

**CONSUMER BEHAVIOUR TOWARDS COLD DRINKS IN
DANG DISTRICT**

(With Special Reference to Selected Beverage Products)

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RECOMMENDATION

This is to certify that the thesis

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Entitled

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DANG DISTRICT**

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has been prepared as approved by this Department in the prescribed format of
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and found the thesis to be the original work of the student written according to
the prescribed format. We recommend the thesis to be accepted as partial
fulfillment for

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

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DECLARATION

I hereby, declare that the work reported in this thesis entitled “**Consumer Behaviour towards Cold Drinks in Dang District: With Special Reference to Selected Beverage Products**” submitted to Central Department of Management, University Campus, T.U., Kirtipur is my original piece of work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business studies under the supervision and guidance of Jagat Timilsina, Lecturer, Central Department of Management.

.....

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CHAPTER-ONE

INTRODUCTION

1.1 General Background

The word 'Marketing' is derived from the word 'market'. Market is an area for potential exchanges. Thus, it is a group of buyers and sellers interested and negotiating, the terms of purchase or sale of goods or services. So it consists of the forces of supply and demand.

Marketing is a comprehensive term and it includes all resources and a set of activities necessary to direct and facilitate the flow of goods and services from producer to consumer in the process of distribution process. Human efforts, finance and management constitute the primary resources in marketing.

A simple meaning of 'marketing' is selling of goods and services. It is the purchase and sale of goods and services in the market. Marketing is defined from the viewpoints of different parties involved in the market. To a salesman it is selling; to an advertiser it is advertising; to a housewife it is purchasing of necessary goods; to a producer it is the distribution of product goods or services. So, it is not limited to the purchasing and selling of goods.

Marketing may be defined as the process of exchange between seller and buyer. It involves a number of inter-related activities designed to plan, promote, distribute, and price a product or service in order to meet the wants and needs of both the parties in exchange transaction, viz., consumers (buyers) and producers (sellers).

We have twin activities which are most significant in marketing:

1. Matching the product or service, an article of trade, with demand, i.e. customer needs and desires or target market.
2. The transfer of ownership and possession at every stage in the flow of goods from the primary producer to the ultimate consumer.

Marketing comprises all activities involved in the determination and satisfaction of customer needs at a profit. By means of marketing function,

marketer can direct the firm's response to an ever-changing market environment and orient all parts of the business toward the creation of a satisfied customer.

In general sense marketing is selling through advertising. However selling and advertising are only a small part of whole marketing. Marketing helps organization to find out what customers want and also helps to decide what products to make.

Today the concept of marketing has changed drastically. Today marketing must be understood not in the old sense of marketing as sale- "telling and selling" but in the new sense of satisfying consumer's needs (Kotler and Armstrong, 1997: 15). If the marketer does a good job of understanding customer's needs, develops products that provides superior value and price, distributes and promotes them effectively, he/she will easily sell the products otherwise it is difficult to stay in market.

Globalization, technological change and intense completion are today's environment. Marketing success belongs to those who can deliver what customers are willing to purchase. An organization must determine their vision to satisfy customer's needs and wants through successful marketing. Prof. Philip Kotler says- Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others (Kotler, 2000: 8).

Marketing is a total system of business activities designed to plan price, promote, and distribute want satisfying products to target market to achieve organizational objectives (Stanton, 1978: 21).

Generally speaking, marketing adds value to goods by changing their ownership and by changing their time and place of consumption (Candiff and Still, 1972: 7).

Marketing plays a very significant role in accelerating the pace of industrialization, which in turn aims at making economy developed and strong. In this connection, it is significant to note that marketing is the most important multiplier of economic development. The development of marketing makes possible economic integration and the full utilization of assets and productive capacity and economy already possessed. It mobilizes latent economic energy and finally contributes to the greatest needs; that offers the rapid development of entrepreneurs and managers (Kelly and Lazar, 1972:616). Ultimately the development of entrepreneurs and managers help in managing industrial activities in a country. It is evident that the industrially developed countries are developed in the area marketing too.

Above definition gives the importance on product. Product is an element of marketing mix. People generally associate a product with goods and services, but the concept of product is not only goods and services. People are involved in marketing 10 types of entities: goods, services, experiences, events, persons, places, properties, organization, information and ideas (Kotler, 2000: 3). According to Prof. Phillip Kotler and Gary Armstrong a product is "Anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organization and ideas" (Kotler and Armstrong, 1997: 274).

Consumer Behaviour

Consumer is the king in business. The success and failure of any business entirely depend on consumer reactions to a firm's marketing mix or strategies. Firm's marketing mix or strategies should be designed in such a way that satisfies consumers need and wants. To design an effective marketing mix that satisfies consumer unsatisfied need and wants a firm should know the buying behavior it, thus an important task for today's markets.

Consumer behavior is a broad field which concern with how individuals, families and group acquire, consume and dispose of goods, services, ideas and experiences. The principles of consumer behavior are useful to business, managers, government regulations, non profit organizations and every day people. In particular, for marketing managers knowledge of consumer behavior has important implications for environmental analysis for product positioning for the segmentation of marketplace, for designing market research studies and for developing marketing mix. The high impact of consumer behavior on marketing management should not be surprising (Mowan, 1990: 27).

Consumer buying behavior refers to the behavior of ultimate consumers, those who purchase product for personal or house hold use, not for business purpose. But buying behavior of consumer differs from one to another, however their buying process may be identical. Generally, the consumer buying process consists of five stages. These are problem recognition, information search, evaluation of alternatives, purchase and post purchase evolution.

Consumer is the main artist of the marketing activities. Consumer starts and ends with marketing process. Marketing starts with the identification of a specific name on the part of the consumer and ends with the satisfaction of that needs. Thus, the consumer is found both at the beginning and the end of marketing process. Therefore the Consumer is the sovereign power in the modern business world. The success and failure of business depends upon the consumer reaction towards company's marketing action of marketing mix. So, Consumer behaviour is an integral part of marketing. The basic philosophy of marketing is to achieve organizational success through consumer satisfaction in the dynamic competitive environment. Not only this but even consumers satisfaction depends upon the degree of satisfying various categories of needs such as stated needs, unstated needs, real needs, secret needs, delighted needs. Consumer satisfaction can be referred as the difference between consumers spent for what he or she gets. What he or she gets is the utility derived from the

product or service he or she uses. Similarly, what he or she spent is the costs that he or she bears in course of deriving expected utility or value. Marketers, therefore, must have to study and analyze consumer behaviour so that, they will be able to exploits the prevailing opportunities and shoulder the threats and challenges. In course of that, they have to find out behavioural conduct of consumers that they show during pre-buying phase, buying phase, post-buying phase. Keeping all these into consideration, consumer behaviour can be understood as acquiring, using and disposing of products and services.

Though the consumer buying decision process consists of five stages, all consumer decisions do not always go through all these five stages. The individual may terminate the process during any stage. This depends on the experience of consumer involved in purchasing and the nature of the products he or she wants to purchase. Persons in high involvement decision process usually employ all stages of the decision process whereas those engaged in low involvement decision process may omit some of these stages. Whatever the buying process, it is essential for the modern marketer to know the buying behavior to this or her target customer for the long term survival.

The term cold drink (more commonly known as pop, soda pop in parts of the United States and Canada or simply coke in the south, or fizzy drinks in the U.K.; sometimes called minerals in Ireland) refers to drinks, often carbonated, that do not contain alcohol. The name "cold drink" specifies a lack of alcohol by way contrast to the term "hard drink" and the term "drink", the latter of which is nominally neutral but often carries connotations of alcoholic content. Beverages like colas, sparkling water, iced tea, lemonade, squash and fruit punch are among the most common types of cold drinks, while hot chocolate, hot tea, coffee, milk, tap water, alcohol, and milkshakes do not fall into this classification. Many carbonated cold drinks are optionally available in versions sweetened with sugar or with non-caloric sweeteners.

In Nepal there are limited cold drinks product companies, among them the major, which are using by consumers such as:

- J Bottlers Nepal. (Pvt, Ltd) MDF; Bharatpur, Terai, (Coca-Cola, Fanta, Sprite) and Balaju, Kathmandu, Nepal. (Collaboration- USA)
- J Varun Beverages. (Pvt, Ltd) MDF; Sina Mangal, Koteswor, (Pepsi-Cola, Mirinda, 7-UP)
- J Dabur Nepal (Pvt, Ltd) Rampur, Tokani, Bara District, Birjung, Nepal (Real-Juice) etc.

By The preliminary survey, the market of cold drinks in Chitwan district is found maximum. According to Mr. Subash Piya in his Master level dissertation “The Marketing of Cold drink: A Case Study of Chitwan District”, the sales of cold drink (i.e. Coca-Cola, Pepsi-Cola and Real) report of 2005 is Rs.61.380 Million, Rs. 20.367 million and Rs 60,23,750 respectively. So, we think Dang district is a appropriate study area.

Dang district is one of the major tourist areas of Nepal too. Most of the tourists have used cold drinks because it is easy to carry and ready to take. So, every shops, hotels, restaurants are keeping the cold drinks in Dang. Therefore Dang district is a main place for cold drink market.

Another important aspect is that, Dang district is the most populated city, where the density of population is very high and different level and castes are lived and we came to conclude that such type of consumer’s survey will be more effective.

Similarly, it is also found that every grocery shop, cold stores, hotels and restaurants have kept more quantity of cold drinks (Specially i.e. Coca-Cola, Pepsi-Cola and Real) in comparison of other brands. So that we have chosen this place for field survey as a study.

1.2 Focus of the Study

Today's consumers are becoming much conscious about the product. They are being smarter, more price conscious, less forgiving and frequent testing the availability of the products in the market. Consumers are value-maximizes, within the bounds of search costs and limited knowledge and income, they form an expectation of value and act accordingly.

Dang, being the heart of Rapti Zone which is likely famous for better marketing centre in relation to cold drinks. Many companies have established it the best centre for marketing cold drinks. The products (i.e. cold drinks) like: Coca-Cola, Pepsi and Real are found highly competitive on making customers satisfaction.

Customers are the prime judge of the product's quality. Customer's perceived value towards the product is different in different nature. Their income, status, age, advertisement motive, brand name play vital role on viewing the product.

A study on 'Consumer Behaviour Towards Cold Drinks in Dang District: A Case of Beverage Products' has relative marketing importance, which helps to identify the consumer's actual perception on the existing cold drinks available in the market of Dang areas. Different sorts of age groups, their views and the people of different natures, their behaviour towards the cold drinks are taken as the most important aspect of the study.

The study is primarily focused on analyzing the factors that help on viewing the differentiation of consumer's behaviour on sot drinks or perceptual difference, satisfactory level and creation of brand loyal value in relation to cold drinks.

1.3 Statement of the Problem

Along with the increment of population and improvement of economic condition arising the demand and production up. Highly developed technology has make the world narrow and people can order their requirements from a

distant place without leaving their room. Television casting and Internet shopping have revolutionized the marketing. This development in the industrial sector and technology has provided various types of products and brand to consumers.

Consumer is the main factors of the market. So, any business firm needs to understand the behavior of consumer. To understand consumer behavior it is necessary to identify their current and future behavior. To need to be clear that who are the prospective buyers, whose buyer are regular and their response about the organizational product, goods and services.

The study of the consumer behaviour is the study of how individual make decision to spend their available resources (time, money, effort) on consumption-related items. It includes the study of what they buy, why they buy it, when 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 got to bed, or any combination there of); and how often they buy it (weekly, monthly).

Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, sociopsychology, 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 behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general.

This study is trying to make an important attempt to study the consumer behaviour on cold drinks of Dang district. The problems primarily focused have been presented as follows:

-) What are the factors that affect on variability in perceiving cold drinks by Consumers?
-) What are the consumption patterns of cold drink?
-) Which is the best selling brand of cold drinks in Dang district?
-) Is the consumer sensitive towards price, quality, and taste of the cold drinks?
-) What is the popular brand of cold drink in Dang district?

1.4 Objectives of Study

The main objective of the study is to analyze the consumer's attitude on cold drinks of Dang districts. The specific objectives are:

-) To study the factors that affect on perception cold drinks by Consumers.
-) To examine the consumption patterns of cold drinks.
-) To determine the store from where Consumers want to buy the cold drinks comfortably.
-) To evaluate the Consumer preference towards price/quality/taste of cold drinks.
-) To find out the popular cold drink brand in Dang district from the consumers point of view.

1.5 Significance of the Study

Without its significant result the research task is useless. The significance of the study can be presented as below:

-) To the Marketing Manager, the study of consumer behaviour towards cold drinks helps the concerned marketing manager to strengthen marketing activities in a proper way.
-) To the producer, the study on Consumer behaviour towards cold drinks obviously helps the producer to produce cold drinks as per the customer's preference.
-) To the academic institution Educational institution will get new test of knowledge on the concerned topic.

1.6 Limitations of the Study

Nothing is perfect in itself. Thus this study has some delimitation which is as follows:

- i. This study is only based on consumer behaviour towards beverage products of Dang district
- ii. Limited area for collecting primary data with limited persons.
- iii. The study is limited in the partial fulfillment of the requirements for the degree of Masters of Business Studies.

1.7 Organization of the Study

The whole study has been categorized into five main chapters, which as follows:

Chapter I: Introduction: Chapter one is the introductory part of the thesis which deals with general background, statement of the problems, objectives of the study, hypothesis of the study, significance of the study, limitations and organizations of the study.

Chapter II: Review of related literature: The second chapter presents the analysis of review of literature including conceptual review, review of previous studies.

Chapter III: Research methodology: Chapter three contains research methodology which includes research design, sample selection, methods of data collection and method of analysis.

Chapter IV: Data presentation and analysis: Chapter four is the main part of the study, explains about the presentation and analysis of data including primary data and analysis with the findings of the study.

Chapter V: Summary, conclusion and recommendations: This chapter is the last chapter, deals with summary, conclusion and recommendations.

Bibliography and other appendices used in statistical results have been incorporated at the end of the study.

CHAPTER-TWO

REVIEW OF LITERATURE

This chapter reviews the concepts concerning the subject matter that are written on textbook. Relevant literatures books, dissertations, journal and electronic devices both on previous studies and on conceptual framework. Sufficient review of literature is helpful to set the point of departure to the study and the dimension to be added. On the subject matter, no previous research has been found to be done which specifically analysis consumer behavior towards beverage products in Dang district.

So, a brief review of subject matter, related studies and thesis is done. This chapter contains following sections:

- (i) Conceptual Framework
- (ii) Review of Previous Studies

2.1 Conceptual Review

In this section, basic concepts are reviewed relating to the buyer behavior. Additionally some core concepts like consumer analysis, consumer decision process, stages of consumer buying process are reviewed. And related subject about concept of consumer.

As long as there has been exchange of goods and services between buyers and sellers, the ultimate success of all economic activities are depended upon producing goods and services that the buyers consider suitable. Since long before the recorded of the history, the buyers have had some freedom of choice in accepting or rejecting the product of the sellers. But in this modern period, survival of a business or a firm depends on behavior of consumers in the marketplace (Naupane, 2001:7).

In the modern marketing era, every marketer should understand the consumer's satisfaction which creates the behavior of consumer. In an era of

cut-throat competition, successful marketing of the products demands a through understanding of consumers taste, choice, preference, loyalty or, say consumer behavior (Pant: 1992, 13).

Consumer is the king of business. The understanding of how consumers and the reasons of their behavior has tremendous implications both for the marketers and the public policy makers. Such understanding is likely to help marketers to match their marketing mix or strategies with the needs of different consumer segments and it also enables public policy makers to formulate such programs and regulations.

2.1.1 Consumer Analysis

Marketing must address the needs and wants of targeted customer. Marketers must understand how customers select, buy, use and dispose products. They must know their customer motivations.

Behavior is sum total of observable human activities. Human behaviour is a very complex process. No two people always behave in the same way. Buyer behavior influences customer's willingness to buy.

"Buying behavior is the decision process and acts to customers involved in buying and using products (Kotler, 2003:211).

The main three level of analysis in consumer behavior i.e. the individual, micro environment and macro environment.

The individual level of analysis, that focus in on identifying the processes that influence a person in the acquisition, consumption and disposition phase, the micro environment consists of those interpersonal and situational factors outside of the person that influence consumer behavior at any particular point in time. Thus, one would investigate the role of group influence on the purchase process. So, the researcher would analyze the effect of word-of-mouth communication on the buying process and the macro level consists of the broad set of forces that influence large numbers of consumers to

act similarly. Types of macro environments include the effects of culture, subculture, social class, economic conditions and governmental regulations (Mowen, 1990: 9).

Marketers attempt to provide answers to the following question by studying consumer behavior:

Who participates in the buying :

- What do they buy?
- When do they buy?
- Where do they buy?
- How do they buy?

Participants in buying decisions :

- Object of buying?
- Occasions for buying?
- Channel for buying?
- Frequency of buying?

2.1.2 Model of Consumer Behavior

Consumer behavior models describe the decision making or choice process of consumer, there are six comprehensive models of consumer behavior they are Nicosia model, Howard-Sheth model, Engel-Kollat-Blackwell model, sheth family decision making model, Bettman's information processing model of consumer choice (Schiffman & Kanuk, 1990:652). These models reflect an effort to order and integrate the huge number of bits and pieces of knowledge that are now known about consumer behavior.

2.1.2.1 Nicosia Model

This Nicosia model was developed by Francesco M.Nicosia. The Nicosia model focuses on the relationship between the firm and its potential consumers. In broadest terms, the firm communicates with consumers through its marketing messages (advertising) and consumers communicate with the firm by their purchases responses. Thus the Nicosia model is interactive in design: the firm tries to influence consumers, and the consumers- by their actions (or inaction)- influence the firm.

The Nicosia model is divided into four major fields (Schiffman & Kanuk, 1990:653).

Field -1: The consumer's attitude based on firm's message.

Field -2: Search and evaluation

Field -3: The act of purchase.

Field-4: Feedback

2.1.2.2 Howard-Seth Model:

This Howard-Sheth model was developed by John A. Howard and Jagdish N. Sheth in 1969. The Howard-Sheth model is major revision of an earlier systematic effort to develop a comprehensive theory of consumer decision making (Howard and Sheth, 1969:24). This model explicitly distinguishes among three levels of learning (stages of decision making).

- i. Extensive Problem solving: - The consumer's knowledge and beliefs about brands are very limited or nonexistent. At this initial point, the buyer has no brand preference and therefore actively seeks information about a number of alternative brands.
- ii. Limited Problem solving: - Knowledge and beliefs about the brands are only partially established, which means that the consumer is not fully able to assess brand differences in order to arrive at a preference. Some comparative brand information is sought, although the choice criteria are likely to be fairly well defined.
- iii. Routinized response behavior: - The consumer's knowledge and beliefs about brands are well established, and there is enough experience and information to avoid confusion about the various brands. The consumer is predisposed to the purchase of one particular brand.

These three stages of decision making are characterized by great, moderate and little amount of information needed prior to purchase and slow, moderate and

fast speed of decision respectively. The model consists of four major sets of variables (Schiffman & Kanuk, 1990:654).

- i. Input variables:
 - a) Physical brand characteristics (significant stimuli)
 - b) Verbal or Visual product characteristics (Symbolic stimuli)
 - c) Consumer's social environment (family, reference groups, social class).
- ii. Perceptual and learning constructs: The Howard- sheth model consists of psychological variables that are assumed to operate when the consumer is contemplating a decision.
- iii. Outputs: The model indicates a series of outputs that correspond in name to some of the perceptual and learning construct variables (attention, brand comprehension, attitudes, intention) in addition to the actual purchase.
- iv. Exogenous Variables: Exogenous variables are not directly part of the decision making process. Relevant exogenous variables include the importance of the purchase, consumer personality traits, time pressure and financial status.

2.1.2.3 Engel-Kollat-Blackwell Model

The Engel-Kollat- Blackwell model of consumer behavior (Engel Blackwell Miniard model in its current revision) was originally designed to serve as a framework for organizing the fast growing body of knowledge concerning consumer behavior (Engel, Kollat & Blackwell,1968:40). The latest version of this comprehensive model, which consists of four sections (Engel, Blackwell & Miniard, 1968:35).

- i. Decision Process Stages: The central focus of the model is on five basic decision process stages:
 - a) Problem recognition
 - b) Search

- c) Alternative evaluation
 - d) purchase, and
 - e) Outcomes
- ii. Information input: Feeding into the information- processing section of the model is information from marketing and non marketing sources.
 - iii. Information Processing: The information processing section of the model consists of the consumer's exposure, attention, comprehension/ perception, yielding/ acceptance, and retention of incoming marketer-dominated and non marketing information.
 - iv. Variables influencing the decision process: The last section of the model consists of individual and environmental influences that affect all five stages of the decision process. Individual characteristics include motives, values, lifestyle and personality. The social influences are culture, reference groups and family. Situational influences, such as a consumer's financial condition, also influence the decision process.

2.1.2.4 Sheth Family Decision Making Model:

Sheth family decision-making model considers the family as the appropriate consumer decision-making unit. The left side of the model shows separate psychological systems representing the distinct predispositions of the father, mother and other family members.

The right side of the model lists seven factors that influence whether a specific purchase decision will be autonomous or Joint: social class, lifestyle, role orientation, family lifecycle stage, perceived risk, product importance, and time pressure. The model suggests that joint decision making tends to prevail in families that are middle class, newly married, and close-knit, with few prescribed family roles. In terms of product specific factors, it suggests that joint decision making is more prevalent when there is a great deal of perceived risk or uncertainty, when the purchase decision is considered to be important, and when there is ample time to make a decision.(Schiffman & Kanuk, 1990:659)

2.1.2.5 Bettman's Information – Processing Model of consumer choice

This Bettman's information processing model of consumer choice is developed by James R. Bettman. Bettman's model of consumer choice subscribes to a distinctly cognitive and information – processing point of view (Battman: 1979:659). Consistent with this perspective, the consumer is portrayed as possessing a limited capacity for processing information. When faced with a choice, the consumer rarely (if ever) undertakes very complex analysis of available alternatives. As suggested by the model, the consumer typically employs simple decision strategies or heuristics. The overview of the Bettman model contains its seven basic components (Schiffman & Kanuk, 1990:659).

- i. Processing capacity,
- ii. Motivation,
- iii. Attention and perceptual encoding,
- iv. Information acquisition and evaluation,
- v. Memory,
- vi. Decision processes, and
- vii. Consumption and learning processes,

In addition, the model includes, at appropriate points, mechanisms that continually scan the environment, and receive and respond to interruptions.

2.1.2.6 Sheth-Newman-Gross Model

The model concentrates on accessing consumption relevant values that explain why consumers choose to buy or not to buy (or to use or not to use) a specific product, why consumers choose one product type over another, and to consumer choices involving a full range of product types (consumer non-durables, consumer durables, industrial goods and services) (Sheth, Newman and Cross, 1990:586).

The Sheth-Newman-Gross model is rotted in three central Propositions. (Schiffman & Kanuk, 1993:586)

- i. Consumer choice is a function of a small number of consumption values.
- ii. Specific consumption values make differential contributions in any given choice situation.
- iii. Different consumption values are independent.

The first three models (Nicosia Model, Howard-Sheth Model, Engel-Kollat-Blackwell Model) focus on consumer decision making, especially on how individual consumers arrive at brand choices. The fourth model (Sheth family decision making model) deals with family decision making. The fifth model (Bettman's information processing model of consumer choice) focuses on the cognitive aspects of information search and processing and indicates how consumers employ information to arrive at various types of buying decisions. The final model of consumer behavior is concerned with consumption values, especially why consumers choose to buy or not to buy a specific product, specific type of product or a specific brand.

Figure 1 presents a model for studying consumer behavior. The model has the following key features: a) Stimuli b) Influence and c) Responses.

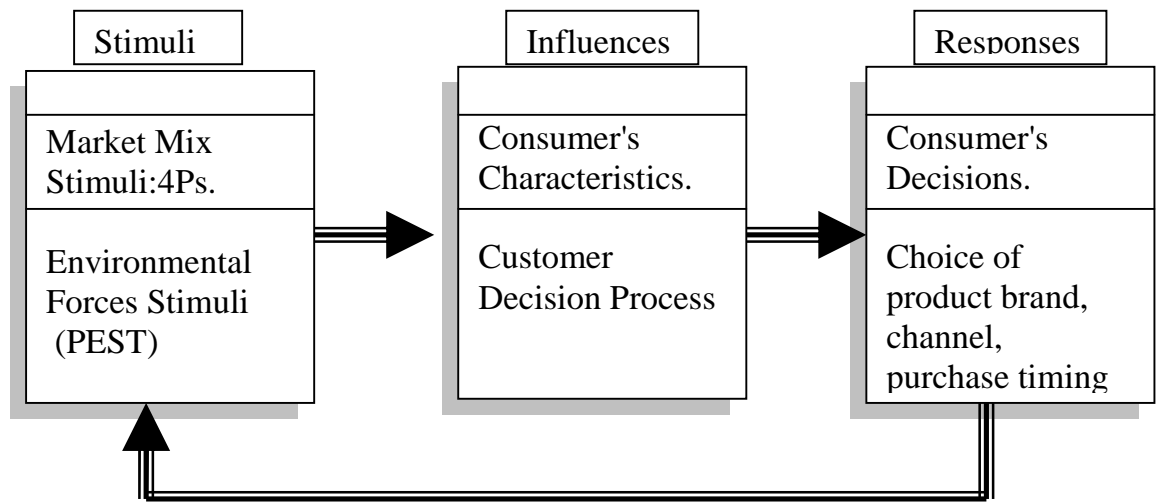


Figure 2.1: Post Purchase Feedback

a) Stimuli: Consumer is stimulated by:

- Marketing mix consisting of product, price, place and promotion variables.
- Environmental forces consisting of political, economic, technological and socio-cultural variables.

b) Influences: Consumers are influenced by:

i) Consumer characteristics: They consist of:

- Culture: It determines a person's wants and behavior. Each culture consists subcultures- nationalities, religions, and racial groups. Social class is also important for consumer behavior.
- Social: They are reference group, family, social roles and status.
- Personal: They are age and stage in life cycle, occupation, income, lifestyle, personality.
- Psychological: They are motivation, perception, learning, beliefs, and attitudes.
- Economic: Level of income, liquid assets, saving, debts, credit availability etc.

ii) Consumer Decision process: It consists of:

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

c) Consumer Response: Following are Consumer decision about:

- Product choice
- Brand choice
- Channel choice
- purchase timing
- purchase amount (Agrawal, 2001: 164)

Post Purchase Feedback:

It provides information about consumer satisfaction or disappointment about product performance. It helps to redesign marketing mix.

2.1.3 Consumer Buying Process

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 buying decisions. Types of buying decisions are:

a) Low Involvement purchase:

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

b) High Involvement purchase (Dissonance Reducing Behavior):

It involves extensive decision making. The buying behavior is complex. Few brands, high risk, large amount of money, long purchase time, active interest in product information, uncertain attitude toward the product, long term product benefits and high interest in the product characterize high involvement purchase. Examples are Car, Motorcycle, House, Computer etc. (Agrawal, 2001:165)

Buying Roles: Roles that people play in buying decision can be:

-) Initiator: First to suggest the idea of buying the product.
-) Influencer: Gives advice to influence decision.
-) Decider: Decides about buying.
-) Buyer: Makes the actual purchase

) User: uses the product.

2.1.4 Stage of Consumer Buying Process:

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, socio-psychology, anthropology and economics. It attempts to understand the buyer decision processes/buyer decision making process, both individually and in groups.

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_behaviour).

There are five stages into the consumer buying process. They are:

i. Problem recognition

Problem recognition is that result 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.

Sources of problem recognition include:

-) An item is out of stock
-) Dissatisfaction with a 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.

ii. Information Search

Once the consumer has recognized a problem, they search for information on products and services that can solve that problem. Sources of information include:

-) Personal sources
-) Commercial sources
-) Public sources
-) Personal experience

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 expose themselves to. Selective attention consumers' select which promotional messages they will pay attention to Selective comprehension consumer interpret messages in line with their beliefs, attitudes, motives and experiences Selective retention consumers remember messages that are more meaningful or important to them.

iii. Information 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.

iv. Purchase decision

Once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention 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 incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration (http://en.wikipedia.org/wiki/Consumer_behaviour#Basic_model_of_consumer_decision_making).

v. Post Purchase Behaviour (Use and disposal):

After purchasing the product, the consumer may be satisfied or disappointed. Satisfied consumers continue to purchase and develop brand loyalty. Disappointed consumers stop purchasing the product and dissuade other from buying it. If performance exceeds expectations, the consumer is delighted. When consumers experience anxiety over their purchase decision- it is called cognitive dissonance. Marketers should take steps to reduce this anxiety through follow-up, post purchase services, speedy handling of consumer grievances and persuasive communication.

Disposal of products by consumers after use is also an important post purchase decision. They can get rid of it temporarily or get rid of it permanently or keep it. Permanent disposal can be: sell the product, exchange it for another product, give it free of cost, trade it and throw it away. Temporary disposal can be by renting or lending the product. Consumers can keep the product for original purpose or new purpose use or for storing.

2.1.5 Factors Affecting Consumer Buying Decision:

Affecting the factors, consumer react different behavior. Consumer buying decisions are influenced by:

i. Economic Factors: Economic factors greatly affect buying decisions. They consist of:

) Level of Income: The ability to spend is determined by the level of spendable income. Product choice of income-sensitive products is very much dependent on income level.

) Liquid assets: Consumers who do not have regular income may possess liquid assets liked gold and shares. They provide spending power to the consumers.

) Savings, debt, credit, availability: They all affect consumer expenditure levels. High savings result in lower interest rates. Credit availability by bank becomes cheaper through lower interest rates. This increases the level of consumer spending.

) Economic conditions: consumers' good economic conditions increase the spending worse condition is decreasing the consumption.

ii. Personal Factors:

) Age: Consumers buy different products according to age group. Their taste in food, clothes, recreation is age-related. Young consumers like to experiment new products and wear jeans. Older consumers prefer brand loyalty and dress conservatively.

) Gender: Male and female exhibit many differences in their buying behavior. Their needs also different.

) Family Size: Family size determines the level of expenditure and product choice. Buying decisions in larger families favour brand loyalty.

-) Family life cycle: The family life cycle influences spending patterns. Product interests differ according to the stage in family life cycle; single, bachelors, married, married with children and old.
 -) Occupation: Occupation influences the consumption pattern. Factory workers buy work clothes. Bank managers buy expensive suits. Professional people generally dress properly.
- iii. **Psychological Factors:** Psychological factors consist of motivation, perception, learning, attitude, personality and life style.
 -) Motivation: A motive is pressing need that drives consumers to seek satisfaction. It directs them to act toward 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.
 -) Perception: Perception influences how the motivated consumer actually acts. Perception is the process of selection, organizing and interpreting information inputs by an individual to produce meaning. Consumers receive information through the five senses i.e. see, hear, test, smell and touch. Perception gives meaning go information.
 -) Learning: When consumes act, they learn. Learning is changes in an individual's behavior resulting from information and experience. Most of human behavior is learned.
 -) Attitude: Attitudes reflect likes and dislikes of consumers. An attitude is person's learned predisposition to respond toward some object in a consistently favorable or unfavorable way. Personal experiences, environment and situations mould the attitude. They are learned, have consistency, and are either favorable or unfavorable about objects. Attitudes influence consumer behavior. Generally, it is easy to change products than it is to change consumer's attitudes. Marketers should fit products into existing attitudes.

-) 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.
 -) 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, adaptability or dogmatism, aggressive or friendly.
 -) Life style: Life style is person's pattern of living reflected in his activities, interests and opinions.
- iv. Socio-cultural Culture:** Social factors are influences that other people exert on consumer behavior. They consist of reference groups, family, and social class.
-) Reference groups: Reference groups consist of groups that have a direct or indirect influence on the consumer's attitudes or behavior. They serve as points of reference for consumer's judgment.
 -) Family: Two or more persons related by blood, marriage or adoption who reside together constitute a family. The activities performed by each member influences family purchase decision. The roles are initiator, influencer, decider, buyer, users.
 -) Roles and status: role consists of activities that a person is expected to performing many groups. Consumers perform many roles. Consumers choose products that communicate their role in the society. Status provided by the role. Products provide status symbol.
 -) Social class culture: Ranking within a society determined by its members constitutes social class. It can be upper, middle and lower. It indicates preferences and life style. Members share similar values, interests and behavior, social class reflects income, occupation, education and area of residence.

-) Culture: Culture is represented by symbols and artifacts created by a society and handed down from generation to generation. The symbols may be values, attitudes, beliefs, language, and religion. 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.
-) 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 serve as important market segments. Marketers should design marketing mixes tailored to the need of specific subcultures (Agrawal, 2001:169).

2.1.6 Customer Satisfaction

Satisfaction is a function of performance and expectations. It is the customer's perceived performance from a product in relation to the expectations. Organizations should aim for total customer satisfaction. Customer satisfaction is the goal of marketing concept. It is post purchase outcome (Agrawal, 2001:152)

Philip Kotler has defined it as "Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his/ her expectations."

The consumer is:

Dissatisfied: If the performance falls short of expectations.

Satisfied: If the performance matches the expectations.

Delighted (Highly satisfied): If the performance exceeds the expectations.

Customer expectations are formed by:

-) Past experience of buying.
-) Advice from friends and relatives.

) Marketing promotion and promises.

2.1.7 Evolution/ History of Consumer Behaviour

Consumer behaviour was relatively new field of study in the mid-to-late 1960s. With no history or body of research of its own, the new discipline borrowed heavily from concepts developed in other scientific discipline, such as psychology (the study of the individual operates in groups), anthropology (the influence of society on the individual) and economics. Many early theories concerning Consumers Behaviour were based on economic theory, on the notion that individual act rationally to maximize their benefits (satisfactions) in the purchase of goods & service. The initial thrust of consumer research was from a managerial perspective: marketing managers wanted to know the specific causes of consumer behaviour. They also wanted to know the specific causes of consumer behaviour. They also wanted to know the how the people receive, store and use consumption-related information. So that they could design marketing strategies to influence consumption decisions. They regarded the consumer behaviour, they could influence it. The approach has come to be known as positivism and consumer researchers primarily concerned with predicting consumer behaviour are known as positivists.

Given the interdisciplinary background in which the consumer behaviour discipline is rooted, it is not surprising that academicians from a variety to contributing disciplines, including marketing itself, have become interested in the study of consumer behaviour, not necessarily from a managerial or applied perspective, but simply to understand the consumer better. The study of consumer behaviour from the point of view of understanding consumption behaviour from the point of view of understanding consumption behaviour & the meanings behind such behaviour is called interpretive, (sometimes referred to as post modernism). Interpretivists have expanded the boundaries of study to include many subjective aspects of consumer behaviour, such as the effects of moods, emotions and types of

situations on consumer behaviour; the roles of fantasy, of play, of rituals, even of the sensory pleasures that certain products & services provide. Many interpretivists consider each purchase expensive unique because of the diverse set of variables at play at the one particular moment in time. Because of its focus on the consumption experience, the interpretive approach is also known as “experimentalism.”

2.1.8 Consumer Behavior as a Separate Field

There is no. of reasons why the study of consumer behaviour 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 dollars were being spent on goods & services by tens of millions of people. Consumer preference 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 behaviour.

As marketing researchers begin to study the buying behaviour 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 products that felt reflected their own special needs personalities and lifestyles.

To better meet the needs of specific groups of consumers, most marketers adopted a policy of market segmentation, which called for the division of their total potential markets to 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 that 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 behaviour included the rate of new product development, growth of the consumer movement, public policy concerns,

environmental concerns and the growth of both nonprofit marketing and international marketing.

There is a case study about the consumer buying behaviour regarding 'rolling stone'.

On November 9, 1967 the first issue of rolling stone hit the newsstands. It was 24 pages, printed in black and white and sold for quarter. Its funder, Jann wenner, described *Rolling Stone* as “Sort of a magazine and sort of a newspaper” about music and the things and attitudes 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 14.2 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 focus of the magazine expanded to include investigative reporting and interviews with youth-oriented celebrities, personality 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 it's coverage of domestic and foreign affairs. It was distinguished from news week lies by the depth of it's reporting and from more traditional political magazines such as the New Republic by the breath of topics covered.

Despite annual revenues over \$30 million by the mid-1980s there was a concern that the primary market for Rolling Stone was disappearing. Though the demographics of the target audiences of readers 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 as 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 career 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 glossary cover, four colors and a trimmed and stapled format. The mix of advertisers in the magazine also reflected the shift. In the use beginning it was mainly records and related music businesses. 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 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 example, 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 Ford 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 declined 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 major source 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 *Entertainment 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 Morrison and Rod Stewart have led to suggestions that magazine is dated. According to a former editor, *Rolling Stone* has become more of a "taste tracker" than the tastemaker it once was.

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

Rolling Stone continues to 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 1967. Each time a change was detected in its editorial 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 percent of the readers are 18-to-24-year 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 interests, values 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 changes. as the audience broadened, so did the mix of advertisers. By 1986, 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 opinions of focus groups.

Selling the magazine has also changed. As subscriptions 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 men. 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 behaviour. Ads between midnight and five in the morning featuring an appealing spokesperson (they've used Paul Schaeffer, David Letterman's sidekick) have been very productive and cost effective.

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

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

2.1.10 Modern History of Consumer Behaviour:

In recent years, some efforts have been made by marketing scholars to build buyer behaviour models totally from the marketing man's standpoint. The Nicosia model and the Howard and Sheth model are two important models in this category. Both of them belong to the category called the systems mode, where the human going is analyzed as a system with stimuli as the input to the system and behaviour as the output of the system with stimuli as the input to the system and behaviour as the output of the system.

Francesco Nicosia, an expert in consumer motivation and behaviour put forward his model of buyer behaviour 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. 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 Howard and Jadish Sheth put forward the Howard and Sheth model in 1969, in their publication entitled "The Theory of Buyer Behaviour". 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 termed “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 intention of explaining buyer behaviour. All these models have certain merits as well as limitations. They do not fully explain the complex subject of buyer behaviour. Nor do they establish a straight input-output equation on buyer behaviour. And, none of them provides a precise answer to the why’s or how’s of buyer behaviour. They merely explain the undercurrents of human behaviour from different angles and premises. But these models will certainly be helpful in gaining at least a partial insight into buyer behaviour.

2.1.11 Consumer Behaviour History in Nepal

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

1. Consumer behaviour has not been properly taken into account while creating and offering marketing mixes.
2. Indian and foreign competitors have been actors in taking the advantage of new market opportunities in Nepal because Nepalese marketers lack knowledge of consumer behaviour.
3. Product positioning has remained largely neglected because of the lack of knowledge about the behaviour of niches.
4. Marketers know very little about consumer behaviour at every stage of the consumer buying process. The post-purchase stage is hardly considered to build life long 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 behaviour. 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 behaviour. 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 behaviour on Nepalese consumers in the years to come.

2.1.12 Importance of consumer behaviour of a separate study

Just as consumer and marketers are diverse, the reasons why people study consumer behaviour are also diverse. The field of consumer behaviour holds great interest for us as consumer, as marketers and as students of human behaviour.

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 behaviour enables us to become better that is wiser consumers.

As marketers & 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 behaviour, they are able to predict how consumers are likely to react to various informational & environmental cues and are able to shape their marketing strategies accordingly. Without doubt,

marketers who understand consumer behaviour have great competitive advantage in the market place.

As students of human behaviour, we are concerned with understanding consumer behaviour, 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 behaviour has led to a diversity of theoretical approaches to its study.

2.2 Review of Previous Studies

The objective of review of previous studies is to gain knowledge about what the previous researchers have identified and recommended solving the existing problems in the field of consumer behaviour. The gist of reviewed studies is presented below.

Sapkota (2001) has conducted the study on “Consumer attitude towards Wai-Wai instant noodles.” The specific objectives of the study were:

-) To taste the two types of consumers market (end-use and institutional market) of Wai-Wai noodles in the Bhaktapur Municipality.
-) To obtain the consumers opinion about various aspect.
-) To compare the consumers attitude of wai-wai with other brands.
-) To improve consumers attitude towards wai-wai noodles.

The Findings of the study were:

-) The consumption of wai-wai noodles in the Bhaktapur Municipality is very high.
-) Most of the consumers use noodles as snack, where as very few take it as main meal.
-) In the market competition, wai-wai is in the top position and behind it is Mayos.

) The consumer's attitude is negative to the price of wai-wai noodles but it is positive to its quality and packaging.

) In the course of life cycle, wai-wai is now in the phase of growth or maturity, which is sensitive and conducive step for the market.

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

) To find brand preferences of consumers and the factors that develops such preferences.

) To evaluate the role of advertising in product positioning from the consumer perspective.

) To examine consumption pattern of cold drinks.

) To determine the store where from consumer want to buy the cold drinks conveniently.

The Findings of the study were:

) The entire sampled consumers have drinking habit of cold drinks.

) Coca Cola brand has domination over Pepsi cola and other brands.

) All of the respondents have frequent drinking habit and there is no difference between the drinking habit of married and unmarried consumers.

) Coca Cola brand is the most preferred brand of cold drinks in Kathmandu Valley.

) Most of the consumer's government service holder, teacher, businessman and students prefer Coca cola brand and Pespsi Cola is more popular among private service holders.

) Most of consumers drink once a day, they buy only one unit of cold drinks at time and they take decision during buying.

Bhatta (2003) had conducted a study on "Consumer Analysis of soft drinkers". The Main objectives of the study were:

) To find out the brand preference and consumption frequency of the fruit juice "RIO".

-) To find out the place of purchase of soft drinks.
-) To evaluate the effectiveness advertising media to make consumer aware about brand.
-) To evaluate important influencing variables as consumer analysis over soft drinkers.
-) To find out the group of buyers for his brand.

The Findings of the study were:

-) A large number of consumers would prefer to have “RIO” in some other flavors.
-) Most of the consumers would prefer to have “Rio” in orange, apple and apricot flavor.
-) Most of the consumers preferred television advertisement than the other forms of advertisement.
-) Majority of consumers prefer to drink Real, Frooti and Rio. They found that taste of Real was superior to both.

Pradhan (2006) has carried out a research entitled “Consumer Buying Behaviour on Beer”. The specific objectives of the study were:

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

The Findings of the study were:

-) According to occupation, most of the respondents are student i.e.42%. Although they are student they are doing part time job.

Second highest no. of respondents is Businessman i.e. 34%. Service holders are 22% and others are 2%.

-) 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 thousands are 11.4%
-) According to Brand Preference, highest no. of respondents prefers Tuborg i.e. 80%. Second highest preferred brand is Carlsberg i.e. 10%, Everest and Sammiguel comes under 3rd preferred brand i.e.4% each. Other brands come under 2%.
-) Among 100 respondents 36% consumes beer once in a fortnight. 28% consumes once in a week. 16% consumes twice in a week. 10% consumes thrice in a week and another 10% consumes everyday. Most of the respondents consume beer once in a fortnight.
-) Among 1000 respondents 80% consumes less than 5 bottles in a week, 12% 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.
-) According to the place of drinking beer, most of the respondent's consumer's beer at restaurant i.e.52%, 16% consumes at home, another 16% consumes at party and 12% consumes at hotel.
-) Most of the respondents select the particular brand due to taste i.e. 78%, 20% select their brand due to Brand Image. Only 2% select their brand due to price and no one is interested to packaging.
-) Most of consumer consuming Toborg prefers Sanmiguel as second brands them Carlsberg, Iceberg, Everest and Gorkha respectively.
-) Brand satisfaction is high in Tuborg although very satisfied are low in no respondent who stands at neutral is very low in no. compared to total respondent. It seems respondents are satisfied with their brand.

-) The most effective media for advertisement of beer is Hoarding/ Neon and second effective media is print media.
-) The brand mostly selling by retailer is Tuborg and the Everest.
-) The reason of not selling other brands by retailer is due to low demand and unavailability.
-) The brand of beer given by retailer when customer first asks for beer is Tuborg.
-) The reason of selling particular brand is due to high demand.
-) The brand providing more profit margins is Everest.
-) The most appropriate size of bottle the retailers preferred is 650 ml.

Piya (2010) has conducted a study on “The Marketing of Soft Drinks.”

The main objectives of the study were:

-) To examine the potential consumer is purchasing soft drink.
-) To estimate demand of soft drink in Chitwan.
-) To find out relationship between brand preference and advertising.
-) To ascertain the market leader of soft drinks in Chitwan district consumer’s point of view.

The findings of the study were.

-) Market of soft drinks in Chitwan district is so good, but consumers are very conscious about soft drinks brand and enthusiastic.
-) Coca-cola brands are sales higher than Pepsi-cola in the Chitwan.
-) The advertising of Coca-cola of the NTV is much more attractive than that of the Pepsi-cola.
-) There are competitions in sales but less competition in preference in brand.
-) The market share of soft drinks is less than cold drinks in Chitwan.

Concluding remarks

The following conclusions have been derived from the analysis and interpretation of the review of literature.

1. Most of the researchers tried to study consumer behaviour on different products.
2. The researcher found that, they are not fully concerned with the consumer behaviour towards the products.
3. Mainly they are collecting the attitudes of the consumer not only the behavioural issues with regards to the consumer point of view.
4. The researcher has not yet found any research conducted in Chitwan district regarding this topic therefore, the researcher tried to conduct this research.
5. In this dissertation, Researcher tries to study more to find out the consumer behaviour towards cold drinks in Chitwan District.
6. In this dissertation researcher has used chi-square test as statistical tool to find the independency and dependency of age group for the quantity of cold drink consumed.

CHAPTER-THREE

RESEARCH METHODOLOGY

This chapter describes the research procedure. The research procedure includes overall research design, the sampling procedure (describing sample and population) and the data collection method (i.e. how and by what means and from where data were collected). It also presents data analysis tools and procedure.

Research methodology composed of two words: "Research" and "Methodology: Research methodology is the way to solve systematically about the research problem. For this purpose the research is exploratory as well as descriptive in order to accomplish the objective of this study.

3.1 Research Design

General objective of this research study is to examine and evaluate the consumer behaviour towards beverage products i.e. Coca Cola, Pepsi Cola and Real mainly of Dang district. In order to achieve the objective, both explorative and descriptive research design has been followed. The study focuses on the examination of relation between consumer behaviour, product and other influential factors.

3.2 Population and Sample

The population of this study consists of all the buyers and consumers above 18 years age group of cold drinks.

The sample consists of the respondents from the different sectors such as students, service holder, lecturer and business man. Total population of Dang district have been considered as population for the study and for the study purpose only 100 consumers have been selected.

3.3 Source of Data

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

Primary Sources: Primary data has been collected through questionnaire for different levels of consumers i.e. higher secondary level consumers, graduate education holder and masters level consumers, who were selected from different professional groups.

Secondary Sources: As a regard supporting literature, relevant books, journals, bulletins, magazines, newspapers etc., have been studied.

3.4 Data Collection Procedures

The problem of the study lies on the issues to the behaviour of consumer. Hence, various data are required. With a view of obtaining data, a questionnaire was designed. The different levels or types of consumers have filled up the questionnaires. For collection, in the first the researcher visited the market and the questionnaires were distributed to the consumers. In the second step, the questionnaire were got filled.

For the supportive materials, the researcher visited T.U. Central Library, Shankdev Dev Campus Library while conducting this research.

3.5 Data Processing Techniques

Data have been collected through different level of respondent. A table has been prepared for a set of questionnaires. For each separate question frequency has been counted. Various tables are constructed and responses are presented on percentage.

3.6 Method of Analysis

This study mainly aims to find out the consumer Buying Behaviour of Dang District. Collected data is analyzed by both descriptive & analytical tools. They are used in the research in order to draw out the reliable conclusion.

Percentage: Sampling statistics are used to test whether the observed difference between the two numbers is large enough to be considered statistically significant. It represents the proportion of any variable in terms of its totality. In the present study, percentage has been used to obtain the actual number of customer preference.

Average (Mean) :It is statistical tool, which is called average or mean. Mean is the ratio of the sum of all observation to the number of observations. It is calculated from ungrouped data & frequency distribution.

$$\text{Mean} = \frac{\text{sum of Observation}}{\text{nos. of observations}}$$

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 formula and equations. The result of analysis has been properly tabulated, compared and analyzed in presentation and analysis chapter.

Chi-square test

Chi-square test is used here to determine the independency of the two attributes. The following are the hypothesis set up for chi-square test is used.

Null Hypothesis: H_0 Quantity of Coca-Cola consumed is independent upon age group.

Alternative Hypothesis: H_1 Quantity of Coca-Cola consumed is dependent upon age group.

Following formula is used to determine the value of chi square:

$$\chi^2 = \phi \frac{(O - E)^2}{E}$$

Observed frequency O is calculated as $E = \frac{RT \mid CT}{Grand\ total}$

Where,

- O = Observed frequency
- E = Expected frequency
- RT = Row total
- CT = Column total

CHAPTER-FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

The overall background, basic objectives and significance of the study has been already mentioned in the first chapter. In second chapter various related books journals and other publications as well as unpublished master level dissertations have been reviewed. In third chapter, research methodology has been presented. This chapter presents and analyzes the collected primary data in Dang District, with the help of field survey. For this purpose we use both descriptive and statistical tools and techniques. The data are presented and analysis is done from final consumer. Bar diagrams, pie charts have been presented to clarify the actual data. Specially, the chapter includes analysis and interpretation of the data obtained from respondents.

While conducting this research, the researcher selected 100 consumers or respondents and tried to find-out views of consumers. It was found that all of the respondents have the drinking habit of cold drinks. Obtaining responses, various tables are prepared. Homogeneous natures of data have been put into the same table. The data are presented and analyzed here under.

4.2 Profile of Respondents

4.2.1 Sex Composition

Sex comprises of male and female. Both male and female are the consumer of cold drinks. However both male and female are the consumer of cold drinks but cold drinks mostly depend on male consumer. In this study composition of male and female regarding cold drinks is presented in below table 4.1.

Table No. 4.1

Sex Composition of Consumer

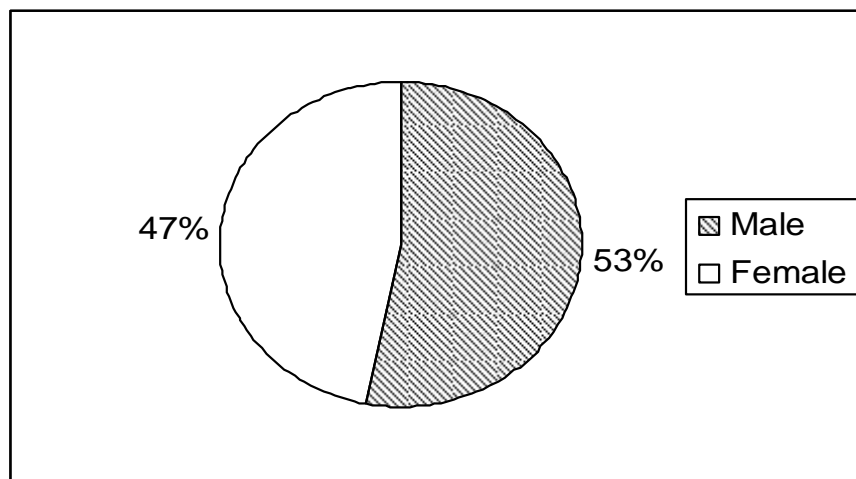
S.N.	Sex	Frequency	Percentage
1	Male	53	53.0
2	Female	47	47.0
Total		100	100.0

Source: Consumer Survey 2069

Table No. 4.1 deals with the sex groups of consumer. Among 100 respondents 53 are male and 47 are female. It seems that male consumers are slightly more in no. than female.

This task can also be explained by simple pie chart.

Figure No. 4.1: Sex groups of consumer



Source: Table No.4.1

4.2.2 Occupation

Table No.4.2

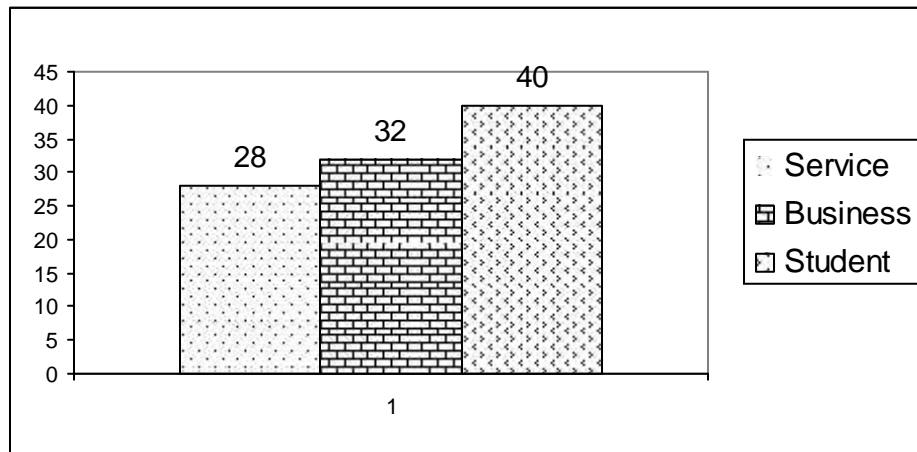
Occupation of Consumer

S.N.	Occupation	Frequency	Percentage
1	Service	28	28.0
2	Business	32	32.0
3	Student	40	40.0
		100	100.0

Source: Consumer Survey 2069

Table No. 4.2 shows that most of the consumers of cold drinks in Dang are students. Among 100 respondents 28% service holder, 32% Businessman and 40% are students. We can explain above task by figure below:

Figure No. 4.2
Occupation of Consumer



Source: Table No.4. 2

4.2.3 Age of Consumers

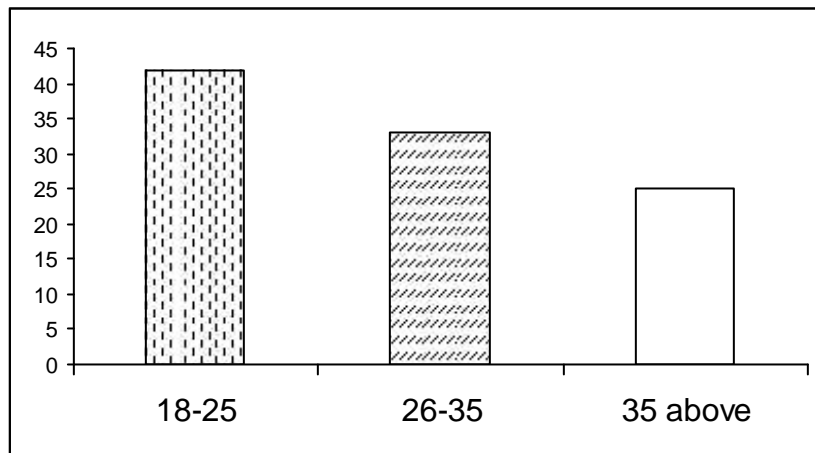
Table No. 4.3
Age of Consumer

S.N.	Age	Frequency	Percentage
1	18-25	42	42.0
2	26-35	33	33.0
3	35 above	25	25.0
Total		100	100.0

Source: Consumer Survey 2069

The above table 4.3 shows that there is a majority of consumer of the age between 18-25, which is 42%, 26-35 ages ore 33% and 35 above are 25%. It can be explained by diagram also

Figure No. 4. 3
Age of Consumer



Source: Table No. 4.3

4.2.4 Marital Status

Table No.4.4

Marital status of consumer

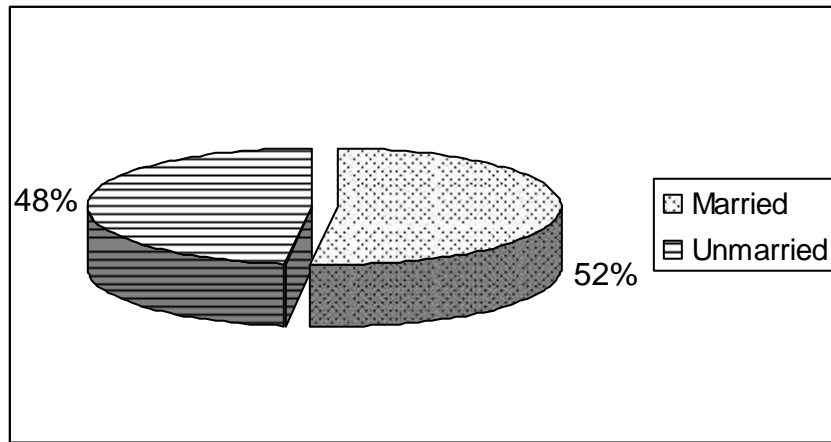
S.N.	Age	Frequency	Percentage
1	Married	52	52.0
2	Unmarried	48	48.0
Total		100	100.0

Source: Consumer Survey 2069

Table No. 4.4 Deals with the marital status consumer. Here most of the consumers who seen likely to have cold drinks have been taken as sample to get more responding answers regarding the questions asked for in research questionnaire

Among 100 respondents 52 are married and 48 are unmarried. It seems that unmarried consumers are more in no. than married.

Figure No. 4. 4
Marital status of consumer



Source: Table No. 4.4

4.3 Description of Variable

4.3.1 Brand Preference

Table No. 4.5
Brand preference of consumer

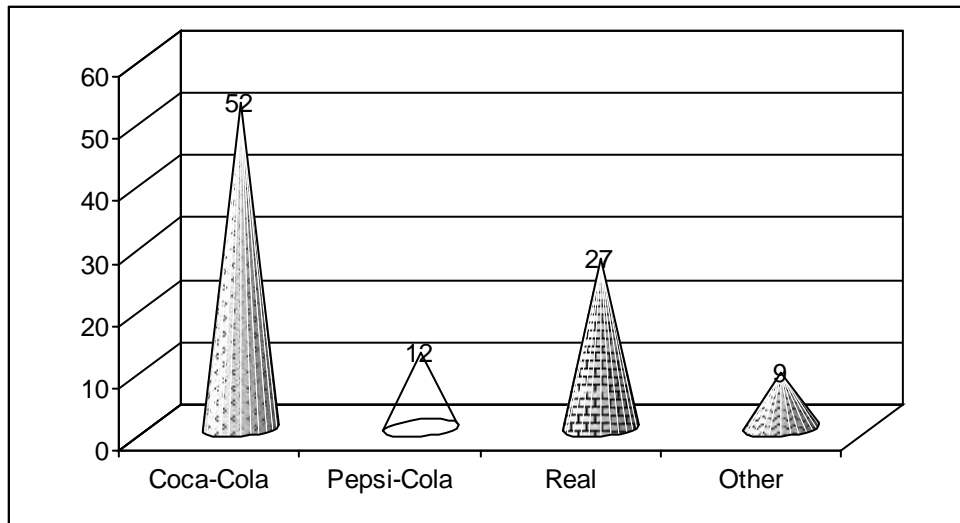
S.N.	Brand Preference	Frequency	Percentage
1	Coca-Cola	52	52.0
2	Pepsi-Cola	12	12.0
3	Real	27	27.0
4	Other	9	9.0
Total		100	100.0

Source: Consumer Survey, 2069

The analysis of the responses of consumer's brand preference out of 100 respondent's table no. 4.5 has made for interpretation. Among 100 respondents have found preferred Coca-Cola brand, 12% Pepsi Cola brand, 27% Real brand and taste of consumers i.e. 9% have found preferred other brands. It can be explained by diagram also.

Figure No. 4.5

Brand Preference of Consumer



Source : Table No. 4.5

4.3.2 Influencing Factors

Table No. 4.6

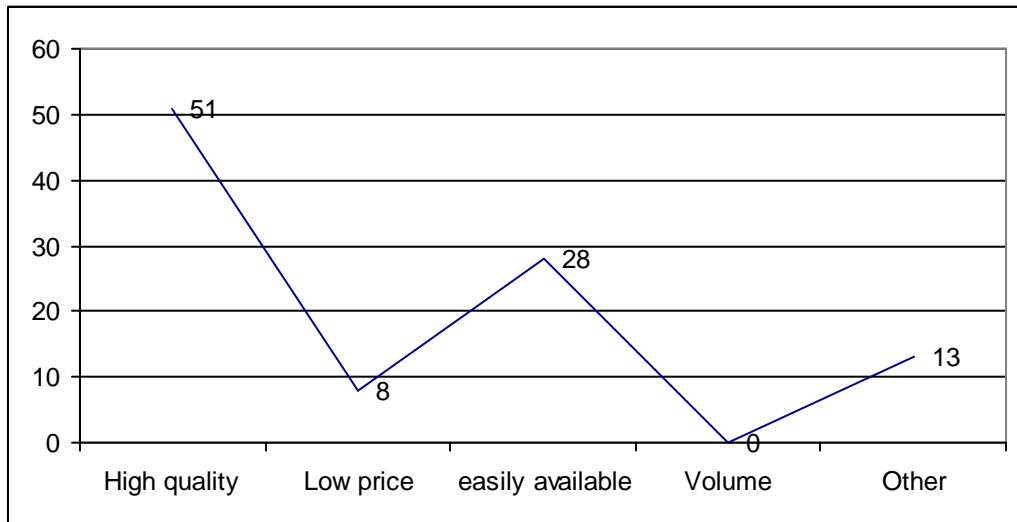
Influencing factors of Cold drinks

S.N.	Influencing factor	Frequency	Percentage
1	High quality	51	51.0
2	Low price	8	8.0
3	easily available	28	28.0
4	Volume	0	0.0
5	Other	13	13.0
		100	100.0

Source: Consumer Survey 2069

Table No.4.6 deals with the influencing factor of consumers to prefer different brands of Cold drinks among 100 respondents 51 % motivated to the high quality, 8% to the low price, 28% to the easily available, 0% to the volume and rest of 13% to the other factors. We can explain above table by figure below.

Figure No. 4.6
Influencing Factors of Cold Drinks



Source: Table No. 4.6

4.3.4. Factors to Prefer Selected Brand

Table No. 4.7

Factors to prefer selected brand of cold drinks

S.N.	Factor	Frequency	Percentage
1	Price	2	2.0
2	Availability	4	4.0
3	Quality	32	32.0
4	taste	50	50.0
5	Brand image	8	8.0
6	Packaging	2	2.0
7	Advertising	2	2.0
8	Others	0	0.0
Total		100	100.0

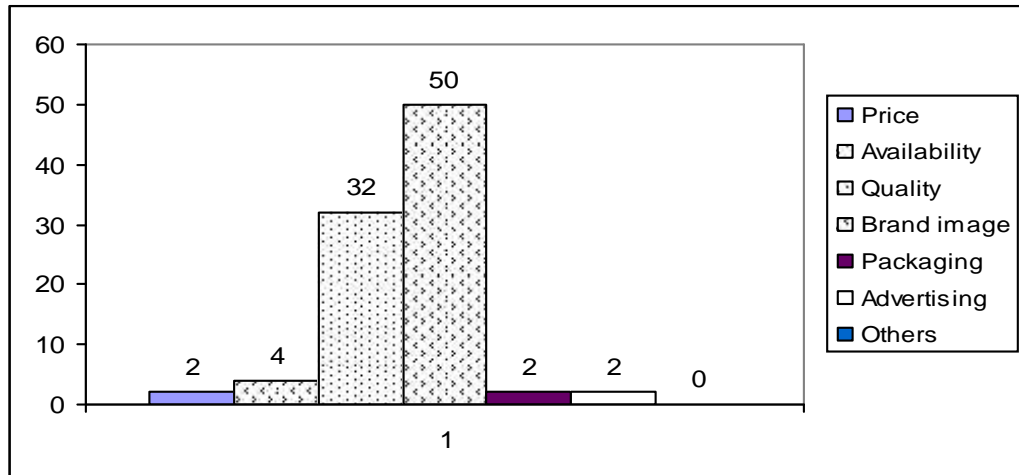
Source: Consumers Survey 2069

Table No. 4.7 deals with the major factors to prefer selected brand of cold drinks. Among 100 respondents 50% consumers selected the taste and rest of 50% consumers has selected the other factors only 0% consumers is in other

factors than above mentioned. This table can also be explained by simple bar diagram

Figure No. 4.7

Factors to prefer selected brand of cold drinks



Source: Table No. 4.7

4.4 Ranking of different Brand of Cold Drinks

In the table below the consumers priority to different brands have been presented note that the highest priority given cold drinks is denoted by 1 and the lowest priority given cold drinks is denoted cold drinks has lowest mean value and the number 4 denoted cold drinks has got highest mean value.

Table No. 4.8

Ranking of different Brand of Cold Drinks

S.N.	Cold drinks	Ranking	Mean
1.	Coca-cola	1	1.67
2.	Real	2	2.28
3.	Pepsi-cola	3	2.44
4.	Others	4	2.61

Source: Consumer Survey 2069

(As calculated in Annex No.1)

By the overall average (means) ranking of various brands of cold drinks, Coca cola is seen that the best with mean value of 1.67, the lowest one. It is followed by real with 2.28 mean values. The other brands having the highest mean value is a least population brand.

4.5. Consumption pattern of cold drinks

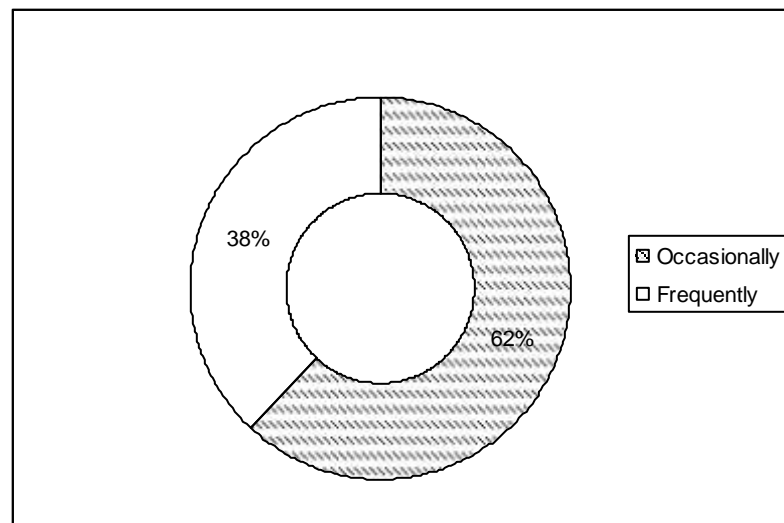
Table No. 4.9
Consumption Pattern

Period	frequency	Percentage
Occasionally	62	62.0
Frequently	38	38.0
	100	100.0

Source: Consumer Survey 2069

The above table 4.9 shows the frequency of consumption pattern of cold drinks. Most of the consumer takes cold drink brand occasionally. 62% consumers have chosen occasionally in the question how often do you use cold drinks. Remaining 38% consumer have chose frequently. We can better explain by bar diagram.

Figure No. 4.8
Consumption Pattern



Sources: Table No. 4.9

4.6 Consumption Quality of Cold Drinks

Table No. 4.10

Consumption Quality of Cold Drinks

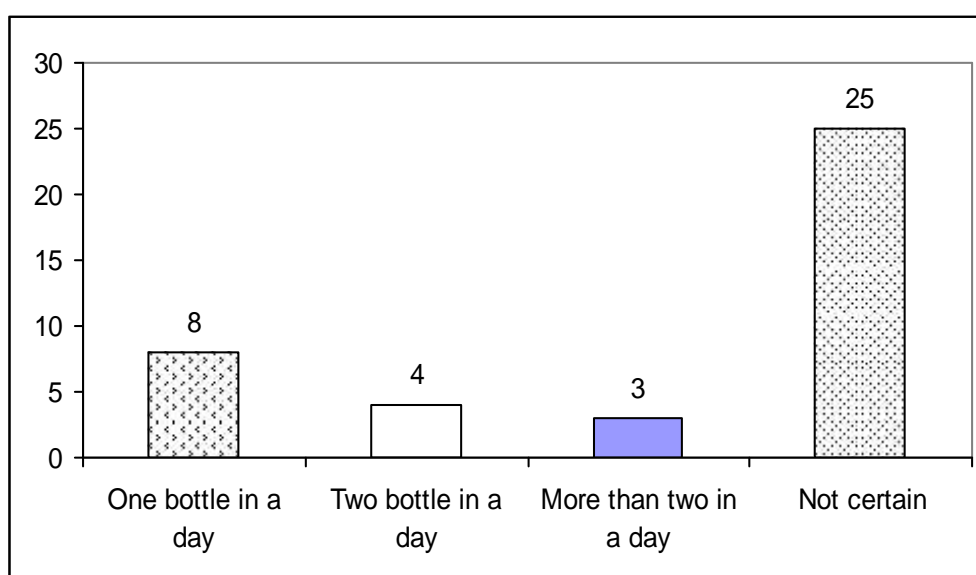
Consumption times	frequency	Percentage
One bottle in a day	8	20.52
Two bottle in a day	4	10.25
More than two in a day	3	5.13
Not certain	25	64.1
	100	100.0

Source: Consumer Survey 2069

The above table 4.10 illustrates how many bottles of cold drinks do the consumer consumes in a day. Among 100 respondents, who have chosen frequently (shown in table No. 4.6), 20.52% consumes one bottle in a day, 10.25% consumes two bottle in a day, 5.13% consumes more than two bottle in a day and remaining 64.1% consumers have select not certain. It can be better explained by figure below.

Figure No.4.9

Consumption quantity of cold drinks



Source: Table No. 4.10

4.7 Most Preferable Place to Buy the Product

Table No. 4.11

Place to Buy Product

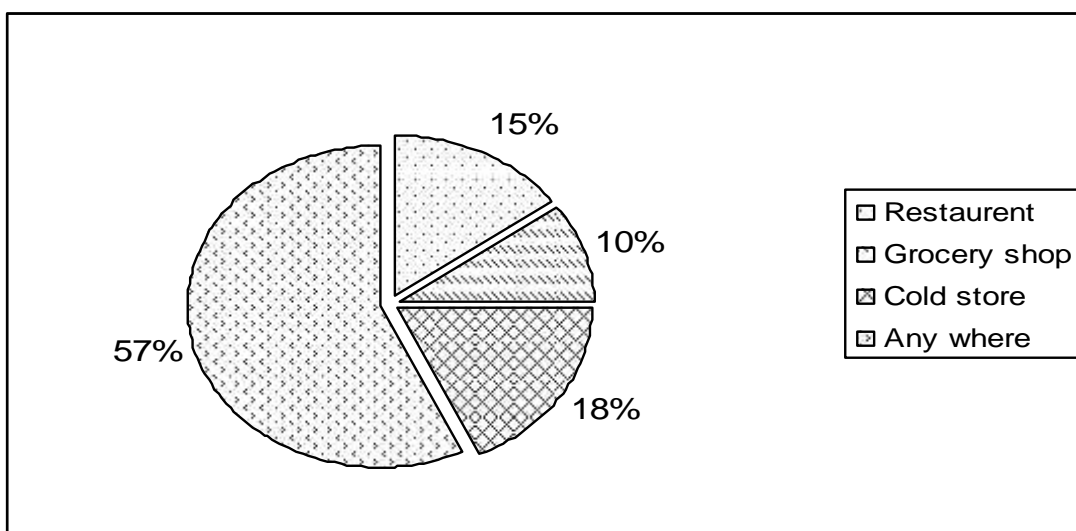
Place	frequency	Percentage
Restaurant	15	15.0
Grocery shop	10	10.0
Cold store	18	18.0
Any where	57	57.0
	100	100.0

Source: Consumer survey 2069

From the above table 4.11, most of the consumer i.e.57% wants to buy cold drinks from different places 18% from cold store, 15% from restaurant and 10% from Grocery shop. It can be better explain by figure below.

Figure No. 4.10

Place to Buy Product



Source: Table No. 4.11

4.8 Single word to preferred brand

Table No.4.12

Single Words to Preferred Brand

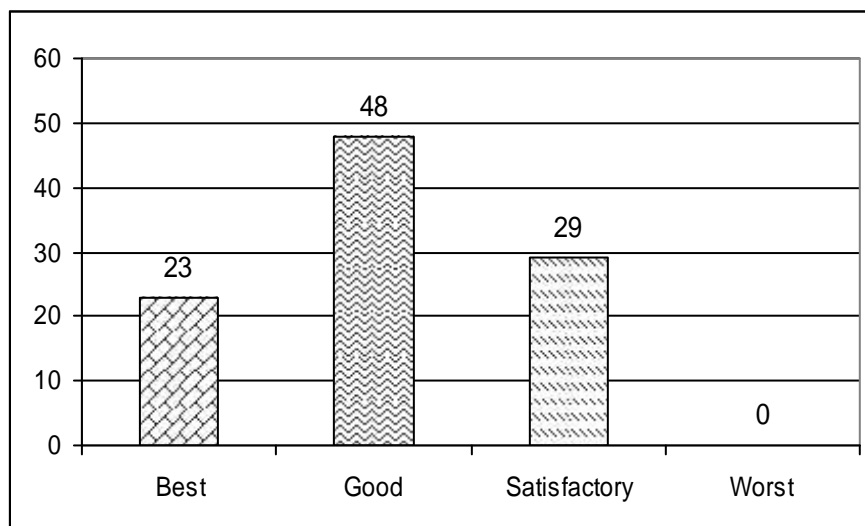
Word	Frequency	Percentage
Best	23	23.0
Good	48	48.0
Satisfactory	29	29.0
Worst	0	0.0
	100	100.0

Source: Consumer Survey 2069

Table No. 4.12 deals with the single word to preferred brand. Among 100 respondents, 23% consumers have chosen best to their selected brand. 48% consumer have chosen good, 29% consumers have chosen satisfactory and 0% consumer have chosen worst to their brand. We can better explain below by bar diagram.

Figure No. 4.11

Single word to preferred brand



Source: Table No. 4.12

4.9 Selected Brand according to quality, price taste

Table No. 4.13

Selected brand according to quality, price and taste

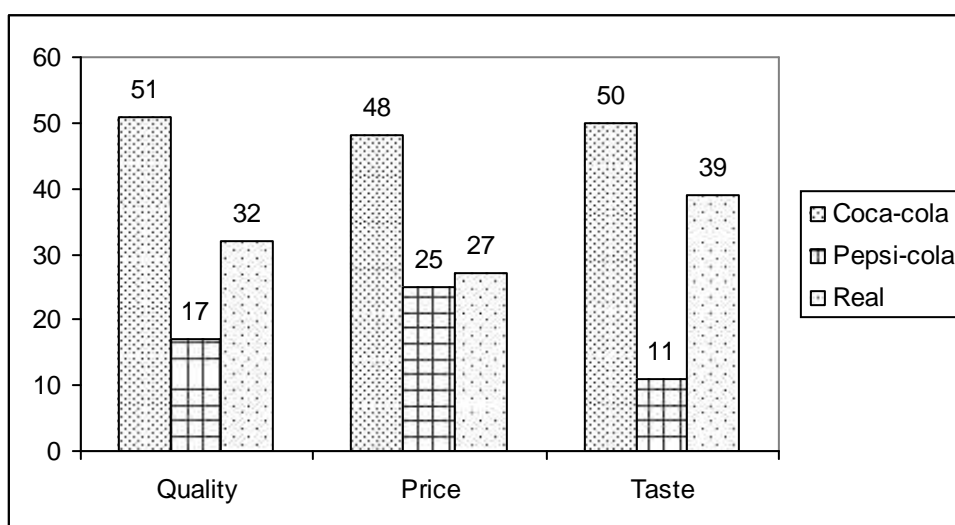
According to	Coca-Cola	Pepsi-cola	Real	Total
Quality	51	17	32	100
Price	48	25	27	100
Taste	50	11	39	100

Source: Consumer Survey 2069

Table No. 4.13 Show the selected brand according to quality price and taste. Among 100 Respondents, 51% of consumers have suggested the coca cola as high quality product and remaining two products Pepsi-cola is 15% and Real is 32% respectively. Similarly, 48% respondents have given view better price of Coca-cola and the other two products Pepsi-cola is 25% and Real is 27%. At last, on the terms of taste. 50% of respondents have suggested good taste and the left two products Pepsi-cola is 11% and Real is 39%.

Figure No. 4.12

Selected brand according to quality price and taste



Source: Table No 4.13

4.10 Chi-Square test for independence of age group and quality consumed

Table No. 4.14

Chi-Square Test for Independence of Age Group and Quality Consumed

Age	Occasionally	Frequency	Total
18-25	16	23	49
26-35	19	9	28
36 above	17	6	23
Total	62	38	100

Source: Consumer Survey 2069

1. Setup hypothesis

Null hypothesis: H_0 : Quantity of cold drink consumer is independent upon age group.

Alternative hypothesis: H_1 : Quantity of cold drink consumer is dependent upon age group

2. Test statistics: χ^2 calculated = 3.47 (Annex:2)

3. Level of significance : = 0.05 OR 5%

Degree of freedom (df) =2

4. Critical value χ^2 tabulated = 5.991476

5. Decision: Since χ^2 calculated < χ^2 tabulated therefore H_0 is accepted at 5% level of significance.

Here, calculated value is smaller than table value therefore null hypothesis is accepted i.e. age group is independent to the quality of cold drink consumed.

4.11 Major Findings

From the field survey and analysis of the behaviour of the consumers in the Dang district, the following things are found.

1. The consumption of Coca-Cola cold drink is very high in the Dang district in comparison to others.

2. Most of the consumers take cold drinks occasionally. (Table No. 4.6)
3. Most of the respondents have suggested for reasonable price and increasing quality of cold drinks to the manufacturer. They also mentioned about the term healthy product should produce.
4. In the market competition, Coca-Cola is in the top position and behind it is Real. The presence of other cold drinks is not remarkable. (Table 4.3.1)
5. Consumers give more preference to Coca-Cola brands with its quality, price and taste.
6. Most of the respondents have selected high quality towards the product.
7. More than 50% consumers have found to take cold drinks brand anywhere.
8. Among 100 respondents 50% consumers of Coca-Cola have selected the factors 'Taste' of cold drinks.
9. On the basis of ranking, Coca-Cola is found as best than the other cold drinks brand.
10. Price and quality of Coca-Cola also lead the better than other brands.
11. Real Juice is found as second brand preferred by consumers in Dang District.
12. In terms of single word towards preferred brand, 48% consumers have chosen 'good' to the selected brand.
13. In terms of single word towards preferred brand, 64.1% consumers selected not certain in terms of quality they consumed. (Table No. 4.6)
14. Quantity of cold drink consumed is dependent upon age group. Age factors could not affect for the consumption of cold drinks.

CHAPTER-FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The market is created by consumer. Without customer we can't operate any business activities. So, consumer is the king of business. The success and failure of any business depend on the behavior of consumer. Therefore, without doubt, we can say that all the manufacturers and marketers of the product and service depend on consumer. Those who understand the consumer's behavior can achieve great advantage in the market place. So, business organizations must understand the consumer buying behavior for their long term survival in today's changing and competitive business environment. But, understanding consumers' behavior is become more complicated. It requires regular efforts of investigation and exploration about consumers. But in Nepalese business organizations, investigation and exploration about consumer behavior are rare or absent.

Consumer behaviour is a blend element from psychology, sociology, socio-psychology, anththropology and economics. It attempts to understand the buyer's decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general.

Consumer behaviour is important to all the marketers, who are producing consumer goods. It deals with consumer satisfaction. The topic of this study is "Consumer Behaviour Towards Cold Drinks in Dang District". An attempt is made to find out brand preferences of consumers and the factors that develop such preferences, examination of consumption pattern of cold drinks, market leaders of cold drinks in Dang district in consumers' point of view and provide suitable suggestions. For the purpose of the study null hypothesis were

developed. To avoid the chances of duplication in the study and to confirm whether the study is in accordance with the principles and doctrines, supportive texts and the previous dissertation have been reviewed.

The samples for the study comprised 100 consumers are taken from Dang district. A questionnaire consisting 8 questions were administered to the respondents. The data obtained from them were analyzed using percentage, chi-square test and charts

The percentage analysis reveals that among 100 respondents 52.0 preferred Coca-Cola brand, 27.0% preferred Real brand, 12.0% preferred Pepsi-Cola brand and rest of 9.0% preferred other brands. Consumer consume cold drinks into two ways, 62.0% consumers consume cold drinks occasionally and 38.0% consumers consume cold drink frequently. Among 38.0% consumers, who consume cold drinks frequently, 20.52% consume one bottle in a day, 10.25 consume 2 bottles in a day. 5.13% consume more than two in a day and rest of 64.10% are not certain for the consumption, consumers chose cold drinks according to brand image are not ignored. Similarly, among 100 respondents, 47.0% consumer gives the answer good to their preferred brand and remaining 29%, 23% consumers give satisfactory and best respectively, consumers buy cold drinks from different places. Most of them 57.0% consumers want to purchase cold drinks from anywhere 18.0% from cold store, 15.0% from restaurant and 10.0% from grocery shop.

To conclude, the test of hypothesis shows one of the most important facts, i.e. quality of cold drink consumed is independent upon age group. Age factors do not affect for the consumption of cold drinks.

5.2 Conclusions

From the study it is found that the entire sampled consumers have drinking habit of cold drinks. According to Brand preference most of the respondents prefer Coca-Cola, then Real, Pepsi-Cola and others respectively. Most of the respondents purchase cold drinks from any where then cold store. Most of the respondents take cold drinks occasionally and there is not

difference between the drinking habit of married and unmarried consumers. Most of the frequent consumers drinking quantity are not certain. Consumers choose cold drinks according to brand name but product quality, taste, availability, price, brand image are not ignored. Most of the respondents select their brand due to the high quality and then easily available. None is interested in volume. Very few respondents have consumed other brands except Coca-Cola, Pepsi-Cola and Real. Coca-Cola brand is the most popular brand of cold drinks in Dang district, It has greater share than Real, Pepsi-Cola and other brands. A hypothesis test reveals that, quantity of cold drink consumed is independent upon age group.

5.3 Recommendations

Every business sector needs to understand buyers' behavior. Without understanding consumers' behavior the marketers and manufacturers do not get success in the market as well as they could not achieve organizational goals. Therefore following recommendations are proposed by this study:

1. Consumers having positive behaviour should be encouraged more and should include negative behaviour and should improve its different aspects.
2. Coca-Cola brand should study the consumer behaviour continuously and regularly and prepare the strategies accordingly.
3. Coca-Cola brand should maintain its Quality/price/taste.
4. It is perceived that the Coca-Cola brand should make the consumers believe that the price of cold drinks is justifiable. Because most of the respondents have expressed their suggestions that the price of the cold drinks is high which is the common expression of the consumers.
5. In order to be successful in the competition and to create good influence on society it should participate in social activities.
6. Being alert with the other brands, it should adopt defensive strategy.

7. As greater number of consumers has intention to buy product at any where, the producers of cold drink should try to motivate the retailers for increasing sales as well as market share.
8. As consumer's behaviour is highly affected by products manufactured with the help of better technology, the sampled organizations should produce in accordance with consumer demand for which they may adopt effective opinion survey.
9. The Companies should undertake marketing research on a regular basis to monitor the performance of cold drinks.
10. The other cold drinks companies should introduce some promotional schemes to the consumers for better marketing approach.

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4. How often do you drink the preferred brand?
 a) Occasionally ⊗ b) Frequently ⊗

If, frequently how many times do you take cold drinks?

- a) One Bottle in a day ⊗
 b) Two Bottle in a day ⊗
 c) More than two in a day ⊗
 d) Not Certain ⊗
5. Which place do you like to buy the cold drink specially?
 a) Restaurant ⊗
 b) Grocery Shop ⊗
 c) Cold Store ⊗
 d) Any Where ⊗
6. If you are suppose to define your preferring brand in a single word then what will be your opinion?
 a) Best ⊗ b) Good ⊗ c) Satisfactory ⊗ d) Worst ⊗
7. Select the best brand name according to: (Please Tick One)

	Brand Names		
Best Brand according to	Coca-Cola	Pepsi Cola	Real
Quality			
Price			
Taste			

8. Suggestion to the cold drink manufacturer

.....

Thank You!

ANNEX-II

Mean Calculation for Ranking of different brand of Cold drinks

Rank	1	2	3	4	Total
Coca-cola	56	24	17	3	100
Pepsi-Cola	13	39	39	9	100
Real	28	32	24	16	100
Other	3	5	20	72	100
Total	100	100	100	100	

Source: Consumer Survey 2069

Calculation of Mean

Coca-Cola

Ranking (X)	No. of Consumer (F)	FX
1	56	56
2	24	48
3	17	51
4	3	12
	N=100	$\phi fx=167$

$$\bar{\text{Mean}} (\bar{x}) = \phi fx / N = 167/100 = 1.67$$

Calculation of Mean

Pepsi-Cola

Ranking (X)	No. of Consumer (F)	FX
1	13	13
2	39	78
3	39	117
4	9	36
	N=100	$\phi fx=244$

$$\text{Mean } (\bar{x}) = \phi fx / N = 244/100 = 2.44$$

Calculation of Mean

Real

Ranking (X)	No. of Consumer (F)	FX
1	28	28
2	32	64
3	24	72
4	16	64
	N=100	$\phi fx=228$

$$\text{Mean } (\bar{x}) = \phi fx / N = 228/100 = 2.28$$

Calculation of Mean

Others

Ranking (X)	No. of Consumer (F)	FX
1	3	3
2	5	10
3	20	60
4	72	288
	N=100	$\phi fx=361$

$$\text{Mean } (\bar{X}) = \phi fx / N = 361/100 = 3.61$$

ANNEX-III

Chi square test for independence of age group and quantity consumed:

Age	Occasionally	Frequently	Total
18-25	26	23	49
26-35	19	9	28
36-Above	17	6	23
	62	38	100

Setup Hypothesis

Null Hypothesis: H_0 : Quantity of cold drink consumed is independent upon age group.

Alternative Hypothesis: H_1 : Quantity of cold drink consumed is dependent upon age group.

Chi-square Contingency Table Test for Independence				
		Occasionally	Frequently	Total
18-25	Observed	26	23	49
	Excepted	30.38	18.62	49.00
	$(O - E)^2 / E$	0.63	1.03	1.66
26-35	Observed	19	9	28
	Excepted	17.36	10.64	28.00
	$(O - E)^2 / E$	0.16	0.26	0.42
36 above	Observed	17	6	23
	Excepted	14.26	8.74	23.00
	$(O - E)^2 / E$	0.53	0.86	1.39
Total	observed	62	38	100
	Expected	62	48	100
	$(O-E)^2/E$	1.32	2.15	3.47
		3.47	chi-square	
		2	df	

Chi-Square = $\phi (O-E)^2/E = 3.47$ (where, some of the value of three types of age group)

Degree of freedom (df) = 2

$$\begin{aligned} (df) &= (r-1) (c-1) \\ &= (3-1) (2-1) \\ &= 2 \times 1 \\ &= 2 \end{aligned}$$

Table value 5.991476

Here, calculated value is smaller than table value therefore null hypothesis is accepted i.e. quantity of cold drink consumed is independent upon age group.

Note : Expected frequency cell

$$\begin{aligned} E &= \frac{\text{Row total} \times \text{column total}}{\text{Grand total (N)}} = \frac{38 \times 49}{100} = 18.62 \\ &= \frac{62 \times 49}{100} = 30.38 \end{aligned}$$

Value of Chi-Square :

$$\chi^2 = \phi \frac{(O - E)^2}{E}$$

Occasionally

$$= \frac{(O - E)^2}{E} = \frac{(26 - 30.38)^2}{30.38} = 0.63$$

Where,

O = Observed Frequency

E = Expected Frequency

Frequently

$$= \frac{(O - E)^2}{E} = \frac{(23 - 18.62)^2}{18.62} = 1.03$$