

MARKETING OF NETTLE FIBRE (ALLO)
(A case study on Parche VDC of Kaski District)

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Faculty of Management**RECOMMENDATION**

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Faculty of Management**VIVA-VOCE SHEET**

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and found the thesis to be original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for the degree of

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LIST OF ABBREVIATIONS

i.e.	= That is
ed.	= edition
p.	= Page
Dr.	= Doctor (Doctor of Philosophy)
Prof.	= Professor
NTFP	= Non Timber Forest Product
VDC	= Village Development Committee
PLC	= Product Life Cycle
APMCP	= Agriculture Product Market Centre, Pokhara
ISP	= Internet Service Provider
NPV	= Net Present Value
IRR	= Internal Rate of Return
MEDEP	= Micro-enterprise Development Programme
HH	= Household
NGO	= Non-Governmental Organization
ACAP	= Annapurna Conservation Area
kg	= Kilogram

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

Nepal is one of the nations in Asian Continent which embraces very unique geographical regions which stretches from tropical plains on the Indian border in the south, an extensive section of the mid-hills, to the trans-Himalayan sections bordering Tibet in the North. It has population about 25 millions and more than 80% of the total population directly and indirectly depends on forest and agricultural based resources for sustaining their lives. Nepal is one of the least developed countries in the world. The per capita income of it is given as \$500 (IMF, April 2010 estimate). But the population growth rate is 2.38%. It shows economic performance during the past has not been very encouraging." (National Planning Commission.p.2).Nepal is one of the world's richest ecosystems in terms of bio-diversity, and has supported and contributed to human welfare. In Nepal, the rural population has been involved in the collection, harvesting, processing and marketing of NTFPs since ancient times. NTFPs can provide employment during slack periods of the agricultural cycle and provide a buffer against risk and household emergencies. Primarily economic standard households depend on these products for their livelihood because that's the only readily available, less costly and easily assessable income generating sources for their economic improvement. This activity has supplemented their meager incomes from subsistence agriculture.

A nettle fibre is an indigenous fibre and is commonly known as Puwa in the west and Allo on the east. It is also known as "sisnu" in Nepali term. This is widely distributed from east to west in the altitude range of 1200 meter to 3000 meter. It is found as an under-growth in the forests and in a moist habitat of Ilam, Dhankuta, Dolkha, Rasuwa, Kathmandu, Kaski, Parbat, Jumla, Mugu, Salyan, Surkhat, Kalikot and others. The plant is tall, stout and erect herb, 1.5 to 3 m high. It is self sustaining plant and can be propagated from seeds as well as from root suckers and vegetative propagation is also possible. In fact people do not want to try to bring the plant into systematic cultivation because of its easy availability in the wilderness and its high regeneration capacity. The stem bark of Allo contains fibres with unique qualities, strength, smoothness, lightness and when appropriately treated a silk like luster. Many

people are extracted this fibres to weave durable jackets, porter's headbands or strops, ropes, twine, sacks, head-stripes, bags, fishing nets and coarse clothing materials blanket in the remote villages of Nepal. Thus the species has been providing raw material for making most of the textiles needed by households for generation. This is especially true at the local context where local Gurungs and other local people have been using this plant for several household uses. The forte of Allo is its strength and durability. It is also often lighter and more delicate looking than its contemporaries- jute and hemp. The only attention that we need today is how the best of the benefit can be taken out of existing resources. Some of these products made from Allo are sold in the local market. Mainly the foreigners show the interest in the products made from nettle fibre.

Due to the lack of marketing concept this valuable fibre is in shade. Marketing is only one source which can help to identify and define the marketing opportunities and problems and link the consumer, customer and public to the marketer. Marketing is used to identify the product and the customer. Marketing is only one source that links the product with customer.

Marketing is a comprehensive term and it includes all resources and a set of activities necessary to direct and facilitate the flow of goods and services from producer to consumer in the process of distribution. P. Kotler defines marketing as the set of human activities directed at facilitating and consummating exchanges. The essence of marketing is exchange of products and the transaction is to satisfy human needs and wants. All business activities helping and promoting the exchange function are included in marketing (S.A Sherleker.p.6). Marketing is putting the right product in the right place at the right price at the right time. Product, price, promotion and place are the most important elements of marketing and are known as marketing mix. Without these 4Ps marketing cannot be defined or complete.

- Product - A tangible object or an intangible service that is mass produced or manufactured on a large scale with a specific volume of units. Intangible products are service based like the tourism industry& the hotel industry or codes-based products like cellphone load and credits. Typical examples of a mass produced tangible object are the motor car and the disposable razor. A less obvious but ubiquitous mass produced service is a computer operating system. Packaging also needs to be taken into consideration. Every product is subject to a life-cycle including a growth phase followed by an eventual period

of decline as the product approaches market saturation. To retain its competitiveness in the market, product differentiation is required and is one of the strategies to differentiate from its competitors.

- Price – The price is the amount a customer pays for the product. It is determined by a number of factors including market share, competition, material costs, product identity and the customer's perceived value of the product. The business may increase or decrease the price of product if other stores have the same product.
- Place – Place represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores. Place is not exactly a physical store where it is available Place is nothing but how the product takes place or create image in the mind of customers. It depends upon the perception of customers.
- Promotion represents all of the communications that a marketer may use in the marketplace. Promotion has four distinct elements: advertising, public relations, personal selling and sales promotion. A certain amount of crossover occurs when promotion uses the four principal elements together, which is common in film promotion. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet adverts through print media and billboards. Public relations are where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word of mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and Public Relations.

1.2 Statement of the Problem

Marketing is the backbone of economic growth because it increase ones economy and strengthen the Peoples of rural area primarily depends upon the agriculture for their livelihoods. In such area appropriate processing and marketing techniques of Allo plays a vital role to uplift the status of people due to the enhancement of income generation activities. Out of several NTFPs, Allo is one that

has been collected and harvested extensively for immediate use at households or for trade to external markets. Allo is raw material to for Allo textile industries both in and out of country. Outside Nepal, the next important destination of Allo is India. In both of the countries market demand for Allo is growing and small enterprises are continuously entering in the production process, which have crested good market for Allo. Although local people have been using Allo as their own traditional resource, their broader picture is lacking in the sense of its potential to boosting of Allo needs to be introduced to local people. In general the income brought by the collection of Allo bark from the high hills of Nepal as the raw material for Allo textile is becoming one of the major source to the rural poor people. Demand for Allo textile is growing and small factories are entering in production process, which has created good market for Allo. But, local people know very little about the scientific processing of the product and the means of marketing. They use their product in the limited area mainly in their own village and relatives. There is a lack of promotional tools and the best way of distribution channel. The unmanaged and unscientific processing results in low productivity. Allo is a raw material for textile industries and is highly demanded in national and international market. Major aspects that this research will look upon are:

- i. What are the products that can be made from nettle fibre?
- ii. What is the cost of the product?
- iii. What is the promotion and distribution system of nettle fibre products?
- iv. What are the problem and prospects of production and distribution of nettle fibre products?
- v. What are the contributions of Allo in the economic status of local people?

1.3 Objective of the Study

The general objective of this study is to introduce the products of nettle fibre in the market. The specific objectives are as follows:

- i. To introduce the product made from nettle fibre.
- ii. To analysis the price of product.
- iii. To analysis the best promotion and distribution channel.
- iv. To analysis the problem and prospects of production and distribution of nettle fibre.
- v. To analyze the contribution of Allo in the economic status of local people.

1.4 Importance of the Study

Marketing is a root of management. It is seen that the concept of marketing is applied only in the city area or in the commercial field. Marketing is the process to determine the product and indentify the needs and interest of the customers. To get the product it is important to know the origin of the product, when how and where the product can be manufacture. Since Nepal is one of the world's richest ecosystems in terms of bio-diversity, and has supported and contributed to human welfare the resources are available easily. Only the means of there are many local resources in remote area which are unknown in the markets. These resources are to be promoted and introduce in market. So that it may be an income generating sources for the local people as well as for nation. The main importance of this study is to introduce the local products in the market through different marketing policy and strategies

Products of nettle fibre are not a new for the nature but it is new for the market. Due to the unawareness of marketing concept and under utilization of available resources the products are in shad. Past researches also proof that out of many NTFP resources, Allo has been identified as one of the potential resource for rural enterprise development that makes the base for sustainable livelihoods of the rural areas. It is becoming one of the commercially important species due to the high demand of its processed materials. This study will help to overcome from this problem and will search the solution for the increment of products. Products of nettle fibre are all handmade and its processing method is long. The study will search an easiest way of techniques if possible. This study also will help to generate the main income sources for the local people as well as they will know the importance of marketing.

Huge resources of Allo are available in many VDCs of Kaski district in the remote area, which could be utilized to establish sustainable micro-enterprises for poverty reduction of the rural community. It is only possible only after the marketing research and aware the local people about the scope of product in the markets and the process through which the product could be distributed in the market.

1.5 Delimitation of the Study

This research is the requirement for the partial fulfillment of master's degree in business studies. The researcher being a student has very limited time and resources. Therefore, the study confined only in Parche VDC of Kaski district even

though the raw product can be found in many more moist area of Kaski district. It is recorded that total household of Parche VDC are 413 and out of that only 100 samples have been taken as a representative sample. To fulfill the objective of the research, only the information from the producer is not sufficient so the information from the markets, only 5 samples were taken as representative. The whole study is based on primary and secondary data.

The study focus only on product made from Allo and its aspects of marketing. The product made from Allo, its price, the promotional tool used for Allo product, distribution channels and the problem facing while producing and selling the product made from Allo product.

1.6 Organization of the Study

The study is organized into five major sections.

The first is introduction chapter, which incorporates subject matter and general background of the study, statement of the problem, objective of the study, importance of the study, delimitation of the study and organization of the study.

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

The third chapter consists of research methodology.

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

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

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

CHAPTER II

LITERATURE REVIEW

Nettle Fiber (Allo) has been one of the finest sources of livelihood in the rural areas of Nepal. It has been initiated as a prominent means in Kaski district especially in moist area. However this means is not yet well channeled through the appropriate part in the focal points of promotion and distribution. This thesis emphasizes on such locking aspect. In this chapter the study incorporates the past studies research, publications etc. regarding the Marketing aspect of nettle fibre. This review of literature is to some extent intended to avoid the duplication of past studies and fulfill the gaps on past research.

This chapter is divided into two parts. The foremost part regards the conceptual review and the later part includes past research reviews.

2.1. Conceptual Review

According to the American Marketing Association : "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives." Marketing is the process by which companies determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It is an integrated process through which companies create value for customers and build strong customer relationships in order to capture value from customers in return. (Kotler, Philip; Gary Armstrong, Veronica Wong, John Saunders (2008). "Marketing defined". Principles of marketing (5th ed.).p.7.) Marketing is used to identify the customer, to keep the customer, and to satisfy the customer. The term marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions. It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors. (Kotler, Philip; Gary Armstrong, Veronica Wong, John Saunders (2008). "Marketing defined". Principles of marketing (5th ed.). p.17) The term developed from the original meaning which referred literally to going to a market to buy or sell goods or services. Marketing practice tended to be seen as a

creative industry in the past, which included advertising, distribution and selling. However, because the academic study of marketing makes extensive use of social sciences, psychology, sociology, mathematics, economics, anthropology and neuroscience, the profession is now widely recognized as a science, allowing numerous universities to offer Master-of-Science (MSc) programmes. The overall process starts with marketing research and goes through market segmentation, business planning and execution, ending with pre and post-sales promotional activities. It is also related to many of the creative arts. The marketing literature is also adept at re-inventing itself and its vocabulary according to the times and the culture.

The production department would then start to manufacture the product, while the marketing department would focus on the promotion, distribution, pricing, etc. of the product. Additionally, a firm's finance department would be consulted, with respect to securing appropriate funding for the development, production and promotion of the product. Inter-departmental conflicts may occur, should a firm adhere to the marketing orientation. Production may oppose the installation, support and servicing of new capital stock, which may be needed to manufacture a new product. Finance may oppose the required capital expenditure, since it could undermine a healthy cash flow for the organization.

Marketing has been viewed as an ongoing or dynamic process involving a set of interacting activities dealing with a market offering by producer to consumers on the basis of reliable marketing anticipation (sales or demand forecasts). Marketing is a matching process by which a producer provides a marketing mix (product, price, promotion and physical distribution) that meets consumer demand of a target market within the limits of society. Marketing process brings together producers and consumers the two main participants in exchange. (S.A.Sherlekar.p.11)

2.1.1 Product

The product refers to the service or tangible good that satisfies the target customer's wants--it is obviously first essential that a real target market is identified, quantified and justified.

In a very narrow sense a product is a set of tangible physical attributes assembled in an identifiable form. Each product carries a commonly understood descriptive/generic name. Example are soap, tooth-paste, powder, washing

marching etc. In a broad sense product is not a mere non-living object or an assemblage of matter such as automobiles, shoes, eggs and the like. It means something more than a physical commodity. Product also includes services called 'service product' such as nursing, transportation, haircuts etc. Persons sometimes can be considered as products eg. actors, dancers and musicians because we can hire them to get their service. Similarly places also can be products as we can enjoy them eg. Kodaikanal, Ooty etc. Even an idea can be marketed as a product. Thus a product consists of anything that can be marketed including physical products, services, places and ideas. It is a bundle of utilities that the seller wants to sell and which the buyer wants to buy. Products have an identity or personality of their own. Utility is one of the important components of product personality. The other components are brand name, package, colour, labeling, manufacturer's name and prestige, location, individual traits etc. It is this product personality or the total "Product offering" with which the marketer motivates and satisfies his customers. Therefore a product is a set of tangible and intangible attributes including packaging, colour, price, manufacturer's prestige, retailer's prestige and manufacturer's and retailer's services which the buyer may accept as offering and want satisfaction. (K.C.Nair, pp.58-59)

2.1.2. Product Life Cycle

Like human beings, products also have a life-cycle. From birth to death, human beings pass through various stages e.g. birth, growth, maturity, decline and death. A similar life-cycle is seen in the case of products. The product life cycle goes through multiple phases, involves many professional disciplines, and requires many skills, tools and processes. Product life cycle (PLC) has to do with the life of a product in the market with respect to business/commercial costs and sales measures.

([http://en.wikipedia.org/wiki/Product_life_cycle_management_\(marketing\)](http://en.wikipedia.org/wiki/Product_life_cycle_management_(marketing)))

The product life cycle should be preferably termed as product market life cycle as it is related to a given particular market. For example an old product (in the market of the USA) will have a new life cycle when it is introduced into a foreign market say in India. The product life cycle concept indicates that the product is born or introduced, grows, attains maturity and the point of saturation in that market and then sooner or later it is bound to enter its declining stage i.e. decay in its sales (history). This life cycle of a product is depicted below:

Every product moves through a life cycle having five stages:

- a. **Introduction:** In the early stage when the product is introduced in the market, sales revenue begins to grow but the rate of growth is very slow. Profit may not be there as we have low sales volumes, large production and distribution costs. We may require heavy advertising and sales promotion. Products are bought cautiously on a trial basis. Weakness may be revealed and they must be promptly removed. Cost of market development may be considerable. In this stage product development and design are considered critical.
- b. **Growth:** It is the period during which the product is accepted by consumers and the traders. During the growth stage, the rate of increase of sales turnover is very rapid. Profits also increase at an accelerated rate. In spite of competition, we may have rising sales and profits. The firm gives top priority to sale volume and quality maintenance may have secondary preference. For marketing success, manufacturing and distribution efficiency are vital factors. In this stage effective distribution and advertising are considered as key factors.
- c. **Maturity:** During this stage keen competition brings pressure on prices. Increasing expenditure and falling prices (in the battle for market share) will reduce profits. Additional expenditure is involved in product modification and improvement or broadening the product line. Marketers have to adopt measures to stimulate demand and face competition through additional advertising and sale promotion. Overall marketing effectiveness becomes the key factor in the stage of maturity.
- d. **Saturation:** The saturation point occurs in the market when all potential buyers are using the product and we have only replacement sales. Consumption achieves a constant rate and the marketers have to concentrate exclusively on a fight for market share (with higher marketing expenses). Prices may fall rapidly and profit margins may become small unless the firm makes substantial improvements and realizes cost economics.
- e. **Decline stage:** Once the peak or saturation point is reached, product inevitably enters the decline stage and becomes obsolete. It may be gradually displaced by some new innovation. Sales drop severely, competition dwindles, and even then the product cannot stand in the market. It may be priced out of the market by other new innovations. At this stage price becomes the primary

weapon of competition and we have to reduce considerably expenditure on advertising and sales promotion. Cost control becomes the key to generate profits.

In real life, many products do not follow the life cycle curve given above. Time interval for each stage varies widely from product to product. (S.A.Sherlekar.p.202)

2.1.3 Price

“Price” refers to the cost of a particular product or service. Price plays an important role in customer’s buying decision. Therefore careful attention should be paid while determining the price of a particular product/service.

(<http://www.businessteacher.org.uk/marketing/marketing-mix/>)

Economist defines price as the exchange value of a product or service always expressed in money. To the customer the price is an agreement between seller and buyer concerning what each is to receive. Price is the mechanism or device for translating into quantitative term. The buyer is interested in the 'price' of the whole 'package' consisting of the physical product plus bundle of expectations or satisfactions. Price must be equal to the total amount of benefits. To the consumer price is a product disfeatures i.e a feature of which he disapproves. However, to the seller price is a source of revenue and a main determinant of profit. (S.A.Sherlekar.p.233). Price is one of the most important elements in the marketing mix. It is the only element in the marketing-mix that produces revenue all other elements represent costs. It is common knowledge that utility, value and price are related concepts in economics. The want satisfying power of a product or service is called utility. It is the satisfaction a consumer receives from a product. Value is the quantitative measure of the worth of a product to attract other products in exchange. Value in exchange is the worth of a commodity in terms of its capacity to be exchanged for another commodity. Since we do not have a barter system, we used money as a common denominator of value. As a result we use the term 'price' to describe the money value of a product. Price is the value expressed in terms of money. It may be noted that price connotes different names-rent, tuition fee, fare, rate, interest, toll, premium, honorarium, salary, wage commission etc. All these indicate what the consumer pays for getting a product or service.(K.C.Nair.p.100)

Pricing is equivalent to the total product offering. Pricing governs the very feasibility of any marketing programme because it is the only element in a marketing

mix accounting for demand and sale revenue. Other elements are cost factors. Price is the only variable factor determining the revenues or incomes. (S.A.Sherlakar.p.233) Pricing assumes much importance when a firm has to set a price for the first time. This problem arises when a firm develops a new product or its regular product is marketed through a new channel or in a new geographical area. It has to set the price whenever new contract works are taken up. It may be noted that price is only one factor in marketing, not necessarily the most important. The importance of price factor varies with the type of the product. But normally buyers are willing to pay more if they get more satisfaction conversely a low priced product need not sell more. (K.C.Nair.p.101)

2.1.4 Pricing Objective

Before analyzing other factors which influence the setting of prices, the management should decide the pricing objective. The pricing objective should be in consonance with the overall objectives of the company. The main pricing objectives may be categorized as follows:

a) Profit objectives

Profit generation is given maximum consideration under this objective. This is achieved through profit maximization and target return on investment. Making maximum profit has become the pricing objective of many companies. But excessive profits may attract competitors. Under target return on investment, the firm seeks to get a certain percentage markup on sales and the markup should be large enough to cover anticipated costs plus a desired profit.

b) Sales Objective

The sales objectives may be to increase sales volume or to maintain or increase the firm's market share. If the goal is to increase sales volume, companies try to increase sales volume over a period of time. They may anticipate a given percentage increase in sales from year to year assuming that higher volume of sales would lead to lower unit costs and yield higher profits. The sales volume may be increased by offering discounts, aggressive selling or setting low prices. Very often to achieve maximum sales growth, in a price sensitive market, price is set low. This would lead to maximum sales and profits.

c) Competitive Objective

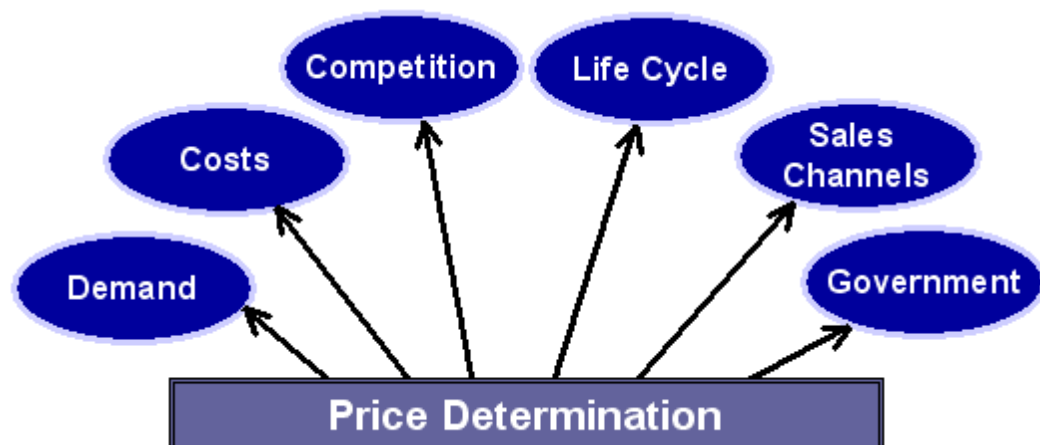
Many firms consider price as a means to meet or prevent competition. In many industries, there is a 'price leader' and the price set by the leader is followed by others. "Follow the leader" pricing is adopted by them. The aim is to stabilize prices and to prevent price wars. Sometimes, marketers set low prices for the products to discourage competitors from entering the market. Again an entirely new product may be offered at a high price, so as not to attract more competitors.

d) Product-quality leadership

The objective of the company may be to create an image that it is a manufacturer of high-quality products and it may want to be a leader in such products. To be compatible with this image, a high price is set for the company's products. The price set is expected to cover the high product quality and research and development cost.(K.C.Nair.pp.102-103)

2.1.5 Price Determination of Factor

Determination of the prices depend internal and external factors. Pricing goals represents internal policy. Also, price policy should be aligned on several other factors.



- Demand is the key determinant for market oriented company. Demand is the starting point for all activities. Simply, the average customer will be demanding different product quantities, depending on price. Law of the market says that

demand and price are counter proportional (price increase leads to demand decrease and vice versa).

- Competition has a significant influence to price determination of market oriented companies. Prices need to be adjusted in order to address the competition. Every company should research market and competition, prior to launch of the new product. Survey should include direct competitors but also the substitutes. Based on market survey and the strength of the company the prices can be the same, lower or higher.
- Costs – While demand and competition are external factor, the costs are internal. The costs must be embedded in every stage of price determination process. There are several methods of cost embedding into price:
 - a) Costs Plus – company calculates the costs and increase price for the specific profit.
 - b) Markup – price based on cost increased for amount of specific markup percentage.
 - c) Target Return Method – calculated required markup, in order to achieve return on investment.
 - d) Profit Maximizing is the price where the marginal profit equals marginal cost.
 - e) Breakeven Analysis – is the number of units sold that generates profit that can cover cost. This point does not have profit nor lost.
- Life Cycle pricing approach analysis the current phase of product life in market
 - a) Entering phase usually requires higher sales prices in order to payback initial development costs. Also customers are willing to pay more for a new product
 - b) Growth phase is bringing the market stabilization. Prices are more or less stabile.
 - c) Saturation phase leads to price decline, due to competition entrance and loss of consumer's interest
 - d) Declining phase is the last part of product life cycle. Prices are still going down.
- Sales Channels have the different shopping occasion. Consequently the pricing is adjusted to sales channel. For example, the same product is cheaper in hypermarket than on petrol station.

- Government is usually acting as non-interference body into price determination. Exceptionally it may limit maximal prices for a certain products. Still, government is influencing pricing, since the taxes & custom duties are the part of the price.

2.1.6 Promotion

Promotion keeps the product in the minds of the customer and helps stimulate demand for the product. Promotion involves ongoing advertising and publicity (mention in the press). The ongoing activities of advertising, sales and public relations are often considered aspects of promotions.

Promotion is one of the four elements of marketing mix. An organization or set of organizations (go-betweens) involved in the process of making a product or service available for use or consumption by a consumer or business user.

- Above the line promotion: Promotion in the media (e.g. TV, radio, newspapers, Internet, Mobile Phones, and, historically, illustrated songs) in which the advertiser pays an advertising agency to place the ad
- Below the line promotion: All other promotion. Much of this is intended to be subtle enough for the consumer to be unaware that promotion is taking place. E.g. sponsorship, product placement, endorsements, sales promotion, merchandising, direct mail, personal selling, public relations, trade shows

The specification of these four variables creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image.

The term "promotion" is usually an "in" expression used internally by the marketing company, but not normally to the public or the market - phrases like "special offer" are more common. An example of a fully integrated, long-term, large-scale promotion is My Coke Rewards and Pepsi Stuff.

Broadly speaking promotion means to push forward or to advance an idea in such a way as to gain its acceptance and approval. Promotion is any communicative activity whose main objective is to move forwards a product, service or idea in a channel of distribution. It is an effort by marketers to inform and persuade buyers to accept resells, recommend or use the article, service or idea which is being promoted.

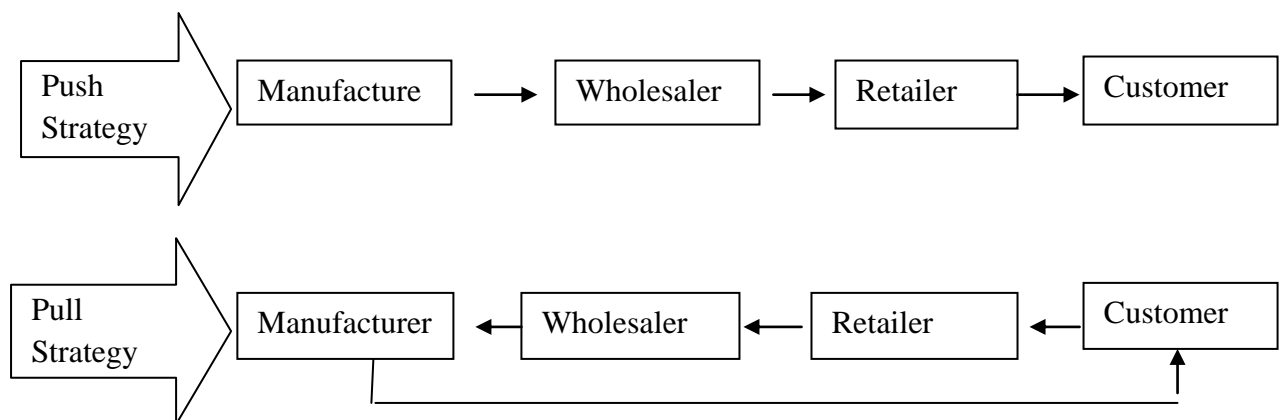
Promotion is a form of communication with an additional element of persuasion. The promotional activities always attempt to affect knowledge, attributes, preferences and behavior of recipient's i.e. buyers. The element of persuasion to accept ideas, product services etc is the heart of promotion. (S.A Sherlekar.p.263)

2.1.7 Promotional Strategy

Promotional strategy is the planning, implementing and controlling of communication from an organization to its customers and other target audience. The function of promotion in the marketing mix is to achieve various communications objectives with each audience. The components of promotion mix includes advertising, personal selling, sale promotion and public relation/publicity. An important marketing responsibility is planning and coordinating in integrated promotion strategy and selecting strategies for the promotion components. (David W.Cravens.p.505)

The planning, implementing and controlling strategy is determined by the way of strategy they want for marketing their services. It may be push or pull strategy.

Producers aim their promotional mix at both middlemen and end users. A promotion program aimed primarily at middlemen is called a push strategy and a promotion program directed primarily at the end users is called a pull strategy. (Michael J. Etzel, Bruce J. Walker, William J. Stanton.p.466) Another element that marketer should consider when they plan a promotion mix is whether to use a push policy or a pull policy.



a) Push Strategy:

The promotion program is directed at middlemen. The product is pushed through the channel. The channel members are persuaded to order, carry and promote product. The manufacturer promotes to wholesaler, the wholesaler promotes to retailer and the retailer promotes to customer. The product is pushed through the channel by manufacturer. Personal selling and trade promotion tool are emphasized in push strategy. The strategy is useful where brand loyalty is low and market share is to be promoted.(G.R.Agrawal,p.321) With the push policy the producer promotes the product only to the next institution down the marketing channel. A push policy is usually relies heavily on personal selling. Sometimes sale promotion, advertising are used in conjunction with personal selling to push the products down through the channel. (Pride Ferrell.p.454-455)

b) Pull Strategy:

The promotion program is directed at customers. The customers are persuaded to ask the product from the retailer, the retailer ask the product from the wholesaler and the wholesaler order the product from the manufacturer. The product is pulled through the channel by consumers. Aggressive advertising and sales promotion are emphasized in pull strategy. This strategy is useful where brand loyalty is high. (G.R.Agrawal.p.322) A push strategy means a channel member directs its promotion primarily at the middlemen that are the next link forward in the distribution channel. The producer will promote heavily to wholesalers, which then also use a push strategy to retailers. In turn the retailers promote to consumers. A push strategy usually involves a lot of personal selling and sales promotion, including contests for sales people and display at trade shows. This promotional strategy is appropriate for many manufactures of business products as well as for various consumer goods.

A pull strategy promotion is directed at end users usually ultimate consumers. The intension is to motivate them to ask retailers for the product. The retailer in turn will request the product from wholesalers and wholesalers will order it from the producer. In effect, promotion to consumer is designed to pull the product through the channel. This strategy relies on heavy advertisement and various forms of sales promotion such as premium, samples or in store demonstrations. There are little incentives for retailers to provide shelf space for minor variations of existing brands unless they are confident that they will sell. So manufacturers of consumer packaged

goods often use a pull strategy to get new products stocked on super market shelves. (Etzel Walker & Stanton.p.466)

2.1.8 Promotional Planning

In many organizations marketing communication represent the most visible face of the organization. The question of how the communication programme is to be managed is therefore a fundamental part of the strategic marketing task.(Richard Ms Wilson and Collin Gillingan.p.461) A firm's communication effort is drawn from four basic types of promotion : advertising, sale promotion, public relation/publication and personal selling.

In developing the communication programme, the marketing planner needs to take into account of eight areas.

1. Nature of the target audiences.
2. Short term and long term communications objectives.
3. Message that are to be used.
4. Communication channels that will carry the message
5. Budget.
6. Promotion mix.
7. Ways in which the element of the promotion mix are to be integrated and how, in turn the promotion mix are to be integrated with the marketing mix and
8. How the results of the campaign are to be measured.

Although these eight areas are laid out subsequently, it needs to be recognized that, almost inevitably, a level of iteration will be involved in arriving at a firm decision in at least some of these areas. This is perhaps most obvious in terms of constraints which might be imposed by the budget. (Wilson and Gillingan.p.461)

After a firm has gained an understanding of communication process, it is ready to develop an overall promotion plan. The plan consists of three parts objectives, budget and mix of promotion elements. Promotional activity is always been guided by some objectives. These are mentioned bellow. (Joel R Evans and Barry Berman.p.411)

2.1.9 Promotion Objectives:

A target audience can be in any one of six stage of buying readiness. These stages awareness, knowledge, linking, preference, conviction and purchase are called the hierarchy of effects because they represent stages a buyer goes through in moving toward a purchase, with each also describing a possible goal or effect of promotion. The objective of promotion is to get the prospect to the final or purchase stage but in most cases that is not possible until the person has moved through the earlier stages.

The possible objectives for marketing promotions may include the following:

- a. **Build Awareness** - New products and new companies are often unknown to a market, which means initial promotional efforts must focus on establishing an identity. In this situation the marketer must focus promotion to:
 - 1) Effectively reach customers and
 - 2) Tell the market who they are and what they have to offer.
- b. **Create interest** - Moving a customer from awareness of a product to making a purchase can present a significant challenge. As we saw with our discussion of consumer and business buying behavior, customers must first recognize they have a need before they actively start to consider a purchase. The focus on creating messages that convince customers that a need exists has been the hallmark of marketing for a long time with promotional appeals targeted at basic human characteristics such as emotions, fears, sex and humor.
- c. **Provide information** - Some promotion is designed to assist customers in the search stage of the purchasing process. In some cases, such as when a product is so novel it creates a new category of product and has few competitors, the information is simply intended to explain what the product is and may not mention any competitors. In other situations, where the product competes in an existing market, informational promotion may be used to help with a product positioning strategy. As we discuss in the targeting Markets tutorial, marketers may use promotional means, including direct comparisons with competitor's products, in an effort to get customers to mentally distinguish the marketer's product from those of competitors.
- d. **Stimulate Demand** - The right promotion can drive customers to make a purchase. In the case of products that a customer has not previously purchased or has not purchased in a long time, the promotional efforts may be directed at

getting the customer to try the product. This is often seen on the internet where software companies allow for free demonstrations or even free downloadable trials of their products. For products with an established customer-base, promotion can encourage customers to increase their purchasing by providing a reason to purchase product sooner or purchase in greater quantities than they normally do. For example, a pre-holiday newspaper advertisement may remind customers to stock up for the holiday by purchasing more than they typically purchase during non-holiday periods.

- e. **Reinforce the Brand** - Once a purchase is made, a marketer can use promotion to help build a strong relationship that can lead to the purchaser becoming a loyal customer. For instance, many retail stores now ask for a customer's email address so that follow-up emails containing additional product information or even an incentive to purchase other products from the retailer can be sent in order to strengthen the customer-marketer relationship.

2.1.10 Promotional Mix Elements

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

Relation to Promotion Mix-to Marketing Mix

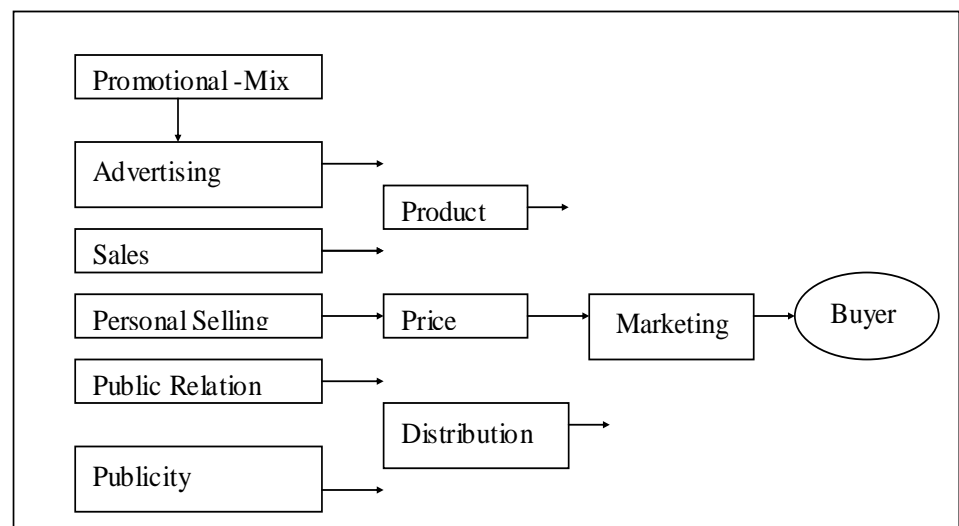


Fig-5: Promotional mix elements to marketing mix

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

a. Advertising

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

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

b. Sales Promotion

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

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

c. Personal Selling

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

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

d. Public Relation

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

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

e. Publicity

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

The promotion mix elements have a definite role in all stages of the selling process. Publicity (Public relation) is more effective in the marketing for message to people. Advertising is necessary to this market. Personal selling becomes more and effective as interpersonal interaction assumes increasing importance. Sales promotion tool are important at the point of purchases in order to provide additional incentives for buyer's action.

2.1.11 Distribution

In the modern world, production and distribution have become very complex. Goods are produced in a far away place, whereas consumers are scattered throughout the country and abroad. Under the circumstances the producer will not be able to sell goods directly to the ultimate consumer. (K.C. Nair.p.215) Production and sale center do not remain at same place. Distributors are needed to supply production to the consumers/ customers. Production of good or services becomes meaningful only if they are supplied to the consumer/customers. So the activities performed for supplying the products to the target markets on the whole is called distribution. Distribution creates time utility, ownership utility of product. Management of product storing creates time utility whereas exchange creates ownership utility. Management of good transport system creates place utility. Distribution management satisfies customers' wants by supplying necessary goods to them and heightens their lifestyle. Products have no utility at production place. Their utility increase immediately after they have been taken to consumption place for example: publisher have no use of books, but when they reach among readers and students their utility increases.

Similarly, suppliers provide means of production and work as bridge between producer and target markets by supplying products. Distribution includes the tasks of the distribution channels and physical distribution. Distribution Channels of marketing provide products to customers whereas physical distribution transports products to warehouses and target markets. Both these functions are the important channels of distribution.(G. Kafle.p.284-285.)

Physical distribution (or **place**) is one of the four elements of the marketing mix. An organization or set of organizations (go-betweens) involved in the process of making a product or service available for use or consumption by a consumer or business user.

The other three parts of the marketing mix are product, pricing, and promotion.

2.1.12 Channel of Distribution

A channel of distribution may be defined as “an organized network of agencies and institutions which, in combination, performs all of the activities required to link producers with users, and users with producers in order to accomplish the marketing task”. The channel enables the seller to find out the users of its

merchandise and helps the buyer to obtain the products he wants. A channel is the pipeline through which a product flows in its way to the consumer. The manufacturer puts his product into the pipeline or marketing channel and various marketing people move it along to the consumer at the other end of the channel. A channel of distribution is the particular route through which a product moves from the manufacturer to the consumer who wants it and in this process the title is also transferred to the consumer. A channel usually includes three parties-the producer, final consumer and the middlemen who are engaged in the transfer to title.(K.C. Nair.p.216)

In the chain of intermediaries, each passes the product down the chain to the next organization, before it finally reaches the consumer or end-user. This process is known as the 'distribution chain' or the 'channel.' Each of the elements in these chains will have their own specific needs, which the producer must take into account, along with those of the all-important end-user.

Channels

A number of alternate 'channels' of distribution may be available:

- **Distributor**, who sells to retailers
- **Retailer** (also called dealer or reseller), who sells to end customers
- Advertisement typically used for consumption goods

Distribution channels may not be restricted to physical products alone. They may be just as important for moving a service from producer to consumer in certain sectors, since both direct and indirect channels may be used. Hotels, for example, may sell their services (typically rooms) directly or through travel agents, tour operators, airlines, tourist boards, centralized reservation systems, etc.

There have also been some innovations in the distribution of services. For example, there has been an increase in franchising and in rental services-the latter offering anything from televisions through tools. There has also been some evidence of service integration, with services linking together, particularly in the travel and tourism sectors. For example, links now exist between airlines, hotels and car rental services. In addition, there has been a significant increase in retail outlets for the service sector. Outlets such as estate agencies and building society offices are crowding out traditional grocers from major shopping areas.

2.1.13 Types of Marketing Channels

There are various marketing channels used by manufacturers for making the products available by the manufacturers to the consumers. A brief description of the marketing channels is given below:

i. Manufacturer → Consumer

This channel is direct, i.e., the manufacturer sells his products directly to the consumer without any intermediaries. Mail order sales, house to house sales, automatic vending machines, retail shops owned by the manufacturer are the usual sales outlets.

ii. Manufacturer → Retailer → Consumer

This channel is used when the retailers are large buyers of the products and can affect substantial volume of sales.

iii. Manufacturer → Wholesaler → Retailer → Consumer

This is the most popular channel used in the distribution of a large number of consumer products. E.g. Textiles, drugs, toiletries etc. The wholesaler purchases in bulk from the manufacturer and sells in small quantities to the retailers.

iv. Manufacturer → Agent → Wholesaler → Retailer → Consumer

The agent obtains goods from the manufacturer and the agent in turn supplies to wholesalers and wholesaler to retailers. The agent's reputation counts much. Volas acts as sales agent for a number of manufacturers. Very often, products are sold under agents' brand name.

v. Manufacturer → Wholesaler → Consumer

In this case the wholesaler makes sale directly to consumers. Usually this method of bypassing of retailers is adopted when there are large orders from institutional buyers, e.g., government, hospitals, educational institutions, industrial units etc. (K.C.Nair.p.217)

2.1.14 Objectives of Distribution

Distribution, in marketing, has narrowed the world market and made it very easy. Any product can be easily delivered/supplied to every geographical place or region at any time if demanded by customers. No any producer has to fret over how to

distribute the products. Distribution management takes all the responsibilities to distribute any goods produced by any producer to any place at proper time. The distribution management also decides which goods of what nature should be distributed through what channel to which place and at what time. So, the main objectives of distribution management which discharges such important responsibility are as follows:

a. Minimization of Total Cost

Producers produce various goods. A lot of expense needs to distribute them. The producers may give responsibility to any channel to distribute. Channel management may deliver products to a certain place at minimum cost for distribution. While distributing products in such way, many channels may involve in it. The function of distribution can be completed at minimum cost calculating the average labour of persons or groups spent in it. So, distribution channel sets the objective to minimize the total cost.

b. Making the Good Available

Effective distribution channel makes arrangement for easy availability of any goods. Any goods or services demanded by customers become available at any place an any time. If goods are available when demanded, sale quality of such goods increases in the one hand and healthy competition with competitors can be easily faced on the other. In this way, distribution channels always have the objective to maintain the availability of the products regularly.

c. Regular Supply of Goods

Any business firm or producer can give the responsibility of distribution for channels. Then the distribution channel manages regular supply of goods. In other word, distribution channel delivers right product at the right time and right place to buyers. So all the customers of the target market do not feel the lack of goods. Thus distribution channel sets objective to ender crucial services of regular supply of goods.

d. Transfer of Product Ownership

The distribution function also fulfils the process of ownership transfer. For any product documents/papers should also be given together with product by signing a contract. Ownership of some other goods should be handed over in the presence of government authority, with documents by completing every legal process and requirement. Only after formally transferring ownership, the goods can belong to

the buyer or customer. So, distribution channels also take responsibilities to transfer ownership of goods.

e. Promotion of Goods and Services

Effective distribution channel also promotes goods or services. Distributor reaches target market taking goods from production center. After reaching target market, the distributor gets chances to show the goods to customers. Customers become very happy to see and know about the goods. They also can ask about the product if any thing unclear. They become acquainted with the product after the distributor gives true information and answers to them about the products. In this way, distributor has the target to promote the product or service of the producer. (G.Kafle.p.286-287)

2.1.15 Allo and Its Importance

Girardinia diversifolia - a nettle species is an indigenous fibre yielding plant of Nepal. It belongs to the family Urticaceae and is commonly known as Puwa in the west and Allo in the east. It is called Nani or Ni by the Gurung. Among the best fibres available in the country fibre of this plant has been used in hills for domestic purposes. In the past few years there has been growing interest among the rural communities in wider for commercial purposes. However no commercial production establishments, utilizing those resource as the raw material have surfaced so far. (R.Shrestha.p.1)

The plant is a tall, stout and erect herb 1.5 to 3 m high with perennial root stock. The aerial parts are armed with numerous slender stinging hairs. The minimum, maximum and mean lengths of fibre are 146 mm, 733 mm. The total cellulose content is found to be 86.5 percent in the fibre whereas in the fibrous material is represents 3.2 percent of the weight of the fibrous material but extracted fibres are free from it.

Plant is widely distributed in the sub tropical and temperate Himalayas. It is known to occur in India from Kashmir to Sikkim up to 2100 m and extending to the Khasia hills in the eastern part and from Marwar, central India to Travancore in the south. It occurs in China from central part to the east. It is also distributed to Nepal, Bhutan, Burma, Malaysia, Java and Sri Lanka.

In Nepal Allo is distributed from east to west in the altitudinal range of 1,200 to 3,000 m. It grows in the moist habitats in the districts of Ilam, Dhankuta, Dolkha, Rasuwa, Kathmandu, Kaski, Parbat, Jumla, Mugu, Salyan, Surkhet, Kalikot and

others. the main ethnic groups engaged in exploiting this plant in Nepal are the Rais, Sherpas, Magars, Gurungs and others. The most suitable time to harvest is the beginning of the flowering period. The plants harvested about this time yield white and fine fibres and as the plants start flowering the quality of the fibre goes down. The fibre is used in making twine, ropes, bags, sacks, head-strips, fishing nets and coarse clothing materials. In rural households even in Nepal and elsewhere, different products are made according to their own needs. Some of these products are sold in the local market but commonly they are exchanged with food grains or other items of household needs.

The plant has been used for quite a long time in our rural areas but never tried yet to bring it into cultivation. One of the main causes of not bringing it into cultivation may be its easy availability. This fibre is sometimes economic source for poor people and exchange need household elements with the products out of this fibre or fibre itself. Since the plant is found from 1200 meters where most of the people are miserable in their economic status, this sort of development will, no doubt help to uplift their living standard. This sort of local mobilization will help some extent to self dependency, too. The dominant ethnic groups engaged in use of this plant in Nepal are the Gurungs, Magars etc.

Although the species like Allo is contributing for both domestic requirements and income generation for rural livelihood, there is hardly any study showing the extent of processing and marketing of Allo that supports the rural livelihood in the remote area of the nation. It is obvious that scientific processing and marketing of Allo can provide several employment opportunities to local people and generate revenue for the nation. But the lack of appropriate processing tools and technology, knowledge about status, collection, value addition, marketing and cultivation of the species at local level limits their potential contribution to the socio-economy of rural livelihood.(P.Thapa,p.7)

Traditionally, the fiber obtained from the bark of Allo has been used for a variety of woven product, namely clothes (Bhangra, east-coat), bags, sacks, tablecloths, porter strap, blanket etc. and are marketed in Kathmandu and are also exported to foreign countries like USA and Japan. Young shoots are also consumed as a vegetable in some districts of Nepal. .(P.Thapa.p.20)

The market chain was quite simple when studied. The collecting, processing of Allo and preparing Allo clothes were usually done by women, entrepreneurs

supported by MEDEP, Parbat. Allo processed material were sold by the entrepreneurs themselves to local market or by MEDEP, Parbat either to District or exported when the products are in demand. Only in few occasions products are sold to middleman. People get reasonable price. Cost of the products was decided according to the quality of raw materials, quality of the finished products, etc. (P.Thapa.p.24)

Marketing Channel of Allo

Community Forest National Forest --- Collectors --- Final Cloth Production --- Allo Thread Production --- Local Market -- MEDEP, Parbat Middlemen --- Marketed at District --- Kathmandu - Europe, Japan.(P.Thapa.p.24)

2.1.16 Marketing and Allo

Markets are outlets for products and services. The buyers may be either individuals or institutions. Market can exist for raw materials, semi processed goods, finished products or services. They can be local, regional, national and international. Marketing is basically a technology which is at the disposal of producers to identify market opportunities in the form of market needs and wants, analyze competition and develop appropriate approaches to reach the market and to make profit. It uses a mixture of basic factors comprising product, channels of distribution, promotion and price by which it satisfies the needs and wants of the customers in the markets. Marketing operates in an environment, which is created by economic, social, cultural, technological, political, regulatory, legal, institutional and infrastructural factors, all of which are beyond the control of the individual operators doing marketing.

Marketing Structures and Their Limitation:

There are three main types of marketing channels in Asia. Farmers market individually, with the assistance of middlemen or through cooperatives.

Marketing Individually:

A farmer marketing individually represents a small competitor individually controlling meager resources. This limits farmers' bargaining power in the market, which is further weakened by a poor financial position and inability to keep up with rapid changes in market conditions. The small size of surplus marketed by farmers makes it difficult for them to sell to companies interested in bulk purchases. Farmers are generally unaware of markets for their produce, and in some instances even when

they are aware, they do not know how to market their products. This ignorance is perpetuated by a lack of information on markets and prices. Farmers sell to whoever wants the produce at prices usually set by the buyer. Each farmer makes nonsystematic independent decisions, which are not planned. They thus lose out to unscrupulous traders.

Marketing through a Middleman:

Middlemen have maintained a stronghold on the market scene because they are able to provide farmers with resources essential to their work: quick credit, nonbureaucratic and quick payment for goods and good organization. They remain essential for commodities that require time, storage, space and energy inputs, for example for products that must be dried, stored, transported, processed and packaged before distribution. In many cases these commodities are sold and bought several times, adding value at each step, before reaching the consumer. The technology and finance to perform these functions are usually beyond the reach of low-income farmers and are left to middlemen who have the resources.(P.Thapa.p.13)

Local people only make product for their own use and local markets. No any market channel was created for the marketing. People were unknown about Allo product price. Proper marketing intervention and Allo enterprise introduction is needed to help local people receive maximum benefits from all products. (S.Dhungana.p.41)

2.2 Review of Related Past Studies

There are very few researches completed in Nettle fibre (Allo) in Nepal and in the management field hope this is the first research done in the natural resources available sufficiently in our country but the lack of awareness and broad marketing concept it is not only in shade but is going to be collapse .

Thus relevant past researches for this study have been reviewed here as follows:

2.2.1 Rudra Bahadur Chhetri has written a thesis on "**A Study on Distribution System of Vegetable in Pokhara**" in May 2007. The primary objective of the study is to evaluate the distribution system of vegetable in Pokhara valley with the role played by APMCP (Agriculture Produce Market Center, Pokhara) in vegetable distribution. The research cover only four years period and the study were based on descriptive research. The sample for the study

comprised of 30 farmers, 15 wholesalers and 55 retailer and use judgmental and convenience sampling techniques.

The major findings of the research are:

- The vegetable supply made from APMCP shows increasing trend in the recent year which indicates the portion of vegetable distribution is increasing gradually from the APMCP.
- There are different supply chains of vegetable of APMCP from different sources.
- The problem of farmer in vegetable production and marketing are lack of improved seed, easy loan facility, transportation, knowledge in the use of fertilizer and pesticides, knowledge of the pre and post harvest technology convenient storage facility etc.
- The major problem of wholesaler in vegetable distribution are lack of convenient transportation facility, market information convenient storage facility, easy loan facility, heavy wastage of vegetable due to Nepal Banda and strike., lack of proper waste management system in APMCP., lack of scientific grading and pricing system, problem of starting vegetable wholesale market at the shutters of National trading Corporation etc.
- The major problem of retailer are lack of fixed and managed market unhealthy price competition among retailers, lack of easy loan facility, lack of proper storage facility heavy transportation cost etc.

2.2.2. Sobha Gurung Has carried out a study on "**Promotional Strategies of Internet Service Providers in Pokhara**" on May 2008 which are significantly playing the role of connecting people and gathering information. The general objective of the study is to analyze the promotional strategies of ISP's in Pokhara and the specific objective is to assess the promotional mix used by ISP's, to analyze the impact level of promotional expenses on ISP's sales, to identify the problems faced by ISP's in the field of promotion, to analyze the promotional planning and execution process and to assess the strengths and weakness, opportunities and threats for Pokhara's ISP's with regards to promotion. The study has stated that Internet is the catalyst of economic development as well as a significant tool to extent and enhance

both personal and business communications. It is far more important in the field of education. For the better result the researcher reviewed various website and academic and non academic materials. The major findings of the study are:

- Major promotional tool used by the entire ISP's are sale promotion and public relation but advertising used for its nature of less time consuming.
- Actually the promotional activities for the internet service are not required. It is a customer oriented service. If customer is in need of it they will automatically come to the ISP's and get connected. But promotional activities are required to perform to make the customer brand loyal since the number of ISPs has increase in the market.
- Since ISP's are service oriented business, public relation has proved to be highly effective tool.
- Chance and opportunities for the ISP's to expand their services to the new geographic areas.

2.2.3 Jyotsna Shrestha has written a thesis entitled on "**Market Situation of Instant Noodles. A Case Study in Pokhara Sub-Metropolitan City**" on September 2007. The basic objective of the study is to know market situation of instant noodles and the specific objective are to study the demand and supply in instant noodles in the market, to find out the distribution situation of highly sold instant noodle, to obtain the consumers opinion on price, quality and tastes and to examines the popular media of advertisement. Researcher collected the information from both primary and secondary sources and 1000 consumers have been taken as the sample by using judgmental sampling. The major finding of the study are :

- The product of instant noodles is increasing gradually and the fast food production is also coming in the market due to their different taste and reasonable price.
- Consumer gives most preference to the taste and less preference to the brand and quality.
- Consumer gives most preference to the quality and less preference to the brand.

- Most of the consumers are informed about different brands of instant noodles by the advertisement. Audio media is a popular media of advertisement.
- Demand of instant noodles was increasing.

2.2.4 Narmaya Gurung conducted a research on "**Study on Brand Equity of Gunilo Products**" on 2007. The focus of the study is on analyzing the brand equity of Gunilo brand of products. To study the brand equity, brand equity model of maker has been followed. The study has tried to analyze all the faces of brand equity. The main objective of the study was focused on awareness, loyalty and perception among the customers about Gunilo products and suggests a best promotional strategy for betterment. The major findings are :

- The distribution of Gunilo product is limited only within the Pokhara valley. Though it is available only in Pokhara the awareness level is very low among consumer.
- Sales persons were found to be the main source of consumer awareness for the brand.
- 84% of the respondents agreed to the statement that Gunilo product is promoting our traditional food item. All these responses clearly show that the product has been successful in achieving good image in the mind of customers.
- Brand loyalty among the consumers for this product is good. Since loyalty depends in gender and value perception of the product to enhance the brand loyalty of the product, this factor should be considered before planning and implementing any new policy.
- Urban high income as well as middle income group was found to be the main buyers of this product.
- Price changed should be reduced and effects have to be put into make regular availability of Gunilo product not only in big departmental store but even in the small retail shops also.

2.2.5 Meghnath Padhaya conducted a research on "**Vegetable Production and Marketing in Pokhara Sub-Metropolis**" on 2002. The main focus of the study was to ensure proper market and management so that an added benefit will result in the economic enhancement of all. The objective of the research

are to find out the production and marketing situation of the vegetable, to examine the demand and supply of vegetables in the valley, to study the distribution channel and price situation of the vegetables. Researcher use random sampling method and total of 13 wholesalers, 50 retailers were interviewed as the sampling units. The major findings were :

- The markets for many specific vegetable products are very narrow.
- The local buyer or producer is usually a passive participant in the vegetable marketing system.
- The local production of kaski district fulfills 42% of the demand where 58% need to be imported from outside the valley.

2.2.6 Liladhar Adhikari carried out the thesis entitled on "**Effects of Sales Promotion on Brand Choice**" on October 2002. The main focus of the study is based on satisfying the needs and wants of different products which are being marketed in the society. The objective of the study is to find out the brand distribution of motorbike among consumers, the major criteria used by the buyers, the types of sales promotional tools used for marketing and the aesthetic factor influencing the buyers. For the fulfillment of the research the researcher collected primary data from buyers' dealers business people and job holders and the study is exploratory and descriptive in nature. The major findings were:

- Sales promotion plays more important role than the aspect like after sales service, resale value etc in case of motorbike.
- Sales promotion keeps positive relation with the product model after sales servicing given by the dealer.

2.2.7 Rhidaya Shrestha had conducted a research entitled on "**Nettle Fibre in Annapurna Conservation Area**" in June 1993. The general objectives of the study are to assess income generating potential of the fibre and to assess environmental impact of the plant. The major findings of the study were:

- These resources remained non-conventional because of their limited use and because development efforts have been directed towards their uses
- The nettle is among those neglected but useful plant with a great scope

- The earn made by selling Puwa products are Rs 621 per year on an average and the highest sale is Rs 2,000 and the least sale is Rs. 80. The cost of a sack is Rs 45 and that of Bhangra is Rs 200.
- The products are mainly for their own use 40% but surplus is sold 40% and exchange with other consumable items like Ghee 20 %.
- The market of products is confined to local people only. It seems to be refined and little improvements are needed in weaving and colouring the fabrics and the products should be diversified for the local as well as bigger markets.
- It is paramount to extend the range of products in order to create new opportunities enabling to assess both national and international markets. The fibre is recommended for handicraft goods. Certain souvenir goods, printed with conservation slogans, logo or some symbols could be produced for creating publicity and awareness among the local people and visitors.
- The traditional methods of processing and weaving need some improvements and also need to diversify the products with colouring and different weaving patterns. In this regards the local people engaged in this business and those interested to start this business need to be given rigorous training which will develop their skill and attracts new generation to accept this business.

2.2.8 PoonamThapa had conducted a research entitled on "**Financial Analysis of Allo Based Micro-enterprise and Its Impact OnLivelihood of Rural Community of Parbat District**"on August 2003. The general objectives of the study is analyses the financial status of Allo processing in the study area. This study also seeked to identify the market pattern of Allo products and to analyses the contribution of Allo processing in supporting rural livelihood. The general objective of the research was to analyze the financial status of Allo processing in the study area and its contribution in supporting livelihood of local people.

- Allo based micro-enterprise has a tremendous potentiality in the economic upliftment of the rural people.
- Allo enterprise does not show profit in the very first year of the processing due to the fixed cost of tools but within a five-year period, the entrepreneurs can enjoy profit.

- Benefit received from Allo processing is 1.2 times greater than the cost incurred during its processing. NPV and IRR of Allo processing are 6613, 75.97% respectively.
- If provided with appropriate technology to simplify the processing, it could increase the efficiency and productivity.
- MEDEP, Parbat is continuously providing Entrepreneurship Development Training to the Entrepreneurs of Allo in the study areas.
- To widen the market opportunity of Allo products, suitable marketing system should be developed and alternate markets should be sought so that the villagers could get the real benefit.
- The local entrepreneurs should be encouraged to carry out the processing of Allo more than once in a season so that they can increase profit from the Allo enterprise.

2.2.9 Sunita Dhungana has conducted a research on "**Status, Distribution and Sustainable Harvesting of Allo (*Girardinia diversifolia*) in Bhujung Sector of the Annapurna Conservation Area**" on 2008. The general objective of the study is to find out resource conditions, growth conditions and determination of harvest intervals for sustainable harvesting of Allo. Beside this the researcher also try to assess status and distribution pattern of Allo, develop harvesting strategy, identify and describe the linkage of Allo enterprise development with existing institutional frameworks and to assess economic potential of Allo by estimating the net present value of Allo management based on harvesting plan. The major findings of the study were as follows:

- Allo products have a tremendous potentiality in the economic upliftment of the rural people.
- Allo product does not show profit in the very first year of the processing due to the fixed cost of tools but within a five-year period, the individuals can enjoy the profit.
- Individual were making different cloth items from Allo threads.

- If provided with appropriate technology to simplify the processing and sustainable marketing were found, it could increase the efficiency and productivity.
- Allo product will help to local people in the study area for their own use as well as revenue generation also.
- It contributes to financial, human, physical and social capital of the local people.

Chapter- III

RESEARCH METHODOLOGY

3.1 Research Design

The main objective of this chapter is to throw light on the methodology use in the present study. Nepal has a great deal of potentiality on nettle fibre. Nettle fibre can be a good basis for the livelihood improvement of the rural poor people, especially of those who are residing on high altitude. The present study is exploratory and descriptive in nature. The overall aim of this study is to introduce the nettle fibre products in the market. Nettle fibre is spread in different parts of the country. Especially nettle fibre is found in the moist area of Ilam, Dhankuta, Dolkha, Rasuwa, Kathmandu, Kaski, Parbat, Jumla, Mugu, Salyan, Surkhat, Kalikot and others. This research is based on Parche VDC of Kaski district where abundance of nettle fiber (Allo) is found.

Apart from collecting information from the concerned VDC, the potential and existing market of the products also has been undertaken during the study. Especially Pokhara has been found as the major market and hence the information for market has been taken from Lakeside, Pokhara. Beside these, demand and supply of products, annual income from collecting and harvesting of the products, whether the income is supportive to the livelihood or not, market status, distribution channel, problem facing while producing and distributing, promotional tools used for promoting Allo and the support necessary for promoting Allo and its products have been taken into consideration.

3.2 Nature and Sources of Data

The data used in this study are primary in nature. Though, primary data are used to obtain the basic objective, secondary data are also used to make research more informative. The final sources of the primary data are respondents, who are especially the producers of nettle fibre of Parche VDC of Kaski district and sellers who sell the product made from nettle fibre. Thus, required primary data for the study are directly collected from the producers and sellers of nettle fibre and secondary data are collected from publications and newspaper.

3.3 Sampling Plan

The sampling plan includes target population, sampling unit size and sampling methods, which have been defined in the context of present study as follows:

3.3.1 Target Population

The target population of the study consists of those producers and sellers who are directly involved in the production and selling of nettle fibre products.

3.3.2 Sampling Unit

Sampling unit for this study are the local people who are directly involved in the production process of Nettle fibre and seller of the product made from Nettle fibre. All respondents are taken individually to carry out the research sampling unit from Parche VDC of Kaski District and from the markets of Pokhara.

3.3.3 Sampling Size

The total household size of Prche VDC is 413 and the total population is 2249. Among all nearly 250 households were engaged in production process of nettle fibre so from those HH only 100 respondents were selected randomly. Due to the limited sellers of nettle fibre in the market only 5 shops has been selected.

3.3.4 Sampling Method

In this method, the judgmental sampling method has been used to draw a sample from the target population. The reason behind using this sampling method for the study is non-availability of exact size of population. The other reason is that it gives better results than the convenience method. Limited time and monetary resources of researcher have constrained for using method.

3.4 Data collection Procedure

The study employed administered questionnaire to collect data/information required for the study. A set of participatory tools was used to gather required information in the field in addition to administered questionnaire. The study included various tools like questionnaire, focus group discussion, key informant survey and observation.

3.4.1 Administered Questionnaire

The data have been collected through a self-administered questionnaire survey at respondent's place at their convenient time. The respondents were supported by oral explanation at the point where they got confused or unable to understand contexts of the questionnaire. Since most of the respondents were illiterate questionnaires for the producers were made in Nepali which is given at appendix.

3.4.2 Focus Group Discussion

Focus Group Discussion was employed to gather in depth information in time consumed in collecting the products and the attentive area where the products are available. Seasons, product quantity, involvement of gender, age group in collection of products etc. were the major discussions in the Focus Group Discussion.

3.4.3 Key Informant Survey

Key information was interviewed to collect reliable and cross verification information on the product collection and income generation related aspects.

3.4.4 Observation

Direct observation method was applied to gather and verify information provided by the respondents by using checklists. The tool was especially useful in cross verification on abundance of the products, processing, marketing and income and expenditure aspects of the respondents.

3.5 Method of Analysis

All the collected data and information are thoroughly checked, compiled and presented into appropriate table for case analysis and interpretation. Analysis was done descriptively as well as statistically. Collected data has been analyzed with the help of Ms Excel program. For the statically analysis, statistical tools such as percentage, pie chart, diagram, are used to facilitate analysis and interpretation.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

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

4.1 Respondents Profile

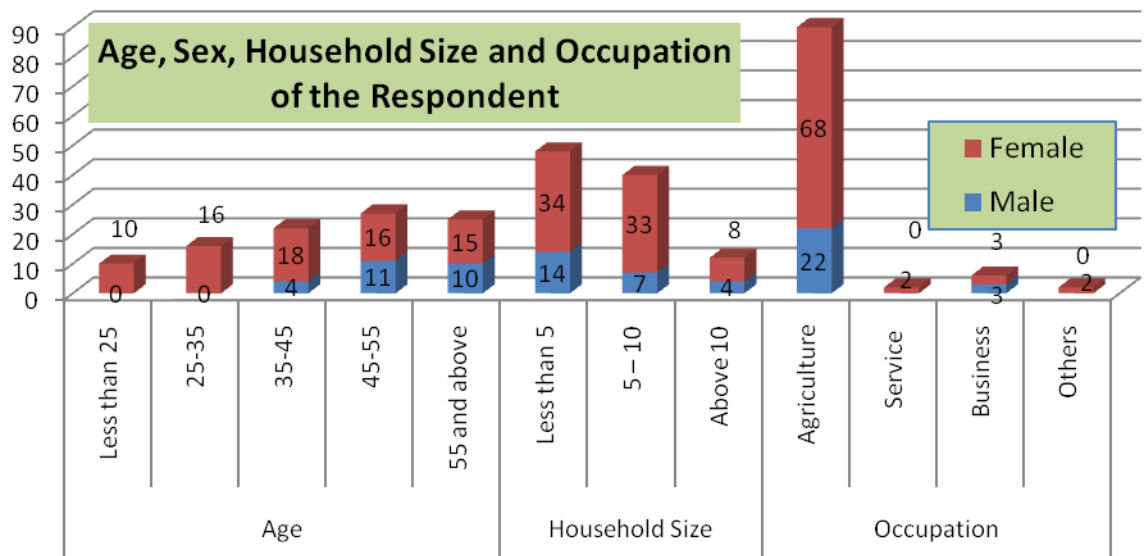
The first chapter of the questionnaires was based on respondent's profile to obtain information relating to age, sex, household size and occupation. The data is merely collected on the basis of personal interview through a structured questionnaire and respondents were selected on the basis of random sampling method. The respondent's answers to these questions are presented in the following tables.

Table- 4.1 Age, sex, household size and occupation of the respondent

Respondent	Age						Household Size				Occupation				
	Less than 25	25-35	35-45	45-55	55 and above	Total	Less than 5	5 – 10	Above 10	Total	Agriculture	Service	Business	Others	Total
Male	0	0	4	11	10	25	14	7	4	25	22	0	3	0	25
Female	10	16	18	16	15	75	34	33	8	75	68	2	3	2	75
Total	10	16	22	27	25	100	48	40	12	100	90	2	6	2	100
%	10	16	22	27	25	100	48	40	12	100	90	2	6	2	100

Source: Field Survey

Figure - 4.1



The above table describes about different age group, sex, household size and occupation of the respondents of the study area. A total of 100 respondents were taken randomly out of which 10% of the respondents are of the age group under the 25 years and all of them are female. 16% of the respondents are of age group of 25-35, of which all are female. 22% of the respondents fall into age group of 35-45 of which 81% are female; 27% of the respondents are fall into the age group of 45-55 of which 59% are female; and 25% belongs to the age group of 55 and above of which 60% are female. The table provided the information that the majority of the respondents are from the age group of 45-55 which reveals that the younger population is not much found involved in the processing of Allo. The average age of the respondents involved in the Allo processing is 44 year. (Appendix-C).

Similarly, 48% respondents HH size is less the 5 members, 40% respondent HH size is of 5 to 10 members and 12 % respondents HH sizes is above 10 members. Its shows that average house hold size of the family is 6 (Appendix-D)

Above data reveals that most of the respondents depends upon the agriculture i.e 90%, 2% respondents is engaged on service, 6% respondents are doing business and the rest 2% of respondents are doing some other works.

Above data shows that that involvement of female in Allo processing is more than male. The overall involvement of the female in Allo processing is 75% and involvement of male is just 25%.

4.2 Analysis of the Product, its Demand, Price, Promotion and Distribution:

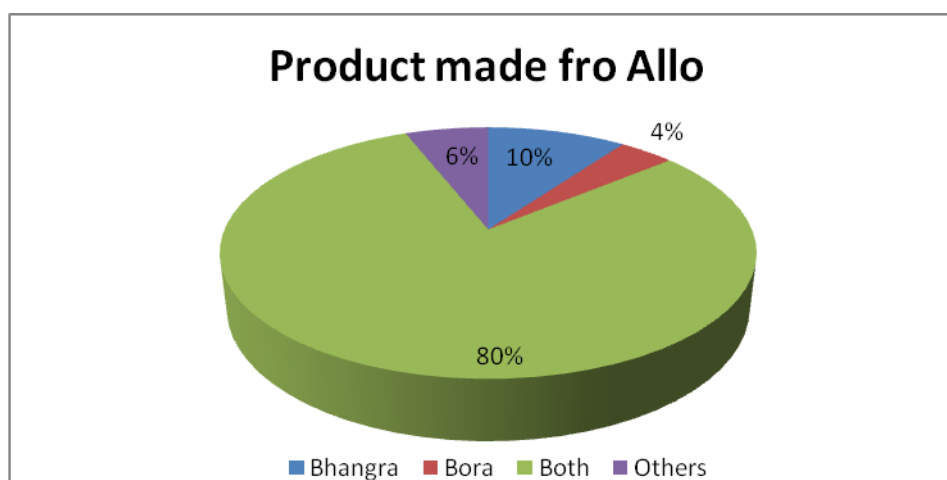
Allo plant (*Girardinia diversifolia*), which is also called Sisnu in Nepali, is a self-sustaining nettle plant. The fibers of this plant have been extracted, spun and woven for centuries in the remote villages of Nepal, especially in the mountainsides above steep valleys. Allo processing and marketing plays an important role in generating income to support the livelihood of the local people. Since Allo is found wildy in the moist area, it might be the best economic sources for the poor people and may helps to uplift their living standard. Different materials can be made from the Allo bark and the demand of the product is growing day by day.

Table- 4.2.1 Product made from Allo

Respondent	Bhangra	Bora	Both	Others	Total
Total	10	4	80	6	100
%	10	4	80	6	100

Source: Field Survey

Figure - 4.2



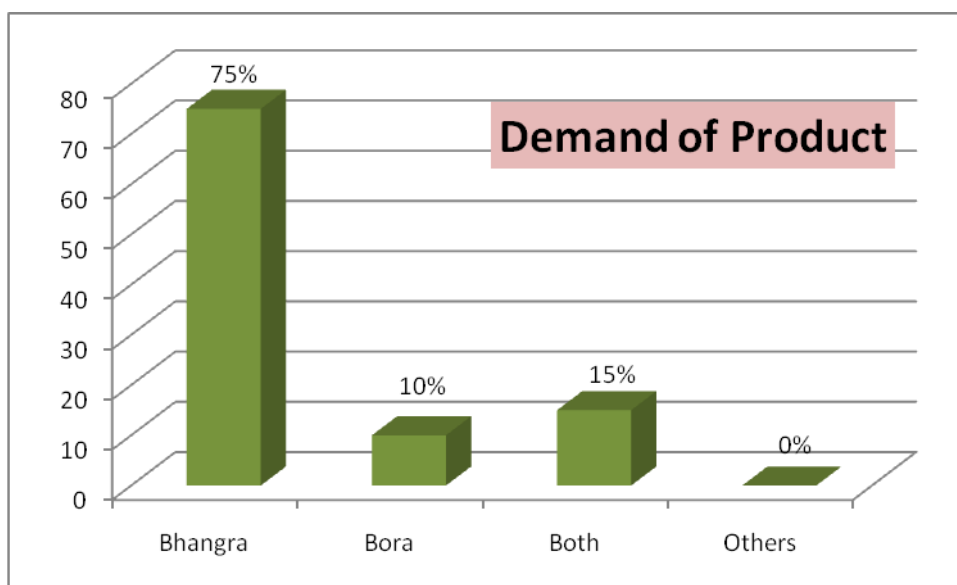
The above table analyzes the products made from Allo. Different respondents are found to be involved in making different products from Allo. About 10% respondents are found to be making bhangra, 4% bora and 80% both bhangra and bora from the Allo. But just only 6% respondents found to be involved in making other products like clothes, sal, bag etc. This shows that the respondents are involved in making products that are locally consumable and the products like sal, clothes, bag etc. which have high potentiality in the urban markets are not much produced.

Table - 4.2.2 Demand of Product

Respondent	Bhangra	Bora	Both	Others	Total
Total	75	10	15	0	100
%	75	10	15	0	100

Source: Field Survey

Figure - 4.3



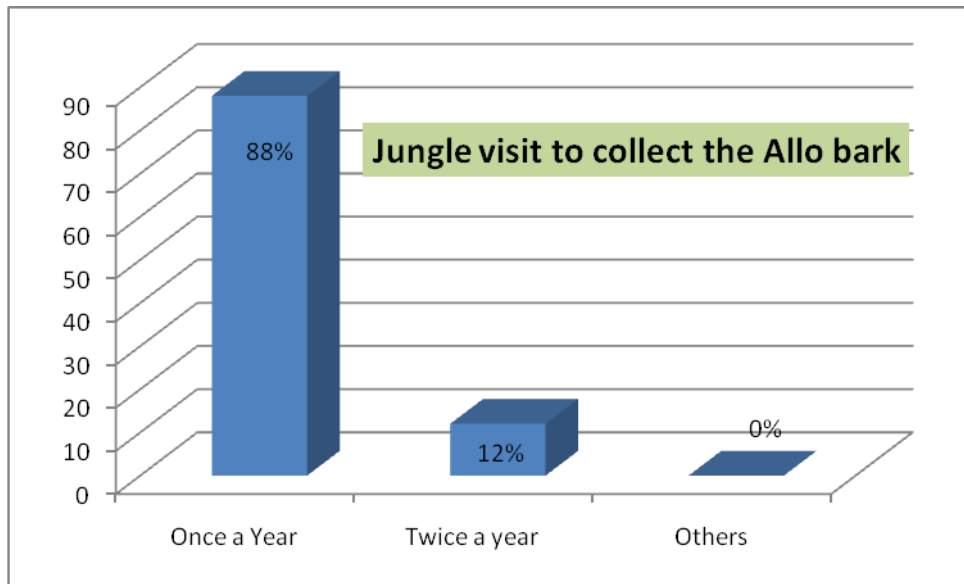
Above data reveals that demand of bhangra is 75%, demand of bora is 10% and demand of both is 15%. Since bhangra is the traditional dress of Gurung culture, its demand is higher in comparison to others. However, the demand of city and urban area is high in clothes, sals, bags etc. which are not much produced in the village.

Table - 4.2.3 Jungle visit to collect the Allo Bark

Respondent	Once a Year	Twice a year	Others	Total
Total	88	12	0	100
%	88	12	0	100

Source: Field Survey

Figure - 4.4



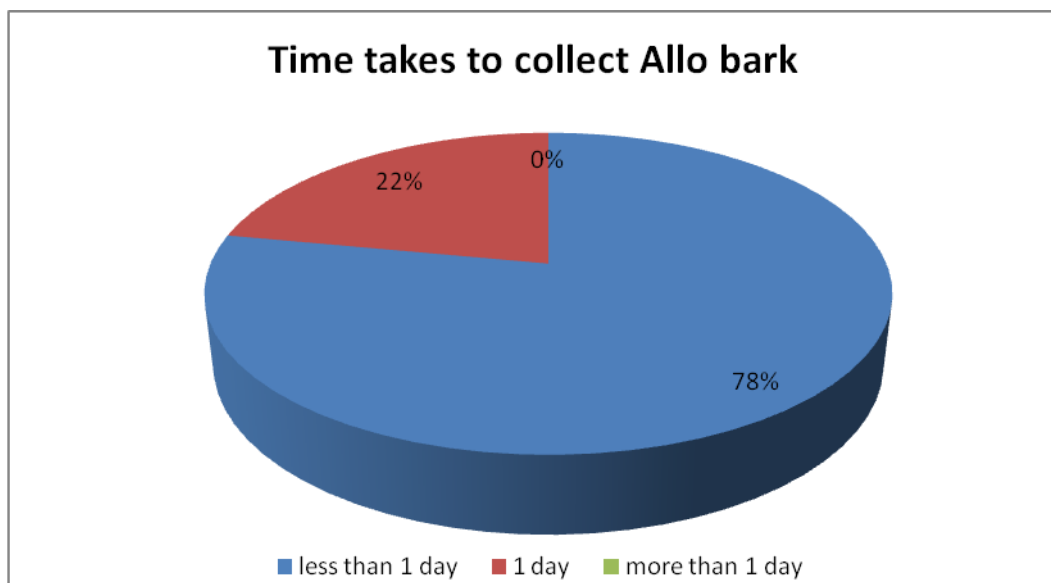
Above data shows that for the collection of Allo bark 88% of the respondent visits the jungle only once a year and 12% respondent visit the jungle twice a year.

Table - 4.2.4 Time takes to collect Allo bark

Respondent	less than 1 day	1 day	more than 1 day	Total
Total	78	22	0	100
%	78	22	0	100

Source: Field Survey

Figure - 4.5



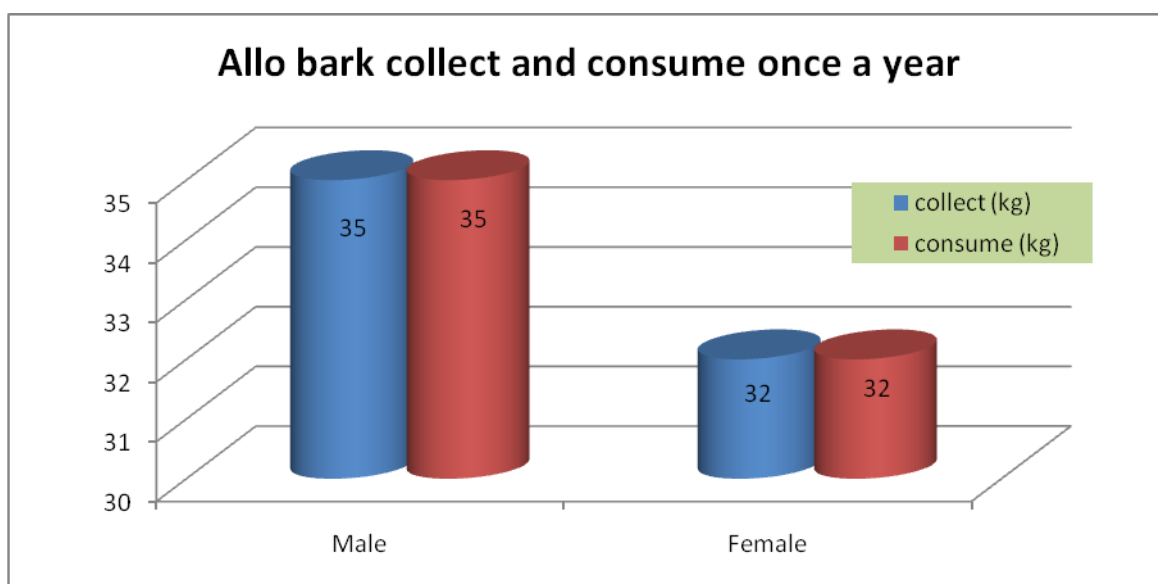
Inventory data reveals that forest of Parche VDC is not so far from the village so 78% of respondent take just less then one day to collect Allo bark and 22% of the respondents take one day.

Table - 4.2.5 Allo bark collect and consume once a year

Respondent	collect (kg)	consume (kg)
Male	35	35
Female	32	32

Source: Field Survey

Figure - 4.6



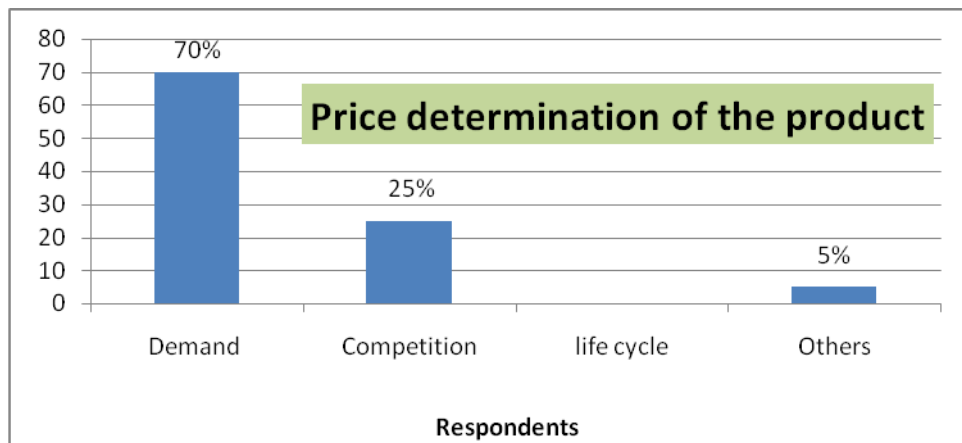
Research shows that the male respondent collect 35 kg of Allo bark once a year and they consume all the collected bark that is total 35 kg. Similarly, female collected 32 kg of Allo bark once in a year and consume all the bark collected.

Table - 4.2.6 Price determination of the product

Respondent	Demand	Competition	life cycle	Others	Total
Total	70	25	0	5	100
%	70	25	0	5	100

Source: Field Survey

Figure - 4.7



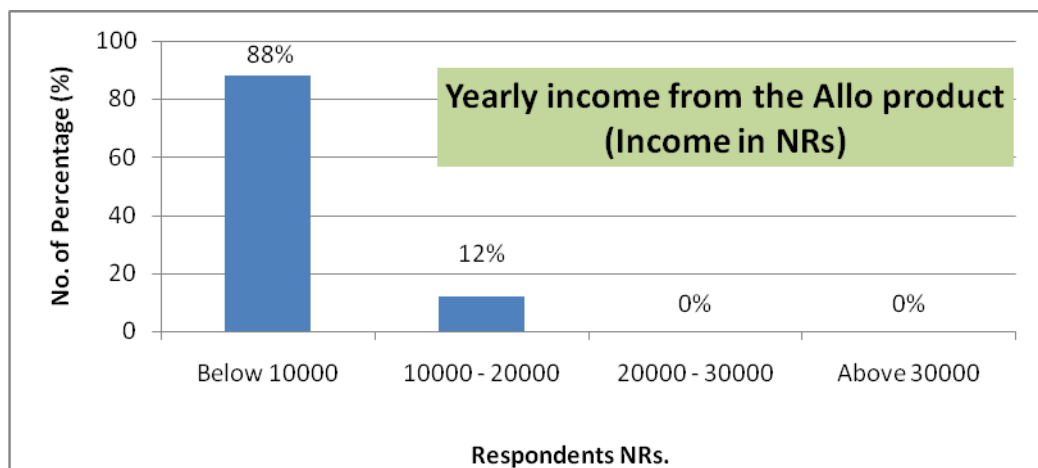
For the determination of the product made from the Allo bark, most of the respondent consider the price according to the demand of the product i.e 70% of the respondent says that they determine the price according to the demand, 25% says that they determine the price according to the competition of the product in the market and 5% says that the other factors affects the price determination i.e life cycle, quality etc.

Table - 4.2.7 Yearly income from the Allo product (Income in NRs)

Respondent	Below 10,000	10,000-20,000	20,000-30,000	Above 30,000	Total
Total	88	12	0	0	100
%	88	12	0	0	100

Source: Field Survey

Figure - 4.8



The yearly income of the respondents from collecting and processing Allo is given in the above table. About 88% of the respondent income is below NRs. 10,000.00 and the rest 12% respondent income is between NRs. 10,000.00 to NRs. 20,000.00. The average yearly income of the respondent is Rs.6,200. (Appendix-E)

Table - 4.2.8 Satisfy with the price and is supportive for the livelihood

Respondent	Satisfy			Supportive		
	Yes	No	Total	Yes	No	Total
Total	83	17	100	72	28	100
%	83	17	100	72	28	100

Source: Field Survey

Figure - 4.9

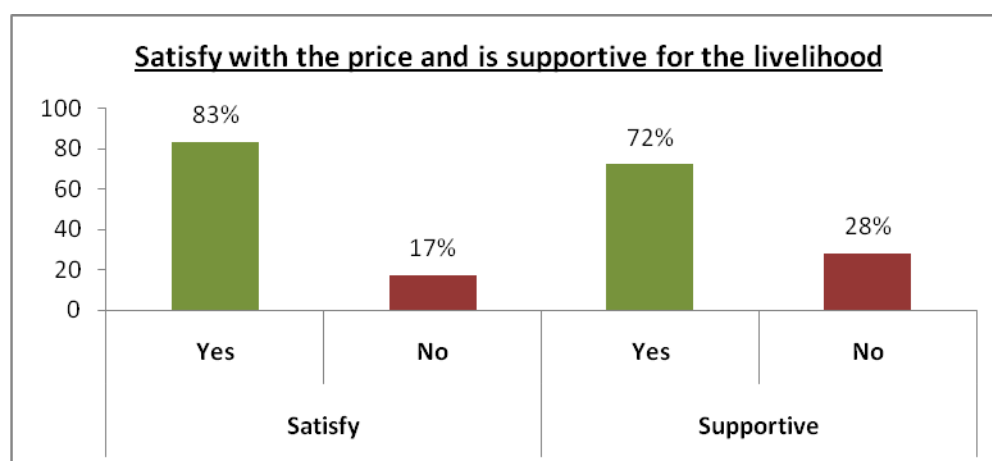


Table 4.2.8 reflects that the 83% of the respondents are satisfied with the price of the product and 17% of the respondent is not satisfied with the price of the products. According to them price of the product made from Allo is too cheap in compare to their work and time.

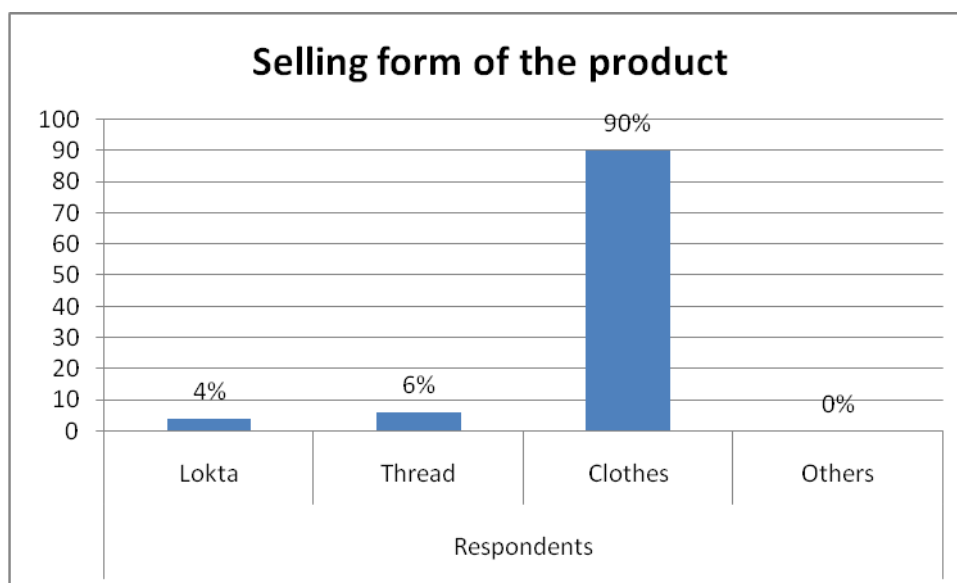
Field survey shows that 72% of the respondents felt that the income from the Allo product is supportive to their livelihood and just 28% of the respondents say that the income from the Allo product is not supportive to their livelihood. This reveals that majority of the respondents are satisfied from the income and hence Allo collection and processing can a basis for livelihood improvement.

Table - 4.2.9 Selling form of the product

Respondent	Lokta	Thread	Clothes	Others	Total
Total	4	6	90	0	100
%	4	6	90	0	100

Source: Field Survey

Figure - 4.10



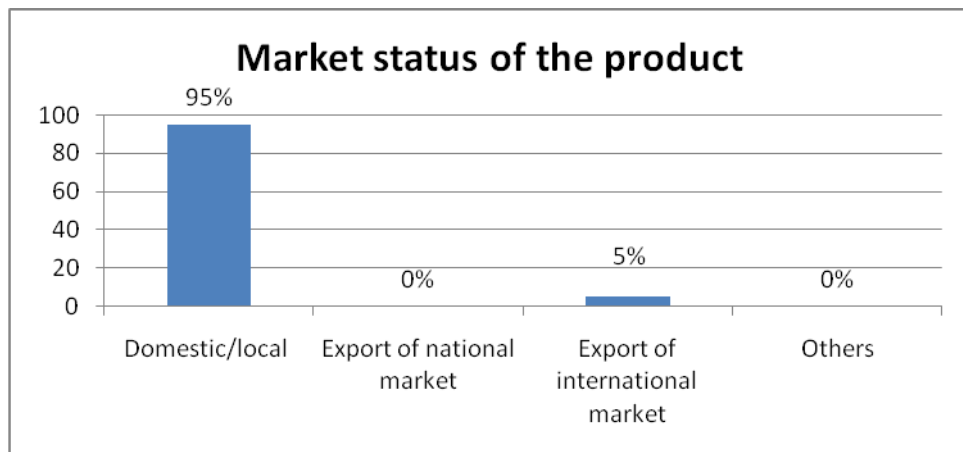
While collecting information, respondents were found to be selling the products in different forms. According to the field data, just 4% of the respondents sell the Allo in lokta form, 6% of the respondents sell in the thread form and 90% of the respondents sell in the form of clothes i.e in the form of Bhagra and Bora. This reveals that majority of the respondents are involved not only in collection but also in the processing of the Allo products.

Table - 4.2.10 Market Status of the product

Respondent	Domestic/local	Export of national market	Export of international market	Others	Total
Total	95	0	5	0	100
%	95	0	5	0	100

Source: Field Survey

Figure - 4.11



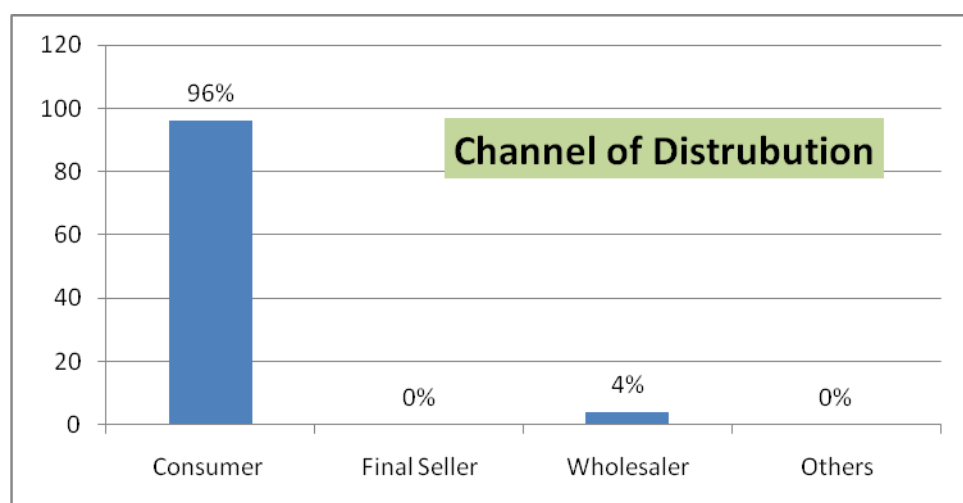
The data shows that the market status of the Allo product is limited just only in the domestic market. They use their product in the local level only and were unknown to the demand of the product in the markets. 95% of the respondents sell the product in the local level and is limited only in the village and only 5% of the respondents export the product in the international market i.e in America, UK, German etc where their relatives works.

Table - 4.2.11 Channel of Distribution

Respondent	Consumer	Final Seller	Wholesaler	Others	Total
Total	96	0	4	0	100
%	96	0	4	0	100

Source: Field Survey

Figure - 4.12



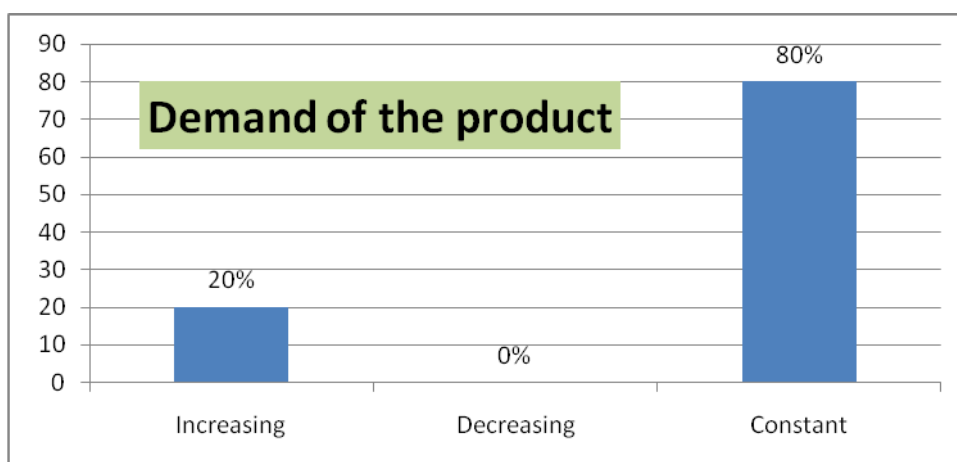
The study found that the products being sold directly to the consumers. Around 96% of the respondents sell their product directly to the consumers and only 4% of the respondents sell their products through Wholesaler.

Table - 4.2.12 Demand of the product

Respondent	Increasing	Decreasing	Constant	Total
Total	20	0	80	100
%	20	0	80	100

Source: Field Survey

Figure - 4.13



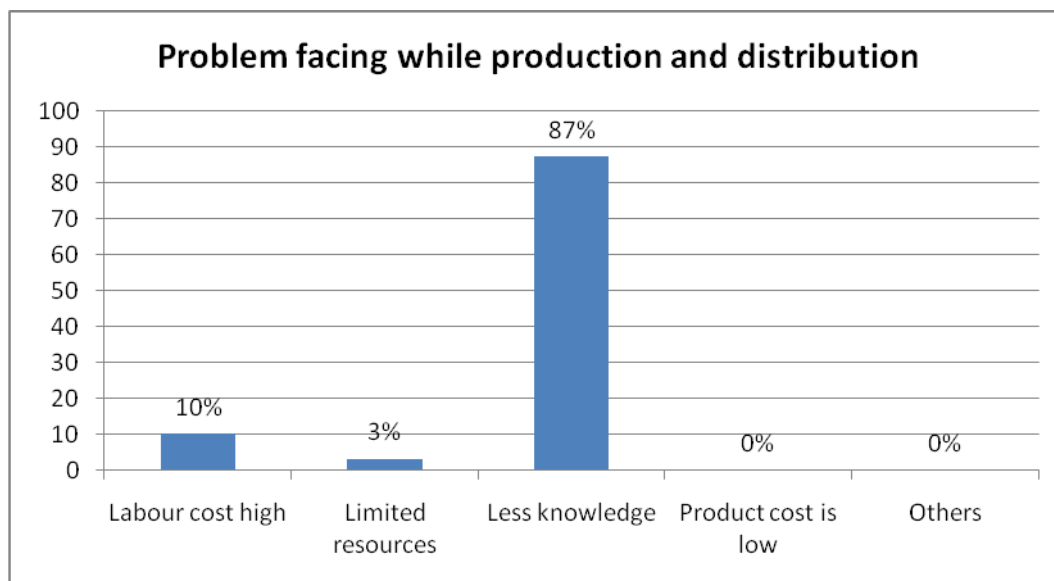
During field study the demand of the products were assessed if the products demand has increased or decreased during the past 5 years of time. Around 80% of the respondents agreed on the demand of the product being constant and only 20% of the respondents said that the demand of the products is increasing. This reveals that exploration of new markets has not yet been done and the market has been limited to the local markets only.

Table - 4.2.13 Problem facing while production and distribution

Respondent	Labour cost high	Limited resources	Less knowledge	Product cost is low	Others	Total
Total	10	3	87	0	0	100
%	10	3	87	0	0	100

Source: Field Survey

Figure - 4.14



There are many problems facing during the production and distribution of Allo products. Among them 10% respondents feel that labour cost is high according to the price of the product, 3% says that the resources are limited and 87% of the respondent feel that the knowledge of the Allo product is less. Many of the respondents don't know the real market of Allo product. This reveals that the real market of the Allo yet to be explored and knowledge in Allo products is still lacking to extent its area.

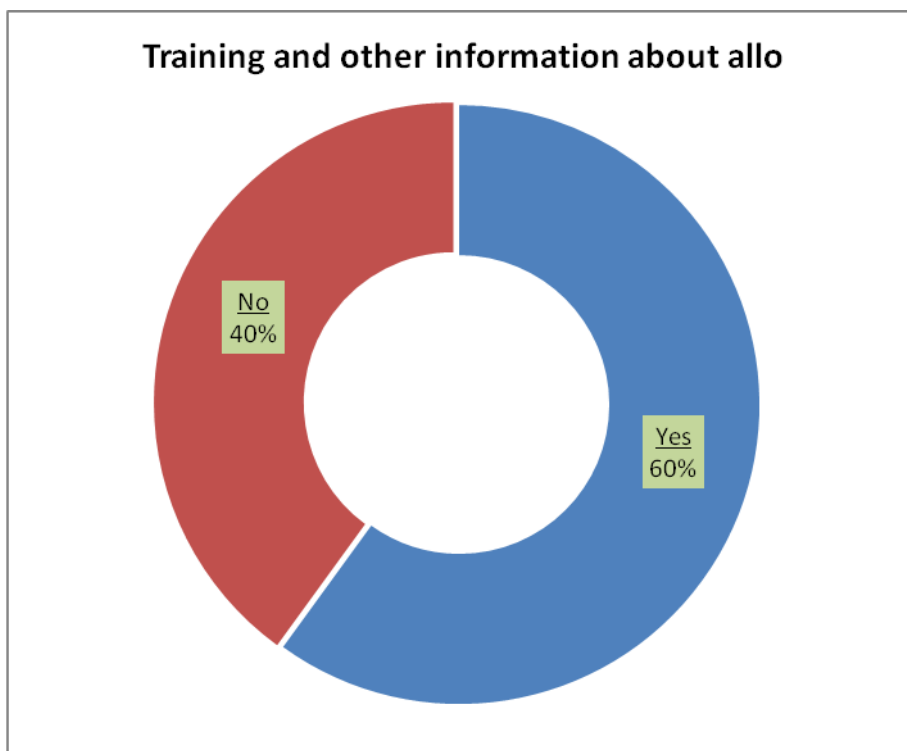
There are different promotional activities that can be done for promoting products, like advertisement, awareness, install in the market etc. But according to the survey in the selected area, none of the promotional tools were found to be used.

Table - 4.2.14 Training and other information about Allo

Respondent	Yes	No	Total
Total	60	40	100
%	60	40	100

Source: Field Survey

Figure - 4.15



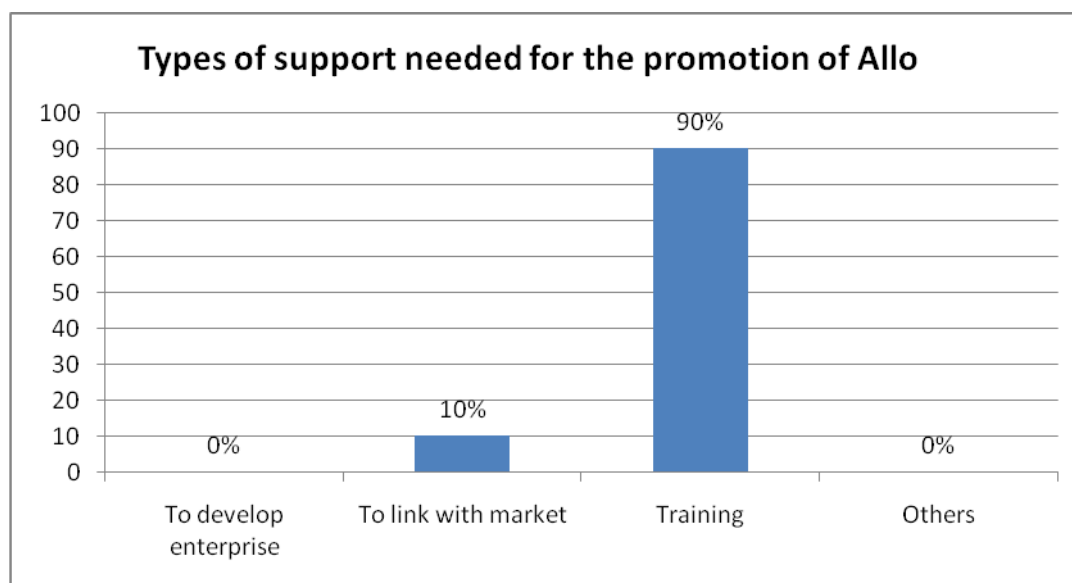
Among all respondents 60% of the respondents have taken the training about Allo and are becoming little more aware of the the products but 40% of the respondents didn't get any training about Allo and its processing. An NGO named Annapurna Conservation Area Project(ACAP) is providing the training and other awareness program for the processing of Allo product along its importance and market potentiality.

Table - 4.2.15 Types of support needed for the promotion of Allo

Respondent	To develop enterprise	To link with market	Training	Others	Total
Total	0	10	90	0	100
%	0	10	90	0	100

Source: Field Survey

Figure - 4.16



Many of the respondents, about 90% says that the appropriate training for Allo processing and marketing is needed for the promotion of the product and 10% feels that the linkage of the product to the market is most needed for the promotion of Allo. This shows that the respondents are still in need of skill and knowledge through various training to uplift their involvement in Allo collection and processing.

4.3 Analysis of the Seller

The major market of the Allo products near to the study site is Pokhara city. Due to the lack of much promotion and knowledge of Allo products, only few shops are purely selling the Allo products. Among them five shops are taken as respondents during the study.

Table - 4.3.1 (a) Product available in the shop

Respondent	Raw clothes	Readymade items	Both	Total
Total	0	3	2	5
%	0	60	40	100

Source: Field Survey

Figure - 4.17



This table reveals that the 60% of the shops puts only readymade items and 40% of the shops puts both readymade and raw clothes.

Table - 4.3.1 (b) Readymade items sell most

Items	Shop I	Shop II	Shop III	Shop IV	Shop V	Average ranking
Bhangra	9	6	6	7	7	7
Sal	4	3	2	1	2	2
Bag	1	1	1	3	1	1
Mats	3	4	7	6	6	6
Wallet/Parse	2	2	5	2	5	3
Hat	7	8	9	8	8	8
Sandle	8	9	8	9	9	9
Cell phone bag	5	5	3	5	4	4
Shirt/tops/skirt	6	7	4	4	3	5

Source: Field Survey

Figure - 4.18

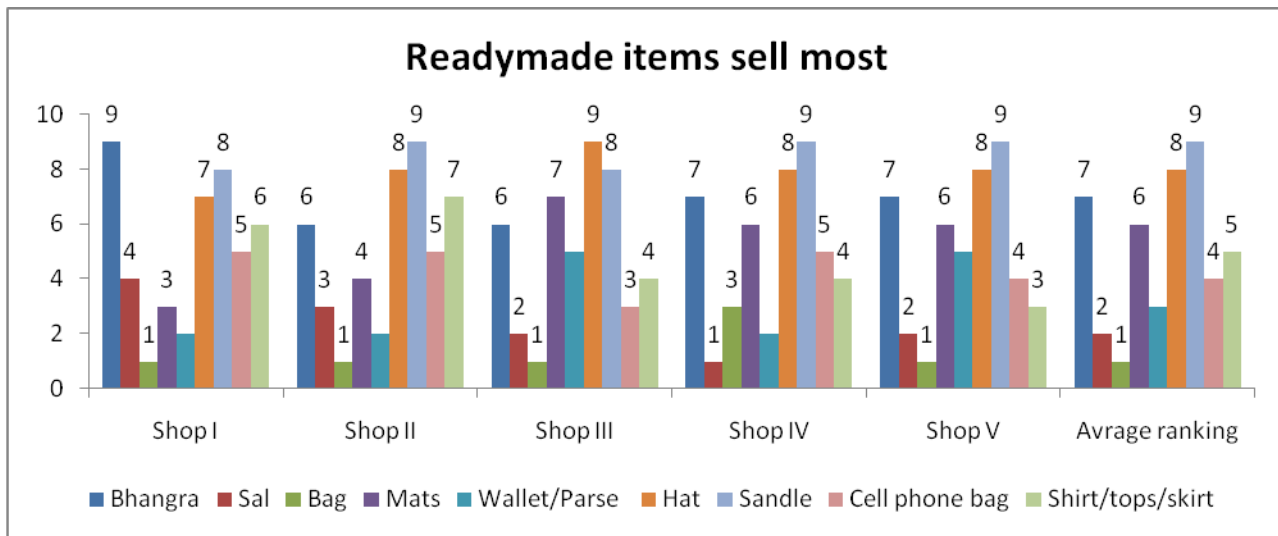


Table 4.3.1 (b) shows that the readymade items sell most is rank as above i.e. 1st bag, 2nd sal, 3rd wallet/parse, 4th cell phone bag, 5th shirt/tops/skirt, 6th mat, 7th bhangra, 8th hat and 9th is sandle. This means the respondent sell mostly the bag and then sal. From this we can draw the relationship that the products required for the market and the products produced in the study site do not match. The bora and bhangra are mostly produced in the study site which ranks 7th position in the market demand.

Table - 4.3.2 Demand of the product

Respondent	Bhangra	Bag	Sal	Wallet/Parse	Clothes	Others	Total
Total	0	3	2	0	0	0	5
%	0	60	40	0	0	0	100

Source: Field Survey

Figure - 4.19

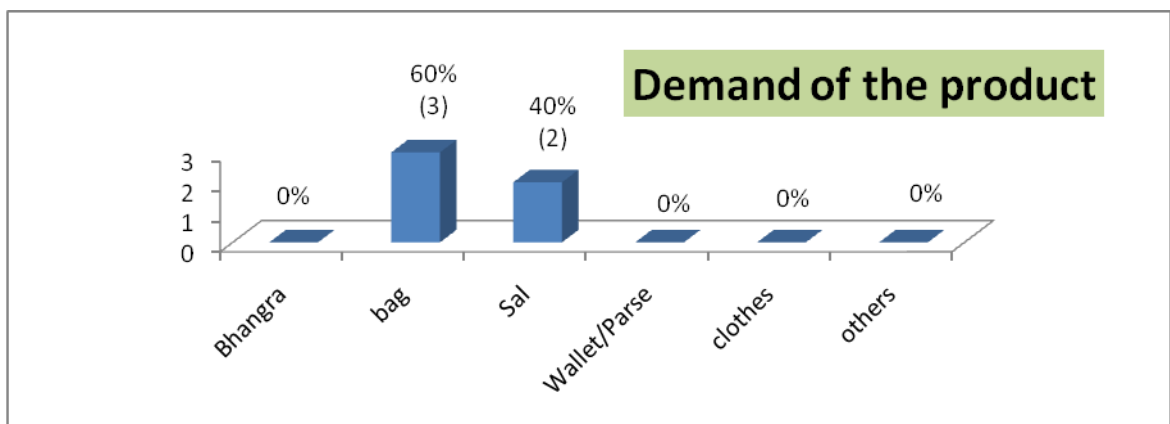


Table 4.3.2 reflects that the demand of bag is high that is 60% and then 40% demand for sal.

Table - 4.3.3 Determine the price of the product

Respondent	Income of consumer	Product demand	Competition	Product quality	Total
Total	1	0	1	3	5
%	20	0	20	60	100

Source: Field Survey

Figure - 4.20



Income of the consumer, product demand, competition and product quality are the main price determination factors for the product. Field survey shows that 60% of the respondents determine the price of the product through product quality, 20% through competition of the product and 20% through the income generation of the consumer.

Table - 4.3.4 Annual average income of the Product

Respondent	income
Average	94000/-

Source: Field Survey

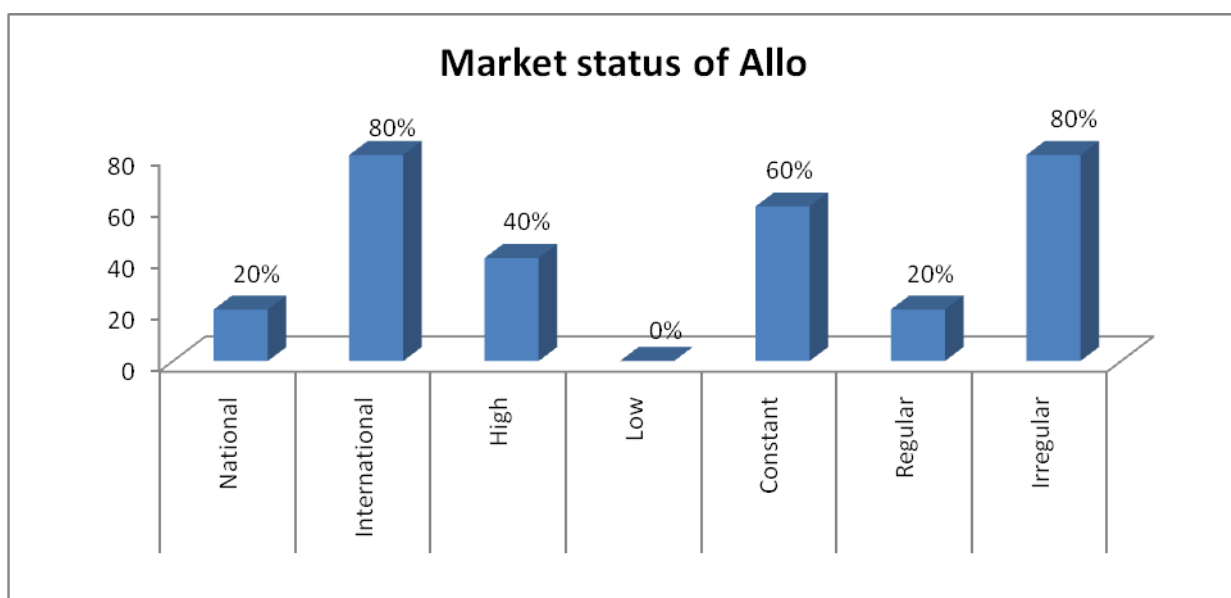
According to the field survey done the average annual income from the sale of Allo product is Rs.94,000/- (Appendix-F)

Table - 4.3.5 Market status of Allo

Respondent	Market Status			Demand of the product				Customer visit		
	National	International	Total	High	Low	Constant	Total	Regular	Irregular	Total
Total	1	4	5	2	0	3	5	1	4	5
%	20	80	100	40	0	60	100	20	80	100

Source: Field Survey

Figure - 4.21



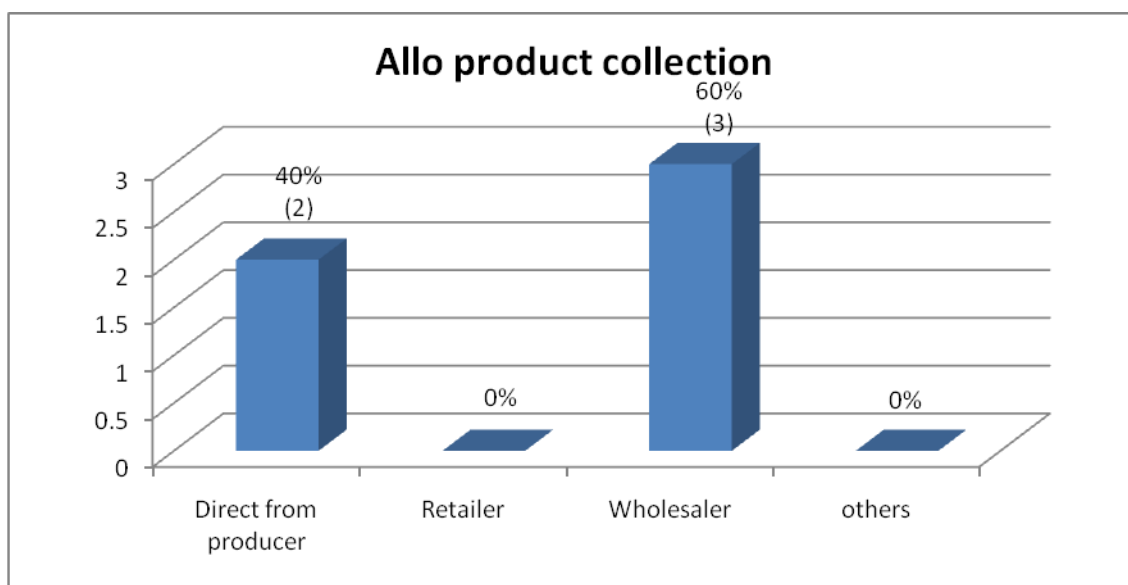
According to the field survey foreigner are more interested in the products made from Allo. About 80% of the market is in international level and only 20% is national. It seems that foreigner is more aware of the product and the importance of the product. Data shows that the demand of the product seems constant i.e 60% and 40% of the respondents say that the product demand is high. Since most of the customers are foreigner, the data reflect 80% customer visit irregularly and only 20% of the customer are regular.

Table - 4.3.6 Allo product collection

Respondent	Direct from producer	Retailer	Wholesaler	others	Total
Total	2	0	3	0	5
%	40	0	60	0	100

Source: Field Survey

Figure - 4.22



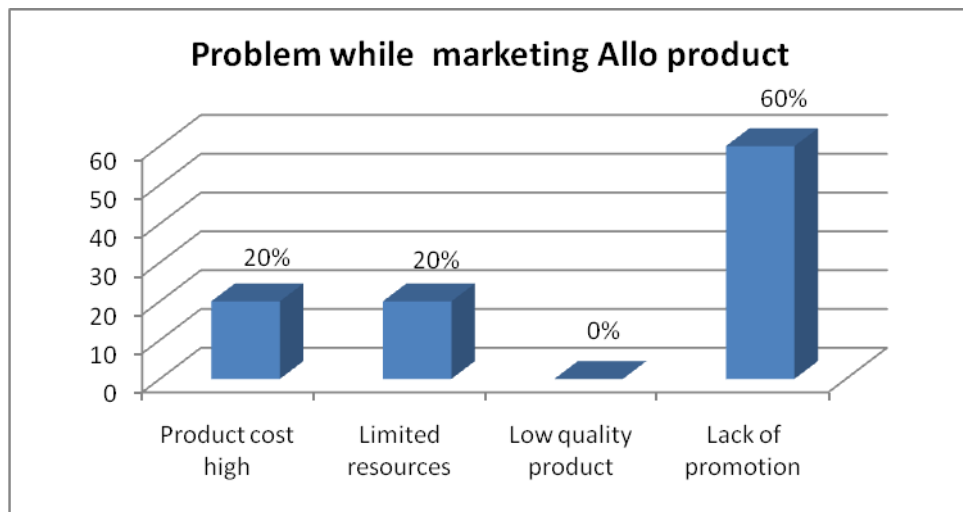
A Wholesaler, sometime is also called a distributor, it is a supply chain that gets products from the manufacturer / producer to the retailer or direct to the customer. Field survey shows that 60% of the respondents collect the Allo product from the wholesaler and 40% of the respondents collect direct from the producer.

Table - 4.3.7 Problem while marketing Allo product

Respondent	Product cost high	Limited resources	Low quality product	Lack of promotion	Total
Total	1	1	0	3	5
%	20	20	0	60	100

Source: Field Survey

Figure - 4.23



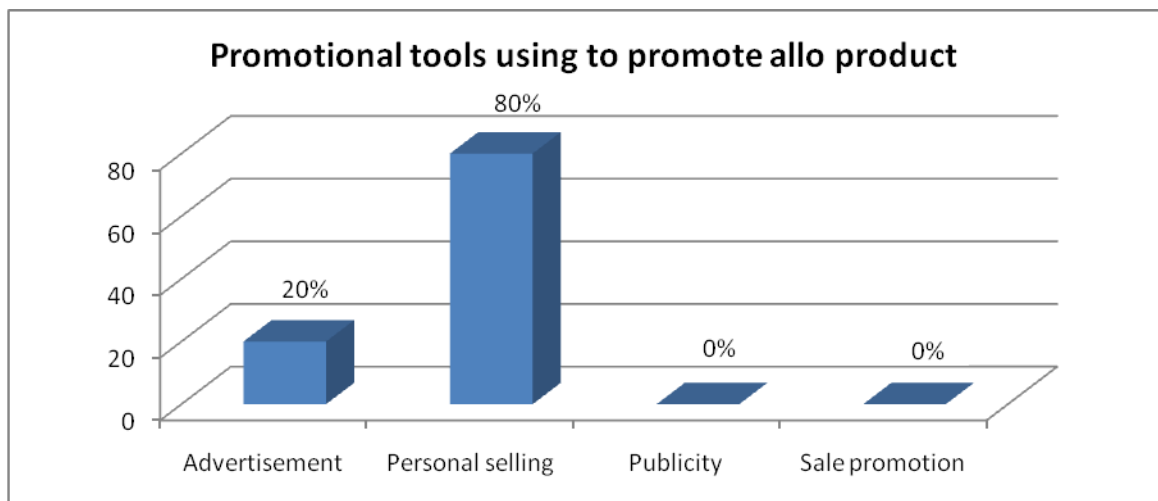
Seller faced several problems while marketing the products like high price of the product, limited resources, low quality product, lack of promotion etc. Since the processing method of Allo product is complicated and lengthy the cost of the product is high. 20% of the respondents say that the product cost is high, 20% says resources are limited and 60% says there is lack of promotion.

Table - 4.3.8 Promotional tools using to promote Allo product

Respondent	Advertisement	Personal selling	Publicity	Sale promotion	Total
Total	1	4	0	0	5
%	20	80	0	0	100

Source: Field Survey

Figure - 4.24



Many promotional tools can be used for the promotion of the product among them advertisement, personal selling, publicity and sale promotion are mostly used in the promotion of nettle fiber. Field survey reveals that the most effective promotional tool they are using in Allo promotion is personal selling of the product. About 80% of the respondents use the personal selling tool and the rest 20% of the respondents do advertisement of the product through different websites and card distribution some even produce brochure and pamphlets.

4.4 Major Findings of the Study

The major findings of the study based on the outcome of the analysis and interpretation of the data has been majorly highlighted on the following points:

1. The majority of the producers are under the age group of 45-55.
2. Involvement of female is more than male i.e 75% female and just 25% male involves in Allo processing.
3. The average age of the producer is 44 year which seems that young generation were not involving in processing and marketing of Allo.
4. Average household size of the study area is of 6 members per household.
5. Majority of the respondents depend upon agriculture for their livelihood. Survey showed that around 90% of the respondents' livelihood is based on agriculture.
6. In the study area, about 80% of the respondents found to be involved in making bora and bhangra. However, there is a shifting trend in making more commercialized products like sal and bag. This trend is found to be 6% during the study and rapidly increasing during the observation.
7. The study area is predominantly suppressed by ethnic Gurung community and bhangra is culturally used by them. Data shows that there is high demand of bhangra in the study area since the market is limited to local level only.
8. For the collection of Allo bark, producer used to go only once a year to the jungle but only few producer visit jungle twice a year.
9. Since the jungle is near to the Parche VDC, most of the producer go to jungle early morning and return at mid day. Only few producers used to go early in the morning and return at evening.

10. They usually collect 32-25 kg of Allo bark once a year and consume all the bark collected. Since the bulk of collected amount was not in much, the products were consumed merely in the local market.
11. Producer determined the price of the products on the basis of demand. However, competition sometimes predominantly determines the product price.
12. Annual income of the producers generally is below Rs. 10,000/- and only 12% of the producers' yearly income exceed Rs. 10,000/-
13. Most of the producers are satisfied with the income of the product and feel that it is supportive to their livelihood.
14. Most of the producers sell the product in the form of clothes i.e. bhangra and bora. Rarely they sell it in the form of lokta and thread.
15. In the study area, the product is limited only in the local level and products are merely sending to abroad where their relatives live.
16. In the survey area, producers sell the product direct to the consumer and rarely used to sell through wholesaler.
17. Majority of the producer agreed that the demand of the Allo product is mostly constant, however about 20% of the producers agreed that the demand is increasing.
18. Similarly, data shows that lack of enough knowledge is the main problem they are facing while production and distribution. Beside this, labour cost is relatively high and the sources are limited.
19. The study found that none of the promotional activity has been initiated so far for the promotion of Allo product.
20. About 60% of the respondents got the training about process and market of the product.
21. According to the producer relevant training and information are needed for the promotion of Allo and its product.
22. Similarly in the markets many readymade items are found along with the raw clothes. Like Sal, bag, mats, wallet/Parse, hat, sandle, cell phone bag, shirt etc. The product is really attractive.
23. Among all the readymade items demand is more for bag and sal.
24. Seller usually determines the price of the product according to the product quality, market competition and income level of the consumer.

25. Annual income of the seller from the Allo products is limited from Rs.60,000/- to Rs.1,50,000/- i.e in average Rs. 94,000/-
26. Especially foreigner shows more interest in the Allo product so the market of Allo product is in international level. Since most of the costumer is foreigner, their visit to the shop is also irregular.
27. According to the 60% seller, demand of the product is constant but 40% seller said that the demand is increasing day by day.
28. Seller usually collects the product from the wholesaler but some seller collect direct from the producer.
29. While marketing the Allo product sellers are facing different problems like lace of promotion to the consumer, high cost of the product and limited resources.
30. Actually no any specific promotional tools were been used by the seller. As a promotional tool just personal selling and advertisement of the different product through different website was done.

CHAPTER –V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

Marketing came to the rescue by finding out the needs and wants of consumers and to produce those goods which satisfied these needs. In other words, marketing helps to find out what goes were needed most, in what qualities they were require the goods and so on. Marketing has assumed much importance in the present day business world. The success or failure of any organization – profit making or non-profit making depends on marketing. A business organization may produce goods and services by adopting efficient management techniques. But by merely producing goods or services, there will not be any profit. It has to market these and only marketing will generate revenues, all other activities result in expense. Today is the age of marketing. All type of organization needs marketing to exist and develop. It helps to produce goods or services by identifying wants and needs of customers. So marketers should at first identify what of customers and produce goods or services accordingly.

In this research attempted to link the word marketing with the local product which is made by the rural people with their own hands without using any machinery tools. This research wants to reflect the importance of the local product and their value. Our single effort may help to increase the revenue of the country and when the country is rich the people living in the country will obviously be rich. Nettle fibre is an indigenous fibre and can be made different types of products from it. Different varieties of product can be made from the fibre. Different quality of product can be made from Allo i.e high, medium and low. High quality products are sal, bag, clothes for coat etc, medium quality is bhangra, and low quality is bora. The quality of the products depends upon the fibre / thread that can be extracted from the Allo bark. Foreigner shows more interest in these product because of the unique quality and was found that the product is more strength, smoothness, lightness and when appropriately treated a silk like luster.

Allo can be found as an under-growth in the forest and in moist habitat of many regions in Nepal. But the researcher selects only Parche VDC of the Kaski district and to know the market status, Pokhara valley were taken as a sample site.

The underlying objectives of the study were to introduce the product made from nettle fibre, to analysis the price of the product, to analysis the best promotion and distribution channel, to analysis the problem and prospects of production and distribution of nettle fibre and to analyze the contribution of Allo in the economic status of local people.

To fulfill these objectives, the researcher had conducted a questionnaire survey. The survey covered 100 respondents who were directly involved in the production process of nettle fibre and just 5 respondents of sellers who sells the product of nettle fibre. After survey, each questionnaire was checked through and data presented into table as per relevance of the study. The data analysis and interpretation were carried out accord to the objectives.

5.2 CONCLUSIONS

Different conclusions can be drawn from this study. Based on the research problem, study concludes that knowledge of better use of Allo products is lacking in the study area. The products having potentiality to expand in terms of quantity and quality has been limited to the local market only. Promotional tools and distribution channel has not been channelized well to explore the products thereby uplifting the life of local people.

In the selected area, the products are made for the local use only like bhangra and bora and products like sal, bags, and clothes are in demand in the urban market like Pokhara but are not produced in the study site. Only 6% of the total products produced comprised of urban marketable form like sal, clothes, bags etc. Due to the lack of promotional activities and appropriate training, the raw materials are being wasted in the jungle and the producers do not usually go to the jungle, as the product processing has not been the basis for their livelihood. However, most of the respondents agrees on the support of the work to their livelihood.

The study also concludes that the limited market is sustainable in nature. From the study it is found that in 5 years' time the demand and supply market seems to be constant. Most of the respondents agree on the truth that there is lacking knowledge and awareness regarding the Allo products to both the producer and consumers. Promotional tools like market installation, advertisement, awareness etc. are lagging behind in case of Allo products promotion. About 90% of the respondents feel that training on processing and marketing of Allo is needed which can increase the income

and helps in sustainable harvesting of the products. Bhangra and Bora are the major products produced in the study site where as they rank in 7th position when we see the urban market demand preceding the other products made from the same raw material (Allo). Hence study concludes that the study area has not been intervening the need of urban potential market.

Price of the product is various according to the quality of the product. High quality product cost high and accordingly. Since the product is natural and totally hand made it consume more time and comparatively product price is also high.

The study also concludes that there is a vast gap in the value chain of the products from collection, processing and the selling. Annual income of the seller from the products in the urban city found to be in average NRs. 94,000.00 where the average annual income of the producer is just NRs. 6,200.00 in average. Foreigner is the major consumer of the Allo products. Of the total consumers surveyed at Pokhara 80% found to be foreigner. Proper publicity and advertisement are lagging behind for the promotion of the products made from Allo. The products are found to be sold on personal selling capacity only.

5.3 RECOMMENDATIONS

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

5.3.1 Majority of the people involved in the collection and processing of allo is female and of middle age i.e above 35, young generation also should be promoted in the Allo processing and marketing. They should be aware of the market value for Allo products.

5.3.2 Majority of the people in the study area depend upon the subsistence farming which do not yield enough food grains throughout the year, Allo processing can be promoted to supplement the shortage of food grains where people can earn money and replace it with food grains thereby increasing the nutritional habit of their family.

- 5.3.4 The processing is mostly limited to bhangra and bora only. Hence training and skills should be handed over to the local producer so that they can produce marketable form of products and earn far better with guaranteed market.
- 5.3.5 Pricing mechanism should be institutionalized so that prompt collection and supply is maintained. Institutional setup can be promoted through group formation in the form of cooperative or others. This would wipe out the elite capture tendency in pricing of the products enhancing participation in pricing methodology.
- 5.3.6 Value chain analysis should be carried out and gaps between the margin of the rural producer and urban seller can be reduced.
- 5.3.7 Promotional activity should be concerned to explore the market of the products and improvised technology should be introduced to enhance the quality of the products.
- 5.3.8 The major consumers of the products are from foreign nationals and hence channelized export system should be developed where institutional setup can function smoothly and products can be exported through the channel thereby adding value to the products of the producers.
- 5.3.9 Research shows that the product is more valuable in all aspect but lack of awareness and proper marketing strategy the product is in shade. So it is recommended to adopt proper marketing strategy for the promotion of Allo.
- 5.3.10 Allo are found wildy in the nearby jungle of the village, and if they are managed and use properly it might be the strong economic sources for the local people and for the whole country.

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APPENDICES

Appendix-A

QUESTIONNAIRE FOR PRODUCER

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

1. Name of the respondent : Sex :
 VDC : Word No. : Age : HHs size:

2. Main occupation of the respondent
 - a. Agriculture () b. Service ()
 - c. Business () d. If any other (Please specify)...

3. What are the product made from Allo ?
 - a. Bhangra () b. Bora ()
 - c. Sal () d. Bag ()
 - e. Mat () f. Clothes ()

4. Among above which product's demand is high ?
 - a. Bhangra () b. Bora ()
 - c. Sal () d. Bag ()
 - e. Mat () f. Clothes ()

5. How frequently you visit to the jungle to collect the Allobark ?
 - a. Once a year () b. Twice a year () c. others ()

6. How long it takes to collect the Allobark ?

- a. 1 day () b. Less than 1 day () c. More than 1 day ()
7. How much do you collect Allo bark at a time ?
.....kg / bhari
8. Annually how much Allo bark is consumed?
.....kg / bhari
9. How do you determine the price of the product ?
a Demand () b. Competition () c. Life Cycle () d. Others ()
10. How much do you earn in a year ?
Below 10,000 () 10,000 ---- 20,000 ()
20,000 ---- 30,000 () More than 30,000 ()
Please specify the exact price Rs.....
11. Do you satisfy with the earned money ?
a. Yes () b. No ()
12. Is Allo (processing and marketing) supportive to your livelihood?
a. Yes () b. No ()
If yes please specify.....
13. In what form do you sell the product ?
a. Lokta () b. Thread ()
c. Clothes () d. If other please specify
14. What is the market status of Allo ?
a. domestic / local () b. Export to national market ()
c. Export to international market () d. If other please specify
15. What are the distribution channel ?
a. Direct to the final seller () b. Retailer ()
c. Wholesaler () d. If other please specify

Appendix-B

QUESTIONNAIRE FOR SELLER

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

1. Seller's profile:

a. Firm's name:

b. Proprietor name:

c. Phone no.:

d. Address:

e. Date of establish : -

2. What kind of products available in your shop?

Raw clothes readymade items

If readymade items which items you sell most ?

a. Bhangra () b. Bag () c. Sal () d. others please specify

3. Which product demand is high ?

a. Bhangra () b. Bag () c. Sal () d. Clothes ()

4. How do you determined the price of the product ?

a. Income of consumer () b. product demand () c. Competition ()

d. Product Quality ()

5. How much is your monthly income from the Allo product?

6. From where you get the Allo product?

7. How is the market status of Allo in local level ?

a. Excellent () b. Good () c. Bad ()

8. What is the market status of Allo ?

a. National market () b.. International market ()

9. How is the demand of the Allo product?

a. High () b. Low () c. Constant ()

10. How the customer visit in your shop for Alloproduct ?

a. Regular () b. Irregular ()

11. How you collect the Alloproduct ?

- a. Direct from the producer () b. Wholeseller ()
 c. Middleman () d. If other please specify

(Please make the framework / channel)

12. What are the problem your are facing while marketing AlloProduct ?

- a. Operating cost is high () b. Limited resources ()
 c. Low Quality Product () d. Lack of Promotion ()

e. Others

13. Do you use any promotional tools to promote AlloProduct ?

- a. Yes () b. No ()

If yes, Which promotional tools you are using ?

- a. Advertisement () b. Personal selling ()
 c. Public relation () d. Publicity ()
 e. Sales promotion ()

Appendix-C

Calculation of average age of the respondents:

Let, f = frequency (no. of respondents)

X = mid point of age groups

x = Average age of respondents

Age groups in yrs	No. of respondents (f)	Mid point (X)	fX
15-25	10	20	200
25-35	16	30	480
35-45	22	40	880
45-55	27	50	1350
55-65	25	60	1500
Total	N=100		$\sum fX=4410$

$$\text{Mean } (\bar{x}) = \frac{\sum fX}{N}$$

$$= \frac{4410}{100}$$

$$= 44.1$$

$$\cong 44$$

\therefore Average age of respondent is 44 Years.

Appendix-D

Calculation of average Household size of the respondents:

Let, f = frequency (no. of respondents)

X = mid point of HH size

\bar{x} = Average HH size of respondents

HH size	No. of respondents	Mid point (X)	fX
1-5	48	2.5	120
5-10	40	7.5	300
10-15	12	12.5	150
Total	N=100		$\sum fX=570$

$$\text{Mean } (\bar{x}) = \frac{\sum fX}{N}$$

$$= \frac{570}{100}$$

$$= 5.7$$

$$\cong 6$$

\therefore Average household size of respondent is 6.

Appendix-E

Calculation of yearly income of the respondents (Producer):

Let, f=frequency of monthly income of respondents

X= Mid-point of age groups

x= Average monthly income of respondents

Income level	No. of respondents	Mid-points	fX
below 10,000	88	5,000	4,40,000
10,000-20,000	12	15,000	1,80,000
20,000-30,000			
Above 30,000			
Total	100		$\sum fX = 6,20,000$

$$\text{Mean } (x) = \frac{\sum fX}{N}$$

$$= \frac{6,20,000}{100}$$

$$= 6200$$

\therefore Average monthly income of respondent is Rs. 6,200.

Appendix-F

Calculation of yearly income of the respondents (Seller):

Let, N = Number of shop

X= Income of the respondent

x= Average monthly income of respondents

S.No	Name of Shop	Income (X)
1	Himalayan Art & Craft	1,50,000
2	Producer & Exporter Art & Craft Items	90,000
3	Hemp & Silk House	1,00,000
4	Our's Shop	70,000
5	Chandra Tibetan Handicrafts	60,000
	Total	$\Sigma X = 4,70,000$

$$\text{Mean (x)} = \frac{\Sigma X}{N}$$

$$= \frac{4,70,000}{5}$$

$$= \text{Rs. } 94,000$$

\therefore Average yearly income of respondent is Rs. 94,000

Appendix-G



Collecting Allo Bark from the Jungle



Lokta

Allo while processing



Readymade Items (Sandle, Bag, Wallet, Passport Bag etc.)



Readymade Items (Hat, Bag, Mat, Raw Clothes etc.)



A 100% Nettle Fibre Muffler and Shawls



A 100% Nettle Fibre Shop at Lakeside, Pokhara