

A Case Study on:

PROMOTIONAL ACTIVITIES OF DINESH COMPANY DHANGADHI, KAILALI

A Thesis Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University, Kathmandu, Nepal

**In Partial Fulfillment of the requirements of the degree of Masters of
Business Study (M.B.S.)**

Submitted by:

Lal Bahadur Dhama

Kailali Multiple Campus

Dhangadhi, Kailali

T.U. Registration No. 5-1-61-77-2000

Dhangadhi , Kailali

October, 2014

ACKNOWLEDGEMENT

Kailali is the gateway and main trade point of far west region. Due to the increasing population and increasing urbanization, this district is most liked by different many entrepreneurs. Therefore, there is competition among the firms and businesses to achieve the market from each other. I think it is necessary to study about the promotion activities of Dinesh Company which it uses to increase its market. In this regard, it is my pleasure to submit this thesis entitled,“ A Case Study of Promotional Activities of Dinesh Company, Dhangadhi”.

To complete this work, many valuable suggestions and assistance have been taken from intellectuals, professionals and from various sectors. So for their great contribution, I would like to express my gratitude to all these helpful hands.

I would like to express my sincere gratitude to Campus Chief Sures Chand, Senior lecturer Padmakant Joshi and Keshab Bhatta of Kailali Multiple Campus, for their valuable guidance and encouragement throughout in preparation of this thesis. I would like to thank personnels of library for cooperating and making available various books and other relevant materials.

I am grateful to branch managers of different branches of Dinesh Company for cooperating and making available various data, information and materials.

At last but not least, I would like to thank my wife Mrs. Mina Mahara(Dhami) and sister Mina Dhami for their encouragement and managing working environment during entire study.

Lal bahadur Dhami
Researcher

TABLE OF CONTENTS

	Page No.
VIVA-VOCE SHEET	I
RECOMMENDATION LETTER	II
ACKNOWLEDGEMENT	III
TABLE OF CONTENTS	IV
LIST OF TABLES	VIII
LIST OF FIGURES	IX

CHAPTER ONE INTRODUCTION

1.1 Introduction	1
1.2 History of Company (Corporation)	2
1.3 The Rise of Private Company	3
1.4 Rise of Private Company in Nepal	4
1.5 Introduction to Kailali District	6
1.6 An Introduction to Dinesh Company	7
i) Historical Background	
ii) Organizational Structure	
iii) Business Operated by Dinesh Company	
1.7 Importance of Study	11
1.8 Rationale of Study	11
1.9 Objectives of Study	12

1.10 Limitations of Study	12
---------------------------	----

CHAPTER TWO
REVIEW OF LITERATURE

2.1 Introduction to Promotion	13
2.2 Functions of Promotion	14
2.3 Types of Promotional Activities	15
2.4 Review of Other Literature	16

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research Design / Type of Research	32
3.2 Selection of Area	32
3.3 Sources of Data	32
3.4 Population & Sample	32
3.5 Collection of Data	33
3.6 Presentation & Analysis of Data	33
3.7 Result, Conclusion and Suggestions	33

CHAPTER FOUR
PRESENTATION AND ANALYSIS OF DATA

4.1 Classification of Branches of Dinesh Company	34
4.2 Methods of Promotion used by Branches of Dinesh Company	35
4.3 Use of Personal Selling Method	36
4.4 Use of Different Types of Sales Promotion Methods	36

4.5 Different Types of Advertising Media Used by Branches of Dinesh Company	38
4.6 Facility Gained by Wholesaler and Retailer as Trade promotion	40
4.8 Sales and Expenditure in Promotion Activities of Dinesh Company	45
4.9 Trend of Increase of Sales of Dinesh Company	45
4.10 Expenditure in Different Promotional Activities in Average	47
4.11 Expenditure in Different Promotional Methods in Different Fiscal Years	48
4.12 Advertisement Heard, Seen or Read by Final Consumer	49
4.13 Radio Stations in Kailali District	51
4.14 Newspapers in Kailali District	51
4.15 T.V. or Cable Network in Kailali District	52
4.16 Main Markets of Dinesh Company in Kailali District	53
4.17 Literacy of the Respondents (Final Consumers)	53
4.18 Residence Place of Respondents (Final Consumers)	54
4.19 Use of Goods and Services Marketed by Dinesh Company	54
4.20 Approach to Communication Media	55

CHAPTER FIVE

RESULT, CONCLUSION AND SUGGESTION

5.1 Results	56
5.2 Conclusions	59
5.3 Recommendations (Suggestions)	60

Bibliography

ANNEX-I Questionnaire for Branch Manager

ANNEX-II Questionnaire to be filled by Customers

LIST OF TABLES

Table No.		Page No.
3.1	Nature of Sample	33
4.1	Classification of Branches of Dinesh Company	34
4.2	Number of Branches Using Different Promotional Method	35
4.3	Classification of Sales Promotion Used by Dinesh Company	36
4.4	No. of Branches Using Different Sales Promotion Methods	37
4.5	Advertising Media Used by Dinesh Company	39
4.6	Facility Gained by Wholesaler and Retailers	40
4.7	Different Branches and Their Promotion Activities	44
4.8	Sales and Expenditure in Promotion Activities	45
4.9	The Actual Sales and Trend of Sales of Dinesh Company	46
4.10	Advertisement Heard, Seen or Read by Final Consumer	50
4.11	Radio Stations in Kailali District	51
4.12	Newspapers in Kailali Distirct	51
4.13	Cable Networks in Kailali District	52
4.14	Main Markets of Dinesh Company in Kailali District	53
4.15	Literacy of The Respondents	53
4.16	Residence Place of Respondents	54

LIST OF FIGURES

Figure No.		Page No
4.1	Classification of Branches of Dinesh Company	34
4.2	No. of Branches Using Different Promotion Methods	35
4.3	No. of Branches Using Different Sales Promotion Methods	38
4.4	Advertising Media Used by Branches of Dinesh Company	39
4.5	Facility Gained by Wholesaler and Retailers	40
4.6	Trend of Increase of Sales of Dinesh Company	47
4.7	Average Expenditure in Different Promotion Activities	47
4.8	Expenditure in Advertising in Different Years	48
4.9	Expenditure in Personal Selling In Different Years	48
4.10	Expenditure in Sales Promotion in Different Years	49
4.11	Advertisement Heard, Seen or Read by Final Consumers	50
4.12	Use of Goods and Services of Dinesh Company	54
4.13	Approach to Communication System	55

CHAPTER ONE

INTRODUCTION

1.1 Introduction

A company is a separate legal entity that has been incorporated through a legislative or registration process established through legislation. Incorporated entities (companies) have legal rights and liabilities that are distinct from their employees and shareholders, and may conduct business as either a profit seeking business or not for profit business. Early incorporated entities were established by charter (i.e. by an ad-hoc act granted by a monarch or passed by a parliament or legislature) most jurisdictions now allow the creation of new corporations through registration. In addition to legal personality, registered corporation tend to have limited liability, be owned by shareholders who can transfer their shares to others, and controlled by a board of directors who are normally elected or appointed by the shareholders.

In British English and in commonwealth countries, the word company is widely used to describe large business organizations. In American English the word corporation is widely used to describe the same sort of entity while the word corporation encompasses all incorporated entities such as partnerships that would not be referred to as companies in British English as they are not a separate legal entity.

Despite not being human beings, companies, as far as the law is concerned, are legal persons, and have many of the same rights and responsibilities as natural people do. Companies can exercise human rights against real individuals and the state, and they can themselves be responsible for human rights violations. Companies can be dissolved either by statutory operation, order of court, or voluntary action on the part of shareholders. Insolvency may result in a form of corporate failure, when creditors force the liquidation and dissolution of the company under court order. Companies can even be convicted of criminal offenses, such as fraud and manslaughter. However companies are not considered living entities in the way that humans are.

1.2 History of company (corporation)

The word “corporation” derives from *corpus*, the Latin word for body, or a “body of people”. By the time of Justinian (reigned 527-565), Roman Law recognized a range of corporate entities under the state itself, municipalities and such private associations as sponsors of a religious cult, burial clubs, political groups, and guilds of craftsmen or traders. Such bodies commonly had the right to own property and make contracts, to receive gifts and legacies, to sue and be sued and, in general, to perform legal acts through representatives. Private associations were granted designated privileges and liberties by the emperor. Entities which carried on business and were the subjects of legal rights were found in ancient Rome, and the Maurya Empire in ancient India. The alleged oldest commercial corporation in the world, the *Stora Kopparberg* mining community in Falun, Sweden, obtained a charter from King Magnus Eriksson in 1347.

Many European nations chartered companies to lead colonial ventures, such as the Dutch ‘East India Company’ or the ‘Hudson’s Bay Company’. These chartered companies became the progenitors of the modern company. Acting under a charter sanctioned by the Dutch government, the Dutch East India Company defeated Portuguese forces and established itself in the Moluccan Islands in order to profit from the European demand for spices.

In England, the government created corporations (companies) under Royal charter or an Act of parliament with the grant of a monopoly over a specified territory. The best known example, established in 1600, was the British East India Company. Queen Elizabeth I granted it the exclusive right to trade with all countries to the east of the Cape of Good Hope. Companies at this time would essentially act on government’s behalf, bringing revenue in from its exploits abroad.

In the late 18th century, Stewart Kyd, the author of the first treatise on corporate law in English, defined a company or a corporation as: “a collection of many individuals united into one body, under a special denomination, having perpetual succession under an artificial form and vested by policy of the law, with capacity of acting, in several respects as an individual, particularly of taking and granting property, of contracting obligations, and suing and being sued, of enjoying privileges and immunities in common, and of exercising a variety of political rights, more or less extensive, according to the design of its institution, or the powers conferred upon it, either at the time of its creation, or at any subsequent period of its existence.”

1.3 The rise of the private company

Due to the late century abandonment of mercantilist economic theory and rise of *classical liberalism* and *laissez-faire* economic theory due to a revolution in economics led by *Adam Smith* and other economists, companies transitioned from being government or guild affiliated entities to being public and private economic entities free of government direction. In 1776, *Adam Smith* wrote in the *Wealth of Nations* that mass corporate activities could not match entrepreneurship, because people in charge of other's money would not exercise as much care as they would with their own.

In the United States, government chartering began to fall out of vogue in the mid- 19th century. Corporate law at the time was focused on protection of the public interest, and not on the interests of corporate shareholders. Corporate charters were closely regulated by the states. Forming a company of corporation usually required an act of legislation. Investors generally had to be given an equal say in corporate governance, and corporations were required to comply with the purposes expressed in their charters. Many private firms in the 19th century avoided the corporate model for these reasons. Eventually, state governments began to realize the greater corporate registration revenues available by providing more permissive corporate laws. *New Jersey* was the first state to adopt an “enabling” corporate law, with the goal of attracting more business to the state. *Delaware* followed, and soon became known as the most corporation -friendly state in the country. After *New Jersey* raised taxes on the corporation driving them out, *New Jersey* reduced these taxes after this mistake was realized, but by then it was too late, even today, most major public corporations in the United States are set under *Delaware* law.

By the beginning of the 19th century, government policy on both sides of the Atlantic began to change, reflecting the growing popularity of the proposition that corporations were riding the economic wave of the future. In 1819, the U.S. Supreme Court granted corporations a plethora of rights they had not previously recognized or enjoyed. Corporate charters were deemed ‘inviolable’ and not subject to arbitrary amendment or abolition by state governments. The company as a whole labeled an “artificial person”, possessing both individuality and immortality.

At around the same time, legislation in the United Kingdom was similarly freeing the corporation from historical restriction. In 1844 the *British Parliament* passed the *Joint Stock Companies Act*, which allowed companies to incorporate without a royal charter or an Act of

parliament. Ten years later, *limited liability*, the key provision of modern corporate law, passed into English law .In response to increasing pressure from newly emerging capital interests, Parliament passed the Limited Liability Act 1855 ,which established the principle that any company could enjoy limited legal liability on both contract and tort claims simply by registering as a “limited ” company with the appropriate government agency .

1.4 Rise of private company in Nepal

During the 1950s and 1960s, Kathmandu received aid commitments from Moscow and Beijing. During the 1960s ,Soviet and Chinese aid also supported development of a few government - owned industries .Most of the industries established used agricultural products such as jute , sugar ,and tea as raw materials .Other industries were dependent on various inputs imported from other countries , mainly India .

As a result of the 1989-90 trade dispute with India, inputs were unavailable, causing lower capacity utilization in some industries. During the same period, Nepal also lost India as its traditional market for certain goods .Because of the lack of industrial materials, such as coal, furnace oil, machinery, and spare parts, there was a considerable adverse impact on industrial production.

Industry accounted for less than 20 percent of total GDP in the 1980s. Relatively small by international standards ,most of the industries established in the 1950s and 1960s were developed with government protection .Traditional cottage industries ,including basket weaving as well as cotton fabric and edible oil production ,comprised approximately 60 percent of industrial output ,there also were efforts to develop cottage industries to produce furniture , soap ,and textiles .The remainder of industrial output came from modern industries ,such as jute mills ,cigarette factories ,and cement plants .

Among the modern industries were large manufacturing plants ,including many public sector operations .The major manufacturing industries produced jute , sugar , cigarettes ,beer ,matches , shoes ,chemicals , cement , and bricks .The garment and carpet industries ,targeted at exports production ,have grown rapidly since the mid 1980s whereas jute production has declined . Industrial estates were located in Patan (also called Lalitpur), Balaju , Hetauda ,Pokhara , Dharan ,Butwal and Nepalganj .The government provided the land and buildings for the industrial estates ,but the industries themselves were mostly privately owned .

The 1986-87 Nepal Standard Industrial Classification counted 2,054 manufacturing establishments of 10 or more persons from 51 major industry groups, employing about 125,000 workers. That same year the total output from these industries amounted to about Rs 10 billion; value added was estimated at almost Rs 3.6 billion. It was nearly Rs 5.1 billion in FY 1989. By FY 1989, there were 2,334 such establishments recorded, employing about 141,000 persons.

The history of incorporated private firms in Nepal is short. The Nepal Companies Act of 1936 provided for the incorporation of industrial enterprises on joint stock principle with limited liability. The first such firm, Biratnagar Jute Mills, was a collaborative venture of Indian and Nepalese entrepreneurs. It was formed in 1936 with initial capital of 160,000 Indian rupees.

In response to shortages of some consumer goods during World War II (1939-45), fourteen private companies emerged in such diverse fields as minings, electrical generation, and paper and soap production. The initial capital invested in each of these industries was small. In 1942 two paper mills emerged as joint ventures of Nepalese and Indian entrepreneurs. Industrial growth gained momentum after 1945, although the end of World War II had reduced the scarcity of goods and caused many of these companies to incur losses.

Under the Nepal Companies Act, there was no provision for private limited companies. In 1951, however, a new act was implemented with provisions for private limited companies. This act encouraged the establishment of ninety-two new private joint stock companies between 1952 and 1964. Most of these companies were much smaller than existing companies. Under the provisions of the 1951 act, public disclosure of the activities of the firms was not required, whereas the 1936 act allowed substantial government intervention. The Industrial Enterprises Act of 1974 and its frequent amendments shifted the government's emphasis on growth from the public to the private sector. However, discrepancies between policy and practice were evident, and the public sector continued to be favored.

1.5 Introduction to Kailali District

Kailali district is one of the districts of the seti zone of the far-west region. It lies in the Terai belt which is known as the gateway of this region. As this district is like a rectangle in shape, 88.4% of the people are dependent on agriculture. This district covers an area of near 3235 sq. km. This district is bordered with India in the south, Kanchanpur in the west, Doti in the north and the Karnali River

in east. According to geographical condition, this district consists 40% area lies in chure and 60% land area in Terai. The maximum temperature reaches up to 45 degree Celsius in May to June, but average is 30.5 degree Celsius maximum and 17.5 degree Celsius minimum. The annual rainfall is 1840 mm. It contains tropical, sub-tropical and temperate type of climate and it is situated at the altitude of 109 meters to 1957 meters.

Karnali Bridge, Tikapur park, Ghoda-Ghodi lake etc are the visit able places of this district. The north area of this district is hilly area, which is known as chure range.

Kailali is the food production area. Paddy, wheat, maize, oil-seeds are main crops of this district. The main production area of this district is *Malawara* sector that is Bhajani, Pratappur, Ratanpur, Basauti, Joshipur, Thapapur etc. Besides of hilly region, other Terai belt is also plays important role in production. This is also a big market of far western region. Since, it is the district of Terai, the trend of migration from hilly district to Kailali is high. Therefore, the population of Kailali is increasing making it a attractive market for the business entity.

There are two municipality and 42 V.D.C.. Dhangadhi which is the headquarter of Kailali and Tikapur are the municipality. Geta, Malakheti, Shreepur, Beladevipur, Chaumala, Urma, Masuriya, Pahalwanpur, Bhajani, Joshipur , Pratappur, Sandepani, Darak, Munuwa, Baliya, Phulbari, Hauliya, Pabera, Ramshikharjhala, Narayanpur, Dhansinghpur, Bauniya, Dodhodhara, Gadariya, Chuha, Pathariya, Durgauli , Ratanpur, Lalbojhi, Thapapur, Janakinagar, Udasipur, Basauti, Khailad, Kotatulsipur VDCs lie in Terai and remaining 7 VDCs Nigali, Sahajpur, Godawari, Khairala, Mohanyal, Pandaun and Sungarkhal are hilly.

According to census 2068, total population of Kailali is 7,75,709. The male population is 378417 and female population is 397292. The population density is 240 people per sq. km. There are 142480 households and literacy rate is 66.7%. Male literacy rate is 76.2% and female literacy rate is 57.1%. Urban population is 161030(20.8%) and rural population is 614679(79.2%).

Kailali is the main gateway of far western region. Dhangadhi is the main market point of this district . Most of the goods are supplied to hilly place, another part of Nepal and India from Dhangadhi. Tikapur and Attariya are also important market points. In this district, there are many local market like Chaumala, Rajipur, Lalpur, Phulbari, Hasuliya, Bhajani, Narayanpur,

Satti, Lamki, Bauniya, Muda, Sukhhad , Pahalmanpur, Masuriya, etc. Thus, Kailali is a important market for the business entity operating in far west region.

1.6 An introduction to Dinesh Company

i) Historical Background

Dinesh Company has not long history because it is recently established company. Few years ago (about 15-20 years) a ‘Hamal’ family , who was migrated from Dang district to Dhangadhi of Kailali district , started business from a small shop .In this family , there were four brothers . These four brothers make their previously operated shop larger and also added a new one at other place. They operate their business from these two shops for 7-8 years. Unfortunately one brother named ‘Dinesh ’became died .The ‘Hamal’ family felt a great sorrow. Therefore, this company is named after his name on the memory of ‘Dinesh.

In 2062 B.S. , elder brother of ‘ Dinesh ’ ,who is Gopal Hamal , decided to increase and operate their business in different sector . Keeping this decision in mind , Gopal Hamal started a ‘Dealership’ business with the trade name ‘Dinesh Concern’ in Dhangadhi , Kailali . At the same time , Hamal gathered some investors and started transportation business as ‘Dinesh Travels’ which made Gopal Hamal familiar in the far western region .The buses of ‘Dinesh Travels’ started to run in all routes of far western region and main routes of rest of the country . Due to the vast competition and improper management, Dinsh Travels could not operate business satisfactorily. Then in 2065 ,it is merged into the previously exited ‘Sudur Paschim Yatayat’. After this, Gopal Hamal started to spread his business in other sectors like metal, furniture, electronic, computers, agriculture, medicine, broadcasting etc. by operating different branches.

In this way, a company is added in the business sector of far western region of Nepal in the contribution of a ‘Hamal Family’. The special credit goes to Gopal Hamal for the establishment of Dinesh Company. This company has made itself a most popular company in this region and has become a milestone in the development of far western region of Nepal.

ii) Organizational structure

There is no special organization of the branches in Dinesh Company. The branch ‘Dinesh Concern’ is simply organized as head office. All the organizational activities related to the company are performed from this branch and activities of other branches also controlled.

Other branches perform their activities and communicate related information to the head office.

iii) Business operated by Dinesh Company

Dinesh Company has operated its business in different sectors .These businesses are operated from different branches of Dinesh Company .These branches and their businesses are discussed in briefly below:

a) Dinesh Concern

This branch is established in 2005 in Dhangadhi, Kailali .It acts as ‘Dealer’ for the products of different companies . Products like noodles, biscuits, soaps, shampoo, chocolate, other readymade food, stationery products etc. are purchased from different Nepalese companies as well as Indian companies and distributed to local market.

b) Dinesh Pharmacy

This branch is located in the campus road of Dhangadhi Municipality and established in 2007 A.D. . This is the branch which purchases the different types of drugs and medicines from different national and international companies. Then it supplies drugs and medicines to the local market. It also supplies surgical and other medical instruments and equipments.

c) Dinesh Electronics

This branch is located near Dhangadhi Chauraha of Dhangadhi Municipality and established in 2009 A.D. . Different types of electronic equipments and goods are marketed and distributed from this branch to the local markets. Goods are not produced by this branch, only purchased from the company and distributed to the market. It acts as ‘dealer’ for the electronic goods.

d) Dinesh Motors

This branch is established in 2009 and located in Dhangadhi Municipality .This branch is involved in the sale of automobiles especially motorbike , scooters , tractors of different brands produced by different companies .Due to the financial constraints ,it does not deal with large vehicles .This branch purchases vehicles from foreign companies because there are no vehicle producing companies in Nepal .

e) Dinesh Cottage

Dinesh Company has operated a hotel with the trade name 'Dinesh Cottage'. It is established in 2006 and most popular Hotel of Far west Nepal providing lodging and restaurant facility. It is located near Bandevi Temple in Dhangadhi, Kailali. It serves as a comfortable venue for official seminars and workshops. In addition to this it has an excellent arrangement for family gathering, friend get-together and official parties.

f) Dinesh F.M.

This is the F.M. radio station operated by Dinesh Company. It is established in 2008 A.D. at L.N. Chock of Dhangadhi Municipality as the first and pioneer F.M. in farwest Nepal. Its coverage area accommodates most of area of farwest and some area of mid-western region of Nepal. This F.M. broadcasts advertisement and advertised programs. The advertisement of goods and services of most of the branches of Dinesh company and other business firms is done from this F.M. station.

g) Dinesh Automotives

It is established in 2009 A.D. and located in Dhangadhi Municipality. This branch is mainly related with the repairing and mending of automobiles like motorbike, scooter, tractor, jeep, car, truck, bus etc. This branch acts as the 'Dealer' for the vehicle like tractors, motorcycle, scooters and automobile spare parts. The facility of exchange of old motorbike and scooters with new one is also given by this branch.

h) Dinesh Metal Industry

This branch of Dinesh company is also located in Dhangadhi Municipality and established in 2006 A.D.. This branch of Dinesh Company produces different types of goods made up of metals. Daraj, boxes of different types and sizes, different types of other household products made up of metals, industrial equipments are produced and marketed in the market of far western region.

i) Dinesh Hoseary

This branch is established in 2006 in Dhangadhi, Kailali. This branch produces different types of woolen products like ladies and gents sweater, woolen socks, caps, bags, woolen trousers, woolen room decorating products etc. This products are sold in wholesale as well as in retain.

j) Dinesh Computers

This branch is established in 2006 in Dhangadhi, Kailali .This branch mainly deals with dealership of different brands of computers , computer parts and other related goods . It is one of the top Laptop and Desktop retailers also. This branch sells Desktops, Laptops and all computer components, hardware and software. It also gives the facilities of repairing, installation and formatting.

k) Dinesh Agro-Industry

This branch is established in ward no. 4,Dhangadhi Municipality in 2008 A.D. .This branch is mainly related with the production of goods from the agricultural raw materials .It produces the products like wheat flour , rice , sujee , fine wheat flour(maida) , beaten rice(chiura) , gram flour(besan) , mustard oil and other agricultural products . These products are mainly distributed in the markets of far western region.

1.7 Importance of study

This is the era of marketing. No firm can survive without marketing activities in today's competitive business environment. Promotion activities are very important elements of marketing activities. Now days, all the marketing activities may fail or may not give good result with the promotional activities. This study is also related with the promotional activities of the Dinesh Company of Dhangadhi Kailali. The study is concentrated on the promotion activities of Dinesh Company. This study showed the different promotion activities performed by company. The status of different types of method and activities performed by company has been also showed. Finally this study has tried to give suggestion related with the promotion activities of Dinesh Company which may be valuable for the company in its way of progress . Since this is not a large scale study and done for the partial fulfillment of the requirement for the degree of master's of business studies(MBS) ,a lot of importance cannot be expected from this study .

1.8 Rationale of Study

This is the small study related with the promotional activities of the Dinesh Company in Kailali . The main rationale of this study are listed as below:

- i)To fulfill the partial requirement for the degree of master's of business study(MBS) .
- ii) To know about the types of promotion methods used by Dinesh Company.
- iii) To recognize the problems and give suitable suggestion related with Promotional activities of Dinesh Company

1.9 Objective of the study

The main aim of the study was to recognize the promotional activities of Dinesh Company of Kailali district .Whereas the following specific objectives were considered to be activated.

- i) To examine the nature of business operated by Dinesh Company.
- ii) To examine the promotional methods used by Dinesh Company.
- iii) To examine the effectiveness of the promotional activities of Dinesh Company.
- iv) To draw conclusions and give suitable suggestions related to the promotional activities on the basis of data collected.

1.10 Limitation of the Study

The study was simply conducted to fulfill a partial requirement of the requirement of degree of master's of business study (MBS) program within a certain time period. Therefore, considering the financial and time constraint, this study was limited within the following factors.

- i) This study was limited within the promotional activities of Dinesh Company
- ii) The study area was limited within Dhangadhi municipality because different branches of company are located within Dhangadhi Municipality.
- iii) The study was limited in the promotional activities like personal selling, advertisement, sales promotion and publicity .
- iv) Relevant data were collected from the branches of Dinesh Company in the form of primary as well as secondary data .
- v) Due to the time and financial constraints and constraints of the availability of data ,rest of the factors has been excluded .

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction to Promotion

Promotion is the important component of marketing activities. It informs about the feature, price and available places to target consumers. Business organizations produce goods and services according to the needs and interests of the consumer, prices are given to these products and made available in markets. Marketing activities become imperfect until consumers are not informed about the goods and services produced by business organization. Thus, the activities related to the information given to consumers are called 'Promotion.

Promotion can be defined as the marketing communication. Promotion communicates the information about the features and importance of goods and services to the potential consumers which excite the consumer to purchase goods and services. Promotion can be defined as the component which increased demand. Different persons have defined promotion differently. Some important definitions are given below:

“Promotion includes all the activities the company undertakes to communicate and promote its products to the target market.”

- Professor Philip Kotler

“Promotion is the element in an organization marketing mix that serves to inform, persuade and remind the market of the organization and \or its product.”

-Professor William J. Stanton

“Promotion is any method of informing, persuading or reminding consumers, wholesaler, retailers, users or final consumers about the marketing mix of product, place and price which has been assembled by the marketing manager.”

- E. J. McCarthy

In conclusion, promotion is the important element of marketing activities. It informs target markets about the goods and services as well as creates demand. Promotion greatly affects the sale and distribution of goods and services. Therefore, most of firms are seem promoting their products by means of different activities.

2.2 Functions of Promotion

Functions of promotion are described briefly as follows:

a) Informing

The main function of promotion is informing about the characteristics of goods and services, price, utility and benefit to consumers, wholesaler and retailers. These types of information make customer positive towards the firm's goods and services, so that the demand can be increased.

b) Persuading

Another important function of promotion is persuading about the firm's goods and services. Information is not only sufficient to make customer buy firm's goods and services. Therefore, persuading is also essential. To persuade customer, comparative information is required about the features, utility and price of goods. Then they become ready to buy the firm's goods and substituting goods can not affect the consumer and customer.

c) Reminding

One of the important functions of promotion is to remind the customer about the firm's goods and services. Generally, customers do not set the name of company and goods provided by it in mind. Also they hardly remind the trademark. Because many competitors always try to attract and make customers confused. Thus, firm should keep on reminding the customer by giving complete information about company or firm, features of goods, utility, importance, benefit, price and place of reception

d) Reassuring

Reassuring the customer is also important function of promotion. Customer may feel anxiety while taking buying decision. At that time, firm should assure the customer by telling the benefit and importance provided by goods and services. These types of reassurance make them feel that they had made right decision, so that they may become loyal customer of firm. This increases the prestige of trademark and firm.

2.3 Types of Promotion Activities

Different types of promotion activities are performed by business organizations. These activities can be grouped under the following headings:

i) Personal selling

Personal selling is such type of promotion activity in which goods are sold by direct contact with customer. Personal selling is generally used when size of market is small and price of goods is high. Seller tells about the features, utility, price and benefit of goods to customer. To introduce the new product into the market personal selling method is used in initial stage. But this method is somewhat costly. In this type of promotion customer may contact at shop, showroom or other sales centre. Salesman may also visit to home and offices of potential customers.

ii) Advertising

Advertising is also important factor of promotion mix. Advertising is the non-personal medium which gives information to customer about goods and services and creates the demand. By means of advertising, information can be given to maximum number of customer with minimum cost. During the selection of advertising channel, nature of goods and services, availability of channel, comparative cost of advertising media , situation of target market etc. should be carefully considered . For advertisement different channels can be used which are as follows

- Audio Video Channel: Television, Film etc.
- Audio Channel: Radio, Mike, Tape etc.
- Visual Channel: Poster, Mobile, Hording board etc.
- Press Channel: Book, Newspaper, Magazine, Pomphlet etc.

iii) Sales promotion

It is the short term motivation of potential customer to make them buy goods and services of firms. It becomes more effective when aided by personal selling and advertisement. Sales promotion consists of following activities.

- Commercial fare
- Exhibition
- Display
- Free sample
- Coupon
- Discount
- Credit facility etc.

iv)Publicity

It refers to the giving information about goods and services along with the information about firm without cost through mass media. It creates demand and increases the prestige of the firm. Comparatively, customers believe the information given by this method than given by other method of promotion. Now days, Nepalese firms are also interested towards this method of promotion. This method of promotion includes following activities:

- Publication
- Press conference
- Photography
- Speech
- Articles etc.

2.4 Review of Other Literatures

According to Czinkota & Ronkainen(2004), promotion is the direct way an organization tries to reach its publics. This is performed through the five elements of promotion mix, i.e. advertising, sales promotion, personal selling, public relations and direct marketing.

Meidan(1996) has mentioned that the institutional advertising consists of promotion of the firm's image as whole, and promotion of the products offered, with extra emphasis on the specific firm's name organization. The organization seeks through its marketing communication to build awareness and to impress customers looking for the best range of financial services. Due to the former impression of banks as impersonal institution with no interest in their customers as people and of financial services as abstract and quite similar, the institutional advertising has become more and more important. Brand advertising follows closely in the footsteps of institutional advertising. Its purpose is to create awareness of the bank's name and to advertise the different services it is offering. Since financial firms are serving a mass of people, the problems of brand advertising are to know who to advertise to and how to advertise. While institutional advertising is directed towards the whole population, the brand advertising of particular products has to be much more selective, since it has to show that the consumer will benefit from the service. Furthermore, all the individual campaigns of brand advertising have to be compatible in tone and presentation, and match the image the bank has created through its institutional advertising.

Meidan(1996) also mentioned that sales promotion is different tactical marketing techniques with mostly short-term incentives, which are designed to add value to the product or service,

in order to achieve specific sales or marketing objectives. Furthermore, Meidan states that it has two distinctive qualities. Firstly, it provides a “bargain chance”, since many sales promotion tools have an attention-gaining quality that communicates an offer that will not be available again to purchase something special. The disadvantage, however, is that although they appeal to a wide range of buyers, many customers tend to be less brand loyal in the long run. Secondly, if sales promotions are used too frequently and carelessly, it could lead to insecure customers, wondering whether the service is reliable or reasonably priced.

According to Brassington and Pettit(2000) the essence of public relations (PR) is to look after the nature and quality of relationship between the organization and its different publics, and to create a mutual understanding PR covers a range of activities, for examples the creation and maintenance of corporate identity and image, charitable involvement, such as sponsorship and community initiatives, media relation for the spreading of good news, as well as for crisis management, such as damage limitation. Moreover, an organization can attend trade exhibitions to create stronger relationships with key suppliers and customers as well as enhancing the organization's presence and reputation within the market.

In the view of Meidan(1996) financial services organization can use its advertising for either its short-term or its name would use institutional advertising, while a bank interested in promoting its brand name and its different services would use a brand advertising polity. With the growing importance of the financial sector, pressures are escalating for more effective marketing management of the financial services. Despite the recent recession, the financial services sector is continuing to grow in terms of turnover and profits and thus, has a supreme impact on the other spheres of the economy. Consequently, there is currently growing interest in applying marketing techniques and tools in financial services.

Daws & Brown(2000) stated that inspite of major changes on the market of financial institutions, there are indicators that banks have not successfully embraced the marketing philosophy or achieved levels of its implementation consistent with satisfied customers. Financial institutions are are realizing that their established promotion practices are inadequate for new market conditions as levels of customer detection in the sector grow. Traditionally, banks have tried to reach out to everyone in the community, but recent research proposes that banks should aim to identity and serve micro segments.

The role of promotion has been redefined into managing long-term relationship where the marketer maintains a dialogue with an individual customer.

Albers-Miller & Straughan (2000) mentioned that promotion of financial services is an understudied area. Much of the bank marketing literature has concentrated on marketing theory than promotion practice. Unfortunately, the issues of marketing are becoming more complicated as internationalization of financial services continues to increase.

Meidan (1996) has emphasized that effective promotion of financial services is crucial since services are intangible products, and it is hard to stand out, considering the fact that all banks offer similar products.

Wen-Hsiang Lai & Nguyen Quang Vinh, "How promotional Activities and Evaluative Factors Affect Destination Loyalty :Evidence from International Tourists of Vietnam revealed that the promotional activity that the Vietnamese government has adopted to promote its tourism industry is intended to introduce the country's image to international visitors. Robin et al (2000) observe that the marketing tourism destinations has traditionally been heavily oriented toward promotional activity. However, Poon (1993) demonstrate that destination marketing may achieve greater success by focusing on improving destination competitiveness, which implies that the needs of both destinations and stakeholders should occupy a more strategic perspective in tourism planning, development and marketing. At present, the marketing activities, conducted by destination marketing organizations are centered mainly on the promotion of the destination as a whole (Lewis et al, 1995; Gomezji and Mihalic, 2008). The method of promotion refers to the means used to implement promotional programs. Kotler et al (1993) define a "promotional strategy" as the activity of communication with the target audience in a market (or multiple different markets). Various methods of promotional strategies and tools exist, including sales promotion, direct selling, advertising, public relations and personal selling. Baloglu and Margaloglu (2001) note that main information sources, external formal sources, commercial sources and professional sources.

According to Fill (2002,3), marketing communication is a process in which organizations engage in, in order to communicate and have a dialogue with their various audience. To do this, organizations create, present and evaluate messages to certain stakeholder groups. The purpose of marketing communications is to affect the perceptions, comprehension and actions of a target audience towards a company and its products and services.

There are five tools that be recognized in marketing communications as means to deliver a message to target audience. These five tools are advertising, sales promotion, public relation,

direct marketing and personal selling. According to Fill (2002,620), public relations concerns the activities that pursue to affect the attitudes and opinions that different stakeholders have toward an organization. Public relations often seek to influence the whole public opinion.

According to Fill (2002, 486) by advertising a company can influence consumers by informing or reminding them of its products and services. Advertising is also used to convince consumers or help them differentiate a product or a company from their competitors in a certain market. Kotler and Keller (2009, 526) mention that advertising can be applied in building up a long term image of a brand or generating quick sales. They also note that the more presence of advertising may increase sales because consumers might believe that a brand that is advertised a lot must offer good value.

Another part of marketing communication affecting buyer behavior in addition to advertising is sales promotion. The purpose of sales promotion is to offer consumers some additional value as an encouragement to stimulate an immediate purchase. There are a number of different sales promotion techniques of which Kotler and Keller (2009, 527) mention coupons, contests and premiums. Fill (2002, 558) also mentions coupons and premiums as important sales promotion techniques but he also adds price offs to the list. According to Fill (2002,558) , what is similar to all of these techniques is that they all offer a stimulus or an incentive that allures consumer as receivers of the promotional message to purchase a product today instead of the next day or the following week. The added value to the product is meant to encourage the consumer to buy the product sooner rather than later.

According to Fill (2002, 687), personal selling is a form of marketing communications that involves a face to face dialogue. In addition to the opinions of friends, family or other consumers, the opinion of sales personnel in a store can also influence consumer behavior. Kotler and Keller (2009,512) define personal selling as face to face communication where the sales person interacts with a prospective customer by making presentation, answering questions and procuring orders. Personal selling is very effective tool in the later stages of buying process and it can be used to build up brand preference as well as conviction and action. There are three characteristics that can be identified in personal selling: personal interaction, cultivation and response. Personal interaction means that personal selling enables a situation where two or more people can have a conversation in which each party is able to observe each other's reactions and respond immediately. Cultivation on the other hand refers to the possibility of the development of a relationship between the parties involved in a

personal selling situation. It is possible that the relationship between the sales person and consumer develops from a formal selling relationship to a deep personal friendship, especially when the selling occurs friendly. The third characteristic of personal selling is to response in the sense that the consumer may feel an obligation to respond to the sales talk after having listened to it.

National tourism offices (NTOs) are organizations that offer many opportunities for a destination. Almost every country in the world has an agency responsible of international tourism, which is generally managed under a government ministry.

Given the large number of NTOs operating worldwide, roles and tasks vary significantly from other destinations, the role of tourism organization has evolved during the last decades. In practice, the NTO abroad is the main body for the marketing of a country to foreign visitors. As a result, the main role involves destination promotion and market facilitation through activities such as advertising, press and public relations, communication and so on.

According to Patricia Chumbo Alves, An examination of NTOs promotional activities : The case of Portugal in Spain, within the increasing competence in the travel industry, marketing is regarded by national tourism offices as an essential tool by which to attain a competitive advantage. Tourism organizations seek the differentiate destinations and to persuade potential tourists to make a holiday purchase, but also aim to satisfy the needs of consumer and the local community. As a result, it is agreed that NTOs abroad have a marketing role since they are concerned with maximizing the opportunities and coordinating promotional activities on behalf of its country through the development of marketing strategies.

Bobby Anedersson & Aman Hailemariam(2007), Sales promotion in B2B made following specific conclusions after their study completed.

- i) Sales promotional tools are not only used in order to directly generate sales, but also to improve relationships and through that increase sales.
- ii) Since the industrial market consists of fewer but larger customers in comparison to the consumer market; the loss of a customer has a greater impact on the business. This could be the reason why the focus of companies is to stimulate the relationship of already existing customers by using promotion.
- iii) Events could be a good opportunity to both negotiating business deals and socialize with business partners to maintain and improve the relationship between them.

- iv) Gift giving is suitable to use when trying to keep a positive atmosphere in the relationship, but it also works as a reminder to create awareness.
- v) Regular price discounts are not the most preferable tool to use in order to attract new customer, it can instead be used when securing a contract.
- vi) Providing customers with free trial can be a good option when dealing with customers skeptical towards the product, the customer gets to evaluate the product through the free trial.

According to Md.Jakir Hossain & Dr. Klaus Solberg Soilen(2006),“The Use of Promotion Activities in Tourism Industry. The Case of Bangladesh”, the significance of tourism is viewed from many angles like economic, social, cultural, political, etc. Tourism is now the fastest growing and single largest industry in the world. The industry has attained the impressive growth in the world-wide in terms of tourist arrivals and foreign exchange earning which has led the ever increasing competition among the destination countries and gained the top priority in most of the destination countries. Every destination country is trying to attract more tourists by drawing the attention and growing the interest among the potential tourists through adopting effective marketing strategies. Promotion is an important element of marketing mix and plays a vital role in developing marketing strategies. Because of tourism is a field where the customer/tourists want to know in advance about the attractions and facilities of the destination. Marketers need to provide such necessary information to the perspective tourists through different promotional measures and thus, try to motivate and attract them to the sponsor's destination.

Though the growth of tourism is impressive world-wide, the same in Bangladesh is not so. It is not because of lack of eye-catching tourist's attraction to the destination of Bangladesh, rather it is the result of inadequate promotional measures. Bangladesh failed to attract tourists to its incredible tourism destination.

Cristopher Owalabi Williams(2010), “Marketing process of Hotel Service, Case: Transcorp Hilton Hotel, Nigeria”, has mentioned that Transcorp Hilton (a hotel) usually presents print advertising as a means of media. This gives the event planner more information about the hotel services and how things are handled in the hotel in terms of arranging events like weddings, annual meetings and educational programs. Furthermore, the printed media explains more about the type of rooms the hotel has and how the pattern and style are made. The hotel provides magazines that cover the whole picture of their services.

Transcorp Hilton is involved in sales calls for selling their accommodations and event rooms. Furthermore they send their sales manager for face to face selling when they discover that potential customers are planning an event like an educational seminar, conference meeting and wedding. Nevertheless the hotel always wants to be involved themselves in arranging meeting rooms that are suitable for their customer.

Transcorp Hilton offers a membership card to their potential customers which card Hilton honours. These cards give the customer the right to have discount in the hotel. Also it helps the customers to enter into the hotel without standing in the line with other people. Nevertheless the hotel offers weekend rates, seasonal prices and incentive trips plans for their customers as part of their promotion.

Transcorp Hilton public relation is one of the best in Nigeria. In terms of hotels public relation the name Hilton has helps the hotel to edge over all other hotel in Nigeria. Furthermore Hilton was ranked number four in hospitality services in the world. These make the Transcorp Hilton publicity is strong. Moreover, the recognized personalities prefer using the hotel for events.

According to <http://businesscasestudies.co.uk/adidas/planning-effective-marketing-strategies-for-a-target-audience>, all elements of the marketing mix are important. However, in increasingly competitive markets innovative methods of promotion can create a competitive advantage. Promotion activity is used to communicate with consumers about the brand and its products. As there were more than 50 London 2012 sponsors, adidas needed to ensure it communicated the right messages, at the right time, through the appropriate channels for its target audience. It aimed to create national support for Team GB through its 'Take the Stage' campaign.

There are many different methods of promotion. Above-the-line promotion refers to traditional methods of advertising, such as, print adverts in magazines and newspapers, billboards of online and TV advertisements. This form of promotion is expensive. As mass audiences become harder to reach through advertising, for example, an increasing number of people record TV and fast-forward the adverts, innovative methods below-line activity is becoming increasingly Important to engage the audience. Above-the-line activity for adidas' campaign included TV adverts that showcased the best UK talent across sport, street, and style.

In contrast, below-the-line promotion aims to reach more targeted groups of consumers. For example, through sponsorship deals, direct marketing, public relations and social media. Below-the-line promotion targeted at the youth audience was a key method for adidas to achieve its marketing objectives. It used a wide range of promotional activities to create deeper engagement with its audience, mixing traditional media with an innovative use of social and digital channels.

(Wamoni Edward Kagotho(2011), “Promotion Activities and Sales Volume in Telecommunication Industry”, indicate that MTN (U) widely used advertising and personal selling as the main promotion activities to stimulate their sales volume and had a profound increased on sale volume, these promotion activities have helped to convey the message of the product/ services that MTN (U) offers. The study further revealed that a significant percentage of the respondents were using radio and TV as a media mix to receive promotional messages and that a bigger percentage showed that the promotional message they got over the media were clear and had influenced customer learning about the company’s products. The findings also indicated that not only promotion activities that affect sale volume but there are other factors such as research and development, good customer care price reduction, good after sale service and wide coverage which influenced consumption behavior of the customers in the market, however promotional activities have been found to be very successful though some were inappropriate to Uganda and a few modifications would have been better.

A close examination revealed that promotion activities had really increased sales volume for MTN (U) for the last 3 years. Promotion activities have helped to change customers' perception on the product/services MTN (U) offers thus retaining them as their customers who have in turn contributed to increase in sales volume. The study revealed a strong positive relationship between promotion activities and sales volume with a correlation (r) of 0.872 implying more efforts put towards the promotion activities would increase sales volume by 87.2%.

The study concluded that promotion activities induce customers to consume MTN (U) products on the market thus increasing consumption rate and the sales volume. There is a strong relationship between sales promotion and the company's sales volume. The main media mixes used are the radio and television to communicate promotional message. To increase sales volume of MTN (U) is a major aspect in the company, this is because the

telecommunication industry is faced with a lot of competition from other competitors hence leading to the application of more promotions in order to increase sales revenue.

According to Anna Grankvist(2004), “Promotion Strategies for Banking Services,Case Study of Nordea in Estonia”, institutional advertising is currently the most frequent form of advertising used by Nordea. It was especially important after the merger in 2001 in order to make people aware of the new brand name, Nordea . Institutional advertising is mostly exposed through television or out-side media, such as ad-pillars and posters. Furthermore, television commercials are mainly used for the purpose of building the brand name and brand recognition. However, since the market became aware of Nordea, advertising in magazines and radio also has become significant.

Normally, Nordea has about ten advertising campaigns in one year; however this depends on the economical and competitive situation on the market. The duration of each campaign varies from one to six months. The individual brand advertising campaigns follow the image the bank has created through its institutional advertising in form of having the same color scheme and always using the Nordea logotype.

Nordea does to some extent use sales promotion, in the form of special offerings and giveaways. An example of a special offering is when a customer decides to sign up for internet banking, telephone-banking or a credit card. The customer then receives beneficial charges or home loan offerings. Currently, Nordea is promoting special home loan offers, using low interests as a way to attract customers. However, special offerings are not commonly used by Nordea and only when the market conditions are favourable.

Public relations are handled through a number of media and ways, with varying objectives. In order to inform the public about Nordea and its products, the company tries to appear in news television-programs and to write articles in financial magazines. There are a number of well-respected financial magazines in Estonia, in which Nordea is active. Approximately once a month Nordea tries, on its own initiative, to make a contribution in a magazine, and at least once a week journalists contact Nordea for a statement. Nordea has no specific person hired to take care of the public relation activities in Estonia, instead it is managed by external agents at press releases and by the personnel at the marketing department.

Personal selling is performed through the internet, telephone, and personal interaction at the offices. Services such as accounts, credit cards, loans, investment funds and home insurance

are offered to the customers. In order to effectively manage the personal selling activities, Nordea has segmented its customer- group. Customers in the upper segment have their personal banking advisor, as well as corporate customers with a turnover above a certain level also have their own contact person. All customers can reach Nordea's telephone central, and they can expect to get the same service as they get at an ordinary office. Furthermore, the customers who have their own banking advisor can also contact that person directly.

A study done by Swechha Shrestha(2009),“Study of Advertising Impact of Coca-cola and Pepsi-cola”, showed the following results:

- a) Advertising has introduced Coca-cola and Pepsi-cola to many people of the market. Now, many people know about Coca-cola and Pepsi-cola as it is a cold drink, from where it is marketed?, about its price, places from where to buy?, about its quality etc. .b) Advertising has increased the customers of Coca-cola and Pepsi-cola. Due to which profit of the organization has increased.
- c) Now, organization is in improved status. It has adequate no. of buildings, vehicles and personnel than previous.
- d) Because of the increase in sales, revenue and profit organization has paid proper salary and many facilities to personnel.
- e) Advertising has decreased the expenditure done in the promotional activities like sales promotion, personal selling and publicity because it is less costly than other promotional methods in comparison between their coverage area and expenditure.
- f) As the demand of Coca-cola and Pepsi-cola is increasing, most of dealers and other retailing shops are placing order in increasing amount every next time.
- g) 80% of customer said that they know about the Coca-cola and Pepsi-cola through the different media of advertisement.

According to Rita Rai(2009), “Study of Advertising and Sales Promotion of Cars in Nepal, with Special Hyundai Santro”, for the promotion of cars in Nepalese market mostly advertisement is done. The main advertising media used for the promotion of cars are newspapers, magazines and television. For the advertisement of cars national daily and weekly newspapers are used. Similarly, magazines which are published from Kathmandu and distributed all over the country are used. Television is also a suitable advertising medium for the promotion of cars. So, the dealers of cars in Nepal are using television for the advertisement of their cars. It is found that dealers of Hyundai Santro cars are also using

newspapers, magazines and television for the advertisement. 60% of the total expenditure in advertisement is used in television advertisement. It is the luxurious need and people who have capacity to buy car have T.V. in their home. Thus, T.V. advertisement has been given first priority.

For the sales promotion, the dealers of Hyundai Santro cars are found using tools like premium, gifts, credit facility and lucky draw etc. .They give T.V., freeze, etc. to customers as gifts and premium. For sales promotion specially they use credit facility as important tool. They attract customers who have not enough money to buy a car at once also. These customers pay some of total cost while buying a car and rest of the cost they pay later in kista system.

Samrat Raj Adikari(2011), “ Measuring effectiveness of Bank Branches: A Case Study of Bank of Kathmandu”, stated on his study that banks are using different types of promotion methods which is helping them to increase customers, revenue, profit and their prestige also. As the number of customers increase, banks revenue and profit also increases. Then they started to give more and more facilities to customers which make more customers to be attracted. With the increased revenue and profit, banks become able to recruit more personnel, give more and more services by using modern technology. Thus, promotion has become a important tool for the improvement of status of banks in competitive environment. So that it can be said that promotion is also an important component which affects the effectiveness of the bank branches.

The branches of Bank of Kathmandu are established in main cities of country. There are available different media like F.M., Radio, local newspapers, local cable networks etc. for the promotional activities. Central office has done more promotional activities but branches are not so interested in the promotional activities. They only try to give facilities to customers as directed by central office. Thus, many persons do not know about the branches of the Bank of Kathmandu and facilities given by them. Therefore, branches of this bank should be involved in the promotional activities in the local level through the locally available media of promotion.

Dinesh Ghimire(2010),“Advertising Effectiveness of Nepalese Noodles Manufacturer.” mentioned in his study that Nepalese noodles manufacturer are found using advertising media as below:

a) Radio

- b) Television
- c) Newspapers
- d) Magazines
- e) Wall painting
- f) Hoarding board and billboard

Most of noodles manufacturer use advertising media for the introduction of their new products to the target market. Later they are interested towards other method of promotion than advertising method. At the beginning when they are introducing their product to market they use national as well as local advertising media like Radio, T.V., Newspapers and Magazines. But after sometimes they are more centered towards the national level advertising media.

Among the different types of media for advertisement Radio, T.V., and Newspapers are mostly liked by all the manufacturers. These media has broad coverage area. So these media are used by almost all the manufacturers. About 90% of manufacturers also widely used wall painting and hoarding boards for advertisement of noodles. These are placed near the crowdly places and places where people come and gather mostly. Magazines are used by some (40%) of the manufacturers. It is costly and has narrow coverage because only few educated persons read magazines regularly.

Although noodles manufacturers are using advertising media for the promotion, they are losing their market gradually. It is because with the increase in completion, manufacturer do not changes the price but decreases the quality of noodles which forces the consumer to search a alternative product. As the sales decreases, noodles manufacturer begin to cut off commission, gifts and premium to the dealers and consumers which decreases more the demand of their noodles. In this way, their market becomes smaller and smaller with the decrease in sales. Finally, the brand name of existing noodles disappears from the market and other new brands appear in the market. Thus, it is suggested that, along with the advertisement and other promotional activities, manufacturer should maintain the quality of noodles as demanded by the consumers.

Sudhin Shrestha(2012),“ Roles of Travel Agencies of Nepal in Promoting Ecotourism” found that travel agencies in Nepal are actively and largely involved in promotion of ecotourism of Nepal. They are working in their individual level and also with the government to some extent. Promotion in any field back up of finance, which has been a major problem to the

country. There is no doubt that government also receives funds from foreign countries for the advancement of ecotourism. But, the money is not being mobilized according as expected. In spite of this, travel agencies have performed major roles in promotion of ecotourism in their own efforts as well as coordination with various environmental organizations.

Ganesh Prasad Koirala, “Impact of International Trade Fairs in Export Promotion: A Case Study on Nepalese Handicraft products”, revealed that trade fair is one of the oldest and the popular form of marketing. Before the establishment of modern market and implantation of new promotional activities, trade fair plays an important role as promotional tools in marketing. But, today after the development of new marketing procedures also, trade fairs are still popular and considered as the most effective tool of promotion. More than 2000 trade fairs held around the world annually shows the importance and popularity of trade fair.

International trade fair is a place where different exhibitors and buyers from different part of the world gather together under one roof to exchange their products, ideas, technologies and views. It is the one place where an organization can be known to the world. Entering international market is very important as much it is difficult in today's competitive world. But international trade fairs held around the world makes it easy. So, international trade fair can be considered as one of the gateways to the international trade.

Nepal's Participation in international trade fair was started some dates back to 1968 on the initiative of National Trading Limited in Berlin, Germany. Since, the establishment of Trade and Export Promotion Centre and Handicrafts Association of Nepal, Nepal has been continuously participating in international trade fair since 1973.

Further Koirala has organized his findings in following table.

Advantage gained from international Trade fair

Objective of Trade fair	Promotion	Public Relation	Order Placement	New Customer	Increase Export
No. of Participants	12	12	9	15	12
% of participant	80	80	60	100	80

Source: Field Survey 2010

The above table shows that out of 15 participants all the 15(i.e.100%) said that they made new customers in the international trade fair. 80% of participants said that the trade fair helps them in promotion and public relation as well increase the export of the organization. Similarly, 60 % of the participants confirmed the order placement. The main objective to participate in trade fair is to increase sales volume and make more profit for Nepalese exporter. But some of the respondents are optimistic about long term sustainable income by their product with establishing the brand image and after sales customer relationship. Above table showed that 80% are interested in promotion and public relation but still result is sceptical whether they want export increment or new customer because most of the respondents choose more than two options. Clearly we can say that, by the use of different marketing strategies in long run or short run they want more sales volume with increasing export. Within the scope of medium and long term company planning, participation in a trade fair can serve to clarify the future position of company in the market.

CHAPTER THREE

RESEARCH METHODOLOGY

Research methodology is an important aspect of research. Every research work requires method or process to be completed successfully. This chapter presents the methodology adopted by this study which is explained in detail as following.

3.1 Research Design / Type of Research

The main objective of this study is to study and reveal the pattern of promotional activities performed by Dinesh Company. Therefore, the research design used for this study is of descriptive type. So in this research, findings are described simply.

3.2 Selection of Area

Dhangadhi Municipality is selected as the area of research because all the braches of Dinesh Company are located in this municipality.

3.3 Sources of Data

For this research, the data are collected from two sources:-

- a) Primary source
- b) Secondary source

Primary data are collected from the branches of Dinesh Company, wholesalers, retailers and final consumers. Secondary data are collected from branches of Dinesh Company and Kailali Uduyog Banijya Sangh .

3.4 Population and Sample

Data are collected from all branches of Dinesh Company. 40 wholesalers and retailers are randomly selected. Similarly, 50 final consumers are selected randomly for the purpose of data collection.

Table No.3.1

Nature of Sample

S.N.	Type of sample	No. of sample
1	Branches of Dinesh Company	11
2	Wholesalers and Retailers	40
3	Final Consumers	50

Source : Field Survey, 2071

3.5 Collection of Data

The primary data are collected using questionnaire. The questionnaire is given in annex. The secondary data are collected in appropriate format on the basis of need during study.

3.6 Presentation and Analysis of Data

Data which are collected are presented in form of table, bar diagrams, pie-charts etc.. Then data are analyzed by using statistical and non-statistical tools. Descriptive method is also widely used. Statistical tools have been used where necessary.

3.7 Result, Conclusion and Suggestion

In this section, on the basis of presentation and analysis of collected data, results are presented. On the basis of results found, conclusions are drawn. Finally, suitable suggestion and recommendation have been drawn.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Classification of Branches of Dinesh Company

The branches of Dinesh Company are classified according to the nature of business operated by them.

Table No. 4.1
Classification of Branches of Dinesh Company

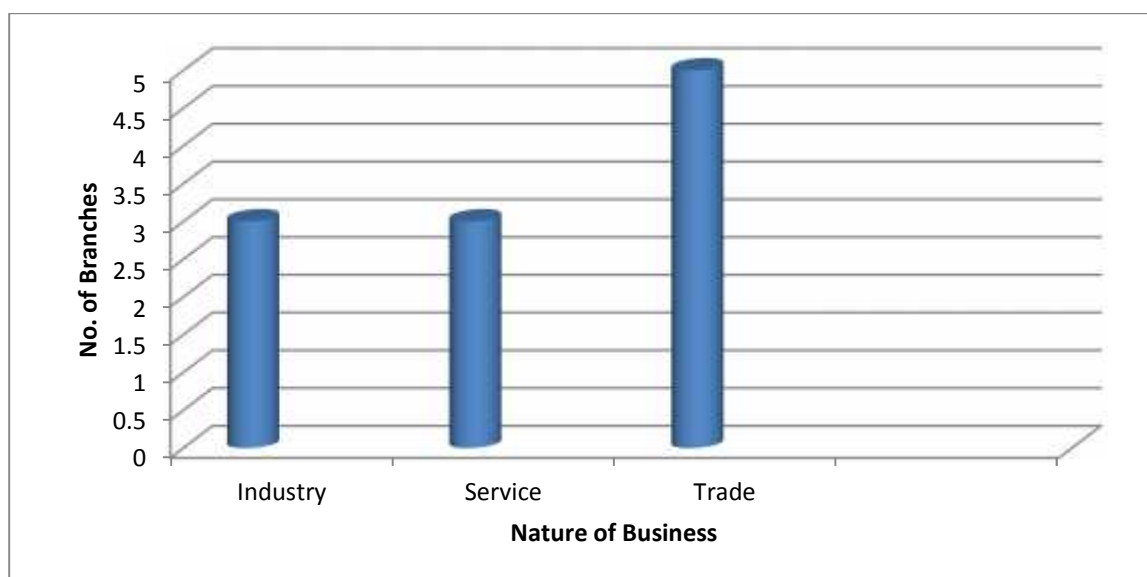
S.N.	Type of Business	Number of Branches
1	Industry	3
2	Service	3
3	Trade	5
	Total	11

Source : Company Profile, 2071

Above information is also shown in the following figure.

Figure No. 4.1

Classification of Branches of Dinesh Company



From the above table, we can see that of 11 branches 3 are industries. Dinesh Metal Industry, Dinesh Agro- Industry and Dinesh Hoseary are industrial branches of Dinesh

Company. 3 branches are service providing firms. These are Dinesh Automotives, Dinesh F. M. and Dinesh Cottage. Rest of the branches are related with the trade of goods. These branches are Dinesh Concern, Dinesh Pharmacy, Dinesh Electronics, Dinesh Motors, and Dinesh Computers.

4.2 Methods of Promotion used by Branches of Dinesh Company

Table No. 4.2

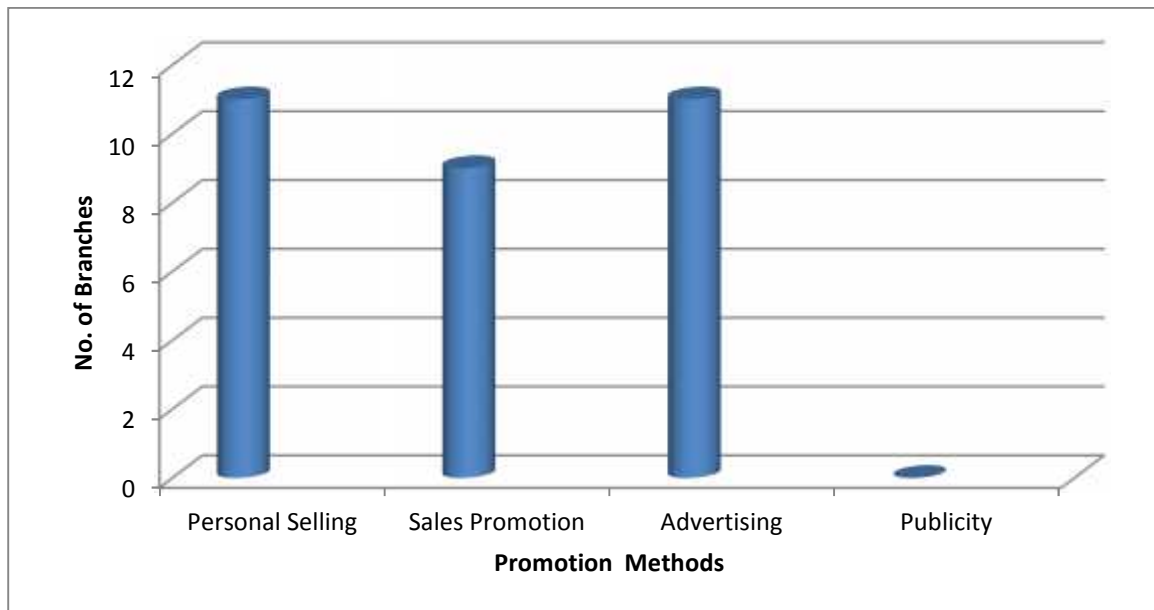
Number of Branches using Different Promotion Methods

S.N	Methods of Promotion	No. of Branches	Percentage
1	Personal Selling	11	100%
2	Sales Promotion	9	81.81%
3	Advertising	11	100%
4	Publicity	-	-

Source : Company Profile, 2071

Figure No. 4.2

Number of Branches using Different Promotion Methods



The following table shows the adoption of promotion methods by the branches of Dinesh Company. Personal Selling method is adopted by all the 11 branches. Similarly, Advertising is also adopted by all 11 branches. But Sales Promotion method is used by 9 branches.

Dinesh Hoseary and Dinesh Cottage are not using sales promotion method. The Publicity method of promotion is not used by Dinesh Company. The above information is also shown in above figure.

4.3 Use of Personal Selling Method

Personal Selling Method can be done by following three ways.

- i) Indoor Personal Selling
- ii) Outdoor Personal Selling
- iii) Sales Representative

The branches of Dinesh Company are using the personal selling method of promotion. Among the three types of personal selling methods given above they are using only Indoor Personal Selling method. Outdoor Personal Selling and Sales Representative method are not adopted by Dinesh Company.

4.4 Use of Different Types of Sales Promotion Methods

Different types of sales promotion methods used by the different branches of Dinesh Company can be categorized as given in the following table.

Table No. 4.3
Classification of Sales Promotion used by Dinesh Company

Consumer Promotion	Trade Promotion	Sales Promotion
1. Price-off	1. Price-off	1. Bonus & Commission
2. Decoration & Display	2. Credit facility	2. Gifts
3. Premium or Gift	3. Allowances	
	4. Gifts	

Source : Company Profile, 2071

From the above table, we can see that all the sales promotion activities can be categorized into three groups that are given below.

- i) Consumer Promotion
- ii) Trade Promotion
- iii) Sales Promotion

In consumer promotion, branches of Dinesh Company are using activities like price-off, decoration & display, and premium or gifts. Among the trade promotion activities, wholesaler and retailer are promoted by using the activities like price-off, credit facility, allowances and gifts. Similarly, sales forces are promoted by giving gifts, bonus and commission.

The following table shows the number of branches of Dinesh Company using the different types of Sales Promotion Methods.

Table No. 4.4

No. of Branches Using Different Sales Promotion Methods

S.N.	Types of Sales Promotion	No. of Branches	Percentage
1	Price-off	9	81.81%
2	Premium or Gifts	5	45.45%
3	Credit facility	9	81.81%
4	Allowances & Free goods	4	36.36
5	Bonus & Commission	3	27.27%
6	Decoration & Display	5	45.45%

Source : Company Profile,2071

From the above table and figure, it can be seen that credit facility & price-off activities are performed by 9 branches. Premium or gifts, decoration & display activities are used by same number of branches i.e. 5 number of branches. 4 branches are using bonus & commission activities of sales promotion method for the promotion of their goods and services.

Above information is also plotted in the following diagrammatic representation.

Figure No. 4.3

No. of Branches Using Different Sales Promotion Methods



4.5 Different Types of Advertising Media Used by Branches of Dinesh Company

The branches of Dinesh Company are using different types of advertising media for the promotion of their goods and services. The following table shows the different types of advertising media used by Dinesh Company.

Following table shows that only newspaper, magazine and radio advertisement are used by all the branches of Dinesh Company. T.V advertisement is used by 9 branches. Poster advertising is adopted by only 4 branches. Likewise, bill board and hoarding board are also used by few branches i.e. 2 branches. Out of 11 branches of Dinesh Company only 2 branches has showrooms for the advertisement of its goods or products.

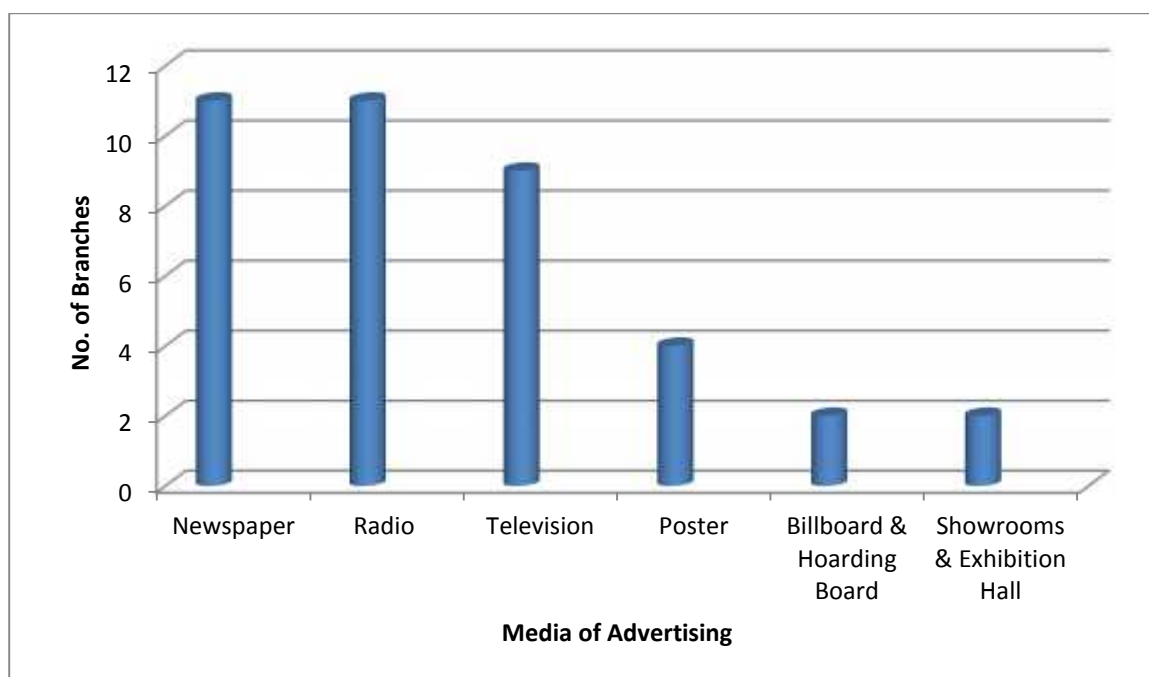
Table No. 4.5
Advertising Media Used by Dinesh Company

S.N.	Media of Advertising	No. of Branches	Percentage
1	Newspaper & Magazine	11	100%
2	Radio Advertising	11	100%
3	T.V. Advertising	9	81.81%
4	Poster Advertising	4	36.36%
5	Billboard & Hoarding board	2	18.18%
6	Showrooms & Exhibition Hall	2	18.18%

Source : Company Profile,2071

The information given in the above table is also shown by following figure.

Figure No. 4.4
Advertising Media Used by Branches of Dinesh Company



4.6 Facility Gained by Wholesaler and Retailer as Trade Promotion

Table No. 4.6

Facility Gained by Wholesalers and Retailers

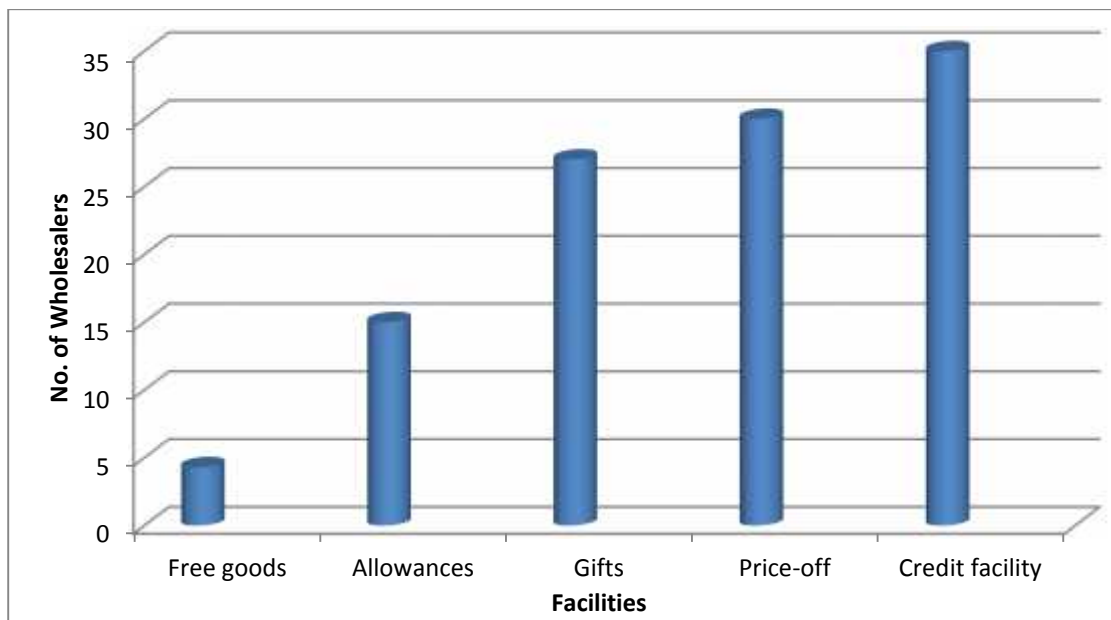
Trade Promotion	No. of Wholesalers & Retailers	Percentage
Free	10	25%
Allowances	15	37.5%
Gifts	27	67.5%
Price-off	30	75%
Credit facility	35	87.5%

Source : Field Survey

During the study, 40 wholesalers and retailers are asked what kind of facilities they are receiving from the Dinesh Company while purchasing and selling goods and service from this company. Then information obtained from these wholesalers and retailers is tabulated as above.

Figure No. 4.5

Facility Gained by Wholesalers and Retailer



4.7 Branches of Dinesh Company and Their Promotion Activities

Different branches of Dinesh Company and promotional methods adopted by these branches are described as follows:

a) Dinesh Pharmacy

This branch is using internal personal selling in personal selling methods. Under sales promotion methods Price-off, Credit facility, Gifts are used as promotion. Advertising activities are found performed through Radio, T.V., Newspapers and Posters. Publicity method is not found to be used.

b) Dinesh Agro-Industry

By this industrial branch internal personal selling is used as personal selling. Price-off, Credit facility and allowances found to be used under sales promotion methods. Radio, T.V., Newspapers and Posters are used as advertising media for the advertising of goods produced by this branch. Publicity method of promotion is not used at all.

c) Dinesh Computers

It is found that among personal selling methods, internal personal selling is used. Premium, Price-off, Commission and Credit facility are found to be used for sales promotion. For advertising activities Radio, T.V., Newspapers and Posters are being used. This branch also not found interested in using the publicity method of promotion.

d) Dinesh Electronics

Internal personal selling is used in personal selling methods for the promotion of goods and services provided by this branch. Price-off, Credit facility and Display are found used as tools for the sales promotion of goods and services provided by this branch. As other branches, media like Radio, T.V., & Newspapers are used for the advertisement of products marketed by this branch. Publicity method of promotion is not used by this branch as like other branches.

e) Dinesh Automotives

This branch is also found using three methods of promotion i.e. personal selling, sales promotion and advertisement. Publicity method is not used by this branch also. In personal selling, internal personal selling is used which is used by all other branch also. Tools like Price-off & Credit facility are mainly used for sales promotion of goods. Radio, T.V., and Newspapers are mainly found used for the advertisement of goods and services provided by this branch.

f) Dinesh Motors

Under personal selling method, internal personal selling is found used by this branch for the promotion of vehicles marketed. Credit facility and Price-off are mainly used for the sales promotion. For the advertising objective Showrooms, T.V. Radio and Newspaper media are used . Similar to other branches, publicity method of promotion is not found used for the purpose of promotion.

g) Dinesh Cottage

This is the branch which provides hotel service. It has adopted internal personal selling for the promotion of services. Under sales promotion method it is found using only decoration of entire hotel. Media like Radio, T.V. and Hoarding boards are used for the advertisement of services provided by this branch of company.

h) Dinesh Hoseary

This branch of Dinesh Company mainly concerns with woolen products. Customers are informed about goods and services by using internal personal selling when they contact directly in this branch which is more effective than other methods of promotion. For the promotion of sales, decoration of sales store and product also done effectively. Mainly Radio, TV , Poster and Newspapers are found used as the advertising media for the product produced by this branch.

i) Dinesh Concern

This is branch of Dinesh Company which mainly perform its activities as the dealership of different national as well as international companies for local markets. It sells products of other companies in wholesale in market of Kailali and other districts of far west . It uses internal personal selling methods for the promotion of goods and services when customer directly contact in this branch. For the promotion of sales, it uses tools like Bonus & Commission, Price-off, Credit facility etc.. Radio, Newspaper and Hoarding boards are found used for advertising media.

j) Dinesh F.M.

This is the broadcasting branch of Dinesh Company. It is also found that internal personal selling method is used for the promotion of services provided by this F.M.. Mainly Price-off and Credit facility are used for the purpose of sales promotion. This branch also informs the customers about the services through the media like Radio, Newspaper and Posters.

k) Dinesh Metal

This industrial branch of Dinesh Company found using internal personal selling for the promotion of goods and services. Tools like Commission, Display, Gifts, Price-off and Credit facility are found to be used for the promotion of sales. For the advertisement of products and services Radio, T.V., Showroom and Newspapers are mainly used by this branch.

Above description is summarized in following table also which shows the promotional activities and branches of Dinesh Company which are using different types of promotional activities.

Table No. 4.7

Different Branches and Their Promotion Activities

Name of Branch	Personal Selling	Sales Promotion	Advertisement	Publicity
Dinesh Pharmacy	-Internal Personal Selling	Price-off, Credit facility, Gifts	Radio, T.V., Newspaper, Poster	–
Dinesh Agro-Industry	-Internal Personal Selling	Price-off, Credit facility, Allowances	Radio, T.V., Newspaper, Poster	–
Dinesh Computers	-Internal Personal Selling	Premium, Price-off, Commission, Credit facility	Radio, T.V., Newspaper, Poster	–
Dinesh Electronics	-Internal Personal Selling	Price-off, Credit facility, Display	Radio, T.V., Newspaper,	–
Dinesh Automotives	-Internal Personal Selling	Price-off, Credit facility	Radio, T.V., Newspaper,	–
Dinesh Motors	Internal Personal Selling	Credit facility, Price-off	Showroom, T.V., Radio, Newspaper	–

Dinesh Cottage	Internal Selling	Personal	Decoration,	Radio, T.V., Hoarding board	-
Dinesh Hoseary	Internal Selling	Personal	Decoration	Radio, Poster, Newspaper	-
Dinesh Concern	Internal Selling	Personal	Bonus & Commission, price-off, Credit facility	Radio, Newspaper, Hoarding board	-
Dinesh F.M.	Internal Selling	Personal	Price-off, Credit facility	Radio, Newspaper, Poster	-
Dinesh Metal Industry	Internal Selling	Personal	Commission, Display, Gifts, Price-off, Credit facility	Radio, T.V., Showroom, Newspaper	-

Source : Company Profile, 2071

4.8 Sales and Expenditure in Promotional Activities of Dinesh Company

The table below shows the aggregate sales and expenditure done in promotional activities of ten years from fiscal year 2060/61 to fiscal year 2069/70. From the table, we can see that sale of Dinesh Company is increasing. Similarly, the expenditure done for promotion activities is also increasing.

Table No. 4.8

Sales and Expenditure in Promotional Activities

Fiscal Year	Sales(Rs.)	Change in size	Change in percentage	Expenditure in Promotion	Change In size	Change in Percentage
2060/61	48500000	-		100000	-	-
2061/62	52600000	4100000	8.45%	160000	60000	60%
2062/63	60000000	7400000	14%	225000	65000	40.6%
2063/64	55400000	-4600000	-7.66%	300000	75000	33.3%
2064/65	67000000	11600000	20.93%	380000	80000	26.6%
2065/66	74000000	7000000	10.44%	465000	85000	22.3%
2066/67	80000000	6000000	8.1%	530000	65000	14%
2067/68	78500000	-1500000	-1.8%	600000	70000	13%
2068/69	85500000	7000000	8.9%	650000	50000	8.3%
2069/70	90000000	4500000	5.3%	765000	115000	17%

Source : Company Profile

4.9 Trend of Increase of sales of Dinesh Company

Sales of Dinesh Company is increasing due to the increase in investment in the promotion activities. Though the sales is increasing, it is not increasing satisfactorily. Following table reflects the actual sales and its trend.

The table below reflects that the sales over the years is increasing smoothly, with some irregularities in 2063/64, 2065/66, and 2067/68. The Total sales of 2069/70 is 900 Lakh Rupees, which is higher than of all the years. During the 10 years from 2060/61 to 2069/70 sometimes sales is increasing and sometimes it is decreasing.

Table No.4.9

The Actual Sales and Trend of Sales of Dinesh Company

Unit sales in 00000 Rs.

Fiscal year	Actual sales	Change in size(x)	Trend
2060/61	485	-	-
2061/62	526	41	526.5
2062/63	600	74	567.5
2063/64	554	-46	609
2064/65	670	116	650.5
2065/66	740	70	692
2066/67	800	60	733.5
2067/68	785	-15	775
2068/69	855	70	816.5
2069/70	900	45	858
	n=10	x=415	

Here, Total no.(n)=10

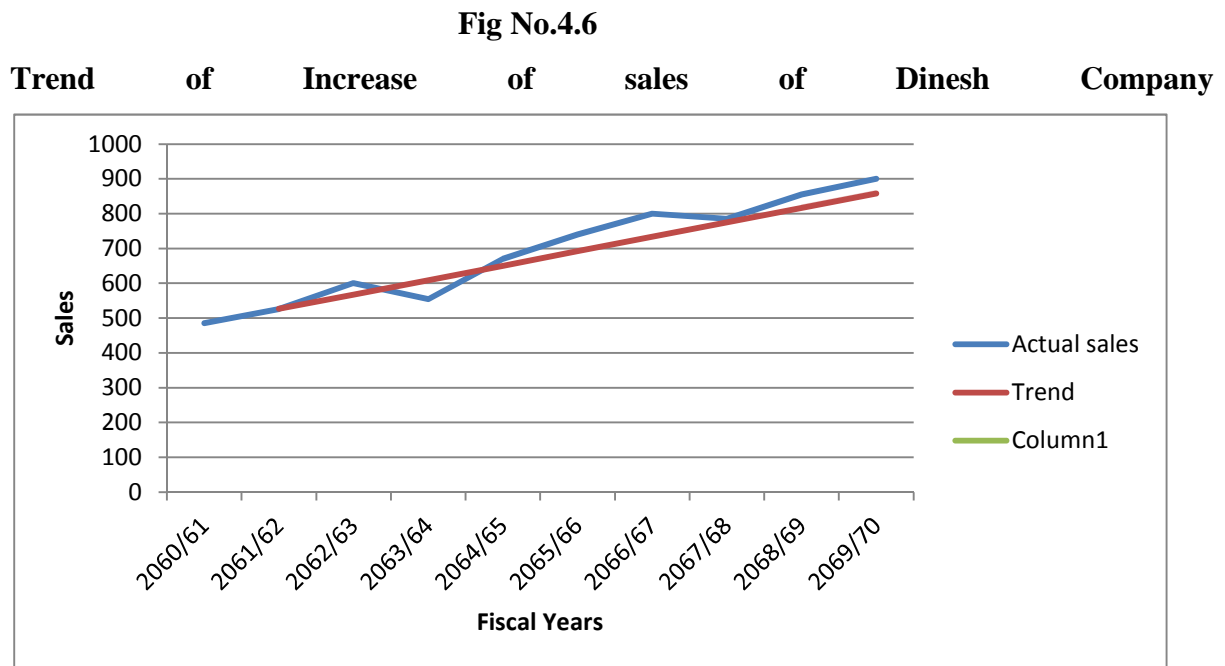
Total increase in sales(x)= 415

Average increase per year = $415/10 = 41.5$

In the below graph, there are two lines, one represents the trend of increase of sales and another represents the actual sales. Line of trend of sales is straight and moves towards right with higher direction. Actual sales line also increasing from left to right but zig zag in nature.

The actual sales line is sometimes lower and sometimes higher than the straight of trend of sales. In the year 2061/62, 2063/64 and 2065/66 actual sales line is below the sales trend line.

The result of above table and calculation has been drawn in the graph as following.

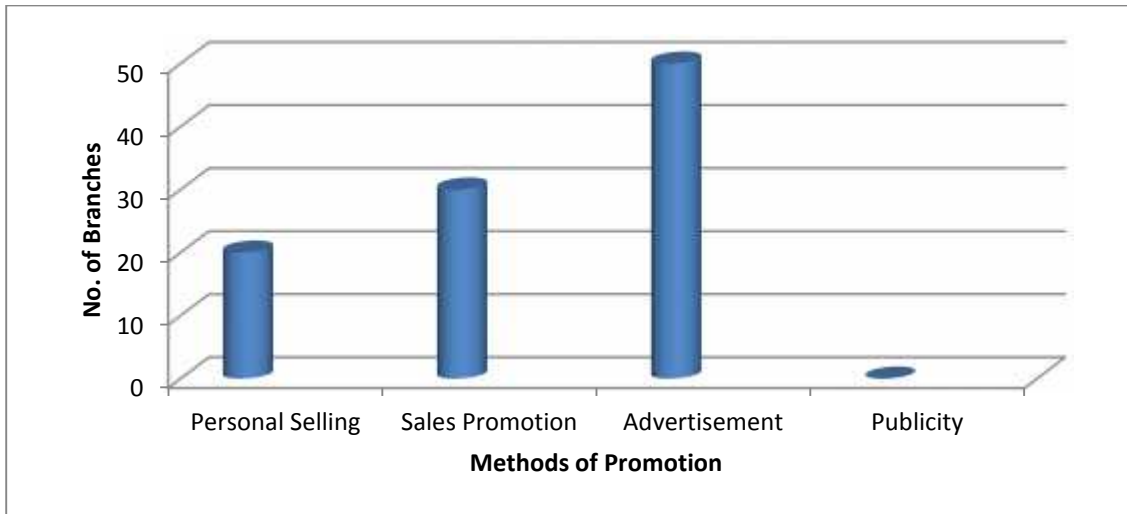


4.10 Expenditure in Different Promotional Activities in Average

From the figure below, we see that, annual expenditure in promotion activities does not include the expenditure for publicity method of promotion. On average 20% of total expenditure consist the expenditure for personal selling. 30% of total expenditure is allocated for the sales promotion method. Highest percentage i.e. 50% of total annual expenditure consists the expenditure for the advertisement on average.

Figure No.4.7

Average Expenditure in Different Promotional Activities

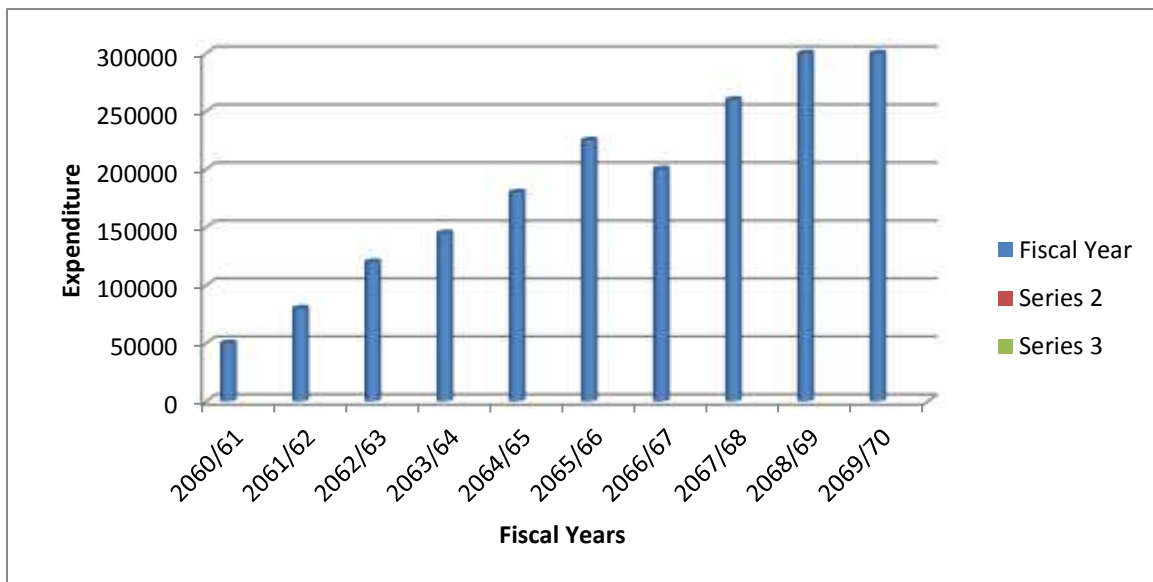


4.11 Expenditure in Different promotional Methods in Different Fiscal Years

i) Expenditure in Advertising

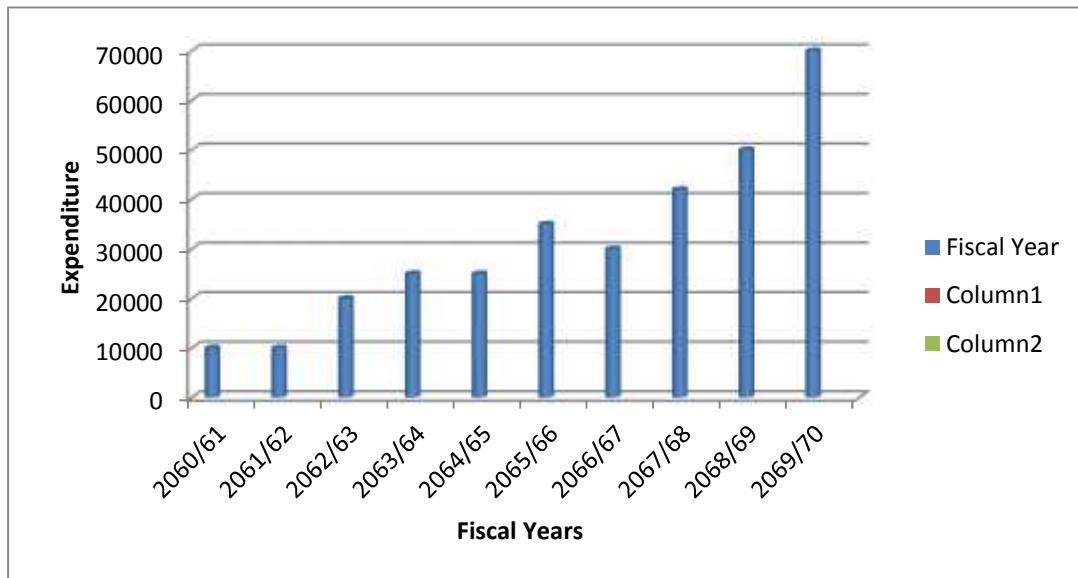
Figure No. 4.8

Expenditure in Advertising in different years



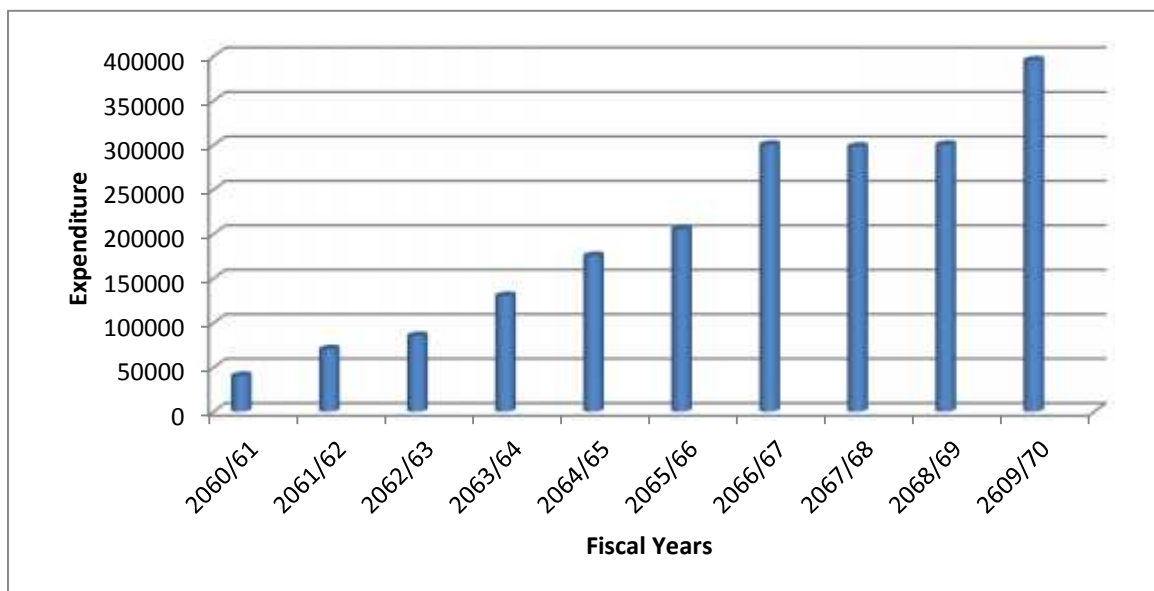
ii) Expenditure in Personal Selling

Figure No. 4.9
Expenditure in Personal Selling in Different Years



iii) Expenditure in Sales Promotion

Figure No. 4.10
Expenditure in Sales Promotion in Different Years



4.12 Advertisement Heard, Seen or Read by Final Consumer

Out of 50 respondents which are final consumer, 35 respondents heard advertisement of branches of Dinesh Company in Radio. But only 20 respondents(out of 50) said that they saw advertisement of goods and services produced and marketed by Dinesh Company on T.V.. Out of 50 respondents, 25 said that they saw advertisement of Dinesh Company in Newspaper. 10 respondents, out of 50, have seen the advertisement in Hoarding board. Similarly, 10 respondents have seen advertisement of goods and services of Dinesh Company in Poster and Pamphlet.

The above information is shown and summarized in following table.

Table No. 4.10

Advertisement Heard, Seen or Read by Final Consumer

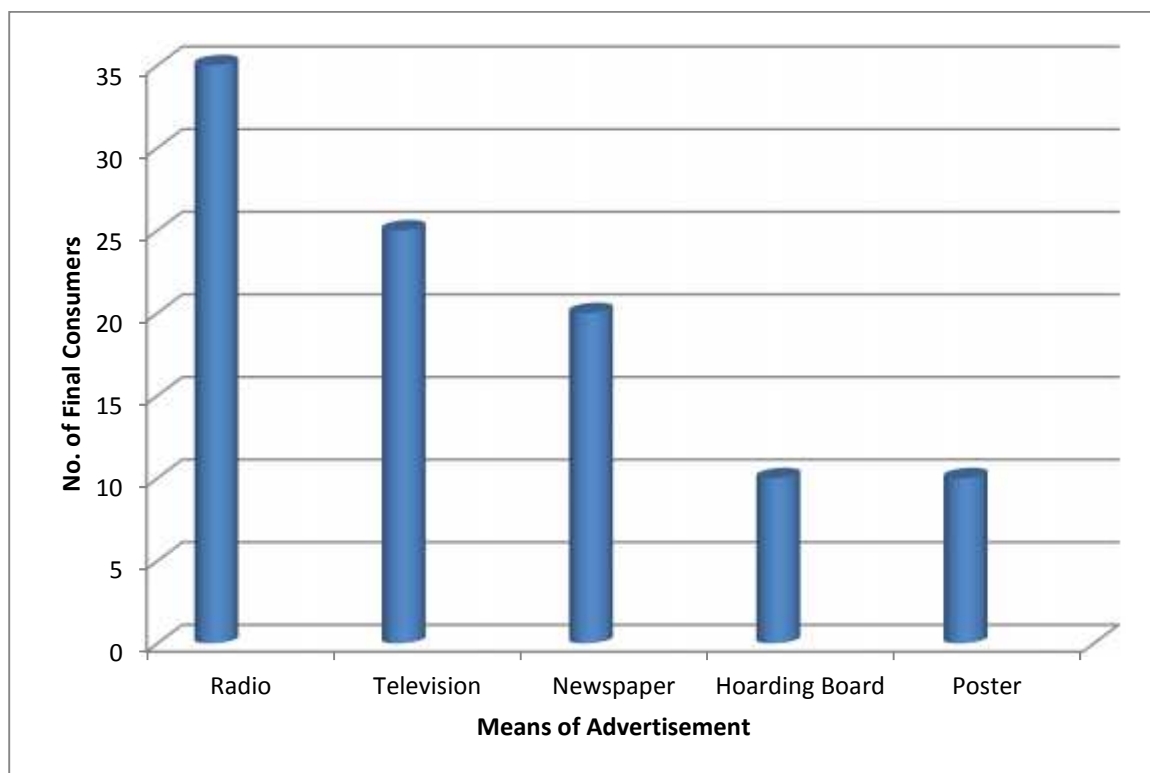
S.N.	Media of Adv.	Total No. of Respondents	Advertisement Facing Respondents	Percentage
1	Radio	50	35	70%
2	Television	50	25	50%
3	Newspaper	50	20	40%
4	Hoarding Board	50	10	20%
5	In Poster	50	10	20%

Source : Field Survey, 2071

The above information in table can be clarified with the help of bar diagram which is presented as follows-

Figure No. 4.11

Advertisement Heard, Seen or Read by Final Consumer



4.13 Radio Stations in Kailali District

The first established F.M. radio station is Ghodaghodi F.M. in Kailali. After the establishment of this F. M. radio station, one more effective medium of advertisement is added to the advertising media of the firms of Kailali. After the 2060 B.S., the establishment of F.M. Radio started in Kailali. The radio stations are effective medium for the advertisement of goods and services of the firms. Radio stations available in Kailali are as follows

Table No. 4.11

Radio Stations in Kailali

S.N.	Name of Radio Station	Address
1	Dinesh F.M.	Dhangadhi
2	Phulbari F.M	Phulbari
3	Khaptad F.M	Geta
4	Ghodaghodhi F.M	Attariya

5	Godawari F.M	Attariya
6	Jan Aawaj F.M	Dhangadhi

Source : Field Survey, 2071

4.14 Newspapers in Kailali District

Newspapers are means of advertisement of goods and services of the firms. In Kailali, there are available local and national weekly and daily newspapers.

Table No. 4.12
Newspapers in Kailali

S.N.	Name of Newspaper	Daily/Weekly
1	Dhangadhi Post	Daily
2	Sudur Sandesh	Daily
3	Hamro Seti	Daily
4	Nepal Times	Daily
5	Rastriya Sandharbha	Daily
6	Seti Samachar	Daily
7	Paschim Today	Daily
8	Hamar Pahura	Daily
9	Api Himal	Daily
10	Anumodhan	Weekly
11	Samachar Saransh	Daily
12	Kachahari	Daily

Udyog
Sangh
2071

Source:
Banijya
Kailali,

Newspapers which are published within Kailali district are given in above table.

4.15 T.V. or Cable Network in Kailali

If there is target market and consumers have facility of T.V. or Cable network, it will be the best medium for the advertisement of the goods and services provided and marketed by an organization of firms. There is not any T.V. station established in Kailali. But there are few Cable network which are given as follows.

Table No. 4.13
Cable Network in Kailali

S.N.	Name of Cable Network	Address
1	STS Cable	Dhangadhi
2	Baba Cable	Dhangadhi
3	AV News	Dhangadhi

Source : Udyog Banijya Sangh, Kailali, 2071

4.16 Main Markets of Dinesh Company in Kailali for Promotion

Table No.4.14
Main Markets of Dinesh Company in Kailali

S.N.	Name of Market	Distance from Dhangadhi
1	Satti	104 Km
2	Tikapur	95 Km
3	Chisapani	93 Km
4	Lamki	79 Km
5	Chuha	70 Km
6	Sadakpur Bauniya	68 Km
7	Pahalmanpur	52 Km
8	Chaumala	36 Km
9	Sukkhad	59 Km
10	Attariya	16 Km
11	Phulbari	20 Km
12	Bhajani	77 Km
13	Kanidada	38 Km
14	Joshiपुर	76 Km
15	Phaltude	69 Km

Source : Company Profile, 2071

4.17 Literacy of the Respondents (Final Consumers)

From table below, it is clear that 35 respondents are literate. But 15 respondents are illiterate out of 50 respondents.

Table No. 4.15
Literacy of the Respondents

S.N.	Status	No. of Respondents	Percentage
1	Literate	35	70%
2	Illiterate	15	30%
	Total	50	100%

Source : Sample Survey, 2071

4.18 Residence Place of Respondents (Final Consumers)

The below table shows that 60% i.e. 30 respondents out of 50 are residence of rural area. 40% i.e. 20 respondents out of 50 are living in urban or city area. This information helps the marketing officer to make appropriate policy for promotion of their goods and services.

Table No. 4.16
Residence Place of Respondents

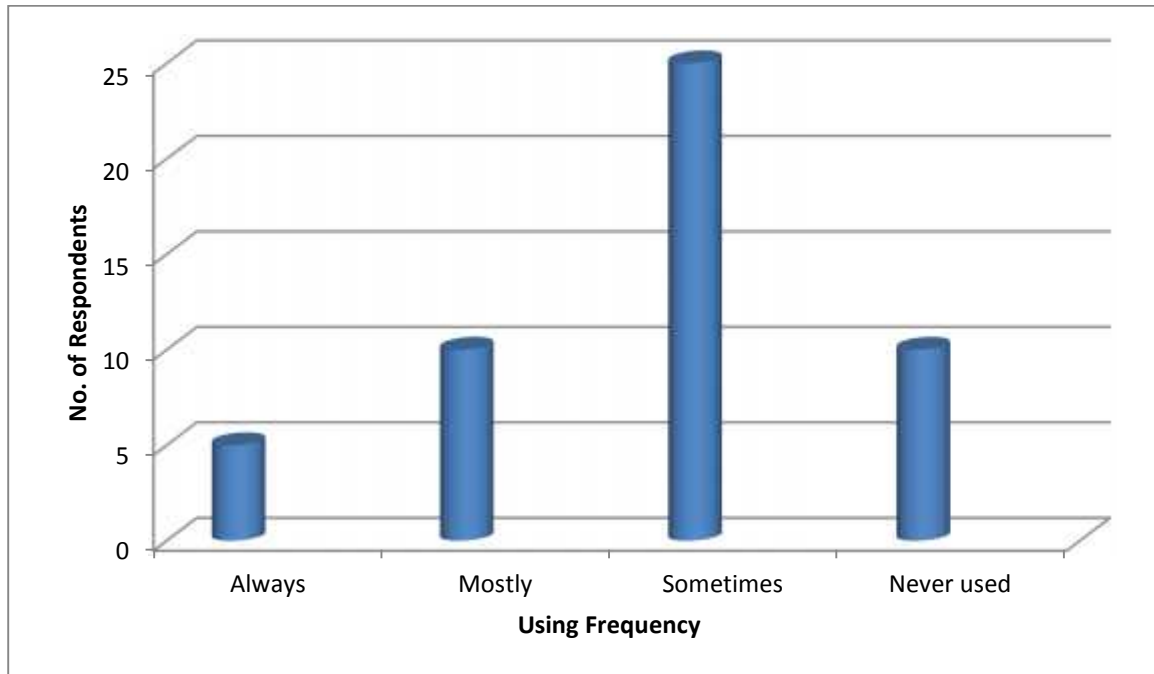
S.N.	Place of Residence	No. of Respondents	Percentate
1	Rural or Remote Area	30	60%
2	Urban or City Area	20	40%
	Total	50	100%

Source : Sample Servey, 2071

4.19 Use of Goods and Services Marketed by Dinesh Company

Figure No. 4.12

Use of Goods and Services of Dinesh Company

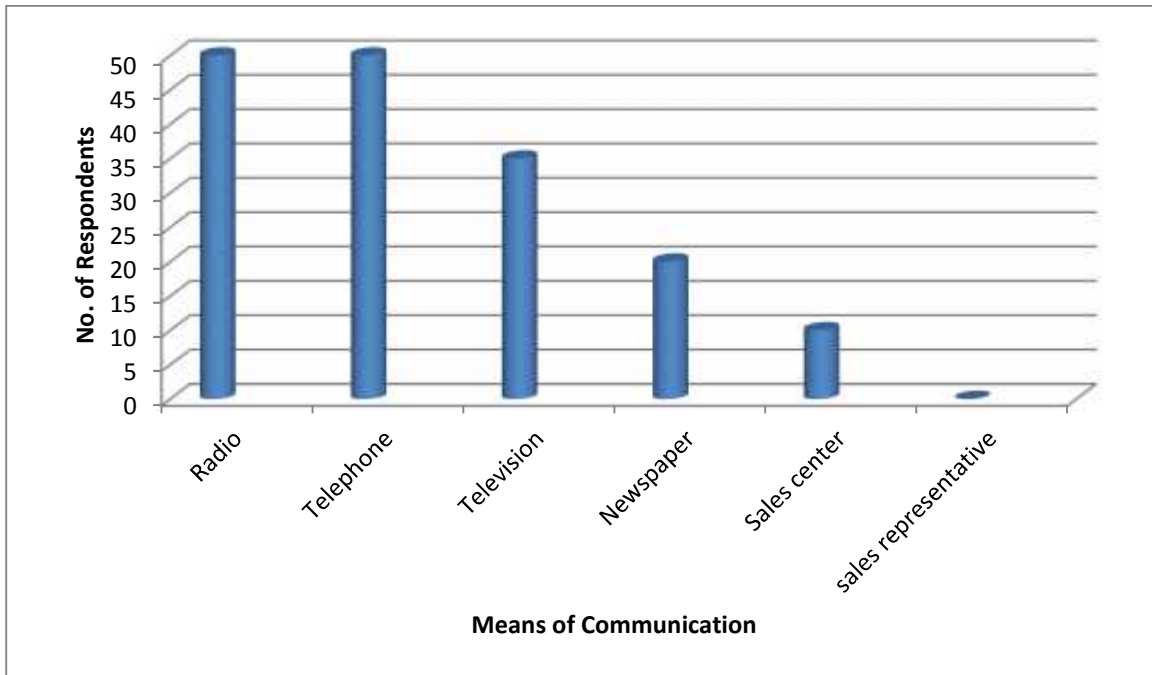


Out of 50 respondents, 5 respondents answered that they always use goods and services provided by Dinesh Company. 10 respondents answered they mostly use goods of Dinesh Company. Similarly, 25 respondents said that they sometimes use but 10 respondents said that they had never used the goods and services provided by Dinesh Company. This information is plotted in above figure.

4.20 Approach to Communication Media

Without the communication medium and system, the promotional activities are impossible to operate. Information are send to and received from consumers with the help of communication system. Final consumers in sample were asked that what types of communication systems are available to them.

Figure No. 4.13
Approach to Communication System



Then it was found that all the 50 respondents have Radio and Mobile phone, 35 consumers have T.V.. Newspapers are available to 20 consumers. Sales centers are available to only 10 consumers. There are no sales representatives at all. This information is shown in above figure.

CHAPTER FIVE

RESULT CONCLUSION AND SUGGESTION

5.1 Results

- Dinesh Company is the first company in Kailali and even in far-western region which has started its business in different sectors. In Kailali, there are sole traders operating only one or two business except Dinesh Company.
- Dinesh Company is mainly trading company. It simply purchases goods from the national and some international industries and firms and distributes and sells mainly in the markets of Kailali and hilly districts of far-western region.
- Among the 11 branches, only three are industrial branches. These branches are *Dinesh Metal Industry*, *Dinesh Agro-Industry* and *Dinesh Hoseary*.
- As today's business environment is very competitive, national and international companies promote their business using different promotional techniques or methods. Dinesh Company is also found using different promotional methods for the promotion of its business.
- Among different promotional methods Dinesh Company is using promotional methods like *personal selling*, *sales promotion* and *advertising*.
- Publicity method of promotion is not used by any of branches of Dinesh Company.
- Personal selling and Advertising method is used by all the branches but sales promotion method is used by 9 branches among 11 branches of the company.
- All the branches are using only *internal personal selling method*. *Outdoor personal selling* and *sales representative* are not used by any of the branches of the company.
- All the three means i.e. *consumer promotion*, *trade promotion* and *sales promotions* are used under sales promotion method.
- *Price-off* and *credit facility* is used by more than 80% of branches. Near about 30% of branches are using bonus and commission for the promotion of their goods and services under sales promotion methods.
- It is found that *newspapers & magazines* and *radio advertising* is used by all (100%) of branches of the company. After the newspapers, magazines and radio, *T.V. advertising* is used by 81% of the branches.

- *Hoarding board, billboard, showrooms and exhibition hall* is used by least number of total branches comprising only 18% of the total number of branches.
- The sales and expenditure in promotion is increasing every year. Sales is increasing slowly but expenditure is rapidly. Sales is not increasing in the ratio of increase in the expenditure in promotion.
- It is found that expenditure in promotion is less than 1% of the total sales.
- 50% of the total expenditure in promotion is used in different advertising activities. 30% and 20% is used in sales promotion and personal selling respectively out of total expenditure in promotion.
- None of the branches is found using the publicity method of promotion. Thus, there is no expenditure in publicity method.
- 70% of the respondents heard the advertisement of goods and services of Dinesh Company advertised through the medium of Radio which is found occupying highest percentage among the other media of advertisement.
- 50% of respondents said that they have seen the advertisement of product of Dinesh Company in Television.
- It is found that the media least used for the promotion by advertisement are Hoarding board and Billboard.
- Most of the wholesalers and retailers who are purchasing and selling goods of Dinesh Company are gaining facilities like *credit facility, price-off and gift*. Free goods and allowances are used only occasionally. Among these, credit facility is mostly used as the trade promotion.
- It is found that there are six *F.M. stations* established in Kailali which cover the all of the area of Kailali and some area of hilly district Doti and Dadeldhura of Far-western region.
- There are twelve local newspapers of which some are daily and some are weekly published within Kailali. But Dinesh Company has used only 3 or 4 newspapers of the promotion.
- There are operating three cable networks in Kailali. These are *STS Cable, BABA Cable* and *AV News*. These all are located in Dhangadhi. These are now giving service in Dhangadhi Municipality and other nearby towns. STS and BABA Cable are used by the branches of Dinesh Company for the advertisement of goods and services.
- The markets of Dinesh Company in Kailali are scattered in different distances from Dhangadhi where branches of company are not located.

- The nearest market besides Dhangadhi is Attariya (16Km) and far most market is Satti(104Km) in Kailali. The market of Dinesh Company is also the hilly districts of far-west region.
- It is found that among the 50 respondents, 70% i.e. 35 respondents are literate and rest are illiterate.
- Out of 50 respondents, 60% i.e. 30 respondents are residents of *remote area* and 40% i.e. 20 respondents are residents of *city area* or *town area*.
- Only 5 respondents out of 50 said that they always use the goods and services of Dinesh Company. 25 respondents use only sometimes but 10 respondents had never used the product of Dinesh Company.
- It is found that radio and mobile are the medium of communication to which most of the customers have easy approach. All the respondents said that they had mobile and radio
- Out of 50, 35 respondents have television in their home. But it is found that 20 respondents have approach to newspaper. Only 10 respondents said that they have sales center near their home or town. But there are not any sales representatives in market.

5.2 Conclusions

After studying the findings of this research work, following conclusions have been drawn.

-) Dinesh Company is the first company operating business in different sectors. Thus, it is concluded that there is no competitor for this company in company level. There are sole traders and producers in different sectors. The company has to compete with these sole traders and producers. The sole traders and producers may be competent as they are operating only one or two business. Thus, it is concluded that without strategic plan it is hard to compete with these traders.
-) It is concluded that now it is a mainly a trading business because most of its branches are trading in nature. These branches simply buy goods from other companies and sell in the local markets. Only few branches are industrial in nature.
-) Since company is using different promotional activities for the promotion of its goods and services, it is concluded that company is aware about that without promotion it is difficult to stay in the modern competitive business environment.

-) Dinesh Company is a small company, it has small market area and mainly it is trading in nature. So, it has ignored the publicity method of promotion.
-) For the customer of Dhangadhi and nearby towns the personal selling is used. But for the rural and remote markets, advertisement and sales promotion is used. Out of 11 branches of company, Dinesh Hoseary and Dinesh Cottage are small branches as like shop. So , it is concluded that they need not to use sales promotion method.
-) Out-door personal selling and sales representatives are more expensive. Therefore, internal personal selling is used by all the branches.
-) Most of branches are using all type of sales promotions. It means that they are interested to increase in sales.
-) Price-off and credit facility are used to give facility to consumers. Besides these no other facilities like repairing of electronic goods, home delivery, warrenty of goods etc. are used. Thus, it is concluded that their promotional activities are only sales oriented rather than customer oriented.
-) Radio, T.V. and Newspaper advertisement are given priority by the company because these are cheaper and easier medium of advertisement.
-) As the promotion expenditure (budget) is increasing every year, the sale of the company has also increased. Thus, we can conclude that promotion has played a positive role in increasing the sales of the company.
-) Half the expenditure of promotion budget is in advertising activities. Rest of the expenditure is in rest of promotional activities. Thus, it is concluded that allocation of the promotion budget is inappropriate.
-) Most of the customers have got the information of the goods and services of Dinesh Company through the media of radio and television. It means that they are focused towards the radio and television advertisement.
-) Sales of the company is increasing only in a slow rate in average. It is because expenditure in promotion is very less in comparison to sales. Expenditure in promotion is only 1% of total sales. Therefore, it is concluded that increase in budget of promotion will also increase the sales of the company.

Above conclusions are drawn on the basis of results and findings of this study. The data collected during the study helped to know the results and findings which in turn became the basis for the conclusions. Above conclusions are related with the promotional activities of the Dinesh Company which may help the company to know

about their weakness and strengths in reference to promotional activities to make a strategic plan in coming days.

5.3 Recommendations

Following recommendations or suggestions are given to the Dinesh Company about the promotional activities on the basis of study.

-) Company should keep on promoting the goods and services provided by itself. There are many sole traders, so they can grasp the market of the company. Therefore, company should do all the possible effort using appropriate method of promotion to increase sales and market share.
-) There are many retailer and wholesalers in market. They buy goods from different companies. These wholesalers and retailers should be attracted by using suitable promotion method. So that the sales and market of the company may be increased.
-) Publicity method of promotion is not used at all. It is also an effective method of promotion. For the publicity, articles and news can be published in local newspapers, radio and T.V.. At the program like anniversary, local famous person can be invited. Sometimes press conference can be held while introducing new goods or product.
-) All the branches of company are using internal personal selling but none of them are using outdoor personal selling and there are no sales representatives. With the outdoor personal selling and sales representatives, customers out of Dhangadhi Municipality also know about the goods and services of company and thus demand of product may be increased.
-) Customers of these days do not believe only from advertisement because the trend of doing false advertisement has been increased and many customers have been cheated. So by using outdoor personal selling method and sales representatives, customers should be convinced about the quality and other features of goods and services.
-) Company should not be only concentrated in increasing sales, but also should give the facilities to customers. So that the customers can be attracted for long time and they buy and use the goods and services repeatedly.
-) Hoarding board, billboards and wall paintings are also effective means of advertisement. Company should use these media of advertisement in the markets as other media of advertisement.

-) Promotion expenditure is very less in comparison to sales. It is only about 1.% of total sales. Therefore, company should increase its promotion expenditure which helps them to operate promotional activities effectively.
-) Most of the radio advertisement is done by the own Dinesh F.M.. From the study , it is found that there are six F.M. stations within Kailali district. There is also at least F.M. station operating in hilly districts. Therefore, company also should advertise from these other F.M. stations to cover broad area.
-) Similarly, there are many daily and weekly newspapers published from Kailali. They are now 12 in number. There are also cable network working in Kailai. They are STS Cable, BABA Cable and AV News. Company is using only 2 or 3 newspaper for advertisement. Thus, it is suggested that company should use these newspaper according to their popularity and acces. Using more newspapers can be the way to access more customers. Cable network is now working in city area only. Therefore, this media is a means to access customers of city area.
-) Markets of Dinesh Company in Kailali are scattered in different distances from the nearest market (Attariya 16 Km) except Dhagadhi municipality to Satti which is 104 Km from Dhangadhi. Similarly, its market is also extending in hilly districts like Dadeldhura, Doti, Acham, Bajhang and Bajura. Therefore, use of promotional method is planned and designed so as to access the customers of these markets.
-) From the study it is found that 30% of respondents were illiterate. Thus, it is suggested that company should operate promotional activities like, personal selling, service centers, radio advertising etc. to inform the illiterate customers about the goods and services.
-) The customers who always use the goods and services of Dinesh Company are only 10% (5 among 50 respondents). Therefore, company should also convince the customers about the quality, good service customer friendly behavior also. There should not be difference between advertisement and the real goods, services and quality.
-) Most of customers in Kailali are from villages. They live in remote area from Dhangadhi and other towns. Therefore, promotional activities should be performed concentrating on these remote area customers. While concentrating on them easier and appropriate medium of access should be kept in mind.

In this way, recommendations and suggestions listed above are mainly based on the results and conclusions drawn from the study. These recommendations are supposed to be important for the company in future plans and strategies of promotional activities and programs.

BIBLIOGRAPHY

- Adikari, Samrat Raj(2011),“*Measuring Effectiveness of Bank Branches: A Case Study of Bank of Kathmandu.*” ,Page No.72
- Albers-Miller, N.D. & Straughan R.D.(2000), “ *Financial Services Advertising in Eight non-English Speaking Countries.* ”, International Journal of Bank Marketing, Vol-18. ,Page No.83
- Anna Grankvist(2004),“*Promotion Strategies for Banking Service.*”: Case Study of *Nordea in Estonia.* ,Page No.103
- B.C.,Ojasvi(2011),“*Consumer Behaviour Towards Motorbike Purchase in Kathmandu City.*” ,Page No.96
- Bobby Andersson & Aman Hailernarium (2007),“*Principle of Marketing*”,2nd Edition, Harlow: Pearson Education Limited. ,Page No.119
- Cristopher Owalabi Williams (2010),“*Marketing Process of Hotel Service.*”Case: *Transcorp Hilton Hotel, Nigeria.* ,Page No.127
- Czinkota, M. R. & Ronkainen, I. A.(2004),“ *International Marketing*”, 7th Edition, Ohio: Hacourt. Inc. ,Page No.89
- Daws, J. & Brown, R. B.(2000),“ *Postmodern; Research Issues for Retailing Financial Services.*”, Qualitative Market Research: An International Journal, Vol- 3. , Page No.107
- Fill, C. & Fill, E. K.(2005),“ *Business to Business Marketing: Relationship, Systems and Communications.*”, Harlow: Pearson Education Limited. ,Page No.201
- Ghimire, Dinesh (2010),“ *Advertising Effectiveness of Nepalese Noodles Manufacturer.*” ,Page No.77
- [Http:// businesscasestudies.co.uk/ addidas/ planning-effective- marketing- strategies- for a target-audience.](http://businesscasestudies.co.uk/addidas/planning-effective-marketing-strategies-for-a-target-audience) ,Page No.46
- Kotler, Philip (1999),“ *Marketing Management*”, New Delhi: Prentice Hall of India. ,Page No.113

- Koirala, Ganesh Prasad (2010), "*Impact of International Trade Fairs in Export Promotion.*", *A Case Study of Nepalese Handicraft Products.* ,Page No.79
- Meidan, A. (1996), "*Marketing Financial Services Hampshire and London.*", Macmillan Press Ltd. ,Page No.56,98,109
- Md. Jakir Hossain & Dr. Klaus Solberg Soilen(2006), "*The use of Promotional Activities in the Tourism Industry: The Case of Bangladesh.*" ,Page No.56
- Patricia Chumbo Alves(2006), "*An Examination of NTOs Promotional Activities: The Case of Portugal in Spain.*" ,Page No.64
- Rai, Rita(2012), "*Study of Advertising and Sales Promotion of Cars in Nepal: With Special to Hyundai Santro.*" ,Page No.95
- Shrestha, Sudhin (2012), "*Roles of Travel Agencies of Nepal in Promoting Ecotourism.*" ,Page No.77
- Shrestha, Swechha (2009), "*Study of Advertising Impact of Coca-Cola and Pepsi-Cola on their Promotional Activities.*" ,Page No.106
- Wamoni Edward Kagotho (2011), "*Promotional Activities and Sales Volume in Telecommunication Industry.*" ,Page No.63
- Wen-Hsiang Lai & Nguyen Quang Vinh(2008), "*How Promotional Activities and Evaluative Factors Affect Destination Loyalty: Evidence from International Tourists of Vietnam.*" ,Page No.89

APPENDIX-I

Questionnaire for branch Manager

Dear respondents,

I am a student of Tribhuwan University carrying out a study under the topic “Promotional Activities of Dinesh Company Dhangadhi, Kailali.” You are kindly requested to participate in the study and give your opinion as honesty as possible. Please answer by ticking the appropriate answer in the space provided. The information obtained will be used for academic purpose and treated with utmost confidence.

Thank you.

PART A: General Information

Name : Address :

Age : Sex :

Branch Name : Address :

PART B: Questions on Promotional Activities

1) Do you use any promotional methods for the goods or services marketed by this branch?

Yes No

2) How many types of promotional methods do you use?

One Two Three Four

3) What are the types of promotional methods do you use?

Advertising Personal selling

Sales promotion Publicity

4) What types of activities are included in personal selling?

Indoor personal selling

Outdoor personal selling

Sales representatives

5) What types of means of advertisement are used by this branch?

Newspaper

Magazines

Radio advertising

Poster advertising

Television advertising

Billboard & Hoarding board

6) If you use sales promotion, what are the types do this branch employ?

Commercial fair

Exhibition

Free gift

Coupon

Discount & Credit Facility

7) Is publicity method used by this branch for promotion? If it is used, what kinds of activities are involved?

Publication

Press

Conference

Speech

Articles

8) What problems do you face in selecting promotional methods?

i)

ii)

iii)

9) Do you evaluate the effectiveness of the promotional activities done by this branch?

Yes No

10) Which of the following basis are you using for the evaluation of effectiveness of promotional activities?

Sales

Market-share

Profitability

All of above

11) Do you make plan for promotional activities performed by this branch in a year?

Yes No

12) Do you think, there should be separate marketing department in this company and why?

.....
.....

13) Do sales volume increase when this branch carry out promotion?

Yes No

14) If no, what action do you take?

.....
.....

15) When this branch carried out promotion activities, did the existing customers demand more product/services?

Yes No

16) When this branch carried out promotion activities did new customers join the market?

Yes

No

17) When this branch carried out promotion activities did the market share increase?

Yes

No

18) When promotion activities are carried out by this branch did its distribution channels/centers increase?

Yes

No

Thank you for your co-operation.

APPENDIX-II

Questionnaire to be filled by customers

PART A : General Information

1) What is your name?

.....

2) What is your gender?

Male

Female

3) What is your marital status?

Single

Married

Divorced

Separated

4) What is your age group?

Below 20 years

21-30 years

31-40 years

41-50 years

51 and above

5) What is your religion?

Hindu

Muslim

Buddha

Other

PART B: Questions on Promotional Activities

i) Where do you live?

City or Town

Remote or Rural

ii) Do you know any promotional activities carried out by Dinesh Company?

Yes

No

iii) If yes, what are these promotional activities?

a).....

b).....

c).....

iv) How did you come to know the product/services that Dinesh Company offers?

.....
.....

v) Which promotion activity is more effective to you?

.....

vi) How often does Dinesh Company promote its product/service to you?

.....
.....

vii) How does Dinesh Company inform you about their product/ service?

.....
.....

viii) What means of communication are available to you?

Radio Television Mobile Newspapers

Others.....

ix) How often do you use products/services offered by Dinesh Company?

Always Mostly Sometimes Never used

x) If you are wholesaler/retailer, what types of incentives or facilities are you gaining while purchasing goods from Dinesh Company?

Price-off

Credit facility

{ } Allowances and gifts

{ } Bonus & Commission

{ } Free-goods

Thank you for your co-operation.