a consistent pattern: to change a single attitude may require major adjustments in other attitudes (Kotler, 1999:174).

A Model of Factors Affecting on Consumer Buying Behavior.

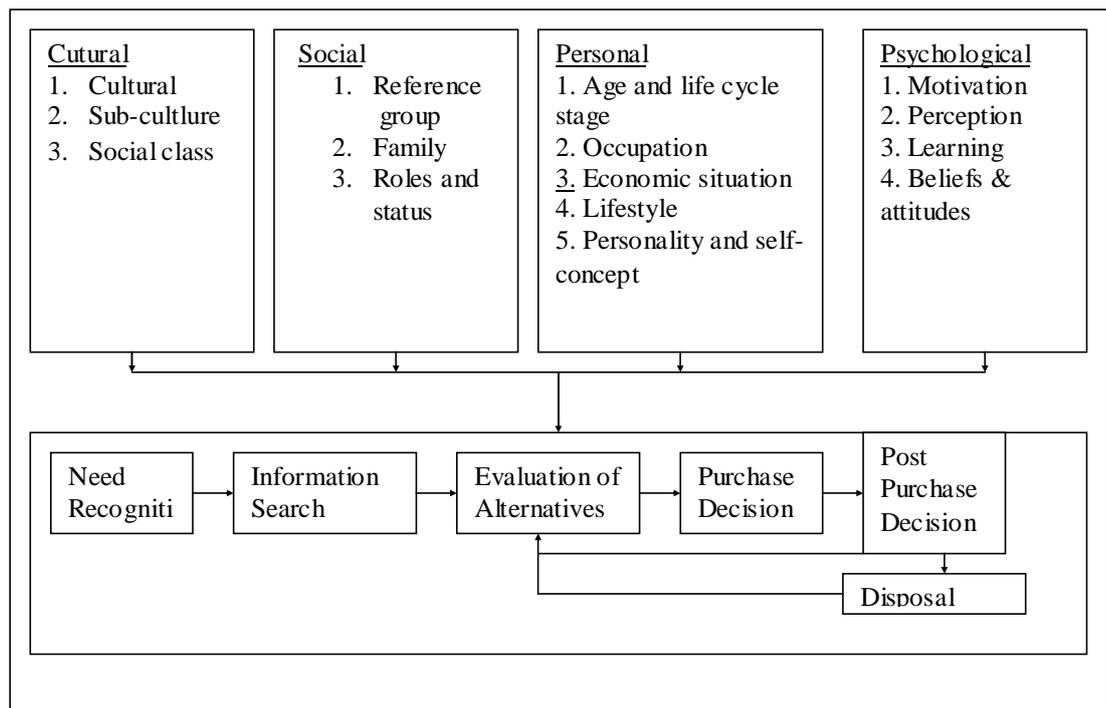


Fig-4: Factors affecting on Consumer Buying Behavior.

(Source: S.K. Shresth, "Fundamentals of Marketing," 2nd ed., (Kathmandu: book place, 1999), P.122)

2.1.10 Consumer Behavior Models

Consumer behavior models describe consumer decision making. These are five comprehensive models: Nicosia model, Howard-Sheth model, Engel Kollat-

blackwell model, Sheth family decision-making model, and Bettman's Information Processing model of consumer choice (Schiffman and Kanuk, 1990:652). These models reflect an effort to order and integrate the huge number of bits and pieces of knowledge that are now known about consumer behavior.

I. Nicosia Model

Francesco M. Nicosia developed this model to focus on the relationship between the firm and its potential consumers (Nicosia, 1966:156). In the broadest terms, the firm communicates with consumers through its marketing message (advertising) and consumers communicate with the firm by either purchase responses. Thus, the firms' tries to influence consumers and consumers by their actions (or inaction)- influence the firm. The Nicosia model is derived into four major fields (Schiffman and Kanuk, 1990: 653).

Field-1: the span between the source of a message and the consumers' attitude: -

The first field of Nicosia model is divided into two sub-fields.

Sub-field-1: Firm's attributes.

Sub-field-2: Consumers' attributes (especially predispositions).

Field-2: Search and Evaluation: - the second field of the Nicosia model deals with the search for relevant information and evaluation of the firms' brand in comparison with alternative brand. The output of this stage is motivation to purchase the firm's brand (Schiffman and Kanuk, 1990:653).

Field-3: the act of purchase: - in the third field, the consumers' motivation towards the firms' brand results in actual purchase of the brand from a specific retailer.

Field-4: Feedback: the final field consists of two important types of feedback from the purchase experience.

- i.** To the firm in the form of sales data.
- ii.** To the consumer in the form of experience (satisfaction or dissatisfaction).

II. Howard-Sheth Model

John A. Howard and Jagdish N. Sheth propounded this model in 1969. The model is a major revision of an earlier systematic effort to develop a comprehensive theory of consumer decision-making (Howard and Sheth, 1968:24).

This model explicitly distinguished among three levels of learning (stages of decision making).

Stages of Decision –making:

Extensive problem Solving; - the consumers' knowledge and beliefs about brands are very limited or non-existent. At this initial point, the buyer has no brand preference, and therefore actively seeks information about a number of alternative brands.

Limited Problem Solving: - Knowledge and beliefs about the brands are only partially established, which means that the consumer is not fully able to assess brand differences in order to arrive at a preference. Some comparative brand information is sought, although the choice criteria are likely to be fairly well defined.

Routinized Response Behavior: - The consumers' knowledge and beliefs about brands are well established, and there is enough experience and information to avoid confusion about the various brands. The consumer is predisposed to the purchase of one particular brand.

The main characteristics of each of the three stages of decision making are tabulated as follows (Howard, 1970:10).

The model consists of four major sets of variables (Schiffman and Kanuk, 1990:654).

i. Input variables: the input variable consists of three distinct types of stimuli (information source in the consumer's environment:

- a. Physical brands characteristics (significant stimuli).
- b. Verbal or visual product – characteristics (Symbolic stimuli).
- c. Consumers' social environment (family, reference groups, social class) that of (a) and (b) stimuli are furnished by the marketer in the form of product or brand information, but (c) stimuli is provided by the consumers' social environment.

ii. Perceptual and learning constructs: The Howard-Sheth model consists of psychological variable that is assumed to operate when the consumer is contemplating a decision.

iii. Outputs: the model indicates a series of outputs that correspond in name to some of the perceptual and learning construct variable (attention brand comprehensions, attitudes, intention) in addition to the actual purchase.

iv. Exogenous variables: Exogenous variables are not directly part of the decision making process. Relevant exogenous variables include the importance of the purchase, consumer personality traits, and time pressure and financial status.

III. Engel-Kollat- Blackwell Model

The Engel-Kollat-Blackwell model of consumer behavior (Engel-Blackwell-Miniard model in its current revision) was originally designed to serve as a framework for organizing the fast growing body of knowledge concerning consumer behavior (Engel, Kollat, and Blackwell, 1968:40).

The latest version of this comprehension model, which consists of four sections (Engel, Blackwell, and Miniard, 1986:35).

i. Decision Process stages; the central focus of the model is on five basic decision process stages:

- a. Problem recognition
- b. Search
- c. Alternative evaluation
- d. Purchase, and
- e. Outcomes

ii. Information input: - feeding into the information processing section of the model is information from marketing and non-marketing sources.

iii. Information processing: - The information processing section of the model consists of the consumer's expose, attention, comprehension/perception, yielding/acceptance, and retention of incoming marketer-dominated and non-marketing information.

iv. Variables influencing the Decision Process: The last section of the model consists of individual and environment influence that affects all five

stages of the decision process. Individual characteristics include motives, values, life-style and personality. The social influences are culture, reference groups, and family. Situational influences such as consumer's financial condition also influence the decision process.

IV. Sheth Family Decision Making Model

Sheth family decision –making model considers the family as the appropriate consumer decision-making unit. The left side of the model shows separate psychological systems representing the distinct predispositions of the father, mother and other family members.

The right side of the model lists seven factors that influence whether a specific purchase decision will be autonomous or joint: social class, life-style, role orientation, family life-style stage, perceived risk, product importance, and time pressure. The model suggests that joint decision making tend to prevail in families that are middle class, newly married, and close –knit with few prescribed family roles. In terms of product specific factors, it suggests that joint decision making is more prevalent when there is a great deal of perceived risk or uncertainty, when the purchase decision is considered to be important, and when there is ample time to make a decision (Schiffman and Kanuk, 1990:659).

V. Bettman's information-Processing Model of Consumer Choice

James R. Bettman developed this model. Bettman's model of consumer choice subscribes to a distinctly cognitive and information –processing point of view (Schiffman and Kanuk, 1990:659).

Considered with this perspective, the consumer is portrayed as possessing information, when faced with a choice, the consumer rarely (if ever) undertakes very complex analyzes of available alternatives. As suggested by the model, the consumer typically employs simple decision strategies or heuristics.

The overview of the Bettman model contains its seven basic components.

- a. processing capacity,
- b. Motivation,
- c. Attention and perceptual encoding,
- d. Information, acquisition and evaluation,
- e. Memory

- f. Decision process, and
- g. Consumption and learning processes.

In addition, the model includes, at appropriate points, mechanisms that continually scan the environment, and receives, and responds to interruption.

VI. Sheth-Newman-Gross Model

This model concentrates on accessing consumption relevant values that explain why consumers choose to buy or not to buy (or to use or not to use) a specific product, why consumers choose one product type over another, and to consumer choices involving a full range of product types (consumer non-durables, consumer durables, industrial goods and services)(Schiffman and Kanuk, 1997:586).

The Sheth –Newman –Gross model is rooted in three central propositions (Schiffman and Kanuk, 1997:586-587).

- i. Consumer choice is a function of a small number of consumption values.
- ii. Specific consumption values make differential contributions in any given choice situation.
- iii. Different consumption values are independent.

The first three models (Nicosia Model, Howard Sheth Model, Engel-Kollat-Blackwell Model) focus on consumer decision-making, especially on how individual consumers arrive at brand choices. The fourth model (Sheth-Family Decision Making Model) deals with family decision making. The fifth model (Bettman's information Processing model of Consumer Choice) focuses on the cognitive aspects of information search and processing and indicates how consumers employ information to arrive at various types of buying decisions. The final model of consumer behavior is concerned with consumption values, especially why consumers choose to buy or not to buy a specific product, specific type of product or a specific brand.

VII. Consumer Decision Making Process: An Overview

The number and complexity of operations carried out by a consumer varies with the type of purchase involved, the consumer buying in general has been regarded as a problem solving activity (Howard and Sheth 1969, Engel-Kollat-Blackwell 1968, Hansen 1972).

The consumer decision process involves a myriad of decisions made with respect to the choice of the product, brand, vendor, buying quantity, delivery time, modes of payment etc. (Kotler 1974).

A normative consumer decision process model as postulated by Howard and Sheth (1969), Engel-Kollat-Blackwell (1968), Anderson (1968) and Nicosia (1966) involves five steps of problem recognition information search, alternatives evaluation, choice and outcomes. As argued by Bettman (1978), these steps, however, need not be sequential. According to him, it is too simplistic a view to say that decisions are made after all information deemed necessary has been gathered because choice and information acquisition occurs simultaneously. A brief description of different components of consumer decision process follows which might be able to provide an understanding of the entire gamut of consumer decision process and there of specific aspects have been reviewed here before.

2.1.11 Branding Concept and Objective

Branding is a brand of a product. Today's market is flourished with many products of the same kind; therefore, the importance of branding is increasing with the increasing number of product because a brand product contributes differences to customers. Branding is an important part for marketing program because it should be carefully selected. A strong brand should have brevity, distinctiveness, adaptable to new product reflect product attributes, product positioning, capable of legal protection, product image, values, benefits of product etc.

The definition of committee on American Marketing Association as," A brand is a name, terms, sign, symbol or design, or a combination of them indented to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (Kotler, 1994:444).

According to David Oglivy, the father of advisement,' Brand is intangible form of a product attribute, its name, packaging, price, and its history, its reputation and the way it is advertised (Zacharia, 2000:8).

A brand is something that resides in the mind of consumers. It is a perceptual entity, rooted in reality, but also reflecting the perception of consumers. The key to branding is that consumers perceive differently among brands in a product category. /the brand differences often are related to attribute or benefits of the product. An attribute or a characteristics of a product existing or new such as what it looks like,

what it does, how it does, what it is called, who uses it or who might use it, its color texture, smell, sound, etc (Adhikari, 2002:22).

A brand is an integral part of the company's product. Many firms do not brand because of difficult to maintain quality of output, to fulfill basic responsibilities to maintain their brand names, and differentiate one's products from another competitors.

Branding is the most powerful instrument of sales promotion, and most of the firms prefer to use brand names to meet following objectives.

- i. To differentiate the firm's products from those of competitors.
- ii. To make convenience shopping.
- iii. Brand name and trademark provide legal protection of unique product features.
- iv. To assure regular satisfaction the customers.
- v. Strong brands help build the corporate image, and making it easier to launch new brands.
- vi. To maintain constant quality of the product.

2.1.12 Brand-Name Decision

Generally, there are five alternatives available for brand name decision.

I. Individual Brand name

When separate brand names are used to each products of the manufacturer's product-line, such brands are called as individual brand. It is generally used when the product quality or feature differs widely from one product to another. The manufacture has to promote each individual brand in the market separately. This creates a practical difficulty in promotion; otherwise, it is best marketing strategy (Sherlekar, 1986:218).

II. Family Brand Name

Family name is used for each product group or particular product line, this type of brand is family brand. Family brand names can help combined advertising cum sales promotion. However, if consumers reject one member of the family brand, the prestige of all other products under a family brand may be adversely affected.

The manufacturers have to take extraordinary care to guard against this danger (Khadka, 2058:134).

III. Umbrella Brand

Umbrella brand is used for all products or all product line. These kinds of brand will obtain low promotion cost and minimize marketing effort. The pulling effect for all products will be considerable when the name of the business house is outstanding and shining in the market. However, a single bad experience in any one of the lines of products, a solitary failure, may be very dangerous to the rest of the products sold by a particular business house under the umbrella brand (Sherlekar, 1986:219). Tata' is leading one of the good umbrella brands

IV. Manufacturer's Brand

Manufacturer's brand names are used when the manufacturers have dominant role in the market or when their image is strong in the market.

V. Distributor's Brand

When the products are distributed in the name of dealers or distributors such as wholesalers and retailers then such brands are called as distributor's brand or dealer's brand. These kinds of brand used when the distributors are popular cum control over distribution (Khadka, 2058:135).

2.1.13 Brand Equity

Brand equity is the set of assets that add value to products, services or organizations, beyond the generic service or product benefits. Consumer based brand equity is the differential effect that knowledge has on consumers' response to the marketing of that brand (Zacharia, 2000:11).

Brand is said to have positive customer based brand equity when customers react more favorably to a product and the way it is marketed when the brand is identified as compared to when it is not. A brand is said to have negative customer based brand equity, if consumers react less favorably to the marketing activity for the brand as compared to an unnamed version of the product (Adhikari, 2002:22).

2.1.13.1 Sources of Brand Equity

The sources of brand equity are brand awareness and brand image.

i. Brand Awareness

It is created by increasing the familiarity of the brand through repeated exposure (for brand recognition logos, symbols, packaging, characters etc) and strong association with the appropriate product category or other relevant purchase or consumption (for brand recall, advertisement, promotion, publicity etc). It can be characterized by depth and breadth; the depth of the brand awareness relation to the likelihood that the brand can be recognized; the breadth of the brand awareness related to the variety of purchase and consumption in which the brand comes to mind (Zacharia, 2000:11).

ii. Brand Image

Brand image is defined as the set of associations linked to the brand consumer's hold in memory. Positive brand is associated with consumer loyalty, consumer beliefs about positive brand value, and a willingness to search for the brand. A positive brand image helps the consumer to be favorably inclined toward future brand promotions and to resist competitors' marketing activities (Schiffman and Kanuk, 1997:182).

Marketing programmes that link strong, favorable and unique association to the brand creates memory. Two factors facilitate strength of association to any piece to information; they are personal relevance of the information and consistency with which this information is perceived over time. The favorable associations for a brand are those associations that are desirable to consumers and are successfully delivered by the product and conveyed by the supporting marketing program of the brand (Adhikari, 2002:23).

Unique brand association is a distinct association not shared with competing brands. Beliefs about unique attributes and benefits that consumers value more favorably than for competitive brands can lead to more favorable brand evaluation and greater likelihood of choice. (Zacharia,

2000:12). It associates unique meaningful 'Points of difference' to the brand to provide a competitive advantage and reason why consumers should buy it.

Advertising also plays an important role in establishing a favorable brand image. In absence of other information about a new brand, people sometimes use the volume of advertising as a signal of brand quality. Products that are not new but are heavily advertised are often perceived as higher in quality than non-advertised brands. Consumer satisfaction or dissatisfaction with price promotions (i.e. discounts, coupons, manufacturer rebates) can influence brand image.

According to Aaker David, the components of brand images are the image of the maker, user and competing brand.

The components of brand image (Aaker, 1996:31).

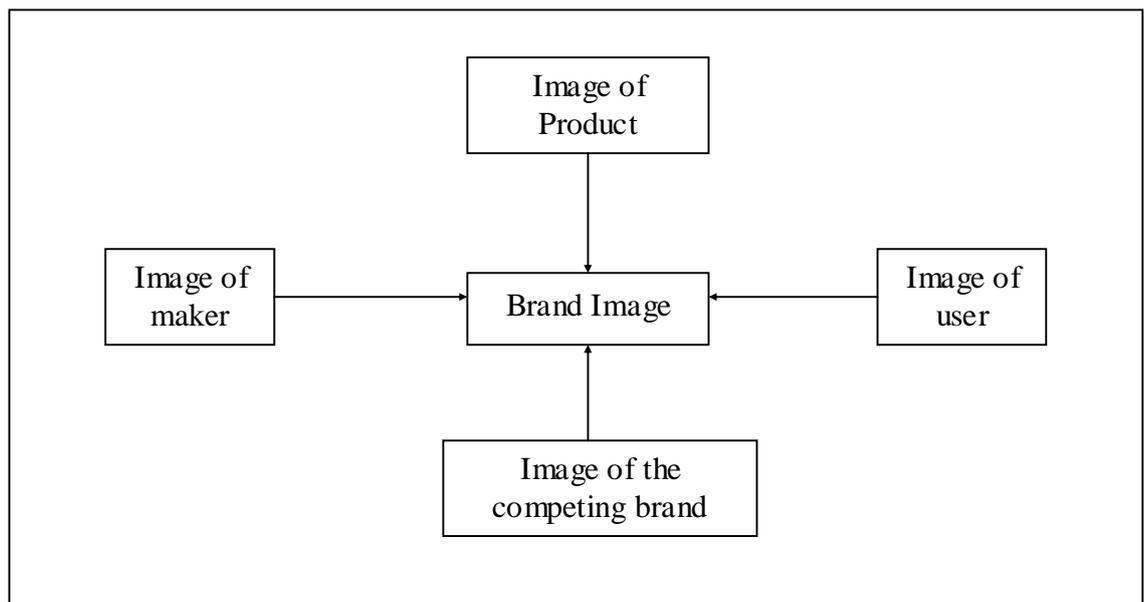


Fig-5: Components of Brand Image

2.1.14 Brand Choice

In the consumer goods market, there are many product categories that are represented by numerous brands. With this multiplicity of relatively similar brands consumers attempt to simplify their decision making by categorizing the available brands in evoked set, inert set and inept set. Evoked set is a set of brands of a product, which the buyer actually considers when making a specific brand choice from his /her evoked set. The evoked set is also called the consideration set. A

consumer's evoked set is distinguished from his/her inept set, which consists of brands the consumer excludes from purchase consideration because they are felt to be unacceptable (i.e. inferior), and from inert set, which consists of brands the consumer is indifferent toward because they are perceived as not having any particular advantages (Schiffman and Kanuk, 1997:570).

The evoked set consists of the small number of brands (three to five brands) the consumer is familiar with, remembers, and finds acceptable. The evoked set as a subset of all available brands is a product category.

The criteria consumers use in evaluation the brands in their evoked sets are usually expressed in terms of product attributes that are important to them.

2.1.15 Brand Loyalty

Brand loyal customers provide the basis for a stable and growing market share and can be a major intangible asset reflected in the purchase of a company. The consumer purchase habits showed that brands with larger market shares have proportionately larger groups of loyal buyer (Schiffman and Kanuk, 1997:222).

Measuring buyer behavior in terms of brand loyalty in three different ways: brand market shares, the number of same –brand purchases, and the average number of brands bought per buyer. Thus, the brand royalty can be classified into four groups on the basis of purchase frequency (Amarchand and Varanharajan, 1979:79-80).

- i. Undivided loyalty (Hard-core loyal): consumers who buys are brand all the time.
- ii. Divided loyalty (Split loyal): Consumers who are loyal to two or three brands.
- iii. Unstable loyalty (Shifting loyal): consumers who shift from one brand to another. A small change in product design, price, or better appeal of a competitor will be sufficient to change their brands.
- iv. No loyalty (Switchers): consumers who show no loyalty to any brand. They may experience a new brand every time. They buy or go by objective standards.

According to integrated conceptual framework, consumer loyalty can be explained as the relationship between an individual's relative attitude toward an entity (brand, service, store or vendor) and patronage behavior. The consumer's

relative attitudes consist of two dimensions: the strength of the attitude and the degree of attitudinal differentiation among competing brands. The consumer's relative attitude, and degree of repeat patronage, comprises his/her customer loyalty. A consumer with a high relative attitude and high degree of repeat patronage would be defined as loyal; a consumer with a low relative attitude and high repeat patronage would be considered spuriously loyal (Schiffman and Kanuk, 1997:222).

2.1.16 Store Choice

It is assumed that certain buyer characteristics will lead to same general outlooks and activities on shopping and search behavior: the retailer can have an influence have with advertising and promotional strategies. These buyer characteristics also affect the importance of store attributes which lie at the heart of what has traditionally been called store image, in turn, affects store choice and the eventual product or brand purchase. Obviously, consumers do not go through this process before each store visit. If past experiences have been satisfactory, the choice will be pretty much habitual unless there are other factors, which have changed since the last visit (Paul and Terry, 1976:62).

2.1.17 Concept of Promotion

Promotion is the major component of total marketing program, which is concerned with products to the awareness of the consumers. It performs the major role of communicating to the buyer. Promotion can be also be viewed as the management of the customer buying process of pre-purchase, purchase and post purchase.

Promotion is the communication mechanism of marketing. It involves the exchange of information between buyers and sellers. Its task is to inform and persuade consumers to respond to the product or service being offered (Shrestha, 1992:15).

The promotion refers to the activities to push forward or to advance an idea, in such a way to gain its approval and acceptance. Basically, promotion is an attempt to influence feelings, attitudes and behavior of people. Promotion consists of activities that facilitate exchanges with target customers through persuasive communication to stimulate demand (Agrawal, 2057:381).

Thus, promotion stands for the various activities the company undertakes to communicate its product merits and to persuade target customer to buy them. It is to influence and encourage buyers to accept or adopt goods, services and idea or knowledge.

2.1.17.1 Objective of Promotion

Promotion has its own objectives. Basically, promotion has broadly four aims and objectives.

- i. Informing
- ii. Persuading
- iii. Reminding
- iv. Entertaining

2.1.18 Promotional Mix Elements

Promotional effort acts as powerful tools of competition providing the cutting edge of its entire marketing programme. The promotional mix constitutes of a combination of the various promotion tools. Promotional tools include advertising, sales promotion, personal selling, public relation, and publicity (Sherlekar, 1986:178).

Relation to Promotion Mix-to Marketing Mix

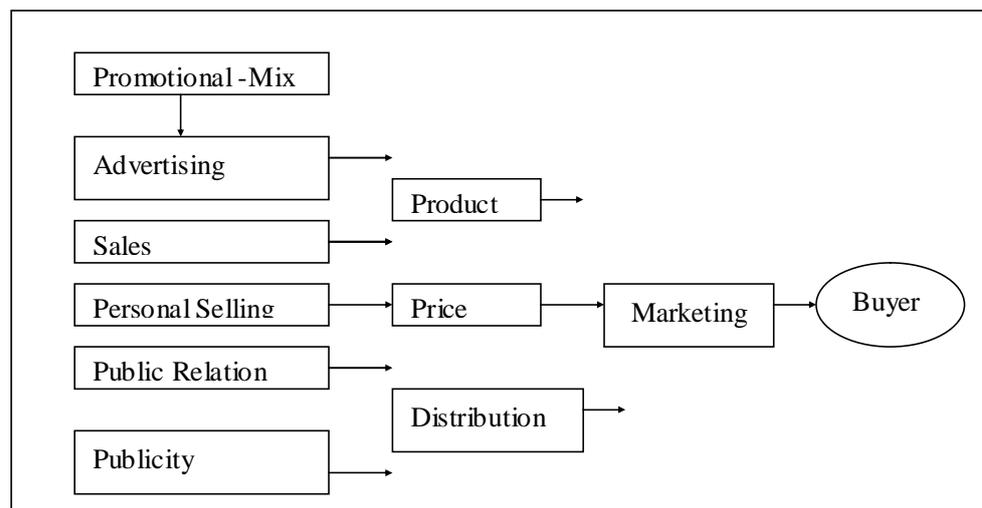


Fig-6: Promotional mix elements to marketing mix

(Source: W.J. Stanton, "Fundamental of Marketing," 6th ed., P.379)

I. Advertising

Advertising is the impersonal method of communicating message to prospective buyers. Thus it is the main form of mass selling in any paid form of non-personal presentation of ideas, goods or services by an identified sponsor. It involves transmitting standard message to a large number of potential receivers .It includes print media such as newspapers, magazines, journals, pamphlets, directories, and catalogues, Visual media includes such as outdoor poster, hoarding board, mobiles, bus poster, direct mail, novelties, audio-radio and other public broadcasting system and audio-visual such as television and computers etc.

According to W.J. Stanton as," Advertising consists of all activities involved in presenting to a group a non- personal oral, or visual, openly sponsored message regarding a product, service or idea" (Stanton, 1992:414).

I. Sales Promotion

Sales promotion is demand-stimulating activity designed to supplement advertising and facilitates personal selling. It is paid for by the sponsor and frequently involves a temporary incentive to dealer and consumer to encourage a purchase. The main purpose of sales promotion is to stimulate consumer purchasing and dealer effectiveness. It includes tools for consumer or dealers promotion such as samples, coupons, cash refund offers, price-off, premiums, prizes, patronage rewards, free tails, warranties, tie-in-promotion, cross-promotion, point-of purchase, displays, and demonstration, advertising allowances, quantity discounts, gifts and cash discounts etc.

The American marketing Association says as, "These marketing activities, other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, show, and expositions, demonstrations, and various non-current selling efforts not in the ordinary routine" (American Marketing Association, 1990:20).

II. Personal Selling

Personal selling consists of executing sales through sales persons. It involves a two-way face to face, or the phone communication process between the seller and buyer. Personal selling is the personal communication information to persuade somebody to buy something. It is the direct presentation of a product to a

prospective customer by a representative of the organization selling it. It takes face to face or over the phone and it may be directed to middleman or a final consumers. It consists of individual, personal communication, in contrast to the mass, impersonal communication of advertising, Sales promotion and the other personal tools.

III. Public Relation

Public relation encompasses a wide variety of communication efforts to contribute to generally favorable attitude and opinions toward an organization and its products. They are a broad set of communication activities, which are used to create and maintain favorable relationship with customers, government, officials, press and society. It is achieved through effective personal relationships, presentation of a good corporate image, social responsiveness, and charity work.

Public relation is good relation with the company's various publics by obtaining favorable publicity building upto a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

IV. Publicity

Publicity is non-personal communication in news' story, from regarding an organization or its product that is transmitted to mass media at no charge. The important differentiating characteristic of publicity is that it always involves a third person, such as a newspaper reporter or editor, who has the ultimate power to determine the nature of the message. It includes magazine, newspaper, and radio and television news stories about new retail product or personal changes in an organization. An organization does not pay for the publicity and it should never be viewed free communication. "Publicity is communication in news story form about the organization and its product that is transmitted through the mass media. It is achieved through the publication of future articles, a captioned photograph and press conferences" (Koirala, 2057:213).

The promotion mix elements have a definite role in all stages of the selling process. Publicity (Public relation) is more effective in the marketing for message to people. Advertising is necessary to this market. Personal selling becomes more and effective as interpersonal interaction assumes increasing importance. Sales

promotion tool at the point of purchases in order to provide additional incentives for buyer's action.

2.1.19 Promotional Communication

Successful marketing depends among other things on effective promotion and effective promotion depends primarily on efficient communication of the promotional message. Each day the consumer is confronted with literally hundreds of marketing communications. There are messages sent and received that are intended primarily to influence the consumer behavior. The broad goal of marketing communication is to explain the merits of a product so effectively to the target customers that they will purchase it. The goals of specific communications can be varied and may include selling more of the product to existing customers, increasing sales by promoting new uses of the products, or selling the product during off seasons.

2.1.20 Promotional Mix Strategy

Four factors are taken into consideration while deciding the promotion mix: they are; funds available, the nature of the market, nature of the product, and product life cycle (Sherlekar, 1986:187).

I. Funds Available

The availability of funds for promotion becomes the most important factors for the promotion mix, because a financially stronger company can make more effective use of advertising than a financially weak company.

II. Nature of the Market

Promotion mix decisions to a large extent depend on the nature of the target. As market is small, personal selling may be adequate. If broadens, there will be a greater need for adopting advertising and dealer promotions. The types of customers also influence the choice of promotion mix.

III. Nature of the Product

Consumer goods and industrial goods frequently require different promotion mix strategies. Even among consumer goods special items require personal while the

convenience goods are mass merchandised through manufacturer's advertising. Shopping goods are promoted through joint manufacture-middleman advertising.

IV. Product Life Cycle

Determination of promotion strategy for a product needs a close examination of the stage of the product's life cycle. When product is new, it requires personal selling along with advertising targeted at creating primary demand for the products. In growth stage, more emphasis is placed on advertising at creating secondary demand, i.e. the demand for the company's brand. In the maturity stage of the life cycle, advertising is used as a tool of persuasions rather than only for information. In the decline stage, most marketing firms withdraw all form of promotion except when attempting to revitalize the product.

V. Push and Pull Strategy

Under the push strategy the promotion is directed at the marketing intermediaries .The manufacturer persuades wholesalers and wholesalers to retailers to sell the product to consumers. The retailer again 'pushes' the product to consumers through word of mouth supported by point of purchase displays. The push strategy needs a heavy dose of personal selling and dealer promotions. In this strategy, manufacturers build consumers awareness and conviction through mass advertising. When consumers begin demanding the product, retailers' place orders for the product to the wholesalers and wholesalers to manufacturer. During the maturity stage of the product life cycle, pull strategy is implemented through consumer promotions (Koirala, 2057:215).

2.1.21 Meaning of Selling

Many people consider selling and marketing are synonymous terms. However, selling is actually only one of marketing components. It consists of personal selling. In business, selling refers to the personal communication of information to persuade a prospective customer to buy-a goods, service, idea or something else, which satisfies that individual's needs. The salesperson or seller often works with a prospect or customer to examine their needs, provide information, suggest a product to meet their needs, and provide after the sales service to ensure long -term satisfaction. It also involves communication between

seller and buyer. The salesperson and the buyer discuss needs and talk about the product relative to how it will satisfy the person's needs (Futrel, 1990:7).

In this particular scenario, selling can be defined as " the process whereby the seller ascertains, activities and satisfies and wants of the buyer to the mutual, continuous benefit of both the seller and the buyer" (Shrestha, 2005:1). Hence, the main task of selling is to create demand, locate the prospective buyer and transfer the title and possession of goods to the buyer.

2.1.22 Process of Problem identification and offering the appropriate solution by seller

The main task of the seller is to sell goods and services as per the customer will and requirement. For this, the seller has to do certain activities logically and orderly, inform and persuade customer and follow up the purchase satisfaction after closing the sale. However, the sale process is begins with identifying the customer needs and wants. The seller should expose skills of selling in different phases and convinced prospect customers to buy new product. Hence, this is known as the process of identifying the needs and problem of the potential buyer and presenting a product or services as means of fulfilling that need or solving that problem (Lancaster and Jobber, 1994:95).

A seller tries to find out problem and solution on the basis of following steps (Lancaster and Jobber, 1994:97).

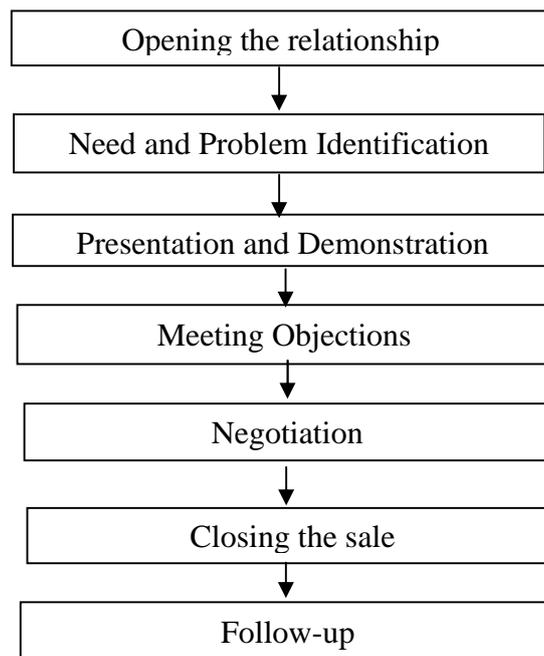


Fig-7: The personal selling process

I. Opening the relationship

Salespeople should open with a smile face, a handshake and, in situations where they are not well known to the buyers, introduce themselves and the company they represent (Lancaster and Jobber, 1994, p. 96). The opening remarks are very important because this is the beginning stage of the sales process. The salesperson should try to generate enough interest within the customers so that they can obtain needed information. The salespersons must be aware of the reason for being there and not be excessively diverted from talking business because customer always remember that first impressive is the last impression (Lancaster and Jobber, 1994:97).

II. Need and Problem Identification

The seller first objective will be to discover the problem and needs of the customer. Unless, seller find the problems, he could not move a head. In order to encourage the buyer to discuss his or her problems and needs seller tend to use 'open' rather 'closed' questions (Lancaster and Jobber, 1994:98). Same kinds of the techniques would not be work every time. So, the seller should be clever to use in various techniques to motivate positive feeling towards the product. This gives the salesperson the opportunity to offer a solution to such problems by the means of one of his or her company's products.

III. Presentation and Demonstration

After the attention and interest is drawn, the salesperson will demonstrate the product or service before the prospects. The prospects or customers will look at the product or service and carefully evaluate their uses and benefits. While presenting the product, the seller should explain the quality and features with associated to the product. If more doubtful questions may ask to the seller about the product, the seller must be confronted those kinds of problems with showing evidence. The seller must be used all kinds technique because sell would not happened until they persuading them. Once the customer is persuading, the seller attempt to close the sales by requesting the prospect to buy the product presented (Shrestha, 2005:16).

IV. Meeting Objections

During the product demonstration process, the customers may wish to know additional information from the salesperson regarding the product. They also put the several objections before the salesperson regarding the quality, uses and benefits of the product or service. Such objection should be wisely handled by the salesperson so that the customers become more confident and satisfied with the product. The salesperson will also determine the customer's true reason for not buying and attempt to remove these reasons. Effective dealing with objection is often considered the heart of the selling process (Shresha, 2005:17).

After overcoming the objections, the seller will make the attempt to close the sale.

V. Negotiation

A buyer may come to expect concessions from a seller in returns for purchasing. Negotiation therefore, enters into the sales. The seller wants to push in a large amount but a buyer ready to pay in minimum as possible as. The deal, which is arrived at, will be dependent upon the balance of power and the negotiating skills of the respective parties Lancaster and Jobber, 1994:110).

VI. Closing the Sale

When the customers make a purchase of goods or services, the purpose of the salesperson is attained; the selling process will be closed. Closing the sales refers to obtaining a final agreement to purchase. This is the ultimate functional consequent of product presentation. The purpose of closing the sale means converting prospect customers into real customers and makes a request for order. For this process, the seller should have exposed various kinds of skills, self-confidence, patience, and experience. All the salesperson's efforts are wasted unless the client makes the proper purchase decision. Therefore, this is a very important phase of selling process.

VII. Follow-up

The salesperson's job is not finished when the sale is made. Many types of service and assistance must be provided to customers after a sale to ensure their satisfaction and repeat business. This kind of post –sale service can pay great

dividends for both the salesperson and the selling firm. The satisfied customers are likely to be repeat purchases and demonstrate loyalty to the seller. Also, good service can lead to the sale of other related products and services (Johnston and Marshall, 2003:55).

2.2 Research Review

There are some researches completed in the aspects of consumer behavior in Nepal and completed on consumer behavior in Nepal have been reviewed here as follows:

2.2.1 Mr. Krishnaraj Parajuli (1994) did a research on "Motive Factors behind a Buyer's Attitude towards Bargaining during the Shopping Period at a Fancy Shop". The basic objective of the study was to evaluate the motive factors behind a buyers' attitude towards bargaining during the shopping period at a fancy shop. This study was based on primary data and the required data were collected from 50 respondents consumers of Pokhara valley with findings of this study were;

- i. Out of total number 94 % and 95 % respondents got in bargaining according to data through questionnaire and sellers self report respectively.
- ii. According to demographic characteristics, middle age people have higher bargaining tendency than younger and old age people. Likewise, married and service holder people have higher bargaining tendency than unmarried and other (i.e. students, businessman, lecturers and others) people respectively.
- iii. Graduate respondents have higher bargaining tendency.
- iv. 70% of the respondent is found to feel bargaining is a problem.
- v. In fancy shop, buyers' have higher bargaining tendency than in departmental store, provisional store and government stall.
- vi. Relationship between bargaining tendency and Maslow's need hierarchy model, it was concluded that the bargaining tendency is made entirely inverse relationship with hierarchy of human needs from lower to higher order.

2.2.2 Mr. Lal Bahadur Baniya (1994) had carried out "A Study on Buyer's Behavior in Pokhara". The major objective of this study was to find out cross-

cultural buyers' behavior in Pokhara. For this purpose, two distinct groups of customers: the British Gurkhas and the local people of Pokhara have been included in the study. This study was based on primary data and the required data were collected from 100 buyers, 50 from each group with the help of a well structured questionnaire, Judgemental-sampling method was applied. This study were obtained following major findings;-

- i. The British Gurkhas choose foreign, Indian, Chinese and Nepalese brand of clothing whereas Nepali, Indian, Chinese and foreign brands of clothing by the local people respectively.
- ii. Large numbers of purchase for clothing are made on half yearly basis except jacket by both people.
- iii. Store name awareness of local people for the clothing is relatively high in comparison to the British Gurkhas, but it is low for the grocery products.
- iv. Quality, price, brand reputation, design and color of the products are the criteria used for choosing clothing items but quality, price, brand reputation, producer's goodwill and services and reliability of store are the criteria used for choosing grocery products by British Gurkhas and local people.
- v. Both groups have favorable attitudes towards bargaining, but the number of British Gurkhas having positive attitude towards bargaining are less in comparison to the Local People.

2.2.3 Mr. Prakash Lamichhane had conducted research entitled "Family Influence in Buying Decision (An Exploration of the Application of Theory into Practice)" in May 1996. The broad objective of this study was to examine the nature and dynamics of family influence in making purchase decision in the context of urban areas of Nepal. For this purpose, primary data were collected from 10 families (from August 1995 to February 1996) with the help of a structured checklist. The major findings of the study were; -

- i. Wife is an influenced person in initiating the need and in collecting information.
- ii. Most of the families have gathered the information from family discussion, different dealers and from their neighbors.

- iii. For each of products selected, the idea of buying has traveled between husband and wife.
- iv. Joint decision takes place in the alternative evaluation and final decision stages of buying high involvement products.
- v. The wife in most cases followed purchase of the products.

2.2.4 A research on “The Marketing of Cold Drinks in Narayanghat” was completed by **Mr. Ratna Prasad Shrestha** in 1998. The basic objective of this study was studying the purchase behavior of consumers on cold drinks. This study was completely based on primary data and all required data were collected from 88 consumers, 10 dealers, and 2 distributors of Narayanghat city with the help of a well-structured questionnaire interview and observation. The following major findings were of this study were;-

- i. Most of consumers consume the cold drinks of coca-cola in Narayanghat. Coca-cola is popular in Narayanghat.
- ii. Consumers give more preference to the brand but less preference to the quality and test.
- ii. A fixed numbers 30 % of the consumers are not only influenced by the advertisement.
- iv. Most of the consumers were informed of the brand of cold drinks by the advertisement in the Narayanghat City.
- v. The advertisement of coca-cola by Radio Nepal/ NTV is more attractive respectively than that of Pepsi-cola.

2.2.5 A research on “An Examination of the Role of Purchase Pals in Consumer Buying Decisions for Saree and Suit” was conducted by **Mr. Devraj Mishra** in 1992. The basic objective of this study was to identify the role of purchase pals in consumer decision making for saree and suit. For this purpose, primary data were collected from 96 buyers and 49 purchase pals with the help of a well –structured questionnaire. Also 6 saree and suit shops were observed .By this study, he conducted that 83.33 % of buyers used purchase pals. The role of purchase pal is quite important in the choice of store, bargaining, purchase talk, final choice and reduction of post purchase dissonance as to price.

2.2.6 Mr. Amar Prasad Neupane (2001) had conducted a research entitled "Buying Behavior of Foreigners in Pokhara: A study on Household Furniture". The broad objective of this study was examining buying behavior of foreigners with reference to consumer durable goods especially household furniture. To obtain this purpose, foreigners were split off into two groups: Indian people and foreigners other than Indian people who have been staying in Pokhara for more than six months period. The study was primarily based on primary data and all the required data were collected through 100 buyers, 50 from each group with the help of well structured questionnaire, Judgemental sampling method were applied .the study were obtained following major findings;-

- i. Majority of Indian people purchase wooden sofa table /chairs, but majority of foreigners purchase cane made items .The number of steel table/chair user Indian are higher in comparison to other foreigners.
- ii. Both people seemed to have given first priority to the quality of the furniture and last priority to the stores /manufacturer of the furniture.
- iii. A large numbers of both Indian people and foreigners carried the view of being equal goodwill for brands or manufacturers of Nepalese and foreign furniture.
- iv. Majority of the buyers bargains while purchasing the particular furniture. But the number of Indian people involved in high comparison to foreigners.

CHAPTER- III

RESEARCH METHODOLOGY

The research methodology is the process of adopting systematic method to find out the solution of problems. It also specifies the method and procedure for acquiring the information needed to solve the research problem. To accomplish the objectives for the study, following proper methodology has been applied.

3.1 Research Design

Descriptive research design is used in the study.. The basic objective of the study is to find out consumers buying behavior on brand choice with special reference to personal computers. For this purpose, brand preference, purpose and reasons of buying computer used by buyers, factors affecting purchase decisions or buying behavior, criteria regarding choice of particular brand, promotional tools affect to the buyers, how much the sellers help the buyers have been taken into consideration. Therefore, a survey research approach has been applied for this study.

3.2 Population and Sample

The target population of the study is very large. In this research study, the population is consists of those buyers who have acquired personal computers in Pokhara. The sample units of the buyers further classified into jobholders and businessmen for the study. The sellers of the personal computers are selected as the sample units for the study, which are available in the Pokhara. The buyers selected from Jobholder engaged in different jobs were doctor/engineer, teacher/lecturer, civil servant and non-governmental working staff whereas businessman buyers were selected from computer institutes and cyber, fancy, hotels, departmental store and privately run shop etc. Therefore, only 100 samples are to be considered and 50 from each group are surveyed for the study. The sample unit is taken only from Pokhara valley. The sample size has been assumed representative of the total population. Random Sampling is taken from among the jobholders and businessmen.

3.3 Nature and Sources of Data

The data used in this study are primary in nature. Primary data are used to obtain the basic objective and secondary data are also used to make research more informative. The final sources of the primary data are collected through questionnaire and the respondents for this study are buyers and sellers of personal computers in Pokhara. Thus, required primary data for the study are directly collected from sellers and the buyers of the personal computers and secondary data are collected from publications and newspaper.

3.4 Data collection Procedure

The data have been collected through a self- administered questionnaire survey at seller's showroom, respondent's place at their convenient time. The respondents were supported by oral explanation at the point where they got confused or unable to understand contexts of the questionnaire. Questionnaires were to be asked in a different form to the sellers and to the buyers, which is given at appendix. Personal observation, newspaper, articles and publications have been taken some other information.

3.5 Data Processing and Analysis Procedure

All the collected primary data and information were thoroughly checked compiled and presented into appropriate table for case analysis and interpretation. Analysis was done descriptively as well as statistically. For the statically analysis, statistical tools such as percentage, simple average, weighted mean, pie chart, diagram, and Spearman rank correlation coefficient are used to facilitate analysis and interpretation.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

In this chapter, the data collected from the respondents have been presented, analyzed and interpreted according to the objectives of the study. The first part of the chapter presents the respondents profile and remaining section of this chapter describes objective-wise analysis and interpretation of the data.

4.1 Respondents Profile

The first chapter of the questionnaires was based on respondent's profile to obtain information relating to age, sex, income, marital status, education and profession. The data is merely collected on the basis of personal interview through a structured questionnaire and respondents were selected on the basis of judgmental sampling method. The respondents were divided into two groups i.e. jobholder and businessman. The respondent's answers to these questions are presented in the following tables.

Table no. - 4.1.1

Age, Monthly Income, Education, Sex and Marital Status of the Respondent

Respondents	Age				Monthly income				Education				Sex			Marital status		
	Less than 25	25-35	35-45	45 and above	Less than 15000	15000-25000	Above 25000	Total	S.L.C.	Intermediate	Graduate/P.Graduate	Total	Male	Female	Total	Married	Unmarried	Total
Jobholder	27	18	4	1	26	22	2	50	8	13	29	50	37	13	50	30	20	50
%	54	36	8	2	52	44	4	100	16	26	58	100	74	26	100	60	40	100
Business-man	20	23	6	1	22	18	10	50	9	27	14	50	40	10	50	35	15	50
%	40	46	12	2	44	36	20	100	18	54	28	100	80	20	100	70	30	100
Total	47	41	10	2	48	40	12	100	17	40	43	100	77	23	100	65	35	100
%	47	41	10	2	48	40	12	100	17	40	43	100	77	23	100	65	35	100

Source: Field Survey

The table no. - 4.1.1 reveals that out of 100, 47% or 47 of the respondents are the age group under the 25 years. Among them, 27 or 54% of the jobholders and 20 or 40% of the businessman are buyers of personal computer. 41% of the respondents are age groups of 25-35 where 18 or 36% are jobholders and 23 or 46% are businessmen. 10% of the respondents are fall into age group of 35-45 and 1% belongs to 45 and above. But 27 or 54% of jobholder belongs less than 25 age group and 23 or 46% of businessman belongs to age group in between 25-35 depicted as the majority and only 2% of jobholder and businessmen are from the age group of 45 and above is represented as a minority group. The average age groups of respondents are 27 years. Likewise, The largest group of respondents fall into the categories earning under Rs.15,000, which is 48% percent of the total. 44% computer buyers have Rs.15,000-25,000 income per month. The respondents earning of Rs.25,000 and above represents 12%. The average monthly income of the respondent is Rs. 16,400. (Appendix- D). In the same way, Majority of the buyers i.e. 43% seem to have educational background of graduate and postgraduate, whereas 29% of the respondents to have intermediate, 17% of the respondents to have S.L.C. Similarly, 77% of the respondents are male in total. Among them, 37 or 74 % are jobholder and 40 or 80% are businessman. 23% of the respondents are female whereas Jobholders represent 13 or 26% and businessman represents 10 or 20%. In the same way, 65% of the respondents' fall under the married category and rest 35% of the respondents were found to be unmarried.

From the above analysis, the conclusion can be drawn:

1. The age groups under 25years are the most dominant buyers of computers. The sellers of the computers should focus their attempts mostly on these groups but should not neglect or ignore others group, too.
2. The most active group of the computers buyers are those who have monthly income of Rs.15,000-25,000.
3. It is clearly stated that only educated people are tremendous buyers of personal computers.
4. It is indicated that male represents the greatest number of computer buyers.
5. It is quite obvious that those married groups are highly interested to purchase personal computer.

Table no. - 4.1.2

Profession of the Respondents

No. of respondents and their percentage						
Jobholders	No.	%	Businessman	No.	%	Total
Doctor /Engineer	4	8	Computer Institute/cyber	27	54	31
Teacher/Lecturer	17	34	Fancy/Hotel	7	14	24
Civil servant	7	14	Departmental store	3	6	10
NGO/INGO	18	36	Secretarial service	10	20	28
Others	4	8	Others	3	6	7
Total	50	100	Total	50	100	100

Source: Field Survey

The above table no. 4.1.2 reflects that most of the computer buyers are NGO/INGO who are 36% or 18 from the jobholder and 54% or 27 represents the business buyer from the computer institute and cyber. The second largest groups are Teacher/Lecturer, which represents 34% or 17 from the jobholder and secretarial service holding 20% or 10 from the business buyer. Similarly, 4 or 8% represents by Doctor/Engineer as well as others from Jobholders and 7 or 14% represent by civil servant. Whereas 14% or 7 are fancy and hotel, 6% or 3 represents by departmental store and 6% by others groups of business buyer.

4.2 Choosing Practice of Personal Computer

Computer manufacturer has been producing different variety of computer for market to target the consumers. Nowadays, it is become inseparable products for the human beings. So, the buyers are choosing their required computers on the basis of brand preference, purpose of buyers, and purchasing power. The following table presented the choosing practice of personal computers.

Table no. - 4.2.1
Brands Available in Pokhara

Brand name	Type	Model	Country	Price in NRs.
Assemble	Desktop	Pentium I	China	16,000
	Desktop	Pentium II	China	18,000
	Desktop	Pentium III	China	20,000
	Desktop	Pentium IV Celeron	China	22,000
	Desktop	Pentium IV Intel	China	35,000
	Desktop	Pentium dual-core	China	45,000
Wipro	Desktop	Pentium dual-core	India	42,000
Compaq	Laptop	V6000	China	65,000
	Laptop	CQ40 presario	China	58,000
Lenovo	Laptop	M57	China	55,000
	Laptop	C100	China	70,000
DELL	Laptop	LD520	China	75,000
	Laptop	LD 650	China	85,000
	Laptop	MT D630	China	60,000
	Laptop	DT 360 optiplex	China	58,000
	Laptop	1420 Inspirano	China	72,000
H.P.	Laptop	Pressario V2000	China	62,000
	Laptop	Pressario V3000	China	62,000
	Laptop	Dx 2390	China	55,000
	Laptop	Dx 7400	China	60,000
Fujitsu	Laptop		Japan	75,000
Acer	Laptop	M264	China	48,000
	Laptop	D4630	China	52,000
	Laptop	4720z	China	60,000
	Laptop	D4630 z	China	58,000
Toshiba	Laptop	L310	China	60,000
Mercantile	Desktop	Nep C1200	Nepal	30,000
	Desktop	Explorer C1700	Nepal	37,100
	Desktop	Professional P1700	Nepal	41,000
	Desktop	Animator17-256	Nepal	47,500

Source: Appendix- I

As per the above table no. - 4.2.1 shows that 10 different brands of computers are easily available in Pokhara. The different brands having different models are appeared in the market from China. The computer price varies according to the models of computer i. e. from 16,000 to 85,000. The price of the assembled is lower than the laptop has.

Table no. - 4.2.2

Using Practice of Brand

Used Brand	No. of respondents and their percentage				Total	
	Jobholder		Businessman			
	No.	%	No.	%	No.	%
Compaq	2	4	3	6	5	5
Lenove	5	10	4	8	9	9
DELL	3	6	2	4	5	5
H.P.	3	6	3	6	6	6
Fujitsu	1	2	0	0	1	1
Acer	7	14	9	18	16	16
Toshiba	0	0	1	2	1	1
Mercantile	5	10	3	6	8	8
Assembled	24	48	25	50	49	49
Total	50	100	50	100	100	100

Source: Field Survey

As presented above table - 4.2.2 divulges that out of 100 respondents, 49% own assembled computer. Among them, 24 or 48% of the respondent's own assembled computer by jobholders and 25 or 50% own by business buyers. Acer brand occupies the second position, which is represented by 16%, and Lenovo secured the third class represented by 9%. Similarly, 8% shows by Mercantile and 6% by H.P. computers. DELL and Compaq represent each by 5%. However, other branded computers represented in small percentage. The analysis of data can be concluded that most of the buyers own assembled computers.

Table no. - 4.2.3

Country-wise Availability of Computers in the Market

S.N.	Country	No. of computer	Market covered %	Area covered in pie chart
1	China	91	91%	327.4 ⁰
2	Japan	1	1%	3.6 ⁰
3	Nepal	8	8%	28.8 ⁰
Total		100	100%	360 ⁰

Source: Field Survey

Country-wise Market Share Showing in Pie -chart

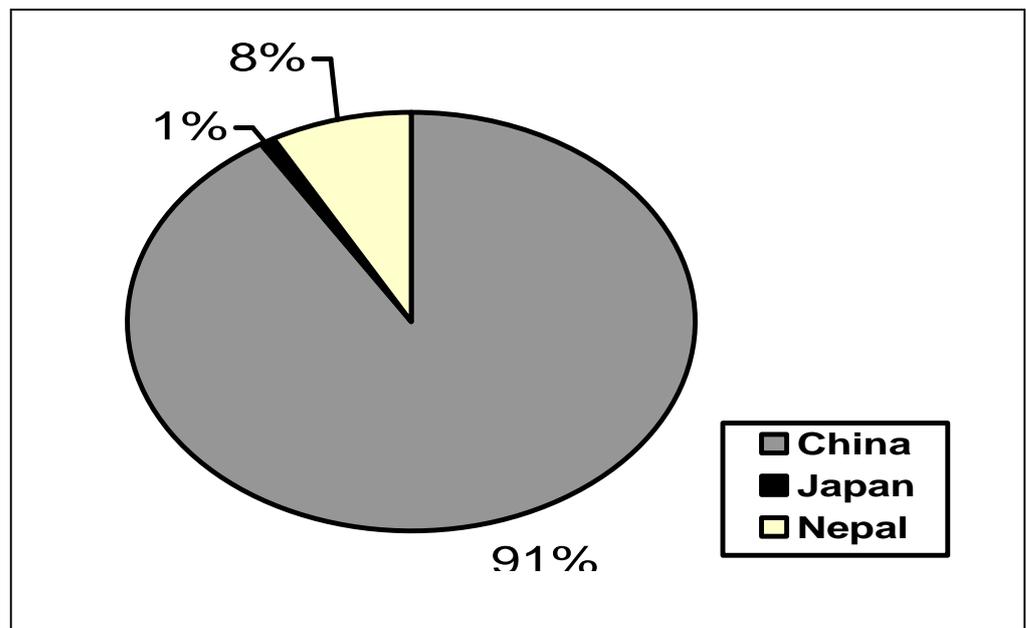


Chart no. 1

The above table - 4.2.3 depicts that most of the Nepalese markets are covered by Chinese computer which represents 91% since Chinese launched different variety of computer in a cheap price and Nepalese branded computer holds 8% in its own market.

Table no. - 4.2.4**Amount Spent by Respondents on Personal Computers**

Basic price	No. of respondents and their percentage				Total and %
	Jobholder		Businessman		
	No.	%	No.	%	
below or Rs.30,000	10	20	12	24	22
Rs. 30,000-Rs. 40,000	19	38	11	22	30
Rs. 40,000-Rs.50,000	9	18	12	24	21
Rs. 50,000-Rs. 60,000	6	12	6	12	12
Rs. 60,000-Rs. 70,000	3	6	5	10	8
Rs. 70,000 and above	3	6	4	8	7
Total	50	100	50	100	100

Source: Field Survey

As per above table no. - 4.2.4 shows that money spent out by respondents on personal computers (not counting accessories). Out of 100 respondents, 30% of buyers are willing to pay Rs. 30,000- Rs. 40,000 on personal computer. 22% of respondents is paying less than 30,000. Likewise, 21% spent out Rs. 40,000- 50,000 by respondents. 12% of the jobholders and businessman paid Rs. 50,000-60,000. 6% of jobholders paid money on computer in the range of Rs. 60,000-70,000 and the same percentage for above 70,000 whereas 10% are ready to pay Rs. 60,000-70,000 by businessman and only 8% of buyers paid Rs. 70,000 and above. From analysis, it is clear that desktop computers are buying in enormous quantity than laptop computers because of inexpensive.

Table no. - 4.2.5

Purpose of Buying Computer

Purpose	No. of respondents and their percentage					
	Jobholder		Businessman		Total	%
	No.	%	No.	%		
Personal use and entertainment	47	94	0	0	47	47
Family use	3	6	0	0	3	3
Internet use	0	0	9	18	9	9
Social status	0	0	0	0	0	0
Professional service	0	0	41	82	41	41
Total	50	100	50	100	100	100

Source: Field Survey

The above table is based on the jobholders and business buyers for the purpose of buying computers. Here, we have a clear distinction between jobholder and Businessman. The jobholders use computers exclusively for their own personal use and family entertainment. However, the Businessmen want it for their professional use and Internet surfing. There is no any respondent buying for social status.

Table no. - 4.2.6

Visiting Shop for Acquiring Information

Frequency	No. of respondents and their percentage					
	Jobholders		Businessman		Total	%
	No.	%	No.	%		
Once	14	28	13	26	27	27
Twice	7	14	12	24	19	19
Thrice	11	22	10	20	21	21
More than thrice	18	36	15	30	33	33

Total	50	100	50	100	100	100
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Source: Field survey

The above table depicts that the reason of visiting the shop for acquiring information on brand, quality, model, and price relating to the personal computer. Being the high involvement product, many respondents visited the shop more than thrice times before buying the personal computer, which represents 36% (i.e.18) by jobholder and 33% (i.e.15) by businessman respectively. 27% of respondents bought the computer in first visit. Similarly, 21% or 21 represents the buyers who were buying the computer after visiting the shop thrice times and 19% of the respondents were visiting vendor shop twice times before they attempt to buy the personal computer.

Table no. - 4.2.7

Reasons of Buying Computer

Reasons	No. of respondents and their ranking			
	Jobholders		Businessman	
	Mean value	Rank	Mean value	Rank
Saves time	1.44	1	1.90	1
Data stored and retrieved	1.94	2	2.22	2
Processing task efficiently	2.82	3	2.40	3
Easy Communication	3.78	4	3.44	4

Source: Appendix -E

The table no.- 4.2.7 suggests that the buyers of the jobholders and businessman have given top priority to the saving time and efficiency. After this, data storage and retrieval, thirdly, they rank processing of task efficiently and fourthly communication that can be established through computer respectively.

The computed value of the rank correlation coefficient between jobholders and businessman shows that they have perfect correlation i.e. $r_s = 1$. (Appendix-F)

4.3 Analysis of Buying Behavior and Promotional Effect to Buying Personal Computer

Computer is one of the high involvement products. So, they are using certain criteria before buying the personal computer because they are influenced by friends, relatives, advertisement and others promotional schemes. The buyer behavior of computer and promotional effect on computer is analyzed here through the table presented below.

Table no. - 4.3.1

Influenced Source of Respondents

Influenced source	No. of respondents and their percentage					
	Rank by Jobholders			Rank by Businessman		
	Min. No.	Ave. %	Max. No.	Min. No.	Ave. %	Max. No.
Self	2	(4)	0	(0)	27	(54)
Spouse/family	0	(0)	11	(22)	7	(14)
Friends	10	(20)	21	(42)	11	(22)
Advertisement	8	(16)	6	(12)	0	(0)
Buying incentives	12	(24)	10	(20)	2	(4)
Relatives	18	(36)	2	(4)	3	(6)
Total	50	(100)	50	(100)	50	(100)

Source: Field Survey

The above table shows that 27 or 54% of the respondents are self-motivated in buying a personal computer and same motivation by businessman is 42%. (i.e.21). In this same way, 22% (i.e.11) of jobholders considered friends as a maximum adviser in influencing buying personal computer and same factor influenced 28% (i.e.14) of businessman. The third major factor is spouse /family who influenced to jobholder and business buyers by 14%. Buying incentives affected maximum to jobholder and businessman by 4% and 8% respectively whereas 6% of jobholders were inspired by relatives and none of businessman. Likewise, their friends were

influenced 20 or 40 % of businessman and 21 or 42% of jobholders. The least average influenced source is relatives who represent 4% for both of jobholders and businessman. Relatives as minimum factor affect a number of jobholders by 36% and 24% by businessman whereas self influences each buyer as a minimum by 4 %.

Table no. - 4.3.2

Criteria Used by Respondents

Criteria	Responded rank order of relative importance			
	Jobholders		Businessman	
	Mean value	Rank	Mean value	Rank
Price	2.16	2	2.48	2
Quality	1.48	1	1.46	1
Model	2.98	3	3.08	3
Availability of computer	5.36	5	4.98	4
Manufacturer goodwill	4.72	4	5.08	5
Service after sales	6.82	7	6.58	7
Buying incentives	6.96	8	7.06	8
Design/style	5.48	6	5.60	6

Source: Appendix- G

The above table no. – 4.3.2 reveals the relative importance of various factors/ criteria assigned by jobholders and businessman for the choice of personal computer. Both of the buyers gave the first priority to the quality of personal computer, the second buyers' emphasis to the price, and third to the model. In this same way, they have similar choice of design/style, service after sales and buying incentives which they ranking sixth, seventh and eighth orderly. But they were ranking remaining factors in different ways. The business buyer gave fourth priority to the availability of the computer whereas jobholder ranked fourth to the manufacturer goodwill and vice versa.

The computed Spearman's rank correlation coefficient between jobholders and business buyers is +0.95, which signifies the highly positive correlation between the opinions of jobholders and Businessman. (Appendix- H)

From the above analysis, it can be concluded that:

1. Quality, price, and model of the personal computer are the major factors for the choice of the particular computer for both jobholder and business buyer. Other factors also play impressive role for choosing the personal computer.
2. They gave the top most priority to the quality and least priority to the buying incentives by the jobholder and business buyers.

Table no. - 4.3.3

Sellers Behave towards the Customer

Exposed behavior	No. of respondents and their percentage					
	Jobholder buyer		Business buyer		Total	%
	No.	%	No.	%		
Badly	0	0	0	0	0	0
Friendly	44	88	43	86	87	87
Gently	6	12	7	14	13	13
Total	50	100	50	100	100	100

Source: Field Survey

As the data shown in the table - 4.3.3, the responses on the badly behave by sellers are found to be nil. In contrary, 87% of the respondents found that the sellers behave as friendly manner and 13% of the buyers found gently behave by them. From the above data analysis, the conclusion can be drawn that the buyers want friendly behavior by the sellers before and after buying the personal computer.

Table no. - 4.3.4

Deserving Offers by Seller

Offer	No. of respondents and their percentage					
	Jobholder		Businessman		Total	%
	No.	%	No.	%		

Price discount	6	12	9	18	15	15
Coupon	0	0	0	0	0	0
Free gifts	0	0	0	0	0	0
Warranty	44	88	40	80	84	84
Financial facilities	0	0	1	2	1	1
Total	50	100	50	100	100	100

Source: Field Survey

The above table shows the deserving offer by the seller. Buyers gave first priority to the warranty and placed second position to the price discount. Likewise, buyers considered financial facilities as a least important. Both the buyers showed no interest in coupon or free gifts at all. Most of the buyers of jobholder and businessman were attracted by offers of warranty.

Table no. - 4.3.5

Choosing Seller by Respondents

Reasons for choosing	No. of respondents and their percentage					
	Jobholder		Businessman		Total	%
	No.	%	No.	%		
Reasonable price	20	40	20	40	40	40
Financial facilities	1	2	2	4	3	3
Easy to access	7	14	6	12	13	13
Reputed seller	20	4	16	32	36	36
Impact of adverting and promotion	2	4	6	12	8	8
Total	50	100	50	100	100	100

Source: Field Survey

The above table tells that 40% (i.e.20 each) of the respondents preferred the seller because of reasonable price, 36% of them were chosen for reputed seller,13% of the buyers choose sellers for easy to access whereas 8% selects the seller for

impact of advertising and promotion and 3% preferred seller for providing the financial amenities by them.

4.4 Personal Computer Buying Decision Practice

Consumers buying decision is a crucial step in the buying process. In this process, consumers are making purchase decision with involvement of various sources. The buying decision practices of consumers are shown here in following table.

Table no. - 4.4.1

Involvement in Buying Decision

Participated in buying decision	No. of respondents and their percentage					
	Jobholder		Businessman		Total	%
	No.	%	No.	%		
Self	14	28	21	42	35	35
Spouse	6	12	2	4	8	8
Family	10	20	11	22	21	21
Friends	8	16	7	14	15	15
Sellers	12	24	9	18	21	21
Total	50	100	50	100	100	100

Source: Field Survey

As given in the table no. - 4.4.1, shows that 35% of the buyers take buying decision by themselves. Out of them, 28% (i.e.14) buying decision makes by the jobholders and 42% (i.e.21) by the businessman. 21% of the buyers finalize the decision after involving with their family and sellers. But 16% (i.e.8) of jobholders and 14% (i.e.7) of the businessman takes the decision to buy the particular computer after consulted with friends and 8% o the buyers are take the decision only after consulted with their spouse. The data presented above suggested that most of the buyers use their own judgement or involvement while they buying the personal computer.

Table no. - 4.4.2.1a

Satisfied or Dissatisfied with Personal Computer

Respondent	Satisfied with personal computer		Total
	Yes	No	
Jobholder	48	2	50
%	96	4	100
Businessman	44	6	50
%	88	12	100
Total	92	8	100
%	92	8	100

Survey: Field survey

The above table shows that 92% of the buyers are satisfied with their personal computer and 8% of the respondents are dissatisfied with a personal computer.

Table no. - 4.4.2.1b

Reasons of Satisfied and Dissatisfied Respondent

Reasons of satisfaction	No. of respondents and their percentage					
	Jobholder		Businessman		Total	%
	No.	%	No.	%		
Worked properly	2	4	0	0	2	2
Easy to work	35	70	30	60	65	65
Fulfilled all requirements	11	22	14	28	25	25
Reasons of dissatisfaction						
Didn't work properly	0	0	0	0	0	0
Taken too much maintenance cost	2	4	5	10	7	7
Difficult to work	0	0	1	2	1	1
Total	50	100	50	100	100	100

Source: field survey

The table no.- 4.4.2.1a depicts that 92% of both buyers were fully satisfied with computer. Out of 92% buyers, 70%(i.e.35) of the jobholder and 60% (i.e.30) of businessman were satisfied with their personal computer because of easy work as shown by table-4.3.2.1b. Fulfilling their all requirements contented 25% of both buyers. 2% of jobholders were happy because their computer worked properly. No response obtained from businessman in connection to work properly by computer.

8% buyers were found dissatisfaction because 7% of both respondents expended too much money on maintenance cost and 1% buyers faced difficult in operating. The conclusion can be drawn from the analysis that most of the buyers are satisfied with their personal computer because of easy to work.

Table no. – 4.4.3

Disposing the Computer by Respondent

Disposing plan	No. of respondent and their percentage					
	Jobholder		Businessman		Total	%
	No.	%	No.	%		
Stored in the store	2	4	4	8	6	6
Sold out at lower price	19	38	17	34	36	36
Gifted to somebody	2	4	2	4	4	4
Exchanged with adding extra money	27	54	25	50	52	52
Thrown it away	0	0	1	2	1	1
By new ones	0	0	1	2	1	1
Total	50	100	50	100	100	100

Source: Field Survey

When the survey was carried out on the disposing of personal computers, 52% of the respondents gave preferences on exchanging the computer with adding extra money. 36% of buyers preferred to sell out at lower price to others and 6% respondents like to store the computer into the store room but 1% of businessman

likes to throw away and buy new ones computer after its end life but did not get any comment from jobholders on thrown away and buy new ones personal computer.

4.5 Analysis of Sellers Help to Buyers of Buying Personal Computer

Personal selling is one of the important tasks of marketing. Sellers are selling the goods and services as per the will and requirements of the consumers. Sellers are playing the role of agent between the wholesaler and consumers. They are passing the message of information to the customers. They are also making a selling strategy and convert the prospect buyer into real customer by transferring the goods and services to the buyer. Sellers are helping the buyer for buying and choosing the needed computer is analyzed through the subheadings of Sales strategy use and personal selling practices.

4.5.1 Sales Strategy Used

Sales strategy is the collection of selling activities. The sellers are using sales strategy mostly through advertisement, sales promotion, publicity and personal selling etc. The sellers adopt long-term strategy cum short-term strategy for surviving long period in market. If seller did not care in creating awareness on product and stimulating the purchase, the sales strategy would not be worked properly. The seller needs to be addressed customers problems while they are making the sales strategy. The sales strategies used by sellers are presented in the table.

Table no. - 4.5.1.1

Major Customers of Personal Computer

Respondents	Jobholder	Businessman	Total
Seller	2	3	5
%	40	60	100

Source: Field Survey

As per the above table, the sellers have answered that business buyers are the major customers for selling the personal computer and they ranking jobholders in

the second position. From the table, it can be concluded that 60% of the customers for the sellers are the businessman and 40% of the customers are jobholders.

Table no.- 4.5.1.2

Important Features of Personal Computer in the view of Seller

Respondents	Features of computer				
	Technically better	Model	Aesthetic looks	Service after sales	warranty
Seller	1	2	4	5	3

Source: Field Source

The table no. – 4.5.1.2 reveals that the important features of personal computer. They were ranking 1 for most and 5 for least important. All of the sellers have answered that technically better computer is the most important factor for selling the computer to their customers. Model occupies second position in the view of seller. Warranty holds the third position. Likewise, aesthetic looks and service after sales considered least important factors respectively.

Table no. - 4.5.1.3

Promotional Schemes Practiced by the Seller

Schemes offer	No. of Sellers and their percentage	
	No.	%
Coupon	0	0
Cash discount	1	20
Refund	0	0
Financial facilities	0	0
Free gifts	0	0
Warranty	4	80
Total	5	100

Source: Field Survey

The above table no. - 4.5.1.3 says that out of five sellers, 4 sellers conferred the warranty schemes, 1 seller gave cash discount. The analysis says that 80% of the sellers offered the warranty scheme to the customers and rest of the other sellers offered cash discount to the customers. They also used one or more schemes, too.

Table no. - 4.51.4

Using Practice of Media and Promotional Tool by the Seller

Respondents	Using practice of media by the seller						Effective promotional tool used by the seller					
	T.V.	Radio	Newspaper	Magazines	Displays	Total	Advertisement	Personal selling	Public relation	Publicity	Sales Promotion	Total
Seller	1	2	2	0	0	5	2	1	1	0	1	5
%	20	40	40	0	0	100	40	20	20	0	20	100

Source: Field Survey

The above table no. - 4.5.1.4 depicts that sellers are preference to use two kinds of media house. Out of 5 sellers, 2 sellers reported to use print media to advertise on personal computer. 2 sellers were selecting only audio electronic media whereas one seller was used visual media to inform about personal computer. Likewise, They were ranking their view on the basis of their past experience. They gave first priority to the advertisement because they considered that this is the most effective tool for advertising to the customers. They gave equal priority to personal selling, sales promotion and public relation. They considered that creating awareness to the customer is the most challenging job.

Table no. - 4.5.1.5

Using Promotional Strategy by the Seller

Respondents	Promotional strategy			Total
	Computer brand is new	Topmost Competition	Decline stage	
Seller	2	3	0	5

%	40	60	0	100
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Source: Field Survey

The above table obtained on the basis of past experience as well as future expectation by the sellers. Out of 5 sellers, 3 sellers are applying the promotional strategy at the stage of king competition. 2 sellers are applying the strategy when the brand is new. This means that they are using 60 % of the strategy at the top most competition when their competitors are strong and aggressive whereas 40% of the sellers are using promotional strategy in the introducing phase of the computer.

Table no.- 4.5.1.6

Sales Increment and Spending Nature on Promotional Activities

Respondents	Spend out on promotional activities					Sales increased by					
	Less than 1 lakh	1-3 lakh	3-5 lakh	Above 5 lakhs	Total	1-10%	10-20%	20-30%	30-40%	40% and above	Total
Seller	2	3	0	0	5	0	1	2	2	0	5
%	40	60	0	0	100	0	20	40	40	0	100

Source: Field Survey

The individual seller likes to spend on promotional activities according to their business size. Among the 5 sellers, two-business house spent less than one lakh and another 3 business houses annually spent in between 1-3 lakhs to increase

awareness on computer as well as push up the sales. The researcher found that no one spending more than 3 lakhs on promotional activities. Similarly, 1 sellers perceived that sales increased by 1-10%, 2 sellers reported that money spent out on promotional activity effect on sales by 20-30% and 2 sellers responded that sales volume is increased by 30-40%. But no response obtained on sales increased by 1-10% and above 40%.

4.5.2 Personal selling practiced

A successful sales person should always be customer –oriented. The Salesperson always focuses on customer’s needs and expectations. They should not neglect or ignore the customer’s response and problems but try to solve their problem to make them fully satisfied. Different customers may have different problems and how the salesperson adopted different sales approaches in selling practice is presented through table below.

Table no. - 4.5.2.1

Opening Nature of Seller towards the Customer

Opening nature	No. of sellers and their percentage	
	No.	%
Open with a smile	0	0
Handshake	0	0
Speak politely	5	100
Showing the good manner	0	0
Total	5	100

Source: Field Survey

The table no. - 4.5.2.1 reflects that on how seller opening with their customers after entering into the business house. They reported that they all established the relationship with their customers with speaking politely. They are also using others technique to make relationship with their customers in a same time.

Table no. - 4.5.2.2

Using Practice of Identifying the Problem of Customers

Statement	No. of sellers and their percentage	
	No.	%
Expressing by customers	1	20
By questioning to customer	4	80
Total	5	100

Source: Field Survey

The sellers were asked their response on identifying the problem of customers relating to personal computer. 4 sellers were questioning to customer to identify their actual needs and wants whereas 1 seller reported that needs and wants are opened by customers themselves.

Table no. - 4.5.2.3

Reasons of Presenting and Demonstrating of Computer by Seller

Respondent	Statement			Total
	Persuading about the computer	Evaluating the uses and benefits	Choosing the most appropriate computer	
Seller	0	3	2	5
%	0	60	40	100

Source: Field Survey

The field survey was carried out the sellers' response on reasons of presenting and demonstrating the computer for customers. They reported that it is very difficult to push up the product without this process. They also said that it is the most essential process for customers for convincing the product. The table depicted that 3 sellers followed this process for evaluating the product uses and benefits and 2

sellers reported that this process helps the customer in choosing the most appropriate computer.

Table no. - 4.5.2.4

Using Practice on Meeting Customer Objections

Statement	No. of sellers and their percentage	
	No.	%
Telling them proper answers	2	40
Providing additional features	0	0
Negotiating price	2	40
Telling better than competitors	0	0
Providing facilities	1	20
Total	5	100

Source: Field Survey

The table no. -4.5.2.4 depicts that out of 5 sellers, 3 sellers were meeting the objections of customers by telling the proper answers which represents by 40% and 2 sellers by negotiating the price who are represents by 40% whereas 1 seller provided the facilities to customer. From the table, it can be concluded that sellers are treated customers objections with business policy.

Table no. - 4.5.2.5

Seller Responding on Negotiating Nature of Customers

Statement	No. of sellers and their percentage	
	No.	%
They never like	1	20
Seller always says high price	3	60
Believed on reasonable	1	20
Total	5	100

Source: Field Survey

In order to find out whether the customer negotiate or not while buying the personal computer. Sellers were asked to perceive their view in this regard. The responded obtained from them are:

1 seller reported that customer did not involve in negotiating because they never like and 1 seller believed on seller's price but remaining 3 sellers reported different view on that because customers perceived that sellers always says high price and over-charging. From above analysis, it can be concluded that 40% of the seller is easily selling and 60% of the sellers are negotiated with their customers while selling the personal computer.

Table no. - 4.5.2.6

Using Practice of Closing the Sale

Respondent	Statement				Total
	Providing accurate information	Showing selling skills	Sold out at lower price	Providing facilities	
Seller	1	1	0	3	5
%	20	20	0	60	100

Source: Field Survey.

As per the above table no.- 4.5.2.6 shows that 3 sellers are providing facilities to the buyers when closing the sale. 1 seller shows the selling skills. In the same way, 1 seller is providing accurate information. From the analysis, it is seemed that 60% of sellers are providing facilities in relevant to personal computer at the time of closing the sale and 20% of the sellers provided financial facilities and showing selling skills respectively.

Table no. - 4.5.2.7

Reasons of Follow-up the Customers

Respondents	Statement			Total
	Maintaining good relationship	Hoping to purchase again	Service and assistance essential after Post-sale	

Seller	2	0	3	5
%	40	0	60	100

Survey: Field Survey

The seller requested to mark the follow-up is necessary after closing the sale. The responses obtained from the seller are:
Among the 5 sellers, 3 sellers reported that follow-up the customers is important for servicing and assisting purpose whereas 2 sellers stressed that follow-up is necessary for maintaining the good relationship with customers. From the analysis, it can be said that 60% of the sellers follow-up the customers for servicing and assisting purpose and 40% follow-up for maintaining good relationship so that they can keep and touch with them.

Table no. - 4.5.2.8

Reasons for not Buying the Personal Computer

Respondents	Statement			Total
	Being expensive	Need high skills knowledge	Facilities not provided by seller	
Seller	1	3	1	5
%	20	60	20	100

Source: Field Survey

The survey was carried out in 5 sellers and 3 reported that customer denied for requiring the high skilled of knowledge for operating the personal computer.1 seller reported that they rejected to buy for being too much expensive and remaining one reported that facilities not provided by the seller. It is seemed that 60% of the buyers are not buying the personal computer for requiring the high skills of knowledge.

4.6 Major findings of the study

The major findings of the study as the outcome of the analysis and interpretation of the data are mentioned below.

- 4.6.1 The prominent buyers' age groups of the Jobholder are less than 25years and in between 25-35 years of the businessmen are the major buyers' age groups of the personal computer.
- 4.6.2 Majority of the jobholders and businessman having graduate cum post- graduate and intermediate are the educational background.
- 4.6.3 The most active group of the computers buyers are those who have monthly income of Rs.15,000-25,000.
- 4.6.4 The Chinese occupies 91% of personal computer in Nepalese market and 8% holds by the Nepalese brand in its own market.
- 4.6.5 73% of the buyers preferred Desktop computer since it is the cheapest and 27% of the buyers buying the Laptop.
- 4.6.6 Male represents the greatest number of computer buyers, which represents 77% in total.
- 4.6.7 Married groups are highly interested to purchase personal computer.
- 4.6.8 Most of the jobholders' profession is represented by NGO/INGO sector that holds the 36% and 54% of businessman represents by computer institute and cyber.
- 4.6.9 Most of the buyers specified the assembled computers because of inexpensive.
- 4.6.10 Majorities of the buyers are spending money on computer in between Rs. 20,000- Rs. 40,000.
- 4.6.11 Most of the buyers are very sensitive towards the price of computer since they preferred the cheapest ones.
- 4.6.12 Most of the buyers make their own choice to buy a personal computer.
- 4.6.13 A number of buyers are visiting the vendor shop more than thrice time to acquire information on brand, model, quality, and price.
- 4.6.14 Jobholders buying the personal computer for the purpose of personal use and family entertainment whereas businessman are buying the computer for the purpose of professional service and Internet surfing.
- 4.6.15 The buyers of the jobholders and businessman have given top priority to the saving of time and efficiency.

- 4.6.16 Most of the buyers are very happy with the friendly behavior of sellers.
- 4.6.17 Quality is the major criteria of the buyers while they are buying the personal computer.
- 4.6.18 Reasonable price is the prime factor to choose the vendor shop.
- 4.6.19 Most of the buyers of jobholder and businessman enjoyed the offers of warranty as high as they can.
- 4.6.20 Buyers emphasis on exchanging the computer with adding extra money when they disposed.
- 4.6.21 A large number of buyers are satisfied with personal computer since they feel to use computer as a easy machine.
- 4.6.22 The major buyers of the personal computer is businessman and then after jobholders in the eyes of sellers.
- 4.6.23 Technically better competence is the main features of the personal computer.
- 4.6.24 Sellers are choosing print as well as electronic media to disseminate information to the customers.
- 4.6.25 Advertisement is the effective tools for creating awareness on personal computer.
- 4.6.26 Sellers are using their promotional strategy when the competition is top most in the market.
- 4.6.27 The sales volume is increased annually by 20%-40% due to the effects of sales promotional activities.
- 4.6.28 Sellers are greeting customers by speaking politely.
- 4.6.29 Sellers are identifying the customers' problem by asking the questions.
- 4.6.30 Most of the Sellers are presenting and demonstrating the computer to customers for evaluating the product uses and benefits.
- 4.6.31 Most of the sellers are meeting customers' objection by providing accurate in formations.

- 4.6.32 Most of the buyers involved in negotiations because of seller always say high price and over-charging.
- 4.6.33 Most of the sellers are providing the facilities at the time of closing the sale.
- 4.6.34 Majority of the sellers' follow-up the customers for servicing and assisting purpose.
- 4.6.35 Lack of high skilled knowledge to operate personal computer is the main reason behind not buying the computer by customers.

CHAPTER –V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The marketing mix elements always considered the consumer is the principal components among all. To understand the market, every marketer has to understand the consumer and their behavior because markets totally depend on the consumer and their behavior. So, the business firm or Manufacture Company must understand the buying pattern of consumer behavior. The task of understanding consumer buying is not easy since they exhibited various kinds of behavior at different times. The marketers should attempts to conduct research work on consumer behavior on a regular basis.

Therefore, the attempt has been made in this research work to study the buying behavior of the consumers in relating to personal computer. Buyers are using the personal computer because of easy to work. It saves time and increased efficiency is the most advantage factor for buyers to use and buying. They can do different works on the computer at the same time. It is not only convenient, also more efficient and faster than manual work. So, it is attracted to the buyers to use this machine. Personal computers are being used in every aspects of today's life and its uses are accruing day by day in Pokhara, too. Buyers are showing the different character during the buying period and sellers are persuading them to buy the product at the same time. Without understanding the buyers needs and wants sellers could never sell the products. So, buyers buying behaviors of personal computer is considered the key concerned of this study. There are different types of buyers in Pokhara, only two kinds of buyers are considered i .e. jobholders and businessmen. The underlying objectives of the study are:. to analyze the brand preference, purpose and reasons of buying personal computer used by buyers of jobholders and businessman, to ascertain important factors affecting to the buying behavior of personal computer, to assess decision made by buyers while choosing and buying the personal computer, to assess the buyers dispose the chosen brand of personal

computer after its use, to analyze the buying promotional activities effect to brand choice of personal computer in Pokhara, to assess how the personal computer sellers helping to the buyer for choosing and buying the needed brand.

To fulfill these objectives, the researcher had conducted a questionnaire survey. The survey covered 100 respondents who included 50 jobholders and 50 businessmen. After survey, each questionnaire was checked through and data presented into table as per relevance of the study. The data analysis and interpretation were carried out at finally with keeping close eye on objectives of the study.

5.2 Conclusions

Various conclusions are derived from this research study. The major conclusions in reference to the prescribed problems are mentioned below.

Most of the buyers specified the assembled computers since they obtained them in their quality as well as in reasonable price. They made their own choice to buy a personal computer before buying the computers but others also influence them.

A number of buyers are visiting the vendor shop in order to obtain information on brand, model, quality, and price since personal computer is being a high involvement product. Buyers considered that quality is the major criteria for choosing the personal computer.

Jobholders are buying the personal computer for the purpose of personal use and entertainment, whereas businessman is buying the computer for the purpose of professional service and Internet surfing.

The buyers of the jobholders and businessman have given top priority to the saving time and efficiency because they feel that computer is an easy machine to use. Therefore, they are satisfied with their personal computer.

Most of the buyers are very happy with the friendly behavior of sellers. The customers are always appetites for receiving the good behavior by sellers.

Sellers are greetings to customers by speaking politely and ask problems to customers. While they are dealing with their customers, most of the buyers are came

from the groups of businessmen, but they provided the services to the customers on the basis of first come first services principles.

Personal computer has carried different features, which motivate the customers to buy. Technically better competence is the main features of the personal computer in the view of buyers and seller while buying and selling. After using the computers they preferred to exchange with adding extra money at the time of disposing.

Sellers are choosing print as well as electronic media to disseminate information to the customers. By their own experience advertisement is the effective tools for creating awareness on personal computer. Sellers are also using their promotional strategy when the competition is topmost in the market. They provide warranty as a promotional tool to customers. Due to the effects of sales promotional activities, the sales volume is increased annually by 20%-40%.

Sellers are used different kinds of techniques to convince and motivate the customers for buying the computer, but Lack of high skilled knowledge to operate personal computer is the main reasons behind not buying the computer by customers.

5.3 Recommendations

On the basis of findings and conclusions, the following arguments are recommended to solve the specified problems.

5.3.1 Majorities of the buyer ages are belongs to below 25. Therefore, it is suggested to the marketers that they should be drawn the attention of that range group customers since they preferred the computers most. They should not ignore the others age s group.

5.3.2 With regard to brand, the most of the both buyers purchase the assembled. Therefore, it is suggested that to the marketers of the product that they should produce these items since they preferred most by cheap price.

- 5.3.3 Quality, price, model and availability of the computer are seen to be decisive factors regarding the choice of particular computer. So, it is suggested to the marketers to sell the quality product, latest model at reasonable price.
- 5.3.4 As regards the sex of the buyers, a large number of male buyers are highly associated but female involvement is seen in a few numbers as a users/buyers. Therefore, it is suggested to the marketers to hold the attention of female buyers by offering to the promotional scheme.
- 5.3.5 Since, most of the computer buyers are educated. So that the marketers are suggested to give proper attention to upgrade information about quality, model, brand and price of the computers in each interval of time.
- 5.3.6 They are recommended to target middle level income group since they prefer most of the computers.
- 5.3.7 In regards to disposing of computer, most of the buyers seek to exchange computer with new ones with adding extra money .So, the marketers are recommended to include such kinds of promotional schemes in the future strategy.
- 5.3.8 Marketers are suggested to give warranty and cash discount offer while they are selling the personal computer.
- 5.3.9 Sellers are recommended to show friendly behave as preferred by most of the buyers.
- 5.3.10 The marketers are suggested to apply promotional strategy at the stage of top most competition between the competitors.
- 5.3.11 Marketers are suggested to enhance reputation of sellers.
- 5.3.12 Most of the buyers involved in negotiation because of seller always say high price. Therefore, it is recommended to the sellers should be adopt the fixed price policy and stand in a business ethic.
- 5.3.13 Most of the buyers are satisfied with the personal computer. So, it is suggested to the marketers that they should care to maintain quality product.

5.3.14 It is recommended to carry out further research to find out the other relevant facts regarding personal computer brand and buying process of consumers by taking a large sample.

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Appendices:

Appendix-A

QUESTIONNAIRE FOR CONSUMERS

I am a student of Master degree in Business Studies (MBS), P.N. Campus, and Pokhara. I am conducting a research on 'Consumers Buying Behavior on Choice of Computer Brand in Pokhara valley'. This study is carrying out for academic purpose to fulfill the partial requirement of Master Degree. I assure that all the provided information will be kept completely confidential and will be used for the study purpose only.

1. Do you own a personal computer?

Yes () No ()

2. If yes, which brand do you own?

- | | | | |
|---------------|-----|---------------------------|-----|
| a. Compaq | () | b. IBM | () |
| c. Dell | () | d. Hewlett Packard (H.P.) | () |
| e. Fujitsu | () | f. Wipro | () |
| g. Acer | () | h. Macintosh | () |
| i. Apple | () | j. Gateway | () |
| k. Toshiba | () | l. Zenith | () |
| m. Mercantile | () | n. Assembled | () |

if any other (Please specify).....

3. How much have you spent on your personal computer? Please tick in the one box.

- | | | | |
|--------------------------|-----|--------------------------|-----|
| a. less than Rs. 30,000 | () | b. Rs. 30,000-Rs. 40,000 | () |
| c. Rs. 40,000-Rs. 50,000 | () | d. Rs. 50,000-Rs. 60,000 | () |
| e. Rs. 60,000-Rs. 70,000 | () | f. Rs. 70,000- above | () |

4. What is the purpose of buying the personal computer?

- a. Personal use and entertainment ()

- b. Family use ()
- c. Internet surfing ()
- d. Social status ()
- e. Professional service ()

5. To what extent following factors influenced you to buy the personal computer?
Please rank them minimum for 1 and maximum for 3.

Influenced factor	Minimum	Average	Maximum
	1	2	3
a. Self			
b. Spouse			
c. Friends			
d. Advertisement			
e. Buying incentives			
f. Relatives			

6. Why did you buy a personal computer? Please rank them considering their importance from the most to the least important i.e. 1-4.

- a. Saves time. ()
- b. Data can be stored and retrieved quickly. ()
- c. Processing of a task can be done efficiently. ()
- d. Communication can be established through it. ()
- e. If any others (Please specify).....

7. How often did you visit a shop to acquire information on brand, model, price, and quality before buying the personal computer? (Please tick in one option)

- a. Once () b. Twice ()
- c. Thrice () d. More than thrice ()

8. How did the sellers behave you on providing information in regarding of buying the personal computer? Please tick in one option.

- a. Badly () b. Friendly ()

c. Gently ()

9. What were your criteria while buying the personal computer? Please rank in order of relative importance i.e. 1-8.

a. Price ()

b. Quality ()

c. Model ()

d. Availability of the computer ()

e. Manufacturers' goodwill ()

f. Service after sales ()

g. Buying incentives ()

h. Design/Style ()

10. What offers did you deserve from the seller? Please tick in one box.

a. Price/cash discount () b. Coupon ()

c. Free gifts () d. Warranty /Guarantee ()

e. Financing facilities () f. if any please specify

11. Who participated in the buying decision? Please tick in one box.

a. Self ()

b. Spouse ()

c. in consultation with friends ()

d. in consultation with family ()

e. in consultation with sellers/ dealers ()

12. How are you planning to dispose the chosen personal computer in the end?

Please tick in one box.

a. Stored in the store ()

b. Sold out at lower price ()

c. Gifted to somebody ()

d. Exchanged with a new one with adding extra money ()

e. Thrown it away ()

f. buy new ones ()

13. Were you satisfied with your branded computer?

- a. Yes () b. No ()

If yes, how did you get satisfaction? Please tick in one statement.

- a. It worked properly until its end of life ()
b. Easy to work ()
c. It fulfilled my requirements ()

If no,

- a. It did not work properly ()
b. It had taken too much maintenance cost ()
c. Difficult to work ()

14. Which of your age category you would prefer to specify given in below?

- a. less than 25 Years () b. 25-35 years ()
c. 35-45 years () d. 45 and above ()

15. Why do you choosing the particular seller? Please tick in one box.

- a. Reasonable price ()
b. Financial facilities ()
c. Easy to access ()
d. Reputed seller ()
e. Impact of advertising and promotion. ()

16. What is your profession?

a. Jobholder

1. Doctor ()
2. Engineer ()
3. Teacher/Lecturer ()
4. Civil servant ()
5. NGO/INGO ()

b. Businessman

1. Computer institute owner ()
2. Fancy owner ()
3. Hotel owner ()
4. Departmental store owner ()
5. Others.....

17. Which of this category you would prefer to specify for educational background?

- a. S.L.C. or below () b. Intermediate or 10+ 2 ()

c. Graduate /Post Graduate ()

18. Which of the following categories best describes your income level per month?

- a. Less than 15,000 () b. 15,000-25,000 ()
c. 25,000 and above ()

19. Respondent's profile:

- a. Name (optional):-
b. Age:-
c. Sex:- Male () Female ()
d. Marital status: Married () Unmarried ()
e. Phone no:-
f. Address:-

Appendix-B

QUESTIONNAIRE FOR SELLERS

I am a student of Master degree in Business Studies (MBS), P.N. Campus, Pokhara.

I am conducting a research on 'Consumers Buying Behavior on Computer Brand Choice in Pokhara valley'. This study is carrying out for academic purpose to fulfill the partial requirement of Master Degree. I assure that all provided information will be kept completely confidential and will be used for the study purpose only.

1. Please name the brand that you are dealing with:
 - a. Brand:
 - b. Model:
 - c. Made in :

2. Who are your major customers?
 - a. Businessman ()
 - b. Jobholders ()
 - c. If any others (Please specify)...

3. What are the important features on your personal computer? Please choose one option.
 - a. Technically better in competence ()
 - b. Price ()
 - c. Model ()
 - d. Design/Style ()
 - e. Service after sales ()
 - f. Warranty ()
 - g. If any (Please specify)...

4. Does your brand have promotional schemes?
 - a. Yes ()
 - b. No ()

If yes, please choose the promotional schemes that you are using:

9. What is the effect of your promotional activities on sales?

The sales increased in a year by (please choose one option):

- a. 1-10 % () b. 10-20 % () c. 20-30 % ()
d. 30-40 % () e. 40 % and above ()

10. How would you open and make good relationship with your customers? Please choose one statement.

- a. Open with a smile ()
b. Handshake ()
c. Speak politely ()
d. Showing the good manner ()

11. How would you identify the customer needs and wants? Please choose one option.

- a. Expressing customers needs by themselves ()
b. By questioning to customer ()

12. Why do you need to present and demonstrate the computer to your the customers? Please choose one option.

- a. To persuade about the computer ()
b. To evaluate the uses and benefits ()
c. To choose the most appropriate computer ()

13. How would you meet your customer objections? Please choose one statement.

- a. By telling them proper answers. ()
b. By providing additional features of computer ()
c. By negotiating in a price ()
d. By telling technically better than competitors ()
e. By providing facilities to customers. ()

14. Did the customers negotiate while they were buying the personal computer? Please choose one option.

- a. They never like negotiate ()
b. Because the seller always says high price ()
c. Believed on reasonable price ()

15. How would you convert the prospecting customer into a real customer? Please tick in one box.

- a. Providing accurate information. ()
- b. By showing selling skills. ()
- c. Sold out at lower price. ()
- d. Providing facilities ()

16. Why do you follow-up the customer after closing the sale? Please choose one option.

- a. To maintain good relationship. ()
- b. Hoping to purchase again ()
- c. Service and assistance essential after post-sale ()

17. Would you ever ask customers for the reasons behind not buying the P.C.?

Please tick in one box.

- a. Being expensive ()
- b. Need high skills knowledge ()
- c. Facilities not provided by seller ()

18. Would you please specify the total no. of buyers that they bought from your shop since establishment to now?

.....

19. Seller's profile:

- a. Firm's name:
- b. Proprietor name:
- c. Phone no.:
- d. Address:
- e. Date of operation: -

Appendix-C

Calculation of average age of the respondents:

Let, f= frequency (no. of respondents)

X = mid point of age groups

\bar{X} = Average age of respondents

Age groups in yrs	No. of respondents	Mid point (X)	fX
Less than 25	47	20	940
25-35	41	30	1230
35-45	10	40	400
45 and above	2	50	100
Total	N=100		$\Sigma fX=2670$

$$\text{Mean } (\bar{X}) = \sum \frac{fx}{N}$$

$$= 2670/100$$

$$= 26.70$$

$$\cong 27$$

\therefore Average age of respondent is 27Years.

Appendix-D

Calculation of monthly income of the respondents:

Let, f=frequency of monthly income of respondents

X = Mid-point of age groups

\bar{X} = Average monthly income of respondents

Income level	No. of respondents	Mid-points	fX
Less than 15,000	48	10,000	480,000
15,000-25,000	40	20,000	800,000
Above 25,000	12	30,000	360,000
Total	N100		$\Sigma fX= 1640,000$

$$\text{Mean } (\bar{X}) = \sum \frac{fx}{N}$$

$$= 1,640,000/100$$

$$=16400$$

\therefore Average monthly income of respondent is Rs. 16,400.00

Appendix-E

Response of Jobholders and Business buyers on reasons of buying the personal computer.

Reasons	Rank wise numbers of responses						Weighted value	Mean value	Overall rank
		1	2	3	4	Total			
a. Saves time	Jobholders	33	12	5	0	50	72	1.44	1
	Businessman	22	16	7	5	50	95	1.90	1
	Total	55	28	12	5	100	167	1.67	1
b. Data stored	Jobholders	12	29	9	0	50	97	1.94	2
	Businessman	9	23	16	2	50	111	2.22	2
	Total	21	52	25	2	100	208	2.08	2
c. Processing task	Jobholders	5	6	32	7	50	141	2.82	3
	Businessman	12	10	24	4	50	120	2.40	3
	Total	17	16	56	11	100	261	2.61	3
d. Communication	Jobholders	1	2	4	43	50	189	3.78	4
	Businessman	7	3	1	39	50	172	3.44	4
	Total	8	5	5	82	100	361	3.61	4

Appendix- F

Calculation of Spearman's rank coefficient (r_s) between the opinion of Jobholder and Business buyers on reasons of buying personal computer.

Let,

R_1 = Rank assigned by Jobholders

R_2 = Rank assigned by business

r_s = Rank correlation coefficient between the variables R_1 and R_2

d = Difference between the ranks of the corresponding values of R_1 and R_2

n = numbers of pairs of ranks

Factors (in Q.N. 9)	R_1	R_2	$R_1 - R_2 = d$	D^2
a.	1	1	0	0
b.	2	2	0	0
c.	3	3	0	0
d.	4	4	0	0
				$\sum D^2 = 0$

$$\text{We have, } r_s = 1 - \frac{6 \sum D^2}{N(N^2 - 1)}$$

$$= 1 - \frac{6 \times 0}{4(4^2 - 1)}$$

$$= 1 - 0$$

$$= 1$$

$$\therefore r_s = + 1$$

Appendix-G

Responses of Jobholders and Business buyers on various factor and their relative importance for buying personal computer.

Criteria	Respondents	Rank wise numbers of responses											
		1	2	3	4	5	6	7	8	Total	Weighted value	Mean value	Over-all rank
a. Price	Jobholder	13	18	17	2	0	0	0	0	50	108	2.16	2
	Businessman	8	17	19	5	1	0	0	0	50	124	2.48	2
	Total	21	35	36	7	1	0	0	0	100	232	2.32	2
b. Quality	Jobholder	33	12	3	2	0	0	0	0	50	74	1.48	1
	Businessman	35	11	2	1	0	1	0	0	50	73	1.46	1
	Total	68	23	5	3	0	1	0	0	100	147	1.47	1
c. Model	Jobholder	0	15	25	7	2	1	0	0	50	149	2.98	3
	Businessman	0	17	20	7	4	2	0	0	50	154	3.08	3
	Total	0	32	45	14	6	3	0	0	100	303	3.03	3
d. Availabilty of computer	Jobholder	0	0	2	7	21	14	3	3	50	268	5.36	5
	Businessman	1	1	3	12	17	9	6	1	50	249	4.98	4
	Total	1	1	5	19	38	23	9	4	100	517	5.17	5
e. Mfg. goodwill	Jobholder	2	4	3	13	9	15	2	2	50	236	4.72	4
	Businessman	4	0	4	10	9	12	7	4	50	254	5.08	5
	Total	6	4	12	23	18	27	9	6	100	490	4.90	5
f. Service after sales	Jobholder	0	0	0	2	4	7	25	12	50	341	6.82	7
	Businessman	0	0	0	5	4	7	25	9	50	329	6.58	7
	Total	0	0	0	7	8	14	50	21	100	670	6.70	8
g. Buying incentives	Jobholder	0	0	2	2	3	5	15	23	50	348	6.96	8
	Businessman	1	0	0	0	4	9	10	26	50	353	7.06	8
	Total	1	0	2	2	7	14	25	49	100	701	7.01	8

h. Design/ Style	Jobholder	1	0	1	16	11	7	3	11	50	274	5.48	6
	Businessman	0	0	4	10	10	13	4	9	50	280	5.60	6
	Total	1	0	5	26	21	20	7	20	100	554	5.54	6

Appendix- H

Calculation of Spearman's rank coefficient (r_s) between the opinion of Jobholder and Business buyers on relative importance of various factors for choice of personal computer.

Let,

R_1 = Rank assigned by Jobholders

R_2 = Rank assigned by business

r_s = Rank correlation coefficient between the variables R_1 and R_2

d = Difference between the ranks of the corresponding values of R_1 and R_2

n = numbers of pairs of ranks

Factors (in Q.N. 9)	R_1	R_2	$R_1 - R_2 = d$	D^2
a.	2	2	0	0
b.	1	1	0	0
c.	3	3	0	0
d.	5	4	1	1
e.	4	5	-1	1
f.	7	7	0	0
g.	8	8	0	0
h.	6	6	0	0
				$\sum D^2 = 2$

$$\begin{aligned}
\text{We have, } r_s &= 1 - \frac{6 \sum D^2}{N(N^2 - 1)} \\
&= 1 - \frac{6 \times 4}{8(8^2 - 1)} \\
&= 1 - 0.05 \\
&= 0.95 \\
\therefore r_s &= + 0.95
\end{aligned}$$

Appendix-I

Details of seller available in Pokhara

S. N.	Firm's name	Address	Phone no.	Running since
1	Mir computer Pvt.Ltd.	Siddhartha chowk-4	061-530931	2057
2.	Star Trade Concerned	Mahendrapool-4	061-520997	2064
3	PC World	Nayabazar-9	061-522862	2063
4	Pandey Computer Centre	Newroad-9	061-535498	2062
5	Himalayan office Automation	Newroad-9	061-525300	2049