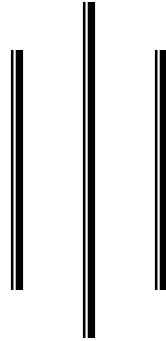
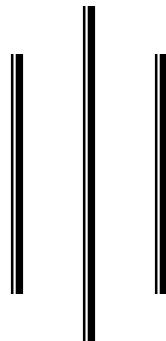


**THE STUDY
ON
CONSUMER BEHAVIOUR**
(With special reference Pepsi product in Biratnagar)



by:
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**A Thesis Submitted to:
Office of the Dean
Faculty of Management
Tribhuvan University**



*In partial fulfillment of the requirements for the degree of master
business study (MBS)*

**Biratmanar, Nepal
September, 2010**



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(With special reference Pepsi product in Biratnagar)

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VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

SANJU DHAKAL

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THE STUDY ON CONSUMER BEHAVIOUR
(With special reference Pepsi product in Biratnagar)

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

Master's Degree in Business Studies (M.B.S.)

Viva-voce Committee

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ACKNOWLEDGEMENTS

The Study "**THE STUDY ON CONSUMER BEHAVIOUR (*With special reference Pepsi product in Biratnagar*)**" has been carried out in partial fulfillment of the Master's Degree in Business Studies (MBS).

I would like to extend sincere gratitude to Mr. Dev Raj Shrestha whose proper guidance and direction made it possible to complete this thesis. I would like to express my acknowledgement to Pro. Dr. Khandra Acharya, Head of research department of Post Graduate Campus. I would like to express my acknowledgement to Mr. Harihar Bhandari, Campus Chief, Post Graduate Campus, I am also thankful to teacher and other staffs of department of Management.

I am gratefully my brother Santosh Dhakal, whose help computerizes the overall of thesis paper. I am indebted to my friend Urmila Pokharel, Tulasha Ojha and Sushma Bajagain.

Finally, I am greatly indebted to my respected parents without whose inspiration encouragement co-operation and support the research would have reminded incomplete.

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DECLARATION

I hereby, declare that the work reported in this thesis entitled "**THE STUDY ON CONSUMER BEHAVIOUR** (*With special reference Pepsi product in Biratnagar*)" submitted to the Research Department of Degree Campus, faculty of Management, Tribhuvan University in my original done in the form of partial fulfillment of the requirements for the Master of Business Studies (MBS), under the supervision of Mr. Dev Raj Shrestha.

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ABBREVIATION

GM	General Manager
Mkt.	Marketing Assistant
Pvt. Ltd	Private Limited
EPS	Extended Problem Solving
LPS	Limited Problem Solving
RPS	Routines Problem Solving
T.V.	Television
No.	Number
SLC	School Living Certificate
Int.	Intermediate
d.f	Degree of freedom
Wei. No	Weighted Number
F.M,	Frequency Modulation
Res.	Respondents
Bus	Business
Stu	Student
Ser	Service-
Wei	Weighted
R. Shop	Retail Shop
UTC	Under The Crown
CEO	Chief of Executive Officer

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 behavior is defined as the behavior 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; individual consumers and organizational consumers. Individual consumers buy goods and services for their own use and for household use. Organizational consumers include profit and non-profit businesses, government agencies (local, state, and national) and institution. Both consumers purchase goods, services, and ideas for their own use. But in consumer behavior, individual consumers are the main focus of the study.

In general, consumers are both buyers and users. But in some extent, at least one person can play one or more than one role in purchasing and consuming.

These roles may appear in the forms of initiator, influence, buyer, and user. These roles are explained in Table-1.1 (Zaltman and Buyer, 1975:142)

Table: 1. 1

Role of Consumer Behavior

Roles	Description
Initiator	The individual who detects that some needs or wants are not being met, and authorizes 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, Torstein Viable 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 behavior provides benefit for consumers, marketers, and even students. As consumers and marketers are diverse in nature, the reasons why people study consumer behavior are also diverse.

Consumer's 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 behavior. 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 behavior 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 interpretive.

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 intonation consumer orientation, facts about buying 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 or 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 (*Ludon and Delia Bitta, 1993:485-486*)

The range of consumer problem solving approaches can be placed on a spectrum from routine 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 is 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 familiar product category, 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,

- a. Problem Recognition
- b. Information Search and Evaluation
- c. Purchase decision
- d. Post Purchase Behavior

The assumptions 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 are presented in Table: 1.2.

Table: 1.2
Characteristics of Consumer Problem -Solving

	Routine Problem Solving	Limited Problem	Extensive Problem Solving
Purchase Involvement	Low	Medium	High
Problem, recognition	Automatic	Semi-automatic	Complex
information Search and	Minimal	Limited	Extensive
Purchasing orientation	Convenience	Mixed	Sopping
Post purchase, processes	Very limited Habit Brand loyalty	Limited inertia to repurchase Brand	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, 1990:4*)

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 ^ 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, Kaihmahdu.

The purpose of Varun Beverages (Nepal) Pvt. Ltd. is to make availability of different 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	542
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 Organization Structure of Pepsi Company

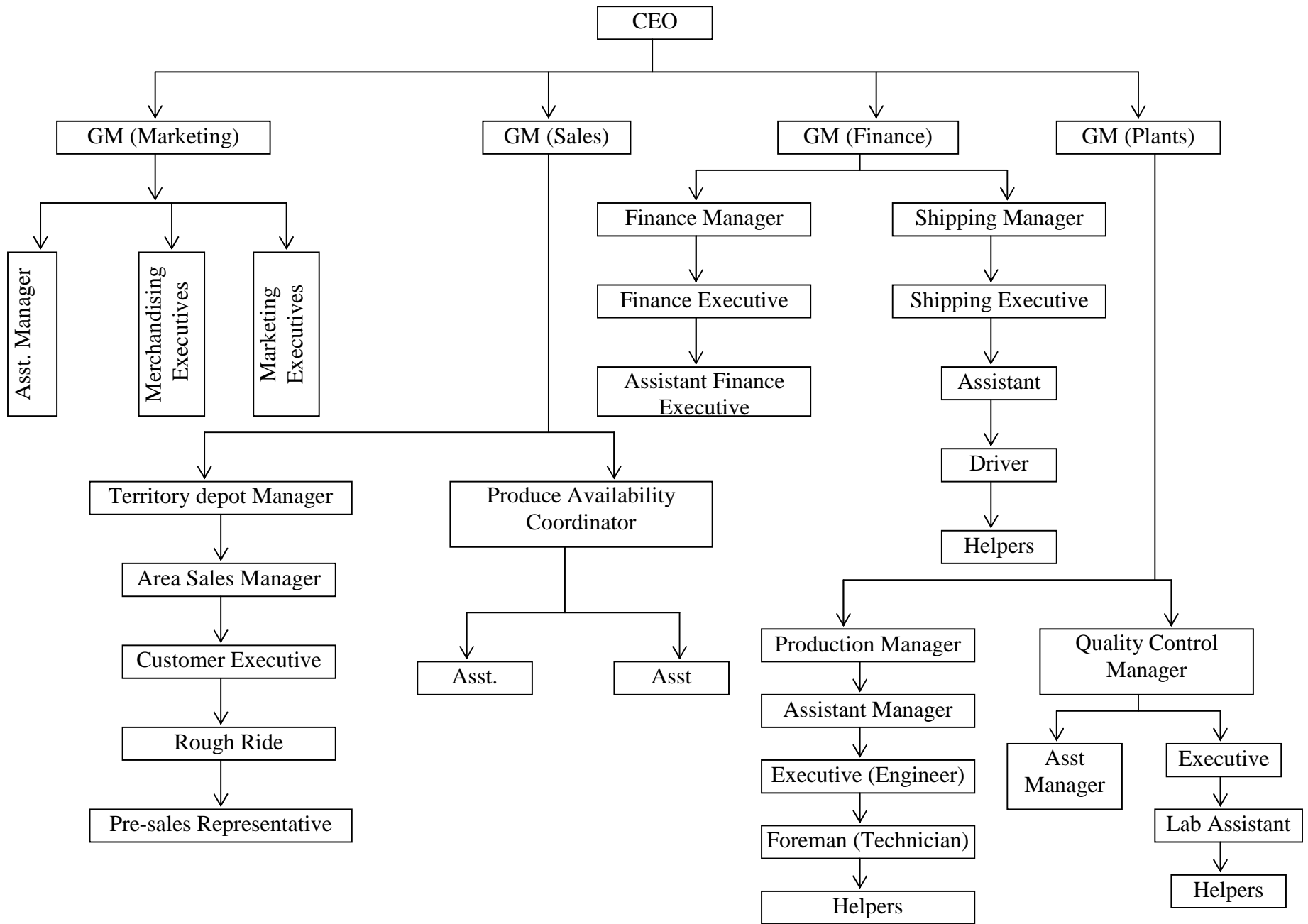


Figure: 1.1 Organization Structure of the company (Sources: Company's Unpublished Record)

Production capacity of Pepsi is 420 Bottle per minute (BPM) and its capacity utilization is 90,70,000 crates. The producer of Pepsi 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.
Mi rind a	Apple,	200 ml, 250 ml 300 ml, 1.5 ltr, 2 ltr.
7' up	Lime	200 ml, 250 ml 300 ml, 1.5 ltr, 2 ltr.
Mountain	Mango	250 ml
Soda	Clear Lime	250 ml, 500 ml 2 ltr.
Evervess		500 ml, 1.5 ltr.

Sources: Internal Unpublished data if the Company.

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 Biratnagar are summarized as below:

- Area sales depot Jogbani
- Area sales depot Tankisunwari
- Area sales depot Devkota Chowk
- Area sales depot Kanchanbari
- Area sales depot Bargachi

Its target customers mainly comprise the young generation across the country. In terms 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 different and very obsessive 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 Puma and Mama Bhujiyat.

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 1979, 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. So the Varun 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 consumers 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 behavior 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 set in the market?
- Which are the important promotional activities carried out by the company?
- Which advertising media are most effective to remote consumers?
- Does the location, brand awareness, and shop awareness affect the purchase behavior of consumers?

1.4 OBJECTIVES OF THE STUDY:

Keeping in view the statement of research problems, the objectives of the stud 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.

1.5 RESEARCH HYPOTHESIS

This research has the following hypotheses:

Ho: 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.

H1: There is significant difference between the views expressed by different groups of respondents relating to consumption pattern, price, quantity, 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. Consumer's 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 same 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 that date which were responded by the sampled consumers and the organization.
- The researcher limited the use of statistical tests because of small

sample size.

- Time money limitation. Time is Limit
- Primary Data Limitation

Primary data limitation primary data is the first hand data; so, the it is difficult to collection data.

1.8 CHAPTER ORGANIZATION:

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, significance of the study, limitation of the study, and chapter scheme.

The second chapter contains conceptual review, and review of previous studies. Conceptual review includes introduction of consumer behavior traditional models of consumer behavior, and contemporary models of consumer behavior, introduction of advertising, and introduction 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 is explanatory in nature and deals with consumption pattern of Pepsi consumers, decree of consumer satisfaction, effectiveness of promotional schemes-of the company, effectiveness of the media advertising

of the company locations, stores, and brand awareness of the company, and ;pr-s influencing consumer purchase decision.

The last chapter provides summary, conclusions and major finding of the study and recommendations.

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

CHAPTER- TWO

2. 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 (*Wolff and 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 help to know the research and its findings. In this study, conceptual review

includes introduction of consumer behavior, and models of consumer behavior.

2.1.1 Introduction of Consumer Behavior:

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

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

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

The term consumer behaviour refers 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, 1995:7*)

Studying consumer behaviour 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 behaviour is that examples are everywhere. Because all of us

are consumers, we can draw on our every day experiences in the market place to understand consumer behaviour concepts and theories.

In order to study consumer behavior, it is necessary to make up one's mind with different behavioral models so that it will be easier later to find out the satiability of cold drink consumers' behavior. These models have been separately briefed out.

In order to study consumer behaviour, it is necessary to make up one's mind with different behavioral models so that it will be easier to understand it. A model can be defined as a simplified representation of reality. It simplifies by incorporating only those aspects of reality that interest the model builder. Other aspects that are not of interest only add to the complexity of the situation and can be ignored. Thus an architect's model of a building may not show furniture arrangements if that is not important to the building's design. Similarly, in modeling consumers we should feel free to exclude any aspects that are not relevant to their behaviour. Since we have defined consumer behaviour as involving a decision process, models that focus on this process will be of considerable interest to us (*Engel, James and Blackwell, 1993:599*)

2.1.2 Traditional Models of Consumer Behaviour:

The earliest comprehensive consumer models were actually devised by economists seeking to understand economic systems. Economics involves the study of how scarce resources are allocated among unlimited wants and needs (*Michael, 1965:4*). Its two major disciplines - Macroeconomics and Microeconomics - have each developed alternative views of consumers.

- Economics Models
- Behavioral models

2.1.2.1 Economics Models: They are also of two types.

- Micro Economic Model.
- Macro Economic Model.

Micro economic model: - The classical microeconomic approach, developed early in the nineteenth century, focused on the pattern of goods and prices in the entire economy. It involved making a series of assumptions about the nature of the "average¹⁵ consumer and then developing a theory useful in explaining the workings of an economy made up of many such people. Focus was placed on the consumer's act of purchase, which of course, is only a portion of what we have defined as consumer behavior. Thus micro economists concentrated on explaining what consumers would purchase and in what quantities these purchases would be made. The tastes and preferences leading to these purchases were assumed to, be known already. Therefore, micro economists choose to ignore why consumers develop various needs and preferences and how consumers rank these needs and preferences.

The resulting theory was based on a number of assumptions about consumers. Primary among these were the following:

- Consumers' wants and needs are, in total, unlimited and therefore cannot be fully satisfied.
- Given a limited budget, consumers' goals are to allocate available purchasing dollars in a way that maximizes satisfaction of their wants

and needs.

- Consumers independently develop their own preferences, without the influence of others, and these preferences are consistent over time.
- Consumers have perfect knowledge of the utility of an item: that is, "they know exactly how much satisfaction the product can give them.
- As additional units of a given product or service are acquired, the marginal (additional) satisfaction or utility provided by the next unit will be less than the marginal satisfaction or activity provided by previously purchased units. This is referred to as the law of diminishing marginal utility.
- Consumers use the price of a good as the sole measure of the sacrifice involved in obtaining it. Price plays no other role in the purchase decision.
- Consumers' are perfectly rational in that, given their subjective preferences; they will always act in a deliberate manner to maximize their satisfaction.

Given these assumptions, economists argued that perfectly rational consumers will always purchase the good that provides them with the highest ratio of additional benefit to cost. (*Eagel, James, Reger, 1993: 600-601*).

Macro economic Models:

Macroeconomists focus on aggregate flows in the economy - the monetary value of goods and resources, where they are directed, and how they change over time (*Richard, 1966:8*). From such a focus, the macroeconomist draws conclusions about the behaviour of consumers who influence these flows.

Although the discipline has not generated a full-unified model of consumers, it does offer a number of insights into their behaviour.

One interest centers on how consumers divide their income between consumption and savings. This deals with two economic facts of life: higher-income families spend a smaller proportion of their disposable income than do lower-income families, but as economic progress raises all income levels over time these proportions do not seem to change. That is, lower-income groups do not significantly change the proportion of income devoted to spending as economic progress results in an increase in their income. The *relative-income hypothesis* explains this apparent contradiction by arguing that people's consumption standards are mainly influenced by their peers and social groups than their absolute income levels (*Dues en berry, 1949:6*). Therefore the proportion of a family's income devoted to consumption is expected to change only when an income change places the family in a different social setting. This will not happen when an income level is rising at the same time.

Another macroeconomic proposition, the *permanent-income hypothesis* explains why specific individuals are slow to change their consumption patterns even when their incomes do suddenly change. It proposes that consumers do not use actual income in any period to determine the amount of their consumption expenditures, but instead are influenced by their estimate of some average, long-term amount that can be consumed without reducing their accumulated wealth (*William: 1980,:55-66*). Suddenly

increases or decreases in income are viewed by the consumer as temporary and therefore are expected to have little influence on consumption activity.

2.1.2.2 Behavioural Economics Models

Behavioural influences on consumers were viewed as complicating factors which could be assumed to cancel each other out. George Katona found this approach lacking and argued that an appreciation of how psychological variables influence consumers could lead to a deeper understanding of the behaviour of economic agents (*Katona 1963:59*) Katona's viewpoint, now known as behavioural economics, was fostered by important changes, which occurred in our economy, especially after World War II. Rising income levels had given a large number of consumers' significant discretionary income- spending power available after necessities had been purchased. In short, our economy had changed from one characterized as "much for few" to one described as "more for many" (*Katona, 1980:6*)

A very simplified representation of Katona's viewpoint appears in figure 2.1. As in traditional models, actual economic conditions are shown as influencing consumers. These economic conditions include the rates of interest, inflation, and unemployment,, the level of the GNP, as well as more personal economic situations such as the household's current status regarding taxes, income, and debt. However, as the diagram shows with modulating arrows, rather than directly influencing the consumer, these actual economic conditions are modified by psychological factors, which include consumers' motivations, knowledge, perceptions, and attitudes.

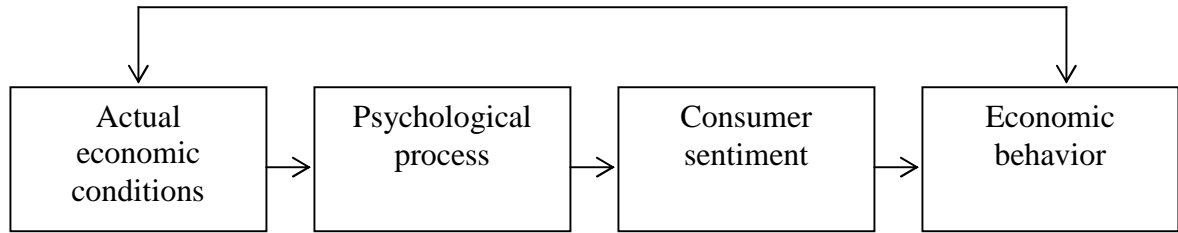


Figure 2.1 A simplified representation of Katona's behavioural economics perspective.

2.1.3 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 the 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" (*Sqndage and Burger, 1985:49*)

i. Newspapers	vi. Outdoor ➤ Bill Board ➤ Signs
ii. Magazine ➤ Customers Magazines ➤ Business Publications ➤ Professional Journals	vii. Other ➤ Dilears Display ➤ Pacages, Lables, Insert ➤ Theaters, Screen ➤ Novelties
iii. Radio	
iv. T.V.	
v. Direct Mail	

"The medium or communications channels can be impersonal or interpersonal" *Schiffinan, Kanuk, Lazor, 2002*). Mass media consists newspapers, magazines, billboards, radio, T.V., Internet, and interpersonal media is a internal formal conversation between-a sales persons and customers, in this study, the researcher wants to evaluate the effectiveness of mass media used by the company.

2.1.4 Introduction of Promotional Activities:

Promotion, one of the four major variables with which the marketing managers work, is communicating information between seller and buyer with a view to changing 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 market regarding a company's product. Advertising, personal selling and sales promotions are the major promotional activities." (*Stanton and Futrell, 1998:56*).

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 numbers of customers at the same time. Advertising is the main form 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 (*Kotter, 1980: 622*).

It is the variable that communicates to the consumer about other variables of marketing mix for their need 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 on popular music concert and submission of special wrapper is 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 Biratnagar (R.P: 1998)**" has addressed on the following major objectives

- 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 Biratnagar.
- To identify' the best choice of consumers on cold drinks on 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 Biratnagar.

The major findings of the study are:

- Pepsi-cola is increasing gradually- while Coca-cola is highly increased among the 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 Biratnagar 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 are 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**" (R.B., 2000) has presented on the following major objectives

- 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 advertisements.
- 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, Tananau**"(J.T., 1999) has addressed on the following major objectives.

- 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 the 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 the respondents used Indian and Chinese branded clothing

apparels. The main reasons for selecting this brand were price, quality, and easily availability of Nepalese clothing apparel in wide range of variables high risk for Nepalese brand. Foreign brand is considered as quality brands.

- Clothing apparels were bouaht 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, prince; 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 has a favorite attitude towards bargaining.
- The behavior of shopkeeper was an important determinant for favorable response from customers.

CHAPTER THREE

3. RESEARCH METHODOLOGY:

3.1 INTRODUCTION:

This section deals with the research design, population and sample, nature and source of data collection techniques, data analytical tools and procedure.

3.2 RESEARCH DESIGN:

This research study attempts to analyze the consumer behavior of Pepsi Product in Biratnagar territory. It analysis the relationship between behavior of consumer (dependent variables) and possible factors exert influence on consume decision to buy a particular product Pepsi so the field study research design was use. It attempts to find the problems, acquire necessary information analyze the information and provide appropriate remedy for the problems observed. The research design is descriptive and analytical.

3.3 POPULATION AND SAMPLE:

The population of this study comprised the entire consumers who buy Pepsi within the territory of Biratnagar. So, the population for this study includes students, businessman, service holder and other.

For sampling propose at first different types of consumer were identified and then out of them 250 consumer were selected in which 50 present use culled from Biratnagar.

3.4 NATURE AND SOURCES OF 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.

3.5 DATA COLLECTION TECHNIQUE:

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 the 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 product.

3.6 ANALYTICAL TOOLS AND PROCEDURE:

The primary data and information collected from survey method are grouped into homogenous 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 the need.

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

Percentage (%) - Percentage is mostly used measurement tools. It helps to analyze comparatively.

Chi- square test (X^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 the hypothesis X^2 Test is used to test the goodness of fit.

Steps in computing Chi- Square (X^2) test (*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 on under some theory or hypothesis.

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

Step -3 Divide the square of the deviation $(O-E)^2$ by the corresponding expected frequency to obtain $\frac{(O-E)^2}{E}$

Step- 4 Add the values obtained in step 3 to complete $X^2 = \sum \left[\frac{(O-E)^2}{E} \right]$

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

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 seeped at the required level of significant and we may conclude that there is good fit between theory and practice.

CHAPTER FOUR

4. 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 out. 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 consumers purchase decision.

4.1 CONSUMPTION PATTERN OF PEPSI CONSUMERS

The opinion, survey undertaken by the researcher, relating to their consumption pattern and consumption tune, reveals that the respondents have varying consumption behaviour. 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)

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

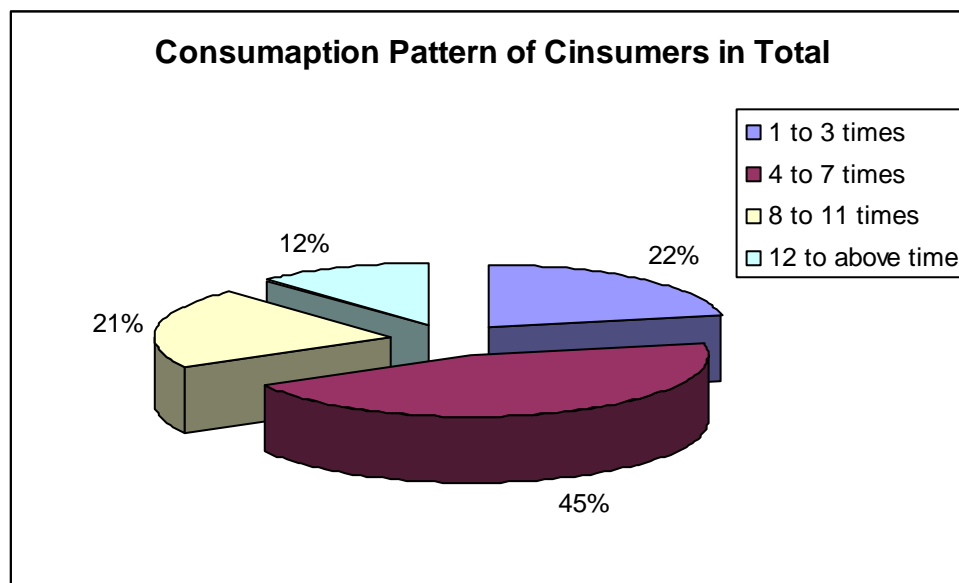
The above table shows that among business group, twenty percent respondents opined that they used Pepsi products 1 to 3 times, forty percent expressed their opinion that they used to drink 4 to 7 times, thirty two

percent respondents expressed their opinion that they consumed these products 3 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 times 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^2 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 (12)
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)

Tattle 4.2 shows that out of total consumers, 68% business group respondents, 84% student group consumers, and 76% service group consumers referred 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 respondents, 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 nighttime. 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 behaviour 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, X^2 was used. The calculated value of X^2 at 5% level of significance appeared 14.4687, and the table value of X^2 test for 6 d.f. at 5% level of significance is 12.59 (Appendix A). Since calculated value of X^2 is greater 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 Consumers' Satisfaction with Available Pepsi Products**

Respondents	Business Group	Student Group	Service Group	Total
Degree satisfaction	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 not 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 responding the same behaviour as was found with respect to student group consumers. Out of total service group consumers, 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. Calculated value of X^2 test was 2.743 (Appendix-B), which is less than the table, i.e. X^2 8d.f.0.05=15.51 (Appendix A). So the null hypothesis is accepted or the views expressed by the respondents' professions are 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 of consumers were presented in Appendix C but the total weighted responses have been presented in Table 4.4.

Table 4.4

Weightier Responses 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 the crown (UTC)	46 (1)	113 (1)	48 (1)	207 (1)
X% quantity extra	75 (3)	118 (3)	57 (2)	205 (2)
X item free	61 (2)	142 (3)	73 (3)	276 (3)
Rs. X discount on popular music consult	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 as against X item free for business group respondents. Similarly student group and service

group respondents placed-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 to 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 preferences, the calculated value of X^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 X^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	Business Group	Student Group	Service Group	Total
Advertising Media	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)	Wei No. (Rank)
T.V.	53 (2)	73 (1)	51 (2)	177 (1)
F.M/ 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	1000

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

Television medium 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 Hoarding 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 X^2 test came 8.3(Appendix-B), whereas the table value at .05 for 6 d.f. is 12.592. Since the table value of f 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 Priding out location, store, and brand awareness of consumers the rehear converted the obtained responses into weighted from for the analysis purpose. But the original responses have been presented in appendix C

Table 4.6

Weighted Responses of Pepsi Consumers about the Location

Respondents	Business Group	Student Group	Service Group	Total Group
Location	Wei. No (Rank)	Wei. No (Rank)	Wei. No (Rank)	Wei. No (Rank)
Retail shop	67 (21)	110 (1)	73 (2)	250 (2)
Restaurant & Bar	57 (1)	125 (2)	61 (1)	243 (1)
Home	98 (5)	157 (3)	88 (5)	343 (5)
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 X^2 test came 12.703 (Appendix B) whereas table value 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 Group	Student Group	Service Group	Total
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 grocers' store, 28% respondents from Departmental store, and 8% of them used to purchase these products from home delivery' jobbers.

Among the student groups consumers of Pepsi products, 84% used to 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 X^2 test arrived 3.922 (Appendix-B) whereas the table value of X^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 researcher 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 Group	Student Group	Service Group	Total
Brand	Wei. No (Rank)	Wei. No (Rank)	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 (5)
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 students,, and service respondents as against 7'up for business group respondents. 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 X^2 test, the calculated value arrived 3, 9614 (appendix-B) whereas the table value at 0.05 for 10 degree of freedom (d.f.) is 18.3 (Appendix A), which is greater than the calculated value. So the null hypothesis is accepted. It means the responses are independently interested.

4.6 Factors Influencing Consumers Purchase Decision:

When an opinion survey was made relating to factors affecting consumer purchase decision, the researcher found some very important factors among which quality remained the prime factor. The obtained responses have been shown in Table 4.9

Table 4.9
Factor Influencing the Selection of Pepsi Products

Respondents	Business Group	Student Group	Service Group	Total
Factors	No (%)	No (%)	No (%)	No (%)
Low price	3 (12)	3 (6)	9 (3)	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	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, whereas only S% 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 sood quality, and convenient availability.

For testing dependency between respondents' professions, chi-square test (X^2) was used. Calculated value of X^2 test is 6.7807 (Appendix-B), which is greater than table, i.e. X^2 8 d. f, 0.05 =15.51 (Appendix A): So the null hypothesis is accepted. In another word, there is no significance difference between the views expressed by the respondent groups.

CHAPTER FIVE

5. 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. Specifically, this chapter includes summary, conclusions and recommendation.

5.1 SUMMARY:

Consumer is the king in modern business, the success and failure of any business firm entirely depends on consumer's reactions to its offers. It is, therefore, essential for the marketers or manufactures .of the products and services to understand the consume buying behavior for long-term survival in today's changing, and competitive business environment. However, understanding of consumer behavior 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 behavior are too rare or entirely absent in Nepalese business perspectives.

Varun Beverages (Nepal) Pvt. Ltd has been producing Pepsi products 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 Coke 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 tries to enhance or support to understand the consumers' 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 consumes, degree of consumers satisfaction, effectiveness of promotional schemes, effectiveness of advertising media, location, 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 behaviour, 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 interest in using various types of goods though 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 noontime.
- 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 consult, 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 even 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 focus on Nepali origin. In adverting, visuals & slogans should also be oriented toward 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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9. When you drink cold drinks? (Please tick any one)
- | | |
|----------------|-----------------|
| At morning [] | At noon [] |
| At evening [] | At midnight [] |
10. Which advertising media have dominance on such effect? (Please rank them from higher to lower, i.e. 1,2,3,.. ..4)
- | | |
|-----------|-------------------------------|
| T.V. [] | P.M./Radio [] |
| Press [] | Hoarding board/Wall paper [] |
11. Which promotional scheme affects 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 item free with purchase of pet bottle [] | |
| Rs. X discount on popular music concert [] | |
| Submission of special wrapper [] | |
12. Where are 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 [] | |
13. From where do you usually buy? (Please tick any one)
- | | |
|-----------------------------------|-----------------------------|
| Grocery store (Kirana) [] | From departmental store [] |
| Through home delivery jobbers [] | |
14. Do you want to suggest the manufacture and enhance both the organization and image? If yes what are they?
-
-

Thanks for you kind co-operation.

APPENDIX-B

Chi-square (χ^2) Test

The table value [Shrestha, Sunita, and Silwal, (2059,p-416)] and calculated value of chi-square (χ^2) 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	6.78.7

APPENDIX -C

Calculation of chi-square (χ^2) values.

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

Table no 4.1 (Consumption Pattern of Pepsi Consumers)

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

Computation of chi-square (χ^2) Value

Observed Frequency (o)	Expected 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	6	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
				$\sum \frac{(o-E)^2}{E}$ = 5.8684

Table no. 4.2 (Time Related Usage Behaviour of Pepsi Consumers)

$E(1) = \frac{3 \times 25}{100} = \frac{75}{100} = 0.75$	$E(2) = \frac{3 \times 50}{100} = \frac{150}{100} = 1.5$	$E(0) = \frac{3 \times 25}{100} = \frac{75}{100} = 0.75$
$E(17) = \frac{78 \times 25}{100} = \frac{1950}{100} = 19.50$	$E(42) = \frac{78 \times 50}{100} = \frac{3900}{100} = 39$	$E(19) = \frac{78 \times 25}{100} = \frac{1950}{100} = 19.5$
$E(4) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$	$E(14) = \frac{12 \times 50}{100} = \frac{600}{100} = 6$	$E(4) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$
$E(3) = \frac{7 \times 25}{100} = \frac{175}{100} = 1.75$	$E(2) = \frac{7 \times 50}{100} = \frac{350}{100} = 3.5$	$E(2) = \frac{7 \times 25}{100} = \frac{175}{100} = 1.75$

Calculation of chi-square (χ^2) 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
				$\sum \left[\frac{(O-E)^2}{E} \right] = 14.4689$

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

Table- 4.3 (Degree of Consumer Satisfaction With Available Pepsi Products)

$E(4) = \frac{17 \times 25}{100} = 4.25$	$E(10) = \frac{17 \times 50}{100} = 8.5$	$E(3) = \frac{17 \times 25}{100} = 4.25$
$E(8) = \frac{39 \times 25}{100} = 9.75$	$E(19) = \frac{39 \times 50}{100} = 19.5$	$E(12) = \frac{39 \times 25}{100} = 9.75$
$E(9) = \frac{32 \times 25}{100} = 8$	$E(16) = \frac{32 \times 50}{100} = 16$	$E(7) = \frac{32 \times 25}{100} = 8$
$E(2) = \frac{6 \times 25}{100} = 1.5$	$E(2) = \frac{6 \times 50}{100} = 3$	$E(2) = \frac{6 \times 25}{100} = 1.5$
$E(1) = \frac{6 \times 25}{100} = 1.5$	$E(3) = \frac{6 \times 50}{100} = 3$	$E(1) = \frac{6 \times 25}{100} = 1.5$

Calculation of chi-square value

Observed frequency (O)	Expected frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
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
2	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
				$\sum \left[\frac{(O-E)^2}{E} \right] = 2.743$

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

Table 4.4 (Effectiveness of Promotional Scheme)

$E(46) = \frac{207 \times 375}{1500} = 51.75$	$E(133) = \frac{207 \times 750}{1500} = 103.50$	$E(48) = \frac{207 \times 375}{1500} = 51.75$
$E(75) = \frac{250 \times 375}{1500} = 62.5$	$E(118) = \frac{250 \times 750}{1500} = 125$	$E(57) = \frac{250 \times 375}{1500} = 62.5$
$E(61) = \frac{276 \times 375}{1500} = 69$	$E(142) = \frac{276 \times 750}{1500} = 138$	$E(73) = \frac{276 \times 375}{1500} = 69$
$E(85) = \frac{337 \times 375}{1500} = 84.25$	$E(163) = \frac{337 \times 750}{1500} = 168.50$	$E(89) = \frac{337 \times 375}{1500} = 84.25$
$E(108) = \frac{430 \times 375}{1500} = 107.50$	$E(214) = \frac{430 \times 750}{1500} = 215$	$E(108) = \frac{430 \times 375}{1500} = 107.5$

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	0.484
73	69	4	16	0.2319
89	84.25	4.75	22.5625	0.2678
108	107.50	0.5	0.25	0.0233
				$\sum \left[\frac{(O-E)^2}{E} \right] = 7.042$

Degree of freedom (d.f.) = (v-1) (c-1) = (5-1) (3-1) = 8

Table 4.5 (Effectiveness of Advertising 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 (E)	(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
				$\sum \left(\frac{(O-E)^2}{E} \right) = 8.3$

$$\begin{aligned}
 \text{Degree of freedom (d.f.)} &= (r-1)(c-1) \\
 &= (4-1)(3-1) \\
 &= 6
 \end{aligned}$$

Table 4.6 (Location Affects Their Buying Decision)

$E(67) = \frac{250 \times 375}{1500} = 62.50$	$E(110) = \frac{250 \times 750}{1500} = 125$	$E(73) = \frac{250 \times 375}{1500} = 62.5$
$E(57) = \frac{243 \times 375}{1500} = 60.75$	$E(125) = \frac{243 \times 750}{1500} = 121.5$	$E(61) = \frac{243 \times 375}{1500} = 60.75$
$E(98) = \frac{343 \times 375}{1500} = 85.75$	$E(157) = \frac{343 \times 750}{1500} = 171.5$	$E(88) = \frac{343 \times 375}{1500} = 85.75$
$E(84) = \frac{337 \times 375}{1500} = 84.25$	$E(176) = \frac{337 \times 750}{1500} = 168.5$	$E(77) = \frac{337 \times 375}{1500} = 84.25$
$E(69) = \frac{327 \times 375}{1500} = 81.75$	$E(182) = \frac{327 \times 750}{1500} = 163.5$	$E(76) = \frac{327 \times 375}{1500} = 81.75$

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-1) = (5-1) (3-1) = 8

Table 4.7 (Consumers Usually Buying Stores)

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

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
				$\sum \left[\frac{(O-E)^2}{E} \right] = 3.922$

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

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

$$= 4$$

Table 4.8 (Brand Choice Behaviour of Consumers)

$E(53) = \frac{199 \times 525}{2100} = 49.75$	$E(95) = \frac{199 \times 1050}{2100} = 99.50$	$E(51) = \frac{199 \times 525}{2100} = 49.75$
$E(79) = \frac{283 \times 525}{2100} = 70.75$	$E(134) = \frac{283 \times 1050}{2100} = 141.50$	$E(70) = \frac{283 \times 525}{2100} = 70.75$
$E(100) = \frac{386 \times 525}{2100} = 96.50$	$E(95) = \frac{386 \times 1050}{2100} = 193$	$E(91) = \frac{386 \times 525}{2100} = 96.50$
$E(69) = \frac{283 \times 525}{2100} = 70.75$	$E(147) = \frac{283 \times 1050}{2100} = 141.50$	$E(67) = \frac{283 \times 585}{2100} = 70.75$
$E(129) = \frac{532 \times 525}{2100} = 133$	$E(266) = \frac{532 \times 1050}{2100} = 266$	$E(137) = \frac{532 \times 525}{2100} = 133$
$E(95) = \frac{417 \times 525}{2100} = 104.25$	$E(213) = \frac{417 \times 525}{2100} = 208.50$	$E(109) = \frac{417 \times 525}{2100} = 106.25$

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	-4.5	0.2035
134	141.50	-7.5	0.3975
195	193	2	0.0207
147	141.50	5.5	0.2138
266	266	0	0
213	208.50	4.5	0.0971
51	49.75	1.25	0.0314
70	70.75	-0.75	0.008
91	96.50	-5.5	0.3135
67	70.75	-3.75	0.1988
137	133	4	0.1203
109	106.25	2.75	0.0712
			$\sum \left[\frac{(O-E)^2}{E} \right] = 3.9614$

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

Table - 4.9 (Factors Influencing in Selecting Pepsi Products)

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

Computation 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
4	3	1	0.333
5	3	2	1.333
3	4	-1	0.25
31	26.5	4.5	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	1	0.333
			$\sum \frac{(O-E)^2}{E} = 6.7807$

$$\begin{aligned} \text{Degree of freedom (d.f.)} &= (r-1)(c-1) \\ &= 4 \times 2 \\ &= 8 \end{aligned}$$

Appendix-D

Table 4.4 Calculation of Weighted no. of Respondents and Total Weighted Number

Rank Orders of Promotional Scheme and Their Weighted Response

Rank Res Sch	1						2						3						4					
	Business		Student		Service		Business		Student		Service		Business		Student		Service		Business		Student		Service	
	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei
UTC	15	15	23	23	12	12	3	6	8	16	6	12	3	9	8	24	4	12	4	16	5	20	3	12
X%	5	5	8	8	6	6	5	10	27	54	10	20	6	18	7	21	6	18	3	12	5	20	2	8
X item	5	5	7	7	4	4	10	20	6	12	5	10	6	18	28	84	9	27	2	8	6	24	3	12
R _s X	0	0	7	7	1	1	5	10	7	14	3	6	7	21	6	18	4	12	11	44	26	104	15	60
Sub.	0	0	5	5	2	2	2	4	2	4	1	2	3	9	1	3	2	6	5	20	8	32	2	8
Total	25	25	50	50	25	25	25	50	50	100	25	50	25	75	50	150	25	75	25	100	50	200	25	100

5						Total						Wei. Total	Rank
Business		Student		Service		Business		Student		Service			
No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei		
0	0	6	30	0	0	25	46	50	113	25	48	207	1
6	30	3	15	1	5	25	75	50	118	25	57	250	2
2	10	3	15	4	20	25	61	50	142	25	73	276	3
2	10	4	20	2	10	25	85	50	163	25	89	337	4
15	75	34	170	18	90	25	108	50	214	25	108	430	5
25	125	50	250	25	125	125	375	250	750	125	375	1500	

Table 4-5 Calculation of Weighted No. of Respondents and Total Weighted Number

Rank Orders of Media advertising and Their Weighted Responses

Rank Res. Media	1						2						3					
	Business		Student		Service		Business		Student		Service		Business		Student		Service	
	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei
T.V.	10	10	38	38	11	11	6	12	4	8	6	12	5	15	5	15	4	12
FM/ Radio	10	10	6	6	10	10	8	16	27	54	7	14	5	15	13	39	6	18
Press	4	4	4	4	3	3	9	18	12	24	7	14	9	27	22	66	6	18
Hoardng	1	1	2	2	1	1	2	4	7	14	5	10	6	18	10	30	9	27
Total	25	25	50	50	25	25	25	50	50	100	25	50	25	75	50	150	25	75

4						Total						Wei. Total	Rank
Business		Student		Service		Business		Student		Service			
No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei		
4	16	3	12	4	16	25	53	50	73	25	51	177	1
2	8	4	16	2	8	25	49	50	115	25	50	214	2
3	12	12	48	9	36	25	61	50	142	25	71	274	3
16	64	31	124	10	40	25	87	50	170	25	78	335	4
25	100	50	200	25	100	125	250	250	500	125	250	1000	

Table 4.6 - Calculation of Weighted No. of Respondents and Total weighted Number

Rank Orders of Location and Their Weighted Response

Rank Res. Loc.	1						2						3					
	Business		Student		Service		Business		Student		Service		Business		Student		Service	
	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei
Ret.	8	8	19	19	7	7	2	4	11	22	3	6	8	24	13	39	5	15
R&B	10	10	15	15	9	9	6	12	13	26	5	10	4	12	9	27	5	15
Home	2	2	7	7	2	2	3	6	13	26	5	10	4	12	9	27	6	18
Street	1	1	4	4	2	2	6	12	9	18	8	16	3	9	9	27	3	9
Anywhere	4	4	5	5	5	5	8	16	4	8	4	8	6	18	10	30	6	18
Total	25	25	50	50	25	25	25	50	50	100	25	50	25	75	50	150	25	75

4						5						Total						Wei. Total	Rank
Business		Student		Service		Business		Student		Service		Business		Student		Service			
No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei		
4	16	5	20	5	20	3	15	2	10	5	25	25	67	50	110	25	73	250	2
2	8	8	32	3	12	3	15	5	25	3	15	25	57	50	125	25	61	243	1
2	8	8	32	2	8	14	70	13	65	10	50	25	98	50	157	25	88	343	5
13	52	13	52	10	40	2	10	15	75	2	10	25	84	50	176	25	77	337	4
4	16	16	64	5	20	3	15	15	75	5	25	25	69	50	182	25	76	327	3
25	100	50	200	25	100	25	125	50	250	25	125	125	375	250	750	125	375	1500	

**Table 4.8 Calculation of Weighted no. of Respondents and Total Weighted Number
Rank Order of Brand Choice and Their Weighted Responses**

Rank Res. (Brand)	1						2						3						4					
	Business		Student		Service		Business		Student		Service		Business		Student		Service		Business		Student		Service	
	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei
Pepsi	13	13	25	25	13	13	3	6	14	28	5	10	4	12	5	15	2	6	3	12	3	12	3	12
Minimela	3	3	11	11	3	3	4	8	14	28	8	16	10	30	12	36	7	21	4	16	8	32	5	20
7up	1	1	2	2	2	2	3	6	7	14	2	4	3	9	9	27	8	24	8	32	11	44	6	24
M Dew	4	4	9	9	6	6	11	22	10	20	8	16	3	9	15	45	3	9	3	12	9	36	4	16
Soda	1	1	0	0	0	0	1	2	2	4	0	0	1	3	3	9	2	6	3	12	5	20	2	8
Slice	3	3	3	3	1	1	3	6	3	6	2	4	4	12	6	18	3	9	4	16	14	56	5	20
Total	25	25	50	50	25	25	25	50	50	100	25	50	25	75	50	150	25	75	25	100	50	200	25	100

5						6						Total						Wei. Total	Rank
Business		Student		Service		Business		Student		Service		Business		Student		Service			
No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei	No	Wei		
2	10	3	15	2	10	0	0	0	0	0	0	25	53	50	95	25	51	199	1
2	10	3	15	2	10	2	12	2	12	0	0	25	79	50	134	25	70	283	3
8	40	18	90	5	25	2	12	3	18	2	12	25	100	50	195	25	91	386	4
2	10	5	25	4	20	2	12	2	12	0	0	25	69	50	147	25	67	283	2
3	15	7	35	3	15	16	96	33	198	18	108	25	129	50	266	25	137	532	6
8	40	14	70	9	45	3	18	10	60	5	30	25	95	50	213	25	109	417	5
25	125	50	250	25	125	25	150	50	300	25	150	150	525	300	1050	150	525	2100	