

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The study of consumer behavior enables marketers to understand and predict consumer's acquisition, consuming and disposing activities. Consumer behaviour is defined as the behaviour that consumers display in searching for purchasing, using, evaluating and disposing of products, services and ideas that they expect will satisfy their needs.

Consumers and customers are diverse in nature. Customers stand for those who regularly purchase from a particular store, company, organization or place. But consumers are those who regularly purchase and use by themselves. Customers may or may not be consumers, but consumers are always being customers.

Consumers are mainly of two types; Non-Institutional consumers and Institutional consumers. Non-Institutional consumers buy goods and services for their own use and for household use. Institutional consumers include profit and non-profit businesses, government agencies (local, state, and national) an institution. Both consumers purchase goods, services, and ideas for their own use. But in consumer behavior, Non-Institutional consumers are the main focus of the study.

In general, consumers are both buyers and users. But in some extent, at least one or more person can play one or more than one role in purchasing and consuming. These roles may appear in the forms of initiator, influencer- buyer, and user. These roles are explained in Table- 1.1 (Zaltman and Buyer 1975:142)

Table-1.1

Role of Consumer Behaviour

Role as	Description
Initiator	The individual who determines that some needs or wants are not being met and authorizes as a purchase to rectify the situation
Influencer	A person who by some intentional or unintentional words or actions influences the purchase decision, the actual purchase, and/or the use of the product or service
Buyer	The individual, who actually makes the purchase transaction
User	The person most directly involved in the consumption or use of the purchase

For example, a wife as an initiator and influencer may ask her husband (buyer) pick up a box of total cereal on his shopping trip because their child (user) said she wanted it. At another time the husband could act as the initiator, buyer, and user by purchasing a health spa membership for himself.

Consumer behavior is an exciting and dynamic field of study. Consumer behavior is a young discipline; the first textbook was written in the 1960s. Its intellectual forefathers, however, are much older. For example, Thorstein Veblen talked about conspicuous consumption in 1899. Similarly, in the early 1900s writers began to discuss how psychological principles could be used by advertisers. (Ward and Robertson, 1973: 3-42)

Consumer behavior was a relatively new field of study in the mid-to-late 1960s. With no history or body of research of its own, the new discipline was borrowed heavily from concepts developed in other scientific disciplines, such as economics, psychology, social psychology, sociology, anthropology and demography. In

psychology, we have to study the behavior and mental process of individuals. In sociology, we have to study the collective behavior of people in group. In social psychology, how individuals influence and are influenced by group is studied. In Economics, people's production, exchange, and consumption of goods and services are dealt in. And, in Anthropology, how people are related to their culture is mentioned.

The study of consumer behavior has three levels of analysis: individual level, micro environmental level; and macro environmental level. Individual level of analysis focuses on identifying the processes that influence a person in the acquisition, consumption, and disposition. In fact problem recognition, information search and evaluation, purchasing problem, decision process, post purchase behavior, and feedback are studied in individual analysis. Micro environmental levels of study consist of those interpersonal and situational factors, which are outside of the person, that influence consumer behavior at any particular point of time. In it, we have to study on information processing, learning and memory, motivation and involvement, attitudes, personality, self-concept and leadership. Macro environment levels of study consist of the broad set of forces that influence a large number of consumers to act, similarly. The type of macro - environment includes the effects of culture, subculture, social class, social group, family and personal, economic and government conditions.

The study of consumer behaviour provides benefit for consumers, marketers, and even students. As consumers and marketers are diverse in nature, the reasons why people study consumer behaviour are also diverse.

Consumers' insight into their own consumption- related decision; what they buy, why they buy, how they buy, and the promotional influences that persuade consumer to buy by showing their behavior.

Marketers recognize why and how individuals make their consumption decisions by studying consumer behaviour. They can make better strategic marketing decisions. If marketers understand consumers' behavior, they are able to predict how consumers are likely to react various informational and environmental cues and are able to shape their marketing strategies.

Marketers who understand consumer behaviour have great comparative advantage in the market place.

Students gain insights into why individuals act in certain consumption related ways and with learning what internal and external influences impel them to act as they do.

The interdisciplinary background in which the consumer behavior discipline is rooted, it is not surprising that academicians from a variety of contributing disciplines, including marketing itself have become interested in the study of consumer behavior not necessarily from a managerial or applied perspective, but simply to understand the consumer better. From the point of view of understanding consumption behavior and the meanings behind such behavior is called interpretivism.

Interpretivists have expanded the boundaries of study to include many subjective aspects of consumer behavior such as the effects of moods, emotions and type of situation on consumer behavior, the role of fantasy of play, of rituals, even of the sensory pleasures that certain products and services provide. Many interpretivists consider each purchase experience unique, because of the diverse set of variables that play at a particular moment in time. Because of its focus on the consumption experience, the interpretive approach is also known as experimentalism.

Despite the apparent diversity in context with consumer behavior, some common approaches should be taken into account while studying consumer behavior.

Consumer analysis provides the foundation of marketing management. It assists managers in designing the marketing mix: segmenting the market place; predicting product positioning and differentiation; performing environmental analysis; and developing market and research study.

-) Consumer analysis plays a critical role on public policy development
-) Knowledge of consumer behavior improves personal ability to be a more effective consumer.
-) Consumer analysis provides Knowledge of human behavior.
-) The study of human behavior provides three types of information. Consumer orientation, facts about behavior and theories to recognize the thinking process.

Consumer decision process varies considerably in its complexity. Most of the decisions consumers require to make are probably rather simple ones, such as the purchase of staple foods. However, consumers also must make decisions that are comparatively complicated, such as buying durable goods. The range of difficulty of consumer decision process extends even further to problem solving that may be characterized as being highly complex, such as might well typify the consumer's purchase of a very expensive item like a home

(Ludaon and Della Bitta, 1993:485-486)

The range of consumer problem solving approaches can be placed on a spectrum from routing problem solving to limited problem solving and to extensive problem solving as follows: (Howard 1989:361-364)

Routine problem Solving (RPS)

In routine problem solving when consumers buy a new brand they have purchased before, it usually involves little or no information seeking and performed quickly. Consumers are brand loyal and tend to buy in a habitual, automatic, and unthinking way.

Limited Problem Solving (LPS)

In limited problem solving when consumers buy a new brand in a family product, it usually involves a moderate amount of information seeking and time in choosing.

Extensive Problem Solving (EPS)

In extensive problem solving when consumers buy an unfamiliar product category, it usually involves the need to obtain substantial information and a longer time to choose. They must form a concept of the new product category and determine the criteria to be used in choosing a brand.

The examples of consumer decision-making cited above may be generalized toward a typical consumer problem-solving model consisting of four basic types of activities in the process of purchasing. The consumer's four steps are:

- Problem Recognition
- Information Search and Evaluation
- Purchase decision
- Post purchase Behavior

The assumption underlying this and other decision process approaches to consumer behavior seem to be the following. (Richard and Donald, 1979:6-93)

1. Two or more alternatives provide opportunity to consumers to make a choice.
2. Consumer evaluative criteria facilitate the forecasting of each alternative's consequences for the consumer's goals or objectives.
3. The consumer uses a decision rule or evaluative procedure to determine the chosen alternative.
4. Information obtained from external sources and/or memory is used in the application of the decision rule or evaluative procedure.

The characteristics of consumer problem solving approach is presented in Table 1.2

Table 1.2

Characteristics of Consumer Problem Solving Approach

	Routine Problem Solving	Limited Problem Solving	Extensive Problem Solving
Purchase Involvement level	Low	Medium	High
Problem Recognition	Automatic	Semi-Automatic	Complex
Information Search and Evaluation	Minimal	Limited	Extensive
Purchasing orientation	Convenience	Mix	Shopping
Post purchase processes	Very limited Habit Brand Loyalty	Limited inertia to repurchase Brand switching if dissatisfied	Complex Loyalty if satisfied Complain if dissatisfied

Consumer behavior is a broad field that studies how individuals, families and groups acquire, consume and dispose of goods, services, ideas, and experience. (Mowen, 1990)

1.2 Background of the company

The Rs. 2.5 billion soft drinks market offer immense potential as there are only two major players, Pepsi and Coke. There is tremendous opportunity for these two companies as global population, income level, life style and consumption ratio are growing fast.

The total annual sales of aerated drinks in the market are estimated at some 6.5 million cases (each case contains 24 bottles). There is tremendous opportunity in this industry in Nepal because there is growing trend of drinking in Cinema Halls, Stadiums, consumers' daily travels, social gathering, etc.

Pepsi co. Inc., a New York based multinational company, which produces and sales its products in about 190 countries, began its operation in Nepal in 1986 through the local bottler, Swastika Aera led Pvt. Ltd. It was introduced to Nepalese market about 10 years later than Coca-cola. Now Pepsi products have been growing popularity and capturing its good market share.

The management of Pepsi bottler in Nepal was under taken by Varun Beverages (Nepal) Pvt. Ltd. In 1999, Varun Beverages (Nepal) Pvt. Ltd. was controlled and managed by Jaipuria Group India Its territorial head office and factory was situated at Sinamangal, Kathmandu.

The purpose of Varun Beverages (Nepal) Pvt. Ltd. is to make availability of deferent brands of beverage all over the kingdom to fulfill the consumers' taste and their changing preferences. Its target consumers mainly comprise the young generation across the country.

The seven hundred and fifteen employees working permanently and temporarily are presented in table 1.3 in the classified fashion. Table 1.3

Employment Profile

Employment	Permanent	Temporary	Total
Male	391	151	524
Female	125	48	173
Total	516	199	715

(Source: - Internal unpublished data of the company)

These employees are organized in flow chart structure, which is presented below:-

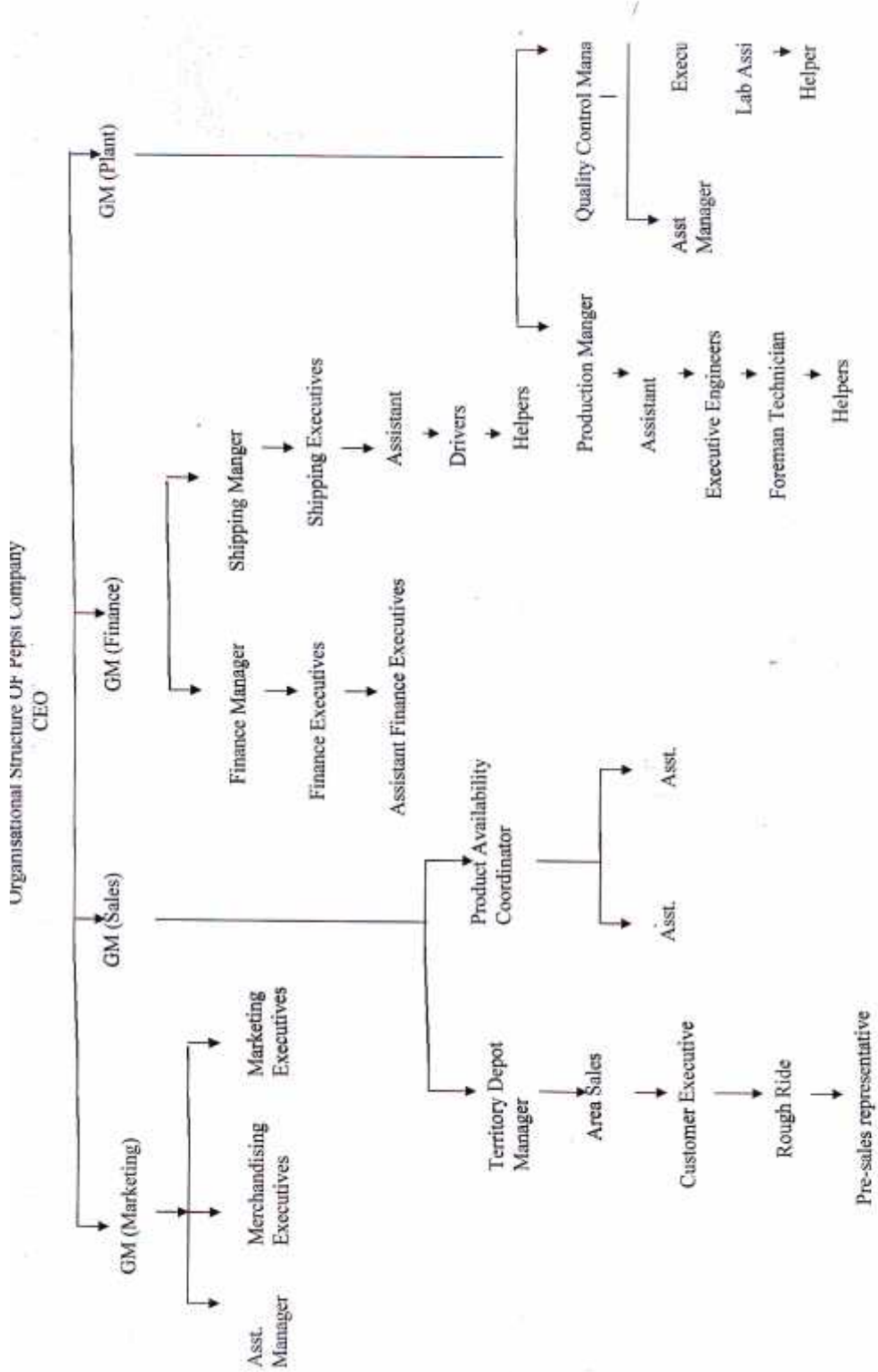


Figure 1.1 Organizational Structure of the Company (Source: Company's Unpublished Record)

Production capacity of Pepsi is 420 Bottle per minute (BPM) and its capacity utilization is 90, 70,000 crates. The producer of Pepsin in Nepal claims that it holds 35% of the market, and the rest by is coke.

The company has been the 'leader for producing new pack size such as 1.5 liters, 2 liters pet bottle and 200 ml. Phuchche flavors such as Slice and Mountain Dew, which have helped to increase market share. Now the company is producing seven brands in different flavor and pack, which are presented below.

Table 1.4
Brand, Flavor, and Pack Size of the Company's Products

Brand	Flavor	Pack
Pepsi	Cola	200 ml, 250 ml, 300 ml, 1.5 ltr, 2 ltr, 1 ltr, 500 ml
Mirinda	Orange, Lemon	200 ml, 250- ml, 300 ml, 500 ml.,1.5 ltr, 2 ltr.
7'up	Lime	200 ml, 250 ml, 500 ml, 1.5 ltr, 2 ltr.
Slice	Mango	250 ml
Mountain Dew	Clear Lime	200 ml, 500 ml, I ltr, 2 ltr, 300 MI
Soda		250 ml,
Evervess Soda		500 ml, 1.5 ltr.

These products are distributed all over the kingdom through distributors and retailers. Most of distributors operate by direct observation of the company. These distributors in Kathmandu valley are summarized as below.

- Area sales depot Banepa

- Area Sales Depot Bhaktapur
- Area Sales Depot Thimi
- Area Sales Depot Sinamangal
- Area Sales Depot Jawalakhel
- Area Sales Depot Godawari
- Area Sales Depot Nouche
- Area Sales Depot Balkhu
- Area Sales Depot Thamel
- Area Sales Depot Baneshwor
- Area Sales Depot Asan
- Area Sales Depot Lugun
- Area Sales Depot Mahaboudha
- Area Sales Depot Jhochhen
- Area Sales Depot Narayanthan
- Area Sales Depot Kilagal
- Area Sales Depot Nepaltar

Its target customers mainly comprise the young generation across the country. In terms of competition, the different brands of Coca-Cola are its prime competitors.

Marketing strategy, investment pattern, brand outlook, and acceptance of the brand by the public are all different from competitors. The company is also implementing deferent and very aggressive marketing strategies to enhance its competitiveness. Consumer schemes have always proved to be effective tools of promotion. The company has set different strategy than Coke, offered a pack of WAI WAI noodles for these customers who buy a 1.5 and 2 liter bottle of Pepsi. In other

size bottles the company has offered Punta and Mama Bhujiya (*Kamat, Shyam K., business age: vol 4, 2004*)

Since the establishment of the company, its flagship brand Pepsi is doing very well. Mountain Dew has also proved to be a good flavor and attractive packaging. It has been very well received by consumers. Also, there is no competitor for Mountain Dew.

1.3 Statement of the Problem

Pepsi and Coke are mainly two competitors in cold drinks market in Nepal.-The prestigious growth of the market between these Cola giants has been growing ever since Pepsi to Nepal in 1986. Since coke entered Nepal in 1997, it had been enjoying market leadership in soft drink industry. So, coke had a sort of monopoly in the market till then.

The total annual sale of aerated drinks in the market is estimated at some 6.5 million cases. The producer of Pepsi in Nepal claims that the Pepsi holds 35% of the market. The rest is attributed to Bottler's Nepal (Shyam, 2004). So, the Van m Beverages (Nepal) Pvt. Ltd. must affectively use its marketing strategies for growing their market share.

But to what extent it is effortful in boosting up Nepalese consumer's behavior in the intervals of time remains always a question to be answered from time to time. Therefore, this research starts with the following problems;

) What is the buying behaviour of consumers' (age group, sex group and occupational group)?

-) Which are the most effective factors that consumers consider while making buying decision?
-) What are the consumption patterns of consumers' (age group, sex group, and occupational group)?
-) Are the Nepalese consumers of Pepsi product satisfied with what they get in the market?
-) Which are the important promotional activities carried out by the company?
-) Which advertising media are most effective to remote consumer?
-) Do the location, brand awareness and shop awareness affect the purchase behavior of consumers?
-) What status Pepsi and Mirinda carry in consumers mind?
-) What are usage trend of Pepsi and Mirinda?
-) How way he consumers use Pepsi and Mirinda?
-) What are the consumer attitudes towards Pepsi and Mirinda being adopted by the Consumer?

1.4 Objectives of the Study

Keeping in view the statement of research problems, the objectives of the study are set as follows;

-) To ascertain and compare buying behavior of age group, sex group and occupation group consumers.
-) To find out consumption patterns of these categories of consumers.
-) To ascertain the degree of satisfaction that consumers get from Pepsi products.
-) To evaluate the effective promotional activities that the company uses.
-) To measure the effectiveness of advertising media, used by the company.
-) To examine to what extent the location, brand awareness, and shop awareness of consumers influence their purchasing decision.

-) To evaluate factors that influence consumer purchase decision.
-) To provide suggestions on findings of the study.
-) To identify the consumers profile and their reference of Pepsi and Mirinda.

1.5 Research Hypothesis.

This research has the following hypotheses:

H₀: There is no significant difference between the views expressed by different groups of respondents relating to consumption pattern, price, quality, quantity, Brand image, Advertising media and promotional activities.

H_A: There is significant difference between the views expressed by different groups of respondents relating to consumption pattern, price, quantity, quality, Brand image, advertising media and promotional activities.

1.6 Significance of the Study

Consumers are the gods of the market. So consumers' satisfaction is the main motto of any organization or producer. Consumers' behavior plays a significant role in consumption patterns. Consumption is the optimum use of the product. For knowing the complexity of the consumers' behavior, studies are conducted from time to time.

The Nepalese market has been gradually heading towards cutthroat competition. In this context, different types of product with a large number of alternative brands are available in the market. It is essential for the manufacturers'

and/or marketers of the products to know the buying behavior of target customers to achieve its goods.

The focus of the study, therefore, is on buying behavior of Pepsi products of different groups of customers having their own values, belief and customs. The research, therefore, will occupy the following importance.

-) This study will be a good asset for the library.
-) This research will help other researchers while reviewing their literature.
-) This study will also be useful for Varun Beverages (Nepal) Pvt. Ltd. as it will mention some suggestions.
-) The research will meet the partial requirement of completing master degree.

1.7 Limitations of the Study

This research has the following limitations:

-) Since convenience sampling is used, it may not reach some areas of true representation of soft drinks users.
-) The findings have been derived from only those dates which were responded by the sampled consumers and the organization.
-) The researcher limited the use of statistical tests because of small sample size.

1.8 Chapter Scheme

This thesis has been prepared under five specific chapters.

The first chapter includes background of the study, background of the company, statement of the problem, objectives of the study, research hypothesis, and significance of the study, limitation of the study and chapter scheme.

The second chapter contains review and review of previous studies. Conceptual review includes introduction of consumer behavior and attitude of consumer behavior and introduction of advertising of promotional activities.

The third chapter presents research design, nature and sources of data, sampling plan, data collection procedure and analytical tools and procedure.

The fourth chapter It is also explanatory in nature and deals with consumption pattern of Pepsi and Mirinda consumers, degree of consumer satisfaction, effectiveness of promotional schemes of the company, effectiveness of the media advertising of the company, locations, stress and brand awareness of the company and factors influencing consumer purchase decision.

The five chapters provide summary, conclusions and major finding of the study and recommendations.

In addition to these chapters, bibliography, references and appendices have also been attached with at the end.

CHAPTER TWO

REVIEW OF LITERATURE

The purpose of reviewing the literature is to develop some expertise in one's area, to see what new contributions can be made and to receive some ideas for developing a research design.

Scientific research must be based on past knowledge. The previous studies cannot be ignored because they provide the foundation to the present study. In other words, there has to be continuity in research. This continuity in research is ensured by linking the present study with the past research studies.

Thus, the purpose of literature review is to find out what research studies have been conducted in one's chosen field of study and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing (*H.K. Wolf and P. R. Pant, 1999, 30*)

In this section, the researcher has tried to review the findings of a few past researches in consumer buying decision making along with the textual review.

2.1 Conceptual Review

In this part, concept of the topic and its related meaning are presented which helps to know the research and its findings. In this study, conceptual review includes introduction of consumer, consumer behavior and consumer attitude.

2.1.1 Introduction of Consumer

A word is due here to properly understand the term consumer. Consumer is a broad term and any person who uses a product of service or deals with it can be called a consumer. It is not necessary that the person should be a buyer of the product or services. The term consumer should not be confused with the word '*customer*' which has the limited meaning of usually denoting a person who contracts to buy the product. For example, if you are selling teas-dust, you may have just one customer in the Manager of a cafeteria. On the other hand, all the persons who drink tea in the cafeteria are your consumers.

It is necessary to distinguish between the two broad categories of consumers we come across.

- i. Non-institutional Consumer
- ii. Institutional Consumer

- i. **Non-institutional consumer:** Non-Institutional consumers specially refer the individuals and households who themselves consume goods or services.
- ii. **Institutional Consumer:** Institutional Consumers on the other hand are businesses, organizations and groups that buy and consume goods and services during the course of their operations.

While with focuses more on the Non-Institutional Consumers, does not ignore the subject of Institutional Consumers and gives it due place and treatment. An exclusive chapter is devoted to investigate consumer behavior in the field of institutional consumers. In fact, even the section on case studies provides for the institutional sector with two important cases.

2.1.2 Introduction of Consumer Behavior

Consumer behavior, in simple terms, means the behavior shown by consumer before purchase while purchasing and after purchasing of the product. The term consumer behavior refers to searching for purchasing, using evaluating and disposing of products and services that they expect will satisfy.

Consumer behavior is the study of the decision making units and processes involved in acquiring, consuming, and disposing of goods, services, experiences and ideas (*Mayan, .I. C, 2nd p5*)

Consumer or buyer behavior is the process whereby individuals decide whether, what, when, where, how and from whom to purchase goods and services (*Walter, C. Glen and Paul, G.w*).

The term consumer behavior refer to the behaviour of that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs (*Seiffman, L. G, 1995, 5th, P-7*).

Studying consumer behavior is quite complex especially because of many variables involved and their tendency to interact. Consumer behaviour is an exciting and dynamic field of study. A wonderful aspect of taking a course in consumer behavior is everywhere. Because all of us are consumers, we can draw on our everyday experiences in the market place to understand consumer behaviour concepts and theories.

In order to study consumer behavior, it is necessary o makeup one's mind with different consumer attitudes satiability of cold drinks consumers briefed out.

2.1.3 Consumer Attitude

In order to study consumer behaviour, it is necessary to make up one's mind with different consumer attitude, so that it will be easier to understand it. An attitude is a word that was in common use in the English language and difficulty and differently interpreted in different contexts, many of them not directly related to consumer behavior. As a commonly used word in the vocabulary, it had already collected several connotations even before it was adopted by academicians for use in the science of Consumer Behavior. Therefore the student of CB has to take special care that the earlier meanings are set aside and the intended definition is approached with an open mind.

In Consumer Behavior, attitude is defined as an enduring predisposition of a consumer to behave in a consistently favorable or unfavorable manner with respect to a given object. This predisposition is not in-born but is learned by the consumer depending on his or her cognitive process.

There are some of the determinants that specially determine the attitude of the consumers towards the products or services. The two categorizes of the attitude determinants are as follows:

- i. Individual Determinants
- ii. External Determinants

Individual Determinants

Individual Determinants refer the different factors such as perception, Value, Motivations, personality which are related to the Individual. Now the separate explanations are as under:

- a. Perception:** Perception is the process by which an individual interprets various stimuli received and forms a picture of the world.

The Stimuli is received through the sensory organs namely eyes, ears, nose, mouth and skin and sorted out by the brain and stored as information. While doing to the individual's brain colors and tags the information using its own logic and the previous memory/experience if any. In fact the reality of the world and everything that surrounds is merely the perception of the individual. There is possibility therefore that different individuals perceive different 'realities' of a single event or object.

Importance of Consumer Perception

Perceptions are being formed by the individual all the time and being stored away for future references. Perceptions so formed will come into play when the individual has to take any consumption decisions. Therefore perceptions about a product or service that are formed in the mind of the consumer are vital factors for the success of the product or service in the market.

Astute marketers therefore take extraordinary care to study how perceptions are formed and how they can be changed.

Formation of Perception

Though we have said that the individual constantly receives sensory stimuli throughout his wakeful life, the stimuli do not always register. The stimuli that do get picked up by the sensory organs but do not get registered are in fact the larger portion.

The first reason for non-registration is any monotony and consistency of a given stimulus. As an example we can show that a person may be conscious but not take “notice” of light, sound, touch or movement if any of these stimuli is constant on a time scale and unvaried in strength. The person can notice a light touch on his skin by a feather but does not notice that his feet are touched and pressed by the floor all the time. Similarly if a person is driving through a street that has billboards of identical style and positioned all along the road, only the first one may be noticed and later on even that image may be erased as the drive continues.

The second reason for non-registration is that even if the stimulus increases and decreases, the change or difference may not be substantial to merit notice.

The third reason for non-registration is the “shut-out” or rejection by the individual. The shut out or turn off occurs automatically in the individual who is exposed to an overdose of any sensation for a length of time. As an example, an individual who is shown a TV commercial over and over may mentally block it and may not notice it any longer. If such individual is forced to notice it by mere changes in the strengths of stimuli like its sound or light without any changes in its content, may even develop an unfavorable perception about it.

Marketers can learn important lessons by observing the above phenomenon and avoid counterproductive communications and wasted efforts in advertisements.

- b. Personality:** The study of Personality has been approached by theorists in a variety of ways. Some have emphasized the dual influence of heredity and

early childhood experiences on personality development; others have stressed broader social and environmental influences and the fact that personalities develop continuously over time. Some theorists prefer to view personality as a unified whole; others focus on specific traits. The wide variation in viewpoints it difficult to arrive at a single definition. However, we propose that personality can be defined as those inner psychological characteristics that both determine and reflect how a person responds to his or her environment.

The emphasis in this definition is on inner characteristics - those specific qualities, attributes, traits, factors and mannerisms that distinguish one individual from other individuals. As discussed later in the chapter, the deeply ingrained characteristics that we call personality are likely to influence the individual's product choices. They affect the way consumers respond to marketers' promotional efforts and when, where and how they consume particular products or services. Therefore, the identification of specific personality characteristics associated with consumer behavior has proven to be highly useful in the development of a firm's market segmentation strategies.

Theories of Personality

Eminent scholars who have investigated personalities did this as part o their study of human psychology. Among the theories produced, the following stand out.

-) The Freudian Theory
-) The non-Freudian Theory
-) The Jungian Theory
-) The Trait Theory

While Freud's theory is considered as the cornerstone and was brilliantly applied by scientists led by Earnest Dichler, the other three theories are great exposes. The trait theory has in fact, contributed to a much better understanding of psychology by focusing on quantitative techniques in differentiating and measuring psychological characteristics. It identified traits that influence behavior and for that reason it is of special interest to students of consumer behavior.

- c. **Motivation:** Motivation can be defined as the driving force within the individual that propels him or her towards a behavior or actions. This driving force can be introduced by external agents and by creating a state of tension or dissatisfaction about an unfulfilled need. Significantly, the external agent also offers a solution to remove the tension or dissatisfaction through action. The individual cannot fail to notice the state of dissatisfaction and that he or she can repair it by moving towards the suggested solution. This process of recognizing the need and the acceptance of the need to act towards a solution forms motivation.

Positive and Negative Motivation

While it is true that the state of tension created in the mind of the person to be motivated has to be healthy, this should not be confused with a strategy of positive and negative motivation each of which has its own value.

Motivation can be positive or negative in direction. We may feel a driving force toward some object or condition or a driving force away from some object or condition. For example, a person may be impelled toward a

restaurant to fulfill a hunger need and away from motorcycle transportation to fulfill a safety need.

Some psychologists refer to positive drives as needs, wants and negative motivational forces to differ dramatically in terms of physical (and sometime emotional) activity, they are basically similar in that both serve to initiate and sustain human behavior. For this reason, researchers often refer to both kinds of drive or motives as needs, wants and desires. Some theorists distinguish wants from needs by defining wants as product-specific needs. Others differentiate between desires, on the one hand, and needs and wants on the other. Thus there is no uniformity accepted distinction among the terms needs, wants and desires.

d. Customer Value: Customer value is defined as the ratio between the customers's perceived benefits (economic, functional and psychological) and the resources (monetary, time, effort, psychological) used to obtain those benefits. Perceived value is relative and subjective. For example, dinners at an exclusive French restaurant in Washington D. C., where a meal with beverages may cost up to \$300 per person, may expect unique and delicious food, immaculate service and beautiful décor. Some dinners may receive even more than they had expected and will leave the restaurant feeling that the experience was worth the money and other resources expended (such as a month-long wait for a reservation). Other dinner may go with expectations so high that they leave the restaurant disappointed. On the other hand, many millions of customers each year visit thousands of McDonald's restaurants, in scores of countries around the globe where they purchase standard, inexpensive meals from franchise owners and employees systematically trained by the McDonalds Corporation to deliver the company's four core standards: quality, service, cleanliness and value. Customers flock to McDonald's outlets

repeatedly because the restaurants are uniform, customers know what to expect and they feel that they are getting value for the resources they expend.

Developing a value proposition (a term rapidly replacing the popular business phrase “unique selling proposition”) is the core of successful positioning. For example, Lexus claims to deliver to its buyer’s quality, zero defects in manufacturing and superior and personal post purchase service. Dell’s value proposition for personal computer users consists of customized PC systems assembled speedily and sold at economical prices. Apple’s iPod is the best digital jukebox and it provides users with many opinions to purchase, share, personalize and listen to their favourite music. The value propositions stated above create customer expectations that these companies must continuously fulfill and even exceed as competitors try to win over their market.

- e. **Consumer learning:** Learning can be defined as acquisition of knowledge. It is a process that continues through the entire life of an individual. Among all learning, Consumer learning- how an individual acquires information and knowledge in the matter of consumption-is of great interest to marketers for obvious reasons. An insight into the ways as to how consumers receive, store, recall and retrieve their learning enables marketers to formulate their strategies and messages.

Consumer learning is mostly an unstructured and personalized process. Varying from individual to individual, the process uses one or more of the channels; observing, reading, listening or actually experiencing.

Consumer learning is not indelible. It is partly erasable in the sense that it allows newly – acquired knowledge or experience to modify the earlier learning. Learning is also subject to eclipse and fading. At any given time the

behavior of the consumer is dictated and influenced by the learning retained till that time. This explains why marketers continuously strive to refresh the minds of the consumer by their advertisements, communications and messages to reinforce learning favorable to their products.

Stimulus-Response Theory (Behavioral Learning Theory)

This history is backed up by the fact that the human individuals and in fact all living beings receive stimuli continuously, react or recognize the stimuli most of the time and associate the stimuli with experiences before reacting.

Initially the receiver just recognizes or notices the simultaneity of the actually experience generated and the stimulus. In course of time, when the same stimulus is repeated and the experience also is repeated, the brain of the individuals learns the relationship between the cause (Stimulus) and the effect (Experience) and creates a short cut. Due to this short cut the brain makes the individual react much faster on repeat occasion even before the experience is felt. It makes the individual expect a particular pretested experience as soon as stimulus is observed.

For example, take an individual exposed for the first time to the particular product-champagne. He notices the “information” about the product, its shape, color and other attributes. After actual testing, a pleasant and favorable experience may be recorded. After a few repetitions, learning takes place. Once the learning is stored it acts as a short cut and makes the individual feel the sensation of experience at the slightest exposure to the causative stimulus or the very thought of it.

In more complex cases, the proof that the individual has learnt the connection between the stimulus and the experience may not be so obvious or evident; however a ready and expected response exhibited by the individual's behavior after receiving stimulus shows it all. Further, in such cases, the stimulus can be weak or even suggestive without actually being physically present.

While it takes a few repetitions of experience to set in learning, it needs at least one repeat experiences.

External Determinants

The External determinants are responsible for having the goods and services from outside. There are some of the factors which really affect the consumer behavior. They are as under:

- a. **Family:** Family as a unit has always been given recognition in demographics and economics. A simple definition of family will be that it is two or more persons living together usually related to by blood, marriage and adoption. For the purpose of our consumer behavior study, the emphasis is on the aspect of living together rather than being related. Therefore, all households where persons live together are treated as families.

Three Stages Classifications

Most experts in the west, view family as having three distinct stages:

- i. The Elemental families – comparing two persons, usually a married couple.
- ii. The Nuclear families – comparing a married couple and one or more children.

- iii. The Extended families – includes one or two grand parents or other permanent live-in members.

For those who are concerned with consumer in the East or Southern Hemisphere, there is a special class of extended family where two or more married couples and a few other permanent live-in members reside together. This extended family called Joint Family is on the wane but is still very much encountered in certain parts of the world especially in the East like India, Pakistan, Bangladesh, Nepal and Thailand. The joint family has its own peculiarities. It offers many advantages like security, pooled wisdom and kinship for the members but with a few attendant disadvantages like curtailment of the freedom and encroachment into individuals' private space and time.

Influence of the Family

Among the factors that influence an individual, the family is the most important one. Not only is the family the earliest environment but it also happens to be the entire universe for the individual for the first few years of his life, including early childhood and youth. All the values, traditions, attitudes and symbols the individual is exposed to early in life were imbibed from the family. Fortunately, the family is not static in it and is always updating, complementing and learning. There is constant stream of interactions, inflows and influences and soon the child learns that the different sets of values and behavior of the elders and pick up role models. In this process of classification, the child is more influenced by the opinion of one member-usually the mother's rather than other's opinions. The child, in its formative stages, may also unconsciously select a "hero" in the family whose behavior it would emulate later.

Decision Process in a Family

A cohesive family, for its needs, makes purchases mostly as a unit. However, a lot of internal processing takes place in determining the need, examining the choices and finally making the purchase.

There are distinct roles informally assigned to some key members of the family. Their roles are understood better when we see how the members interact and what their respective functions are-in consumption as well as in running the family.

Schiffman and Kanuk have postulated that there are eight distinctive roles in the family decision-making process. However, we find that four of these roles cover most of the families encountered.

Deciders: The member(s) with power to decide whether a particular need should be met and if so with what specific product.

Users: The member(s) who actually consume the product. They influence the quantity consumed and have some say on the particular items of preference.

Buyers: The member(s) who make the actual purchase and bring home the product. They may have little say in the quantity being brought but sometimes have a say in picking up a particular brand.

Influencers: The member(s) who collect information about products and innovations and share this with other members of the family. Usually these influencers are exposed to the media and to peer opinions. They cultivate the habit of looking for new products, making comparisons and assessing values.

It must be said here that a single member of the family may have more than one role to perform just as it is possible that several members jointly perform a single role. For example, all the members of the family consume a product like rice. Here, every member performs the role of user. On the other hand, a single member, the mother, in the household may combine several roles for the purchase of items of the household goods.

The member(s) and identity of the member(s) who get involved in a role may vary from family to family.

Marketer and Family

The marketer should recognize that every individual consumer belongs to a family or has been member of a family at one time or other. Trying to influence the individual consumer without respecting his or her family connections will not bring lasting results. Take the example of advertisements to sell a bicycle to a teenager. It is possible to appeal directly to teenagers and hope that this user will be able to influence the purchase. However, it is better to target the family as a whole and take the route of having the family present the bicycle to the teenager. This route works in most cases and ensures a favorable decision by the entire family. The same is true for products like clothes, holiday packages, music and a host of others which are consumed by an individual member but have to be tolerated by several other members of the family.

While building the consumer profile for any product, the marketers should enquire into the family environment of the consumer. Barring instances of industrial purchases and highly personalized items, the family environment investigation will give valuable tips for the marketers to decide on positioning and promotion.

- b. Social Class:** Social class is the segment of a society arrived at by a hierarchical classification of individuals and families with a distinct status. The members of each class have relatively the same status. This in turn is either more or less than the status of other classes. The word status acceptably denotes the aggregate effect of affluence, power, influence, recognition and prestige enjoyed by the members of the class.

Social class is primarily at birth but can be conferred when someone marries into a class family or admitted to a special group. The individual or the family can also achieve social class by acquisition of skills, education, wealth and recognition. Achievement is one of the ways that can make an individual of any class mobile. Families can climb the social ladder by achievement of their members. Needless to say, families can also gradually lose their status and thereby slide down in the class hierarchy.

Five Social Classes

We have already mentioned that researchers have, for the sake of convenience, viewed the society as comprising a limited number of classes. While there have been postulations ranging from a 2 class society, the most popularity adopted classification is that of the 5 class. It has been the demographers' preferred choice and accepted and used by statisticians and marketers all over the world.

The classifications in the 5-class categorization are

-) Upper Class
-) Upper Middle Class
-) Middle Class
-) Lower Middle Class
-) Lower Class

It is easy to decide that we will have or recognize a certain number of classes, say 5 as above. But then how will you place a particular consumer into a particular class? Researchers have found out that the best method is to start with a self-assessment or a subjective fixation. Later the researcher with an objective correction can be moderate it. During a survey therefore, and as a starter, the respondent consumer will be asked the following questions.

If all the persons in the consuming society are to be classified into the following five categories in which category do you consider yourself to be?

Upper [] Upper Middle [] Middle [] Lower Middle [] Lower []

In this type of survey there will a tendency for the respondents to place themselves in the three middle categories, avoiding the top and bottom together. It is then the turn of the researcher to apply correction based on his other observations of the consumers. The classes after all are relative terms and in the study of a particular universe, there have to be some persons to be placed at the top and bottom classes also.

The researcher's correction or adjustment is done not purely by evening out the hump or by any ad hoc means. Elsewhere in the questionnaire the researcher has to pose questions whose answers throw light on the respondent's real class. Sometimes personal interviews supplement the questionnaires to elicit the required information and a suitably translated and weighted rating is then given. Then rating after corrections is used for confirming the self assessed class or if need be for relocating the particular respondents into a lower or higher class.

The main aspects used for correction and objective assessment are

) Education

-) Achievements
-) Membership and honors received
-) Activities
-) Skills
-) Reputations
-) Wealth

c. Culture: Culture is an aggregate of the learned beliefs, attitudes, values, norms and customs of a society or group of people, shared by them and transmitted from generation to generation within that society.

Culture too changes with time. The society that developed in culture is continuously being exposed to new experiences. Further, the society or group is not a fixed body of people. New generations are being brought into it and some new members from other cultures are being assimilated. With the increased mobility of persons' flow of information and young person joining the group, cultures expand, dilute, subdivide and change.

The changes in culture or the concept itself is flexible and can be stretched to cover different types of aggregation. When we speak of Eastern culture it includes vast portions of the world stretching from Egypt and Russia to India and Indonesia. It is perfectly legitimate for us to take up study of subcultures of the Eastern culture like the Russian culture or Indian culture. A combination group or cross-culture group like "Indian immigrants" can also be recognized and studied, as long as the group is of adequate size and importance as body of consumers.

We have already defined that culture is an aggregate of beliefs, attitudes etc. Culture can be viewed as a "blessing" and a preserve of values, heritage, arts and

good behavior. It can also be a “baggage” when we consider that it transmits some irrational and out-of-date attitudes included in it as custom.

The main vehicles of culture are the family and the religious institutions where the individual is “taught” much of the ideas, beliefs etc., that form culture. The teaching is reinforced as well as moderated by two other vehicles namely the educational institution and the mass media.

Influence of the Culture on Consumer Behavior

While there are a large number of areas where the individual is conditional by his culture, for our study we will focus on certain areas where his consumer behavior comes under influence. These are

-) Consumption of food, clothing and housing
-) Perception on messages and media, and
-) Receptivity to new ideas and change

Food: Food perhaps is the area where preferences are any way very individual and very marked. Additionally, culture introduces certain preferences. The examples of preference included by cultures are

- ❖ Kosher foods – for persons of Jewish subculture
- ❖ Avoidance of beef – by Hindus and Sikhs
- ❖ Vegetarian food – for large subculture in India
- ❖ Seafood – for large subcultures in the Far East

Clothing: By sheer logic, clothing preference should depend on climate and whether. However, one can observe many peculiar preferences exhibited by consumers who can be identified as belonging to a subculture. The preferences in these cases appear to be culturally inherited. Otherwise there is no other

explanation why Italian gentry in Toronto or Indian ladies in San Francisco are shopping for silks and why custom – dictated elaborate dresses unsuitable for the local and prevailing climate are purchased all the year round, by ethnic groups.

Housing: people of a certain class brought up in the Western culture may view the house as a castle to protect their privacy whereas persons in the same class brought up in Eastern cultures want to treat the house as a showpiece as well as a place for interacting with kith and kin. Such cultural influences affect the choice of location, married, construction and décor of the house the consumer buys and this has to be kept in mind by the marketers.

- d. Reference Group:** An individual is constantly and subconsciously reviewing important decisions of his own and comparing these with the decisions taken by others especially persons whom he admires. This type of behavior is more evident for purchase decisions where high value or recurring purchases are involved. Usually, the individual has set of people in mind that he generally admires or at least accepts. They become a sort of reference group though the individual may not be physically a member of this group. For that matter the reference group need not have a membership or a definite boundary. It exists more in the minds of people. For example, when young executives say they care for the opinion or the intelligentsia, they are talking about a reference group. If you ask the executives individually to name the intelligentsia you may get varied opinions.

To qualify as a reference group, the body of persons should be

-) Known/accepted
-) In possession of information or a first hand experience of the product, or
-) An expert in the field

Alternatively, the common consumer accepts persons who reach celebrity status in their own field, as reference group. Sometimes the marketers find that product is of such a low profile that it does not qualify for the attention of any reference group. In such cases the marketer creates a typical common man in his studio and uses him as a reference group. To sum up, there are the following three types of reference groups that are used by the marketer.

- i. Informed Opinion Group:** Investment consultants, medical doctors, engineers and the like are assumed to be well-informed. The general consumer without much of questioning accepts their opinions.
- ii. Expert Opinion Group:** An individual who is an expert in his own field can dish out opinions on goods and services related to his field. For example, a singer or music director can opine about the quality of musical instruments.
- iii. Celebrity Opinion Group:** When a person becomes a celebrity, the public perceives that the celebrity status is reached after a series of successes. Now a series of successes cannot be a fluke and there must be something in the way the person made the choices. As a corollary, most choices made by the celebrity in life must be right choices. With this logic in play, celebrities have a very vast field and license to express their opinions and they form a formidable reference group.

2.1.4. Introduction of Advertising

Advertising is directed toward a group of people who are also called prospects to influence in the buying decision. This view may be clear by the view of Kenneth A. Longman. He has said, "when a persuasive communication is directed toward large group of individuals it is called advertising."

Advertising media is the vehicle through which advertiser's message goes to target audiences. It is the vital connection between the company that manufactures a product and consumers who buy it. Advertising media is a type of communication. Producers want to give a lot of information about his products but he cannot do so by his personal efforts by personal contact or by mail. "The advertising media is the carrier of the advertising message" (C.H. Sandage and Vernon Fry Burger, 1985).

i. Newspapers	vi. Outdoor
ii. Magazine - Customers Magazines - Business Publications - Professional Journals	vii. Other - Dealers Display - Packages, Labels, Insert - Theaters, Screen - Novelties
iii. Radio	
iv. T.V.	
v. Direct Mail	

"The medium or communications channels can be impersonal or interpersonal" (Leon G. Schiffman, Kanuk, Lazor, 2002). Mass media consists.

Newspapers, magazines, billboards, radio, T.V. internet and interpersonal media are an internal/funnelled conversation between a sales person and customers. In this study, the researcher wants to evaluate the effectiveness of mass media used by the company.

2.1.5.1 Introduction of Promotional Activities.

Promotion, one of the four major variables with which the marketing manager work, is communication information between seller and buyer with a view to change attitudes and behavior. The marketing manager's job is to tell target customers that the right product is available at the right place, at the right price.

"Promotion is the ingredient used to inform and persuade the marker regarding a company's product. Advertising, personal selling and sales promotions are the major promotional activities. " (*W.J. Stanton and Futrell, 1998, p56*)

The major promotional methods include personal selling, mass selling, and sales promotion. Personal selling involves direct face to face relationship between sellers and potential customers. Mass selling is design to communicate with large number of customers at the same time. Advertising is the main fond of mass selling but it also involves publicity. Sales promotion refers to specific activities that complement personal and mass selling such as point of purchase displays, booklets, leaflets and direct mailing.

Companies face the task of distributing the total promotion budget over the five promotional tools advertising, sales promotion, public relations and publicity, sales force and direct marketing. Within the same industry, companies can differ considerably in how they allocate their promotional budget. It is possible to achieve a given sales level with varying promotional mixes. (*Philip riottler, 1980, p622*).

It is the variable that communicates to the consumer about other variable of marketing mix for their need of satisfaction. It consists of advertising, publicity, personal selling and sales promotion. In this study, promotion schemes are under

the crown (UTC), X percent quantity extra or free, X item free with purchase of pet bottle, rupees X discount oil popular music concert and submission of special wrapper launched by the Organization.

(Note: X denotes certain)

2.2 Review of Previous Studies in Nepal

Some researchers have conducted research on consumer behavior in Nepal. The researchers have tried to highlight only on a single aspect of cold drinks consumer behavior or their market.

A dissertation entitled "**The Marketing of Cold Drinks in Narayanghat**" has addressed on the following major objectives (*Ratna Prasad, 1998*)

-) To examine the potential consumers in purchasing cold drinks.
-) To identify the purchase behavior of consumers who purchase cold drinks.
-) To estimate demand of cold drinks in Narayanghat.
-) To identify the best choice of consumers on cold drink the basis of selecting brands and advertising, habitual testing, asking questions and personal inspection.
-) To find the relationship between the brand preference and advertising.
-) To find out the popular media of advertising for the cold drinks which can easily attract the potential consumers on each company's branded cold drink.
-) To estimate sale of cold drinks in Narayanghat.

The major findings of the study are:

-) Pepsi-cola is increasing gradually while Coca-cola is highly increased among the cold drinks due to different advertising strategies.
-) Advertisement expenditure of Coca-cola is much higher than that of Pepsi-cola in each fiscal year.
-) Most of the consumers have been found consuming cold drinks of Coca-cola brand in the market.
-) NTV is the most popular media in Narayanghat city, while Radio Nepal holds the second position and wall painting the third.
-) Consumers give more preference to the brand but less preference to the quality and taste.
-) Advertisement of Coca-cola in NTV and on Radio is much more attractive than that of Pepsi-cola.
-) Cinema halls advertising techniques also have greater influence of Coca-cola's consumers.

Another dissertation entitled "**Advertising through Television: Impact on Consumer Behaviour**" has presented on the following major objectives (*Ram Bahadur, 2000*).

-) To identify the present situation of TV, advertising of NTV
-) To know what kind of advertising they prefer.
-) To know how the different group of people perceive the advertisement from television and their reaction about advertising.

The major findings of the study are:

-) Mostly children, young age, and old age people prefer musical advertisement where as others prefer good wording advertisements.

-) Considering the education factor of the people mostly below S.L.C., S.L.C and uneducated people prefer musical advertisements where as other people prefers good wording advertisements.
-) Considering the sex, female consumer prefers musical advertisement rather than advertisement with good wording and vice-versa.
-) Most people gave first preference to advertisement from TV. Followed by newspaper, radio, magazine, and cinema respectively.
-) Many people watch the NTV advertisements.
-) Most of the people buy the products when they need and watch the advertisement.
-) Repetition of advertisement attracts people's attention.
-) Few TV advertisements are good, few are boring.
-) People prefer to choose advertised products, if the price and quality of both products are same.
-) Advertisement helps to recall the brand or product name while buying.

One another dissertation entitled " **A Study on Buyer's behaviors of Indian Gorkhas and local people: With Special Reference to the Vyas Municipality, Thanahau**" has addressed on the following major objectives (*Jagat Timilsina 1998*)

-) To find out the brand preference and purchase frequency of the clothing approval.
-) To find out the shop awareness, purchase frequency of the clothing approval.
-) To find out the criteria used by the Indian-Gorkha and local people for choosing a particular brand, product and shop and their importance.
-) To compare the buying behavior of the Indian-Gorkha and the local people.

The major findings of the study are:

-) Majority of respondents used Indian and Chinese branded clothing apparels. The main reasons for selecting these brands were price, quality, and easily availability of Nepalese clothing apparels in wide range of variables high risk for Nepalese brand. Foreign brand is considered as quality brands.
-) Clothing apparels were bought on either the half - yearly or the yearly basis.
-) So far as the shop awareness was concerned majority of Indian Gorkhas and local people have low level of awareness regarding name and brand.
-) Concerning to the purchase location, local market seems to be the favorite place for purchasing.
-) So far as the criteria used to choose a product is concerned, price, quality, durability seemed to be the most prominent decisive criteria for a brand choice.
-) Availability of wider varieties of clothing apparels attracts large number of customer in the shop.
-) Majority of Indian Gorkhas and local people were involved in bargaining and have a favorite attitude towards bargaining.
-) The behavior of shopkeeper was an important determinant for favorable response from customers.

CHAPTER THREE

RESEARCH METHODOLOGY

Research is the systematic and scientific effort in order to identify the truth. It is a fact-finding action. Thus research is searching and answers to questions. It is a systematic and organized effort to investigate a specific problem that needs a solution (*Sekaran, 1992*)

Methodology is the set of research methods used to collect information, analyze and interpreted the data and test the hypothesis. Therefore, methodology can be designed as a systematic procedure of solving the problem. It may be understood as a science of studying how research is done scientifically.

In this study, the research methodology includes Research design, Nature and sources on data, Sampling plan, Data collection procedure, and Data procedures, which are explained and presented below:

3.1 Research Design

Research design is scheme for doing research work. It is the plan, structure, and strategy of investigation conceived so as to obtain answers to research questions and to control variance.

It is always purposeful scheme of action purposed to be carried out in a sequence during the process of research, focusing on the management problem to be tackled (*Michacl, 2000*)

Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance (*Karlinger, 1986; 275*)

Basically, the research design has two purposes. The first purpose is to answer the research question or test the research hypothesis. The second purpose of a research design is to control variance. Several typologies have suggested for classifying a wide variety of research designs used in social science research. McGrath (1970) suggested five models of different types of research designs; controlled experiment, study, survey, investigation, and action research. Seltzer and others (1962) suggested three broad categories of research design; formative or exploratory studies, and studies testing causal hypothesis, Boyd, West, Stasch.

There are mainly two type of research design- exploratory and descriptive. Exploratory design is essential for formulating hypothesis. It is done to investigate possible cause and effect relationship by exposing one or more control group to one or more treatment conditions and comparing the results to one or more control groups but not receiving the treatment. Descriptive research design is a type of fact-finding research. It is conducted under respondents' options.

The descriptive research designs will be followed in the study. Such designs provide a description of a specific situation in such a ways as to help the researcher identify cause and effect relationship.

The study is basically based on survey research. To examine the consumption behavior of student, businessman and service holder on Pepsi products is the main objective of the study. Therefore, a survey research design was applied to fulfill this objective.

3.2 Nature and Sources of Data

Data are mainly two types; one is primary and another is secondary. Primary data are the first hand data generated by original research to solve the specific and current research questions. The major advantage of primary data is that the information is specific, relevant and up-to-date. There are two principle methods of collecting primary data; observation and questionnaire.

Secondary data are information that are already collected for other purposes and is readily available. The major advantage of this type is its easy availability. The major advantage of this type is its availability and lower cost than primary data.

For this study, both primary and secondary data and information are used. But the research is mainly based on primary data or original data collected direct through questionnaire.

3.3 Sampling Plan

Sampling is the practice of selecting group of consumers considered to be representative of the entire population, because it is neither feasible nor practical for research to contact to all the members of a population.

Sampling plan consists the target population, sampling unit, and sample method.

3.3.1 Target Population

The target population of this study consists of three distinct groups of consumers; the student, the businessman and the service holder who are consumers of Pepsi products.

3.3.2 Sample Unit

The target population is very large; therefore from the whole population 100 samples were taken. It is expected to provide a useful basis for understanding consumer behavior of Pepsi product.

Sampling units for this study were occupational groups of consumers, business, students and service, who are located in The sample profiles are presented below, categorizing them into sex, age, and education groups.

Table 3.1
Sex Group of Consumers

Occupation	Business	Student	Service	Total
Sex	No. (%)	No. (%)	No. (%)	No. (%)
Male	10 (40)	30 (60)	10 (40)	50 (50)
Female	15 (60)	20 (40)	15 (60)	50 (50)
Total	25 (100)	50 (50)	25 (100)	100 (100)

Table 3.2
Age Group Of Consumer

	Business	Student	Service	Total
	No.(%)	No.(%)	No.(%)	No.(%)
16-20	0 (0)	22 (44)	4 (16)	26 (26)
21-30	15 (60)	26 (52)	14 (56)	55 (55)
31-40	5 (20)	2 (4)	5 (20)	12 (12)
41 to above	5 (20)	0 (0)	2 (8)	7 (7)
Total	25 (100)	50 (100)	25 (100)	100 (100)

Table 3.3
Educational group of Consumers

	Business	Student	Service	Total
	No.(oh _o)	No(%)	No.(0 ₃)	No(ov _a)
Under SLC	0 (0)	10 (20)	3 (12)	13 (13)
SLC/Int.	10 (40)	20 (40)	5 (20)	35 (35)
Graduate	10 (40)	20 (10)	7 (28)	37 (37)
Above Graduate	5 (20)	0 (0)	10 (40)	15 (15)
Total	25 (100)	50 (100)	25 (100)	100 (100)

3.3.3 Sampling Method and Procedure

Sampling methods are classified into two broad categories; probability sampling and non-probability sampling.

Probability samples consists of simple random sampling, stratified random sampling, cluster sampling and systematic sampling. Non-probability sample consists of convenience sampling, quota sampling, and judgmental sampling.

The respondents are identified and served a set of structured questionnaire. The respondents are chosen on personal contact basis. The respondents are randomly selected from different academic background (under SLC to above graduate), different sex group (male and female), and different occupational group (businessman, student, and service holder).

3.4 Data Collection Procedure

The data have been collected through a self-administrated questionnaire survey at respondents place at mutually convenient time. The respondents were supported by oral explanation at that point where they got confused or unable to understand content of the questionnaire. Sample of the questionnaire is given in annex A. Besides, the researcher had personally observed the buying activities of the consumer's of Pepsi products.

3.5 Analytical Tools and Procedure

The primary data and information collected from survey method are grouped into homogeneous nature. After that required tables have been prepared

in an understandable form. In course of tabulation, the collected data have been presented by giving them different ranks. Similarly, the secondary data have been rearranged in tabular form according to need.

Statistical tools such as percentage and Chi-square test are used. They are as follows.

- a) Percentage (%) - Percentage is mostly used measurement tools. It helps to analyze comparatively
- b) Chi-square test (χ^2)

The chi square test is used basically to test the significant difference between the actual (observed) frequency and the expected frequency based on the null hypothesis. In other words, it is used to test whether more than two population are classified into several categories with respect to two attitudes. It can be used a chi-square test to determine if the two attributes are independent of each other. If we have a set of observed frequencies and we want to test whether a particular distribution support of hypothesis χ^2 . Test is used to test the goodness of fit.

Steps in computing Chi- Square (χ^2) test (S C Gupta, 1990)

Step 1 Complete the expected frequencies E_1, E_2, \dots, E_n corresponding to the observed frequencies O_1, O_2, \dots, O_n , under some theory or hypothesis.

Step 2 Complete the deviation (O-E) for each frequency and then square them to obtain $(O-E)^2$

Step3 Divide the square of the deviation $(O-E)^2$ by the corresponding expected frequency to obtain $(O-E)^2/E$

Step 4 Add the values obtain in step 3 to complete
 $X^2 = \sum [(O-E)^2/E]$

Step 5 Under the null hypothesis that the theory first the data well, the above statistic follows, X^2 distribution= $(n-1)$ d.f

Step 6 Look up the tabulated values of X^2 for $(n-1)$ d.f at certain level of significance, usually 5% from the table. {Significance value of X^2 at different d.f. are given in the table)

Critical region of X^2 test statistic is obtained from the x^2 table, which is given for combination of the level of significance (α) and the corresponding degrees of freedom (d.f). In case of testing the independence among the attributes in contingency table the d. f = $(r-1)(c-1)$, where r is the no. of rows and c is the number of columns. If the calculated value of X^2 obtained is less than the corresponding tabulated value, it is said to be non significant at the required level of significance. It means data. not provide any evidence against the null hypothesis which may therefore be speed at the required level of significant and we may conclude that there is good fit between theory and practice.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

Since this chapter is analytical and interpretive in nature, it consists of various activities that the researcher has undertaken. First, collected data were sorted out in accordance with their homogeneity. Then they were presented in suitable tables with appropriate headings to provide clear picture of what was intended to show. While preparing these tables, it was tried to the best to remove complexities. In course of analysis, both the mathematical and statistical tools, which were previously explained in the third chapter, were used. The researcher interpreted the tabled data taking into account three angles. In the first angle, simply the exact figurative explanation, was made. In the second angle, what these data meant for was drawn to. But in the last angle, various causes why certain occurrences took place were explored.

This chapter, particularly, consists of the analysis and interpretation of the following:

- Consumption pattern of Pepsi consumers.
- Degree of consumers' satisfaction.
- Effectiveness of promotional schemes of the company.
- Effectiveness of advertising media of the company.
- Location, store and brand awareness of consumers
- Factors influencing consumer's purchase decision.

4.1 Consumption Pattern of Pepsi Consumers

The opinion survey undertaken by the researcher, relation to their consumption pattern and consumption time reveals that the respondents have varying consumption behavior. The data have been presented in Table 4.1. And Chart 4.1 makes it more obvious.

Table 4.1
Consumption pattern of Pepsi Consumers (In a week)

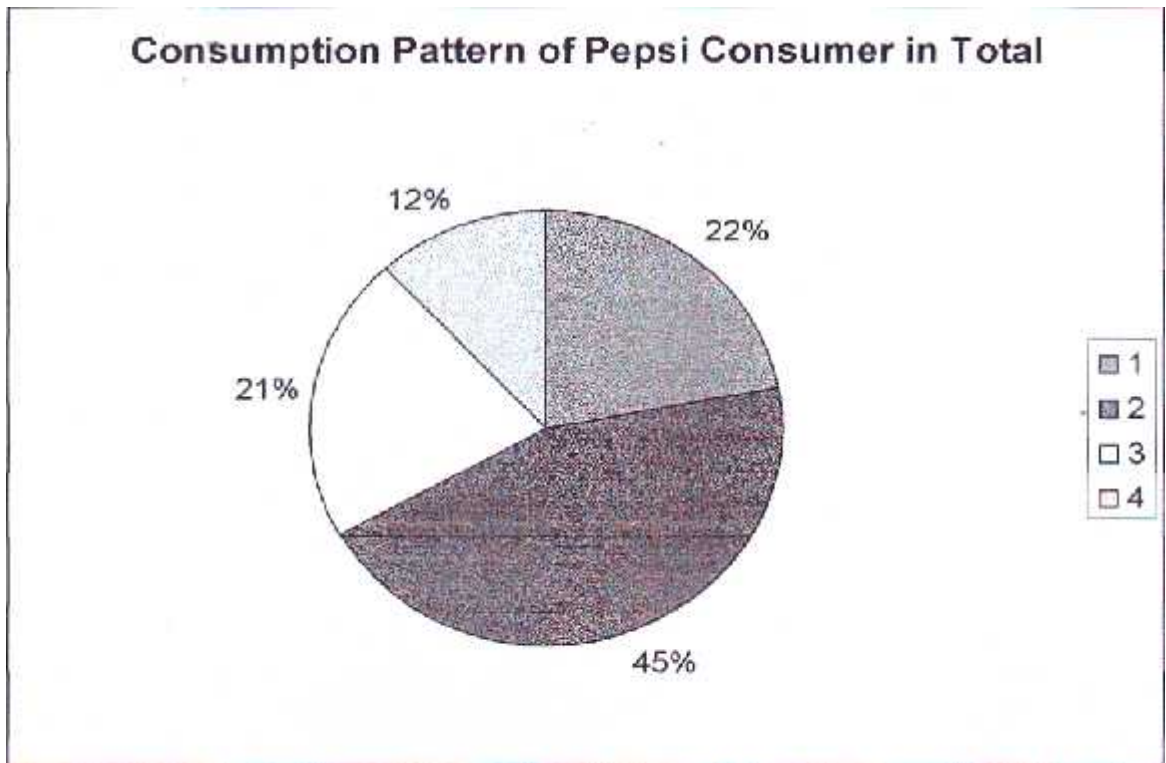
Respondent No. Of Time	Business Group	Student Group	Service Group	Total
	No. (%)	No (%)	No. (%)	No (%)
1to 3 times	5 (20)	12 (34)	5 (20)	22 (22)
4to 7 times	10 (40)	25 (50)	10 (40)	45 (45)
8to 11 times	8 (32)	8 (16)	5 (20)	21 (21)
12 to above times	2 (25)	5 (10)	5 (20)	12 (12)
Total	25 (100)	50 (100)	25 (100)	100 (100)

The above table shows that among business group, twenty percent respondents opined that they used Pepsi products 1 to 3 times, forty percent expressed their opinion that they used to drink 4 to 7 times, thirty two percent respondents expressed their opinion that they consumed these products 8 to 11 times and only eight percent of them were found drinking them 12 and above times within a week.

Those representing students have also more or less the same behaviour. Twenty four percent student group of Pepsi consumers drink 1 to 3 times, fifty percent respondents 4 to 7 times, sixteen percent respondents 8 to 11 times and only ten percent of them were likely to drink these products 12 and above times in a week.

Those who are under service group expressed different opinions. Twenty percent of them used Pepsi products 1 to 3 times, forty percent consumers 4 to 7 times, twenty percent of them 8 to 11 times and 12 and above times respectively within a week.

Chart 4.1



Out of total consumers forty five percent were found drinking Pepsi products 4 to 7 times, twenty two percent consumers 1 to 3 times, twenty one percent respondents drink these products 8 to 11 times, whereas twelve percent consumers drank either 12 ties or more within a week.

From above explanation, it is clear that most of consumers consume Pepsi products 4 to 7 times in a week. However, more or less the consumers consume these products 1 to 3 times and 8 to 11 times respectively.

When the hypothesis was tested taking into account x' test, the calculated value came 5.8684 (Appendix - B). The table value for 6 degree of freedom (d. f.) at 5% level of significance is 12.59 (Appendix - A), which is greater than the

calculated value. So, the null hypothesis is accepted. It means there is independent response of the occupational group.

About time related consumption behaviour, the researcher again got various responses, which are shown in Table 4.2.

Table 4.2

Time - Related Usage Behaviour of Pepsi Consumers

Respondents	Business Group	Student Group	Service Group	Total
Time	No. (%)	No. (%)	No. (%)	No. (%)
Noon	17 (68)	42 (84)	19 (76)	78 (78)
Evening	4 (16)	14 (28)	4 (16)	12 (123)
Night	3 (12)	2 (4)	2 (8)	7 (7)
Morning	1 (4)	2 (4)	-	3 (3)
Total	25 (100)	50 (100)	25 (100)	100 (100)

Table 4.2 shows that out of total consumers, 68% business group respondents, 84% student group consumers and 76% service group consumers preferred Pepsi products to use at noon. But in aggregate, 78% of total respondents used to drink these products at that time. In this way, it can be said that consumers were likely to drink Pepsi at noon.

The above table also shows that 16% business group respondent, 28% student group respondents and 16% service group consumers were likely to use Pepsi

products in the evening. Among total respondents, only 12% consumers preferred to drink these products at that time. Evening is the secondly preferred time to take Pepsi products by the consumers.

So far as the consumption pattern is concerned, 12% of the total business group respondents, 4% of total student group consumers, 8% of service group respondents, and 7% of aggregate consumers prefer to consume Pepsi products at night time. From this explanation, it is clear that according to the respondents, nighttime was the third most preferred time to take Pepsi products.

While studying consumer behavior of different groups of Pepsi users on the basis of morning time, only 4% business group and student group respondents were in favor of using at that time. In totality, only 3% of total consumers were likely to drink Pepsi products at morning. As above analysis, morning time is lastly preferred to drink Pepsi products by the consumers.

In order to test the hypothesis, χ^2 was used. The calculate value of χ^2 at 5% level of significance appeared 14.4687, and the table value of χ^2 test for 6 d. f. at 5% level of significance is 12.59 (Appendix A). Since calculated value of χ^2 is grater than the table value, the null hypothesis (H_0) is rejected or alternative hypothesis (H_A) is accepted. In another words, the views expressed by respondents group were significantly different.

4.2 Degree of Consumer Satisfaction

In this study, the researcher categorized the degree of consumer satisfaction into five parts; highly satisfied, satisfied, normally satisfied, dissatisfied and highly dissatisfied. Here, the researcher tried to measure the degree of consumer's satisfaction with available Pepsi products. Table 4.3 represents the responses obtained.

Table 4.3**Degree of Consumer's Satisfaction with Available Pepsi Product**

Respondents of Degree of Satisfaction	Business	Student	Service	Total
	Group	Group	Group	
	No. (%)	No (%)	No (%)	No (%)
Satisfied	8 (32)	19 (38)	12 (48)	39 (39)
Normal	9 (36)	16 (32)	7 (28)	32 (32)
Highly Satisfied	4 (16)	10 (20)	3 (12)	17 (17)
Dissatisfied	2 (8)	2 (4)	2 (8)	6 (6)
Highly Dissatisfied	2 (8)	3 (6)	1 (4)	6 (6)
Total	25 (100)	50 (100)	25 (100)	100 (100)

Among the business group, 32% respondents opined that they were satisfied, 36% expressed that they were normally satisfied, 16% said that they were highly satisfied with the available Pepsi products in the market. Both the consumers, who were dissatisfied and highly dissatisfied with the available Pepsi products in the market, represented 8% each. From above analysis, we can say that most of the business group consumers were normally satisfied and satisfied with available Pepsi products.

Twenty percent of student group opined that there is no necessary for improving the product or they are highly satisfied with available Pepsi products. Similarly, thirty eight percent respondents were satisfied with available Pepsi products, whereas thirty two percent consumers were normally satisfied with them. Only four percent respondents opined that they were dissatisfied with them, and six percent of them were found highly dissatisfied with the available Pepsi products. In this way, it is evident that student group consumers of Pepsi products satisfied with available Pepsi products in the market.

Service group consumers have been found responds the same behaviour as was found with respect to student group consumers. Out of total service group, 12% respondents opined that they were highly satisfied, 48% simply satisfied, and 28% expressed their opinion that they were normally satisfied with the company's products. However, 8% of respondents were dissatisfied with the Pepsi products and only 4% of total were highly dissatisfied with these products.

From above explanation, it is clear that most of the consumers were satisfied with available Pepsi products but only 12% respondents were dissatisfied with them.

For testing dependency between respondents' professions, chi-square test (X^2) was used. Calculate value of X^2 test was 2.743 (*Appendix -B*), which is less than the table, i.e. $X^2_{8 \text{ d.f. } 0.05} = 15.51$ (*Appendix A*). So the null hypothesis is accepted or the view expressed by the respondents' professions is independently related.

4.3 Effectiveness of Promotional Schemes of the Company

The researcher also tried to find out the effectiveness of the promotional schemes, which are used by the company. Five major promotional schemes are preferred by the company for boosting up sales. The responses have been presented in Table 4.4.

Table 4.4

Weighted Response Of the Respondents About the Promotional Schemes

Respondents	Business Group	Student Group	Service Group	Total
Promotional Schemes	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)
Under theCrown(UTC)	46(1)	113(1)	48(1)	207(1)
X% quantity Extra	75(3)	118(2)	57(2)	250(2)
X Item Free	61(2)	142(3)	73(3)	276(3)
Rs X discount on popular	85(4)	163(4)	89(4)	337(4)
Submission of Special wrapper	108(5)	214(5)	108(5)	430(5)
Total	375	750	375	1500

The above table shows that all of the occupational groups placed the first rank to Under the Crown scheme (UTC). X% quantity extra scheme appears in the

second rank for student and service respondents against X item extra scheme in the third rank. But business group respondents placed X% quantity extra scheme in the third position.

Again, all of the respondents groups assigned fourth rank to Rs. X discount on popular music consult scheme. Similarly, submission of special wrapper scheme is the last priority (Fifthly ranked) by the entire consumers group.

From the above explanation, we know that Under the Crown scheme is in the first priority and X% quantity extra, X item free, Rs. X discount on popular music consult and submission of special wrapper scheme.

In other orders of preference, the calculated value of χ^2 test arrived 7.042 (Appendix B), whereas the table value at 0.05 for 8 d.f is 15.51. The calculated value of χ^2 test is lesser than tabulated value. So the null hypothesis is accepted or the respondents' opinions are independently related.

4.4 Effectiveness of the Media Advertising of the Company

The company mostly uses four advertising media. The responses relating to their effectiveness are presented in appendix C but Table 4.5 represents total no of weighted responses.

Table 4.5

Weighted Responses of the Respondents about the Advertising Media

Respondents Advertising Media	Business Group	Student Group	Service Group	Total
	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)
TV	53 (2)	73 (1)	51 (2)	177 (1)
FM/Radio	49 (1)	115 (2)	51 (1)	214 (2)
Press	61 (3)	142 (3)	71 (3)	274 (3)
Hoarding Board	87 (4)	170 (4)	78 (4)	335 (4)
Total	250	500	250	100

Business group and service group respondents preferred F.M. / Radio medium the most, but student group T.V media the most. In total, T.V. medium stood in the first rank of preference.

Television medium stood in the first rank of preference.

Television appeared in the second rank for business and service group respondents as against F.M./Radio media for student group respondents. In total, F.M. media stood in the second rank of preference.

All the respondents of Pepsi products put the third rank to press media and fourth to Hording Board.

In aggregate, T.V. advertising medium has taken the first priority and the most effective advertising medium; majority of the respondents placed the press medium in the third rank, whereas hoarding board in the fourth.

The calculated value of X² test came 8.3 (Appendix B), whereas the table value at .05 for 6 d. f. is 12.592. Since the table value of x² test is greater than the calculated value, the null hypothesis is accepted. In another words, the views expressed by the respondent groups have no significant difference.

4.5 Locations, Store, and Brand Awareness of Consumers

In Course of finding out locating, store and brand awareness of consumers, the researcher converted the obtained responses into weighted form for the analysis purpose. But the original responses have been presented in appendix C.

Table 46

Weighted Responses of Pepsi Consumers about the Location.

Respondents	Business Group	Student Group	Service Group	Total
Advertising Media	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)
Retail Shop	67 (2)	110 (1)	7 (2)	250 (2)
Restaurant and Bar	57 (1)	125 (2)	61 (1)	243 (1)
Home	98 (5)	157 (3)	88 (5)	343 (4)
Street Side	84 (4)	176 (4)	77 (4)	337 (4)
Anywhere	69 (3)	182 (5)	76 (3)	327 (3)
Total	375	750	375	1500

Table 4.6 depicts that business group and service group consumers along with total consumers of Pepsi products, have reflected the same behaviour. They preferred to rank the Retail shop, Restaurant & Bar, Home, Street Side, and elsewhere the 2nd, the 1st, the 5th the 4th and the 3rd for choosing place for buying. But the student group respondents were likely to take Pepsi products at Retail Shop and others at home, at street side and at elsewhere in that order.

For testing the hypothesis, calculated value of χ^2 test came 12.703 (Appendix B) whereas table at 0.05 for 8 d.f. is 15.5 (Appendix A). So, the views expressed by the respondents were independently related.

Consumers buying store have been categorized into only three types- grocery, departmental store and home delivery jobbers. The responses where from they buy or which types they prefer are presented in Table 4.7.

Table 4.7
Consumers Usually Buying Store

Respondents	Business	Student	Service	Total
	Group	Group	Group	
Stores	No.	No	No.	No
	(%)	(%)	(%)	(%)
Grocery	16 (64)	42 (84)	18 (72)	76 (76)
Departmental Store	7 (28)	7 (14)	6 (24)	20 (20)
Home delivery	2 (8)	1 (2)	1 (4)	4 (4)
Total	25 (100)	50 (100)	25 (100)	100 (100)

Out of total business group consumers of Pepsi products, 64% consumers used to buy from grocery store, 28% respondents from Departmental store and 8% of them used to purchase these products from home delivery jobbers. Among the student group consumers of Pepsi products, 84% used purchase from grocery store, 14% from departmental store, and only 2% from home delivery jobbers.

Out of the aggregate service group consumers, seventy two percent consumers used to buy from grocery store, six percent from departmental store and four percent from home delivery jobbers respectively.

In aggregate, most of the consumers (76%) preferred to buy the Pepsi products from grocery store and only twenty percent respondent from departmental store and only four percent from home delivery jobbers.

For testing the hypothesis the calculated value of χ^2 test arrived 3.922 (Appendix-B) where as the table value of χ^2 , 0.05,4 d. f. is 9.49(Appendix A), so relating to their responses, there is no relationship between occupational groups responses.

The researchers also tried to measure the brand awareness level of Pepsi product consumers. Their responses have been included in appendix C, but here the total weighted responses have been presented in Table 4.8

Table 4.8
Brand Awareness and Rank Order of Responses

Respondents	Business	Student	Service	Total
Brand	Group Wei No. (Rank)	Group Wei No. (Rank)	Group Wei No. (Rank)	Wei No. (Rank)
Pepsi Cola	53 (1)	95 (1)	51 (1)	199 (1)
Mirinda	79 (3)	134 (2)	70 (3)	283 (3)
7'up	100 (5)	195 (4)	91 (4)	386 (4)
Mountain Dew	69 (2)	147 (3)	67 (2)	283 (2)
Soda	129 (6)	266 (6)	137 (6)	532 (6)
Slice	95 (4)	213 (5)	109 (5)	417 (95)
Total	525	1050	525	2100

The above table shows that the entire respondents assigned the first priority to Pepsi-Cola for purchasing and using. Mountain Dew stood in the second rank as all the respondents under business group and service group, along with the total sampled respondents expressed their priority for this rank.

Similarly, the business group and the service group respondents placed Mirinda in the third rank. So was ranked by the total respondents. But the student group of respondents assigned Mountain Dew the third rank.

7'up is fourthly preferred item by student group, service group, and total respondents of Pepsi product consumers. But business group consumers placed Slice in the fourth rank.

Slice appears in the fifth rank for the students and service respondents as against 7'up for business group business. In total, Slice stood in the fifth rank of preference.

All the respondents of Pepsi products ranked sixth position to Soda. When hypothesis was tested taking into account χ^2 test, the calculated value arrived 3.9614(appendix-B) whereas the table value at 0.005 for 10 degree of freedom (d. f.) is 18.3 (Appendix-A), which is greater than the calculated value. So the null hypothesis accepted. It means the responses are independently interested.

4.6 Factors Influencing Consumers Purchase decisions

When an opinion survey was made relating to factors affecting consumers which quality remained the prime factor. The obtained responses have been shown in Table 4.9

Table 4.9
Factor Influencing the Scheme of Pepsi Products

Respondents	Business	Student	Service	Total
	Group	Group	Group	
Factors	No.	No	No.	No
	(%)	(%)	(%)	(%)
Low Price	3 (¹²)	3 (⁶)	2 (⁸)	8(8)
Good Quality	9 (36)	31 (62)	13 (52)	53 (53)
Convenient Quality	4 (16)	7 (14)	4 (16)	15 (15)
Convenient Availability	4 (16)	6 (12)	2 (8)	12 (12)
Enjoy scheme associated with the item	5 (20)	3 (6)	4 (16)	12 (12)
Total	25 (100)	50 (100)	25 (100)	100 (100)

Among the business group respondents, 12% consumers of Pepsi products preferred price, 36% of them preferred good quality, 16% respondents emphasized on convenient quality and convenient availability respectively, But 20% respondents under this group preferred it due to enjoying schemes associated with the item.

Out of total sampled students, 6% gave importance to price factor, 62% to quality, 14% to convenient quality, 12% to convenient availability, and the rest to enjoying schemes associated with the item in selecting the Pepsi products.

Out of The total respondents in service group, 52% were influenced by quality, 16% by convenient quality and by enjoying schemes associated with the item, where as only 8% of the respondents preferred to convenient availability and the rest 8% the price.

In aggregate, most of the respondents preferred the Pepsi items due to good quality, and convenient availability.

For testing dependency between respondents professions chi-square test (χ^2) was used. Calculated value of χ^2 test is 6.7807(Appendix-b), which is greater than table, i.e. $\chi^2_{8d.f 0.05}=15.51$ (Appendix A). So the null hypothesis is accepted. In other words, there is no significance difference between the views expressed by the respondents groups.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This is the last chapter of this study. In this section, the researcher tried to present the aggregate view expressed by specially the consumers of the Pepsi products and on that basis, the findings and recommendation have been concluded. Especially this chapter includes summary, conclusions and recommendation.

5.1 Summary

Consumer is the king on modern business. The success and failure of any business firm entirely depends on consumer's reaction to its offers. It is, therefore, essential for the marketers or manufactures of the products and services to understand the consumer buying behavior for long term survival on today's changing and competitive business environment. However, understanding of consumer behaviour is becoming more complex and complicated day by day; it requires continuous efforts of investigation and exploration of consumers. But such practices of investigation and exploration on consumers buying behaviour are too rare or entirely absent in Nepalese business perspectives.

Varun Beverages (Nepal) Pvt. Ltd. has been producing Pepsi product under technical celebration with Pepsi Co., New York. The company is producing seven brands within different flavors and packs. Pepsi Co. has its competition with cola in terms of Coca Cola Vs Pepsi Cola, Mirinda Vs Fanta, 7'up Vs Sprite, Soda Vs Teem, and Slice Vs Juice. But there is no competitor brand of Mountain Dew, so it keeps the monopoly market in soft drinks.

Nepal is a small and poor country and so Nepalese consumers seem bias and they use any products depending upon availability. Most of the marketing policies, strategies and work forces are heavily borrowed from India. However, Nepalese market is small, the researcher tried to enhance or support to understand the consumer's behavior in Nepal.

This study or research is very small. So, the researcher has set limited objectives. In this study, the researcher has tried to find out the consumption pattern of consumers, degree of consumers satisfaction, effectiveness of promotional schemes, effectiveness of advertising media, locations, store and brand awareness of consumers and factors influencing consumers purchase decision.

Review of literature includes conceptual review and review of previous studies. In conceptual review includes introduction and models of consumer behavior, introduction of promotional activities, and introduction of advertising.

In this study, the research methodology includes research design, nature and sources of data, sampling plan, data collection procedure, and data analysis procedure. In data analysis only two tools (i.e. percentage, and chi-square test) and pie chart are used.

5.2 Conclusions and Major Findings of the Study

Consumers have their own interesting using various types of goods through most of them have almost the same type of nature for consuming. From the investigation, the researcher has concluded various findings, which are presented below.

-) Most of the consumers consume Pepsi products in four to seven times within a week.
-) Seventy Eight percent respondents consume Pepsi products at noon time
-) Most of the consumers are satisfied with available Pepsi products. And only twelve percent consumers are dissatisfied.
-) Under the Crown (UTC) schemes were highly preferred and then X% quantity extra, X item free, Rs. X Discount on popular music concert and Submission of special wrapper schemes are respectively preferred.
-) Respondents firstly prefer to T. V. media, and then F.M. /Radio media, Press media, and Hoarding board are respectively preferred second, third and fourth.
-) Respondents prefer to drink Pepsi products first at Restaurant & Bar, and then Retail Shop, Anywhere, Street side and at Home respectively.
-) Seventy Six percent or more than seventy percent consumers are usually buying Pepsi products from Grocery Store.
-) Majority of the respondents have placed Pepsi- Cola the first priority and other Pepsi products like Mountain Dew, Mirinda, 7'up, Slice and Soda in that order.
-) Most of the Consumers (50%) were influenced by the quality. So the quality is the most effective factors to increase interest of consumers.

5.3 Recommendations.

On the basis of analysis and findings the study has forwarded some recommendations, which are presented below.

-) Pepsi products are not available in urban area; therefore, the company should employ its effort to enlarge its branches in remaining urban areas. It should also focus on distributing to the remote areas.

-) Most of the people preferred to further improvement in quality of the available brands, so this expectation should rightly be considered.
-) Advertising of the company is dependent on Indian origin but in Nepal, it should be focus on Nepali origin. In advertising, visuals and slogans should also be oriented towards Nepalese origin.
-) Promotional schemes are not efficient; they are only focusing to dealers. Therefore, the company should improve their promotional policy.

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APPENDICES

APPENDIX A

Questionnaire

Dear Respondent,

The researcher, Sagar Thada , MBS Students of "TribhuvanUniversity", is conducting a research on "A Study On consumer attitude towards cold drinks (with reference to Pepsi & Mirinda consumer of Birgunj).

This questionnaire is presented for your valuable information about the Pepsi products consumption patterns and your expectation. Without your kind co-operation it will be difficult to complete the research.

The research assures that the data and information provided by you will be kept most confidential.

Please fill up these questions.

1. Age :- 16-20 [] 21-30 [] 31-40 []

2. Sex. Male [] Female []

3. Occupation: - Businessman [] Students [] Service []

4. Education :- Below S.L.C. [] S.L.C./ Intermediate []

Graduate [] Above Graduate []

5. Have you taken Pepsi Products? Yes[] No[]

If yes, Please tick or write number on the box, i. e. [√] or [1]

6. Which products item do you like most?(Please rank them from higher to lower i.e.1,2,36)

Pepsi Cola[] Mirinda[] 7'up[]

Mountain Dew[] Soda[] Slice[]

7. How often do you use cold drinks within a week? (Please tick any one)

1 to 3 times[]

4 to 7 times[]

8 to 11 times[]

12 to above times[]

7. Why do you select Pepsi products ?(Please tick any one) Low Price[]

Low Price []

Good Quality /test[]

Convenient quantity[]

Convenient availability[]

8. When do you drink cold drink?(Please tick any One)

At morning[]

At noon[]

At Evening[]

At midnight[]

9. Which advertising Media have dominance on such effect? Please rank them from higher to lower i.e. 1,2,3.....5)

T.V.[]

F.M./Radio[]

Press []

Hoarding Board/Wall Paper []

10. Which promotional schemes affect most in your bung decision? Please rank them from higher to lower i.e.1,2,3..... 5)

Under the Crown(UTC) []

X% quantity extra[]

X items free with purchase of pet bottle[]

Rs X discount on popular music concert[]

Submission of special wrapper[]

11. Where do you most likely to drink cold drinks? Please rank them from higher to lower i.e.1,2,3.....5)

In any retail shop []

In restaurant and bar []

At Home []

On The street side []

Anywhere[]

12.From where do you usually buy? (Please tick anyone)

Grocery Store (Kirana)[]

From Departmental Store[]

Through Home delivery jobbers[]

13. Do you want to suggest the manufactures and enhance both the organizational and product image? If yes what are they?

.....

.....

.....

Thank you for your kind cooperation.

APPENDIX-B

Chi-Square(x²) Test

The table value [Shrestha, Sunita and Silwal, DhrubaPrasad(2059, p-416)] and calculated value of chi-square (x²) test is as follows:

Table No.	Degree of Freedom (d.f)	Tabulated values at 5% Level of Significance	Calculated value
4-1	6	12.59	5.8984
4-2	6	12.59	14.4587
4-3	8	15.51	2.743
4-4	8	15.51	7.042
4-5	6	12.59	8.3
4-6	8	15.51	12.703
4-7	4	9.49	3.922
4-8	10	18.31	13.3614
4-9	8	15.51	6.787

Appendix - C

Calculation of chi-square(x2) values.

Calculation of Expected Frequency(E)n = $\frac{\text{RowTotal} \times \text{column total}}{\text{GrandTotal}}$

GrandTotal

Table No. 4.1 (Consumption Pattern of Pepsi Consumers)

$E(5) = \frac{22 \times 25}{100} = \frac{550}{100} = 5.5$	$E(8) = \frac{21 \times 50}{100} = \frac{1050}{100} = 10.5$
$E(10) = \frac{45 \times 25}{100} = \frac{1125}{100} = 11.25$	$E(5) = \frac{21 \times 50}{100} = \frac{600}{100} = 6$
$E(8) = \frac{21 \times 25}{100} = \frac{525}{100} = 5.25$	$E(5) = \frac{22 \times 50}{100} = \frac{550}{100} = 5.5$
$E(2) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$	$E(10) = \frac{45 \times 25}{100} = \frac{1125}{100} = 11.25$
$E(12) = \frac{22 \times 25}{100} = \frac{1100}{100} = 11$	$E(5) = \frac{21 \times 25}{100} = \frac{525}{100} = 2.25$
$E(25) = \frac{45 \times 25}{100} = \frac{2250}{100} = 22.50$	$E(5) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$

Computation of Chi-square(x2) Value

Observed Frequency(o)	Excepted Frequency(E)	(O-E)	(O-E) ²	(O-E) ² /E
5	5.5	-0.5	0.25	0.0455
10	11.25	-1.25	1.5625	1.3889
8	5.25	2.75	7.5625	1.4405
2	3	-1	1	0.3333
12	11	1	1	0.0909
25'	22.50	2.5	6.25	0.2778
8	10.5	-2.5	6.25	0.5952
5		1	1	0.1667
5	5.5	-0.5	0.25	0.0455
10	11.25	-1.25	1.5625	0.1389
5	5.75	-0.25	0.0675	0.0119

5	3	2	4	1.3333
				$\sum(O - E)^2 = 5.8684$
				E

Table No. 4.2(Time Related Usage Behaviors of Pepsi Consumers)

$$\begin{aligned}
 E(1) &= \frac{3 \times 25}{100} = \frac{75}{100} = 0.75 & E(2) &= \frac{3 \times 25}{100} = \frac{150}{100} = 1.5 & E(0) &= \frac{3 \times 25}{100} = \frac{75}{100} = 0.75 \\
 E(17) &= \frac{78 \times 25}{100} = \frac{1950}{100} = 19.50 & E(42) &= \frac{78 \times 25}{100} = \frac{3900}{100} = 39 & E(19) &= \frac{78 \times 25}{100} = \frac{1950}{100} = 19.50 \\
 E(4) &= \frac{12 \times 25}{101} = \frac{300}{100} = 3 & E(14) &= \frac{12 \times 50}{100 \times 100} = \frac{600}{100} = 6 & E(4) &= \frac{12 \times 25}{100} = \frac{300}{100} = 3 \\
 E(3) &= \frac{7 \times 25}{100} = \frac{175}{100} = 1.75 & E(2) &= \frac{7 \times 50}{100} = \frac{350}{100} = 3.5 & E(2) &= \frac{7 \times 25}{100} = \frac{175}{100} = 1.75
 \end{aligned}$$

Calculation of Chi-square(x²) Value

Observed Frequency (o)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O - E)^2}{E}$
1	0.75	0.25	0.0625	0.0833
17	19.50	-2.5	6.25	0.3205
4	3	1	1	0.3333
3	1.75	1.25	1.5625	0.8929
2	1.50	0.5	0.25	0.1667
42	39	3	9	0.2308
14	6	8	64	10.6667
2	3.5	1.5	2.25	0.6429
0	0.75	-0.75	0.5625	0.75
19	19.5	-0.5	0.25	0.0129
4	3	1	1	0.3333
2	1.75	0.25	0.0625	0.0357
				$\frac{(O - E)^2}{E} = 14.4689$

Degree of Freedom (d.f) = (r-1)(c-1)

$$= (4-1)(3-1)$$

$$= 6$$

Table No. 4.3(Degree of Consumer Satisfaction With Available Pepsi Products)

$$\begin{array}{lll}
 E(4) = \frac{17 \times 25}{100} = 4.25 & E(10) = \frac{17 \times 25}{100} = 4.25 & E(3) = \frac{17 \times 25}{100} = 4.25 \\
 E(8) = \frac{39 \times 25}{100} = 9.75 & E(19) = \frac{39 \times 50}{100} = 19.75 & E(12) = \frac{39 \times 25}{100} = 9.75 \\
 E(9) = \frac{32 \times 25}{104} = 8 & E(19) = \frac{32 \times 50}{103} = 16 & E(7) = \frac{32 \times 25}{102} = 8 \\
 E(2) = \frac{6 \times 25}{102} = 1.5 & E(2) = \frac{6 \times 50}{101} = 3 & E(2) = \frac{6 \times 25}{100} = 1.5 \\
 E(1) = \frac{6 \times 25}{100} = 1.5 & E(3) = \frac{6 \times 50}{100} = 3 & E(1) = \frac{6 \times 25}{100} = 1.5
 \end{array}$$

Calculation of Chi-square value

Observed Frequency(O)	Expected Frequency(E)	(O-E)	(O-E) ²	(O-E) ² /E
4	4.25	-0.25	0.0625	0.0147
8	9.75	-1.75	3.0625	0.3141
9	8	1	1	0.125
2	1.5	-0.5	0.25	0.1667
1	1.5	-0.5	0.25	0.1667
10	8.5	1.5	2.25	0.2647
19	19.5	-0.5	0.25	0.0128
16	16	0	0	0
	3	1	1	0.3333
3	3	0	0	0
3	4.25	-1.75	1.5625	0.3676
12	9.75	2.25	5.0625	0.5192
7	8	-1	1	0.125
2	1.5	0.5	0.25	0.1667
1	1.5	-0.5	0.25	0.1667
				$\frac{(O - E)^2}{E} = 2.743$

$$\begin{aligned}
 \text{Degree of Freedom (d.f)} &= (r-1)(c-1) \\
 &= (5-1)(3-1) = 8
 \end{aligned}$$

Table 4.4 (Effectiveness of Promotional Scheme)

$E(46) = \frac{207 \times 25}{1500} = 51.75$	$E(133) = \frac{207 \times 750}{1500} = 103.50$	$E(48) = \frac{207 \times 375}{1500} = 51.75$
$E(75) = \frac{250 \times 375}{1500} = 62.5$	$E(118) = \frac{250 \times 750}{1500} = 125$	$E(57) = \frac{250 \times 375}{1500} = 62.5$
$E(61) = \frac{276 \times 375}{1500} = 69$	$E(142) = \frac{276 \times 750}{1500} = 138$	$E(73) = \frac{276 \times 375}{1500} = 69$
$E(85) = \frac{337 \times 375}{1500} = 84.25$	$E(163) = \frac{337 \times 750}{1500} = 84.25$	$E(89) = \frac{337 \times 375}{1500} = 84.25$
$E(108) = \frac{430 \times 375}{1500} = 107.50$	$E(214) = \frac{430 \times 750}{1500} = 215$	$E(108) = \frac{430 \times 375}{1500} = 107.50$

Computation of Chi-Square χ^2 value

Observed frequency (O)	Expected frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
46	51.75	-5.75	33.0625	0.6389
75	62.50	12.50	156.25	2.5
61	69	-8	64	0.9275
85	84.25	0.75	0.5625	0.0677
108	107.50	0.5	0.25	0.0233
113	103.50	9.5	90.25	0.8720
118	125	-7	49	0.392
142	138	4	16	0.1159
163	168.50	-5.5	30.25	0.1795
214	215	-1	1	0.0465
48	51.75	-3.75	14.0625	0.2717
57	62.50	-5.5	30.25	0.1795
73	69	4	16	0.2319
89	84.25	4.75	22.5625	0.2678
108	107.50	0.5	0.25	0.0233
				$\frac{(O-E)^2}{E} = 7.042$

Degree of Freedom(d.f) = (r- 1)(c - 1)
 =(5-1)(3-1)
 =8

Table 4.5 (Effectiveness of Advertisement Media)

$E(53) = \frac{177 \times 250}{1000} = 44.25$	$E(73) = \frac{177 \times 500}{1000} = 88.5$	$E(51) = \frac{177 \times 250}{1000} = 44.25$
$E(49) = \frac{214 \times 250}{1000} = 53.5$	$E(115) = \frac{214 \times 500}{1000} = 107$	$E(50) = \frac{214 \times 250}{1000} = 53.5$
$E(61) = \frac{274 \times 250}{1000} = 68.5$	$E(142) = \frac{274 \times 500}{1000} = 137$	$E(71) = \frac{274 \times 250}{1000} = 68.5$
$E(87) = \frac{335 \times 250}{1000} = 83.75$	$E(170) = \frac{335 \times 500}{1000} = 167.5$	$E(78) = \frac{335 \times 250}{1000} = 83.75$

Calculation of Chi-Square (χ^2) Value

Observed Frequency (O)	Expected Frequency	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
53	44.25	8.75	76.5625	1.73
49	53.50	-4.50	20.25	0.38
61	68.50	-7.5	56.25	0.82
87	83.75	3.25	10.5625	0.13
73	88.50	-15.5	240.25	2.72
115	107	8	64	0.60
142	137	5	25	0.18
170	167.50	2.5	6.25	0.04
51	44.25	6.75	45.5625	1.03
50	53.50	-3.5	12.25	0.23
71	68.50	2.5	6.25	0.04
78	83.75	-5.75	33.0625	0.40
				$\sum \frac{(O-E)^2}{E} = 8.3$

Degree of Freedom (d.f) = (r - 1) (c - 1)
 =(4-1)(3-1)
 =6

Table 4.6 (Location Affects Their Buying Decision)

$E(67) = \frac{250 \times 375}{1500} = 62.50$	$E(110) = \frac{250 \times 750}{1500} = 125$	$E(73) = \frac{250 \times 375}{1500} = 62.50$
$E(57) = \frac{243 \times 375}{1500} = 60.75$	$E(125) = \frac{243 \times 750}{1500} = 121.5$	$E(61) = \frac{243 \times 375}{1500} = 60.75$
$E(98) = \frac{343 \times 375}{1500} = 85.75$	$E(157) = \frac{343 \times 375}{1500} = 171.5$	$E(88) = \frac{343 \times 375}{1500} = 85.75$
$E(84) = \frac{337 \times 375}{1500} = 84.25$	$E(176) = \frac{337 \times 375}{1500} = 168.5$	$E(77) = \frac{337 \times 375}{1500} = 84.25$
$E(69) = \frac{327 \times 375}{1500} = 81.75$	$E(182) = \frac{327 \times 370}{1500} = 163.5$	$E(76) = \frac{327 \times 375}{1500} = 81.75$

Computation of Chi-Square Test

Observed Frequency (O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
67	62.50	4.5	20.25	0.324
57	60.75	-3.75	14.0625	0.232
98	85.75	12.25	150.0625	1.75
84	84.25	-0.25	0.0625	0.001
69	81.75	-12.75	162.5625	1.99
110	125	-15	225	1.80
125	121.5	3.5	12.25	0.101
157	171.5	-14.5	210.25	1.226
176	168.5	7.5	56.25	0.334
182	163.5	18.5	342.25	2.093
73	62.5	10.5	110.25	1.764
61	60.75	0.25	0.0625	0.001
88	85.75	2.75	5.0625	0.059
77	84.25	-7.25	52.5625	0.624
76	81.75	-5.75	33.0625	0.404
				$\sum \frac{(O-E)^2}{E} = 12.703$

Degree of Freedom(d.f) = (r - 1)(c -) = (5-1)(3-1)=8

Table 4.7 (Consumers Usually Buying Stores)

$$\begin{array}{lll}
 E(16) = \frac{76 \times 25}{100} = 19 & E(42) = \frac{76 \times 50}{100} = 38 & E(18) = \frac{76 \times 25}{100} = 19 \\
 E(7) = \frac{20 \times 25}{100} = 5 & E(7) = \frac{20 \times 50}{100} = 10 & E(6) = \frac{20 \times 25}{100} = 5 \\
 E(2) = \frac{4 \times 25}{100} = 1 & E(1) = \frac{4 \times 50}{100} = 2 & E(1) = \frac{4 \times 25}{100} = 1
 \end{array}$$

Calculation of Chi-Square Value

Observed Frequency(O)	Expected Frequency(E)	(O-E)	(O-E) ²	$\frac{(O - E)^2}{E}$
16	19	-3	9	0.474
7	5	2	4	0.8
2	1	1	1	1
42	38	4	16	0.421
7	10	-3	9	0.474
1	2	-1	1	0.5
18	19	-1	1	0.053
6	5	1	1	0.2
1	1	0	0	0
				$\Sigma \frac{(O - E)^2}{E} = 3.922$

Degree of Freedom, (d.f) = (r - 1) (c - 1)
 =(3-1)(3-1)
 =4

Table 4.8 (Brand Choice Behaviour of Consumers)

$E(53) = \frac{199 \times 525}{2100} = 49.75$	$E(95) = \frac{199 \times 1050}{2100} = 99.50$	$E(51) = \frac{199 \times 525}{2100} = 49.75$
$E(79) = \frac{283 \times 525}{2100} = 70.75$	$E(134) = \frac{283 \times 1050}{2100} = 141.50$	$E(70) = \frac{283 \times 525}{2100} = 70.75$
$E(100) = \frac{386 \times 525}{2100} = 96.50$	$E(95) = \frac{386 \times 1050}{2100} = 193$	$E(91) = \frac{386 \times 525}{2100} = 96.50$
$E(69) = \frac{283 \times 525}{2100} = 70.75$	$E(147) = \frac{283 \times 1050}{2100} = 141.50$	$E(67) = \frac{283 \times 525}{2100} = 70.75$
$E(129) = \frac{532 \times 525}{2100} = 133$	$E(266) = \frac{532 \times 1050}{2100} = 266$	$E(137) = \frac{532 \times 525}{2100} = 133$
$E(95) = \frac{417 \times 525}{2100} = 104.25$	$E(213) = \frac{417 \times 525}{2100} = 208.50$	$E(109) = \frac{417 \times 525}{2100} = 104.25$

Calculation of Chi-Square Value

Observed Frequency(O)	Expected Frequency(E)	(O-E)	$\frac{(O - E)^2}{E}$
53	49.75	3.25	0.2123
79	70.75	8.25	0.962
100	96.50	3.5	0.127
69	70.75	-1.75	0.0433
129	133	-4	0.1203
95	104.25	-9.25	0.8207
95	99.50	-7.5	0.2035
134	141.50	2	0.3975
195	193	5.5	0.0207
147	141.50	0	0.2138
266	266	4.5	0
213	208.50	1.25	0.0971
51	49.75	-0.75	0.0314
70	70.75	-5.5	0.008
91	96.50	-3.75	0.3135
67	70.75	4	0.1988
137	133	2.75	0.1203
109	106.25		0.0712
			$\sum \frac{(O - E)^2}{E} = 3.9614$

$$\begin{aligned} \text{Degree of Satisfaction (d.f.)} &= (r-1)(c-1) \\ &= (6-1)(3-1) \\ &= 10 \end{aligned}$$

Table 4.9(Factors Influencing in Selecting Pepsi Products)

$E(3) = \frac{8 \times 25}{100} = 2$	$E(3) = \frac{8 \times 50}{100} = 4$	$E(2) = \frac{8 \times 25}{100} = 2$
$E(9) = \frac{53 \times 25}{100} = 13.25$	$E(31) = \frac{53 \times 50}{100} = 26.5$	$E(13) = \frac{53 \times 25}{100} = 13.25$
$E(4) = \frac{15 \times 25}{100} = 3.75$	$E(7) = \frac{15 \times 50}{100} = 7.5$	$E(4) = \frac{15 \times 25}{100} = 3.75$
$E(4) = \frac{12 \times 25}{100} = 3$	$E(6) = \frac{12 \times 50}{100} = 6$	$E(2) = \frac{12 \times 25}{100} = 3$
$E(5) = \frac{12 \times 25}{100} = 3$	$E(3) = \frac{12 \times 50}{100} = 6$	$E(4) = \frac{12 \times 25}{100} = 3$

Calculation of Chi-Square Value

Observed Frequency(O)	Expected Frequency(E)	(O-E)	$\frac{(O - E)^2}{E}$
3	2	1	0.5
9	13.25	-4.25	1.363
4	3.75	0.25	0.017
	3	1	0.333
5	3	2	1.333
3	4	-1	0.25
31	26.5	4.50	0.764
7	7.5	-0.5	0.033
6	6	0	0
3	6	-3	1.5
2	2	0	0
13	13.25	-0.25	0.0047
4	3.75	0.25	0.017
2	3	-1	0.333

4	3		0.333
			$\Sigma \frac{(O - E)^2}{E} = 6.7807$

Degree of Freedom (d.f.) = $(r-1)(c-1)$
 $= (5-1)(3-1)$
 $= 4 \times 2$
 $= 8$

