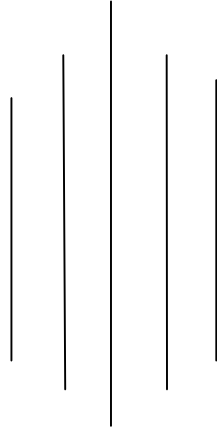


ADVERTISEMENT AND SALES IN KATHMANDU VALLEY

(With Special Reference to Coca-Cola)



A Thesis

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SUBMITTED TO:
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In Partial Fulfillment of the Requirement for the Degree of Master of
Business Studies (MBS)

Patan Multiple Campus Patan Dhoka
Lalitpur, 2013

RECOMMENDATION

This is to certify that the thesis

**Submitted by
Gyan Hari Pandey**

Entitled

ADVERTISEMENT AND SALES IN KATHMANDU VALLEY
has been prepared as in the form as per the fulfillment of the partial requirements for the Master's Degree in Business Studies of the Faculty of Management. This thesis is forwarded for examination.

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VIVA-VOCE SHEET

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

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Advertisement and Sales in Kathmandu Valley (With Reference to Coca-Cola)

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

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DECLARATION

I hereby declare that the work reported in this thesis entitled **Advertisement and Sales in Kathmandu valley** submitted to Patan Multiple Campus, Faculty of management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for master's of business studies under the supervision of Mr.BabuRam Singh Thapa, Patan Multiple Campus, Nepal.

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ABBREVIATIONS

A.D.	:	After death of Christ
B.S.	:	Bikram Sambat
Eg	:	Example
Etc	:	Etcetera
F.M.	:	Frequency Modulation
4Ps	:	Four Products
Govt.	:	Government
i.e.	:	That is
Km	:	Kilometer
Ktm	:	Kathmandu
Ltd	:	Limited
MBS	:	Master of Business Studies
NEPSE:		Nepal Stock Exchange
NLL	:	Nepal Lever Limited
No	:	Number
Nos	:	Number of Consumer
NTV	:	Nepal Television
Pvt.	:	Private
Rs	:	Rupees
SDC	:	Shanker Dev Campus
Sq.	:	Square
T.U.	:	Tribhuvan University
U.K.	:	United Kingdom
U.S.	:	United States
VDC	:	Village Development committee
WTO	:	World Trade Organization
WBR	:	World Bank Report

CHAPTER ONE

1.0. INTRODUCTION

1.1 BACKGROUND OF STUDY

Due to the globalization of the business, the world has become small and therefore a company can easily get access to the market of the other parts of the world and can achieve his goals. The companies are facing various challenges to market their product over the years. Trust has shifted from the efficient production to the swift marketing, marketing department, in return, and had developed different technique to market the products. In this modern marketing era, every marketer should understand the consumers' satisfaction many companies are adopting many marketing policies and strategies to increase the sales.

The sales have direct impact on the market share. So the sales actives also play a vital role in the market share. The use and practice of sales activity method in Nepal had started relatively very late as compared to other countries.

A product, service and idea can be presented and promoted in a variety of ways, and advertising is one of them. Advertising influences, consumer attitudes and purchase behavior in a variety of consolidated manner. It has multiple objectives and roles in persuading the consumers. The technique of advertising may be directed by one or more objectives of advertising depending upon the situation.

Advertising is any paid form of non personal presentation and promotion of ideas goods or services by an identified sponsor.

This definition emphasis to communicate the information consists with product, services and ideas for the purpose of presenting and promoting them, which is designed by the related exports from the side owner and paid some charges instead of using various media which is non personal.

Advertising is the non-personal communication of information usually paid for and usually persuasive unnatural about product services or ideas by identified sponsors though the various media.

Advertising is the printed, written, spoken pictured representation of a person, product, services or movement openly sponsored by the advertiser and at his expose for the purpose of influencing sales, uses, votes or endorsement.

Advertising only helps in selling. It only helps in selling through art and business of persuasive communication.

‘The simplest definition of an advertisement is that it is a public announcement’

In early times, advertising meant nearly to announce or to inform. Some advertising today still do just that provide information about “Birth”, ”Death”, engaged with little or no intention to persuade. Matrimonial advertisement recruitment advertisement and tenders, notices and similar types of public announcements also provide the public with valuable information. The earliest advertisement in the first English news paper published in India in 18th century were little more than “Public announcement “about the arrival of ship and merchandise from abroad. Basically an advertisement is an announcement to the public of a product of service or idea through a medium to which the public has assist. The medium may be print (such as newspaper, posters, banners and hoarding board), electronic (radio, television, cable, phone, video) or any other.

An advertisement is usually paid for by an advertiser at rates fixed on negotiated with a media.

1.2 STATEMENT OF THE PROBLEM

Advertising cannot be exaggerated in the present day situation. Increasing competition and sophistication of market has made it a very necessary in any business enterprise. Advertising plays a pivotal role in the promotional efforts by familiarizing, awarding, informing, and influence the consumer to buy the products and helps them about the buying decision. In developed countries huge expenditure is made on it and a market without it is unimaginable while analyzing the history of Nepal's advertising. It has not been able to encompass the magnitude it generally does. The pattern and method being used are ordinary in nature.

The main advertising media in Nepal is Radio, TV and Newspaper. Currently the television service is accessible to the total population. The radio Nepal's short-wave broadcast reaches all Nepal but its medium wave broadcast cannot reach all Nepal .In Nepal, there is acute shortage of Newspaper with nationwide circulation. A few like the gorkhapatra, The Rising Nepal, Kantipur, The Katmandu Post and some other daily, weekly and monthly Magazines have the nation wide circulation.

Advertising expense is an integral part of the budget of the manufacturer. Business organizations measure always cost benefits in relation to their investments. It may however be difficult to measure the effectiveness of advertising on sales and profit. Advertising and its return on investment are not the unique way of education rather how far it contributed in terms of communication goals should be measured. In Nepal, most of the manufactures advertise their products without measuring its effectiveness and impact on sales. The

effectiveness and impact has direct relation with the purchasing activities of specific brand, If the consumers do not feel convinced and persuaded by an advertising, it has no meaning, Advertising is said to be ineffective which cannot accomplish the designated task.

The study is directed to result the following issues:

- I. What is the present advertising practices of coca –cola in Kathmandu Valley?
- II. Is there any promotional practices of coca-cola?
- III. Is there impact of advertising on sales of coca-cola?

1.3 OBJECTIVES OF THE STUDY:

The main objective of the study is to examine the impact of advertising on sales. The specific objectives of the study are as follows:

1. To analyze the present advertising practices in Kathmandu valley.
2. To assess the promotional situation in Kathmandu valley.
3. To evaluate the impact of advertising on sales in Kathmandu valley.

1.4 IMPORTANCE OF THE STUDY

Advertising plays a very important role in today's age of competition. Advertising is one thing which has become a necessity for everybody in today's day to day life, be it the producer, the traders, or the customer. Advertising is an important part. Lets have a look on how and where is advertising important:

1. Advertising is important for the customers

Just imagine television or a newspaper or a radio channel without an advertisement! No, no one can any day imagine this. Advertising plays a very important role in customers life. Customers are the people who buy the product only after they are made aware of the products available in the market. If the product is not advertised, no customer will come to know what products are available and will not buy the product even if the product was for their benefit. One more thing is that advertising helps people find the best products for themselves, their kids, and their family. When they come to know about the range of products, they are able to compare the products and buy so that they get what they desire after spending their valuable money. Thus, advertising is important for the customers.

2. Advertising is important for the seller and companies producing the products

Yes, advertising plays very important role for the producers and the sellers of the products, because

- Advertising helps increasing sales
- Advertising helps producers or the companies to know their competitors and plan accordingly to meet up the level of competition.

- If any company wants to introduce or launch a new product in the market, advertising will make a ground for the product. Advertising helps making people aware of the new product so that the consumers come and try the product.
- Advertising helps creating goodwill for the company and gains customer loyalty after reaching a mature age.
- The demand for the product keeps on coming with the help of advertising and demand and supply become a never ending process.

3. Advertising is important for the society

Advertising helps educating people. There are some social issues also which advertising deals with like child labour, liquor consumption, girl child killing, smoking, family planning education, etc. thus, advertising plays a very important role in society

1.5 LIMITATIONS OF THE STUDY

This study has basically the following limitations:

1. This study mainly focuses on advertising aspect.
2. This study is related with Bolter's Nepal.
3. This study is confined within 6 months.
4. This study is basically based on primary data. Taking the help of the questionnaire.
5. This study covers the data for 5years.

Some others Limitations are:

- Localized important advertisements are necessary.
- The advertisements can be skipped by people.
- Novelty in advertisements can be helpful like zoo zoos. Most of the advertisements are skipped.
- Advertised costs are added to main cost of product which enhances the tag rate of the product or service.

1.6 ORAGANIZATION OF THE STUDY

The technique of advertising may be directed by one or more objectives of advertising depending upon the situation. Business organizations measure always cost benefits in relation to their investments. It may however be difficult to measure the effectiveness of advertising on sales and profit. Changes have to come in perception, work ethics, methods and technologies. The sector has moved ahead by leaps and bounds, but the situation is far from perfect. The sales have direct impact on the market share. So the sales actives also play a vital role in the market share. The use and practice of sales activity method in Nepal had started relatively very late as compared to other countries. It has not been able to encompass the magnitude it generally does. The pattern and method being used are ordinary in nature. Customers are the people who buy the product only after they are made aware of the products available in the market. If the product is not advertised, no customer will come to know what products are available and will not buy the product even if the product was for their benefit.

CHAPTER TWO

2.0. LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

This chapter will be based on the available report, manuals and studies of various media available at a Nepalese market. Based on this aspect, literature would have been reviewed and presented follows:

- 2.1. Conceptual Framework
- 2.2. Evolution of Advertising
- 2.3. Function of Advertising
- 2.4. Government and Legal Provision of Advertising in Nepal
- 2.5. Legal Provision in Advertising Expenses
- 2.6. Some term and condition of various Government Advertising media in Nepal
- 2.7. Advertising as a tool of communication
- 2.8. Sales and Advertising

2.2. EVOLUTION OF ADVERTISING

Throughout history and till today the purpose of advertising is to inform and persuade has not changed although, many people think of advertising as a modern process, It actually dates back many centuries. We have already known about how advertising as a communication function was born thousands of years ago. However, ancient civilization had to depend on hand tools to produce goods, because goods were not produced in large quantity. The use of advertising is to stimulate mass purchase of merchandise was not really necessary. At the same time there were no mass media for possible advertiser to use.

The Chinese invented paper and Europe built its first paper mill by the year 1275 when Johnness Gutenberg invented movable type. It made possible new advertising media and first forms of mass advertising including printed posters, hand bills and newspapers advertisements. In London in about 1472 the 1st printed advertisement in English, tacked on church doors, announced a player book for sale. The first newspaper advertisement that appeared on the back of the London newspaper in 1650 offered a reward for the return of 12 stolen horses. Later advertisement appeared for office, chocolate tea, real estate and medicines as well as “personal ads”. The advertisement was directed to a limited number of people who were customer of coffee houses where the newspaper were read.

Another major technology break through was the invention of photography in the late 1880s. Before this time products in printed advertisements could be illustrated only by drawing

photography added credibility to an advertisement because it shows products as they are rather than as visualized by an artist.

When advertising entered expenditure and in the 20th century there are so many miracles than before. On Oct 29, 1929, the stock market crashed, the great depression began and was drastically reduced. However, perhaps due to depression, false and misleading continued to thrive. Several bestselling books exposed advertising as an unscrupulous exploiter of customer, living role to the consumer movement and resulting in further government regulation.

Because of consumer sales resistance during the depression and the budget-cutting attitude of management, advertising turned to research to regain its credibility and effectiveness.

When broadcasting advertising came it had added another significant milestone in the field of advertising. A major powerful new advertising medium, radio started on Nov 2, 1920 in Pittsburgh, Pennsylvania, national advertiser used radio extensively because they could reach large, captive audience that turned into popular programmers. In fact, it was their advertising agencies that produced the first radio became the primary means of mass communication. News arrived direct from the scene, and whole new world of family entertainment became possible.

The most unusual expansion of any medium occurred after television was firstly broadcasted publicly in 1941 at the end of the Second World War the use of television advertising grew rapidly. In 1955 color television was born and today television is the second largest advertising medium in term of total money spent by advertiser.

The 1970's saw a new kind of advertising strategy where the competitor's strengths became as important as the advertiser. This was called the positioning era. Acknowledging the importance of product features and image. The consisted that what really important was how the product ranked against the competition in the consumer's mind.

The brief history shows that advertising reflects the worlds we have in just as advance in technology are changing our lives. So will the action and attitude of special interest- group from big business to bid labor. From pro-growth advocates to environmentalist. From big religion to big cults and although some group fight progress to effect their aims all the way. They will all use the tools of progress to affect their aims one of these tools will be advertising – in media yet to be conceived.

2.3. FUNCTIONS OF ADVERTISING

The basic function of advertising is simply to ring something deliberately to the notice of someone else. To make money companies manufacture and sell product that compete in the market place advertising has so many functions which are categories following.

2.3.1. MARKETING FUNCTIONS

To increase their sales and profit, companies develop marketing strategies. The marketing strategy is determined by the particular way companies combine and use various marketing element. The marketing mix includes a variety of options known as four Ps and generally categorized under the heading of product, price, place and promotion.

Advertising falls in the promotion category and is part of promotional mix. Advertising involves presenting the message. Usually through the mass media, to a large group of people known as target audience. Through, advertising the cost of reaching a thousand people is your target audience is usually for less the cost of reaching one prospect through personal selling.

2.3.2. COMMUNICATION FUNCTIONS

All form of advertising communicate some message to a group of people .as a communication function advertising had its beginning the outdoor signs carved in clay, wood or stone and used by ancient Greek and roman merchants were the first form of advertising. Since the population was unable to read, the signs were symbols of the goods for sale such as a boot for a shoemaker's shop.

Today, the communication of information is still one of the basic function and objectives of advertising. Examples of advertising used primarily for communication is ads in telephone one directories, newspapers, classified ads, and legal notices published by various organization and governmental bodies.

2.3.3. ECONOMIC FUNCTIONS

By making people aware of products services and ideas advertising promotes sales and there by commerce. As well as a buyer's guide. It provides information to consumers about the news of new products or prices and it gives industrial buyers important evidence or information about available product s and services. Advertising greatly reduces the cost of distribution. This leads to lower costs and higher profits, which can be invested in more capital equipment and job advertising, invites people try new products. It accelerates the success of good products and the failure of unaccepted products.

2.3.4. SOCIAL FUNCTIONS

Advertising is the one of major forces that has helped to Improved the standard of living of the people of any country by publicizing the material, social and cultural opportunities of free enterprise consumer society. Advertising has encouraged increased productivity by both management and labor.

Advertising enables to the people to select the product that best matches your functional and social needs. Finally advertising effect on society has led to important social and legal changes.

In brief the function of advertising according to Bovee and Arens are As follows:

1. To induce consumer to try new product s and to suggest reuse.
2. Stimulating the distribution of a product.
3. To increase product use.
4. To build brand preference and strengthened brand loyalty.
5. To create a positive psychological image about product.

The objectives of advertising are to stimulate, to buy a particular brand of product offered for sale by a particular seller. The whole advertising campaign is concentrated basically to increase sales either by converting people from completing brands or by reducing the number of customers we lose to others brands and by increasing the size of market for the product class. Despite some widely held misconception taking advertising as merely ends of selling we can say it is the better means of promotion when the entire structure isn't fitted well but advertising works no miracles. It is an important element in modern marketing process but it can produce consistently profitable results only when the entree structure is sound.

The greatest advertising appropriation is devoted to products of low unit value frequently repurchased and universally used. The success of advertising is recognized when it wins the new customer. It is fundamental, therefore that before any money can be wisely spent in a advertising, it must be ascertained that the product is right to the degree that it can win repeat purchasers or recommendation from its users. To yield sound and profitable results from advertising a product must be well-adopted to the needs, wants and prejudices of its prospective consumers.

A right product is very often not what its manufacturer or his family and friends think as ideal rather than it is a product that can enter the hurly-burly of modern competition and win and hold the good will to enough costumers to create and maintain profitable enterprises that is uniform.

Companies advertise because they have something want to sale and something to buy. Advertising brings people together who would not otherwise know of existence of those able to supply and those with a demand.

Basically the objectives of advertising are influencing persuading, building image of product as well company reminding for re purchase and communicating information related about product and company, even though for easy to understand we can trace out the objectives of advertising are as followings: to announce a new product of service, to boost up the sales, to solicit re costumer, to expand the market to new buyers, to announce modification, to announce new brand, to make a special offer, to invite enquire, to sell direct, to test a medium, to announce the location of stockiest, to educate costumers, to maintain sales, to challenge competition, to remind, to retrieve lost sales, to please stockiest, to appoint staff, to please sales force, to attract investors.

2.4. GOVERNMENT AND LEGAL PROVISIONS OF ADVERTISING IN NEPAL

There is no specific law relating to the abuse of advertising. But a few provisions under various acts relate incidentally to such advertising. False and deceptive advertising is made a punishable act under the rules relating to this false advertisers are punishable under the act of 2032.

It forbids selling by deceptive and fraudulent method and forbids to misrepresent and interior product as a superior one to misrepresent a product to be another and selling a product without the full disclosure of the ways of mixing in the ingredient which may reduce the quality of the product.

The regulation of publication regulating the content and dissemination of advertising message but relevant provisions of the Press and Publications Act 2032 must be followed by all publications medias .A commercial advertiser can not be expect to advertise for the purpose for hidden by the act even than a few points relating to obscene materials and the materials promoting immortality in public life are liable of being variously defined and a few advertisements are rejected by media on this ground also .

- 1) According to the government's stand regularity and it's scope, even if there are differences in ideologies and objectives, advertisement will be provided from the concerned authorities to the private media.
- 2) The monopoly of the Government owned media over the public information would be eliminated.

- 3) Principally, it will be increased to publish readable news and materials on literate, environment population, tourism and concerned agencies will be encouraged to provide help in this regard.
- 4) At the local level the government will provide advertisements to the local news paper and media.

2.5. LEGAL PROVISIONS IN ADVERTISING EXPENSES

Finance is the key factor that controls the amount that the firm is capable of spend for a creative activity of advertisement. The exact amount to be spending a number of variables is indicated by the advertising budget. Factors accountable are the objective to be attained to the extent of the coverage involved and the extent of the size completion and experience of the form and rules.

In Nepal, the advertising budget depends upon the government rules. For act purposes prior to B.S .2049, any company, industry, profession, vocation and business incurring expenses for advertisement and entertainment should not be exceeded by 2% and 1% of the gross profit. After 2049 when the government introduced the industrial act 2049 when the government changed the rules of spending advertisement expenditure under the industrial enterprises act 2049 any industrial incurring advertig expenditure could deduct up to 5% from the gross income, similar expenses should be deducted while assessing the net income.

2.6. SOME TERMS AND CONDITIONS OF VARIOUS GOVERNMENT ADVERTISING MEDIA IN NEPAL

Radio Nepal has segmented its time on the basis of listener's attraction towards Radio programmers in different time during a day.

Here are presented different commercial timing schedule of National transmission.

- a. Super Time: 7.45 AM to 1.30 PM Saturday. Tariffs for advertisements during the super time per 15 seconds Rs. 400.00 and respectively increased 24.
- b. "A" time: 9.30 AM Sunday – Friday. The tariffs will be 350 Rs. Per 15 Seconds and Increased respectively.
- c. "B" Time: 9.30 AM – 11.00 AM Sunday to Friday and 8.15 PM to 10 PM Sunday to Saturday. The tariffs charge will be Rs. 300 per 15 seconds.
- d. "C" Time: 2.00 PM to 3.00 PM and 10.55 PM Sunday-Saturday. The tariffs charge is 250 per 15 seconds.

2.6.1. SOME TERMS AND CONDITIONS OF RADIO NEPAL

Radio Nepal has some terms and condition that are very essential to listeners as well as people who are interested about the Radio Nepal.

1. Radio broadcasting service reserves the right to change the slots/spots through the relevant time period for which the charge is made unless they are fixed spots and position of broadcast are pre arranged.
2. All the materials and scripts for commercial time must conform to the requirements or the censor. The decision of radio Nepal will be final and will not be contested by the agencies / advertiser. The agencies and advertiser would be responsible for all material transmitted under the contract and agree to identify Radio Nepal against all action, claims and demand brought or made against Radio Nepal by reason of the said transmission or transmission including but not restricting the generality of the foregoing all libel or slander, action or claims brought or made against Radio Nepal by reason of the said transmission.
3. Radio Nepal reserves the right to transmit any advertisement materials without assigning any reason.
4. Radio Nepal reserves the right to change the rates and condition without prior notice.
5. Radio Nepal reserves the right to discontinue, without notice to agencies/advertiser in such case. Radio Nepal will allow agencies/advertiser to either cancel the contract or accept other alternatives.
6. Commercial tending to have an adverse impact on the society or those that contain obscene words or those tending to perpetuate superstitions will not be broadcast.
7. Commercial tending to praise one's one product while running down the products of competition or commercial with such an intention will not be accepted for broadcast.
8. Advertisement, which gives false and confusing prices or guarantees advertisements of goods whose name and format is copied from other product, will not be broadcasted.
9. Advertisement of medicines which claims to definitely cure certain disease will not be accepted.
10. Commercial of goods carrying foreign trademarks and brand name but manufactured in Nepal must be submitted with a copy of the industrial department.
11. Commercial recorded outside of radio Nepal will be subject to quality test before acceptance.
12. 30% extra will be charged in addition to the normal rate for all fixed timing. But for an advance contract of minimum one year only 25% extra is sufficient.

For product such as Tobacco, Beer, Bidi, Panparag, Khaini and Alcohol etc. The rate will be 100% extra in addition to the normal rate.

The rate of advertisement for international product per 15 seconds for different four grades of time is respectively 700,600,500 and 400RS. Which are about 70% average more than the national product.

The Radio Nepal was established on Chaitra 2007 B.S. (April 1, 1951) initially the transmission cover a duration of 4.5 hours through a 250 watt transmitters over the years. The radio Nepal has strength ended its institutional capacity and diversified itself in term of programmers format, technical efficiency and nation wide coverage.

The Radio broadcasting is the cheapest and quickest and widely covered means of mass communication in Nepal. In the difficult geographical structure like Nepal radio broadcasting has proved a very effective and efficient medium in disseminating information, educating people and entertaining the message.

The Radio Nepal has the transmission capacity of the short wave and medium wave. The short wave transmission of the Radio Nepal is estimated to reach the listeners throughout the country as well as some parts of India. But the medium wave transmission covers from 80% to 90% of the population. The five medium wave transmissions are located at Pokhara, Katmandu, Dhahran, Surkhet and Dipayal.

2.6.2. THE FREQUENCY MODULATION PROGRAMMERS

In consonance with the policy of foregoing ahead in tune with the changing broadcasting scenario. The radio Nepal launched the test transmission of the first F.M. channel in Nepal on the 30th karkit 2052 B.S. (16th 1995). The F.M. channel airs programmers on 100MHZ on the F.M hand through a 1 K.W. transmitter installed at Katmandu.

The F.M. Transmission began initially with an one hour 45 minutes breakfast show on an experimental basis for a one and half month and went on six hours regular up to 10 hours nowadays. Its unique character to relax, inform, and entertain, radio has become the daily companion of million of people whenever they are:

MERITS

1. Reach and frequency.
2. Impact of human voices with sound effect and music.
3. Flexibility of communication.
4. Memo ability of oral communication
5. High selectivity, more efficiency and economy.

DEMERITS

1. This is heard but not seen.
2. If the person is not listening to the advertising message at the time of broadcast it is lost forever.
3. It is on such a medium where it is impossible to illustrate the product.
4. The time available for advertising on radio is limited by number of hours.

2.6.3 TELEVISION

In Nepal, television was the first commissioned in B.S.2041. It is 21 years old now. The advertising of TV's more ever younger more glamorous and specialized as it provides scientific synchronization of sound, light motion, color and immediately that another medium does it. 21 years ago when Nepal television began its first transmission there was hardly one minutes of advertising in a two hours transitions. Today, Nepal television has an average of 16 minutes 30 seconds of advertising per day of transmission. And over the years the format and presentation of the Nepal television advertisements has changed dramatically. Initially the Nepal television advertisements have been changing during the time period. Still there are so many ads, which is dubbed only in Nepali. Despite of fact advertiser are eager to make the advertisement more attractive, impressive and informative. Some multinational and foreign collaboration companies have good and attractive advertising like Coca Cola, Pepsi and Liril etc.

Technically only the 39% of the total population can only watch the national programmed of N.T.V. Nepal television conducted a television viewer survey the table shows viewer of Nepal television on the basis of time.

Table No. 1**Number of T.V. Watcher by Time and Region.**

Time	Bhairawa	Pokhara	Birat	Janak	Bhakt	Lalit	KTM	Total
Beginning Time	68	65	46	32	95	57	63	426
After 7 PM	250	244	217	190	204	196	162	1460
After 8 PM	141	110	190	180	143	171	152	1087
After 9 PM		5	20	76	58	47	76	3224
Total								3297

Source: Economic Survey-2012

Interview with 3291 viewers representing 44.28% or 1460 persons watching the television after 7PM, 32.97% or 1087 after 8 PM, 12.97% or 426 watching beginning time and 9.83% or 423 viewers watching the NTV after 9 PM.

Table No. 2**Number of TV Watcher by Age and Region.**

Place	Age 6-16	Age 17-35	Age 36-50	Age 50>wards	Total
Bhairahawa	443	2209	446	210	3308
Pokhara	227	1605	248	323	2458
Biratnagar	576	1989	583	243	3395
Janakpur	1168	2340	634	432	47574
Bhaktapur	1110	1516	796	541	3963
Lalitpur	547	1721	255	311	2834
Kathmandu	749	1738	443	426	3356
Total	4820	13118	3455	2486	23879

Source: Economic Survey-2012

2.6.4 SOME TERMS AND CONDITIONS OF N.T.V.

- a. Advertisement is accepted in Nepali and English language only.

- b. Payment in full must be made in advance of any order.
- c. All material for commercial time must conform to the requirement of the censor of ministry of information and communication. The decisions of NTV for approval of materials will be final and not be contested by the agency /advertiser. However NTV will allow advertiser 10 days from the date of the announcement of change in rates and condition or amend their contracts.
- d. Agency commission will be allowed as per NTV's rules.
- e. Advertisement order should reach the office before one day of the transmission .25% extra will be charged for orders coming in the some day transmission.
- f. 50%discount will be provided for all advertisement placed during the morning transmission.
- g. Advertisement of tobacco and beer will be charged additional 100% on the above rates.
- h. Extra 7.5% sales tax on the above rates.
- i. The rates for domestic product and foreign product are different.

MERITS

1. Mass coverage and low cost: -Advertiser use television to reach a mass audience and resell their brand name at a very low cost per thousand.
2. Viewer empathy: -T.V advertising can depict people more realistically than any other medium. The subject arisen to worry same hardships that the viewer does.
3. Selective and flexible: - the advertiser has the opportunity of addressing to the selected audience through programmes and announcements.
4. Creative: the most striking features of T.V medium is its instantaneous transmission of sight motion, sound and colour that is life –like, it presents the things and events as they are and happen, life –like presentation makes advertising more creative and persuasive.

Newspaper is a major community serving medium today for both News and advertising.

DEMERITS

1. Costly: -the production cost of transmission in network is high Micel Jackson signed \$5.5 million with Pepsi. A minute for commercial time during the 1984 Olympic Games cost \$250000 for example.
2. Shortest life: - the commercial message has a very short life. Once it is viewed and heard it is gone.
3. Contradiction: - generally advertising of product class during the commercial time make confused for the product judgments of selection to the consumer.

Like In one time there are advertisement of Puja, Nilgiri, Diyo, Super top, by which the consumer will be ambiguous for a particular brand.

2.6.5 NEWSPAPER

The Newspaper has become an integral part of the life of almost every community. It is really hard to imagine life without newspapers in news a day. It takes its place alongside office, school, and campus bank and department store as a necessary adjunct to living. It is as essential as a good cup of tea in the morning or even more important than tea to start the day. “ Newspaper is one that gives news – views, ideas, interpretations, opinioning comments and explanations regarding the social economic, political, educational, moral, cultural, ecological, methodical, development and the like.

The Newspapers in particular provide a unique, flexible medium for advertiser to express their creativity. The newspaper is a mass medium that is read by almost everybody and everyday. Newspaper is a major community serving medium today for both news and advertising.

In Nepal National and daily newspapers are: Gorkhapatra, The Rising Nepal, the Kantipur, The Kathmandu Post , The Everest Bearld, The Sagarmatha, The Lokpatra Dainik, The Himalayan times, and weekly Newspaper are the Samakalin , Dashantar, Punarjagaran, Drishti, Astha e.tc.

MERITS

1. They are widely read by the people simply because they carry news.
2. Advertiser can choose a suitable newspaper to meet the expected readers.
3. It is believed that newspaper can be road minimal wastage in advertising.
4. It is a mass media, which penetrate every segment of society.
5. Newspaper is a local medium, covering a specific geographical area.

DEMERITS: -

1. Display possibilities are limited because of rough paper.
2. They are only for a short period. In other words there is lack of long life of the newspapers.
3. Their cost is often difficult to determine.

2.6.6 DIRECTMAIL ADVERTISING

Direct mail advertising includes the all forms of advertising sent terraced to prospects through the mail. As advertising medium, this is widely used by the marketers of high involvement goods next to the personal sales calls. Direct mail is the most effective way to an advertiser can put a message in front of a prospect. It is also the most expensive on a cost per exposure basis. As an advertising medium, it offers several advantages. These include selectivity, intensive coverage, control, personal impact and performance.

The drawbacks of direct mail include the high cost per exposure, the delay often experienced in delivery, the lack of other content support for the advertising message and certain problem with selectivity.

The direct mail list is the heart of the medium because each list actually defines a market segment.

2.6.7 OUTDOOR ADVERTISING

Outdoor advertising is the major advertising media offers the lowest cost per message delivered. In addition, the medium offers other attractive features. They include instant broad coverage, very high frequency, great flexibility and impact. Drawback includes the necessity for brief message, the limitation for reaching narrow demographic groups and the lead-time required. In addition, the high initial preparation costs and difficulty of physically inspecting each billboard discourage some advertiser. In Nepal, beer, liquor and soft drink companies have bulk of outdoor advertising.

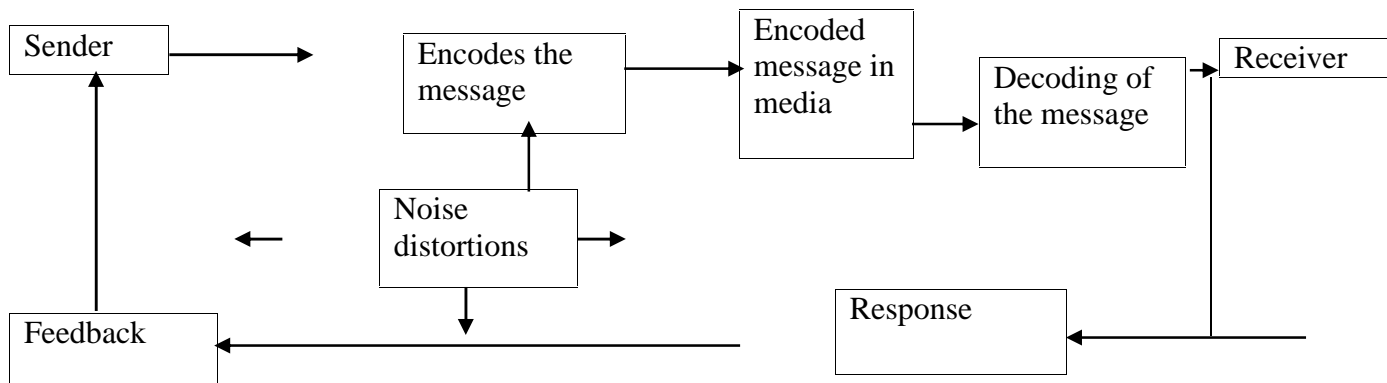
The two most common form of standard outdoor advertising structure are the poster panel and the bulletin.

Besides, this electrical signs, traveling display, film advertising, and store publication, store signs are also important advertising media according to the nature of business.

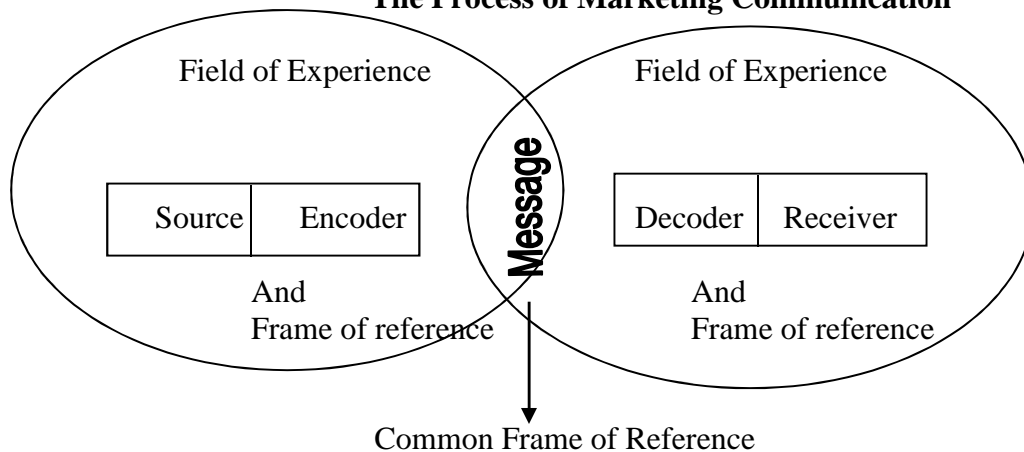
2.7 ADVERTISING AS A TOOL OF COMMUNICATION

Advertisement is as old as man. A baby crying for it's a girl wooing the prince charming, adopting wife desirous having a new sari are all aspects of advertisement. Take, for instance, the dancing daffodils or sweet smelling roses, which silently invited to achieve the objective of pollination. When a woman wears lipstick, she is advertisement that she wants to look beautiful. Advertisement has evolved since the industrial revolution, as a tool of marketing communication it is an art as well as science. Competition, growing marketing expenses, product failure, liberalization, globalization, and emergence of new electronic media has given an impetus to activities.

The Communication Process: -



The Process of Marketing Communication



Field of experience and frame of reference both make the communication possible. The sender is the source of message and the decoding step involves the consumer’s interpretation of message.

2.7.1 ADVERTISING AND PERSONAL SELLING

Advertising is the communication with many consumers of products and services. To communicate with large groups, we put the advertising message through mass media. Advertising communication is non- personal. Personal selling is the personal communication where a salesman talks person to person with a prospect. Personal selling isn’t miscommunication but individual communication. When a persuasive communication is directed toward a single individual. It is an act of salesmanship. It is directed toward a large group of individuals, it is called advertng.

The basic diction between advertising and salesmanship can be stated as follows “when a persuasive communication is directed toward a single individual.

It is easier to hold a man to account for what he proclaims in public than for what he whisper in private.

2.7.2 ADVERTISING AND SALES PROMOTION

Sales promotion takes over at this point. It makes the consumer take a favorable purchase decision by providing one or other kind of direct inducement, e.g., discount, price off, gift; coupon etc. Mostly advertising is indirectly concerned with sales. Sales promotion is the short-term approach.

2.7.3 ADVERTISING AND PUBLICITY

Publicity is defined as non-personal stimulation of demand for a product, services and business unit by planting commercially significant news about it in a published medium. The sponsor does not pay for that. Publicity may be negative as well as positive

2.7.4 ADVERTISING AND PUBLIC RELATION

Public relation is the relation with the public. The company makes a positive relation with the consumer doing different activities to build a positive image towards the consumer. The ultimate aim of public relation is to develop a favorable image in the eyes of public. It refers to a company's communication and relationships with various sections of the public – customers, suppliers, shareholders, employee, governments, media, and society at large. P.R can be formal or informal. P.R is low cost compared to ads. The expenses involve keeping in close touch with people in the media through press conferences, visit, and press release.

Advertising should be in an AIDA model's means drawing attention, a means action and I means interested means desire. Here, I am going to prepare a thesis on coca cola product and to analyze the role of advertising in this product.

2.8 ADVERTISING AND SALES

Selling concept is one of the marketing concepts. The marketing concept is the philosophy of the business. Selling concept is the one of the most important concept of competitive market. Selling isn't a new profession. In fact, it may be considered to be the world's oldest profession. Ever since things have been grown and produced they have been both excess and deficiency of goods. The desire to acquire the useful and to obtain it in exchange for the less useful has produced the market or places for exchange of buying and selling. Thus, selling involves transfer of title and possession to the buyer. Selling in business means the transfer of ownership of products and services to a buyer in exchange of money. It is concerned with the activities that convert the desire to demand. Modern selling is also closely concerned with product planning and development in addition to the demand creation. Advertisement campaign should be used according to demand of the product lifecycle.

Selling is a function which is concerned with identifying the specific needs, desire, and problems of individual customers and providing satisfaction of these through benefits or solution in order to facilitate profitable business transactions.

First of all producers has to be familiar for the societal marketing concepts and products positioning and brand choice of the customers, then he or she has to make a strong strategy for the selling. Selling strategy can be used to maintain the sales for the coming days. Promotion mixes help the producer to take right advantage than competitors. If the producer couldn't able to promote the goods and services at a right time, at the right price, and in the right place, they have to fade up from the market.

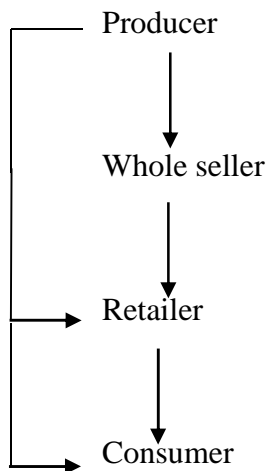
So, the advertising plays most important role in the market because if producer only concrete to produce as well as concentrating pricing policy not concentrating to promotion policy like advertisement according to the product. Certainly she or he has to run out from the market. So, producer has to make high involvement of the customer in their product as well as in advertisement. And then they believe their product and then they become positive for the company as a whole, which makes large scale of sales possibilities .Advertisement campaign makes to sell the more quantity of the product that makes more sales.

The world is rapidly sprinkled with the advent of faster communication, transportation, and financial flows. Many companies have conducted international sales and marketing for the decades like as nestle, Coca-cola, Pepsi, Sony, Shell etc. are familiar to customers around the world. This has become possible due to international selling, advertising as well as marketing concept. To increase the sales, sales people and sales manager must consider the additional skills and professional awareness to be successful in this field.

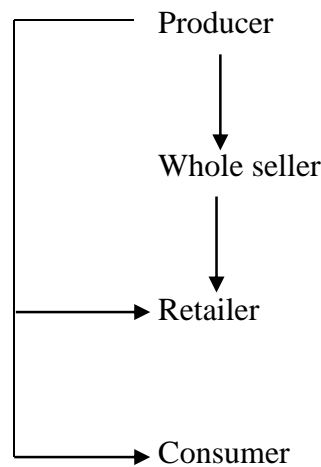
Sales people and sales manager have to make the appropriate advertisement copy to attract the concentration people. Now day's companies have focused to the personnel selling to increase the sales. Now Internet marketing, Telemarketing and direct response are also playing the communication roles in the competitive market.

Selection of promotional strategy, generally business organization has chosen the two types of promotional strategy like as push and pull strategy.

Push Strategy



Pull Strategy



In the context of push strategy, producer motivates the whole seller to demand the product and the wholesaler motivate the retailer and retailer motivates the costumer to demand the any specific brands. In the other hands pull strategy concentrated directly to motivate the consumer through advertising by producer. Evaluations of promotional strategy are the most important aspects of using the promotional tools.

Evaluation means to compare the further outcomes with making some changes in the evaluating process. Main objectives of promotion are to sell reasonable quantity. Promotion objectives aren't only dream as well as hypothesis; it is realistic in the context of market.

So let us 1 take an example currently sales volume are running at 10000p.a. if the product policy changed by 10% to increase the sales volume. At that time, marketer has used different promotional tools and programmers, if the sales volume increased at 11000p.a.marketer think promotional policy has been succeeded. If not promotional policy hasn't been succeeded. Moreover marketer has to use the low cost promotional tools and concentrating the product lifecycle.

2.9. REVIEW OF PREVIOUS STUDIES

The another objectives of this study were to find out the existing patterns and blends of advertising and the constraints prevailing in advertising practice in Nepal, this study was confined to the descriptive analysis of the situation of advertising business .It was natural to undertake such research work at time as the advertising was still at infant stage of development. Thus, the study did not think the creative aspect of advertising

Poudel(2009),predicted that if multinational companies air their advertisements, which are targeted to Nepali customers through Nepali channels instead of Indian ones, the current advertisement market 1 billion annually. He also pointed out the need to devise the provision

to bar foreign ads through paid foreign channels while amending the National Broadcasting Regulation. As per the prevailing international bounds those channels, which are not free of cost are not allowed to charge any kind of amount from their respective viewers. (*Courtesy : Nagarik Daily, dated 22 July, 2009.*)

Acharya (2009), CEO Prisma Advertising, claims that the growth of Nepalese Advertising is simply inevitable. "if the system of "clean feed "is adopted while broadcasting foreign television channels, it will immediately facilitate the growth of Nepalese advertising. The application of the system will prohibit the airing of foreign advertisement through foreign channels. And, it will make the featuring of domestic advertisement via these channels compulsory.

Shrestha (2008), laments that many colleges as well as educated youths are still in dark about the immense career opportunity the field of advertisement offers. He also charges that management colleges are more inclined to assure their students banking is the only promising place to do job. "This is not right. Advertisement is more lucrative than banking job" says Shrestha. Acharya and Poudel also subscribe to this view. A consistent view is that there is a scarcity of skilled human resource in the advertisement field. According to Poudel (2010), AAN is taking necessary steps to attract.

Shrestha (2010), Marketing Manager of the Himalayan Snack and Noodles Pvt. Ltd. Believes that the role of customer is equally important as advertising agencies as far as determining the creativity of promos goes. He adds that the amount of budget allocated for advertisement has also a significant role to play in the creativity. Most advertisers tend to invest less in advertisement and basic quality. As such this sort of mind set can stifle the advertisement creativity. Acharya (2011), the boss of Prisma says that customer plays a major role in determining the advertisement creativity. According to him, any reputed company wants their advertisement to be liked by people for a longer period rather than acquiring more benefits. "However, in Nepal, the advertisers are yet to be duly cognized of this fact. Youths in the field of advertisement. (Kantipur newspaper, 20 Oct 2012).

When the total scenario of the country changed after the restoration of a democracy, further study has been done by the researcher. These studies are important because these studies have been done under the condition where the government has adopted the economic liberalization and privatization policy by which many industries are opened in the country by national and international investors as well as in collaboration.

CHAPTER THREE

3.0 RESEARCH AND METHODOLOGY

3.1. INTRODUCTION

Methodology is the reach method used to test the hypothesis. Research methodology is a systematic way to solve the research problems. It defines the method and process applied in the entire aspects of study. It refers to the various sequential steps to be adopted by a researcher in studying problems with certain objectives view.

“Research methodology is a way to solve the problem. Market research specifies the information requires addressing these issues, designs the methods of collecting information, manages and implements and data collections process analyzed the results and communicate the findings their implication.”

In the context of view of Marketing," Marketing is the principle revenue generating activity while other is revenue consuming. Marketing research deals with production and distribution, Marketing institution marketing policies and practices. It is better established than production research partly because of not closely interwoven with technology. It covers the issues like production, planning, development, pricing, promotion and distribution.

3.2 RESEARCH DESIGN

“Research design is the plan, structure, and strategy of investigation conceived so as to obtain answer to research questions and to control variance.”

It is the specification of method and procedures for acquiring the information needed. In this study historical as well as descriptive research design is adopted. This study is an exploratory type of study. The main aim of this study is to find out the market situation of coca-cola marketing in the Katmandu valley. For the study the survey research design is adopted, on the basis of information analysis, this study suggest to the company of Nepal bottler’s Ltd need to strengthen the market in future seeing present scenario. To fulfillment this purpose raw data related with different aspects are collected through the questionnaire method. Thus, to evaluate and analyze the market situation of coca-cola marketing analysis descriptive type of survey research design has been followed through the study.

3.3. NATURE AND SOURCES OF DATA

Similarly, two categories of data are used in this study primary and secondary. Most of the data used in this study is primary nature. Primary data are those data collected from shops, wholesalers, retailers and customers. Some secondary data have also been used for the purpose of study. The secondary data has been collected from the Coca-cola companies and research organizations. Most of the information are collected from in the sample size are therefore from different professions, age group, areas, educational background. The questionnaire was developed for the purpose of collecting data from the shops and consumers.

3.4. DATA COLLECTION PROCEDURE

The questionnaire was distributed through personal contact and the researcher also collected information through personal interview with the shopkeeper of Coca-cola.

During research, some shopkeepers were unable to fill the answer. At that conditions researcher helped them to answer the questionnaire. Primary source are through the questionnaire and oral conversation with the concerned distributors, wholesalers, retailers and consumers. The questionnaires were distributed to the consumer and businessman of Katmandu valley for the collection of necessary information. Some businessman and consumer have been orally interviewed.

3.5. POPULATION AND SAMPLE

The population of the study area was the residents of Katmandu valley. It was difficult for the researcher to cover all shops of Katmandu valley. So the researcher took only 3 districts with 22 places between 110 sample sizes on the research by random sampling, which is based on area wise sampling. In the above stated and places, population is very huge. It is almost impossible to include the total population in the study. So out of this population only 20% of consumer's retailers were surveyed.

The population is included ion the sample is therefore from the different professions, age groups, income groups, educational backgrounds and equally of both sexes, i.e. male and female. In the survey gave responses to fill questionnaire.

The researcher covered the areas of her study are New Baneshwor, Shantinagar, Milanchowk, Goushala, Batisputali, Sinamangal, Boudha, Balaju, Patan, Mangalbazar, Pepsicola, Jadibuti, Newroad, Kalimati, Koteshwor, Samakhusi, Maharajgunj, Kalopul, Jorpati, Shankhamul, Satdobato, Sanothimi etc. the sample size of consumers and sample size of shops are taken for each area of the study.

3.6 DATA PROCESSING AND ANALYSIS

All the questionnaire were distributed and collected by the researcher himself. So, there was not any delay in collection of questionnaire, which was distributed among the respondents. Every questionnaire was thoroughly checked after the collection and was found correct in style of filing. The same responses of the collected questionnaires were put into one place under the respective heading and the total responses were presented in one master table with the help of the data of the master table, necessary presentation have been made for attaining the objectives of the study.

All the analysis is made on the basis of the data as presented on the master table. Data is analyzed both descript and statically. For statistic analysis, required tools such as simple mean, Percentage, chi-square, Pie-chart, and diagram etc. are adopted. Chi-square test of goodness of fit has been applied to find out the effect of advertising while selecting their preferred brands.

3.7. DATA PRESENTATION

To answer the research questions and to achieve objectives information and the data collected were systematically and properly analyzed. The collected information is concerned with the objectives of study.

After its collection data have been presented and interpreted in different heading. Purposes data has presented clearly and vividly in table, simple mean, percentage, chi-square test, diagram and pie-chart according to the nature of data which are either available in the secondary or in the primary form.

CHAPTER FOUR

4. 0 PRESENTATION AND DATA ANALYSIS

4.1 INTRODUCTION

Primary source are through the questionnaire and oral conversation with the concerned distributors, wholesalers, retailers and consumers. The questionnaires were distributed to the consumer and businessman of Katmandu valley for the collection of necessary information. Some secondary data have also been used for the purpose of study. The secondary data has been collected from the Coca-cola companies and research organizations. Most of the information are collected from in the sample size are therefore from different professions, age group, areas, educational background.

4.1.1 Impact of advertising in Nepal:

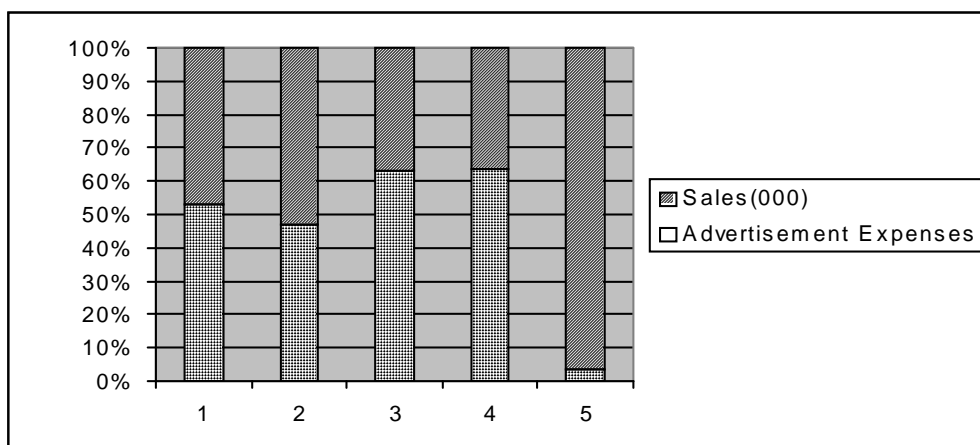
Table No. 4.1
Impact of advertising on sales in Nepal

Year	Advertisement Expenses	Sales(000)
2064/065	35525000	31553371.50
2065/066	43727000	49849623.00
2066/067	70713000	41089826.00
2067/068	71128000	40711830.00
2068/069	61228000	1633486090.00
	Total	127857292.50

Source: Economic Survey- 2012

Table 4.1.1 shows that the consumers consider the advertisement factor. This table shows that increase in the advertisement expenses helps to increase the sales. In the 2064/065 has the impact of advertisement in the sales. It may be positive or negative in the respective years. Then in the 2066/067 has the more expenses in the advertisement than earlier years and show the positive impact in the sales. Likewise, 2068/069 has also show the impact of advertisement. And shows the positive impact in the sales .we can conclude that advertisement play the most important role in the sales. Its impact comes in the near future.

Figure 4.1
Impact of advertising on sales in Nepal



4.1.2 Advertising in increasing of sales:

Table No.4.2
Advertising helps in increasing of sales.

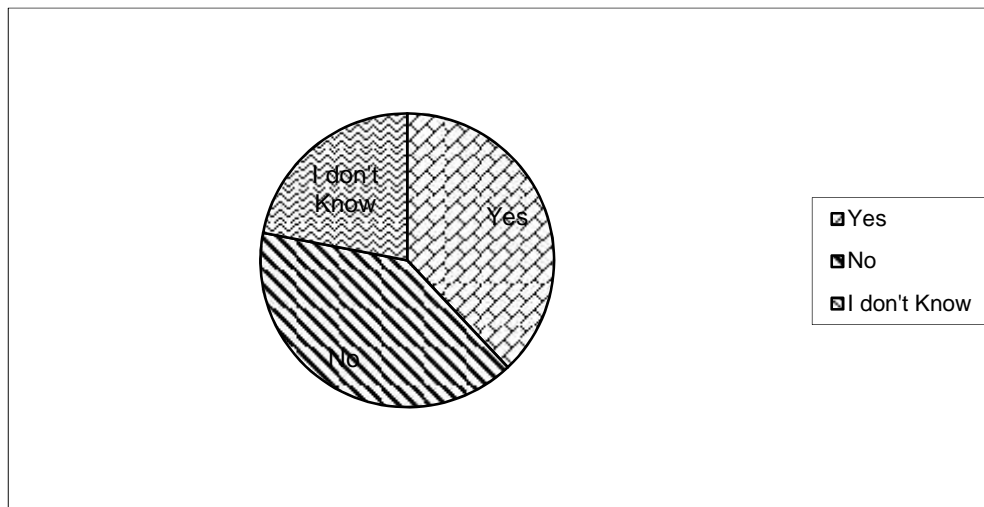
Response Degree	No of respondent	Percentage (%)
Yes	38	38
No	40	40
I don't Know	22	22
Total	100	100

Source : Field Survey. 2013

The above table shows that the no of respondents give the answer of the questionnaire. This figure shows that 38% consumers agree in the impact of the advertisement, 40% consumers don't agree in the impact of the advertisement and 22% consumers haven't familiaried about the impact of advertisement. So, we can conclude that the impact of advertisement may be positive in some extent.

Maximum people don't concerning about the influence of advertisement and only less number of consumers take concern yes or no.

Figure No.4.2
Advertising helps in increasing of sales.



4.1.3 Advertising Practies:

Table No.4.3
Advertising Practices

Ranking \ Media	Radio	Television	Magazine	Signboard	Wall painting	Others
1	35	70	20	10	2	10
2	30	15	35	15	8	32
3	15	5	10	25	40	23
4	10	3	15	35	19	20
5	10	2	20	15	31	15
Total	100	100	100	100	100	100

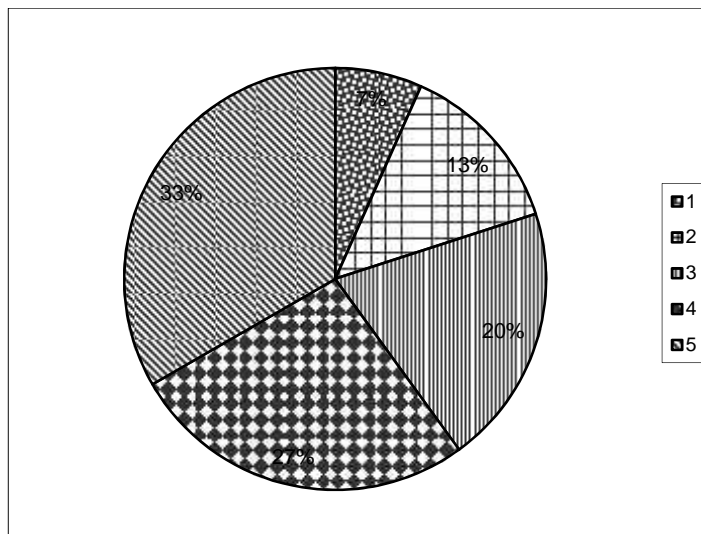
Source: Field Survey-2013

The above table shows that the rank of the advertisement media. According to the above table, it is found that 70% consumers view showed the television in the first ranking of the. Similarly, 15%, 5%, 2%, and 3% of the consumers prioritized the television as 2,3,4 and 5 medias ranking respectively.

It is found that 35% of the consumers view showed the radio in the first ranking of the brand. Similarly, 35,15%,5% and 15% of the consumers prioritized the radio as 2,3,4,and5 medias ranking respectively.

And also it is found that the minimum 2% of the consumers view showed the wall painting in the first ranking of the medias. Similarly, 8%, 40%, 19% and 31% of the consumers prioritized the Everest as 2, 3,4and 5 medias ranking respectively.

Figure No. 4.3
Advertising Practices



4.1.4 Promotional Situation In Nepal:

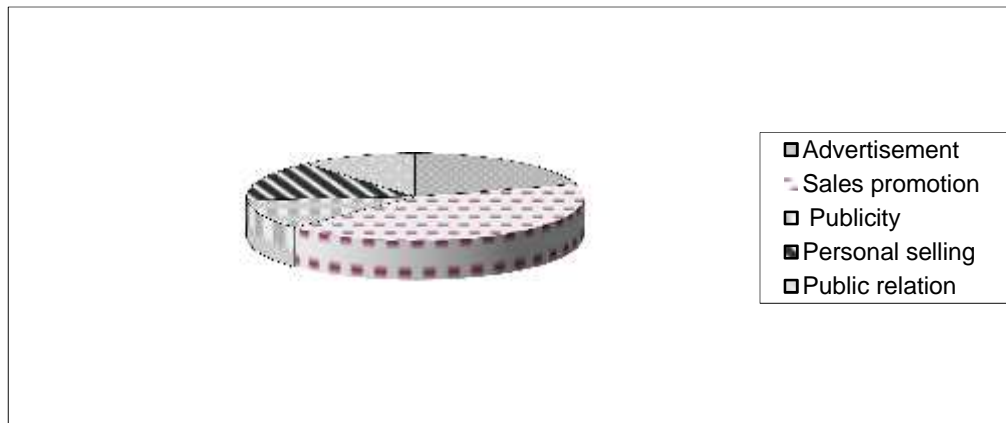
Table No.4.4
Promotional Situation In Nepal

Description	Expenses	Percentage
Advertisement	27390	20.27
Sales promotion	57217	42.34
Publicity	15125	20
Personal selling	20217	15
Public relation	15170	11.22
Total	135119	100

Source: Field survey-2013

The above table shows that the company does expenses 20.27% on Advertisement, 42.34% on sales promotion, 20% on publicity, 15% on personal selling and 11.22% on public relation. So this figure indicates that the company does more expenses 42.34% and less wise 11.22%, 15%, 20% and 20.27% on various other heads for promotion activities.

**Figure No. 4.4
Promotional Situation In Nepal**



4.1.5 Evaluation of the Advertising Role on Sales:

**Table No.4.5
Evaluation of the Advertising Role on Sales**

Ranking \ Description	Demand Creation	Production	Sales	Market share growth	Competitors	Others
1	70	35	20	10	2	10
2	15	30	35	15	8	32
3	10	15	10	25	40	23
4	3	10	15	35	19	20
5	2	10	20	15	31	15

Source: Field Survey-2013

The above table show that the rank of specific description in the market. According to the above table, it is found 70% consumers view showed the demand creation in the first ranking. Similarly, 15%, 10%, 3% and 2% of the consumers prioritized the demand creation as 2, 3, 4 and 5 as ranking respectively.

It is found that 35% of the consumers view showed the production in the first ranking in the market similarly, 30%, 15%, 10% and 10% of the consumers prioritized the production as 2, 3, 4 and 5 ranking respectively. And also its found the minimum 2% consumers view showed the competitor in the first ranking in the market similarly, 8%, 40%, 19% and 31% of the consumers prioritized the competitor as 2, 3, 4 and 5 ranking in the market respectively.

4.1.6 Preferred Brand Soft Drinks:

Table No.4.6
Preferred Brand Soft Drinks:

Brand	No. Of Respondents	Percentage
Coca-Cola	45	51.14
Fanta	24	27.27
Mirinda	4	4.54
Pepsi	8	9.09
Sprite	3	3.4
Others	4	4.54
Total	88	100

Source: Field Survey-2013

The above table show that the more preferred brands of the soft drinks in the market with the view of the consumers. The consumer preferred 51.14% as a cocacola, 27.27% preferred as a fanta, 9.09% as a Pepsi and minimum preferred brands is sprite i.e. by 3.4%, mirinda is preferred by 4.54%, 4.54% for the others brands that is preferred by the consumers.

4.1.7 Analysis of Essence of Effective Advertising: Soft Drinks:

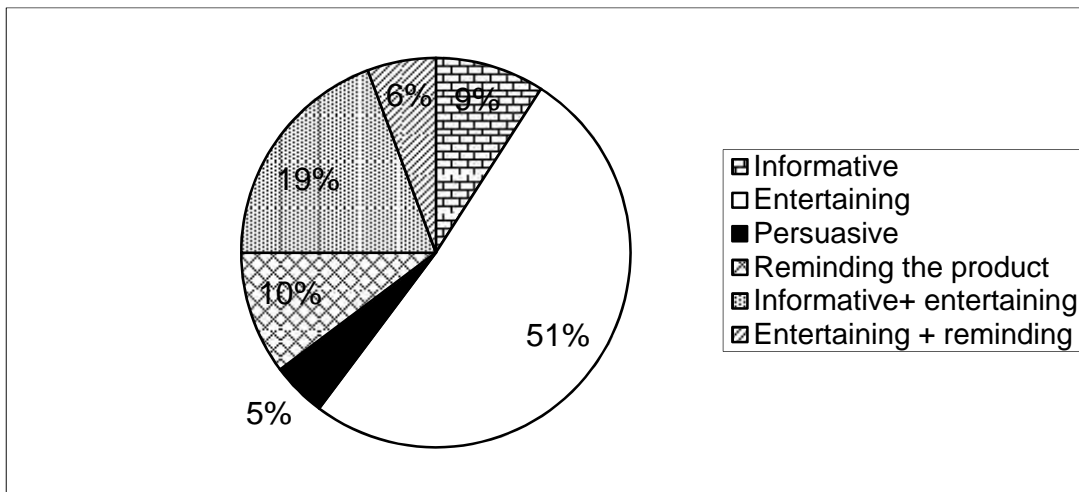
Table No.4.7
Analysis of Essence of Effective Advertising: Soft Drinks

Advertisement	No. Of Respondents	Percentage
Informative	15	17.05
Entertaining	22	25
Persuasive	19	21.59
Reminding the product	9	10.23
Informative+ entertaining	11	12.5
Entertaining + reminding	12	13.63
Total	88	100

Source: Field Survey -2013.

The table shows the essence of effective advertising where the data shows that 17.05% like informative types of advertising, 25% entertaining, 21.59% persuasive, 10.23% reminding the product, likewise 12.5% like informative and entertaining, where 7.96% prefer entertaining and persuasive, and 5.67% are in favor of entertaining as well as reminding the product type advertising.

Figure No.4.5
Analysis of Essence of Effective Advertising: Soft Drinks



4.1.8 Advertising Believability of Soft Drinks:

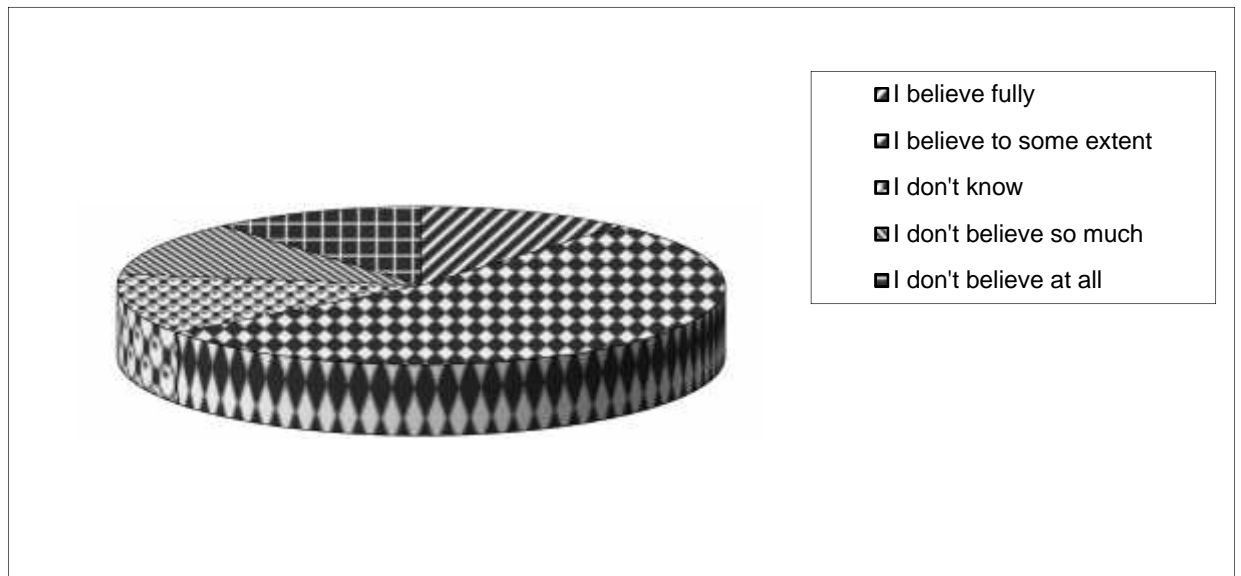
Table No.4.8
Advertising Believability of Soft Drinks:

Response Degree	No. Of Respondents	Percentage
I believe fully	10	11.36
I believe to some extent	47	53.41
I don't know	11	12.51
I don't believe so much	10	11.36
I don't believe at all	10	11.36
Total	87	100.00

Source: Field Survey -2013.

The above table shows the advertising believability where 53.41% believe to some extent, 11.36% believe fully, 12.51% were indifferent to express their view, 11.36% replied that they don't believe so much, eventually 11.36% react saying they don't believe at all. out of 175 respondent most of respondent replied believe to some extent and other respondent diverse on believe fully , indifferent to express their view , don't believe so much and don't believe at all.

Figure No.4.6
Adverting Believability of Soft Drinks:



4.1.9 Analysis of Adverting In Changing Brand of Soft Drinks:

Table No.4.9
Analysis of Adverting In Changing Brand of Soft Drinks:

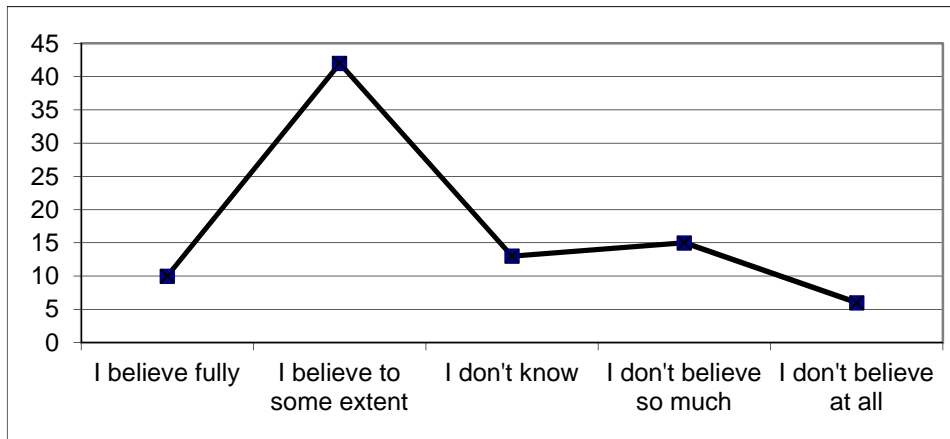
Advertisement	Age 17-25		Age 26-40	
	No. Of Respondents	Percentage	No. Of Respondents	Percentage
I believe fully	5	11.63	14	32.56
I believe to some extent	21	48.84	9	20.93
I don't know	6	13.95	11	25.58
I don't believe so much	8	18.60	3	6.98
I don't believe at all	3	6.98	6	13.95
Total	43	100	43	100.00

Source: Field Survey-2013.

The table is related to the respondents of age 17-25, their response about advertising believability is as follows: 11.63% believe fully, 48.84% believe in the advertisement up to some extent. These two responses are favorable to position a particular brand positively through advertising. Likewise, 13.95% reply that they don't know how far they believe in the advertisement of their preferred brand. At the same time, 18.60% responded that advertising is less effective or other promotional marketing variables have a strong influence on them and eventually 6.98% have shown a negative attitude towards advertising.

Advertising believed of soft drinks and their responses. The respondents are of 26-40 age group where 32.56% believe fully, 20.93% believe up to some extent, 25.58% don't believe whether they believe or not, 6.98% don't believe so much and 13.95% don't believe at all to the advertisement.

Figure No.4.7
Analysis of Advertising In Changing Brand of Soft Drinks:



4.1.10 Analysis of Advertisement Influence on Sales According To Gender: Soft Drinks:

Table No.4.10
Analysis of Advertisement Influence on Sales According To Gender: Soft Drinks:

Advertisement	Media	Male		Female	
		No. Of Respondents	Percentage	No. Of Respondents	Percentage
Coca-Cola	T.V	11	25	7	15.91
Coca-Cola	Radio	2	4.54	4	9.09
Fanta	T.V	8	18.18	6	13.64
Mirinda	T.V	6	13.64	9	20.46
Mirinda	Radio	1	2.27	2	4.54
Pepsi	T.V	4	39.01	7	15.91
Sprite	T.V	2	4.54	4	9.01
Others		10	22.72	5	11.36
Total		44	100	44	100

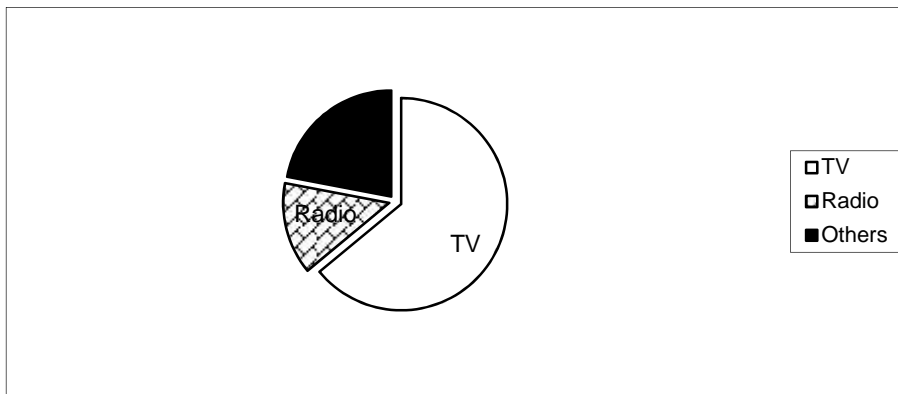
Source: Field Survey-2013.

In the above table shows that the advertisement influence on sales of soft drinks. The response of the respondents on the advertisement influence towards sales of soft drinks through current media. In case of male consumers, 25% like advertisement from television of

the cocacola, and 4.54% from radio, likewise 18.18% like Pepsi ads, 13.64% mirinda from T.V, 2.37 like ads of Miranda from radio similarly, 9.01% like ads of frooti and 4.54% juicy ads from T.V and others 22.72% are indifferent expressing their views.

In case of female respondents 15.91% like Coca-Cola ads from TV and 9.09% from radio. Similarly, 13.64% like TV ads of Pepsi, 20.64% like Miranda ads from T.V and 4.54% from Radio. 9.09% like Juicy ads from T.V. Others 17.36% have not expressed their views about related concern.

Figure No.4.8
Advertisement Influence on Sales According To Gender: Soft Drinks:



4.1.11. Brand Usually Buy:

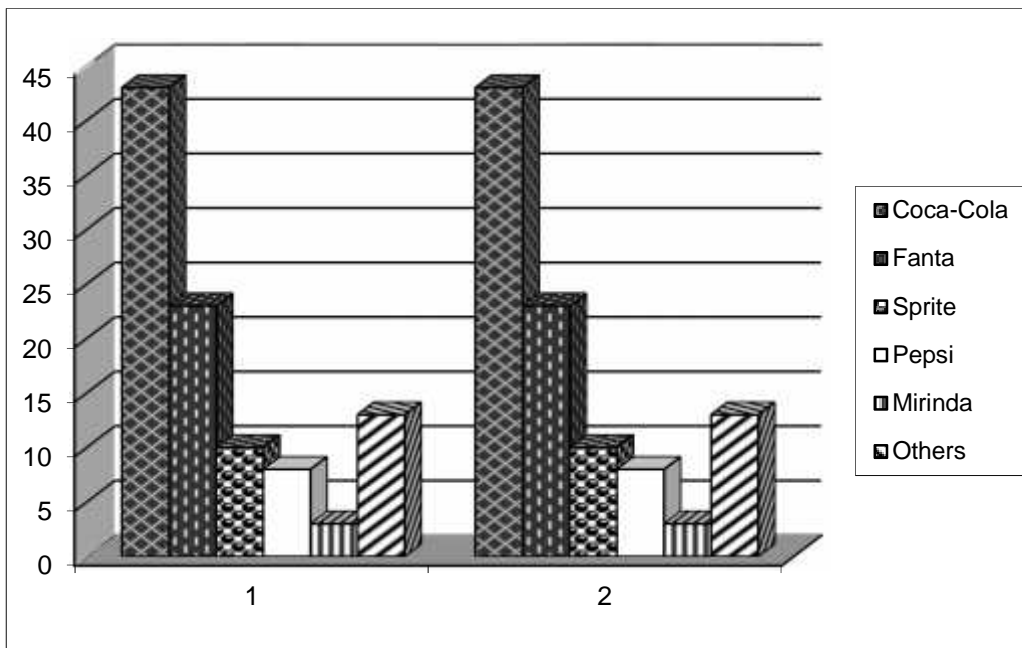
Table No:4.11
Brand Usually Buy.

Brand Name	Nos.	Percentage (%)
Coca-Cola	43	43
Fanta	23	23
Sprite	10	10
Pepsi	8	8
Mirinda	3	3
Others	13	13
Total	100	100

Source: Field Survery-2013.

The above table shows that the brand preference of the of the consumers. This table indicates that the most preferred brands is Coca-Cola and least preferred brand is Mirinda. then out of 100, 23% of the consumer preferred Fanta, 10% consumer preferred the Sprite brand, 8% consumer preferred the Pepsi and 13% consumer preferred the others brands.

Figure No.4.9
Brand Usually Buy.



4.1.12 Product Feature While Buying Soft Drinks:

Table No.4.12
Product Feature While Buying Soft Drinks:

Considering variables	Nos.	Percentage (%)
Price	38	38
Brand name	22	22
Flavor	11	11
Compactness	8	8
Florid	12	12
Packaging	9	9
Total	100	100

Source: Field Survey-2013.

The above table is point out to the product feature where 38% people use price for purchase a particular brand.22% people use brand name of soft drink while making purchase desion.11%people use flavor of soft drink, 8%people use compactness of soft drink,12% people use florid and 9% people use packaging of so

4.2. Buying Decision of Consumers:

4.2.1 Who Usually Make The Decision To Buy A Particular Brand?

Table No. 4.13
Who Usually Make The Decision To Buy A Particular Brand?

Decision Maker	Nos.	Percentage (%)
Father	20	20
Mother	12	12
Brother	13	13
Sister	8	8
Self	40	40
Others	7	7
Total	100	100

Source: Field of Survey-2013.

The table shows the essence of effective advertising and it depends on decision maker like Father for 20% .Mother, brother, sister for 12%,13%,8% respectively. Lastly, self and others buy a particular brand 40% and 7%.

4.3 Media Recognition of Soft Drink.

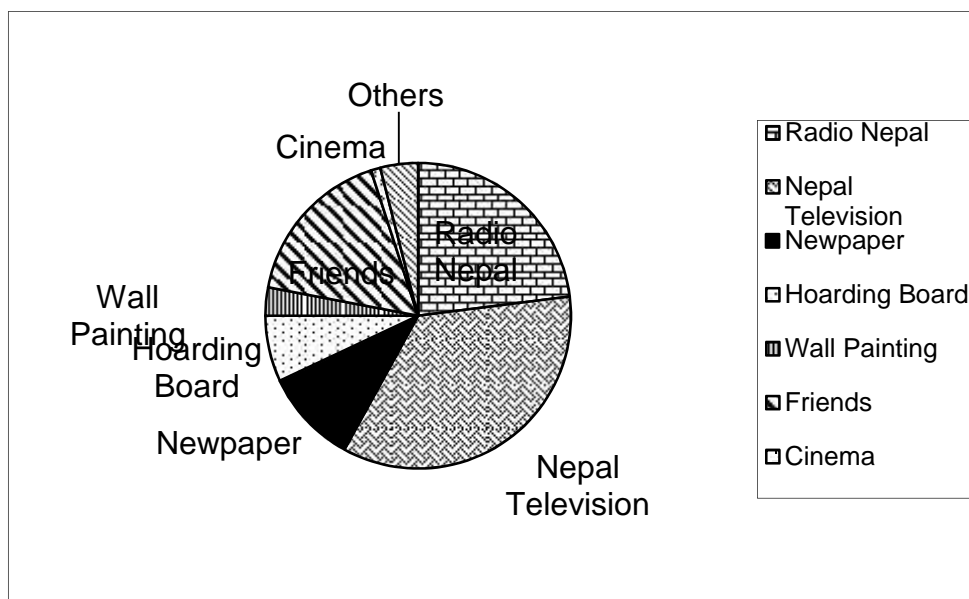
Table 4.14
Media Recognition of Soft Drink

Media	No. Of Persons	Percentage (%)
Radio Nepal	23	23
Nepal Television	35	35
Newspaper	10	10
Hoarding Board	7	7
Wall Painting	3	3
Friends	17	17
Cinema	1	1
Others	4	1
Total	100	100

Source: Field Survey-2013.

The above table shows consumer prefer more to the Nepal television ie35%, Radio Nepal is 23%, Newspaper is10%, Hoarding board is7%, Wall painting is3%,for the friends is17%,Cinema and Others be the 1 and4% respectively.

Figure No.4.10
Media Recognition of Soft Drink



4.3.1 The Advertisement Attractiveness of Various Brands in NTV:

Table No.4.15
The Advertisement Attractiveness of Various Brands in NTV:

Brand Name	Frequency	Percentage
Coca-Cola	58	58
Fanta	20	20
Sprite	10	10
Pepsi	6	6
Mirinda	4	4
Others	2	2
Total	100	100

Source: Field Survey-2013

The above table shows that Coca-cola has advertising attractiveness 58%, Fanta has 20%, sprite has 10%, pepsi has 6%, mirinda has 4% and other has 2%. So, we can conclude that coco cola has more advertising attractiveness than other brand of soft drink.

4.3.2 The Advertisement Attractiveness Test in Radio Nepal:

Table No.4.17

The Advertisement Attractiveness Test in Radio Nepal:

Description	Frequency	Percentage
Coca-Cola	45	45
Fanta	30	30
Sprite	12	12
Pepsi	10	10
Mirinda	2	2
Others	1	1
Total	100	100

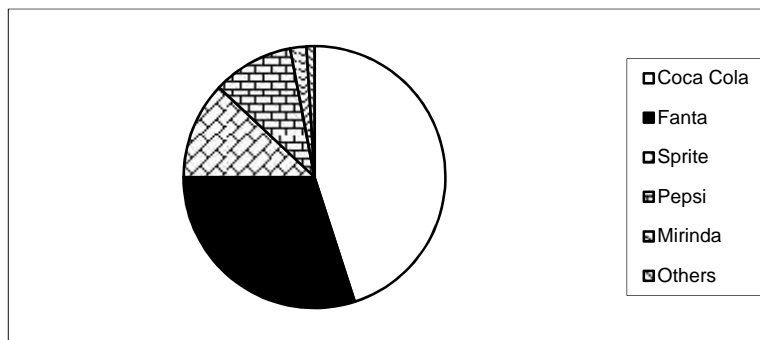
Source: Field survey-2012

The Advertisement Attractiveness Test in Radio Nepal

The above table shows advertising attractiveness in Radio Nepal. 45% of people use coca-cola by advertisement attractiveness, 30% use fanta, 12% people use sprite, 10% people use pepsi, 2% people use mirinda and 1% people use other brand of soft drinks .so, we can say that advertisement of coca-cola is more attractive than other brand of soft drinks.

Figure No.4.11

The Advertisement Attractiveness Test in Radio Nepal:



The above table, more advertising attractive sashay in NTV should i.e. 88% on cocacola and loyal advertising attractiveness has showed ie 2% on others. Likewise 20%, 10%, 6%, 4% has showed o fanta, sprite, Pepsi and mirinda

4.3.3 The Advertisement Attractiveness in Newspapers:

Table No.4.17

The Advertisement Attractiveness in Newspapers:

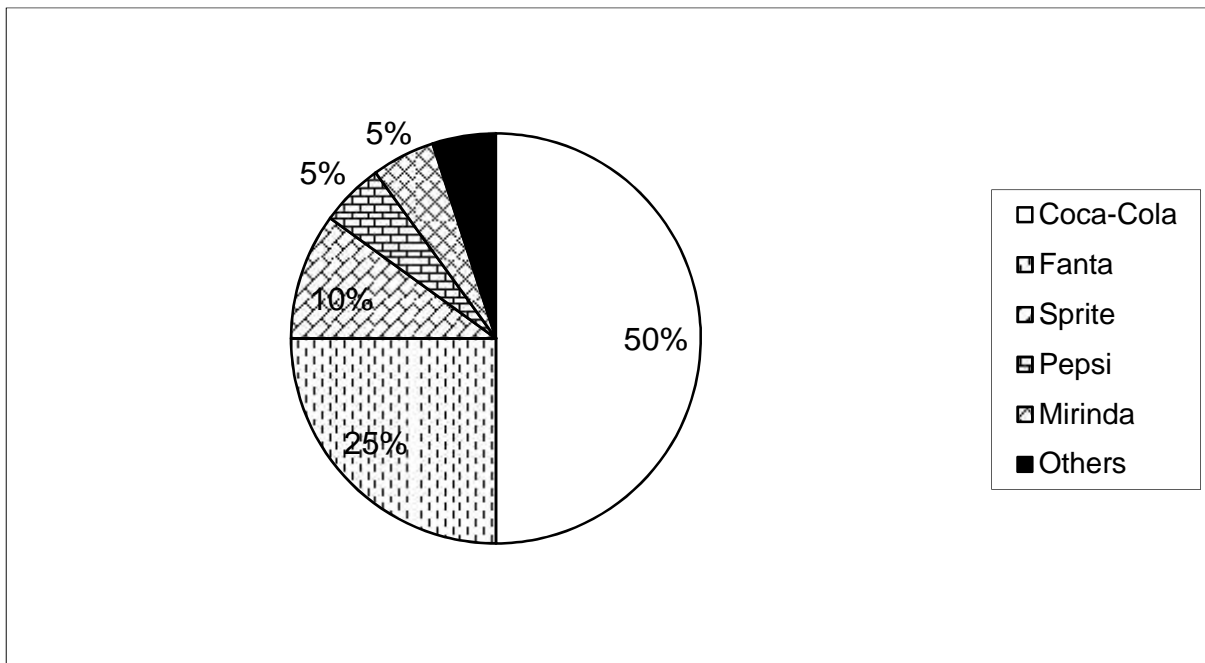
Description	Frequency	Percentage
Coca-Cola	50	50
Fanta	25	25
Sprite	10	10

Pepsi	5	5
Mirinda	5	5
Others	5	5
Total	100	100

Source: Field Survey-2013.

Above table shows that effect of product in the newspaper highest area taken from the coca-cola by 50% then fanta is another product which is 25%.Sprite is the third biggest product for the attractiveness and pepsi, mirinda and others effects in newspaper by only 5%.

Figure No.4.12
The Advertisement Attractiveness in Newspapers:



4.3.4 Suitable Media For Soft Drinks Advertisement:

Table No. 4.18
Suitable Media For Soft Drinks Advertisement:

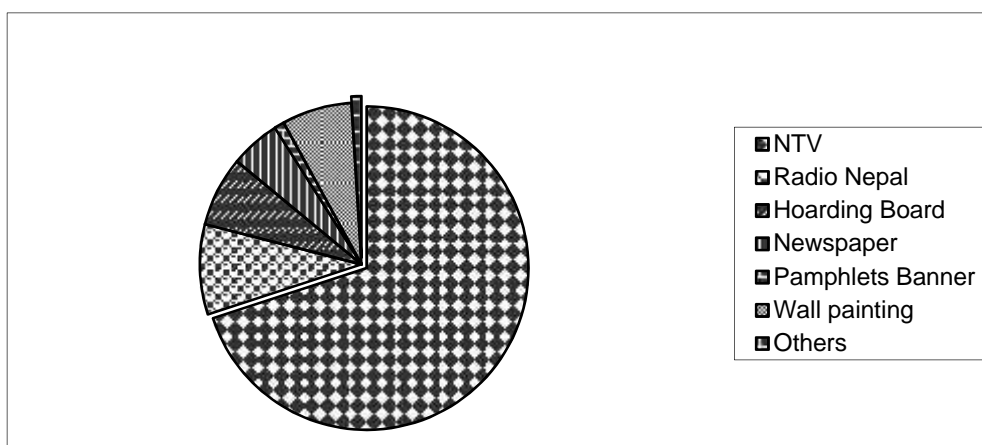
Medias	Numbers	Percentage
NTV	70	70
Radio Nepal	9	9
Hoarding Board	7	7

Newspaper	5	5
Pamphlets Banner	1	1
Wall painting	7	7
Others	1	1
Total	100	100

Source: Field Survey-2013.

The above table indicates that 70% consumers feel that Television media is base for soft drinks advertisement .9% consumers like Radio Nepal.7% respondents prefer hoarding board.5% respondents prefer daily Newspaper, 7% respondents prefer Wall Painting, 2% each respectively respondents like Pamphlets and Others.

**Figure No.4.13
Suitable Media for Soft Drinks Advertisement:**



4.3.5 Determination in Soft Drink by Consumer:

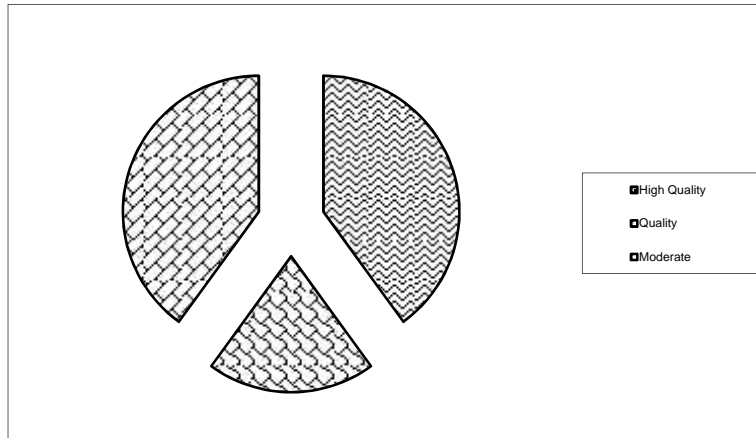
**Table No.4.19
Determination in Soft Drink by Consumer:**

Quality	Responsively	Percentage
High Quality	40	40
Quality	20	20
Moderate	40	40
Total	100	100

Source: Field Survey-2013.

The above table shows that the consumers give the weight to the high quality. i.e 40% consumers prefer the high quality, 20% consumer prefer the quality product and40% consumer prefer the moderate quality product. So, soft drinks companies have to concern on the quality of the products or brands.

**Figure No.4.14
Determination in Soft Drink by Consumer:**



4.3.6 Ranking of Different Brands According To Quality:

**Table No.4.20
Ranking of Different Brands According To Quality:**

Brands Name \ Ranking	Coca-Cola	Fanta	Sprite	Pepsi	Mirinda	Others
1	70	35	20	10	2	10
2	15	30	35	15	8	32
3	10	15	10	25	40	23
4	3	10	15	35	19	20
5	2	10	20	15	31	15
Total	100	100	100	100	100	100

Source: Field of Survey-2013.

The above table shows that the ranks of specific brands of soft drinks in the market. According to the above table, it is found that 70% consumes Coca-Cola as the first ranking of the brands. Similarly, 15%, 10%, 3%, 2% of the consumers prioritized the Coca-Cola soft drinks as 2,3,4 and 5 brands ranking respectively.

It is found that 35% of the consumers view showed the Fanta in the first ranking of the brands. Similarly 30%, 15%, 10%, 10% of the consumers prioritized the Fanta as 2,3,4, and 5 brands ranking respectively.

And also found t hat the minimum 2% of the consumers view showed the Mirinda in the first ranking of the brands. Similarly 8%, 40%, 19% and 31% of the consumers prioritized the Mirinda as 2, 3,4, and 5 brands ranking respectively.

4.3.7 Reaction of Consumers towards the Price of Soft Drinks:

Table No.4.21

Reaction of Consumers towards the Price of Soft Drinks:

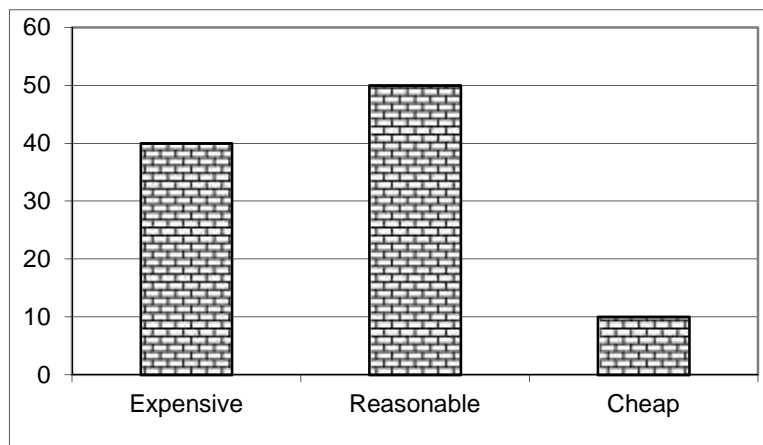
Reaction	No of respondents.	Percentage (%)
Expensive	40	40
Reasonable	50	50
Cheap	10	10
Total	100	100

Source: Field Survey-2013

The above table shows that the price consideration, 40% of consumers think that soft drinks are expensive, and 50% of the consumers that the price is reasonable, remaining of the consumers thinks that it is cheap. Thus, we can conclude that the price of soft drinks is reasonable in the market.

Figure No.4.15

Reaction of Consumers towards the Price of Soft Drinks:



4.3.8 Taste Preference of Consumers towards Soft Drinks

Table No.4.22

Taste Preference of Consumers towards Soft Drinks:

Taste Rank	No. Of Consumers	Percentage (%)
Very Good	30	30
Good	50	50
Normal	20	20
Total	100	100

Source: Field Survey-2013.

The above table shows that that the table of soft drinks, 30% of the consumers think that it is very good .50 % of the total consumers said it is good and remaining of them think normal .The taste of soft drinks should be improved according to consumers demand it is aspires to be competitive in the market.

Figure No.4.15
Taste Preference of Consumers towards Soft Drinks:

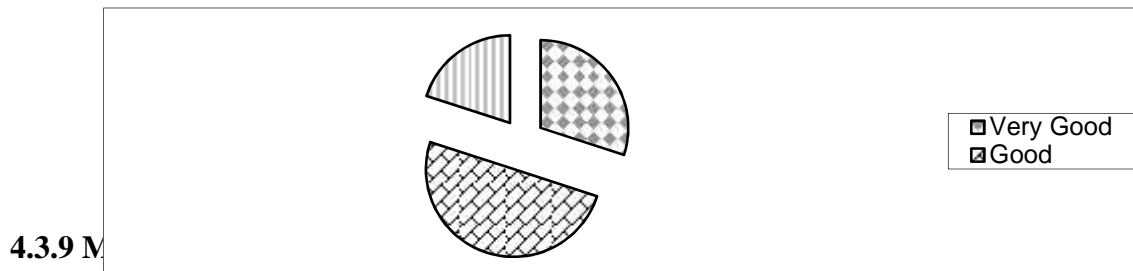


Table 4.23
Market Share of Soft Drink.

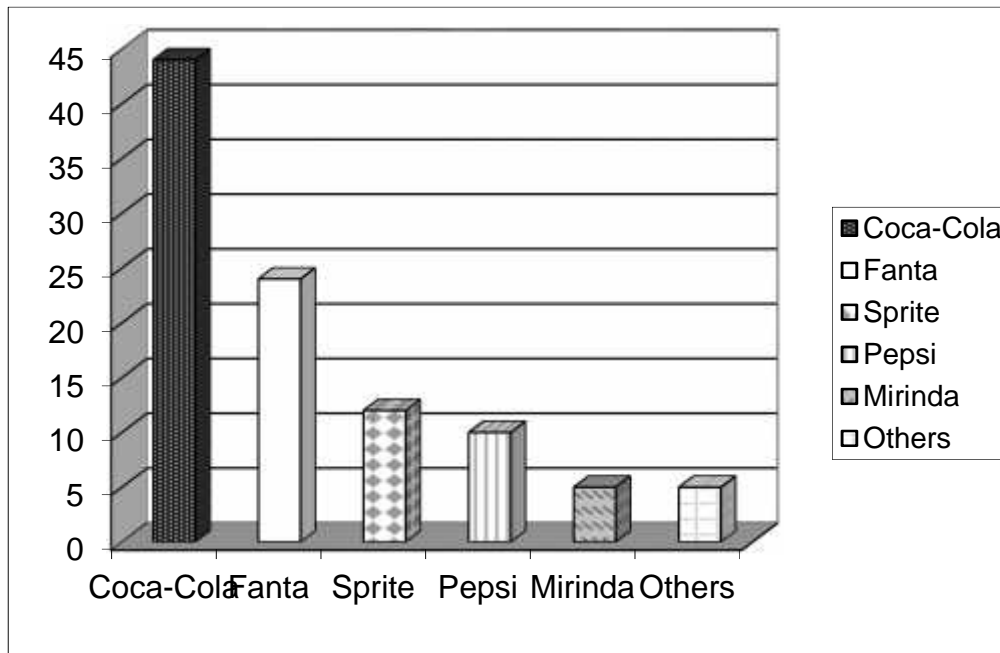
Brands	No. Of consumers	Percentage (%)
Coca-Cola	44	44
Fanta	24	24
Sprite	12	12
Pepsi	10	10
Mirinda	5	5
Others	5	5
Total	100	100

Source: Field Survey-2013

This table indicates that the market share of Coca-Cola is 44%. Likewise the Fanta and Sprite is 24% and 12% Market share of respectively. Addition to this of pepsi is 10% and mirinda and others have 5%.

Coca Cola has the maximum Market share while Miranda has the least share according to above tabulation.

**Figure No. 4.16
Market Share of Soft Drink.**



4.3.10 Effective Scheme in Sales Promotions

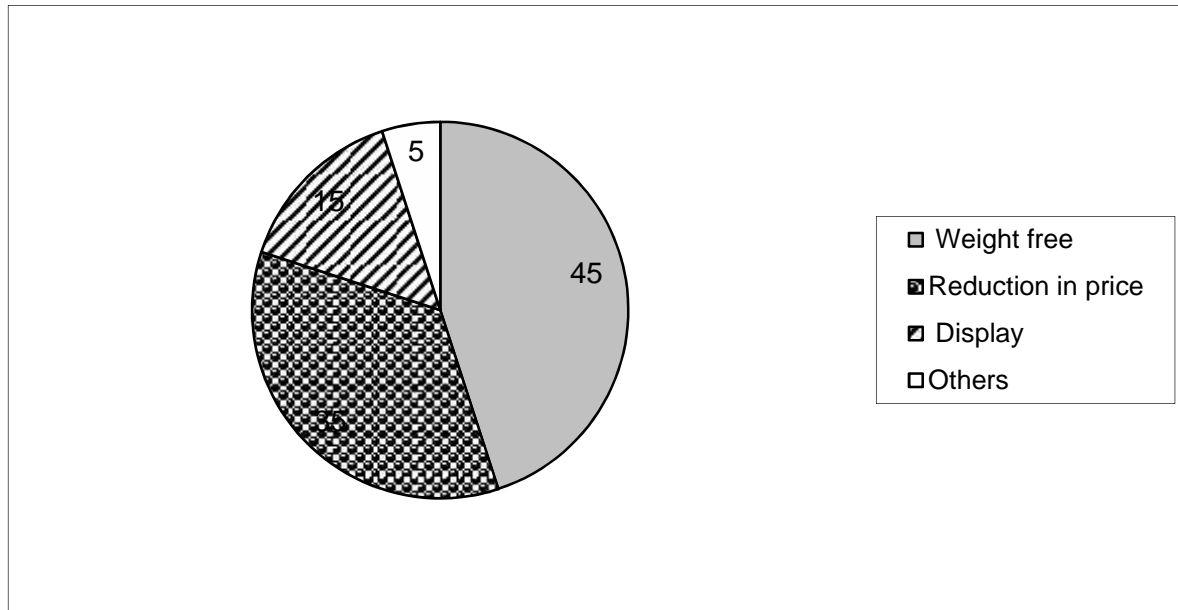
**Table No. 4.24
Effective Scheme in Sales Promotions.**

Scheme	Respondents	Percentage (%)
Weight free	45	45
Reduction in price	35	35
Display	15	15
Others	5	5
Total	100	100

Source: Field Survey-2013

The above table shows that weight free scheme is more effective 45% consumers prefer it. Then reduction in price scheme is also effective i.e. 35%. Similarly display is 15% effective; others are 5% effective respectively. Regarding the scheme effectiveness, Maximum people prefers weight free scheme than others.

Figure No.4.17
Effective Scheme in Sales Promotions.



4.4 X² Tests:

We can use X² test for the below table.

HO: There is no significance difference between advertising and sales.

H1: There is significance difference between advertising and sales.

Test Statistics: Under HO, the test statistic is

$$X^2 = \frac{\sum \frac{(O-E)^2}{E}}{N}$$

No of Respondent	O	E	(O-E)	(O-E) ²	(O-E) ² /E
Yes	60	40	20	400	10
	40	40	0	0	0
No	40	40	0	0	0
	50	40	10	100	2.5
I don't know	30	40	-10	100	-2.5
	20	40	-20	400	10
Total	240	40			25

Calculated X² = 25

Degree of freedom = (r-1)*(c-1) = (3-1)*(2-1) = 2

= 5%

Tabulated X^{0.05(2)} = 5.991

Conclusion: Since calculated $X^2 >$ tabulated X^2 , it is significant and H1 is accepted which means that there is significance difference in the sampling techniques used by the two researchers.

4.4.1 Major Findings:

On the basis of this study, the following findings have been derived:

1. The marketers of soft drinks realize the essence of advertising in the present situation of Nepalese market.
2. Advertising is the main sources of information about particular brand as well as mostly sensitive subject in the country in course of promotion.
3. The choice decision about mentioned products are depending on their own conscience or interest.
4. Most of the consumers prefer Coca-Cola and Fanta as their first choice.
5. Most of the soft drinks are popular in the Katmandu valley among school and college student.
6. The pricing policy of the soft drinks in consumer level is identical so that the price doesn't affect in the consumer's choice decision, in other words the market of soft drinks is mere hilly oligopoly.
7. If there are not price options at that time the price of the product is the secondary consideration before buying in both cases.
8. Newspaper and magazines are widely preferred media in developed countries. But in Nepal these media aren't so effective that is because of the low reading habits and economic constraints as well as its quality.
9. Most of the consumers prefer entertaining types of advertising where by analyzing present advertising scenario. It is found that most of the advertising campaigns are concentrated towards informative motives after that it goes towards persuasive motive.
10. Most of the advertising programmers of the soft drinks are informing about the financial persuasion, special sales deals, such as gifts, prizes, bumper plan, bonanza.
11. The believability towards advertising is mostly selective; Most of consumers believe it up to some extent.
12. Nepal television is the most popular media within Katmandu valley and Bagmati Zone; Radio Nepal holds the second position along with among the young generation F.M broadcasting is also being popular.
13. The attractiveness of soft drinks advertisement especially between Coca-Cola and Pepsi is not significantly different in view of their attractiveness.
14. In Katmandu valley, the main competitive brands of soft drinks are Pepsi, Fanta and Sprite.

15. There are large numbers of consumers that have been not influenced by the advertisement.
16. Consumers give more preferences to the quality and less preference to the brand.
17. Demand and supply of Coca-Cola, Fanta and Sprite are highly increasing in Katmandu valley.

CHAPTER – 5

5. SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1. Summary

Marketing has gained new dimensions in recent years and passed through different stages to reach at the present stage of societal marketing concept which aims at maximizing social welfare through delivering goods and services are produced to satisfy social wants and are produced according to consumer preference.

Marketing is a system which can be compared with human system, as it has its input output and process marketing environment is influenced by many factors and is broadly classified as external and internal factors.

An advertising campaign is a series of connected operations designed to accomplish a certain task. The task may be small one to be finished in a few weeks or large one requiring years. The essence of advertising strategy lies in the wise choice and direction of the advertising ammunition before launching advertising campaign an advertiser should be careful in the analysis of his product, Market, Trade channels and competitors. He must study the character of trade, the territory to be covered the audience to be reached the media available and the others. Sales force that are to be utilized in conjunction to the advertising.

Contemplating the very realities of the Nepalese market, it is found that advertising has not yet reached its full potential growth. Although the essence of advertising is well recognized and business people have realized it as the important promotional tool of persuasion to the mass. However, there is a great scope for the development of advertising in business field as well as agricultural field. When we compare advertising with the progressive countries, Nepal is lagging behind in the field of constructive advertising. If advertising has to be played popular and progressive a further impetus is required to be given to the mass production with the increase in the per capita income. Advertising should be developed as the foundation of business rather than as a luxury.

Nepalese consumers of the mentioned products are considered population of the study. A sample of consumers is taken out from the population on the basis of judgmental sampling. A well set of questionnaire is the main source of information. These questionnaires were served collected and tabulated after then necessary or possible statistical tools and percentile method have been used in the process of analysis and interpreting data.

From interpretation and analysis of the collected data, It is found that advertising is the main source of information and key tools to motivate and persuades to the consumers .The dissemination newly innovative products go very rapidly in the consumers level through advertising. Advertising support, Motivate and excite to the prospects on their decision making processes being alone, advertising never does the expected job. To make advertising more effective co-ordination and good interaction among promotional variables in required. First time purchase generally occurs because of advertising but to make consumers frequent purchasers the role of price and quality is in upper position then advertising.

5.2. Conclusion:

From the above study we have reached to following conclusions:

1. Advertising has been established as important promotional tools both in high involvement and low involvement goods .Advertising important to consumer's goods is comparatively weightier than industrial goods.
2. Consumers get knowledge about products through different media of advertising. Advertising is considered as the primary sources of information.
3. The Coca-Cola and instant noodles advertisements are found mostly, appealing to the consumers about financial persuasion,.
4. Advertising believability is found satisfactory.
5. The role of advertising in course of changing brand is important, but not ultimate.
6. Television is the mostly favorite medium for advertisement and radio stands in second position. At the same time, F.M. Broadcasting is also becoming popular in the Katmandu valley among young generation.
7. The advertisement which means presents the product as better quality and advertisement which is entertaining in style is liked.
8. The major reasons of brand Switching is the taste of the product.
9. The unavailability of most proffered brand is the first reasons of switching alternative brands.
10. Consideration to different variables while purchasing isn't significantly different due to the age, sex, and family size.

5.3. Recommendations

1. Consumers are highly aware of brands through advertising at the pioneering stages advertising is the only one tool which reach the mass economically so markets of which product are suggested to advertise their product through television.
2. As a whole advertising believability is found low and selective advertising tells people about the facts related with products and services. But, unfortunately all these

days, there is too much of untruthful, misleading, exceptive and exaggerated. Advertising to attract the consumers but advertising effectiveness depends a great deal upon consumer belief in its essential truthfulness.

3. The role of advertising in course of changing brand is found up to quite extent effective. So to make the role more strong other marketing variable such as place, product, price and promotion should be forwarded soundly. And co-ordinate interaction among them as felt necessary.
4. The advertising telecast or broadcast by the Nepal Television and Radio Nepal is subject to censure by the concerned government authority. Because of their lack of advertising knowledge advertisement hasn't transmitted is broad castled according to manufactures is interest so the government should make its media a policy more flexible.
5. Advertising brings to the consumers to the store most of consumers are found brand loyal even though their loyalty isn't strong and entrenched. If they don't get the designed brand, they use the alternative brand in this case the brand loyalty is broken by the unavailability. The product so the marketers are suggested to give proper attention their distribution system.
6. Advertising is life blood of modern marketing especially in course of promotion. Just advertising doesn't make the consumers frequent purchaser. The success of any product is depended upon the most purchase behavior of consumers. Post purchase behavior largely determined by the satisfactory received from consumption. To make advertising role more effective, the advertisement should be more creative and unique in design or style with truthful information. Furthermore an excellent qualitative product with reasonable price is essential for its success.

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Survey of consumer soft drink- Coca-cola:

Name

:

Date

:

District : Education :
Town/Village/Tole : Profession :
Age :

1. Have you used Coca-Cola?
Yes No

2. If you have used when did you start to use coca-cola?
 - a. Two years before.
 - b. Five years before.
 - c. More than five years before.

3. Which bases do you buy the coca-cola available at market?
 - a. In the basis of brand.
 - b. In the basis of personality.
 - c. In the basis of Investigation.

4. Which soft drink do you prefer most?
 - a. Coca-Cola b. Pepsi
 - c. Fanta d. Mirinda
 - e. Rio f. Rasna

5. Which priority do you give on buying soft drink?
 - a. Taste b. Name
 - c. Brand d. Quality
 - e. Other

6. In which category do you prefer the most?
 - a. Very Good b. Good
 - c. Moderate d. Other

7. According to the price how do you difference the soft drink?
 - a. cheap b. Expensive
 - c. Reasonable

8. Give your view in price for following brands of soft drinks?

Cheap

Expensive

- a. Coca-cola
- b. Fanta
- c. Mirinda
- d. Rio
- e. Rasna
- f. Pepsi

9. Give your view in the quality of the following Brand of soft drink with priority in the following position.

Brand

Position

1

2

3

4

5

- a. Coca-cola
- b. Fanta
- c. Mirinda
- d. Rio
- e. Rasna
- f. Pepsi

10. In which media you know about the soft drink you have told about?

- a. From Advertisement of Radio Nepal
- b. From Advertisement of NTV
- c. From Advertisement of News paper
- d. From Advertisement of Posters
- e. From friends
- f. From Hoarding Board
- g. From Cinema
- h. From Cinema Painting
- i. All the above
- j. Don't Know

11. In which of the following brand soft drink have made most attractive advertise?

- a. Coca-cola
- b. Fanta
- c. Mirinda
- d. Rio
- e. Rasna
- f. Pepsi

12. Which soft drink advertisement have you seen the most?

- a. Coca-cola
- b. Fanta

- c. Mirinda
- d. Rio
- e. Rasna
- f. Pepsi

13. Which of the soft drink Advertise do you read the most?

- a. Coca-cola
- b. Fanta
- c. Mirinda
- d. Rio
- e. Rasna
- f. Pepsi

14. What types of Advertise do you like the most?

- a. Different type
- b. Similar type
- c. Not Different type

15. When do you buy soft drink after watching its advertisement?

- a. Recently
- b. After watching Advertise two or three times
- c. After more information