

CONSUMER BUYING BEHAVIOR OF GORKHA BEER IN CHITWAN DISTRICT

Submitted by

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in Chitwan District**

has been prepared as approved by this department in the prescribed format of
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VIVA-VOCE SHEET

We have conducted the Viva-Voce examination of the
Thesis presented by
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**Consumer Buying Behaviour of Gorkha Beer
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DECLARATION

I hereby declare that the work reported in this thesis entitled “**Consumer Buying Behavior of Gorkha Beer in Chitwan District**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (MBS) under the supervision **Mr. Damodar Paudel** of Birendra Multiple Campus Bharatpur, Chitwan.

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CHAPTER - I

INTRODUCTION

1.1 General Introduction

Consumer behaviour is about how people make their decisions on personal or household products with the use of their available resources such as time, money and effort as mentioned by Schiffman and Kanuk (2000). Further, a holistic view that defines consumer behaviour as the activities and the processes in which individuals or groups choose, buy, use or dispose the products, services, ideas or experiences as provided by Gabbott and Hogg (1998) and Blackwell et al. (2006).

The study of consumer buying behaviour is of utmost importance in a number of aspects. First of all, consumer behaviour can influence the economic health of a nation (Blackwell et al., 2006). Consumers would have their preferences in purchasing products from specific retailers and hence the remaining retailers are selected using the rule of ‘survival of the fittest’. Therefore, consumers’ decisions can provide a clue for which industry to survive, which companies to succeed, and also which products to excel. Second, through understanding the reasons for consumers to buy the products and their buying habits, the firms can make use of such information to devise corresponding marketing strategies in response to the consumers’ needs (Blackwell et al., 2006). For instance, tailor-made products can be made to enhance customer value and thus facilitate repeat purchase (Gabbott and Hogg, 1998). Moreover, present consumer behaviour studies regard consumers as important determinants of organizational success and it is found that the most successful organizations are customer-centric (Blackwell et al., 2006).

The notion ‘the consumer is king’ should be deep-rooted in every business people’s mind that they should try to please these kings using their innovative methods. Consumer behaviour refers to the activities in which people acquire, consume and dispose products and services (Blackwell et al., 2001). Owing to the proliferation of brands in the recent

decades, there is a growing number of researches conducted in the field of consumer buying behaviour.

Nepalese market is rich in supply and demand of alcohol. It has a good number of customer as well as consumer for both hard and soft alcoholic drinks. In fact the culture also promotes consumption of drinks as a part of worship. Thus there exist different brands of beers, liquors and hard drinks. Some of these are produced domestically and some are imported. Here the study will focus on the market and the different behaviors of consumer on beer market in general, and on the brand named “Gorkha” specifically.

Beer, which has good market in the country are available in different brands viz., Tuborg, Carlsberg, San Miguel, Royal Danish Tuborg, Gorkha, Gorkha Strong, Everest, Golden Tiger, Iceberg, Kathmandu, Star Gold, Real Gold, Oranjeboom, Hayward 5000, Lowenbraeu and so on. Imported beer brands in Nepalese market are Heniken, Budwiser etc. Organizations producing different beer brands are Gorkha Brewery, Mt. Everest Brewery, Himalayan Brewery, United Brewery and CG Brewery. Imported beer brands in Nepalese market are Heniken, Budwiser etc. Among all these brands Gorkha is the most prominent choice of customer as well as consumer throughout Narayani zone. Gorkha has a good market position comparatively with other brands as it is consistent in marketing. The change in preferences of consumer is cause of the changing behavior or taste of the customer so it is needed to study about knowledge of customer likes and dislikes. There are different factors (social & cultural, environmental, geographical, political, economic, expectation from product) that make them stay with or shift from one brand to another.

1.2 Focus of the Study

The present study tries to focus on the marketing of the Gorkha Beer in Chitwan district. Gorkha Beer can be found in 650 ml bottle. The reason of increasing the consumption of beer in Nepal is due to increment in density of population, advertisement campaign,

changing life style and culture which support for drinking habit to the people. There are five industries producing beer of different type and standard and have tough competitions among them.

In this modern marketing era, every marketer should understand the consumer's satisfaction which creates the behavior of consumers. In this era of competitive marketing, successful marketing of the products can only be done through understanding of consumer tastes, choice, preference or, say consumer behavior. As the focus of this study is "consumption pattern, attitude, image, attraction and marketing of Gorkha Beer". The manufactures or marketers of the Gorkha Beer will be benefited by the study.

This study will examine the present marketing scenario of beers in Chitwan district and try to find out the marketing variables attaching the Gorkha beer. The research also focused on the role played by consumption pattern, attitude, image and attraction of the Gorkha Beer.

1.3 Statement of the Problem

The demand of the beer is increasing in Nepal as in other country. The main reason of increasing the consumption of beer in Nepal is due to either increment in density of population or advertisement campaign. Besides these, changing life style and influence by western culture also support for drinking habit to the people. The problems which forced to research on the above topic are as follows:

- 1) What is the consumption pattern of beer according to the different age, sex, profession, different seasons and different occasion?
- 2) Why does consumer not use cheaper Cold drinks with comparison to beer?
- 3) Why do they not use liquors which contain more alcohol?
- 4) What is the pattern of brand shift in Beer market?

- 5) What is strength of Gorkha beer and which strategy (possible) should the marketing department apply to retain the customer of Tuborg?

1.4 Objective of the Study

The primary research objective will be to determine the consumer buying behaviour of Gorkha Beer in Chitwan district. The following will be secondary research objectives, namely:

- 1) To examine the consumption of beer on the basis of age, sex, profession, different seasons and different occasion also.
- 2) To analyze the consumer's view regarding soft drinks with comparison to beer.
- 3) To analyze the consumer's view regarding hard drinks with comparison to beer.
- 4) To describe the reason why consumers of Tuborg and other brands are shifting to Gorkha beer and purpose of consuming it.
- 5) To describe the strength of Gorkha beer in terms of product, price, place, promotion, taste, packaging and attractiveness that forces the consumer towards it and to know implementation of marketing strategy of Tuborg beer.

1.5 Hypothesis of the Study

The hypothesis of the study is as follows:

Null Hypothesis H_0 : There is no significant difference in preference of Gorkha beer and other brands of beers.

Alternative Hypothesis H_1 : Gorkha beer has greater preference than other brands available in the market.

1.6 Limitations of the Study

The research will be based on consumer behavior and there is no limitation of behavior, so it will be covered only few areas of the consumer behaviors.

- i) Time constraints are one of the crucial factors affecting the study. To conduct a comprehensive research work in short period is difficult so the study will be covered a very limited area.
- ii) The research work will be covered only Chitwan district since it is geographically central part of Nepal and it is also supposed to be alternative of capital of Nepal, further, it has mixed sociological structure and so called 76th district of Nepal.
- iii) Data collection procedure will be questionnaire and or survey method for primary data and from Gorkha Brewery Pvt. Ltd. for secondary data.
- iv) It will be difficult to get relevant data from competitors' brewery.
- v) There will be always consumers' biasness in the study.

1.7 Organization of the Study

The study will be divided into main five chapters. They are as follows:

Chapter – I Introduction

The first chapter deals on the background of the study, statement of the problem, objective of the study, importance of the study and limitation of the study.

Chapter – II Review of Literature

The second chapter includes the review of related literature.

Chapter – III Research Methodology

It includes the research design, sample selection, methods of data collection and method of analysis.

Chapter – IV Presentation and Analysis of Data

The fourth chapter includes the presentation and analysis of data. The major finding of the study is also the last of this chapter.

Chapter – V Summary, Recommendation and conclusion

Finally, the fifth chapter deals with summary, conclusion and recommendation of the study.

Bibliography and other appendices are presented at the end of the study report.

CHAPTER - II

REVIEW OF LITERATURE

2.1 Theoretical Framework

2.1.1 Marketing: An Overview

A century ago, most firms were production oriented business philosophy stressing efficiency in product using a quality product was the root causes of the altitude towards marketing that, “A good product will sell itself automatically.” The essence of the production era of marketing was reflected in a settlement made 100 years ago by the philosopher. Ralph walled Emerged when he said ,”If a man writes a better book, preaches a better sermon or makes a better mousetrap then his neighbor, through he builds, his house in the wood, the world will make a better path to his door. ” As production techniques become more sophisticated & output expanded magnificently, manufactures began to increase the emphasis of effective sales force to find customers for their product. In this era firms try to match the output to customers. Therefore Levitt pointed out Marketing is the different from selling as chemistry is form alchemy, astronomy from astrology, chess from checkers.” Focus of marketing in last decade has shifted from producers to consumers. Consumers are regarded as the ‘nucleus’ to all marketing activities. The reason for this shift was due to the realization of the fact that a quality product is not successful until it is effectively marketed. Marketing management has undergone a phenomenal metamorphous these days.

In the present days, marketing concept concentrates on the following aspects:

- Maximizing consumption
- Maximizing consumer’s satisfaction
- Maximizing choice
- Maximizing quality of work life

The essence of marketing is that enables an organization to find out what the customer's need. And it is also help to decide what product to make. Today's marketing environment is characterized by globalization, technological change and intense competition. Successful marketers are those who deliver what customers willing to purchase as well as ability to produce the same. For this reason, marketers today conduct many researches to study consumer behavior so as to recognize why and how individuals make their consumers decision. Once it is understood marketers become able to predict and shape their marketing strategies accordingly.

“The process of planning and executing this conception, pricing, promotion and distribution of ideas, goods, services to create exchanges that satisfy individuals and organizational objectives. The main focus is being on consumer need satisfaction as well as profit.”

“Marketing is a social and managerial process by which individuals and group obtain what they need and through creating offering exchanging product of value with others” (Kotler, 1998: 9).

“Marketing is a total system of business activities designed to plan, price, promote and distribute and satisfying product to target market to achieve organizational objectives” (Staton, 1999).

Similarly the American marketing association defines,” Marketing as the process of planning of executing this conception pricing promotions and distribution ideas goods of service to create exchange that satisfy individuals and organizational objectives. The main focus is being on consumer need satisfaction as well as markets profit” (AMA Chicago USA 1995).

2.2 Conceptual Review

2.2.1 Consumer

The term consumer is often used to describe two different kinds of consuming entities. The personal consumer and the organizational consumer (Schiffman and Kanuk, 2002). The professional consumer buys goods and services for his/her own use, for the use of household or as a gift for the friend. In each of these contexts, the goods are bought for final use by individuals, who are referred to as end-users or ultimate consumers.

The second category of consumer - the organizational consumer, includes profit and non-profit business, government agencies and institutions. All of which must buy products, equipment and services in order to run their organization. Manufacturing company must buy the raw materials and other components needed to manufacture and sell their own products, services. Companies must buy the necessary equipment to render the service they sell, government agencies must buy the office products needed to operate their agencies, and institutions must buy the materials they needed to maintain themselves and their populations.

2.2.2 Consumer Behavior

In simple terms, Consumer behavior means the behavior which consumer shows before or after purchase as well as the process of purchasing.

According to L.G., the terms consumer behavior can be defined as the behavior that the consumer display in searching for, purchasing, evaluating and disposing of products, services and ideas which they expect will satisfy their needs (Schiffman and Kanuk, 2002).

The study of the consumer behavior is the study of how individuals make decision to spend their available resource (time, money, efforts) on consumption related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how they buy it and how often they use it. Take the simple product toothpaste. Consumer researchers want to know what type of toothpaste consumer buy (gel, regular, stripped, in tube, with a pump) ; what brand (national brand, private brand, generic brand); why they buy it (to prevent cavities, to remove stains, to brighter or white teeth, to use it as a mouth wash, to attract romance); where they buy it (super market, drug store, convenience store); how often they use it (when they wake up, after each meal, when they go to bed, of any combination thereof); and how often they buy it (weekly, monthly).

J.C. Mowen defines consumer behavior as the study of the decision making units and processes involved in acquiring, consuming, and disposing of goods, services, experiences and ideas (Mowen, 1999: 5).

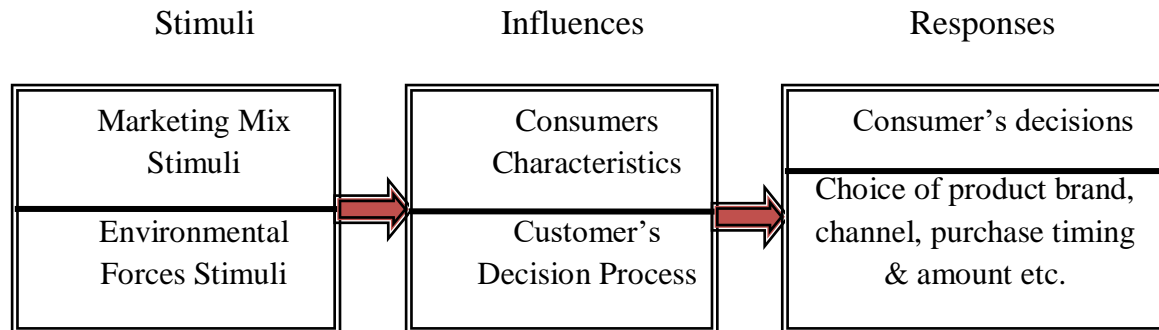
Consumer behavior is the study of how people buy, when they buy and they buy. It blends elements from psychology, Sociology, Socio-psychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups, it studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's wants. It also tries to assess influences in the consumer from group such as family, friends, reference groups, and society in general.

Belch and Belch define consumer behavior as 'the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires' ([http://en.wikipedia.org/wiki/consumer behavior](http://en.wikipedia.org/wiki/consumer_behavior)).

2.2.3 Model of Consumer Behavior

Figure 2.1

Model of Consumer Behavior



(Source: Agrawal, 2001: 164)

1. Stimuli

Consumers are stimulated by:

- a) Marketing mix consist of product, price, place and promotion variables.
- b) Environmental forces consisting of political, economics, technological & socio-cultural variables.

2. Influences:

Consumer behavior influenced by –

a. Consumer Characteristics: They consist of

Culture: It determines person's wants & behavior. Each culture consists subculture-nationalities, religions, racial groups. Social class is also important for consumer behavior.

Social: They are: reference groups, family, social rules and status.

Personal: They are: age and stage of life cycle, occupation, income, lifestyle, personality.

Psychological: They are: Motivation, Perception, Learning, Believes, and attitudes.

b. Consumers Decisions Process: It consists of:

- Problem recognizing
- Information search
- Evaluation of alternatives
- Purchase decision
- Post purchase behavior

3. Responses

They are consumer decision about:

- Product choice
- Brand choice
- Channel choice
- Purchase timing
- Purchase amount

Marketers can influence consumer behavior. They cannot control it.

Consumers are faced by the decision to buy or not to buy several times a day. It is important to understand how they actually make their buying decisions. Consumer buying process influences consumer behavior for making buying decisions.

Consumer behavior varies with the type of buying decision.

Buying decisions can be classified into:

- a. Low involvement purchase
- b. High involvement purchase

a. Low Involvement Purchase (Habitual Behavior)

It involves routine decision making. Products are repeatedly purchase as a habit. Many brands, low risk, small amount of money, short purchase time, passive interest in product information, positive attitude towards the product, short term product benefits & limited interest in the product characterize low involvement purchase. Examples are a cup of tea, tube of toothpaste.

b. High Involvement Purchase

It involves extensive decision making. The buying behavior in complex: few brand, high risk, large amount of money, long purchase time, active interest in product information, uncertain attitude towards the product. Long term product benefit and high interest in the product characterize high involvement purchase. Examples are; car, motorcycle, house, computer etc.

Table 2.1
Characteristics of Buying Decisions

| Characteristics | Low involvement purchase | High involvement purchase |
|------------------------------------|---------------------------------|----------------------------------|
| 1. Brand of the product | Many | Few |
| 2. Level of buying risk | Low | High |
| 3. Amount of money involved | Small | Large |
| 4. Purchase time needed | Short | Long |
| 5. Interest in product information | Passive | Active |
| 6. Attitude towards the product | Positive | Uncertain |
| 7. Product benefits | Short term | Long term |
| 8. Interest in the product | Limited | High |

(Source: Agrawal, 2001: 166)

• Buying Roles

Roles that people play in buying decision can be:

- a. Initiator: First to suggest the idea of buying the product
- b. Influencer: Gives advice to influence decision.
- c. Decider: Decides about buying.
- d. Buyer: Makes the actual purchase.
- e. User: Uses the product.

2.2.4 Basic Model of Consumer Decision Making

| Stage | Brief description | Relevant internal psychological process |
|--------------------------|---|---|
| Problem recognition | The consumer perceives a need and becomes motivated to solve a problem | Motivation |
| Information search | The consumer searches for information required to make a purchase decision. | Perception |
| Alternative evaluation | The consumer compares various brands and products. | Attitude formation |
| Purchase decision | The consumer decides which brand to purchase | Integration |
| Post-purchase evaluation | The consumer evaluates their purchase decision | Learning |

(Source: [http://en.wikipedia.org/wiki/Consumer behavior](http://en.wikipedia.org/wiki/Consumer_behavior))

Problem Recognition

Problem recognition results when there is a difference between one's desired state and one's actual state. Consumers are motivated to address this discrepancy and therefore they commence the buying process.

Source of problem recognition include:

- An item is out of stock
- Dissatisfaction with current product or service
- Consumer needs and wants
- Related products/purchases
- Marketer-induced
- New products

The relevant internal psychological process that is associated with problem recognition is motivation. A motive is a factor that compels action. Belch and Belch (2007) provide an explanation of motivation based on Maslow's hierarchy of needs and Freud's psychoanalytic theory.

Information Search

Once the consumer has recognized a problem, they search for search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumer undertake both an internal (memory) and an external search.

Sources of information include:

- Personal sources
- Commercial sources
- Public sources
- Personal experiences

The relevant internal psychological process that is associated with information search is perception. Perception is defined as ‘the process by which an individual receives, selects, organizes and interprets information to create a meaningful picture of the world’.

The selective perception process stage description selective exposure consumers select which promotional messages they will pay attention to Selective comprehension consumer interpret message in line with their beliefs, attitudes, motives and experiences selective retention consumers remember messages that are more meaningful or important to them.

You should consider the implications of this process on the development of an effective promotional strategy. First, which sources of information are more effective for the brand and second, what type of message and media strategy will increase the likelihood that consumers are exposed to our message, that they will pay attention to the message, that they will understand the message, and remember our message.

Alternative Evaluation

At this time the consumer compares the brands and products that are in their evoked set. How can the marketing organization increase the likelihood that their brand is part of the consumer’s evoked (consideration) set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organization needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision.

The relevant internal psychological process that is associated with the alternative evaluation stage is attitude formation. Belch and Belch (2007: 117) note that attitude is ‘learned predispositions’ towards an object. Attributes comprise both cognitive and effective elements – that is both what you think and how you feel about something. The

multi-attribute attitude model explains how consumers evaluate alternatives on a range of attributes. Belch and Belch (2007) identify a number of strategies that can be used to influence the process (attitude change strategies). Finally, there is a range of ways that consumers apply criteria to make decisions. Belch and Belch (2007) explain how information is integrated and how decision rules are made including the use of heuristics. The marketing organization should know how consumers evaluate alternatives on silent or important attributes and make their buying decision.

Purchase Decision

Once the alternatives have been evaluated the consumer is ready to make a purchase decision. Sometime purchase intension does not result in an actual purchase. The marketing organization must facilitate the consumer to act on their purchase intention. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an intensive to buy now. The relevant psychology process that is associated with purchase decision is integration.

Post Purchase Evaluation

Once the consumer has purchased and used the product, they will evaluate their purchasing decision. They compare the producer's performance with their expectations. If the product does not perform as expected they will experience post purchase dissatisfaction. When consumers purchase high involvement products, that are more expensive products for which they expose a greater purchasing effort in terms of time and search, they usually experience some level of discomfort after the purchase. That is, they experience some doubt that they made the right choice. This situation called 'cognitive dissonance'. You should consider the implication of post purchase for the marketing organization. How can the marketing organization minimize the likelihood of post purchase dissatisfaction and/or cognitive dissonance?

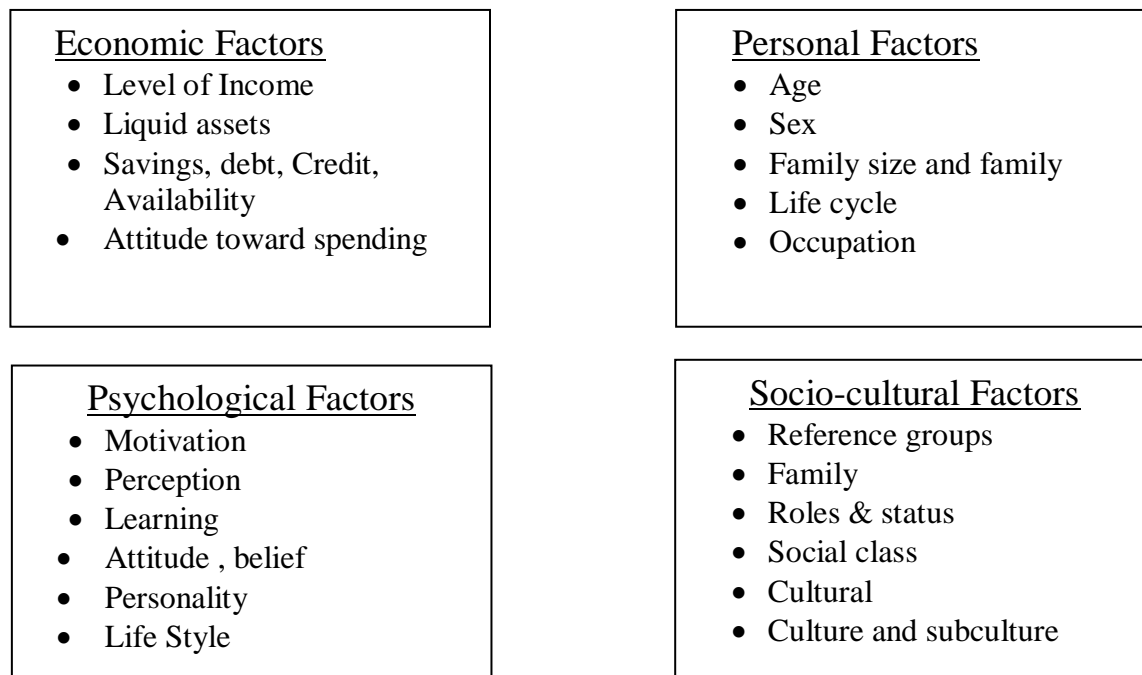
The relevant internal psychological process that is associated with post purchase evaluation is learning according to Belch and Belch (2007) discusses two basic approaches to learning theory behavioral and cognitive learning theory. Behavior learning theory proposes that stimuli from the environment influence behavior.

2.2.5 Factors Affecting Consumer Buying Decision

Consumer behavior is influenced by economic, personal, psychological, and socio-cultural factors.

Figure 2.2

Consumer Behavior Influencing Factors



(Source: Agrawal, 2001:169)

Economic Factors

Economic factors greatly affect buying decisions. They consist of:

i) Level of Income

The ability to spend is determined by the level of spend able income. Product choice of income sensitive products is very much dependent on income level.

ii) Liquid Assets

Consumers who don't have regular income may possess liquid assets like gold and shares. They provide spending power to the consumer.

iii) Saving, Debt and Credit Availability

They all affect consumer expenditure levels. High saving result in lower interest rates, credit availability by bank becomes cheaper through lower interest rates. This increases the level of consumer spending.

Table 2.2
Changing Consumer Expenditure in Nepal

| Particulars | 1984 (%) | 1996 (%) |
|--------------------|-----------------|-----------------|
| Food and Drinks | 62.6 | 53.2 |
| Others | 37.4 | 46.8 |
| Total Expenditure | 100 | 100 |
| House Rent | 12.7 | 14.9 |
| Education | 4.0 | 7.0 |
| Health | 4.6 | 8.0 |
| Cigarettes | 2.0 | 1.7 |
| Rice | 24.0 | 14.0 |
| Restaurant | 5.0 | 7.0 |

(Source: Agrawal, 2001: 170)

iv) Attitude Toward Spending

Negative attitude towards spending adversely affects the willingness of the consumers to spend. This influences the product choice.

Personal Factors: (Demographic Factors)

Personal factors consist of:

i) Age

Consumers buy different products according to age group. Their taste in food, cloths, recreation is age-related. Young consumers like to experiment new products and wear jeans. Older consumer prefers brand loyalty and dress conservatively.

ii) Sex

Male and female exhibit many differences in their buying behavior. Their needs also vary.

iii) Family Size and Family Life Cycle

Family size determines the level of expenditure and product choice. Buying decisions in larger families favor brand loyalty.

The family life cycle influences spending pattern. Product interests differ according to the stage in family life cycle: singles, bachelors, married, married with children and old.

iv) Occupation

Occupation influences the consumption pattern. Factory workers buy work cloths, bank managers buy expensive suits. Professional people generally dress properly.

Psychological Factors

Psychological factors consist of motivation, perception, learning, attitude, personality and lifestyle.

I) Motivation

A motive is a pressing need that drives consumers to seek satisfaction. It directs them to act towards goal-oriented behavior to reduce tension. Motives motivate consumers. Motivation is an activated state within the consumer that leads to goal-oriented behavior. A motivated consumer is ready to act. Various theories of motivation are:

a. Freud's theory of Motivation (Sigmund Freud)

This theory stated that unconscious motives influence consumer behavior. Consumers repress many urges in the process of growing up and socialization. These urges are never eliminated and unconsciously motivate consumer behavior.

In-Depth interviews with a few dozen consumers are conducted to uncover unconscious motives triggered by a product.

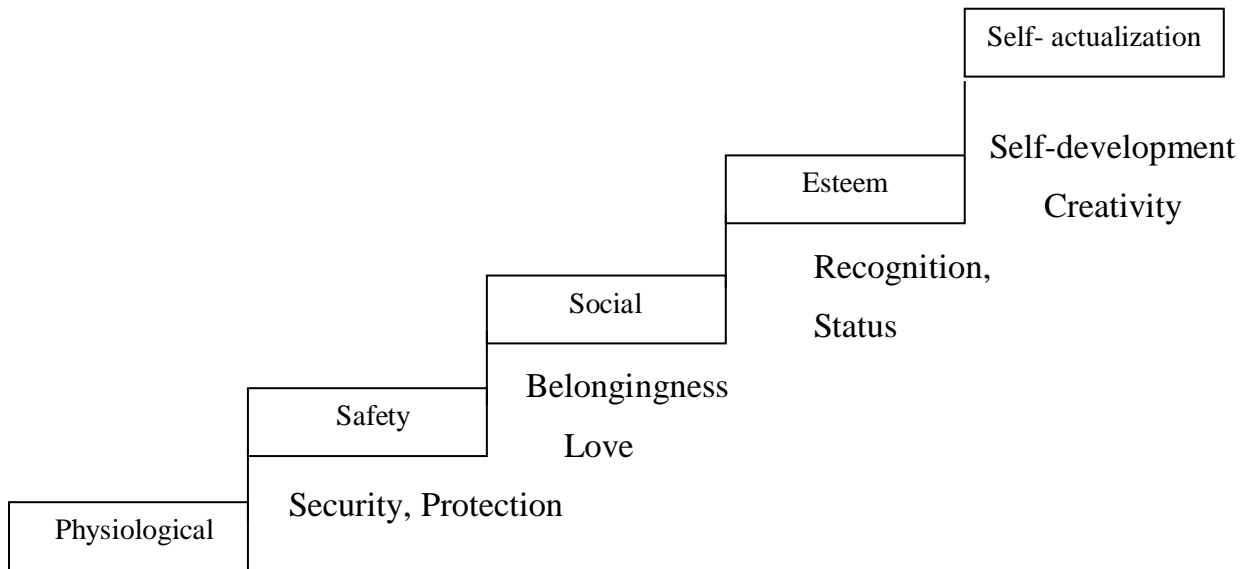
Freud's theory is based on the "hedonistic principle". It advocates that most human behavior originates from sex drive (libido)

b. Maslow's theory of Motivation (Abraham Maslow)

This theory states that:

- There is a hierarchy of consumer needs. They range from the most pressing to the least pressing. Consumers take a step-by-step approach and satisfy most pressing needs first.
- Satisfied needs do not motivate. Unfulfilled needs influence consumer behavior. The strength of the need depends on a hungry person is not much concerned about his prestige. Creative persons like poets and artists are more concerned about self-development. The needs have been classified in a hierarchy as follows:

Figure 2.3
Maslow's Hierarchy of Needs



Food, Shelter, Sex

(Source: Agrawal, 2001, p-173)

- **Psychological Needs**

They are the lowest level of needs and assume top priority. They include basic survival needs such as food, water, clothing, shelter, sex etc.

- **Safety Needs**

They consist of needs for protection from physical harm, ill-health, and economic deprivation. When consumer feel threatened, satisfy becomes an important needs. For examples, government employee in Nepal feels economic safety through provident fund. Nation health insurance provides health security in England and Scandinavian countries.

- **Social Needs**

They consist of needs for sense of belongingness, love, affiliation and friendship. Nepalese consumers tend to be highly influenced by social needs. Newars belong to various: “Guthis” to satisfy their social needs.

- **Esteem Needs**

They consist of needs for recognition, respect, status, and self-esteem. This is a higher level need. A “Boss” in Nepal expects ”Namaste” from his subordinates. Consumers act to “keep up with the Jones” to satisfy such needs. In Nepal, parents send their children to private boarding schools to “keep up with their neighbors”.

- **Self-Actualization Needs**

These are the highest level of needs. They consist of needs for self development, creativity, talent utilization and self-fulfillment. A teacher’s need to write an effective textbook or a student’s needs to secure first division are examples of such needs.

Maslow’s theory (Agrawal, 2001, p-173) is a useful guide for understanding which types of needs motives consumers.

C. Herzberg’s Theory of Motivation

This theory is based on two factors

- **Dissatisfier** or hygiene factors. They do not motivated but cause dissatisfaction when not presented. They consist of lower level of needs for survival, satisfy and belongingness.
- **Satisfiers** or motivating factors. They motivate and provide satisfaction but if not presented people will not be dissatisfied. They consist of higher level needs for esteem and self –actualization.

Table 2.3
Herzberg's Theory of Motivation

| Dissatisfier (Hygiene Factors) | Satisfiers (Motivating Factors) |
|---------------------------------------|--|
| Company policy and administration | Achievements |
| Technical supervision | Recognition |
| Interpersonal relations | Advancement |
| Salary | The work itself |
| Job security | Possibility of personal growth |
| Personal life | Responsibility |
| Work condition | |
| Status | |

Source: Agrawal, 2001: 174

Marketers should identify dissatisfies and avoid them. They should identify satisfiers and supply them to influence product choices.

This theory needs to be carefully applied in the Nepalese market where lower level needs, especially social needs, are important for motivating consumers.

II) Perception

Perception influences how the motivated consumer actually acts. Perception is the process of selecting, organizing, and interpreting information inputs by an individual to produce meaning. Consumers receive information through the five senses; see, hear, taste, smell, and touch. Perception gives meaning to information.

Consumers perceive the same situation differently because of:

- **Selective attention:** Consumers are selective in noticing information. They are more likely to notice stimuli that relate to their current needs.

- Selective distortion: Consumers distort information to suit their perceptions. They hear what they want to hear.
- Selective retention: Consumer tends to retain information that supports their attitudes and beliefs. They want to continue believing in what they believe. They retain a small fraction of information in their long term memory. Perception influences consumer behavior because it gives meaning to market stimuli. Marketers must understand how the consumers see the world around them. They should help their customers perceive their marketing mix in a positive way.

III) Learning

When consumers act, they learn. Learning is changes in an individual's behavior resulting from information and experience. Most human behavior is learned. There are various theories of learning.

a) Stimulus-Response Theory of Learning

According to Stimulus-Response theory learning occurs when

- A person responds to some stimulus by behaving in a particular way.
- The person is rewarded for a correct response or punished for an incorrect one.

b) Modern Theory of Learning

In modern theories of learning, four characters are essential to learning:

- Drive: A strong internal stimulus requiring action.
- Cues: Minor stimuli that determine the response. They are present in the environment.
- Reaction: Person's reaction to drive and cues.
- Reinforcement: If the result when the response is rewarding. It can be positive or negative. Repeated reinforcement leads to a habit or brand loyalty. Marketers should

help consumers learn about their marketing mixes and positively reinforce them to be loyal to the brand.

IV) Attitude and Belief

- a. Attitudes: Attitudes reflect like and dislikes of consumers. An attitude is a person's learned predisposition to respond toward some object in a consistently favorable or unfavorable way. Personal experiences, environment and situations mould the attitudes. They are learned, have consistency, and their either favorable or unfavorable about objects.

Attitude influences consumer behavior (Dr. Govinda Ram Agrawal, 2001, p-173.). generally, it is easy to change products than it is to change consumer's attitudes. Marketers should fit products into existing attitudes.

- b. Belief: A belief is 'a descriptive thought that a consumer holds about something'. It may be based on knowledge, opinion or faith. Beliefs make up product and brand images.

V) Personality

Personality is an individual's psychological traits that lead to enduring behavioral responses. Personality traits can be:

- Dominance or autonomy
- Self confidence or dependency
- Extrovert or introvert (Sociability)
- Adoptability or dogmatism
- Aggressive or friendly

Consumer personalities are reflected in the clothes they wear, vehicles they use, restaurant they eat, and jewelry they wear.

Personality traits do influence consumer behavior. But not much is known about how they influence behavior.

VI) Life Style

Life style is a person's pattern of living reflected in his activities, interest and opinions.

Activities: Work, hobbies, vacation, shopping, sports etc.

Interest: Family, home, job, fashion, food etc.

Opinions: Self, society, politics, business, products, etc.

Life style is an important viable for understanding how consumer spend their time, what are their interest, and what are their opinion about self and broad issues. It influences product needs and brand choices.

i) Psychographics is the science of measuring and categorizing consumer life style.

Socio-Cultural Factors

Social factors are influences that other people exert on consumer behavior. They consist of reference groups, family and social class.

1) Reference Groups

Reference groups consist of groups that have a direct or indirect influence on the consumer's attributes or behavior. They serve as points of reference on the consumer's judgment.

Reference groups influence consumer behavior in three ways:

- a. They expose consumer to new behavior and lifestyles by providing information.
- b. They influence consumer's value and attributes.
- c. They provide norms for consumer behavior. They create pressure for conformity to norms.

Reference groups can be of three types:

- a. Membership groups: A person holds membership of the group and has regular face-to-face contact. For example: family, co-workers, religious, professional, trade union groups.
- b. Aspiration groups: A person aspires to join the group but is not the member of the group. For example: a student may hope to become a member of the institute of chartered Accountants of Nepal.
- c. Dissociate groups: A person rejects the values, attitudes and behavior of the group. For example, a student may want to avoid relationship with “Hare ram group”.

Reference groups influence product and brand choices. Marketers should identify the reference groups of their target consumers to develop marketing mixes. Advertisers use well known athletes, musicians, actors, and professionally successful people to influence consumers who admire them and view them as opinion leaders.

2) Family

Two or more persons related by blood, marriage or adoption who reside together constitute a family.

The role (activities) performed by each member influences family purchase decision. The various roles are:

- a. Initiator: Suggest the idea for the product.
- b. Influencer: Provides information and advice about the product.
- c. Decider: Makes the buying decision.
- d. Buyer: Makes the actual purchase of product.
- e. Users: Uses or consumer the product.

The role changes with changes in household responsibilities, social values and employment patterns. In USA, children make decision breakfast cereal. In joint families of Nepal, the head of the household makes most of the purchase decisions.

Marketers should design marketing mix to target members who make key buying decisions.

3) Social Class

Ranking within a society determined by its member constitutes social class. It can be upper, middle and lower. It indicated preferences and lifestyle. Members share similar values, interest and behavior, social class reflects income, occupation, education and area of residence.

There are substantial differences in the buying behavior among classes. Marketing mixes need to be tailor to the specific social classes. Buying behavior of consumer is strongly influenced by the class to which they belong or to which they aspire. Nepal has a rigid social satisfaction. Yet, many lower class consumers aspire to move up to middle class, and middle class consumers to upper class.

4) Roles and Status

ii) Role: It consists of activities that a person is expected to perform in many groups.

Consumers perform many role.

Consumers choose product that communicate their role in the society.

iii) Status: It provided by the role.

Products provide status symbol.

Cultural

Cultural factors that influence consumer behavior consist of culture and subcultures:

i) Culture

Culture is represented by symbols artifacts created by a society and handed down from generation to generation. The symbol may be values, attitudes, beliefs, language, and religion. They can be also tools, products, work of arts, houses etc.

Culture reflects the ways people choose to live together.

Culture is learned behavior. It changes over time. Cross cultural influences and new challenges in the society influence consumer behavior. Food habits are very much influenced by cultural norms.

Marketers should offer marketing mixes to fit cultural norms. Cultural changes should be carefully taken into account for modifying marketing mixes.

ii) Subculture

Each culture consists of smaller subcultures. Subculture is subdivision of culture based on homogeneous Characteristics such as religion, language, race, caste. Ethnicity etc.

Subcultures provide more specific identification and socialization for its members. They search as important marketing segments. Marketers should design marketing mixes tailored to the needs of specific subcultures.

2.3 Brand Loyalty

Brand loyalty is one of the core components of brand equity and also positively and directly affected brand equity (Atilgan et al., 2005). Under the influence of brand loyalty, consumers continue to buy the brand, regardless of the superior features, prices and convenience owned by its competitors (Aaker, 1991). The more loyal the consumers are

towards the brand, the less vulnerable the customer base would be. Based on the practice that repeat buying is one of the indicators for brand loyalty, Keller (1998), however, challenges that such measure may not be totally accurate. This is due to the fact that some consumers make habitual purchase towards a particular brand just because of its prominence in stock and effective promotions. For many companies, having loyal customers is a kind of blessing. Brand loyalty is regarded as valuable asset under different circumstances. First, it can help reduce the marketing costs of doing business (Aaker, 1991). Loyal customers confer to a higher possibility of repeat purchases and it is less costly to keep customers than to get new ones. Second, loyalty to a brand can enhance trade leverage. Some consumers with strong affiliation to one brand would switch to the shop in which a designated brand is sold. Third, loyal customers could influence the others to purchase the brand. This is typically true when the product concerned is somewhat risky. In this case, consumers are assured to buy the product if they have some friends or relatives who recommend the same model of product. This suggests why word-of-mouth communication is one of the most powerful tools in the marketplace (Henricks, 1998; Marney, 1995; Silverman, 1997; Bansal and Voyer, 2000). Consumers usually depend on informal, as well as personal communication sources in making purchasing decision rather than more formal and organizational advertising campaigns (Bansal and Voyer, 2000). Finally, brand loyalty can help provide ample time for the firm to response to competitors' newly launched products. Hence, the firm could make good use of the time lapse to develop more superior products in order to compete with its rivals. Due to the values obtained from brand loyalty, many firms would devise different strategies to maintain and enhance the loyalty from customers. According to Aaker (1991), it is important to treat the customer with respect in order to keep them loyal. Moreover, customer satisfaction level needs to be properly managed through conducting consumer research. Customers can also be rewarded for their loyalty towards the firms so that they will continue to buy the products.

2.4 Marketing Mix

The marketing mix is the set of marketing tools which the organization blends to achieve the marketing goal in a defined target market. The marketing mix consists of everything the organization can do to influence the demand for its product in the target market.

E. Jeromy McCarthy popularized the concept of 4 Ps- product, price and promotion. The marketing activities were classified and categorized to belong to one of the group. Each P is perceived as having its own mix such as the product mix, place mix, price mix and promotion mix.

The Components of the Marketing Mix

| Product Mix | Place Mix |
|---|---|
| Product quality Variety Features Brand name Packaging Warranties | Channel design Channel promotion Channel motivation Physical distribution |
| Price Mix | Promotion Mix |
| Pricing objectives Setting price Terms of sale Discounts Commission | Personal selling Advertising Sales promotion Public relation Direct marketing |

(Source: Koirala, 2007)

Product mix: It includes decisions on product line and mix, product quality, variety, design features, labeling, packaging and labeling etc. it also includes important activities such as product planning and development.

Place and distribution mix: It includes design of the distribution channels, distribution networks, dealer promotion and motivation systems and physical distribution of the product.

Price mix: It includes activities such as analysis of competitors' prices, formulation of pricing objectives, setting the price and determining terms and conditions of sales, discounts and commission etc.

Promotion mix: It includes determining the promotional blend – the mixture of advertising, personnel selling, sales promotion, public relations, and direct marketing – to popularize the use of the product in the target market.

The organization adopts an adequate blend of the four Ps in relation to a product in a defined target market. This means the organization needs to adopt several marketing mixes for different products in different target markets. Each element of the marketing is perceived to be under the control of the marketing manager and can be altered to achieve the desired results in the target market (Koirala, 2007).

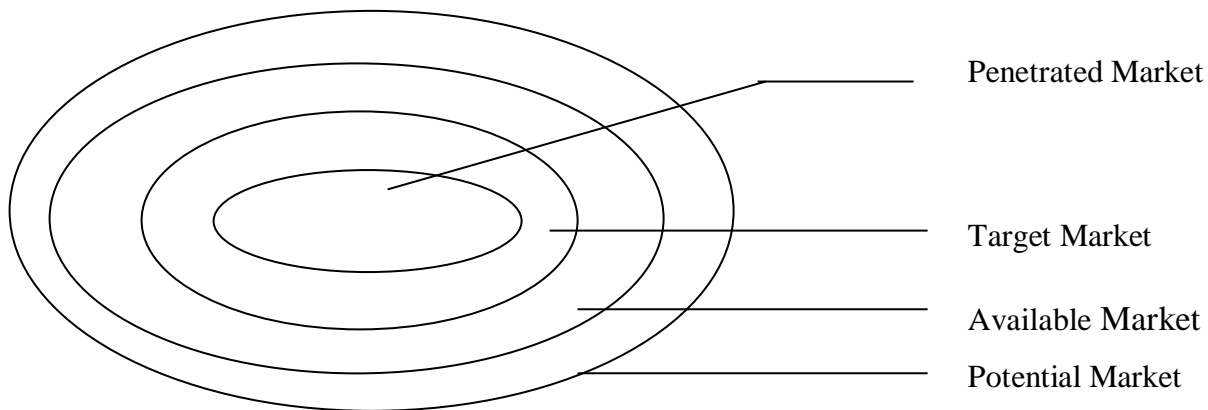
2.5 Demand Analysis

Measurement of market demand is one of the most important activities in an organization. The demand measurement is the basis for all sales forecasts. Sales forecasts are the basis for most of the organizational planning, particularly in preparing the following plans:

- iv) Production plan
- v) Sales plan
- vi) Financial plan
- vii) Manpower plan

2.5.1 Measures of Market Demand

The size of the market defines the size of the demand. There are several measures of market demand which a marketing firm should be clear while measuring the market demand. They include potential market, available market, and the penetrated market.



(Source :Koirala, 2007)

- **Potential market:** It is the number of potential buyers who may have sufficient level of interest in the offer (product or service). Marketers try to convert the potential market into the available market through the tools of demand situation.
- **Available market:** It is the part of the potential market represented by the number of buyers who have sufficient interests, income, and access to the offer. The market is served by the marketing firm along with all its competitors. Thus this demand is represented by the demand for a product category in all market segments.
- **Target market:** It is part of the available market represented by the market segments which the marketing firm decides to serve. The marketing firm has to share this demand with its competitors.
- **Penetrated market:** It is that part of the target market which has already been penetrated by the marketing firm. It is represented by the number of buyers who are currently buying the firm's product (Koirala, 2007).

2.6 Cost of Lost Customer

The success of marketing today depends not only on attracting new customers but also on retaining old customers. The current business environment faces great challenge for

retaining customer. High customer defection rate had forced many firms to follow the following five point strategy to retain customers:

- 1) **Define Retention Measurement Basis and rate:** The marketing firm has to use certain criterion to define the customer retention rate. For example, a firm selling magazine can renewal of annual subscription as an indicator, while an educational institution can use annual admission as retention measure. The marketing firm also needs to define the tolerable rate of customer defection.
- 2) **Identify Causes for Customer Defection:** The marketing firm should also be able to define the causes of customer defection. The causes may be in customer dissatisfaction with the product /service or competitor's actions.
- 3) **Measure the Loss of Profit from Defection:** The firm must also calculate the loss of revenue and profit from the customer defection. The measurement should not only focus on the immediate loss but on the long term losses resulting from the lifetime retention value of the customer.
- 4) **Estimate the Cost of reducing the Defection Rate:** The firm must calculate the cost of reducing customer defecting. The cost may include the cost of providing better customer services. If the cost of reducing the defection is less than the cost of defection the firm must follow the anti- defection measures.
- 5) **Arrange Efficient Customer Feed- back System:** The firm must maintain an effective feed-back system through which it can listen to customer complaints and also take immediate actions to solve customers' problems (Koirala, 2007) .

2.7 Customer Retention

Customer loyalty is the key to success in the competitive business environment. The key to customer retention is customer satisfaction.

A satisfied customer is a great asset to a firm in the following ways:

- Remains loyal for longer periods
- Buys more of the firm's products
- Talks favorably about the firm and its products
- Pays less attention to competitors' advertisements and offers
- Provides ideas to the firm

For this a firm needs to regularly monitor the post-purchase satisfaction level of customers and establish a system for listening to customers' complaints and taking actions (Koirala, 2007).

2.8 Practical Framework

2.8.1 History of Consumer Behavior

Consumer behavior was a relatively new field of study in the mid-to-late 1960s (Leon G Schiffman, Leslie Lazar). With no history or body of research of its own," the new discipline borrowed heavily from concepts developed in other scientific disciplines, such as psychology (the study of the individual), sociology (the study of groups), socio-psychology (the study of how individuals operate in groups), anthropology (the influence of society on the individual), and economics". Many early theories concerning Consumer Behavior were based on economic theory, on the notion that individuals act rationally to maximize their benefits (satisfactions) in the purchase of goods and services. The initial thrust of consumer research was from a managerial perspective: marketing managers wanted to know the specific causes of consumer behavior. They also wanted to know how people receive, store, and use consumption – related information. So that they could

design marketing strategies to influence consumption decisions. They regarded the consumer behavior discipline as an applied marketing science: if they could predict consumer behavior, they could influence it. The approach has come to be known as positivism and consumer researchers primarily concerned with predicting consumer behavior are known as positivists.

Given 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 the managerial or applied perspective, but simply to understand the consumer better. The study of consumer behavior from the point of view of understanding consumption behavior & the meaning behind such behavior is called interpretive, (sometime referred to as past modernism). Interpretivists have expanded the boundaries of study to include many subjective aspects of consumer behavior, such as the effects of moods, emotions, and types of situations on consumer behavior; the roles of fantasy, of play, of rituals, even of the sensory pleasure that certain products & services provide. Many interpretivists consider each purchase expensive unique because of the diverse set of variables at play at that one particular moment in time. Because of its focus on the consumption experiences, the interpretive approach is also known as “experimentalism”.

2.8.2 Development of Field of Consumer Behavior

There is no. of reasons why the study of consumer behavior developed as a separate marketing discipline. Marketers had long noted that consumers did not always act or react as marketing theory suggested they would. The size of the consumer markets in this country was vast and constantly expanding. Billions of dollars were being sent on goods & services by tens of millions of people. Consumer preferences were changing and becoming highly diversified. Even in industrial markets, where needs for goods and

services were always more homogeneous than in consumer markets, buyers were exhibiting diversified preferences and less predictable purchase behavior.

As marketing researcher begin to study the buying behavior of consumers. They soon realized that, despite a sometimes "me too" approach to fads and fashions, many consumers rebelled at using the identical products everyone else used. Instead, they preferred differentiated at products that they felt reflected their own special needs, personalities and lifestyles.

To better meet the needs of specific group of consumers, most marketers adopted a policy of market segmentation, which called for the division of their total into smaller, homogeneous segments for which they could design specific products and/ or promotional campaigns. They also used promotional techniques to vary the image of their products so they would be perceived as better fulfilling the specific needs of certain target segments – a process now known as positioning. Other reasons for the developing interest in consumer behavior included the rate of the new product development, growth of the consumer movement, public policy concerns, and the growth of both nonprofit marketing and international marketing.

There is a case study about the Consumer Buying Behavior regarding Rolling Stone (Stanton, Etzel and Walker, 1996:153).

On November 9, 1997, the first issue of Rolling Stone hit the newsstands. It was 24 pages, printed in black & white and sold for a quarter. Its founder, Jann wenner, described *Rolling Stone* as “Sort of a magazine and a sort of a newspaper” about music and the things and attributes that music embraces. Only 6,000 copies of the first issue were sold.

From that humble beginning a major publication was born. Now, after appearing every 2 weeks for over 25 years and with a circulation of over 1.2 million, questions are being raised about *Rolling Stone's* future.

Rolling Stone began a chronicler of rock music in the rebellious 1960s. It quickly became the bible of the antiestablishment music, drugs, and youth culture. Beginning in the early 1970s, the focus of the magazine expanded to include investigative reporting and interviews with youth-oriented celebrities, personality's profiles, fiction and reports on rock-related films, books and music videos. In 1982, Rolling Stone was compared to Atlantic, Esquire and Harper's for the quality and boldness of its coverage of domestic and foreign affairs. It was distinguished from news weeklies by the depth of its reporting and more traditional political magazines such as the New Republic by the breadth of topics covered.

Despite annual revenues an over \$30 million by the mid-1980s there was a concern that the primary markets for *Rolling Stone* was disappearing. Through the demographics of the target audience of reader had not changed (male, aged 18-34, with some college education), its self-image had. The original reader was depicted in blue jeans, with long hair that he didn't wash very often and very politicized against the establishment. The reader of the 1980s was characterized as having short hair, being interested in his career, with money to spend, and seeking opportunities to express his individuality.

Reader's interests were shifting from music and politics to making a living and careers goals.

The magazine changed too. It began as double folded black-and-white newsprint, a form consistent with its counterculture image. Now it has the look of a traditional magazine with glossy cover, four colors, and a trimmed and stapled format. The mix of advertiser in the magazine also reflected the shift. In the use beginning it was mainly records and

related music business. By mid-1980s there were ads for cars, tobacco, alcoholic, beverages, clothing, and personal care products.

Despite its sales of over a million copies per issue, advertisers were not particularly enthusiastic about magazine. They viewed the reader as more likely to be a social dropout than a mainstream consumer. To overcome advertiser's perceptions that the readers hadn't changed their lifestyles since the 1960s, Rolling stone came up with an ad campaign directed toward advertisers. The campaign contrasted photo images of the 1960s reader labeled "perceptions" with those of the 1980s labeled "reality". For examples, one shows "perception" as an aging hippie driving a VW bus decorated with psychedelic peace symbols, while "reality" depicts a yuppie behind the wheel of a For Mustang GT. The ads apparently caused advertisers to look at the magazine in a new light, since they were followed by six consecutive years of ad sales growth.

What are the concerns today? The number of ad pages decline in 1991 and, while the total number of copies sold remained constant, newsstand sales went down nearly 20 percent. Why? First, music makers have shifted their advertising budgets from print to MTV, drastically reducing the measure source of revenue. Second, the competition has intensified. New magazine such as spin and Details that focus on the hardcore music segment appeared and some mainstream publications such as People and Environment Weekly have expanded their music coverage. Third, in the view of many, the-editorial policy has softened to be less daring and more conformist than in the past. Rolling stone's reputation was built on rock music criticism and scorching cultural critiques, but its coverage has become more moderate and less controversial. Finally, the preference of Jann Wenner for the rock era over more contemporary music and recent cover stories on Jimi HENDrix, Jim Morrism, and Rod Stewart have led to suggestions that the magazine is dated. According to a former editor, *Rolling Stone* has become more a "taste tracker" than the taste maker it once was.

By the late 1960s *Rolling Stone* was a hit, but despite a successful formula it has experienced any changes over the years. What made the changes necessary?

Rolling Stone continues the roll along, with sales of 1.2 million copies per issue, the magazine ranks among the top 60 in U.S. in circulation, but today's version is a far cry from the product that first appeared in 1969. Each time a change was detected in its additional content, appearance, or mix of advertisers, critics were quick to point out that the magazine had lost its direction. However much of *Rolling Stone's* continued success can be attributed to understanding and adapting to its audience.

The magazine has held a large group of its core readers while also attracting a younger segment. In fact, 45% of the readers are 18-to-24-years-old men. Editor and publisher Jan Wenner has an explanation *Rolling Stone's* for ability to reach a broad audience. He says there was a much bigger "generation gap" between college students and their parents in the 1960s. One magazine could not be popular with both groups. Today the situation has changed. The interest, value and beliefs of parents and young adults are more similar. So the magazine can appeal to both groups by becoming less daring and more conformist, but still dealing with timely topics (for example., it was the first major magazine to take a serious look at the AIDS crisis) and music news.

The editorial transition from the 1960s to the 1990s has been accompanied by a number of changes. As the audience broadened, so did the mix of advertisers. By 1986s, the number one category was automotive, followed by fashion, sporting goods, and food. In the past the instincts of the editors were relied on for cover stories. However, keeping in touch with the interests and tastes of a more diverse audience requires a greater use of research. As a result, editorial instincts are now supplemented by the opinion of the focus groups.

Selling the magazine has also changed. As subscription became a more important part of circulation, it was necessary to find ways to reach the target audience. Direct mail is not

effective for young man. Because they are away at college or move frequently, mailing lists are inaccurate. They are also less attentive to mail than are other segments. To solve the problem of reaching this market, *Rolling Stone* runs direct response television advertising. Young men watch a lot of TV and tend to be spontaneous in their behavior. Ads between midnight and five in the morning featuring an appealing spokesperson (they've used Paul Scharffer, David Letterman's sidekick) have been very productive and cost effective.

What does the future hold? Given the popularity of the American music, the international marketing offers additional opportunities for *Rolling Stone*. The magazine is currently published in Australia, other markets are being explored.

1. How has the role of social and group forces changed with regard to the purchase of Rolling Stone?
2. What trends and developments in consumer buying behavior are likely to influence the future of *Rolling Stone*?

2.8.3 Modern History of Consumer Behavior

In recent years, some efforts have been made by marketing scholars to build buyer behavior models totally from the marketing man standpoint. The Nicosia and the Howard and Seth model are two important models in the category (Ramaswami,183). Both of them belong to the category called the system model, where the human being is analyzed as a system with stimuli as the input to the system and behavior as the output of the system.

Francesco Nicosia, an expert in consumer motivation and behavior put forward his model of buying behavior in 1966. The model tries to establish the linkages between a firm and its consumer- how the activities of the firm influence the consumer and result in his decision to buy. The messages from the firm first influence the predisposition of the

consumer towards the product. Depending on the situation, he develops the certain attitude towards the product. It may lead to a search for the product or an evaluation of the product. If these steps have a positive impact on him, it may result in a decision to buy. This is the sum and substance of the activity explanations in the Nicosia model. The Nicosia model groups these activities into four basic fields.

Field one has two sub-fields – the firm's attributes and the consumer's attributes. An advertising message from the firm reaches the consumer's attributes. Depending on this becomes the input for field two. Field two is the area of search and evaluation of the advertised product and other alternatives. If this process results in a motivation to buy, it becomes the input for Field Three. Field three consists of the act of purchase. And field four consists of the use of the purchased item. There is an output from Field four – feedback of sales results to the firm.

John Haward and Jadish Sheth put forward the Howard and Sheth model in 1969, in their publication entitles "The theory of Buying Behavior". The logic of the model runs like this: There are inputs in the form of stimuli. There are outputs beginning with attention to a given stimulus and ending with purchase. In between the inputs and the outputs there are variables affecting perception and learning. These variables are turned "hypothetical" since they cannot be directly measured at the time of occurrence.

Over the years, several other models have also been put forward, with the intension of explaining buyer behavior. All these models have certain merits as well as limitations. They do not fully explain the complex subject of buyer behavior. Nor do they establish a straight input-output equation on buyer behavior. They merely explain the undercurrents of human behavior from different angles and premises. But these models will certainly be helpful in gaining at least a partial insight into buyer behavior.

2.8.4 Consumer Behavior History in Nepal

Consumer behavior has generally remained a dark area of marketing in Nepal. Marketers have given very little attention to who, what, why, when, where, and how of consumer buyer. Very little marketing research has been done on this aspect. The following factors characterized buyer behavior in Nepal's marketing.

1. Consumer behavior has not been properly taken into account while creating and offering market mixes.
2. Indian and foreign competitors have been actors in talking the advantage of new market opportunities in Nepal because Nepalese marketers lack knowledge of consumer behavior.
3. Product positioning has remained largely neglected because of the lack of knowledge about the behavior of niches.
4. Marketers know very little about consumer behavior about at every stage of the consumer buying process. The post purchase stage is hardly considered to build life customers. The disposal aspect is utterly neglected which has created serious environment problems due to the rising levels of pollution. It has adversely affected the tourism market as well.
5. Marketers have not given proper attention to the psychological and social factors that influence consumer behavior. Economic, demographic and cultural factors have been dominant in the design of the marketing mixes.
6. The marketing resources have not been efficiently utilized.
7. In recent years, the advent of global enterprises and cable television in Nepal has brought some consciousness about the need for better understanding of buyer behavior. They have been using personality. Life style, motivation and reference group factors in designing their advertising message. The growth of marketing research organizations is also likely to promote marketing research about buyer behavior of Nepalese consumers in the years to come.

2.8.5 Why Do We Study Consumer Behavior?

Just as consumer and marketers are diverse, the reasons why people study consumer behavior are also diverse (Schiffman and Kanuk, 7). The field of consumer behavior holds great interest for us as consumer, as marketers, and as students of human behavior.

As consumers, we benefit from insights into our own consumption-related decisions. What we buy, why we buy, how we buy, and the promotional influences that persuade us to buy. The study of consumer behavior enables us to become better that is wiser consumers.

As marketers and future marketers, it is important for us to recognize why and how individuals make their consumption decisions, so that we can make better strategic marketing decisions.

If marketers understand consumer behavior, they are able to predict how consumers are likely to react to various information & environmental cues, and are able to shape their marketing strategies accordingly. Without doubt, marketers who understand consumer behavior have great competitive advantage in the market place.

As students of human behavior, we are concerned with understanding consumer behavior, with gaining insights into why individuals act in certain consumption-related ways and with learning what internal & external influences impel them to act as they do. Indeed, the desire for understanding consumption related human behavior has led to a diversity of theoretical approaches to its study.

2.9 Review of previous studies

Ranjana Pradhan (2006), has conducted a study on "*Consumer Buying Behavior on Beer*". Specific objectives of the study were:

- i) To find out the target group of beer

- ii) To examine the perception of consumer regarding different attributes of beer.
- iii) To identify the suitable sources of information about beer.
- iv) To ascertain the ranking (according to perception of consumer) of different brands available at beer market of Chitwan district.
- v) To examine the effectiveness of product, place, price & promotion for marketing of beer.

The Findings of the study were:

- i) According to occupation, most of the respondents are student i.e. 42%. Although they are students and doing part time job. Second highest no. of respondents is businessman i.e. 34%. Service holders are 22% and others are 2%.
- ii) According to income, no. of respondents are most having salary above Rs. 9,000/- i.e. 42.9%, salary having 7 to 9 thousand are 20%, 6 to 7 thousand are 14.3%, 3 to 5 thousand are 11.4% and 2 to 3 thousand are 11.4%.
- iii) According to brand preference, highest no. of respondents prefers Tuborg i.e. 80%, Second highest preferred brand is Carlsberg i.e. 10%, Everest and San Miguel comes under 3rd preferred brand i.e. 4% each. Other brands come under 2%.
- iv) Among 100% respondents 36% consumes beer once in a fortnight, 28% consumes once in a week, 16% consumes twice in a week, 10% consumes twice in a week and another 10% consumes every day. Most of the respondents consume beer once in a fortnight.
- v) Among 100% respondents 80% consumes less than 5 bottles in a week. 11% consumes 5 to 10 bottles, 8% consumes 10 to 15 bottles per week. Most of the respondents consume less than 5 bottles in a week.
- vi) According to the place of drinking beer most of the respondents consumes beer at restaurant i.e. 52%, 16% consumes at home, another 16% consumes at party and 12% consumes at hotel.

- vii) Most of the respondents select the particular brand due to taste i.e. 78%, 20% select their brand due to their brand image,. Only 2% select their brand due to price and no one is interested to packaging.
- viii) Most of the consumer consuming Tuborg prefers San Miguel as second brands then Carlsberg, Iceberg, Everest and Gorkha respectively.
- ix) Brand satisfaction is high in Tuborg although very satisfied are low in no. Respondents who stand at neutral are very low in no. compared to total respondent. It seems respondents are satisfied with their brand.
- x) The most effective media for advertisement of beer is Hoarding/Neon and second effective media is print media.
- xi) The brand mostly selling by retailer is Tuborg and Everest.
- xii) The reason of not selling other brands by retailer is due to low demand and unavailability.
- xiii) The brand of beer given by retailer when customers first ask for beer is Tuborg.
- xiv) The reason of selling particular brand is due to high demand.
- xv) The brand providing more profit margins in Everest.
- xvi) The most appropriate size of bottle the retailers preferred is 650 ml.

Surendra Neupane (2003) has conducted the study on "*Cold Drink Consumer Behavior in Kathmandu Valley*". The main objectives of the study were:

- i) To find brand preferences of consumers and the factors that develops such preferences.
- ii) To evaluate the role of advertising in product positioning from the consumer perspective.
- iii) To examine consumption pattern of cold drinks.
- iv) To determine the store where from consumer want to buy the cold drinks conveniently.

The Findings of the study were:

- i) The entire sample consumers have drinking habit of cold drinks.
- ii) Coca Cola brand has its domination over Pepsi cola and other brands.
- iii) All of the respondents have frequent drinking habit and there is no difference between the drinking habit of married and unmarried consumers.
- iv) Coca Cola brand is the most preferred brand of cold drinks in Kathmandu valley.
- v) Most of the consumer's government service holder, teacher, businessman and student prefer Coca Cola brand and Pepsi cola is more popular among private service holders.
- vi) Most of the consumers drink once a day, they buy only one unit of cold drinks at a time and they take decision during buying.

Krishna Chandra Sapkota (2006), has conducted a research study on "*Brand Preference on Beer*" with reference to Bharatpur Municipality. The objectives of the research were:

- i) To examine the consumer behavior and purpose of beer consumption.
- ii) To identify the most preferred brand of beer.
- iii) To obtain the consumer opinion on different brands of beer's attribute in terms of brand name, taste, price, quality, availability and advertising aspects regarding brand preference.
- iv) To find out the effective promotional tools for beer advertising and impact of advertisement.
- v) To obtain the consumer's average switching habit and the reason of brand switch.

The research study was based on primary as well as secondary data. For the primary data collection, 100 respondents were selected on the basis of stratified random sampling and questionnaires were served to respondents. The research findings of the study are –

- i) Most of the consumer of Bharatpur Municipality preferred Tuborg brand (59%), second is Carlsberg (23%), third preferred Everest (12%) and fourth is San Miguel (6%) respectively.

- ii) On the basis of age large number of consumer found under the age of 16-35., that is 60%. Tuborg Brand is the most preferred, Carlsberg second and Everest places the third position in this age group. Over 36-55 age group, Tuborg is most preferred, San Miguel 2nd and Carlsberg places the third position.
- iii) Most of the respondent's expectation factors in future in future in beers- It was found that 33% consumer are focused on price decreases, followed by 28% for the quality improvement, by 15% focused on mini size, 11% packaging in paper cane, plastic bottles respectively and rest of are not so significant.
- iv) The main reason of brand switching is desire to taste new brand with 58% followed by 22 % unavailability of favorite brand and third is price factors.
- v) On the basis of advertisement media poster and hoarding board stands on 1st position, electronic sign board was occupied 2nd position and wall painting and magazines third position.

Sima Singh (2008), in her thesis, “*A study on Brand Loyalty on Nondurable Product*”, has the main objective to evaluate the brand loyalty on nondurable products. The other specific objectives are;

- i) To find out the brand loyalty
- ii) To know the consumer behavior on Non durable Product
- iii) To make the guideline for making marketing strategies
- iv) Similarly this study will be valuable reference to he scholars and researchers.

The major findings of the study are;

- i) Nepalese consumers give high importance to Brand in the consumer non-durable goods. The weighted mean of the various important points given (i.e. from 01 to 05) by the respondent is 3.94
- ii) Most of the consumers are found buying the products selected for this study by brand rather than by inspection or influences. The percentage of consumers who buy

by brand is 70% in Cold Drink, 74% in instant noodles. 52 % in Hair Oil and 60% in Shampoo.

- iii) In each product selected for the study, at least 64% of the consumers are found to have knowledge of maximum alternative brands available in the market. This shows the high brand awareness in Nepalese Urban consumers.
- iv) Majority of the Nepalese urban consumers are found brand loyal.

Prakash Kayastha (2009), in his thesis, “*Brand Loyalty on Consumer Product*” has the main objective to trace the brand loyalty on consumer product in Kathmandu.

The other specific objectives are;

- i) To identify the relationship of brand loyalty with demographic variables like age, sex and income.
- ii) To find out the number of brand loyal consumers or percentage of brand loyal consumer.
- iii) To recommend important measures that would help the develop marketing strategies and for conducting further researchers on loyalty on branding in future.

The major findings of the study are;

- i) In case of mineral water greater % of female are found to have loyal and most of male are found to have no loyalty. Test shows that there are significant difference between male and female.
- ii) Similarly in the case of toothpaste % of loyal respondent are found high. They are equally brand loyal. There is no significant difference in brand loyalty between male and female.
- iii) In the case of Shampoo, male and female are found to have equally loyal tests however that there is no difference in brand loyalty between male and female.
- iv) In case of hair oil male and female respondent are found highly loyal. Among them female are more than and test statistics shows that there is no difference in brand loyalty between male and female.

- v) Under age group 15-20, greater % of respondent are found to have divided loyalty and then found to have no loyalty in case of soap.
- vi) There is no relation between age and brand loyalty. Greater % of respondent is found to have divided loyal among them.
- vii) Most of the respondent are found to have undividedly loyal in case of shampoo. This indicates that, they are conscious in the case of shampoo. Test statistics shows that there is no relation between age and brand loyalty.
- viii) In the case of Mineral water greater % of respondent are found to have loyalty. Among them greater % of respondent of age group 20-25 are found loyal. Test statistics indicates that there is no relation between age and brand loyalty.
- ix) In the case of hair oil most of respondent are found have to undividedly brand loyal. Among them greater % of age group 30 and above, are found more loyal then other group. The test statistics shows that there is no relation between age and brand loyalty.
- x) In the case of shampoo greater % respondent of income group are found to have undividedly brand loyal. In this case most of respondent are fall in to undividedly brand loyal. And test statistics show that is no relation between income and brand loyalty.

Sima Mishra (2009), in her thesis, "*Consumer behaviour as regards Tuborg beer in Biratnagar*" has main objective to evaluate consumer behaviour of Tuborg beer in Biratnager market and other specific objectives are:

- i) To know the consumption of beer on the basis of sex, age group and different brand.
- ii) To know the frequency of use in different season as well as in summer, on the basis of age group.
- iii) To know the brand loyalty status of Tuborg and overall beer industry.

- iv) To know the motive of consumers toward using beer on the basis of brand, age group and profession.
- v) To know why consumer uses beer as resource of entertainment why not they prefer cold drinks like coke on the basis of brand and different age group.
- vi) To know the strength of Tuborg in terms of product, price and place.
- vii) To know the effective adverting media that retained existing consumer and attract new consumer as well.
- viii) To know the attitude of consumer what they would like to suggest others to drink for purpose of entertainment.
- ix) To know the preferences of consumer after change in taste and packaging.

The major findings of the study are:

- i) It is found that majorities of consumers are male on the basis of sex, while on the basis of age group the maximum consumption is recorded in age group (20-30) & (30-50).
- ii) For the seasonal consumption the record reveals that most of the consumer prefer beer in summer season where as the sluggish preference is recorded in winter season. In spring and rainy season have average preferences. The record also signifies that most of the people prefer beer 2-3 times per month.
- iii) The record analysis that Tuborg has dominated the market of Biratnagar but the market share of Carlsberg and San Miguel cannot be ignored.
- iv) The majorities of consumers are hard core loyal toward particular brand of beer i.e. 44.33% but the share of switcher also can not be ignored it is recorded as 25.33% which is threat for the beer industry.
- v) Majorities of consumer of Biratnagar, 54.25% has perception that hard drinks are harmful for health. 28.72 have perceived value that it is difficult to digest which causes to vomiting and directly affect to the body. Other perception is that hard

drinks is referred as drunker and dunkers are avoided by the society so people do not like to lose their prestige and people used to go for beer.

- vi) Researcher wished to know that if that if the majorities of consumers uses beer as resources of entertainment rather alcoholic drink then why they do not prefer cold drinks like coke or Pepsi or other non-alcoholic drinks. After the research it is found that majorities of consumer used beer for relaxed, and a bit alcohol is required for it. It is found that beer provides more satisfaction than cold drinks. Few of the consumers have a perception that beer creases the prestige in society and group from which they are belonging.
- vii) Tuborg has highest market share within the beer industry. Researcher wished to know the core competencies of Tuborg. Research signifies that the attributes of product, price and place (distribution) has equal effect on consumption. But the observed data analyses that attributes of product (brand, taste, quality) is more effective to increase market share of Tuborg
- viii) The policy of government does not allowed for the advertising of alcoholic product on TV or Radio. So that the beer industries are facing some major difficulties to select the right media. Research signifies that majorities of consumer attracted through hoarding board, wall painting as well as sticker of restaurant where as magazine & newspaper and internet are assumed as less effect media
- ix) To know the validity of consumer the researcher tried to express consumer's feelings, whether they suggest drinking beer to their close relatives and friend or not. The research reviles that most of them suggested for the beer as soft drink rather pure alcoholic drink.

2.10 Research Gap

Most of the researcher tried to study consumer behavior on different products. However the researcher found that, they are not fully concerned with the consumers' behavior towards the products. Mainly they are collecting the attitude of the consumer not only the

behavioral issues with regards to the consumers' point of view. Likewise the researcher has not yet found any research tries to conduct this research.

In this dissertation, researcher tries to study more to find out the consumer behavior towards Gorkha beer in Chitwan district. Furthermore, in this dissertation researcher has used Karl Pearson's coefficient of correlation to find the correlation between demand of beer and price of the beer of observed ten brands. Researcher also used chi-square test as statistical tool to test the statement that Gorkha Beer is the most demanded brand among observed ten brands in Chitwan district.

CHAPTER - III

RESEARCH METHODOLOGY

Research is the process of investigation. An examination of a subject from different points of view, it is not just a trip to the library to pick up a stack of materials, or picking the first five hits from a computer search. Research is a hunt for the truth. It is getting to know a subject by reading up on it, reflecting, playing with the ideas, choosing the areas that interest you and following up on them. Research is the way you educate yourself.

Often people think of research in terms of science and technology, but research takes place in every area of academic study. Research in to our culture, our business practice or our economy can be as important as business and scientific research. Similarly, a research methodology is the plan of action that is carried out in systematic manner. Research methodology refers to the various sequential steps to be adopted by researcher in studying with certain objective/objectives in view.

Therefore, this chapter deals with the following aspects of methodology.

- Research design
- Population and sampling
- Nature and sources of data
- Data collection procedures
- Data processing and tabulation
- Methods of analysis

3.1 Research Design

Research design is the plan structure and strategy of investigation conceived so as to obtain answer to research question and to control variance. It helps to researcher to obtain answer to the question of research and also helps him to control experimental, extraneous and error variance of particular research problem under study.

This study will mainly be based on two types of research design i.e. descriptive and analytical. Descriptive research design describes the general pattern of the Nepalese customers as well as consumers, the business structure and problems of marketing and management of the product and so on. The analytical research design makes analysis of the gathered fact, information and makes critical evaluation of it. For the analysis purpose, the data from questionnaire and annual and or half yearly reports from the company will be collected.

3.2 Population and Sample

The population of this study will be comprised the entire consumer who buy and/or consume beer within the territory of Chitwan. So, the population for this study will include (Male and female both) retailers, business men, jobholders, students and others.

For sampling purpose, at first different types of consumers will be identified and then out of them 300 consumers will be selected as sample for this study using a convenient sampling method. The basis of population selection will be age of range of 20-50 years. To collect primary data of 300 consumers, 20 hotels, 25 restaurants, 2 dealers, 5 wholesalers and 25 retailers of Chitwan will be visited.

3.2.1 Brief Introduction of the Study Site

Chitwan District is a district of Narayani Zone, administrative headquarters of Chitwan district is Bharatpur, situated in Central Development Region of Nepal. Chitwan District is situated in the height of 244 meters to 1945 meters from sea level and its area is 2218 square kilo meters. Total population of Chitwan district is 579,984 according to census

2068 B.S. (2011 A.D.). Main profession of the residents in Chitwan district is agriculture. Its agricultural land is 38349 hectare, there are 36 village development committees that are Ayodhapuri, Kalyanpur, Baghauda, Gardi, Meghauri, Sukranagar, Jagatpur, Parbatipur Patihani, Sitanagar, Shivanagar, Narayanpur, Saradanagar, Gunjanagar, Dibyanagar, Mangalpur, Padampur, Kumroj, Kathar, Bhandara, Piple, Korak, Lothar, Bachhyauri, Khairhani, Birendranagar, Saddi, Chainpur, Pithua, Jutpani, Shaktikhor, Kaule, Dahakhani, Kabilash, Darechok, Chandibhanjyang. There are two Municipalities in this district that are Bharatpur and Ratnanagar Municipality. Main residents of this district are Bramhin, Chhetri, Tamang, Tharu, Gurung etc.

| S. No. | District | Household | Population | | | Area (Sq. Km.) | Population Density (Per Sq. Km.) |
|--------|----------|-----------|------------|--------|--------|----------------|----------------------------------|
| | | | Male | Female | Total | | |
| 1 | Chitwan | 132462 | 279087 | 300897 | 579984 | 2218 | 261 |

(Source: CBS, 2011)

3.2.2 Focus of the Study

The present study tries to focus on the marketing of the Gorkha Beer in Chitwan district. Gorkha Beer can be found in 650 ml bottle. The reason of increasing the consumption of beer in Nepal is due to increment in density of population, advertisement campaign, changing life style and culture which support for drinking habit to the people. There are five industries producing beer of different type and standard and have tough competitions among them.

In this modern marketing era, every marketer should understand the consumer's satisfaction which creates the behavior of consumers. In this era of competitive marketing, successful marketing of the products can only be done through understanding of consumer tastes, choice, preference or, say consumer behavior. As the focus of this

study is “consumption pattern, attitude, image, attraction and marketing of Gorkha Beer”. The manufactures or marketers of the Gorkha Beer will be benefited by the study.

This study will examine the present marketing scenario of beers in Chitwan district and try to find out the marketing variables attaching the Gorkha beer. The research also focused on the role played by consumption pattern, attitude, image and attraction of the Gorkha Beer.

3.3 History of Gorkha Beer

Gorkha is a premium quality Nepali beer, brewed traditionally in Nepal with finest hops, pure water and barley malt. The alcohol content is 5.5% by Vol. Gorkha Beers premium quality comes with its crispy taste.

Gorkha is a special brew that caters the need of consumers for highest quality beer from Nepal. Gorkha Beer is a treat and an experience of Nepal to the beer lovers of the world. This original Nepali special brew is a premium product of Nepal dedicated to the World.

"Gorkha Beer" The Authentic Himalayan Brew, was launched Nepal in May 2006 to cater to the tourists visiting Nepal who prefer high quality premium local beer and for export to various countries in the World, where consumers look for something special. The brand taps the trend of specialty beers in various advanced countries in Asia, US and Europe which are in increasing trend.

3.4 History of Gorkha Brewery

The year was 1989 when the foundation of one of the largest single foreign investment in Nepal was laid down. Gorkha Brewery (P) Ltd. is a joint collaboration between Danish Multinational Company Carlsberg Breweries, Copenhagen, Denmark and leading Nepalese Business House-Khetan Group.

Today Gorkha Brewery encompasses Carlsberg Beer, Tuborg Beer, San Miguel Beer, Royal Danish Tuborg Strong Beer and Gorkha Beer in its portfolio. Gorkha Brewery till date has been successful in establishing itself as undisputed leader in the beer industry of Nepal.

Gorkha Brewery took its first step in the beer industry of Nepal with introduction of Tuborg Beer in 1990. Soon Carlsberg Beer followed in 1995 and Royal Danish Tuborg Strong Beer in 2002. Gorkha Brewery further extended its portfolio in 2004 with acquisition of San Miguel Beer (As per license agreement with San Miguel Brewing International Ltd., Philippines) and further diversified itself into a beverage company in 2006 with launch of Jolly Shandy & Jolly Lemonade. 2006 also saw the launch of Flagship Brand of Gorkha Brewery, Gorkha Beer - The Authentic Himalayan Brew.

Gorkha Brewery over the last 20 years has been successful in becoming an integral part of Nepalese lives. The mantra behind this extraordinary success is the result of excellence in every arena: brewing beers of truly international standard, stringent quality control, efficient and nation-wide distribution, cutting edge marketing, sales strategies and prudent financial management. Adding that extra bit every time are the talented and dynamic people who work with the company.

3.5 Nature and Sources of Data

The present study is basically conducted on primary data there is less use of secondary data. Depending on the nature of data and information following sources have been utilized.

- **Primary Sources**

To collect the primary data questionnaires will be distributed and personal interview will also be conducted. The ultimate source of primary data will be the respondents and the

respondents for this study will be the buyers of Beer, retailers, hotel and Restaurant of the Chitwan.

- **Secondary Sources**

For the secondary data different business magazines, internet and different other sources will be used to get the historical information.

3.6 Methods of Data Analysis

The results of the study will be tabulated using computer techniques. The package calculated such analytical computation as frequency tables, cross tabulations and others which assisted in analyzing and interpreting the raw data of the study using different statistical tools and techniques.

The statistical tools used for interpretation of primary data of this research are:

- Percentage analysis
- Average (Mean) analysis
- Chi-square test
- Bar diagram & pie chart
- Karl Pearson's correlation coefficient

- **Percentage**

Sampling statistics are used to test whether the observed difference between two numbers is large enough to be considered statistically significant. It represents the proportion of any variable in terms of its total. In the present study, percentage has been used to obtain the actual no. of customer preference.

- **Average (Mean)**

It is statistical tool, which is called average or mean. Mean is the ration of the sum of all observation to the no. of observation. It is calculated from ungrouped data & frequency distribution.

Formulae for calculation for mean

$$\text{Mean} = \frac{\text{Sum of Observatio n}}{\text{No.of Observatio n}} = \frac{\sum X}{n}$$

- **Chi-square Test**

Chi-square test used here to test of goodness of fit. The following are the hypothesis set up for chi-square test is used.

| | | |
|--------------------------------|----|--|
| <i>Null Hypothesis:</i> | Ho | There is no difference in preference of Gorkha beer and other brands of beers. |
| <i>Alternative Hypothesis:</i> | H1 | Gorkha beer has greater preference then other brands available in the market. |

Following formulae is used to determine the value of chi-square:

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

Where O refers to the observed frequencies and E refers to the expected frequency.

Observed frequency O is calculated as $E = \frac{\text{Row Total} \times \text{Colume Total}}{\text{Grand Total}}$

- **Bar diagram and Pie Chart**

There are particular tools, which help to know the true picture of the different variables in the absence of complicated formulae and equations. The result of analysis has been properly tabulated, compared and analyzed in presentation and analysis chapter.

- **Karl Pearson's Correlation Coefficient**

It is used for measuring the degree of relationship between two variables denoted by r and is given by the formula.

$$r = \frac{\text{Covariance (X,Y)}}{\sigma_x \sigma_y}$$

Where, covariance measures the relative change in the variables X and Y.

Mathematically it can be obtained by using the relation

Or

$$\text{Karl Pearson's Correlation Coefficient, } r = \frac{\sum (X - \bar{X})(Y - \bar{Y})}{\sqrt{\sum (X - \bar{X})^2} \sqrt{\sum (Y - \bar{Y})^2}}$$

Where,

\bar{X} = Mean of observed X

\bar{Y} = Mean of observed Y

CHAPTER - IV

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation and Analysis

This chapter presents and analysis the collected primary data in Chitwan district with the help of field survey. For this purpose both descriptive and statistical tools and techniques are used. Bar diagram, pie chart has been presented to clarify the actual data. Specially, the chapter includes analysis and interpretation of the data obtained from respondents.

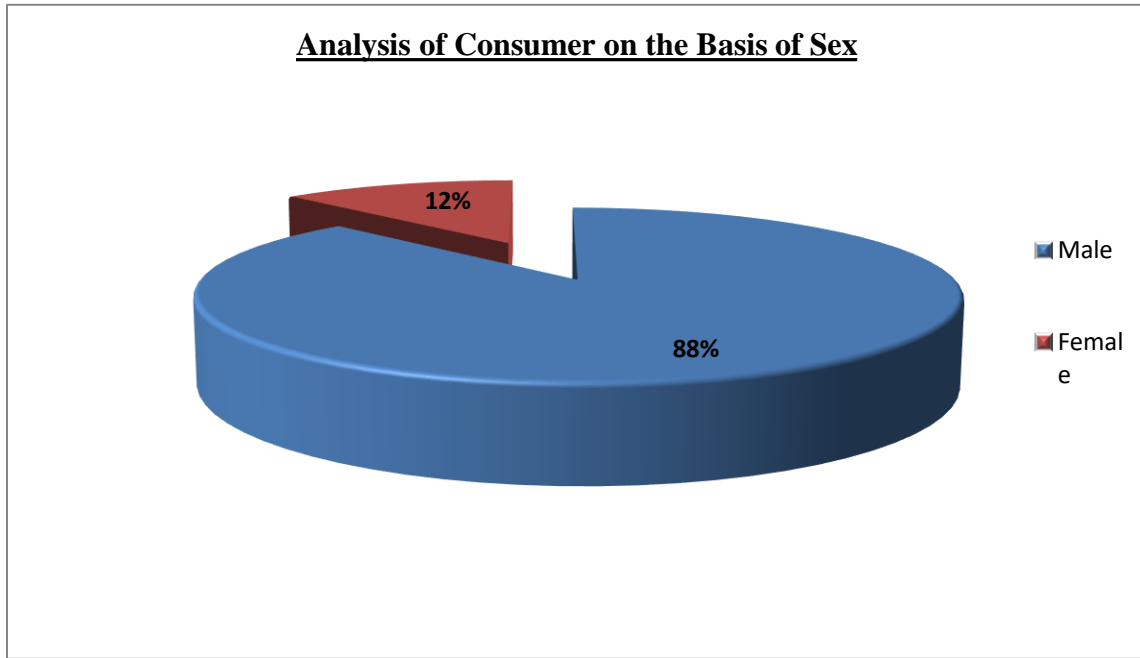
In course of conducting this research, the researcher selected 300 consumers or respondents and tries to find out view of consumers. It was found that all the respondents have the drinking habit of beers. The data are presented and analyzed here under.

4.1.1 Sex Group: During field survey following frequency of sex group was found:

Table 4.1
Sex Group of Consumer

| S.N. | Sex | Frequency | Percentage |
|-------|--------|-----------|------------|
| 1 | Male | 263 | 88.0 |
| 2 | Female | 37 | 12.0 |
| Total | | 300 | 100.0 |

Figure 4.1
Sex Group of Consumer



(Field Survey 2013)

Figure 4.1 explains the sex group of consumer. Among 300 respondents 263 are male and 37 are female. It seems that male consumers are extensively more than male.

4.1.2 Occupation: Following types of respondents were found during field survey on the basis of occupation:

Table 4.2
Occupation of Consumer

| S.N. | Occupation | Frequency | Percentage |
|-------------|-------------------|------------------|-------------------|
| 1 | Job | 104 | 34.67 |
| 2 | Business | 115 | 38.33 |
| 3 | Student | 77 | 25.67 |
| 4 | House hold | 4 | 1.33 |
| Total | | 300 | 100.0 |

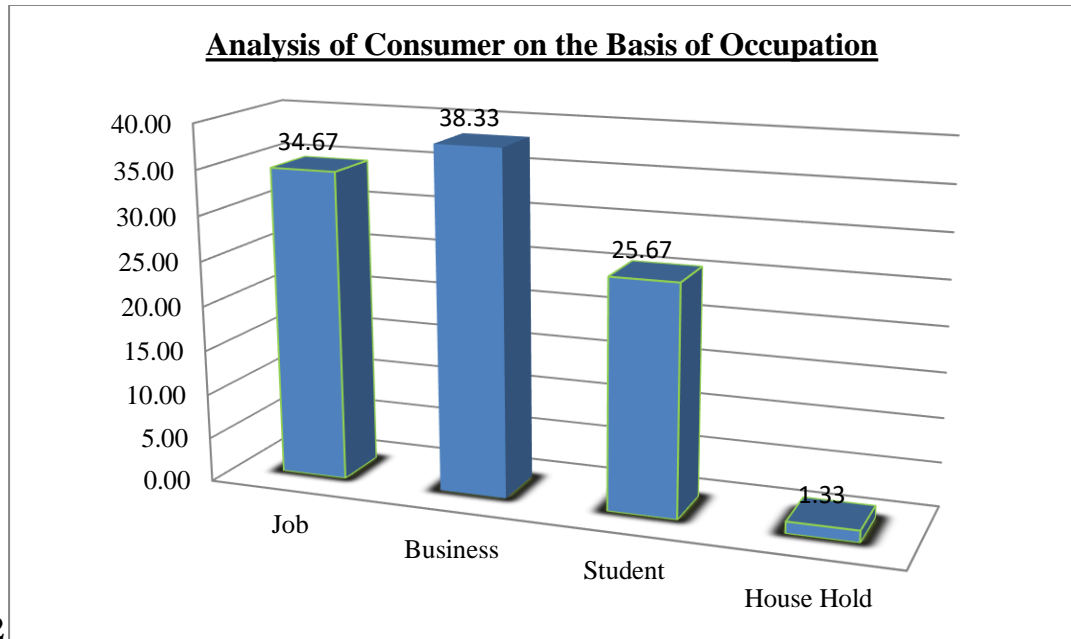


Figure 4.2

(Field Survey 2013)

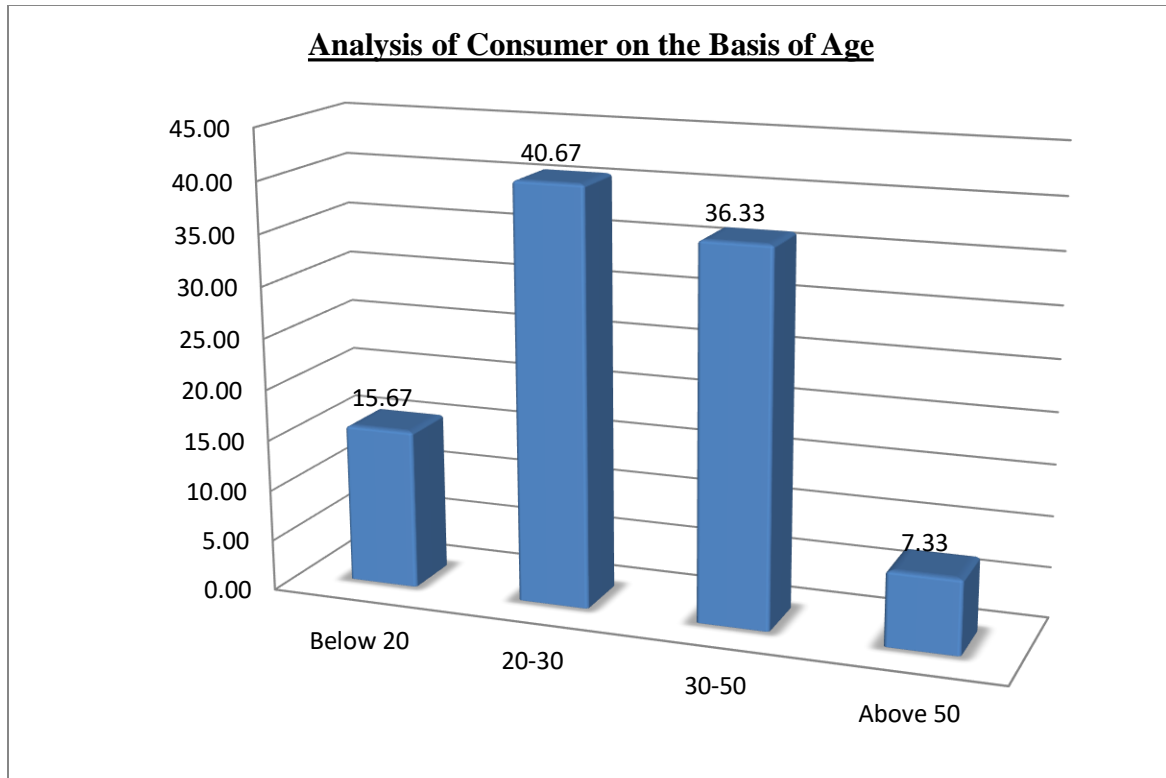
Figure 4.2 shows that most of the consumers of beer in Chitwan district are businessman. Among 300 respondents 34.67% are job holder, 25.67% are student and remaining 1.33% are house hold.

4.1.3 Age: Following types of respondents were found during survey on the basis of age group:

Table 4.3
Age of Consumer

| S.N. | Age | Frequency | Percentage |
|-------|----------|-----------|------------|
| 1 | Below 20 | 47 | 15.67 |
| 2 | 20-30 | 122 | 40.67 |
| 3 | 30-50 | 109 | 36.33 |
| 4 | Above 50 | 22 | 7.33 |
| Total | | 300 | 100.0 |

Figure 4.3



(Field Survey 2013)

Figure 4.3 shows that most of the consumers of beer in Chitwan district are age, of 20-30 years which is 40.67%. Among 300 respondents 15.67% are of age below 20 years, 36.33% respondents are of age 30-50 years and 7.33% respondents are of age above 50 years.

4.1.4 Brand Choice: Following brand choice were found during field survey:

Table 4.4

| S.N. | Brand | Frequency | Percentage |
|-------------|-----------------|------------------|-------------------|
| 1 | Tuborg | 67 | 22.33 |
| 2 | Carlsberg | 28 | 9.33 |
| 3 | San Miguel | 23 | 7.67 |
| 4 | Gorkha | 115 | 38.33 |
| 5 | Ice Berg | 4 | 1.33 |
| 6 | Real Gold 10000 | 21 | 7.00 |
| 7 | Star | 14 | 4.67 |
| 8 | Everest | 7 | 2.33 |
| 9 | Golden Tiger | 6 | 2.00 |
| 10 | Nepal Ice | 15 | 5.00 |
| Total | | 300 | 100.0 |

Brand Choice of Consumer

Figure 4.4

(Field Survey 2013)

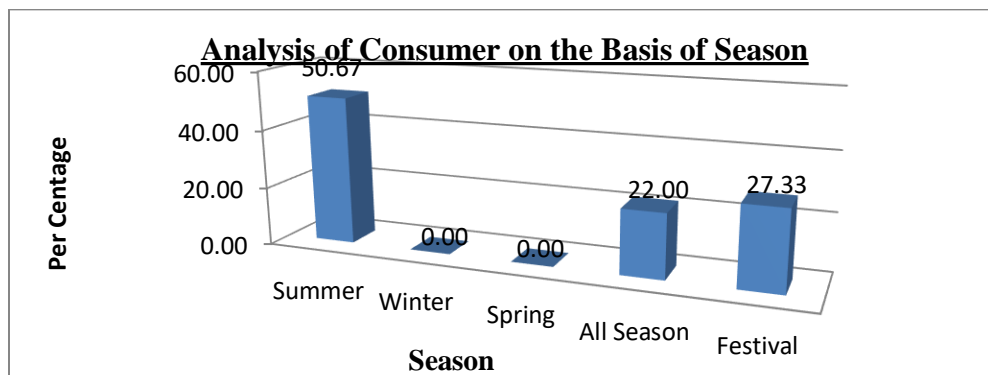
Figure 4.4 explains that majority of consumer 38.88% likes Gorkha Beer. Among 300 consumers 22.33% consumer likes Tuborg Beer and 9.33% likes Carlsberg Beer and 7.67% consumer likes San Miguel Beer. Ice Berg likes 1.33% consumers and Real Gold likes 7.00% consumers. Likewise Star, Everest, Golden Tiger and Nepal Ice are liked by 4.67, 2.33, 2.0 and 5.0 % consumers respectively.

4.1.5 Seasons: During field surveys following types of respondents were found to drink beer in different seasons:

Table 4.5
Seasons of Demand

Figure. 4.5

| S.N. | Season | Frequency | Percentage |
|-------|------------|-----------|------------|
| 1 | Summer | 152 | 50.67 |
| 2 | Winter | 0 | 0.00 |
| 3 | Spring | 0 | 0.00 |
| 4 | All Season | 66 | 22.00 |
| 5 | Festival | 82 | 27.33 |
| Total | | 300 | 100.0 |



(Field Survey 2013)

Figure 4.5 shows that most of the consumers drink beer in summer season. Consumers drinking beer in summer season is 50.67%. 22% consumer drinks beer in all seasons whereas 27.33% consumer drinks beer in festivals.

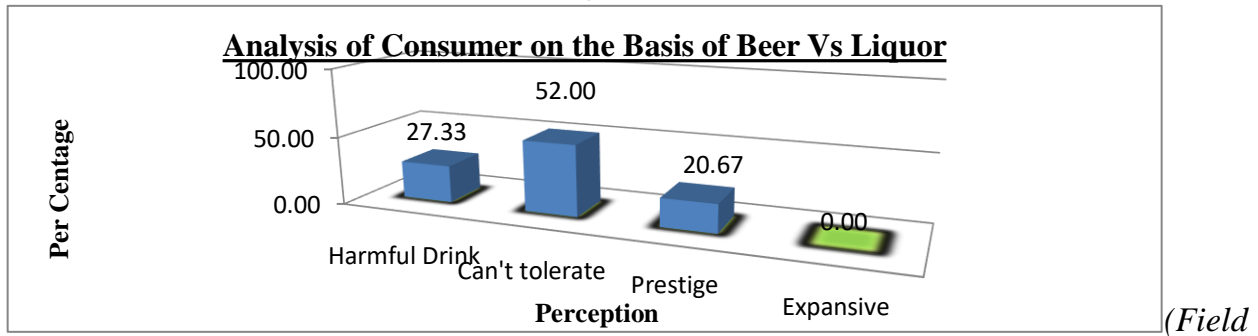
4.1.6 Perception with Liquor: Following types of respondents were found during survey on the basis perception on liquor:

Table 4.6

| S.N. | Perception | Frequency | Percentage |
|-------------|-------------------|------------------|-------------------|
| 1 | Harmful Drink | 82 | 27.33 |
| 2 | Can't tolerate | 156 | 52.00 |
| 3 | Prestige | 62 | 20.67 |
| 4 | Expansive | 0 | 0.00 |
| Total | | 300 | 100.0 |

Perception on Beer in Comparison with Liquor

Figure 4.6



Survey2013)

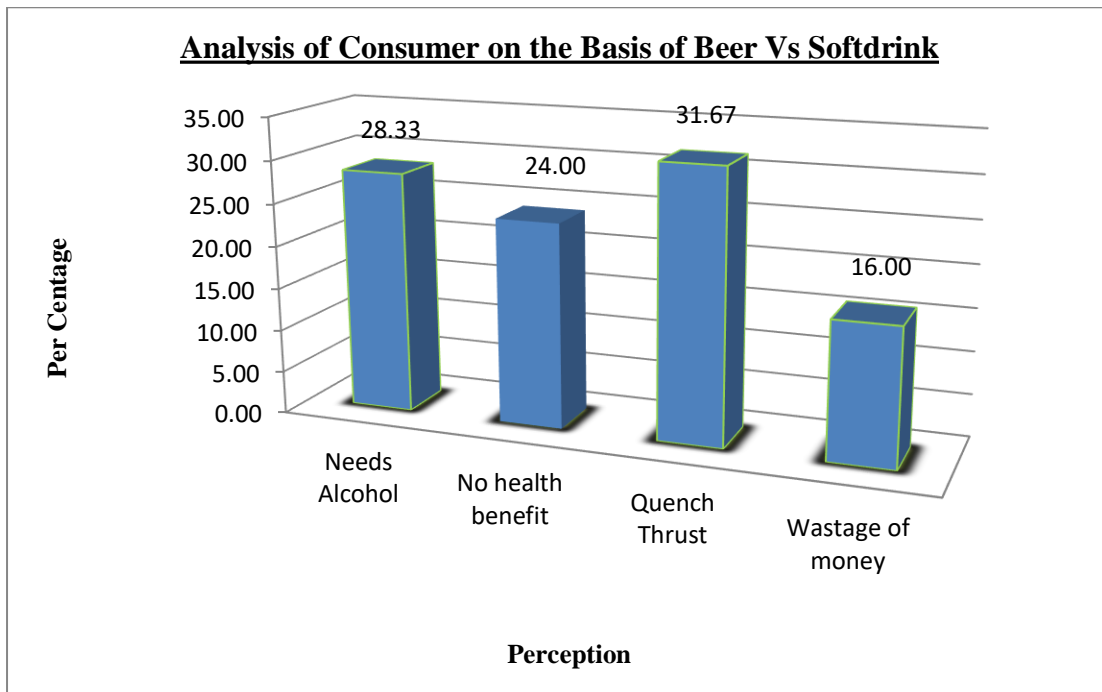
Figure 4.6 shows that most of the consumers do not like liquor because of their intolerance towards high content of alcohol. Consumer having this kind of perception is 52.0%. Consumers having perception of harmful drink and fear of prestige with liquor is 27.33 and 20.67% respectively.

4.1.7 Perception with Soft Drink: Following types of respondents were found during survey on the basis perception on Soft Drink:

Table 4.7
Perception on Beer in Comparison with Soft drink

| S.N. | Perception | Frequency | Percentage |
|--------------|-------------------|------------------|-------------------|
| 1 | Needs Alcohol | 85 | 28.33 |
| 2 | No health benefit | 72 | 24.00 |
| 3 | Quench Thrust | 95 | 31.67 |
| 4 | Wastage of money | 48 | 16.00 |
| Total | | 300 | 100.0 |

Figure 4.7



(Field Survey 2013)

Figure 4.7 shows that most of the consumers do not like soft drink because they drink soft drink just to quench thirst. Consumer having this kind of perception is 31.67%. Consumers having perception of needs alcohol for entertainment, has no health benefit and wastage of money are 28.33, 24.00 and 16.0% respectively.

4.1.8 Types of Consumer: During field surveys following types of respondents were found:

Table 4.8
Types of Consumer Consuming Beer

Figure 4.8

(Field Survey 2013)

Figure 4.8 explains that half of consumer are split loyal that is they prefer two brands. Hard core loyal

| S.N. | Perception | Frequency | Percentage |
|-------------|-------------------|------------------|-------------------|
| 1 | Hard core loyal | 111 | 37.00 |
| 2 | Split loyal | 150 | 50.00 |
| 3 | Shifting | 19 | 6.33 |
| 4 | Switcher | 20 | 6.6 |
| | | | 7 |
| Total | | 300 | 100.0 |

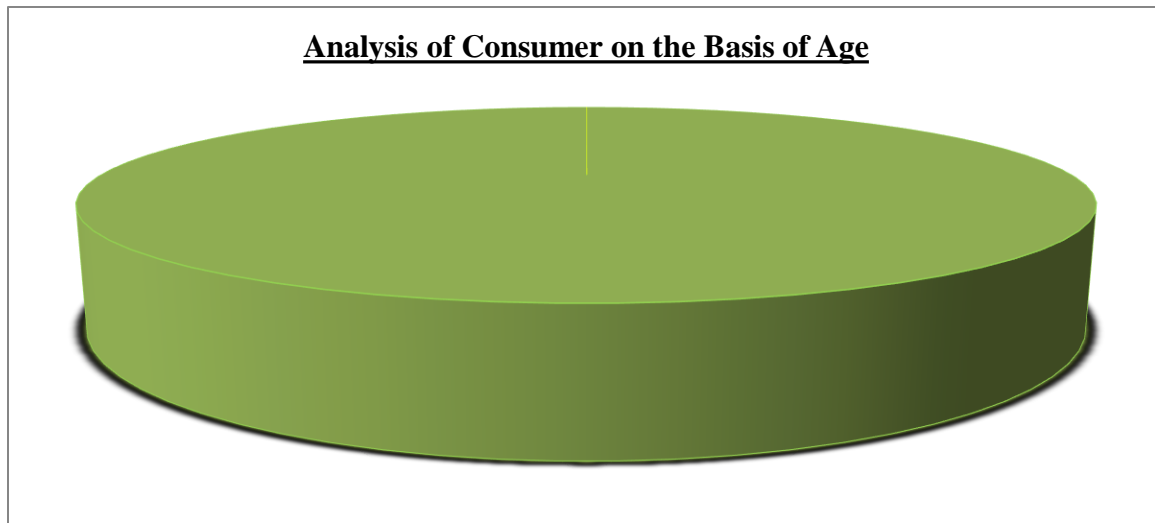
consumers are 37.0% and shifting and switcher consumer are 6.33 and 6.67% respectively.

4.1.9 Consumer's View: During field surveys following types of respondents were found:

Table 4.9
Consumer's View towards Gorkha Beer

| S.N. | Perception | Frequency | Percentage |
|-------------|--------------------|------------------|-------------------|
| 1 | Imported beer | 0 | 0.00 |
| 2 | Sophisticated beer | 0 | 0.00 |
| 3 | Local beer | 300 | 100.00 |
| 4 | International beer | 0 | 0.00 |
| Total | | 300 | 100.0 |

Figure 4.9



(Field Survey 2013)

Figure 4.9 explains that all most all consumers know Gorkha beer is a local beer. They have clear idea that Gorkha Beer is not imported, sophisticated and international beer.

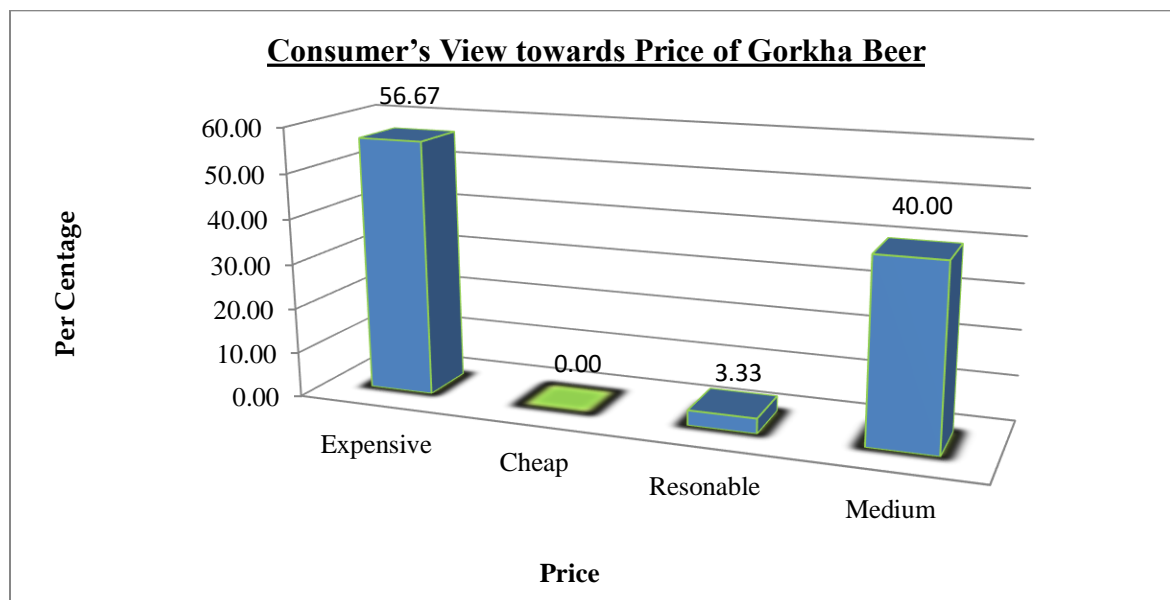
4.1.10 Price of Gorkha Beer: During field surveys following types of respondents were found on the basis of price of Gorkha beer:

Table 4.10

Consumer's View towards Price of Gorkha Beer

| S.N. | Perception | Frequency | Percentage |
|-------|------------|-----------|------------|
| 1 | Expensive | 170 | 56.67 |
| 2 | Cheap | 0 | 0.00 |
| 3 | Reasonable | 10 | 3.33 |
| 4 | Medium | 120 | 40.00 |
| Total | | 300 | 100.0 |

Figure 4.10



(Field Survey 2013)

Table 4.10 explains that 56.67% consumer of Chitwan district supposed that price of Gorkha beer is expensive. 3.33 and 40.0% consumer supposed that the price of Gorkha beer is reasonable and medium respectively and non of consumer said its price is cheap.

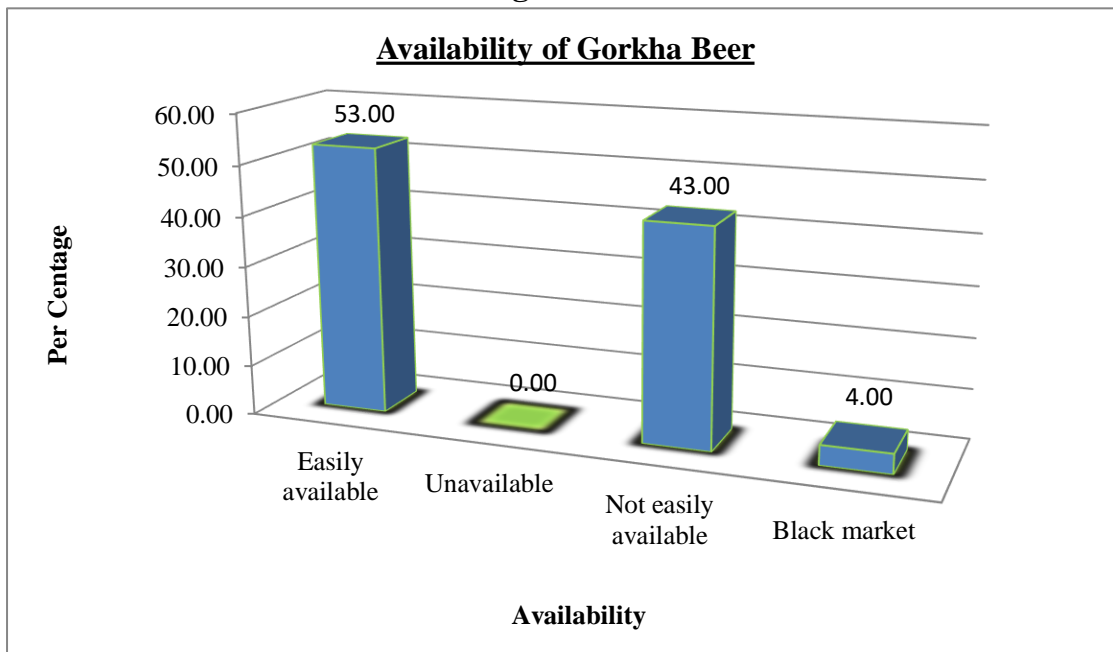
4.1.11 Availability of Gorkha Beer: During field surveys following types of respondents were found on the basis of availability of Gorkha beer:

Table 4.11

Consumer's View towards Availability of Gorkha Beer

| S.N. | Perception | Frequency | Percentage |
|-------|----------------------|-----------|------------|
| 1 | Easily available | 159 | 53.00 |
| 2 | Unavailable | 0 | 0.00 |
| 3 | Not easily available | 129 | 43.00 |
| 4 | Black market | 12 | 4.00 |
| Total | | 300 | 100.0 |

Figure 4.11



(Field Survey 2013)

Figure 4.11, shows that 53.0% of the consumer responded that Gorkha Beer is not easily available. Consumers also responded that 43.0% and 4.0% are not easily available and has black market respectively. None of consumers responded that it is unavailable in the market of Chitwan district.

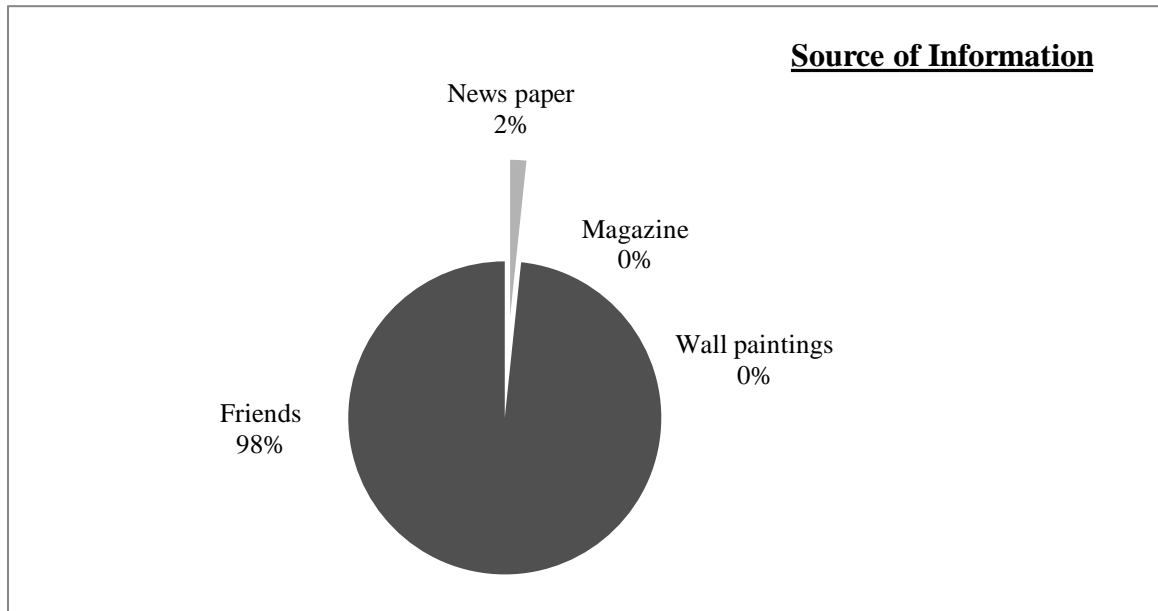
4.1.12 Source of Information: Following types of respondents were found during field survey on the basis source of information about Gorkha beer:

Table 4.12

Consumer's View towards Source of Information

| S.N. | Perception | Frequency | Percentage |
|-------|----------------|-----------|------------|
| 1 | Magazine | 0 | 0.00 |
| 2 | News paper | 5 | 1.67 |
| 3 | Wall paintings | 0 | 0.00 |
| 4 | Friends | 295 | 98.33 |
| Total | | 300 | 100.0 |

Figure 4.12



(Field Survey 2013)

Figure 4.12 shows that most of the consumers know about Gorkha Beer from friends. Friends as medium of information is 98.33% and 1.67 % of consumer knew about Gorkha Beer through news paper as source of information. No respondents are found as magazine and wall paintings through which they knew about Gorkha Beer.

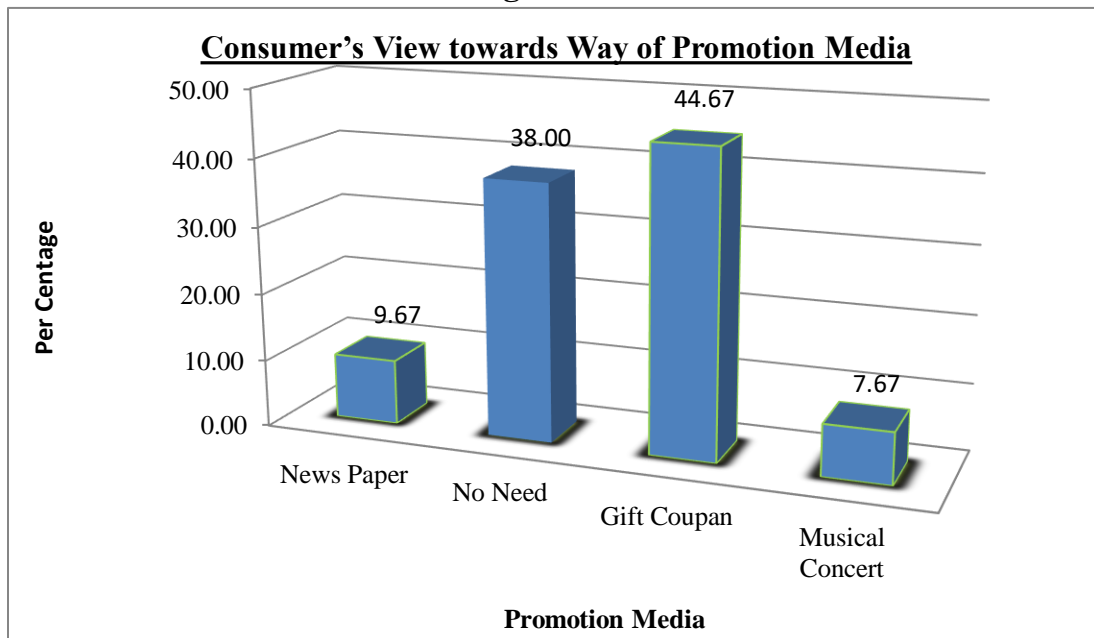
4.1.13 Way of Promotion Media: During field surveys following types of respondents were found on the basis of needs of promotion media of Gorkha beer:

Table 4.13

| S.N. | Perception | Frequency | Percentage |
|-------|-----------------|-----------|------------|
| 1 | News Paper | 29 | 9.67 |
| 2 | No Need | 114 | 38.00 |
| 3 | Gift Coupan | 134 | 44.67 |
| 4 | Musical Concert | 23 | 7.67 |
| Total | | 300 | 100.0 |

Consumer’s View towards Way of Promotion Media

Figure 4.13



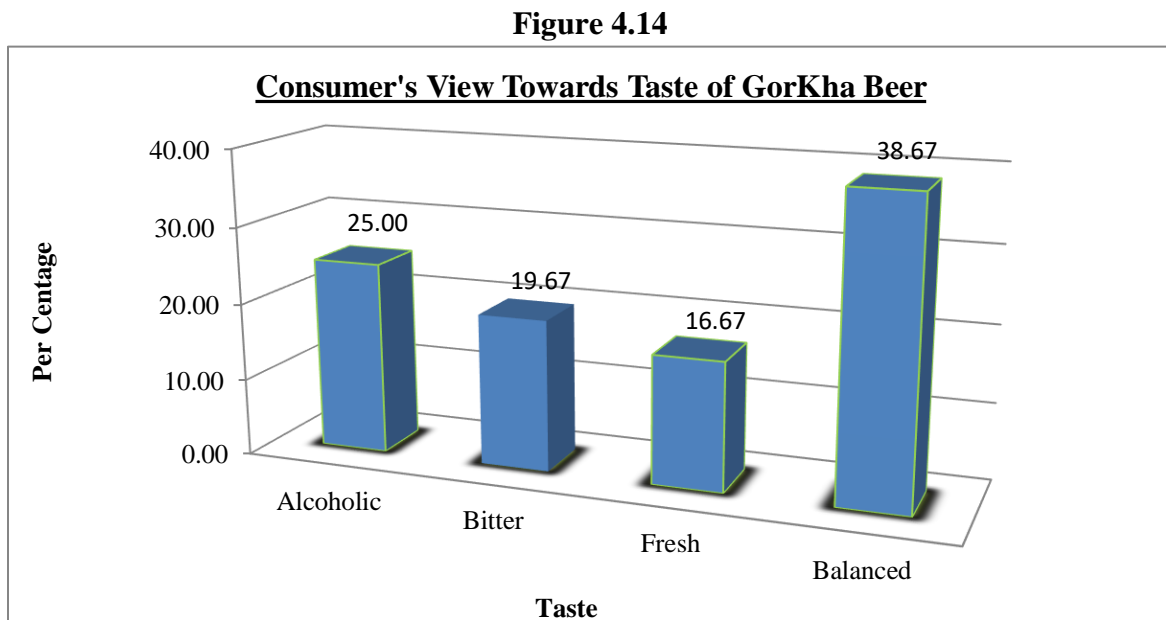
(Field Survey 2013)

Figure 4.13 shows that 44.67% of the consumers supposed that gift coupon may be the best promotion media whereas 38.0% of the consumer supposed that there is no need of promotion of Gorkha Beer. Consumers having view of news paper and musical concert are 9.67 and 7.67% respectively.

| S.N. | Perception | Frequency | Percentage |
|-------|------------|-----------|------------|
| 1 | Alcoholic | 75 | 25.00 |
| 2 | Bitter | 59 | 19.67 |
| 3 | Fresh | 50 | 16.67 |
| 4 | Balanced | 116 | 38.67 |
| Total | | 300 | 100.0 |

4.1.14 Taste: During field surveys following types of respondents were found on the basis of needs of taste of Gorkha beer:

Table 4.14
Consumer's View towards Taste of Gorkha Beer



(Field Survey 2013)

Figure 4.14 shows that 38.67% of the consumers responded that the taste of Gorkha Beer is balanced and 25.00% consumer responded that taste is alcoholic. Among 300 consumers 19.67 and 16.67% responded the taste is bitter and fresh respectively. The above

be
in
bar

data can
be presented
following
diagram.

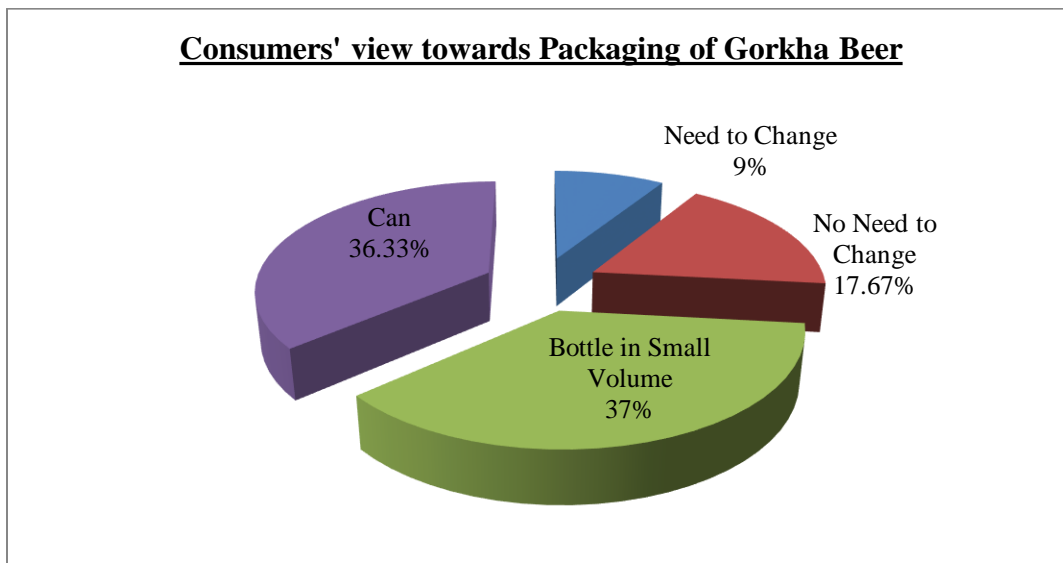
| S.N. | Perception | Frequency | Percentage |
|-------|------------------------|-----------|------------|
| 1 | Need to Change | 27 | 9.00 |
| 2 | No Need to Change | 53 | 17.67 |
| 3 | Bottle in Small Volume | 111 | 37.00 |
| 4 | Can | 109 | 36.33 |
| Total | | 300 | 100.0 |

4.1.15 Packaging: During field surveys following types of respondents were found on the basis of packaging of Gorkha beer:

Table 4.15

Consumer's View towards Packaging of Gorkha Beer

Figure 4.15



(Field Survey 2013)

Figure 4.15 shows that there is almost equal response from consumer that 37.00 and 36.33% wants to change packaging form to bottle in small volume and in can respectively. Whereas 9.00% consumer responded that there is need to change in

| S.N. | Perception | Frequency | Percentage |
|-------|----------------------|-----------|------------|
| 1 | Balanced Taste | 92 | 30.67 |
| 2 | Attractive Packaging | 1 | 0.33 |
| 3 | Easy Availability | 10 | 3.33 |
| 4 | Price | 134 | 44.67 |
| 5 | Local Beer | 58 | 19.33 |
| 6 | Most Popular | 5 | 1.67 |
| Total | | 300 | 100.0 |

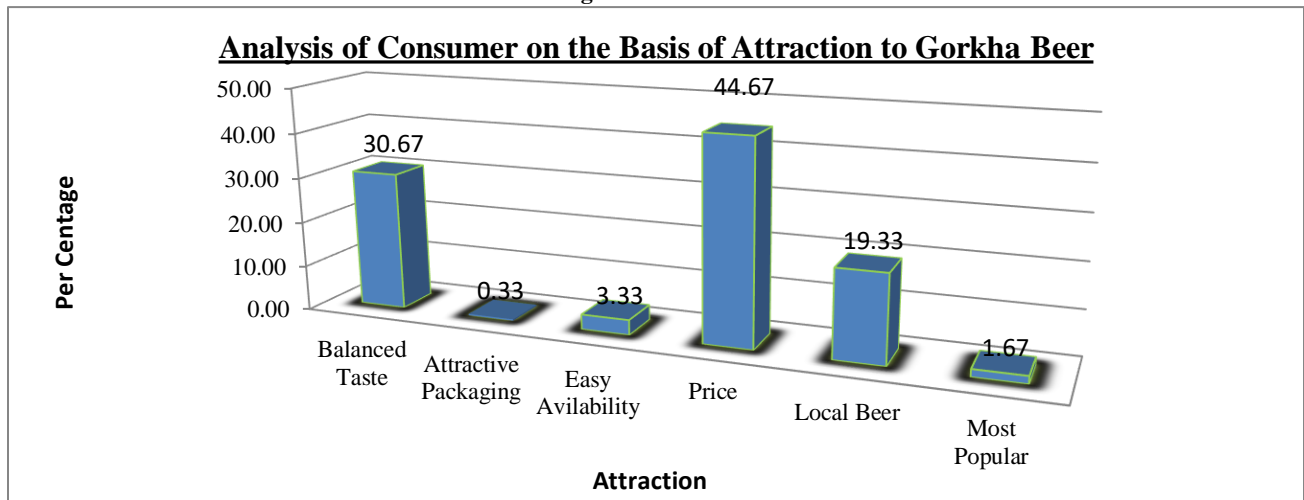
packaging and 17.67% responded that there is no need of change in packaging.

4.1.16 Attraction: Following types of respondents were found during field survey on the basis attraction to Gorkha beer:

Table 4.16

Consumer's View towards Attraction to Gorkha Beer

gure 4.16



(Field Survey 2013)

Figure 4.16 shows that 44.67% consumers are attracted to Gorkha beer due to price factor and another 30.67% consumer are attracted due to its balanced taste which is vital attraction factor. 19.33% consumers are attracted due to being it local beer. Attractive packaging attracted 0.33% consumers whereas 3.33 and 1.67 % consumers are attracted due to easy

| S. No. | Response | Frequency | Percentage |
|--------|---------------------|-----------|------------|
| 1 | Tuberg Star Gold | 61 | 20.33 |
| 2 | Carlsberg | 25 | 8.33 |
| 3 | San Miguel | 24 | 8.00 |
| 4 | Gorkha | 159 | 53.00 |
| 5 | Ice Berg | 0 | 0.00 |

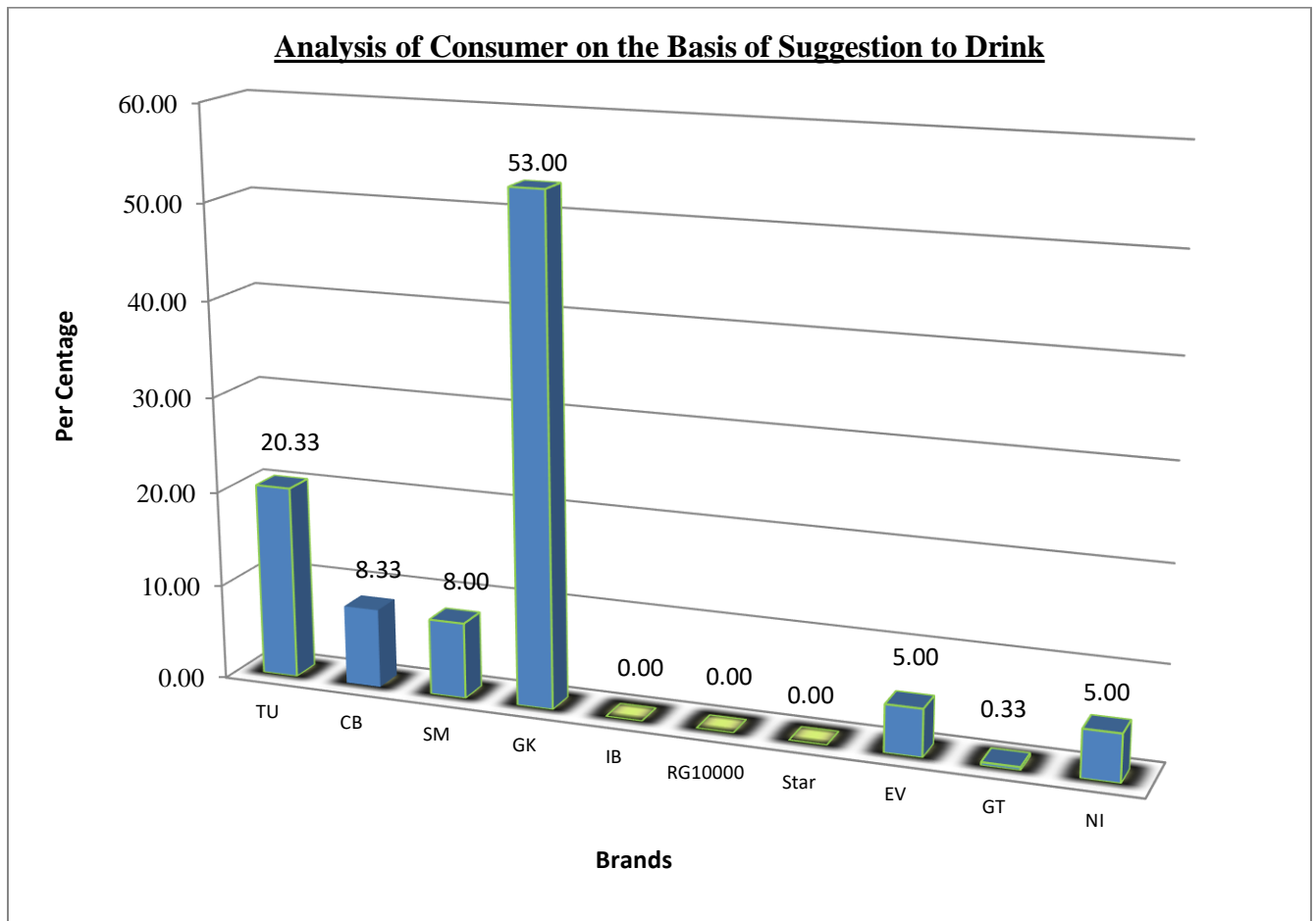
availability and most popular beer.

4.1.17 Suggestion to Drink: During field surveys following types of respondents were found on the basis suggestion to drink:

Table 4.17
Consumer's View towards Suggestion to Drink

| | | | |
|-------|--------------|-----|-------|
| 8 | Everest | 15 | 5.00 |
| 9 | Golden Tiger | 1 | 0.33 |
| 10 | Nepal Ice | 15 | 5.00 |
| Total | | 300 | 100.0 |

Figure 4.17



(Field Survey 2013)

Figure 4.17 shows that 53.0% respondents suggest Gorkha Beer to drink whereas 20.33, 8.33 and 8.00% respondent suggest Tuborg, Carlsberg and San Miguel respectively.

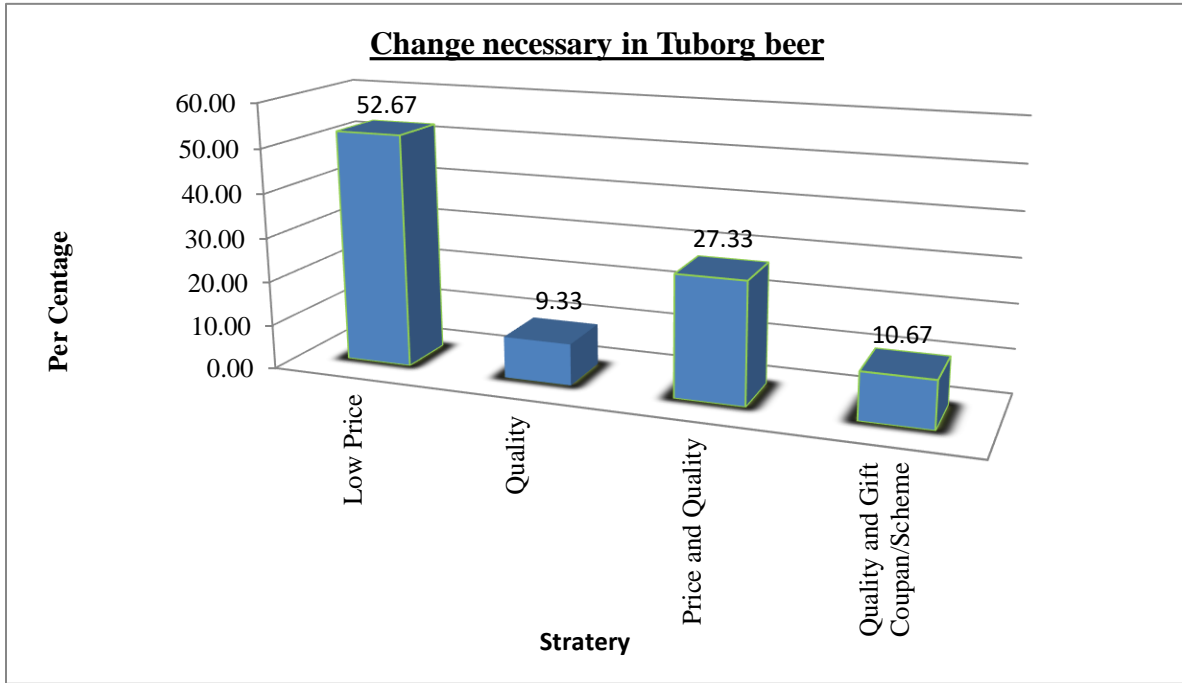
Everest and Nepal Ice Beer were suggested by 5.0% consumer each and 0.33% consumers suggested Golden Tiger to drink. None of consumer suggested Ice Berg, Real Gold and Star Beer to drink.

| S. No. | Perception | Frequency | Percentage |
|---------------|-----------------------------------|------------------|-------------------|
| 1 | Low Price | 158 | 52.67 |
| 2 | Quality | 28 | 9.33 |
| 3 | Price and Quality | 82 | 27.33 |
| 4 | Quality and Gift Coupon/Scheme | 32 | 10.67 |
| Total | | 300 | 100.0 |

4.1.18 Change in Tuborg: **Following types of respondents were found during field survey on the basis of view towards change in Tuborg beer:**

Table 4.18
Consumer's View towards Change in Tuborg

figure 4.18



(Field Survey 2013)

Figure 4.18 shows that 52.67% consumer suggests that there is necessary to low the price of Tuborg Beer to sustain in present market whereas 27.33% consumer suggests that there is necessary to balance in quality and price of the beer. 9.33% consumers suggest that company should focus only in quality of the beer whereas 10.67% consumer suggests company should introduce gift coupon along with quality improvement to exist and face in the present market condition.

4.1.19 Chi Square Test for Independence of Demand and Choices of Different Beer Brands

Table 4.19

Chi Square Test for Independence of Demand and Choices of Different Beer Brands

| S. No. | Brands | Demand |
|--------|------------|--------|
| 1 | Tuborg | 67 |
| 2 | Carlsberg | 28 |
| 3 | San Miguel | 23 |
| 4 | Gorkha | 115 |
| 5 | Ice Berg | 4 |

| | | |
|----|-----------------|------------|
| 6 | Real Gold 10000 | 21 |
| 7 | Star Gold | 14 |
| 8 | Everest | 7 |
| 9 | Golden Tiger | 6 |
| 10 | Nepal Ice | 15 |
| | Total | 300 |

(Field Survey 2013)

1. Set up Hypothesis

Null Hypothesis H_0 : Consumer prefers all brands of beer available in the market.

Alternative Hypothesis H_1 : Gorkha beer has greater preference than other brands available in the market.

2. **Test Statistics:** χ^2 Calculated= 366.33

3. **Level of significance** =5% and **degree of freedom**= 9

4. **Critical Value** χ^2 **Tabulated as** = 16.92

5. **Decision:** Since the calculated value of Chi square (χ^2) 366.33 is greater than tabulated value of χ^2 or χ^2_{tab} (16.92) at 5% level of significant for 9 d. f, so Null Hypothesis is rejected and alternative hypothesis is accepted. Hence, Gorkha beer has greater preference than other brands available in the market. (Appendix 2)

4.1.20 Karl Pearson's Correlation Coefficient between Price and Demand of Gorkha Beer

Table 4.20

Karl Pearson's Correlation Coefficient between Price and Demand of Gorkha Beer

| S. No. | Brands | Price (Rs.) | Demand |
|--------|--------|-------------|--------|
| 1 | Tuborg | 212 | 67 |

| | | | |
|----|-----------------|--------------|------------|
| 2 | Carlsberg | 255 | 28 |
| 3 | San Miguel | 212 | 23 |
| 4 | Gorkha | 182 | 115 |
| 5 | Ice Berg | 130 | 4 |
| 6 | Real Gold 10000 | 156 | 21 |
| 7 | Star Gold | 125 | 14 |
| 8 | Everest | 121 | 7 |
| 9 | Golden Tiger | 125 | 6 |
| 10 | Nepal Ice | 178 | 15 |
| | | Total | 300 |

(Field Survey 2013)

Table 4.20 shows that the Karl Pearson's correlation coefficient (r) between price and demand of Gorkha beer is 0.418693 which is positive and low correlation coefficient. This coefficient shows that relationship between demand and price is positive but low in nature. (Appendix 3)

4.1.21 Sales Trend Analysis of Gorkha Beer

Table 4.21

Sales Analysis of Gorkha Beer Months and Year Wise

| Month / Year | 2068 (HL) | 2069 (HL) | 2070 (HL) |
|--------------|------------------|------------------|------------------|
| Baishak | 97.5 | 6778.59 | 5676.45 |
| Jestha | 670.41 | 7214.22 | 6889.818 |
| Aahad | 3454.074 | 6123.78 | 7468.422 |
| Shrawan | 3344.25 | 6857.136 | 4973.514 |
| Bhadra | 4835.61 | 5154.318 | 5634.096 |
| Ashoj | 4596.15 | 6374.94 | 5634.096 |
| Kartik | 3803.748 | 4872.66 | 3425.604 |
| Manshir | 6057.636 | 5892.9 | 3433.092 |
| Push | 3277.56 | 2483.13 | NA |
| Magh | 3244.8 | 2923.44 | NA |
| Falgun | 4231.11 | 4142.892 | NA |
| Chaitra | 6327.282 | 5493.15 | NA |
| Total | 43940.13 | 64311.16 | 43135.09 |

Figure 4.21

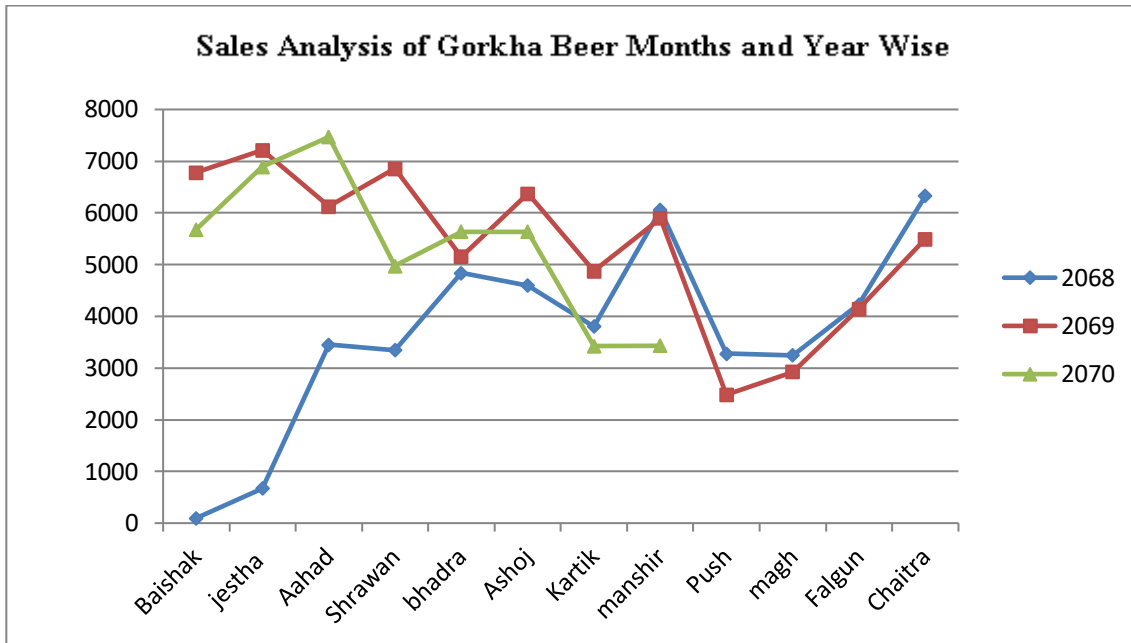


Figure 4.21 Shows that sale of Gorkha beer is increasing year wise. Whereas year 2070 is concern more than 50% in comparison to previous year is already achieved in previous six months.

4.2 Major Findings

Researcher attempted to know the consumer's behavior regarding consumption of Beer specifically Gorkha beer in Chitwan district on the basis of different aspects. In this research various facts were found which are highlighted as below:

1. It was found that 88% consumers are male and 12% consumers are female. It shows that majority of consumer are male.
2. Researcher found that 38.33% consumers are business person which is majority on the basis of occupation.
3. Most of the consumers of Chitwan district were of age between 20-39 years and it is 40.67% of the population studied.

4. Consumer of Chitwan district highly preferred Gorkha beer. The population who preferred Gorkha beer is 38.33% which is highest among available beer in Chitwan district.
5. More than half of the population of Chitwan district mostly prefer summer season to drink beer and population of this category is 50.67%.
6. Researcher found that 65.33% consumers drink beer only for entertainment and fun.
7. It was found that 52.0% consumer cannot tolerate liquor in comparison to beer.
8. It was found that 31.67% consumer drink soft drink just to quench the thirst in comparison to beer.
9. Researcher found that 50.0% consumers are split loyal i.e. they drink beer alternative beer brands even though 37.0% consumer are hard core loyal i.e. they drink only one brand.
10. All most all consumer of Chitwan district have knowledge that Gorkha beer is local beer.
11. Consumers of Chitwan district feel that the price of Gorkha beer is expensive. 56.67% consumer commented that Gorkha beer is expensive.
12. It was found that easily availability of Gorkha beer is 53.0% in Chitwan district.
13. Researcher found that major source of information about Gorkha beer is from friends and this source of information is 98.33%.
14. Gift coupon may be the best means of promotion of Gorkha beer and 44.67% consumer gave this idea whereas conversely 38.0% consumer suggested that there is no need of promotion and moves smoothly on its way.
15. Balanced taste of Gorkha beer plays vital role to attract the consumer than to other brands. Consumers commented it has balance taste are 38.67% of the population studied.
16. Researcher found that there is all most equal interest of consumers that it will be better to change in packaging size as to bottle in small volume and in can as 37.0 and 36.33% respectively.

17. It was found that 44.67% consumers are attracted to Gorkha beer due to its price factor whereas 30.67% consumers are attracted due to its balanced taste.
18. Gorkha beer is suggested to drink by 53.0% consumers to other consumer.
19. Researcher found that competitor of Gorkha beer is Tuborg beer in Chitwan district. 52.67% consumer suggested that it is necessary to lower the price and 27.33% suggested that there is necessary to maintain balance between price and quality of Tuborg to retain in top position among beer brands.
20. From Chi square test, researcher found that Gorkha beer has greater preference than other brands available in the market.
21. Researcher found from Karl Pearson's Correlation Coefficient that relationship between demand and price is positive but low in nature.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The researcher has identified that research problem and set objectives to solve research problem about consumer buying behaviour of Gorkha Beer in Chitwan district. The main objective of the research is to study the consumer buying behaviour of Gorkha Beer in Chitwan district. The specific objectives of the study are: To know the consumption of beer on the basis of age, sex, profession, different seasons and different occasion also, to know the consumer's view regarding soft drinks with comparison to beer, to know the consumer's view regarding hard drinks with comparison to beer, to know the most preferring brand and purpose of consuming it, To know the strength of Gorkha Beer in terms of product, price, place, promotion, taste, packaging and attractiveness that forces the consumer towards it and to offer suitable suggestions based on findings of this study. In the recent time industries are developing rapidly in Nepal. Every year the number of different industries is increasing in the country. Today a product not only needs a quality enhancement but also better promotion and presentation in the market. The product should be able to win the heart of consumers to be successful in the market, thus consumer behavior is very important aspects in any field. Consumer behavior is the study of people buy, what they buy, when they buy and why they buy. It blends element from psychology, socio-psychology, anthropology and economics. It attempts to understand the buyer decision making process both individually and in group. It studies characteristics of individual customers such as demographics, psychographics and behavioral variables in an attempt to understand people's wants. It also tries to access influence on the consumer from group such as family, friends, reference groups and society in general. To make this study more effective, related literatures have been reviewed. The review of literature provides the foundation of knowledge in order to

undertake this research more precisely. An attempt is made to find out consumer's perception and behavior in the purchase of Gorkha Beer in the study area. For the purpose of the study null hypothesis were developed. To conform whether the study is in accordance with the principles and doctrines, supportive texts and the previous dissertation have been reviewed.

This chapter presents the conceptual review of Consumer behaviour, model of consumer behaviour, factors affecting consumer buying decision, marketing mix, demand analysis etc. Some books, journals, articles, other references, web sites were also followed during the research study.

Research methodology has been described in third chapter, which is a way to solve the research problems with the help of various statistical tools and techniques in order to come to the decisions. The samples for the study comprised 300 consumers are taken from Chitwan district. A questionnaire consisting 17 questions were administered to the respondents. This chapter includes the research design, population and sample data collection procedure, data period covered and methods of analysis. These studies are mainly conducted on the basis of primary data collected from field survey annual reports of the company.

The presentation and analysis of data has been made comparative analytical and their interpretation has done in chapter four by applying the wide varieties of methodology as stated in chapter three. It includes the various statistical tools. Various statistical tools such as arithmetic mean, percentage chi square test, coefficient of correlation and trend analysis have been applied to fulfill the objectives of this study. The analysis has been done mainly through primary data. The major findings of the study are also included in the final section of the data presentation and analysis chapter.

5.2 Conclusions

This research is conducted with the major objective of consumer buying behaviour of Gorkha Beer in Chitwan district. The observation and conclusion is derived by applying various statistical tools like, percentage, arithmetic mean, chi square test, Karl Pearson's correlation coefficient. This has helped to reach conclusion and provide workable solution for the consumer buying behaviour of Gorkha beer in Chitwan district. The researcher found that majority of consumer of Gorkha beer is male and for occupations are concern, businesspersons have greater number in comparison with other occupation. Majority of consumer drinking Gorkha beer in Chitwan district is of the age group of 20-39 years.

More than one third of consumer of beer prefers Gorkha beer which is the highest recorded among available beer in Chitwan district. It was found from the research that maximum consumption of beer is in summer season rather than other seasons. Consumers drink beer just only for the entrainment and fun purpose whereas more than half the consumer does not like liquor because they cannot tolerate high content of alcohol. So far as soft drink is concerned, they drink it just to quench the thirst in comparison with beer. There is greater sample population having split loyal i.e. they drink alternative beer brands rather than hard core loyal i.e. they drink only one brand. Researcher found that all most all consumer of Chitwan district have knowledge that Gorkha beer is locally produced beer and also responded that the price of the beer is expensive. It was found that Gorkha beer is easily found in Chitwan district and major source of information about is from personal contact or friends. As promotion of the beer is concerned, gift coupon might be the best means and conversely there are remarkable suggestions from consumer that there is no need of any promotion activities because of its popularity in this district. Major factors of attraction and high demand of Gorkha beer are price factor and its balance taste in Chitwan district. A very good finding about Gorkha beer is that consumers of Chitwan district suggest others to drink Gorkha beer. It shows the level of satisfaction achieved to consumer by Gorkha beer. It was found from

research that consumer wants to change its monotones mind set up in its packaging as in bottle in small volume and or in can. An interesting clue was found from the research is that the competitor of Gorkha beer is Tuborg beer and if balance between price and quality is set up then Tuborg will be in top position among beer brands. From Chi square test, researcher found that Gorkha beer has greater preference then other brands available in the market. Researcher also found from Karl Pearson's Correlation Coefficient that relation between demand and price is positive but low in nature.

5.3 Recommendations

In the light of the above study following are the recommendations for the further managerial actions to the Gorkha beer.

1. Majority of consumes are male, it is recommended that company should focus to female group to expand the market and be ahead of competitors.
2. Most of the consumers are business person and of age between 20-39 years and they drink beer in summer season. It is recommended that company should introduce such a plan which include consumer from all the aspects and all above legal drinking age.
3. To increase the consumption in winter season the company should fully utilizes the effort of promotional tools like sales promotion and advertising campaign with a message indicating "beer is also for winter".
4. Consumer percept beer positively even it contains alcohol. Consumer percept alcohol as harmful drink. This perception may hamper to the beer industry in long run so the company should focus on consumer awareness that beer is relatively less harmful.
5. Large consumption of beer is used as resources of entertainment and fun so the company should invest to the entertainment and fun activity for the purpose of publicity. The company should also involve in sponsorship of social group rather individual or family.
6. The company has already larger number of hard core consumers but a single factor may change their behavior and preferences any time so that company is suggested to

expand greater amount of investment in research of consumer behavior periodically and continuously.

7. The company should have a continuous attention towards product, price and place (distribution) on the parallel basis. Consumers are very clever and cannot pay always more for local brand quality and can switch to other brands at any time.
8. Different age group has different choices so that only one media is not sufficient to influence entire target group in existing competitive situation. There is a requirement of media mix, concept of integrated marketing and creative media strategy with an effective appeal.
9. The company should change in packaging size in certain time interval as in bottle in small volume or in can comfort ability and change in monotonous mind set up. It is ultimately for brand promotions for the company.

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Internet Search

http://en.wikipedia.org/wiki/consumer_behaviour

www.gorkhabrewery.com

www.consumerbehaviour.com

www.ekantipur.com

www.businessasia.com

APPENDIX

Appendix 1

QUESTIONNAIRE

Hello Namaskar!!!

My name is Dakman Rajbhandari. I am student (MBS) of Birendra Multiple Campus, Bharatpur, Chitwan. I am writing a thesis on Consumer Buying Behavior of Gorkha Beer in Chitwan District. Without your cooperation, it is impossible to go on. Will you please take few minutes to answer some questions? I assure you that your answer will be kept completely confidential.

1. Demographic Information:

- i) Name: i v) Religion:
- ii) Sex: Male Female v) Residence:
- iii) Occupation: vi) Age:.....

| | | | |
|---------------|------------|------------|---------------|
| Below 20 yrs. | 20-30 yrs. | 30-50 yrs. | Above 50 yrs. |
| | | | |

2. Which is your most favorite Beer available in the market?

| | | | |
|-----------------|--|------------|--|
| Tuborg | | San Miguel | |
| Carlsberg | | Iceberg | |
| Real Gold 10000 | | Star | |
| Everest | | Gorkha | |
| Golden Tiger | | Nepal Ice | |

3. In which season do you prefer drink beer mostly?

| Description | Summer | Winter | Spring | All Seasons | Festivals |
|----------------------|--------|--------|--------|-------------|-----------|
| Everyday | | | | | |
| 2 to 3 times a week | | | | | |
| 2 to 3 times a month | | | | | |
| Occasionally | | | | | |

4. How do you perceive beer as drink?

- i) As an alcoholic drink iii) As a source of entertainment and fun
 ii) To keep body fresh iv) To quench thirst

5. Why do you not prefer liquor in comparison with beer?

- i) Liquor is harmful drink iii) I cannot tolerate it
 ii) Due to fear of losing prestige in society iv) It is expensive

6. Why do you not prefer soft drink in comparison with beer?

- i) Need a little bit alcohol to entertain and fun iii) It has no health benefit
 ii) It is just to quench thirst iv) It is wastage of money

7. Which type of customer are you?

- i) Hard core loyal (Always use one brand) iii) Split loyal (Loyal towards two brands)
 ii) Shifting (Shift from one brand to another) iv) Switcher (Always try new brands)

8. What do you think Gorkha Beer as?

- i) Imported beer iii) Sophisticated beer
 ii) Local beer iv) International beer

9. What is your view towards price of Gorkha Beer?

 100

- i) Expensive
- ii) Reasonable
- iii) Cheap
- iv) Medium

10. What is your view towards availability of Gorkha Beer?

- i) Easily available
- ii) Not easily available
- iii) Unavailable
- iv) Black Market

11. From which media do you know about the Gorkha Beer?

- i) Magazine
- ii) Wall paintings
- iii) News papers
- iv) Friends

12. Which is the best media for promotion of Gorkha Beer?

- i) Advertisement in news paper
- ii) Gift- coupon
- iii) No Need
- iv) Musical concert

13. What do you feel about the taste of Gorkha Beer?

- i) Alcoholic
- ii) Freshness
- iii) Bitter
- iv) Balanced

14. What do you think about change in packaging and attractiveness of Gorkha Beer?

- i) Need to change
- ii) No need to change
- iii) Bottle in small volume
- iv) Can

15. Why are you attracted to Gorkha Beer rather than Tuborg and other available beer?

- i) Balanced taste
- iv) Attractive packaging

ii) Easy availability

v) Local beer

iii) Cost factor

vi) Most popular

16. Which brand do you suggest to drink to others?

| | | | |
|---------------------|--|------------|--|
| Tuborg | | San Miguel | |
| Carlsberg | | Iceberg | |
| Royal Danish Tuborg | | Kathmandu | |
| Everest | | Gorkha | |
| Golden Tiger | | Nepal Ice | |

17. Please express your comments regarding what should be in Tuborg beer so that you prefer the most than other available beer brands.

.....

.....

.....

Thank You.

Appendix 2

Chi Square Test for Independence of Demand and Choices of Different Beer Brands

| Brand | Demand (O) | E | O-E | (O-E) ² | (O-E) ² /E |
|-----------------|------------------|----|-----|--------------------|--|
| Tuborg | 67 | 30 | 37 | 1369 | 45.63 |
| Carlsberg | 28 | 30 | -2 | 4 | 0.13 |
| San Miguel | 23 | 30 | -7 | 49 | 1.63 |
| Gorkha | 115 | 30 | 85 | 7225 | 240.83 |
| Ice Berg | 4 | 30 | -26 | 676 | 22.53 |
| Real Gold 10000 | 21 | 30 | -9 | 81 | 2.70 |
| Star Gold | 14 | 30 | -16 | 256 | 8.53 |
| Everest | 7 | 30 | -23 | 529 | 17.63 |
| Golden Tiger | 6 | 30 | -24 | 576 | 19.20 |
| Nepal Ice | 15 | 30 | -15 | 225 | 7.50 |
| | ∑ O = 300 | | | | ∑(O – E)²/E = 366.33 |

Expected frequency, $E = \sum O/N$

$$= 300/10$$

$$E = 30$$

Calculated $\chi^2 = 366.33$

Appendix 3

Karl Pearson's Correlation Coefficient between Price and Demand of Gorkha Beer

| Brand | Price (X) | Demand (Y) | $X - \bar{X}$ | $Y - \bar{Y}$ | $(X - \bar{X})(Y - \bar{Y})$ | $(X - \bar{X})^2$ | $(Y - \bar{Y})^2$ |
|-----------------|-------------------|------------------|---------------|---------------|--|------------------------------------|----------------------------------|
| Tuborg | 212 | 67 | 42.4 | 37 | 1568.8 | 1797.76 | 1369 |
| Carlsberg | 255 | 28 | 85.4 | -2 | -170.8 | 7293.16 | 4 |
| San Miguel | 212 | 23 | 42.4 | -7 | -296.8 | 1797.76 | 49 |
| Gorkha | 182 | 115 | 12.4 | 85 | 1054 | 153.76 | 7225 |
| Ice Berg | 130 | 4 | -39.6 | -26 | 1029.6 | 1568.16 | 676 |
| Real Gold 10000 | 156 | 21 | -13.6 | -9 | 122.4 | 184.96 | 81 |
| Star Gold | 125 | 14 | -44.6 | -16 | 713.6 | 1989.16 | 256 |
| Everest | 121 | 7 | -48.6 | -23 | 1117.8 | 2361.96 | 529 |
| Golden Tiger | 125 | 6 | -44.6 | -24 | 1070.4 | 1989.16 | 576 |
| Nepal Ice | 178 | 15 | 8.4 | -15 | -126 | 70.56 | 225 |
| | $\sum X$ =1696 | $\sum Y$ =300 | | | $\sum (X - \bar{X})(Y - \bar{Y})$ =6083 | $\sum (X - \bar{X})^2$ =19206.4 | $\sum (Y - \bar{Y})^2$ =10990 |

$$\text{Mean } (\bar{X}) = 1696/10$$

$$= 169.6$$

$$\text{Mean } (\bar{Y}) = 300/10$$

$$= 30$$

$$\text{Karl Pearson's Correlation Coefficient, } r = \frac{\sum (X - \bar{X})(Y - \bar{Y})}{\sqrt{\sum (X - \bar{X})^2} \sqrt{\sum (Y - \bar{Y})^2}}$$

$$= 0.418727683$$