

“A STUDY ON CONSUMER BEHAVIOR”
(With Special Reference Pepsi Product of Varun Beverages (Nepal)
Pvt. Ltd. In Case of Sunsari District)

By:

Albina Basnet

Janta Multiple Campus

T.U. Regd. No.:

Exam roll No:- 2180033-2064/066



Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University



In Partial fulfillment of the requirement for the Degree of
Master of Business Studies (M.B.S.)

Hansposha-2, Tarahara

March, 2012



TRIBHUWAN UNIVERVERSITY
JANTA MULTIPLE CAMPUS

Tel No. 025-581300

RECOMMENDATION

This is to certified that the thesis

Submitted by

Albina Basnet

Entitled to

“CONSUMER BEHAVIOR”
(With Special Reference Pepsi Product of Varun Beverages)

Has been prepared as approved by this department in the prescribed format of the faculty of management. This thesis is forwarded for examination.

.....

Bishnu Prasad Bhattarai	Santiram Khanal	Narad Uprety
(Supervisor)	(Head of the Research Department)	(Campus Chief)



TRIBHUWAN UNIVERSITY
CENTRAL DEPARTMENT OF MANAGEMENT

VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis submitted

by

Albina Basnet

Entitled to

“CONSUMER BEHAVIOR”

(With Special Reference Pepsi Product of Varun Beverages)

And found that the thesis to be original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the Degree of Master of Business Studies (M.B.S.)

Viva-Voce Committee:

Head, Research Department

Member (Thesis Supervisor)

Member (External Expert)

Date:

DECLARARION

I hereby, declare that the work reported in this thesis entitled “A STUDY ON CONSUMER BEHAVIOR (With Special Reference Pepsi Product of Varun Beverages (Nepal) Pvt. Ltd. In case of Sunsari district)” submitted to the Research Department of Janta Multiple 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. Bishnu Prasad Bhattarai.

.....

Albina Basnet

Janta Multiple Campus

Exam Roll No. 2180033-2064/066

T.U. Registration no...

Date :.....

ACKNOWLEDGEMENTS

The study “A STUDY ON CONSUMER BEHAVIOR (With Special Reference Pepsi Product of Varun Beverages (Nepal) Pvt. Ltd. In Case of Sunsari District)” 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. Bishnu Prasad Bhattarai whose proper guidance and direction made it possible to complete this thesis. I would like to express my acknowledgement to Mr. Shantiram Khanal, head of research department of Janta Multiple Campus. I would like to express my acknowledgement to Mr. Narad Upreti, Campus Chief, Janta Multiple Campus. I am also thankful to teacher and other staffs of department of Management.

I am gratefully to Mr. Binod Basnet, whose help computerizes the overall of thesis paper. I am indebted to my sisters and my friend Miss Shanta khadka.

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

.....
Albina Basnet
Janta Multiple Campus

Executive summary

This thesis (“a study on consumer behavior with special reference Pepsi product of Varun beverages(Nepal) Pvt. Ltd. In case of Sunsari district)”has been submitted by Albina Basnet and done for the partial fulfillment of the MBS Program.

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 consumer buying behavior for long-term survival in today’s changing, and competitive business environment. However, under standing of consumer behavior is becoming more complex and complicated standing 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 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 form India. However, Nepalese market is small, the researcher tries to enhance or support to understand the consumers’ behavior in Nepal.

This study is very small. So the thesis prepare has been divided into five specific chapters or parts.

The first chapter (introduction) includes background of the study and company, statement of the problem, objectives of the study, significance of the study, limitation and organization of the study. So the researcher has limited objectives. In this study the researcher has tried to find out the consumption pattern of consumer, degree of consumer satisfaction, effectiveness of promotional schemes, effectiveness of advertising media, location, store and brand awareness of consumers, and factors influencing consumers purchase decision.

The second chapter (review of literature) contains conceptual review, review of previous studies and research gap. In conceptual review includes introduction and models of consumer behavior and introduction of advertising, brand, brand awareness, marketing concepts etc.

The third chapter (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.

The population of this study is the consumers of Pepsi product, who are exposed to the advertisements of Pepsi brand by different medium. The sample of the study comprised of 100 consumers (25 business man, 25 service holder, and 50 students) in Sunsari district. A judgmental sample method is used to select the samples. A well set of questionnaire is the main source of information. These questionnaires are served, collected and tabulated for analysis. Tabulated data are analyzed using possible statistical tools and percentage methods to attain the stated objectives of the study.

The fourth chapter (data presentation and analysis) is explanatory in nature and deals with consumption pattern of Pepsi consumers, consumer satisfaction, and effectiveness of promotional activities of the company, effectiveness of the media advertising, location, stores and brand awareness of the company and also

includes major findings of the study. In major findings we can see the findings of consumer behavior toward Pepsi product.

The last chapter provides summary, conclusion and recommendations. Conclusion based upon the objectives of the study and recommendation is made on the basis of conclusion.

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; most of consumer consume Pepsi product in 4 to 7 times within a week. 78% respondents consumer Pepsi product at noontime, respondents prefer to drink Pepsi products first at restaurant and bar and then Retail shop, anywhere, street side and home. Majority of the respondents have placed Pepsi-cola the first priority and other products like mountain dew, Mirinda, 7'up, slice and soda in that order. Seventy six percent and more than seventy consumers are usually buying Pepsi products from grocery store and etc.

On the basis of analysis and findings the study has forwarded some recommendations. They are 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 if 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 advertising, visuals and 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 etc.

This thesis is descriptive and analytical in nature and able to meet the target as desired by the researcher. The thesis consists of all the material required by the

format. Researcher hopes that this thesis will be helpful for all those who seek information about consumer behavior toward Pepsi products.

.

TABLE OF CONTENTS

Front page	
Recommendation	
Viva-Voce Sheet	
Declaration	
Acknowledgements	V
Table of Contents	VI
List of Table	VII
List of Figure	VIII
Abbreviation	IX
CHAPTER ONE	
INTRODUCTION	1-15
1.1 Background of The Study	1
1.2 Background of The Company	7
1.3 Statement of The Problem	12
1.4 Objectives of The Study	13
1.5 Significance of The Study	13
1.6 Limitation of The Study	14
1.7 Organization of The Study	14
1.8 Research Hypothesis	15
CHAPTER TWO	
REVIEW OF LITERATURE	16-45
2.1 Conceptual Review	16
2.1.1 Introduction of Consumer Behavior	16
2.1.2 Traditional Model of Consumer Behavior	18
2.1.2.1 Economic Models	18
2.1.2.2 Behavioral Economic Models	20
2.1.3 Consumer Decision Rules of Heuristics	21
2.1.3.1 Compensatory Decision Rule	21
2.1.3.2 Non-Compensatory Decision Model	22
2.1.4 Consumer Decision Process	23
2.2 Introduction of Advertising	26
2.2.1 Introduction of Promotional Activities	27
2.2.2 The Advertising and Consumer Behavior	28
2.3 Marketing Concept	29
2.3.1 Evolution of Marketing	30
2.3.2 Marketing and Advertising	31
2.4 Brand	32
2.4.1 Brand Awareness	33
2.4.2 Brand Switching	35
2.4.3 Brand Preference	36
2.4.4 Brand Loyalty	37

2.4.5 Brand and Consumers	40
2.5 Review of Previous Studies	41
2.6 Research Gap	44
CHAPTER THREE	
RESEARCH METHODOLOGY	46-49
3.1 Introduction	46
3.2 Research Design	46
3.3 The Population	46
3.4 The Sampling Procedure	47
3.5 Nature and Sources of Data	47
3.6 Data Collection Technique	47
3.7 Analytical Tools and Procedure	48
CHAPTER FOUR	
DATA PRESENTATION AND ANALYSIS	50-66
4.1 Consumption Pattern of Pepsi Consumer	50
4.2 Time Related Consumption Behavior	52
4.3 Degree of Consumer Satisfaction	54
4.4 Effectiveness of Promotional Schemes of the Company	57
4.5 Effectiveness of the Advertising Media of the Company	58
4.6 Location, Store and Brand Awareness of Consumers	60
4.7 Factors Influencing Consumer Purchase Decision	64
4.8 Major Findings of the Study	65
CHAPTER FIVE	
SUMMARY, CONCLUSION AND RECOMMENDATION	67-72
5.1 Summary	67
5.2 Conclusion	69
5.3 Recommendation	70
Bibliography	
Appendix-I	
Appendix-II	
Appendix-III	
Appendix-IV	

LIST OF TABLES

	Page
1.1 Role of consumer Behavior	2
1.2 Characteristics of Consumer problem-solving Approach	7
1.3 Employment Profile	9
1.4 Brand , Flavor and Pack size of the Company's Product	11
2.1 Types of Advertising	27
4.1 Consumption Pattern of Pepsi Consumer	52
4.2 Time Related Usage Behavior of Pepsi Consumer	54
4.3 Degree of Consumer Satisfaction With Available Pepsi Products	56
4.4 Weighted Responses of The Respondents About the Promotional Schemes	58
4.5 Weighted Responses of the Respondents About the Advertising Media	60
4.6.1 Weighted Responses of Pepsi Consumers About the Location	62
4.6.2 Consumers Usually Buying Store	63
4.6.3 Brand Awareness and Rank Order of Responses.	65
4.7 Factor Influencing the Selection of Pepsi Product.	67

LIST OF FIGURES

	Page
1.1 Organizational Structure of Pepsi Company	10
2.1 A Simplified Representation of Behavioral Economic Prospective	21
4.1 A Chart Structure of Consumption Pattern	53

ABBREVIATION

Bus.	Business
CEO.	Chief The Officer
d.f.	Degree of Freedom
E.P.S.	Extended Problem Solving
F.M.	Frequency Modulation
G.M.	General Manager
Int.	Intermediate
L.P.S.	Limited Problem Solving
Mkt.	Marketing Assistant
No.	Number
Pvt. Ltd.	Private Limited
Res.	Respondents
R.P.S.	Routines Problem Solving
R. Shop	Retail Shop
Ser.	Service
S.L.C.	School Living Certificate
Stu.	Student
T.V.	Television
U.T.C.	Under The Crown
Wei.	Weighted
Wei. No.	Weighted Number