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Brand Response of Cell-phone Users in Nepal: A Strategic Perspective

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Abstract : *In view of the rapidly expanding cell-phone market, the authors inquired into buyer brand behaviour to draw important inputs for strategies in Nepal. By researching into 140 buyers selected through a cluster sampling technique for four recent months, the study has sought to examine buyer response (preference and loyalty) towards established global brands (EGBs) and emerging Chinese brands in Nepali cell-phone market, a 4-billion rupees business. The study has inferred that brand loyalty is almost non-existent while Nepali buyers have shown extremely high preference for Nokia, an established global brand. Price and efficiency are the key factors behind buyers' brand selection while new technology and features most influenced cell-phone purchase decisions. The authors suggested strategies not only of advertising and brand promotion but also of brand-tracking on critical KPIs (key performance indicators) of the brand, and benchmarking.*

I. INTRODUCTION

Established global brands (EGBs) have long been ruling the market-roost of cell phones, one of the key symbols of modern lifestyle in this age of information and communication. A cellular phone or mobile cell phone is a type of wireless communication and a modified version of wire telecommunication. With its transformation from an aristocrat's gadget to a commoner's shopping goods in recent years, cell-phones have gone into widespread use in the society. For a few decades now, the use of cell-phones has taken deep roots into Nepali society, creating new markets for the telecom products. Nepal Telecom Authority, the Government regulatory body, has put the cell-phone buyer base at 6.5 million users that is ever widening and its market ever-expanding.

There have been global brands like Nokia, Samsung, and Philips in the market since

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the time Nepal has entered into the cell-phone user community. In the recent years, the market has also been flooded with unknown and little known Chinese brands, offering Nepali users a new alternative to fulfil their hi-tech telecom needs.

Whereas EGBs of cell-phones are known to have a unique set of features identity, Chinese brands are admittedly a mixed-mode-technology replica of most global brands, and usually offer no warranty of quality to buyers, however. Chinese brands are also known for relatively cheaper price and more added facilities to the cell-phones. Between these brand categories are the Nepali buyers to show their brand preference and behaviours.

In view of the rapidly expanding cell-phone market fuelled by spiral growth of urbanisation and emergence of technology-savvy, consumerist society in the country; it is desirable to inquire into brand behaviour and preference of buyers so as to draw important inputs for brand strategies in the country vis-à-vis a large number of foreign brands that have hit the market with varying product attributes, features, and prices.

Hence, buyers' brand preference and behaviour towards two broad categories of brands— established global brands (EGBs) and Chinese brands— should form a relevant area of study. The study— in its backdrop of brand-tracking in the Nepali cell-phone market— can be extended to probe into the factors affecting buyer brand preference towards global and Chinese brands.

II. OBJECTIVES OF THE STUDY

The main objective of the study is to examine the buyers' brand preference and its driving forces in Nepali cell-phone market. In order to achieve the main objective, the following specific have been spelled out:

- To evaluate buyers' response towards different brands of cell-phones through brand-tracking in Nepali market;
- To assess buyers' preference of cell-phones by their demographic characteristics;
- To examine the buyers' loyalty towards cell-phone brands available in Nepali market;
- To identify the driving forces of cell-phone buyers' brand preference in Nepali market.

III. LITERATURE REVIEW

3.1 Conceptual Framework

Consumers recognise brand by building favourable attitude towards them and through the purchase decision process. Brand preference is understood as a measure of brand loyalty in which a consumer exercises his decision to choose a particular brand in presence of competing brand (Rajagopal, 2006). Previous research works have established that there is a close relationship between the brand image (concerning the emotional value) and brand attributes. This relationship in turn influences the consumer's response towards building brand loyalty (Silva and Alwi, 2006).

Therefore, it is relevant to delve into buyers' brand *preference* and *brand acceptance* of cell-phones which marketing managers identify as 'shopping goods.'

3.1.1 Brand and Brand Tracking

A brand is typically what identifies the goods or services of any group of seller(s) and distinguishes them from competitors; it is also a promise to the consumer what the goods, service, or firm stands for, and the experience consumers can get from it (Kotler, 2003). In essence, a brand name for a cell-phone is a goodwill experienced by a consumer, benefits and special features facilitated and the promises made.

Brand tracking is an essential marketing tool for leading brands, whether domestic or international. Periodic tracking provides important consumer insights and performance feedback in all areas of the marketing mix, including pricing, product development, promotion and distribution (Branding Insights, 2009).

The brand preference (PREF, i.e., preferred category brand) is largely driven by the brand dominance (TOM i.e., top-of-mind awareness) and the brand experience (CURR, i.e., current brand users). The brand preference was also highly correlated with the purchase intent (PI), propensity to buy (P_power) and the market potential (P-potential) [Ibid].

The brand dominance, or top-of-mind awareness (TOM), is reinforced through effective promotion and a consistent brand experience (Ibid). Thus, in the current study, buyers' brand behaviour is assessed around the five performance areas known as key performance indicators (KPIs): top-the-mind awareness (TOM); brand preference (preferred category brand); current brand experience; purchase intent/power; and market potential.

3.1.2 Brand Preference and Brand Equity

Buyers seek products that have attributes that will solve their problems and fulfils their needs (Mowen & Minor, 1998). Understanding why a consumer choose a product based upon its attributes helps marketers to understand why some consumers have preferences for certain Brands (Gwin & Gwin, 2003). Both tangible and intangible attributes of a product are equally important in choosing a product or brand (Myers, 2003).

Brands that consumers believe offer superior value are most preferred brands chosen often (Myers, 2003). Brands with higher equity resulted in greater preferences and high market shares. Price is another form of attribute used by consumers to evaluate a product. Price can sometimes be an indicator of quality; with a higher price indicating higher quality (Mowen & Minor, 1998; Siu & Wong, 2002).

Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name (Alawadi et al., 2003). At the root of these marketing effects is consumers' knowledge. In other words, consumers' knowledge about a brand makes manufacturers/ advertisers respond differently or adopt appropriately adept measures for the marketing of the brand (Keller 1993, Lassar 1995). The study of brand equity is increasingly popular as some marketing researchers have concluded that brands are one of the most valuable assets that a company has (Neumeier, 2006). Brand equity is one of the factors which can increase the financial value of a brand to the brand owner, although not the only one.

Research shows that brand equity has a direct effect on loyalty intentions and mediates the effects of quality and satisfaction on intentions to various degrees (Selnes 1993). Keller (1993) described two approaches to measuring brand equity: indirectly through brand knowledge (brand awareness and image) and directly through the impact of brand knowledge on buyer responses (i.e., brand preference and loyalty). This study has considered key elements of both approaches in the context of brand tracking studies.

3.2 Review of Related Studies

By virtue of the expansion of use of mobile-phones across the world, users' brand preference and behaviours have become the issues of researcher interest. Such studies from different parts of the world are discussed in the following paragraphs.

3.2.1 Indian studies

The survey of Naral et al (2009) on 250 respondents from seven clusters including employees (60), students (86), government servants (22), professionals (17) and businesspeople (55) and other occupation people (10) in Solapur City of India discovered Nokia as the most preferred brand (60 percent preference). Nokia was followed by Samsung, Sony Ericsson, LG and Motorola. Brand image (33 percent)— followed by product features (29 percent)— is the strongest factor in deciding purchase of cell-phone brand; while opinions of kith and kin (friends and family) are the most influencing external stimulus.

In another Indian study carried out in the city of Ghaziabad covering 250 students of graduate and post graduate levels selected through random sampling method, Sharma (2008) also reiterated that Indian consumers brand behaviour inclined towards Nokia. In making purchase decision, appearance, price, brand Image and advertisement were the influential factors.

3.2.2 Asian/Chinese studies

A regular period research of Market Beat Research (2009) in Asian and Chinese cities came up discovering Nokia as the most preferred brand (58 percent) while Samsung trailed with 15 percent preference of respondents. The Chinese study's finding on brand preference behaviour complied with the Indian studies also. Those apart, Chinese brands enjoyed only less than 4 percent brand preference. Brand loyalty was reported to exist at the highest level among users of Nokia, Samsung and Motorola.

These findings open up avenues to further investigate into brand preference behaviours of Nepali buyers also.

In regard to the brand behaviour aspect, the research showed a strong correlation between the brand preference (PREF)— the brand awareness (TOM) and the current brand user (CURR) measures. The results evinced that effective advertising (share-of-voice) could reinforce or contradict the brand experience and, to an extent, even "substitute" for it. Because of scale economies in advertising the less dominant brands (by market share) may find the brand experience a more cost-effective strategy to build their brand preference and purchase intent (PI).

Table 1: Matrix Exhibiting Methodologies and Findings of Related Studies

Studies	*Countries*	*Methodology and Sampling*	*Findings*			
			Order of Brand preference	*External Forces: Factors affecting buying decision/ behaviour*	*Internal Forces: Factors affecting brand preference*	*Brand loyalty behaviour*
Sharma (2008)	India	250 randomly sampled from graduate and post graduate students in Ghaziabad, India	Nokia Samsung SonyEricsson LG Motorola	Appearance, price, brand Image, advertisement	Family income, Multimedia in mobile phone	
Naral et al. (2009)	India	250 respondents chosen through random sampling clustered by their occupations	Nokia Samsung SonyEricsson LG Motorola	Brand image, features, advertisement	Recommendation by others, Battery backup, Multimedia facility	No brand loyalty found
Market Beat Research (2009)	China and South-east Asian nations	Population in 10 capital cities of Asia (including Chinese and other major cities of South-East Asian nations)	Nokia Samsung Motorola Apple SonyEricsson Chinese LG	Advertisement, Brand image		

That apart, German study on cell-phone brand loyalty also identified technology as the key influential factor (Johnson et al., 2006). As the technology becomes accepted, other forms of differentiation, such as design and colours become increasingly important (Ibid). The brand trust and image is translated by a brand preference (Bouhlel et al., 2009) and positive brand attitude [Fournier, 1997; Morgan, 1994]. Bouhlel et al. (2009) study had empirically examined the brand personality of mobile phones in Tunisia (North Africa) on 380 respondents selected through convenience sampling.

Regarding the factors influencing the buyer brand behaviour, studies (including Naral et al, 2009) used price, brand-features, after-sale service, durability, easy operation, stylishness, weight, battery back-up, and recommendations by others. The current study has also examined these factors on Nepalese buyers' brand behaviour.

IV. RESEARCH APPROACH AND METHODOLOGY

The present study has adopted a Descriptive and Analytical Research Design to examine the cell-phone users' brand preference and behaviour in Nepali market. Accordingly, the study is based on the Survey Method to collect data on brand preference, loyalty and other behaviours amongst the different clusters of cell-phone users.

The study is based on primary data collected from cell-phone users from different walks of life during the four-month survey conducted from December 2009 to March 2010. The study has considered the current cell-phone users as its population that number around 6.5 million (NTA, 2009). Since it is not feasible to survey into the population spread across the country during the short-term research, the study has encompassed a sample chosen through the cluster sampling technique for assessing the brand preference and behaviours of cell-phone users.

Out of the 180 respondents administered during the study, the response from 140 respondents was usable; it has posted 78 per cent response, a satisfactory success-rate.

The sample units were drawn from cell-phone users in the Kathmandu Valley that covers five cities and dozens of villages in the suburbs and beyond. Choosing the capital Valley for the survey is justified in terms of the highest concentration of mobile-phone user population in the Valley vis-à-vis other parts of the country (NTA, 2009). Many of the respondents surveyed have represented other geographic areas of Nepal also, even though they are currently living in the Valley.

The samples have been drawn from four clusters of cell phone users based on their occupations, namely: a) students, b) white collar employees c) blue collar employees, and d) other occupation people.

The student cluster consisted of those from different university colleges and plus-two schools in the Kathmandu Valley, while that of white collar employees covered those whose jobs are more of decision-making and executing than manual nature, in private and public sector organisations. They included teachers, media persons, entrepreneurs and office staff members.

Those employees who perform menial and technical jobs rather than decision-making one were placed into the cluster of blue collar employees; it included hawkers of newspapers and magazine, factory and printing press workers, carriers and machine operators. The '*others*' cluster involved respondents like brokers, freelance lawyers, small vendors and those belonging to other unidentified occupations.

However, in absence of the information on the exact size of each cluster, the study has not adopted the proportional to size (PS) method to draw a definite number of samples from each cluster.

In regard to Sample Brands, the study has selected five most popular brands of cell-phones (viz., *Nokia, SonyEricsson, Motorola, Samsung* and *LG*) and an open category of Chinese brands.

Questionnaire method was used to collect the data for the study. A pre-set questionnaire was pre-tested on potential respondents to ensure the questionnaire effectiveness. By making necessary improvements, the final questionnaires were devised and administered on the respondents. To ensure valid and reliable response, the study administered in person the questionnaire at places where respondents would generally feel free to respond.

The study has made use of chi-square tests and percentage analysis, *inter-alia*, to investigate into the buyer brand preference and behaviour in Nepali cell-phone market.

V. DATA ANALYSIS AND FINDINGS

The study has presented and analysed the data by different demographic aspects on key marketing dimensions (including brand preference and loyalty) to draw answers to research questions and objectives.

5.1 Brand Response

The data analysis showed that users' response or preference was spread across different brands of cell-phone mobiles available in the market. Remarkably though, cell-phone users in Nepali market have shown their major brand response (preferred by 55 percent) for Nokia, an established global brand (EGB). The finding is also in consonance with the Indian (Sharma, 2008; Naral et al, 2009) and Asian/Chinese (2009) survey.

Table 2: Brand Preference of Cell-phone Users

Brands	Frequency	Percentage
Nokia	79	55
Chinese brands	19	14
SonyEricsson	14	10
Motorola	8	6
Samsung	7	4
LG	5	3
Other EGBs	8	6
Total	140	100

Source : Survey, 2010

However, Chinese cell-phones have emerged as the second most preferred brand (14 percent), by surmounting other EGBs like SonyEricsson (10 percent), Motorola (6 percent), Samsung and LG.

To facilitate the cross tabulated analysis of brand preference by age, education, gender and other demographic factors in the following paragraphs, the cell-phone brands have been regrouped into three categories of a) Chinese brands, b) Nokia and c) Other established global brands (EGBs).

For the purpose of χ^2 test on the relationship between buyers' brand preference and their demographic aspects, the following hypotheses have been set:

H_0: There is no significant difference between buyers' brand preference and their age, gender, occupation and education

H_1: There is significant difference between buyers' brand response and their age, gender, occupation and education

5.1.1 Age-wise Brand Response

To analyse consumers' brand response by their age, the age groups have been re-categorised into two broad classes: a) 30 years and below b) 31 years and above.

Table 3: Age-wise Brand Response

Age groups	Chinese brands	Nokia brand	Other EGBs	Total
30 years and below	15 *(15%)* 80%	57 *(56%)* *71%*	30 *(29%)* 73%	102 *(100%)* *73%*
31 years and above	4 *(10%)* 20%	23 *(61%)* *29%*	11 *(29%)* *27%*	38 *(100%)* *27%*
Total	19	80	41	140

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 0.4661
Degree of Freedom [(No. rows -1) x (No. of columns-1)] = 2
Tabulated value at degree of freedom 2 at 0.05 level = 5.99148

Calculated value < Tabulated value of χ^2
Null hypothesis, H_0, is accepted

Note: The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

Half (56 percent) of the Nepali buyers aged 30 years and below showed brand preference for Nokia while three in every five buyers aged 31 and above preferred (61 percent) the leading global brand. Nokia remained the most preferred brand for both age groups.

Likewise, 29 percent of respondents each belonging to the both age groups preferred the EGBs in Nepali market.

Brand response by age, those preferring Chinese brand are mostly aged 30 years and below. It indicated that buyers from the young age category (80 percent) preferred the Chinese brand as against relatively older ones. In every 10 buyers responding Nokia brand, at least 7 consumers would belong to 30 years or below; only 29 percent of Nokia users would be aged 31 and above. In all brand categories, the proportion of young users is relatively high as the survey was administered on a selected sample which ended up including a larger number (73 percent) of young respondents.

5.1.2 Gender-wise Brand Response

The study also delved into the buyers' gender-influence in their response across Chinese brands, Nokia and other EGBs.

Table 4: Gender-wise Brand Preference

Statement	Chinese Brands	Nokia brand	Other EGBs	Total
Male	11 (13 %) 58%	54 (63 %) 69%	21 (24 %) 49%	86 (100 %)
Female	8 (15 %) 42%	24 (44 %) 31%	22 (41 %) 51%	54 (100 %)
Total	19 (100%)	78 (100%)	43 (100%)	140

Calculated chi-square (χ^2) value [sum of (O-E) ^{2}/E] = 4.9901
Degree of Freedom [(No. rows -1) x (No. of columns-1)] = 2
Tabulated value at degree of freedom 2 at 0.05 level = 5.99148

Calculated value < Tabulated value of χ^2
Therefore, null hypothesis (H_0) is accepted

Note: The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

Both male and female consumers showed their highest brand response for Nokia. Among the Nokia users, 69 percent were male and 31 percent female. Interestingly, female buyers are almost equally inclined towards other established global brands (41 percent) and Nokia (44 percent). Furthermore, those preferring EGBs, 51 percent users are female.

5.1.3 Cluster/Occupation-wise Brand Preference/Response

To analyse brand preference of buyers, their occupations were broadly categorised into 'white-collar employees' and 'non-white collar employees' [blue-collar (manual) employees, students and other occupation people].

While brand response for Nokia is highest in both occupation clusters, the response/ preference is higher (61 percent) amongst the white-collar employees against 52 percent among non white-collar employees and students. Contrary to it, more students and non-white collar employees preferred Chinese brands than white collar workers did. Of those preferring Chinese brands, three in every five buyers are non-white collar staff and students.

Table 5: Cluster\ Occupation wise Brand preference

Statement	Chinese brands	Nokia brand	Other EGBs	Total
White-collar employees	8 (11%) 41%	46 (61%) 58%	22 (28%) 53%	76 (100%) 54%
Non-white collar employees and students	11 (17%) 59%	33 (52%) 42%	20 (31%) 47%	64 (100%) 46%
Total	19	79	42	140

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 1.6348
Degree of Freedom [(no. rows -1) x (no. of columns-1)] = 2
Tabulated value at degree of freedom 2 at 0.05 level = 5.99148

Calculated value < Tabulated value of χ^2
Therefore, null hypothesis (H_0) is accepted

5.1.4 Education-wise Brand Response

Basing the taxonomy of cell-phone buyers on bachelor (graduate) level education, more than half (58 percent) of the graduates preferred Nokia while only one fourth of them (26 percent) showed brand response for other EGBs. Least of the graduates responded to Chinese brands.

The proportion of brand response came similar to the buyers with undergraduate level education and below also. Half of them responded with preference to Nokia followed by other EGBs and Chinese brands.

Table 6: Education-wise Brand Preference

Statement	Chinese brands	Nokia brand	Other EGBs	Total
Buyers with Graduate degree and above	15 (16%) 79%	56 (58%) 70%	25 (26%) 61%	96 (100%)
Buyers with Under-graduate degree and below	4 (9%) 21%	24 (55%) 30%	16 (36%) 39%	44 (100%)
Total	19	80	41	140

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 2.1236
Degree of Freedom [(no. rows -1) x (no. of columns-1)] = 2
Tabulated value at degree of freedom 2 at 0.05 level = 5.99148

Calculated value < Tabulated value of χ^2
Therefore, null hypothesis (H_0) is accepted

Note : The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

Among those preferring Chinese brands, most of buyers (79 percent) are graduates against only 21 percent those educated up to undergraduate level and below. Low price and more features could have lured more graduates than undergraduates. On the other hand, in every five buyers preferring EGBs other than Nokia, three would possess bachelor level education, and two had the education of under-graduation or below.

Since the calculated value of χ^2 is less than the tabulated value, all null hypotheses (H_0) were accepted. It establishes close relationship of buyer brand preference with demographic factors, namely, age, gender, occupation and education level.

5.2 Brand Loyalty

Among the sample respondents, three fifths of the respondents (60 percent) were willing to change the current brand or were not loyal to a brand, whereas slightly less than half the sample respondent (40 percent) showed the brand loyalty. It implied that only two in every five consumers are loyal to their brand; it evinced less brand loyalty of Nepali cell-phone consumers.

Table 7: Brand Loyalty of Cell-phone Users

Statement	Consumers	Percentage
No Brand Loyalty	84	60
Brand Loyalty	56	40
Total	140	100

Source : Survey, 2010

For the purpose of analysing brand loyalty in different demographic factors like age, gender, occupation and education, a chi-square (χ^2) test was administered under the following hypothesis:

H_0: There is no significant difference between buyers' brand loyalty and their age, gender, occupation and education

H_1: There is significant difference between buyers' brand loyalty and their age, gender, occupation and education

5.2.1 Age-wise Brand Loyalty

While analysing the cell-phone buyers re-grouped into two categories: a) 30 years and below and b) 31 years and above, far more than half (55 percent) of the total respondents aged 31 years and above were brand loyal against 45 percent of them not loyal. But, more than half (60 percent) of those aged 30 years and below showed no brand loyalty against just 40 percent of them brand loyal. Viewed thus, relatively mature buyers have developed a sort of brand loyalty.

Table 8: Age-wise Brand Loyalty

Statement	30 years and below	31 years and Above	Total
Brand Loyalty	41 (66%) 40%	21 (34%) 55%	62 (100%)
No Brand Loyalty	61 (78%) 60%	17 (22%) 45%	78 (100%)
Total	**102**	**38**	**140**

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 2.26263
Degree of Freedom [(No. rows -1) x (No. of columns -1)] = 1
Tabulated value at degree of freedom 1 at 0.05 level = 3.84148

Calculated value < Tabulated value of χ^2
Therefore, null hypothesis (H_0) is accepted

Note: The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

5.2.2 Gender-wise Brand Loyalty

Among the male samples, brand loyal buyers were slightly fewer (47 percent) than those not loyal (53 percent) to brands. It also applies to female buyers, with far fewer buyers of fairer sex loyal (just 44 percent) to their brands.

Table 9: Gender-wise Brand Loyalty

Statement	Male	Female	Total
Brand Loyalty	40 (63%) 47%	24 (37%) 44%	64 (100%)
No Brand Loyalty	46 (61%) 53%	30 (39%) 56%	76 (100%)
Total	**86**	**54**	**140**

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 0.057
Degree of Freedom [(no. rows -1) x (no. of columns-1)] = 1
Tabulated value at degree of freedom 1 at 0.05 level = 3.84148

Calculated value < Tabulated value of χ^2
Therefore, null hypothesis (H_0) is accepted

Note: The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

5.2.3 Education-wise Brand Loyalty

In every ten buyers having education of undergraduate level or below, seven would show no brand loyalty against three loyal to their brand. But, there was a tinge of brand loyalty among more educated buyers, as a little more than half (53 percent) of the holders of bachelor degree and above are brand loyal.

Table 10: Education-wise Brand Loyalty

Statement	Under-graduates and below	Graduates and above	Total
Brand Loyalty	13 (20%) 30%	51 (80%) 53%	64 (100%)
No Brand Loyalty	31 (41%) 70%	45 (59%) 47%	76 (100%)
Total	**44**	**96**	**140**

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 6.76206
Degree of Freedom [(No. of rows -1) x (No. of columns-1)] = 1
Tabulated value at degree of freedom 1 at 0.05 level = 3.84148

Calculated value > Tabulated value χ^2
Therefore, null hypothesis is rejected to accept alternative hypothesis (H_1)

Note: The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

5.2.4 Cluster/ Occupation-wise Brand Loyalty

Six in every ten white collar employees were brand loyal while only three non-white collar employees and students showed loyalty to their brands. It indicated that a majority of non-white collar employees and students are not loyal to their brands. It may be attributed to the lower level of brand awareness among non-white collar employees and students that could have made them less brand-loyal.

Table 11: Cluster/Occupation-wise Brand Loyalty

Statement	White collar employees	Non-white collar employees and students	Total
Brand Loyalty	45 (69%) 60%	20 (31%) 31%	65 (100%)
No Brand Loyalty	30 (40%) 40%	45 (60%) 69%	75 (100%)
Total	**75**	**65**	**140**

Calculated chi-square (χ^2) value [sum of $(O-E)^2/E$] = 11.955
Degree of Freedom [(no. rows -1) x (no. of columns-1)] = 1
Tabulated value at degree of freedom 1 at 0.05 level = 3.84148

Calculated value > Tabulated value of χ^2
Therefore, null hypothesis is rejected, and alternative hypothesis accepted

Note: The percentage in the parenthesis indicate that of row total and percentage without parenthesis indicate that of column total.

Source : Authors' Survey, 2010

5.2.5 Relationship between Brand Loyalty and Demographic Factors of Buyers

Insofar as two demographic factors of age and gender are concerned, the calculated value of χ^2 is less than the tabulated value; therefore, their null hypotheses (H_0) were accepted. Hence, there is significant difference between education level and Brand loyalty. But with the calculated value of χ^2 exceeding over the tabulated value, there was significant difference between brand loyalty and demographic factors of occupation and education level.

The general conclusion from the current study findings comes to reiterate those of a German study on cell-phone brand loyalty from 1996 to 2000 (Johnson et al., 2006).

5.3 Driving Forces of Buyers' Brand Preference/Choice

The study has probed into internal and external forces affecting the buyer brand preference/choice.

5.3.1 Internal Forces

The respondents surveyed through a multiple-choice rating question rated price as the most influential factor in building their brand preference, as a majority of them considered price while choosing their mobile brand. A similar study (Sthapit, et al., 2009) on reinforcement bars based on survey of 232 buyers and 150 retailers in the Kathmandu

Valley also had portrayed Nepali buyers as 'highly price sensitive' and 'lured by monetary benefits thereof,' when it comes to shopping goods.

Very close to the price are the factors like efficiency/quality and appearance (physical look, sleekness, size, etc.) of the cell-phone set. Buyers went for features like inclusion of multimedia and other applications in the set, while they related efficiency with overall performance of the mobile.

Unlike a majority of Indian and Chinese/Asian consumers, Nepali buyers showed just a moderate value to the factor of battery backup, which was the second strongest factor among Indian buyers (Naral, 2009). Easy operation, services and weight were other factors affecting Nepali buyers' brand choice.

Interestingly, advertisement and hype created by such marketing communication were found to be a weak factor influencing Nepali buyers; it contradicted with Indian and Asian/Chinese studies.

Table 12: Internal Factors influencing Brand Preference/Choice

Factors	Rating Score in %
Price	12.84
Efficiency/Quality	11.78
Appearance/ Design	11.61
Features	11.56
Durability	10.60
Stylishness	9.71
Battery Power-backup	8.67
Easy Operation	8.57
Services	8.21
Weight	3.24
Brand Recommendation by kith and kin	1.52
Advertisement and Hype	1.52
Other factors	0.17

Source: Authors' Survey, 2010

5.3.2 External Forces

The study on the factors influencing or motivating a Nepali consumer in making purchase decision (purchase intent, or P-power, P-intent) of a new mobile set constitutes their buyer behaviour. Faced with the need for buying the new mobile set parting with the current one, a majority of buyers opted for the new technology added to the telecom service; e.g., GSM service, where users can enjoy live-chat through video, and so on. It is required to keep up oneself with the changing technology.

The second largest number of buyers would opt for a new mobile set when there was a launch of new services like MMS, where a multimedia message could be sent like the one through an SMS.

The third crucial factor was the new features added to the set. For example, the apple brand's i-phone had a feature of changing a picture by just shaking the mobile set.

Subsequently, they also were stimulated to make the purchase decision as their current set ended up with poor performance.

Another factor was the emergence of newly stylish sets, e.g., Samsung's Corby series. Such stylish novelty would make it more fashionable that stimulated new phone purchase.

Purchase of new sets also would happen a) when buyers find that a new product-line of mobile set was launched, and their current set became unfashionable, or b) when they were convinced by others' recommendations. Contrary to a common belief, Nepali buyers were barely little motivated by salary-raise to buy a new set. *Au contraire* the Indian and Asian studies, advertisement and hype created for using a cell phone in the social life was a very feeble factor influencing Nepali buyers.

Table 13: Motivation/External Factors influencing Cell-phone Purchase (External Forces)

Statements	Score in %
New technology launched	14.87
New services added	13.01
New features added	12.64
Poor performance of current cell phone	11.15
Stylish novelty/ fashionability/design	10.22
New mobile product-line launched	9.48
Unfashionablity of current cell-phone	8.36
Recommendation of kith and kin	7.81
Raise in salary	7.62
Advertisement and Hype created for cell-phone possession	3.72
Other factors	1.12

Source : Authors' Survey, 2010

The study showed that brand preference and brand-value perception motivated brand loyalty behaviour of buyers; it also complies with the Asian-Chinese studies (Branding Insights, 2009) that also emphasised on communication (advertising) to popularise the brand. In addition to product quality and efficiency, advertising and brand promotion also plays a vital role in building brand equity, which consists of developing a favourable, memorable and consistent brand image (Farquhar, 1990).

VI. KEY FINDINGS OF THE STUDY

The present study has identified the following key findings:

- Buyers' preference/response was spread across different brands of cell-phone mobiles available in the market; however, Nokia emerged as the most preferred brand. Furthermore, Chinese cell-phones came as a strong alternative as it was preferred, albeit by meagre percentage, to other EGBs like Sony Ericsson, Motorola, Samsung and LG.
- Nokia was most preferred by all age-groups, and those preferring Chinese brands are mostly aged 30 years and below. A marketing *strategy* to sell Chinese brands to the young age category could bear more fruits than those

to relatively elder ones.

- Male buyers preferred Nokia; while female consumers are almost equally inclined towards both Nokia and other EGBs.
- Although all occupation groups preferred Nokia, non blue-collar employees and students also exhibited preference for Chinese brands.
- A majority of all education groups preferred Nokia. But, a bigger chunk of graduates preferred Chinese brands due to their low price and added features. Overall, there existed relationship between brand preference and demographic factors like age, gender, education and occupation.
- Three-fifth of the buyers is not brand loyal. The findings on brand loyalty of the cell-phone consumers (two in every five users) also comply with the study (Sthapit, et al., 2009) of construction materials (reinforcement bars) in the Kathmandu Valley market.
- There is no significant difference between brand loyalty and buyers' demographic aspects like age and gender, but its difference is significant with education and occupation.
- Buyers aged 30 years and below are less brand-loyal than mature ones. Women buyers are less brand-loyal than males. But, buyers holding bachelor's degree and above are slightly more brand-loyal than undergraduates. More white-collar employees showed brand loyalty than blue-collar staff and students did.
- Among the external factors affecting the cell-phone purchase decision, new technology added to the telecom service surfaced as the strongest one. Services added and new features of the mobile set also influenced the purchasing decision. Therefore, an important input to *strategy* comes from the fact that buyers opt for product attributes rather than brand image alone.
- Price is most influential in selecting a brand of cell-phone; it was followed by efficiency/quality and appearance/design of the mobile set. Conspicuously, emergence of efficiency/quality-conscious buyers is a remarkable development of Nepali cell-phone market. A *strategy* recommendable is to consider price, efficiency and design of a cell-phone.
- Brand preference and brand-value perception motivated brand loyalty behaviour of buyers; the current survey found very poor influence of advertisement on buyers' brand behaviour; an advisable *strategy*, therefore, is to make advertising more effective.

VII. CONCLUSION

The present study concludes that for optimising the marketing performance of the brand, firms should periodically monitor the critical KPIs (key performance indicators) of the brand, not only to track their improvement over time, but also to benchmark their performance against that of other domestic and international competitors on a regular basis. It is also complemented and supplemented by the few strategies recommended in the key findings section.

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