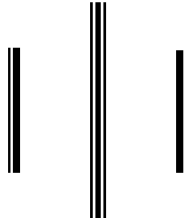


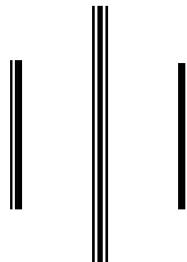
**PRESENT MARKET POSITION OF CLOSE-UP  
AND PEPSODENT TOOTHPASTE IN  
DHANGADHI MUNICIPALITY  
(A comparative study)**



**A THESIS**

**Submitted To:**

**Office of The Dean  
Faculty of Management  
TRIBHUWAN UNIVERSITY**



**Submitted By:**

**BIKAL MALLA**

**T.U. Regd. No.: 7-2-327-329-2003**

**Exam Roll No: 3270054**

**Kailali Multiple Campus**

**In Partial Fulfillment of the Requirement for the Degree of Master of  
Business Studies (MBS)**

**Dhangadhi, Kailali**

**March, 2013**

# DECLARATION

I hereby declare that the work reported in this thesis entitled **“Current Market position of Close-up and Pepsodent toothpaste in Dhangadhi Municipality (A Comparative Study)”** submitted to Faculty of Management, Tribhuvan University, Kailali Multiple Campus, Dhangadhi is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Studies (MBS) under the supervision of Mr. Padamkant Joshi, Kailali Multiple Campus, Dhangadhi.

**BIKAL MALLA**

(Researcher)

## **ACKNOWLEDGEMENTS**

This thesis is for Master's Degree in Business Studies (MBS) undertaken at Tribhuvan University of Nepal. For this I gained lots of guidance and suggestions from my teachers, friends and seniors. First of all thanks to the entire helping hands that helped to complete the work successfully. I am heartily indebted to my thesis supervisor Mr. Padamkant Joshi for his valuable advices, suggestions and guidance without which the completion of the work couldn't be imagined.

I would also like to give special thanks to Dr. Padam Raj Joshi, Head of Research Department, Kailali Multiple Campus for his kind co-operation and guidance.

I am highly appreciative to the staffs of Dinesh Concern Pvt. Ltd. for providing necessary data and Shyam Sethi of Nibble Computer Institute for typing of the thesis timely and properly.

Finally, I would like to thank all of my friends for their encouragement and support for the completion of the work successfully.

**BIKAL MALLA**  
**(Researcher)**

# TABLE OF CONTENTS

<b>Viva-Voce Sheet</b>	
<b>Recommendation</b>	
<b>Acknowledgements</b>	
<b>Declaration</b>	
<b>Table of contents</b>	
<b>Lists of tables</b>	
<b>Lists of Figures</b>	

## **CHAPTER – ONE**

## **PAGE NO.**

### **INTRODUCTION**

1.1 Background of study	1
1.2 Statement of the problem	4
1.3 Objectives of the study	5
1.4 Significance of the study	5
1.5 Limitations of the study	6
1.6 Organization of the study	6

## **CHAPTER- TWO**

### **REVIEW OF LITERATURE**

2.1. Introduction	7
2.2. Conceptual Review	7
2.2.1. Meaning	7
2.2.2. Marketing	9
2.2.3. Marketing Concept	10
2.2.4. Evolution of Marketing	11
2.2.5. The Marketing Concept in Nepal	13
2.2.6. Development of Marketing	14
2.2.7. Basic Principle of Marketing Concept	15
2.2.8. Marketing System	15

2.2.9. Marketing Mix	16
2.3 Review of Books	17
2.3.1. Product	17
2.3.2. Pricing	18
2.3.3. Promotion	19
2.4. Distribution	24
2.5. Review of Articles, Journals and Magazines	25
2.5.1. Product Quality	25
2.5.2. Brand Flexibility	25
2.5.3. Brands Influence on People	27
2.5.4. People Prefer to Buy Brands	28
2.5.5. Conversion of customer desire into a sale	29
2.6. Review of Previous Research Works	30
2.7. History of Toothpaste in Nepal	32
2.8 Research Gap	33

## **CHAPTER- THREE**

### **RESEARCH METHODOLOGY**

3.1 Introduction	34
3.2 Research Design	35
3.3 Nature and Sources of Data	35
3.4 Data collection procedure	35
3.5 Population	36
3.6 Sampling	36
3.7 Data processing and analysis	37
3.8 Data Presentation	37

## **CHAPTER- FOUR**

### **DATA PRESENTATION AND ANALYSIS**

4.1 Current toothpaste consumption & market scenario	38
4.2 Market position study	38
4.3 Consumer Behavior	39

4.3.1 Details of consumers	39
4.3.2 Buying behavior of consumers	45
4.4 Retail sellers' / shopkeepers' behavior	57
4.5 Distributors survey	70
4.6 Major Findings of the study	74

## **CHAPTER-FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

5.1 Summary and Conclusion	76
5.2 Recommendations	77

<b>BIBLIOGRAPHY</b>	79-80
---------------------	-------

## **APPENDIX- I**

## **APPENDIX- II**

# A

## LIST OF TABLES

<u>Table No.</u>	<u>Title</u>	<u>Page No.</u>
3.1	Sampling of data collection	36
4.1	No of Response received	39
4.2	No of Male/ Female respondents	39
4.3	Consumers' age group in years	40
4.4	Profession of the consumers	41
4.5	Education level of respondents	42
4.6	Respondents' family size	43
4.7	Monthly income of respondents	44
4.8	The brands consumers usually buy	46
4.9	No of respondents who use of specific brand	47
4.10	Factor that consumer consider while buying toothpaste	48
4.11	Who usually makes the decision to buy toothpaste	49
4.12	Which shop consumer buy toothpaste	50
4.13	Easy availability of preferred brand	51
4.14	Notice trend of advertisement	51
4.15	The brand using maximum Advertisement Media	52
4.16	One of the best advertisements of the two brands	53
4.17	Best of Quality	54
4.18	The brands consumers suggest to buy	55
4.19	In consumers experience most of the consumers like incentives are as follows	56
4.20	Shop Categories where from various brands of toothpaste are selling	58

4.21	Brands stock in a shop for sales	59
4.22	Shopkeeper's buying behavior	60
4.23	Which brand has more sales from your shop?	61
4.24	Convincing behaviour of shopkeepers	62
4.25	No. of followers of shopkeeper's advice	63
4.26	The best advertisements of the brand on shopkeeper's view	64
4.27	The best media for advertisement on shopkeepers' view	65
4.28	The more profitable brand than another	66
4.29	The best packaging of the toothpaste	67
4.30	The good distribution channel of the toothpaste	68
4.31	In shopkeepers experiences most of the consumers like incentives are as follows	69
4.32	Sales of the close-up toothpaste from the sales book on 2007 to 2011	70
4.33	Sales of the Pepsodent toothpaste from the sales book on 2007 to 2011	71
4.34	Comparative sales record of Close-up and Pepsodent toothpaste on 2007 to 2011	72

## **LIST OF FIGURES**

<b><u>Fig. No.</u></b>	<b><u>Title</u></b>	<b><u>Page No.</u></b>
4.1	No of Male/ Female respondents	40
4.2	Consumers' age group in years	40
4.3	Profession of the consumers	41
4.4	Education level of respondents	42
4.5	Respondents' family size	43
4.6	Monthly income of respondents	44
4.7	The brands consumers usually buy	46
4.8	No of respondents who use of specific brand	47
4.9	Factor that consumer consider while buying toothpaste	48
4.10	Who usually makes the decision to buy toothpaste?	49
4.11	Which shop consumer buy toothpaste	50
4.12	Easy availability of preferred brand	51
4.13	Notice trend of advertisement	52
4.14	The brand using maximum Advertisement Media	53
4.15	One of the best advertisements of the two brands	54
4.16	Best of Quality	55
4.17	The brands consumers suggest to buy	56
4.18	In consumers' experience most of the consumers like incentives are as follows	57
4.19	Shop Categories where from various brands of toothpaste are selling	58
4.20	Brands stock in a shop for sales	59
4.21	Shopkeeper's buying behaviour	60
4.22	Which brand has more sales from your shop?	61

4.23	Convincing behaviour of shopkeepers	62
4.24	No. of followers of shopkeeper's advice	63
4.25	The best advertisements of the brand on shopkeeper's view	64
4.26	The best media for advertisement from shopkeepers' view	65
4.27	The more profitable brand than another	66
4.28	The best packaging of the toothpaste	67
4.29	The good distribution channel of the toothpaste	68
4.30	In shopkeepers experiences most of the consumers like incentives are as follows	69
4.31	Sales of the close-up toothpaste from the sales book on 2007 to 2012	71
4.32	Sales of the Pepsodent toothpaste from the sales book on 2007 to 2012	72
4.33	Comparative sales record of Close-up and Pepsodent toothpaste on 2007 to 2012	73

# CHAPTER -I

## INTRODUCTION

### 1.1 Background of the Study

The trade is being a single home around the world in coming near future. The legal provisions toward the business is making homogenous in the country wise and all over the world i.e. competition, net intellectual property right act, certification of origin, standardization and so on. To create a fair competitive market, subsidies and quotas provided by the government will be totally eliminated gradually within certain years. All the government handled businesses will be privatized and all the trade boundaries will be liberalized which makes free movement of product as well as resources and technologies. To eliminate all trade barriers and to monitor the world trade an umbrella organization has established almost 12 years ago named World Trade Organization (WTO), which is very democratic, participative and fair. Almost about 75 percent countries of the world has got membership of WTO yet and other remain countries are also in process to get membership that means one day will come that all the countries will be in the WTO regime. If the result of the continuous practices and efforts of all the countries, regional blocks and other organizations has been doing since more than 67 years ago to liberalize and to globalize the trade though several conferences and various bilateral and multilateral treaties between the countries between the regional blocks, organizations and among the countries. Still there are so many trade restrictions but each and every conference of regional groups and international organizations are seeking how to liberalize the trade more and more as soon as possible.

Due to the globalized trend of world trade and business, tough competitive situation or environment is creating day by day whether it is in domestic market or in international market. No business organization can be isolated from influences of globalization. It is providing more and more opportunities as well as challenges. In this condition, business organizations have to conduct their activities strategically strong. A company can increase its market any other part of the world by setting or

installing industries and by selling the product easily. So, the manufacturing companies are producing the several parts of product in several countries and assemble it in several countries to reduce cost and to improve the quality.

Now a day's consumer's view towards any product is quite different than previous time they give first priority to cost and quality, they mention not where the product is produced and where from imported. Consumer may easily move one product to another if they meet their priority. So, companies especially manufacturer are employing their several tactic and tools to make attention about their product and attract them. Vast competition among the manufacturers is happening in the field of marketing.

Advertisement, personal selling, publicity, trade fairs etc. are techniques, commonly used by all companies and it boosts up consumers to consume the product and try a new product. It is because these techniques and tools make noise around people day-to-day life. It can make change the consumer's habits to consume product and it automatically increase in sales and sales activities. Product sale is an important aspect of marketing activities. Manufacturer's main aim is to increasing sales; increase market share and improvement of market position. Market position constitutes overall view of consumers/retailers towards a particular products, price, package, advertisement, delivery, extra benefits and market share occupied by the product.

Manufacturers are using sales promotion/consumer promotion techniques as early as 19th century therefore it is not a new technique, recently, manufactures are attracting to the consumers by giving other extra monetary benefits attached with the purchase of the product. Buying behavior of consumers is changing; they are making attention is extra-attached benefits while buying a product. So, companies are providing different extra benefits to the consumers like, buy one get one free, other prizes, scratch card, coupon etc. Manufacturers don't want to hold more finished goods as inventory which increases cost also, so they attached a product with other which becomes tools to increase fastest sales.

Advertisement, purchase behavior, sales promotion etc. are the most considerable factors to increase market size that each and every company's goal. Without advertisement, a company cannot sell the product in the market. So advertisement is also becomes one of the most important part of business. It can remind to each person's mind about the firm's and its products.

There are various advertising media options available to the advertiser like press media, Radio/F.M., Television, Film, Posters, Hoardings, Sky writing, Booklets, Catalogues, Window display etc. Spending amount in advertising and incremental sales have a positive relationship. Therefore every company spends significant amount of money in advertising and naturally sales will be increased as well as market position will be well.

In context of Nepal, most of people are under the poverty line and most of the part of country is rural area. Being a country with rural markets, Nepal is far from modernized system. "Nepal is still following a traditional style of business and is not able to reach a high professional level. We need more human resources and business expertise in areas such as management, accounting and auditing. At the moment, Nepal is in a transition stage where industries are trying to take a big leap from traditional to modern style of handling business. However, the process is very slow and the major factor that is posing a hindrance in development of all sectors is corruption in public service, which needs to be curbed". (**Khetan, Rajendra**, "The Boss" p.22, June 2003)

Marketing and sales activities had started in Nepal relatively very late as compared to other countries. Nepalese consumers have habit to use imported goods since very long period due to not availability of products manufactured in Nepal. After democracy B.S. 2046, some well-known multinational companies had come in the country and began to produce their products of international standard. It contributes to develop marketing activities. Various communication media has been developing and advertising activities also becoming a part of business in the country. There are so many brands in product and domestic industries also making attention to improve market position by spending significant amount in

advertisement, product differentiation and product lines. The domestic industries are facing competition with international products and multinational companies.

In context of toothpaste, there are so many brands found in Nepalese market produced by Nepalese companies even in foreign companies. Unilever Nepal Limited is one of the leading companies in Nepal. This company produces many kinds of consumer goods like soap, shampoo, toothpaste etc. Close-up and Pepsodent toothpaste are product of Unilever Nepal Limited. So, I am going to conduct the research on current market situation of Close-up and Pepsodent toothpaste in the context of Dhangadhi Municipality. This study consist on the status of using them, use rate, buying patterns, brand loyalty, buyers or consumer view towards the toothpaste products consumption habit of the consumers are major subject factor of this study.

## **1.2 Statement of the Problem**

During the past 27 years, there was no competition in Nepalese Toothpaste market. The reason was only single brand 'Rara' was available in the market. There was no choice or no alternative brands. Consumer of Toothpaste was also not in large number. Gradually other manufacturing industries have been emerging with several brands like Brighter, Close-up, Pepsodent, Colgate and Flura and so on. Therefore the situation of Toothpaste market is quite different now; most of people have been beginning to use toothpaste due to the consciousness toward health and easy availability of various toothpaste in the market. So, size of market as well as competition in the market is increasing day by day.

By considering above, following problems are for discussion of the study.

1. What is the selling position of Close-up and Pepsodent in Dhangadhi?
2. What is consumers' view about the Close-up and Pepsodent brand in-terms of packaging, price, accessibility, benefits and quality etc?

3. What is the consumer's view of advertising of Close-up, Pepsodent and other brands?
4. What are the distribution channel of Close-up and Pepsodent?
5. What are the selling growth trends of Close-up and Pepsodent toothpaste?
6. What are the overall marketing situation of Close-up and Pepsodent?

### **1.3 Objectives of the Study**

To face the above problems this study is conducted with the following objectives:-

1. To identify the selling position of Close-up in comparison to Pepsodent brand.
2. To analyze consumers view about the Close-up and Pepsodent brands compare in-terms of price, packaging, accessibility, benefits and quality etc.
3. To compare consumers view about advertising effectiveness of Close-up and Pepsodent brands.
4. To make comparison of close-up and pepsodent toothpaste on various aspects along with their current market position.

### **1.4 Significance of the Study**

Proper information is the major factor of any management to formulate policies, strategies and decision-making. Marketing management is also not exception for it. Day to day, various incidences, new challenges and opportunities are accruing in the field of marketing. Consumers may change their consuming pattern in any time especially about fast moving consumer goods products. To attract new consumers and to make loyal existing regular consumers the marketing management has to make several policies strategies and decisions. So, information from field of market through marketing research play crucial role in the marketing management.

In context Nepal, there is poor decision making system and management. Due to lack of expertise in management sector, very few experts and managers can be seen in big corporate level business houses. So, researcher has chosen the topic to study practical based. Nepalese market and consumer behavior toward the fast moving consumer goods/ products is crucial to understand by producer of such kinds of product as well as marketer. The researcher has tried to find out the fact situation accrued in the market by paying preference to current market position of Toothpaste with reference to Close-up and Pepsodent. The study may be useful for all the marketers and manufacturers of fast moving consumer goods products especially Toothpaste which may be helpful to reformulate and review their policies as well as strategies. Besides, other firms seeking the proper market situation and structure will benefit trying to enter in the market. Moreover this study concerns partial fulfillment of the requirement for the degree of MBS.

### **1.5 Limitations of the Study**

There are always many problems occurring in the way of its work. So, here are also many limitations during the research, these are as follows:

- a) This study will be based in Dhangadhi municipality only which does not cover the whole part of the country.
- b) Sampling technique will be used to select the respondents for the purpose of questionnaire and interviewing.
- c) Primary data will be collected only from Dhangadhi Municipality.
- d) The study will be entirely based on the views and responses of consumers and interview with marketing executive of respective brands.

### **1.6 Organization of the Study**

The research work is divided into five chapters:-

- a) Introduction
- b) Review of literature
- c) Research methodology
- d) Presentation, analysis and interpretation of data
- e) Summary, conclusion and recommendations

## **CHAPTER -II**

### **REVIEW OF LITERATURE**

The researcher studies different educational materials i.e., journals, magazines, periodicals, newspapers, books, websites etc., after selecting the required topic which is known as review of literature. During this research, the researcher has done literature review.

#### **2.1 Introduction**

The meaning and practices of marketing is modifying day by day. New and novel practices are practicing in the field of marketing with several tools and tactics. It is not sufficient that what is producing with the view to sell in current situation. Rather, a clear understanding of social aspects, market place and more specifically the consumer behavior is significant very much. Due to changing behavior of consumer and competition, a company has to pay attention not only in the sale and adornment but also at the consumer attribute, buying behavior, packaging and pricing policy. So it is clearly seen that marketing in today's business is facing more complexity.

#### **2.2 Conceptual Review**

##### **2.2.1 Meaning**

There may be a number of products in the market for sale for the same purpose such products consumed by consumers may give priority to a specific product among the crowd of products due to several reasons. To keep first priority in mind of consumer, companies make effort in different way. There are so many products in toothpaste out of them Close-up is one of the leading toothpaste in the market. Market Position of the toothpaste in which market position of Close-up and Pepsodent deal with the major marketing components such as promotion, price, product distribution as well as advertisement and buying behavior of consumers.

These major factors are influencing how much is total consumption of Close-up and Pepsodent in the market and what is the percentage covered by the Unilever Company in total toothpaste market.

Influence of the major marketing factors help directly or indirectly to increase or decrease the sales to some extent, personal selling and publicity is also one of the helpful components to increase sales but it is not possible for all kinds of products due to cost and time. Advertisement helps in the personal selling. Sales promotion is a short term strategy which encourages to consumer for use once or tries once the product by offering different prices or something extra incentives. It makes change the mind of potential consumers and come to try the product. Due to this, sales promotion helps to maintain a sound market position of the product. Price is one of the most important factors in the marketing and to increase / decrease sales volume. Price must be affordable by various categories of consumers. Product differentiation and product line can help to change price discrimination. Placement of product at right time in right place is one of the most important components of marketing. It helps to consume the product regular so frequent distribution channels must be maintained to achieve sound market position. To make regular brand awareness in marketing, advertisement is making significant role to market a product.

Advertising is not only the tool that makes consumers aware. There are so many other tools but it is more costly as well as more effective and it pushes to buy the product by consumers while they are conformed or in confusion. It is a long term strategy of creating brand awareness whereas promotional campaigns boost up sale of a product. Combine effort of sales promotion and advertising well increase sales in present as well as in future. Now a day's sales promotion campaign and advertising is going on with competition. There are many components, which directly affect the market position and sales, such as product, price, promotion, distribution, advertising etc.

## 2.2.2 Marketing

We can distinguish between a social and a managerial definition of marketing. A social definition shows the role of marketing plays in society. One marketer said the marketing role is to "deliver a higher standard of living". Here is a social definition that serves our purpose: marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, freely exchanging products and services of value with others. For a managerial definition, marketing has often been described as "the art of selling products", but people are surprised when they hear that the most important part of marketing is not selling. Selling is only the tip of the marketing iceberg. Peter Drucker, a leading management theorist, states in this way:

There will always, one can assume, be need for some selling. But aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits them and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

When Sony designed its Walkman, when Nintendo designed a Superior Video game, and when Toyota introduced its Lexus automobile, these manufactures were swamped with orders because they had designed the "right" product based on careful marketing homework.

The American Marketing Association Offer the following definition. "Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Coping with exchange process calls for a considerable amount of work and skill. Marketing management takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the art and science of choosing target markets and getting, keeping and growing

customers through creating, delivering and communicating superior customer value.”(Kotler, Philip, 1999)

### **2.2.3 Marketing Concept**

"Marketing has been developing together with development in human civilization. If we trace three-four hundred years back to the history of human civilization, we find marketing of that time, by modern standard we relatively uncultured. They did not need mechanism or tools or techniques of marketing as used today. But now all the situations have changed, the needs and wants have changed. Human aspiration for excellent and better status have given birth to thousand of discoveries, inventions and innovations and established thousands of units of different types of industry to fulfill that aspiration. These changes in turn not only in rented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most competitive field". (Parajuli, Sanjaya, 2001)

There are five completing concepts under which organizations can choose to conduct their business. The production concept, the product concept, the selling concept, the marketing concept and the societal marketing concept. The first three concepts are of limited usefulness today. The marketing concept holds that the key to achieving organizational goals consists of determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.

It starts with a well defined market, focuses on consumer needs, coordinates all the activities that will affects customers, and produces profits by satisfying customers.

In recent years, some have questioned whether the marketing concept is an appropriate philosophy in a world faced with major demographics and environmental challenges. The societal marketing concept holds that the organization's task is the determine the needs, wants and interest of target markets

and deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserve or enhance the consumer's and the society's well beings. The concept calls upon marketers to balance three considerations. (Kotler, Philip, 1999)

- Company profits
- Consumer satisfaction and
- Public interest

## **2.2.4 Evolution of Marketing**

The evolution of marketing has been analyzed in similar way by various authors in their independent works. Some of the authors were William J. Stanton, Philip Kotler, Gary Armstrong etc. The different stages in the process of evolution of marketing area as follows:

### **a. Production Oriented Stage**

The production concept lie in the philosophy that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency. (Kotler Philip, 1997).

Kotler and Armonstrong think that it is still a useful philosophy in two types of situations:

- When the demand of a product exceeds the supply, management should look for ways to increase production.
- When cost of production is high it is required to decrease to expand market. (Kotler, Philip and Armstrong Gary, 1997)
- 

### **b. The Product Orientation Stage**

The idea that the consumer will favor products that offer the most quality, performance and features and that the organization should devote its energy on making continuous product improvements. (Kotler, Philip, 1997)

c. The Sales Oriented Stage

This stage emerged with philosophy that consumers would not buy enough of the organizations products unless the organization undertakes a large- scale selling and promotion effort. (Kotler, Philip, 1997)

d. Marketing Orientation Stage

The basic target of this stage is that the achievements of organizations goal depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently that do competitors. (Kotler, Philip, 1997)

e. Societal- Marketing Orientation Stage

This is the least development in the field of marketing. The stage is based upon the fact that the organization should determine the needs/ wants and interests of the target markets and deliver the desired satisfactions more effectively than do competitors in a way that maintains or improves the consumer's and society's well being. (Kotler, Philip, 1997)

Comparative Features of Marketing Concepts

Concept	Starting Point	Focus	Means	Ends
1. Production concept (Aims at selling what can be produced)	Factory	Production orientation	<ul style="list-style-type: none"> <li>▪ Mass production</li> <li>▪ Low price</li> <li>▪ Wide availability</li> </ul>	Profit through production efficiency

2. Product concept (Aims at improving the product)	Factory	Product Quality Orientation	<ul style="list-style-type: none"> <li>▪ High Quality</li> <li>▪ Innovation</li> <li>▪ Performance</li> <li>▪ Guarantee</li> </ul>	Profit through well- made products
3. Selling Concept	Factory	Seller needs orientation	<ul style="list-style-type: none"> <li>▪ Aggressive selling</li> <li>▪ Heavy Promotion</li> </ul>	Profit through high scales volume
4. Marketing Concept	Market	Customer needs orientation	<ul style="list-style-type: none"> <li>▪ Integrate marketing</li> </ul>	Profit through customer satisfaction
5. Societal Marketing (Aims at promoting social welfare)	Market	Social Responsibility Orientation	<ul style="list-style-type: none"> <li>▪ Intergrate marketing</li> <li>▪ Concern for social welfare</li> </ul>	Profit through customer and social well being

(Agrawal, G.R., 2001)

### 2.2.5 The Marketing Concept in Nepal

- a) The economy of Nepal is characterized by excessive dependence on agriculture. The industrial sector is in a developing stage. The role of services has been growing in the recent years. Due to the topographic diversity of the country coupled with poor transport and communication facilities, marketing has remained fragmented.
- b) The public sector remains dominant in the Nepalese economy. The private sector is developing and dominated by the family owned and managed business. The advent of global companies, especially in tourism and fiancé sectors, has resulted in the transfer of new marketing skill along with capital and technology.
- c) Marketing has traditionally remained a neglected aspect in Nepal. Enterprises tend to concentrate on production and selling rather than

marketing. The selling concept has been serving as the marketing philosophy of Nepalese managers. The public sector has generally remained indifferent to the marketing concept.

d) The Marketing concept has not embraced by most Nepalese organizations.

This is clear from the following points:

- Most organizations of Nepal does not emphasize customer oriented which follow management philosophy.
- Target markets have not been clearly defined by most Nepalese organizations.
- Marketing information system has remained very weak in most organizations.
- Marketing activities has remained fragmented in the organization structures. They have not been organizationally coordinated. Marketing department has not become a part of the top management team.
- Organizations tend to be more interested in producing products and making profit through selling and production. This seems least concerned about satisfying the needs of the customers.

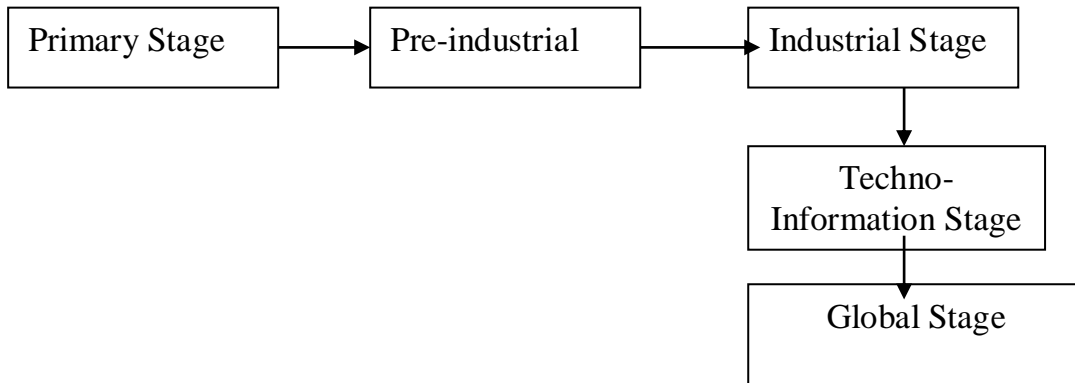
e) Prospects for the Marketing concept:

Nepal has experienced significant socio-economic changes over the last 25 years. The supply- driven marketing where organizations could sell everything they produced, is increasingly giving way to demand driven marketing. The realization is gradually coming that customers and their needs are important in marketing. The increasing intensity of competition in the Nepalese market has also helped in this regards. (Agrawal, G.R., 2001)

### **2.2.6 Development of Marketing**

Marketing has developed in an evolutionary rather than revolution. Its development has been influenced by the progress of civilization and economic development of nations.

#### Stages of Marketing Development



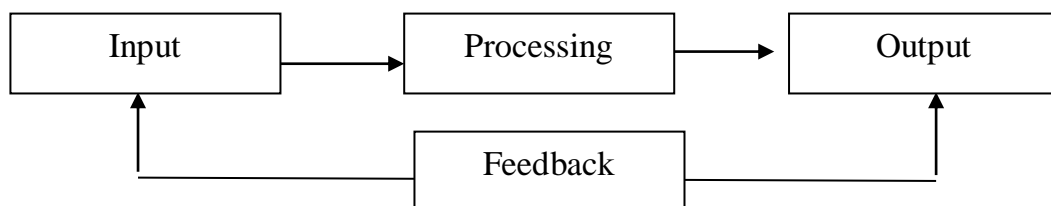
### 2.2.7 Basic Principle of Marketing Concept

- a) Target markets should be defined carefully. No organization can operate in every market and satisfy every need.
- b) Customer orientation is the key to organization success. Organizational activities should be focused on determining and satisfying customer needs.
- c) Integrate marketing action is the essence of customer need satisfaction. All departments in the organization should work together to serve the customers
- d) The ultimate purpose of marketing concept is to help organizations achieve their objectives. Organizations can best achieve objectives by providing customer need satisfaction. (Agrawal, G.R., 2001)

### 2.2.8 Marketing System

A marketing system is a unified whole composed of interrelated and interacting subsystem (parts) to achieve desired objectives. Marketing is a dynamic system consisting of input- processing- output- feedback showing in figure:

Figure-2.2



- a) Input of the marketing system consists of the marketing mix elements product, price, promotion and place.

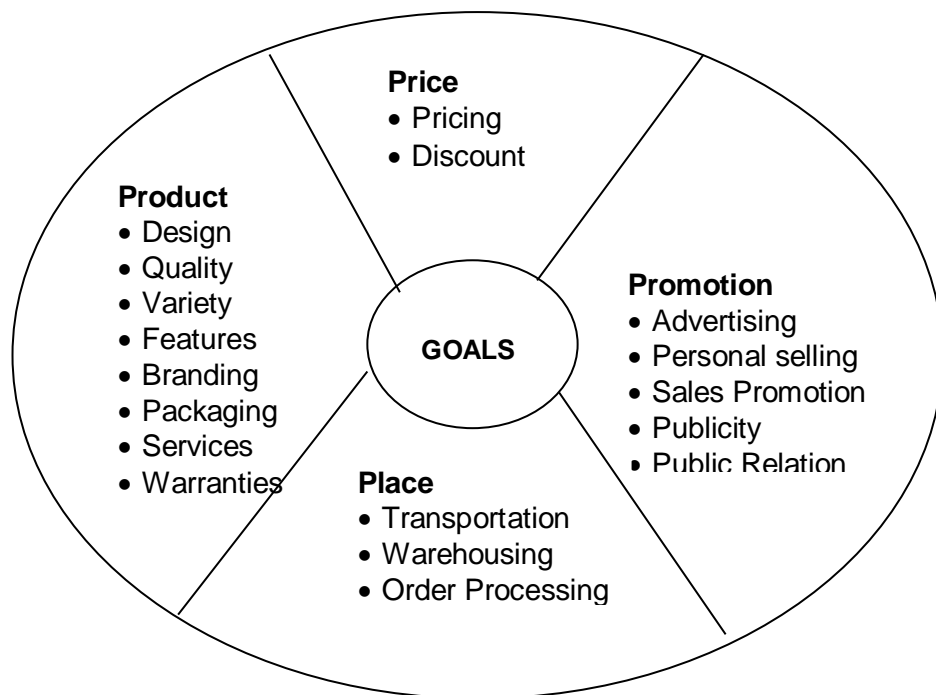
- b) Processing of the marketing system consists of environmental influences and buyer decision processes.
- c) Output of the marketing system consists of customer response reflected by profit, market share, social welfare and organizational image
- d) Feedback provides information to design input(Agrawal, G.R., 1999)

### 2.2.9 Marketing Mix

Marketing is the process of choosing markets to be in, products to offer, prices to charge distributors to use, and message to send. Organization must create and maintain an effective marketing mix that satisfies customer needs. "Marketing mix is the set of marketing tools that organizations use for purpose of their marketing objective in the target market."

The Tools of Marketing Mix are known as 4 Ps.

Figure: 2.3



- a) The four elements of marketing mix are interrelated. Decision in one element usually affect actions in others.

- b) The design, implementation and evaluation of the marketing mix constitute important aspects of the total marketing effort. Organizations should offer different marketing mix for different segments of the target market.

Now, it is necessary to go in brief of tools of marketing mix. Always market situation is measured with the help of tools of marketing mix i.e. 4 ps. If we neglect one from other the effectiveness of market situation is not measured by better way. Now, respectively we discuss about: promotion, product, price and distribution channel. (Agrawal, G.R., 1999)

## **2.3 Review of Books**

### **2.3.1 Product**

An identifiable form of tangible and intangible attributes, including quality, price, brand, trademark, packaging, color, and seller's service as well as reputation is known as product. It must be transferable and payable. So a product may be a person, good, place, service, idea or technology. Consumers are purchasing need satisfaction in the form of the benefit they expect to receive from the product. Now we are talking about the consumer products which are not the purpose of business. Such products are indented for use by household consumer. In context of consumer's products, brand plays vital role in consumption. Brand is not anything itself but it represents the entire attributes of the product so a consumer attracted by the brand name. Brand is one of the names, which helps to make and show something different from other product among the products having similar attributes. Consequently, some products are in the market that has very much popularity and image that consumers or people feel proud in the society by using such brands.

On the globalization perspective, "Products which are easily marketed in domestic markets may not be marketed in international market. More specifically, products, which are easily marketed in US market, may not be marketed in Asian or Nepalese market. In order to match products to the international markets, the marketers need to spend a lot of time, effort and money in planning and

development of products in a systematic manner.” (Dr. Shyam Shrestha, 2005, p-119.).

Increasing of the global market area, companies should make branding strategy whether sell all over the world with the same brand name or separate brand name for separate market through distributors. Brand names should have global reach, the name of the product should be meaningful and pronounceable in the national languages. Otherwise companies will find it very difficult in selling their products in the distance places due to the geographical structure of various countries.

### **2.3.2 Pricing**

Pricing is also one of the important components of marketing. Pricing strategy and pricing policy plays significant role to create a sound market position for the product. A company may follow different pricing methods. Price may be determined on the basis of various factors i.e. cost, nature of the product, season, competition, rules of the government, geographic and so on. Pricing of the fast moving consumer goods products is sensitive very much. Most of the fast moving consumer goods products have to face tough competition from the different factors. To charge price for such a company should understand consumers buying behavior, economic growth of the country, social aspects etc.

In the contest of Nepalese consumers and Nepalese marketers/ companies, we can see now that the prices charged for any fast moving consumer goods / products on the basis of buying behavior as well as purchasing capacity of economic growth condition. Consumers are not mentioning weight of a packet of products like Close-up, Pepsodent, Colgate and so on, but how much the price for a packet and companies always fixed the price as Rs. 15, Rs. 20, Rs. 40 etc. Whether price of the toothpaste is increasing but the companies are introducing small packets for easy pronounceable price as well as low price on the view of consumers. Such pricing strategy follows by Coke, Pepsi, toothpaste and so on like

Phuchhe Pepsi for Rs13, small packet of toothpaste for Rs. 5, Purnima pack of fair and lovely for Rs. 10, Rs. 1 or Rs. 2 for a shampoo pack.

“The contemplated price must be consistent with company pricing policies. Many companies set up a pricing department to develop pricing policies and establish or approved pricing decisions. Their aim is to ensure that the sales people quote the price that is reasonable to a customer and profitable to the company.” (Kishor Raj Aryal, 2002, P.14)

"Most companies will modify their basic price to reward customer for such acts as early payment, volume, purchase and off season buying. Description of these price adjustments called discount and allowances should be provided. Many companies are so ready to grant discount, allowances and special terms to their dealer and customer that they may fail to realize how little profit may be left. Companies should measure the cost of granting each discount or allowances against in impact on making on the sale. They should establish better policies as to what should be granted to customer are bidding for their business." (Michel V., Marnal Robert and I. Rostello, 2003).

### **2.3.3 Promotion**

Promotion includes all the activities undertaken to communicate and promote products to the target market. The components of promotion mix consist of advertising, sales promotion, personal selling, publicity and public relation. All the promotion activities have been conducted to communicate with the firm's audiences to achieve certain goals. The situation of the company, product nature, consumer behavior, etc. may play role to pay priority for a company's which element of promotion is most important. It is to substantially change the product mix in the short run. However, organizations can control and change price mix and promotion mix in the short run to meet the challenges of the changing environment.

#### **2.3.3.1 Advertising**

Advertising is directed at cognitive and emotional responses: building brand awareness & brand attitude overtime.” Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by and identified sponsor targeted at mass community at a single effort. Advertising is one of the most important promotional tools that companies see to direct persuasive communications to target buyers and publics. Advertising is used to achieve various marketing goals of the firm. Some of these objectives include such as,

- To improve brand image or brand awareness;
- To inform and persuade the target audience;
- To achieve a desired sales level and improve company’s profitability;
- To successfully launch the new product to the market;
- To support the personal selling;
- To win the competition:

Advertising may be done through various means or Medias such as: print Medias; audio advertising (Radios); visual advertising (Film slides); audio- visuals (Film, televisions, etc); displays (window display, sky display, hoarding boards, electric neon, etc.

However, an effective advertisement is one, which can change the target audiences’ attitudes in favor of the firm’s offer. To achieve any attitudinal change, advertisement should posses several requirements; such as attract attention of target customers towards the company’s offer, understand the target audience properly and convince the target customers effectively. (**Dr. Shyam Shrestha, 2005**)

In reality, consumers do not believe to a product, which is not seen in advertisement and cannot make decision to buy. Advertising becomes life partner of a product for marketing. Advertising cost is higher than production cost of some product. It seems that advertising is being strong components in promotion very much.

Now a day, stars from different field such as sports, music, movies etc. are being used in advertising to attract consumer. However, there is controversial analysis whether it is effective or not but most of companies has been introducing them as a brand ambassador also.

### 2.3.3.2 Personal Selling

Personal selling consists of person communication between the sales persons and their prospects. Unlike advertising, it involves personal interactions between the source and the destination. The most effective method of promotion probably is to have sales persons call upon every target consumer. For many institution, especially those that appeal to the mass market, the world to terribly inefficient. As a result, they employ mass marketing techniques, such as advertising. Personal selling is very important in industry.

### 2.3.3.3 Sales Promotion

According to American Marketing Association," Sales promotion consists of those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as display, shows and exhibitions, demonstrations and various non recurrent selling efforts not is the ordinary routine."

Sales promotion is the third promotional tool. It is used to coordinate and supplement the advertising and personal selling programs. It is a program of limited duration that encourages sales by attraction of the price on perceived value of product.

"Sales promotion is sometimes described as the bridge between advertisement and sales." says Frank Jefkins in his book "Advertising Today."1977.

According to Dr. Kundan Datt Koirala, 2002, "It is (consumer promotion) often used to retaliate against a competitor's sales promotions or to reduce a

seasonal decline in sales. Consumer promotion is either aimed at reaching the consumer at his home or place of business or in the store.”

According to Phillip Kotler, 1974, “Sales promotion consist of a diverse collection of incentive tools, mostly short term, design to stimulate quicker or greater purchase of a particular product by consumer of the trader.”

To motivate middle channels between producer and consumer and customer/ real consumer to sale or to consumer at least once, various tactics are introducing company’s day by day such as giving extra margined/percentage discount to the sellers, buy two get one free for the consumers, display on retail sales stores and so on. Such kinds of promotional activities are introduced on the occasion of different festivals like New Year offer.

In case of Nepalese market, promotional tactics has been seeing but some extent, some sales stores are offering discount such as 50% off, buy one get one free etc. are not really discount. It is because; there is not identifiable price of the product. Such kind of practices can be seen on fashionable readymade clothes, which is making wrong impact on consumers mind towards sales promotion activities.

In case of Nepalese toothpaste market, various promotional programs has been seeing such as buy two get one free, and so on. All these promotional tactics are really sales promotion tools which help to sale the product in large scale.

#### 2.3.3.4 Public Relation

Public relation is media attention without paying for it, usually generated through a product champion and involvement in stories, which are relevant, and of interest to news media. It gives an impression of objectivity since it is unpaid for. Marketer engage in public relation in order to develop a favorable of their organizations and products in the eyes of the public, so major objectives of public relation are to build awareness, to build credibility, to hold down promotion cost and so on.

”Public relation has become an important marketing tool these days. The basic philosophy of public relation is that if the image of the company is poor in society, no other marketing efforts including quality product and service can satisfy the customers. In order to gain good image in society, a company must establish a good relation with the public. Publics are several groups of society, including customers, stockholders, staffs or employees, dealers, the press, the financial community and the general community. A company must have good relations with these groups, if it really wants to promote its sales and develop an established market for its product and services. Public relation is defined as a social philosophy of management expressed in policies and practices, which, through sensitive interpretation of events based upon two- way communication with its publics, strives to secure mutual understanding and goodwill.” (Dr. Shyam Shrestha, 2005, P.168)

Now days, building public relation by organization in society are vital marketing tools to promote the product and to establish brand loyalty.

#### 2.3.3.5 Publicity

Publicity means of promoting the mass market and similar to advertising except that it free, is found in the additional portion of the news media and pertains to newsworthy events. The most common type of publicity is news release (also known as press release), photographs and feature stories. Promotion can be directed towards final consumer’s middlemen or companies’ own employees.

“Public relations and publicity are the last two promotional methods. Public relations are the broad, overall promotional vehicle for improving or maintaining an organization’s image and its favorable relationship with its publics. Publicity, a part of public relations is any promotional communication regarding and organization and / or its products that are not paid for by company benefiting from it. Typically there two activities are handled in a department separate from the marketing department is a firm.” **B. S. Rathor**, 2005, p.91&92)

## 2.4 Distribution

Distribution includes the various activities undertaken to make the product accessible and available to target customers in right time and place. Components of distribution consist of channels (direct or middlemen wholesaler, retailers etc.) physical distribution activities such as order processing, warehousing and location, material handling, inventory management, transportation.

According to Dr. K. D. Koirala, 2002, "Distribution is concerned with all business activities revolving around the problem of getting the product from the place of manufacturing to the final consumer. Distribution deals with two aspects of product movement: marketing channels and distribution logistics. Marketing channels or channels of distribution is the system of relationship among the various persons and institutions involved in the process of movement and ownership of products and facilitating exchanges. Distribution logistic is concerned with the physical movement of products."

Most of producers do not sell their products directly to consumers. There may be two or more than two intermediary's stands between consumers and producers. These are the marketing channels which play vital role to distribute the product. So, marketing channel decisions are among the most critical decision facing management.

According to William J. Staton, "A distribution channel consists of the set of people and firms involved in the transfer of title to a product as the product moves from producer to ultimate consumer or business user." The distribution channel includes several individuals and institutions such as producers, suppliers, industrial users, brokers, agents, wholesalers, retailers and consumers. It also consist several flows in the system which is forward flows and backward flows. The forward flows more from producers to the market. There are three forward flows: product flow, communication flow and ownership flow. The backward flow is money from sales, orders for products and market information.

For the distribution of consumer products, we can introduce four options channels design such as producer may distribute directly to final users, the producer may use retailers to reach consumers, the producer may reach consumers through wholesalers and retailers and producer may go through agents and retailers. In the context of Nepal, especially in toothpaste marketing, most of the toothpaste production companies are following the producer – distributor--retailer –consumers' channels.

## **2.5 Review of Articles, Journals and Magazines**

### **2.5.1 Product Quality**

When considering the physical product apart from the additional attributes real or fancied, bestowed on it by an effective marketing program, the manufacture's attention is usually centered on "Product quality". In this context product quality is often measured in terms of the purity of grade of materials used, the technical perfection of design, and exacting standards of production. The level of quality is usually set in terms of either meeting or beating competition. Once a level of product quality, in this sense, has been determined, most firms carry out rigorous programs of quality control and product are upheld. (Alfred A. Kuch and Ralph L. Day, 2003).

### **2.5.2 Brand Flexibility**

Many marketers face, at one time or another, a decision involving brand flexibility: should a new product be placed under an existing brand's umbrella, or should its own stand- alone brand? For example, should Coca-cola used to brand pair of jeans? Would Nike be a good brand name for a sports drink?

Using the current name has some advantages. The brand enjoys good level of awareness and a positive image. Its product distribution is good. Using the existing brand name would reinforce self impact for the entire line. One the other hand, the current brand's equity may not translate to new product not

based on the intergradient for which the brand is known. Some fear that using the brand as an umbrella covering and expanded product line could dilute the brand. Both sides have a well rationalized set of arguments those with a restrictive interpretation say that because the brand's equity has been built over 50 years around product based on the ingredient, using the same brand name for product made without ingredient would only confuse the consumer about what the brands for. This confusion could weaken the established brand. Furthermore, the brand equity may not translate well to products without the ingredient so that there could be little benefit to using it. Those with a flexible view of brand equity find comfort in consumer research where they see proof of their brands flexibility. The issue isn't new. It's faced by all those who have to introduce new products and by those who have acquired a company with branded products. Does the new product need a new brand name or should it be placed under the umbrella of an existing product? Should the acquired product line stand on its own brand or should it be using and endorsement from the new corporations is that the issue should not be viewed in the sole contexts of the new brand or new products but also in the context of the existing brand. How will it be affected? Will it suffer dilution?

When faced with this situation is may help to keep in mind the following:

Brands are associated with a set of values, seldom with a specific ingredient. There are a few exceptions but, generally, values are what define a brand. A brand like star bucks for instance is associated with coffee. But, more than just the ingredient, it stands for expertise in bean selection and roasting, high quality, competent staff, young professional crowd, a pause during a busy day, etc.

Umbrella branding is a very efficient brand scheme. A paper published in Mckinsey Quarterly under the title "Brand Leverage" concludes that strong brands that are used across product categories produce shareholder return on equity that is five percent above the average for their industry. A strong umbrella brand can help a new product generate faster distribution and trail. On the other hand, umbrella brands are weakened when they are used for sub-par products or products or that fail- an unavoidable risk with new product introductions. They also make consumer research more difficult, in part because of the high level of false awareness they generate. The effect of advertising copy on consumer behaviour is

thus more difficult to evaluate because it tends to benefit the entire brand as opposed to the one new product is advertised.

The best and possibly the only tool you need is a very clear idea of what values the brands involved stand for. In fact, if this is the only thing you do, you should write a brand strategy for your own brands and for the brands you wish to acquire before you make any branding decision and preferably before an acquisition takes place. (Jacques Chevron, 2003)

### **2.5.3 Brands Influence on People**

This first thing to recognize when we talk about brands is that they are not just names, symbols, terms, designs or combinations of these, although it is true to say that such things can and do differentiate certain products and companies from others. The additional ingredient that makes a successful brand is personality.

Today leading brands are personalities in their own right and are well known in all societies and cultures as film heroes, cartoon characters, sports stars, or great leaders.

Thousands of people relate to brand personalities in the same ways as they do to human personalities. There is of course, a psychological basis to this, and the psychology behind brands really stems from Carl Jung's work where he described the four functions of the mind- thinking, sensation, feeling and intuition. The secret to successful branding is the influence the way in which people perceive the company or product, and brands can affect the minds of customers by appealing to these four mind functions, or combinations of them.

Some brands appeal to the rational part of a person, to logic and good sense (the thinking dimension) such as toothpaste, which prevents decay and cholesterol-free foods. Others appeal to the sense of smell, taste, sight and sound such as fashion and cosmetic products. Some brands attract the emotional part of people appealing to the feeling dimension to which customers react with

feelings of warmth, affection and belonging. Products such as Harley Davidson Motorcycles and companies like Benetton with its global village branding exemplify these.

Then there is the strange phenomenon of institution. Some of companies and products are attractive to people who intuitively feel comfortable with them, because they see these brands as extensions of themselves, a good fit to their personality, lifestyle, aspiration and behavior.

Brands influence consumer decisions to buy in any of the above ways, or through combination of them, sometimes with tremendous persuasive appeal.

The Marlboro brand personality is a good example of how a company understands and combines the physical and emotional elements that appeal to certain customers who live or would love to live a certain lifestyle. Products such as good credit cards, watches or prestige items help people to express themselves to other by demonstrating that they are different and have achieved something they act as extension of the personality, so it really is all in the mind. The key to brand management and development is a clear understanding of what benefits a customer is looking for. Time and again, research shows that the real driving force behind market leadership is perceived value- not price or inherent product attributes. (Paul, Temporal, 2003)

#### **2.5.4 People Prefer to Buy Brands**

Brands are also successful because people prefer them to ordinary products. Today's world is characterized by more complex technology, and this can be extremely confusing to people who are not technology minded. Brands can play an important role here by providing simplicity and reassurance to the uninitiated; offering a quick, clear guide to a variety of competitive products and helping consumers reach better quicker decisions. (Paul Temporal, 2003)

## 2.5.5 Conversion of customer desire into a sale

Consumers always want more. It does not matter what is being offered. If it is there, they have at least a twinge of desire for it. But how do you take that desire and convert it into a sale? To push a sale across the finish line you need buying stimulators. The stimulators are:

### a) Appeal to the Emotions

People buy a product or use a service because they expect to feel a certain way afterward. People buy diamond necklace because they will make them feel stylish and affluent.

So think about the benefits of your product and convert those benefits into feelings. If you are selling a business opportunity, emphasize on how great people will feel when they work for themselves with no boss and no set schedule. If you sell sports equipment, focus on how your quality goods will improve technique and make your customers winners.

Use vivid, picturesque words to dramatize the feeling your customers will experience after they buy your product or service.

### b) Fear of Loss

One of the best stimulants for buying is not only to say how the customer will benefit from your product, but to mention how they will use if they do not buy your product. The fear of loss drives a sale as much as the customer's desire for the product or service remind the customer that they can either use your product or service, or they can live with the consequences, you could say something like, "The choice is yours. You can live the life you have always dreamed of, or you can stick with your dead-end job for the next thirty years."

### c) So Many Choices, So Much indecisions

The most successful advertisement focus on one product or service. Do not make the mistake of trying to list all your products and services in one advertisement. Do not give the customer a choice. If they have to deal with more than one product, you will have mass indecision on your hands. Make the choice as easy as possible, or you will lose the sale.

#### d) Increase Buying

A wide variety of buying methods exist for one reason not everyone likes to buy the same way. Some people like to order over the phone, someone line, some through mail, some through fax. And not everyone likes to use credit cards; some people like to use cheque or cash. The points are, when you increase your buying options, you appeal to more people. Give your customers what they want, and they will give you what you want the sale.

#### e) Simplify the Process

The easier something is, the more people want to do it your customers do not want to deal with a difficult ordering or purchasing process, so make the procedure as simple, quick and pleasant as possible. (Lisa Lake, 2003)

## **2.6 Review of Previous Research Works**

There has been no comparative research on the toothpaste marketing in Nepal. So, only related some topic of marketing have been revised below.

Khanal Shiva Raj (2004) in conclusion this study shows that the major competitor companies in Nepalese toothpaste market are Nepal Level Ltd. and Colgate Pamolive Nepal Ltd. any time one of this company can set access its market quickly it is because, most of consumers are using both company's brand. Most of consumers are loyal toward both company's brand. Market situation of

toothpaste is in liquid position in nature. So pricing, quality, packing, promotion etc. are the tactics and strategy to achieve large market size.

Parajuli Sanjay, (2001) from the interpretation and analysis of the data and information collected from the consumer, it is found that brand awareness of Nepalese consumers are high and most of them are brand loyal in each of the product selected for this study. Similarly, it is also found that the factors such as the consumer's sex, age, marital status, income, family system etc. also affect brand loyalty.

Aryal Kishor Raj, (2002) in summary, sales promotion works as a starter to the toothpaste users. People, who are not so educated, are not loyal towards any particular brand. Due to this, sales promotion, advertisement easily attracts attention of those toothpaste consumers and as result the sales of that particular toothpaste will increase. The sales promotion is very powerful, which can easily boost up the sales and market share will be increased.

Thapaliya Anup Kumar, (1999) concluded that the use of toothpaste has become a general consumption phenomenon in Kathmandu. There are various brands of toothpaste available in the market and market of toothpaste has turned to be competitive in recent years. The company does not have effective and reliable channel to collect information from wholesalers, distributors and consumers.

Lamichhane Hari, (1998) concluded that advertising is considered as the primary source of information. The advertisement of Coke, Pepsi and branded cold drinks are found in Kathmandu. Coca-cola brand is more popular than other brand. Consumer gives more preference to the brand but less preference to quality and taste. Television is the mostly favourite media for advertisement. The major reasons of brand switching are the taste of the product. Most of consumers are found brand loyal. If they don't get the desired brand, they use the alternative brand. So the marketers are suggested to give proper attention on their distribution system.

Baral Nara Nath, 2002 in summary, PDDP distributes milk and milk products in Pokhara area. The quality of milk is affected in different seasons. In flush seasons, when PDDP has less milk collection, then quality of milk is not found satisfactory. In peak seasons milk becomes excess and PDDP stops collecting milk from farmer for a few days that is called milk holiday. In false seasons the required amount of milk falls short.

Though it is the largest dairy product company, still other private dairy companies are creating tough competitions to PDDP.

Sharma Vijay Anand, 2002 results of this study showed that though advertisements were able to generate Rudimentary Response (tentative belief and recall) they are not doing so well in terms of emotionally associating (Emotional Response) themselves with consumers. To have favorable market share (Active Response) brands extensively resorted to special promotion campaigns (Noodles) or to magnify out of promotion miniscule brand differences (Toothpaste and Washing soaps). In other words, advertisements are limited merely to the task of disseminating information.

## **2.7 History of Toothpaste in Nepal**

During the hunting era, people of Nepal were not in the habit of cleaning their teeth. Then gradually with the various other developments people used Coal for cleaning their teeth and later on they sniffed into Datyun Stick and Neem Stick slowly. After sometime various companies were established for the production of toothpaste. The production and sales of toothpaste in Nepal started in 1980 A.D., with the establishment of Nepal Tooth Product. The company started its marketing activities with the production and sales of 'Everest' brand toothpaste. Everest toothpaste won a gold medal in 1982 and 1983 A.D. The Brighter Industry is the second toothpaste company, which produces 'Brighter' toothpaste and was established in 2042 B.S. in Thimi, Bhaktapur.

Nepal Lever Limited as a subsidiary of Hindustan Lever was established in Hetauda in 1992 A.D. In 2004, the Nepal Lever Limited was changed into Unilever

Nepal Limited. This company produces many product, it has been able to retain its top position is Nepalese market. After that Colgate Palmolive Nepal was established at Hetauda in 1996 and started to produce toothpaste in 1997. Recently one another brand 'Anchor' is produced and marketing by Achor Health and Beauty Care Pvt. Ltd. It seems Close-up, Pepsodent, Colgate, Anchor are toppest brands in market. (Aryal, Kishor Raj, 2002)

## **2.8 Research Gap**

Review of researcher conducted so far shows that researchers are more concentrated upon the market situation of a single brand of toothpaste or comparison of market situation of a brand with all of available brands. But no research has been found which did comparison of the market situation of a single brand with other single brand. This gap is supposed to be filled by the current research.

## **CHAPTER- III**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology is a scientific technique or art of inquiry in order to collect necessary data or information. It produces knowledge systematically and scientifically.

“Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how the research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods / techniques but also the methodology. When we talk of research methodology we not only talk of the research methods but also consider the logic behind the method we use in the contest of our research study and explain why we are using the particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by them.” (C. R. Kothari, 2000, P.10 &11)

“Research methodology is a way to solve the problems. Market research specifies the information required to address these issues, designs the methods of collecting information, manages and implements and data collection process, analyzed the results and communicate the findings and their implications.” (New marketing research definition approved, P.1)

In the context of marketing,” Marketing is the principal revenue generating activity while other is revenue consuming. Marketing research deals with the production and distribution problems, marketing institutions, marketing policies and practices. It is better established than production research part because of not

closely interwoven with technology. It covers the issues like production planning, development, pricing, promotion and distribution.” (P. R. Joshi, 2002, P.17)

All above mentioned views deals that the research methodology covers the objectivity, reliability and validity of study. It seems those variables are used in the study as well as data collection and analysis.

### **3.2 Research Design**

This research is basically exploratory in nature. The main aim of this study is to find out the toothpaste market position in Dhangadhi municipality especially with reference to Close-up and Pepsodent. This study suggests to the company to make the market position strong. To fulfill this purpose, related information from different aspects is collected through the structured questionnaire for consumers and retailers. For the study, the survey research design is adopted to collect raw data and descriptive type of survey research design has been followed to evaluate and analyze the study.

### **3.3 Nature and Sources of Data**

Most of the data used in this study are primary in nature. Some secondary data has also been used for the purpose of the study. All the primary data were collected from shops and consumers and some information are taken from authorized distributor of the company. The sample size is categorized in different professions, age groups, areas, educational background, and sex and so on.

### **3.4 Data Collection Procedure**

The questionnaires are developed in structured form for different aspect according to objectives of the study. Both primary and secondary data are used for the research study. Primary data are collected from field survey, questionnaire and personal interview. Secondary data are gathered from published materials, booklets, websites, etc. Two different sets of questionnaires were prepared for the

real consumer and shop owners (retailers). The questionnaire distributed through personal contact one by one and requested respondent to fill it and researcher also filled the questionnaire by personal interview with shop owner (retailer) who were stocking toothpaste.

### 3.5 Population

The population of the study includes consumers, shopkeepers and distributors of Dhangadhi Municipality.

### 3.6 Sampling

As the above mentioned population, it is impossible to include the total population in the study. So out of total population 120 consumers, 52 shops were surveyed randomly which are based on area wise sampling. The researcher took the areas and the sample size in his both shop and consumer research as follows.

**Table-3.1**  
**Sampling for data collection**

S. N.	Area	Sample size for Consumers	Sample size for shop
1.	Pipal Chautara	12	7
2.	LN Chowk	12	7
3.	Ratopul	12	7
4.	Campus Road	12	7
5.	Chauraha	12	4
6.	Milan Chowk	12	4
7.	Taranagar	12	4
8.	Santoshi Tole	12	4
9.	Dakshin Behendi	12	4
10.	Chatakpur	12	4
<b>Total</b>		<b>120</b>	<b>52</b>

(Source: Primary data)

### **3.7 Data Processing and Analysis**

All the questionnaires were distributed and collected by the researcher himself so there was not any delay in collection of questionnaires, which were distributed among the respondents. Every questionnaire was thoroughly checked after the collection and was found correct in style of fillings the same response of the collected questionnaires were put into one place under the respective headings and the total responses were counted. The total response was presented in one master table with the help of the data master table. Necessary adjustment has made for attaining the objective of the study. Analysis has been made by percentile method.

### **3.8 Data Presentation**

The collected data are recorded systematically, identified and the available information is grouped as per the need of the research work. In order to meet the research objectives the collected data are presented on the tabular form for easy calculation and analysis. The data are presented and interpreted in different headings. Data can be presented clearly and divided either in table or bar graph and pie- chart according to the nature of data.

## **CHAPTER- IV**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.1 Current Toothpaste Consumption & Market Scenario**

Due to rapid growth of population, the demand of basic needs of human being like food, shelter and cloths are increasing day by day. At the same time, urbanization is also in increasing trend as well as other needs like cosmetics goods, toothpastes, luxurious goods, home appliance goods etc. Peoples have no alternative to clean their teeth in urban area as well as semi-urban area. Still in village area, most of the people use tooth powder and other natural things like coal, small sticks and so on. But at the movement, demand of toothpaste is increasing and habit of Nepalese peoples to consume toothpaste is increasing. Now, there are so many brands of toothpaste in Nepalese market and tough competition exists. Close-up, Pepsodent, Colgate, Dabur, Brighter, Anchor etc. well know brands in the market. But most of market share lead by Close-up, Colgate, Pepsodent and Dabur.

#### **4.2 Market Position Study**

To conduct the study in Dhangadhi Municipality, researcher developed two types of separate questionnaires, consumer behavior survey and retailer survey . The responses collected from 120 real consumers, 52 shopkeepers in Dhangadhi Municipality. Researcher has always tried to reach more accuracy; questionnaires were distributed on the basis of sex, age, income level, education, profession and area wise that can represent the population for randomly selected samples.

Collected responses are converted in several tabular form and analyzed in different aspects, which the study needs.

### 4.3 Consumer Behaviour

Consumers are always the most important for marketer. To understand consumer habit towards toothpaste, 120 questionnaires were distributed to real consumers. The following tables give the details.

#### 4.3.1 Detail of Consumers

Table-4.1  
No. of Response Received

Place	Response received	Percentage
Dhangadhi Municipality	120	100
Total	120	100

(Source: Field Survey, 2012)

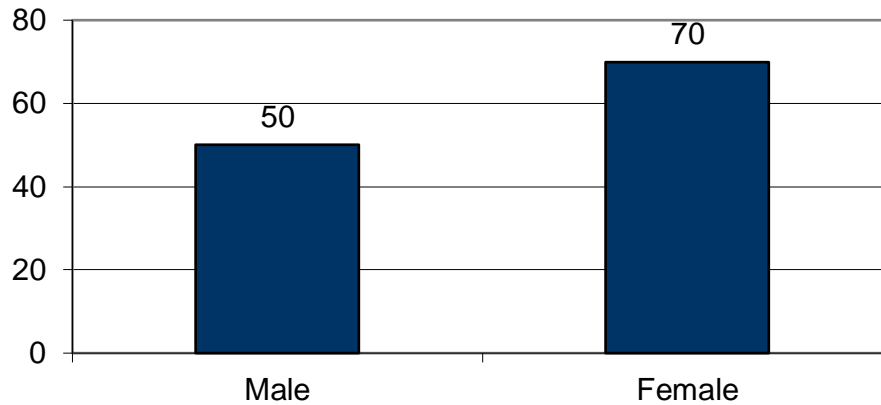
All the distributed questionnaires were filled correctly by the respondents in presence of the researcher and collected.

Table-4.2  
No. of Male / Female Respondents

Sex	Respondents	Percentage
Female	70	58.33
Male	50	41.67
Total	120	100

(Source: Field Survey, 2012)

Figure-4.1  
No. of Male / Female Respondents



Comparatively numbers of female respondents are more than male. Researcher took questionnaire to housewives is the reason behind it.

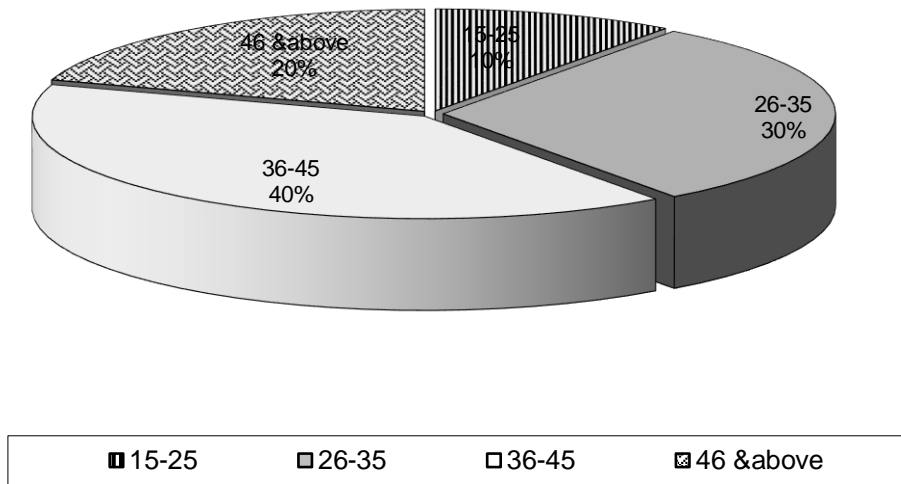
Table-4.3  
Consumer's age group in years

Age group	No of Respondents	Percentage
15-25	12	10
26-35	36	30
36-45	48	40
46 & above	24	20
Total	120	100

(Source: Field Survey, 2012)

Figure-4.2

### Consumer's Age Group in Years



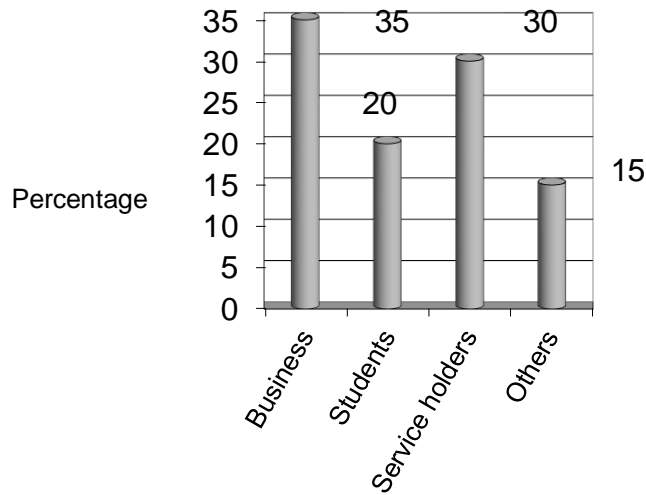
Most of the samples were taken from age groups 26-35 years & 36-45 years. These age groups generally represent rational consumers who consider different alternatives and are aware of new products that enter into market.

Table-4.4  
Profession of the Consumers

Profession	No. of Respondents	Percentage
Business	42	35
Students	24	20
Service holders	36	30
Others	18	15
Total	120	100

(Source: Field Survey, 2012)

Figure-4.3  
Profession of the Consumers



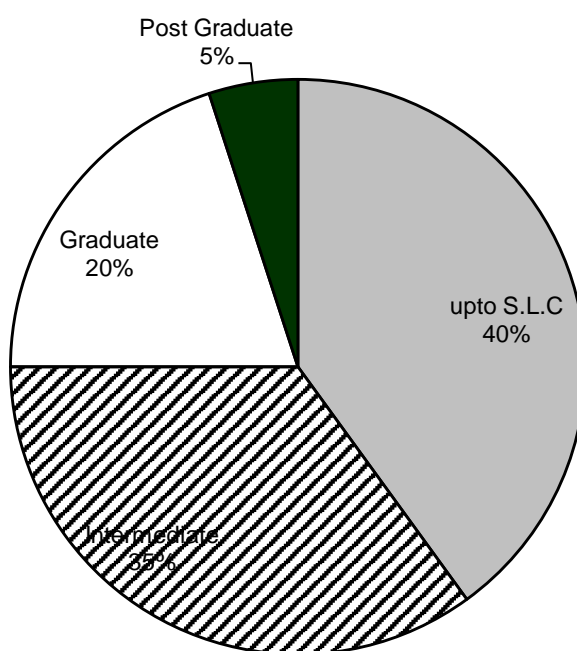
Among the respondents, 35 percentages involve in their own business which is the highest than other level of profession, 15 percentage respondents are dependents upon agriculture and semi-agriculture profession which indicates that most of people in Dhangadhi Municipality are dependent upon business and service and small number of population are involved in other profession.

Table-4.5  
Education level of respondents

Academic level	No. of Respondents	Percentage
Up to S.L.C.	48	40
Intermediate	42	35
Graduate	24	20
Post Graduate	6	5
Total	120	100

(Source: Field Survey, 2012)

Figure-4.4  
Education Level of Respondents



Most of the respondents are up to S.L.C and Intermediate academic level. Post graduate level responses are few due to their busy schedule.

Table-4.6  
Respondent's Family Size

Member of family	No. of respondents	Percentage
1-3	15	12.5
4-6	70	58.34
7 & above	35	29.16
Total	120	100

(Source: Field Survey, 2012)

Figure-4.5  
Respondent's Family Size

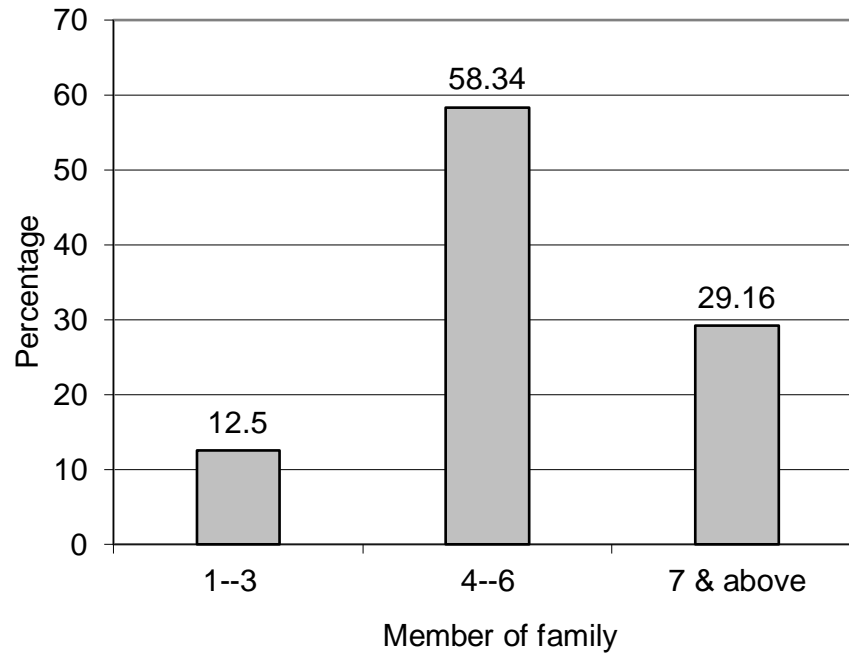


Table no. 4.6 and above figure indicates that 58.34 percent respondents have 4-6 members in their family. It means maximum respondents were from member size 4-6. Minimum member of family like 1-3 is less or 12.5 percent only and 7 and above member's family size is also significant.

Table-4.7  
Monthly Family Income of Respondents

Income (Rs)	Respondents	Percentage
2000- 5000	16	13.33
5000- 8000	34	28.34
8000- 11000	55	45.83
11000- 15000	10	8.33
15000 & above	5	4.17
Total	120	100

(Source: Field Survey, 2012)

Figure-4.6  
Monthly Family Income of Respondents

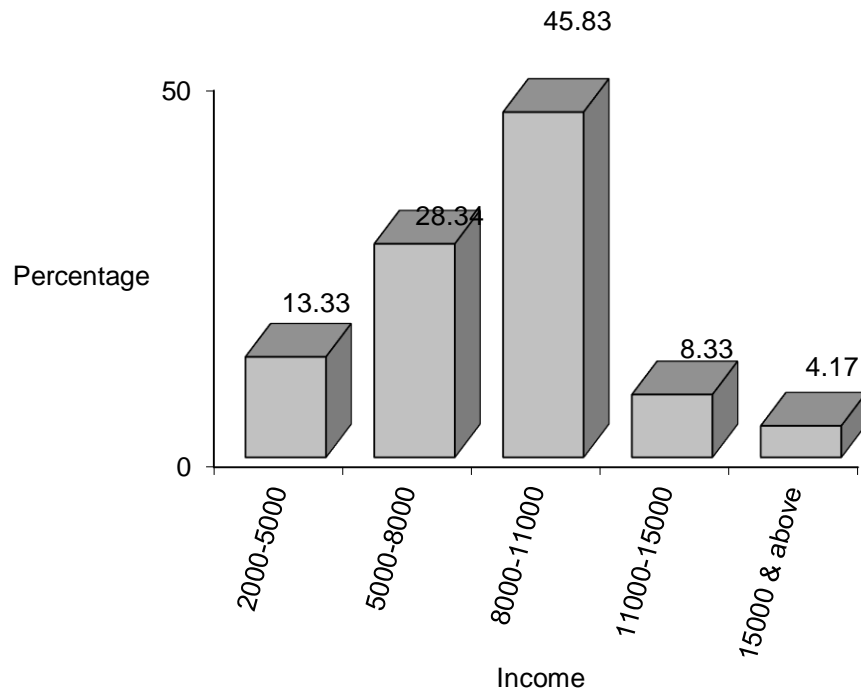


Table no. 4.7 and figure no. 4.6 shows that the most of respondents have their monthly family income lies between Rs.8000 to Rs.11000. Least income level of respondents is few as well as highest income level respondents are lower in number. Most of respondents don't like to show their actual income due to different reasons so that the respondents having monthly income more than Rs.15000 may be seen in least size.

#### 4.3.2 Buying behavior of consumers

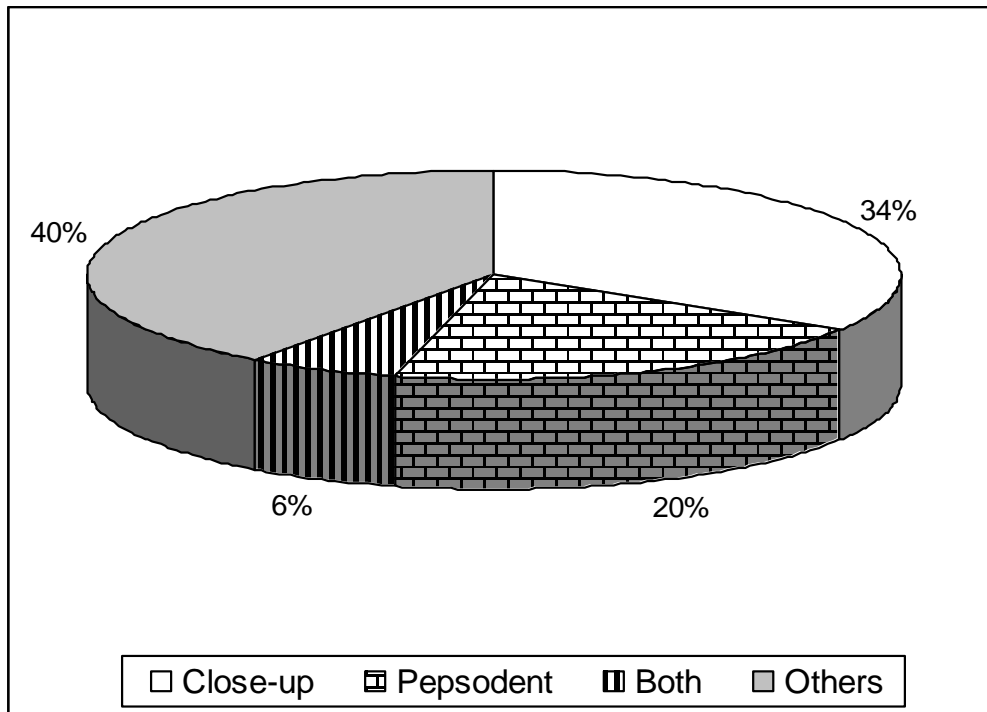
Consumers buying habit is a significant determinants to determine market situation. To explore the hidden matter, researcher kindly asked to respondents with so many brand names of toothpaste through his structured questionnaire that usually they buy as well as about specific brand and considerable factors while buying. The following details obtained from respondents as:

Table-4.8  
The Brands Consumers Usually Buy

Brand name	Respondents	Percentage
Close-up	41	34
Pepsodent	24	20
Both	7	6
Others	48	40
Total	120	100

(Source: Field Survey, 2012)

Figure-4.7  
The Brands Consumers Usually Buy



Above mentioned responses on the table 4.8 and figure no. 4.7 shows that Close-up and Pepsodent brands occupy 34 percent and 20 percent of the consumers and both brands occupy 6 percent of the consumers. But only, 40

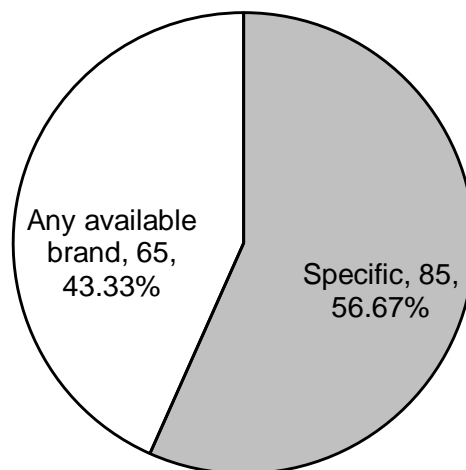
percent consumers use other brands. Most of people use Close-up toothpaste according to response mentioned above.

Table-4.9  
No. of Respondents Who Use of Specific Brand

Brand Name	Respondents	Percentage
Specific	52	43.33
Any available brand	68	56.67
Total	120	100

(Source: Field Survey, 2012)

Figure-4.8  
No. of Respondents Who Use Specific Brand



The responses show that still there is many consumers are not loyal to specific brand but most of them are consuming any available brand.. It seems that there is more possibility to increase sales by attracting them by launching new

toothpaste. There is the possibility for new toothpaste manufacturing companies to enter in the market.

Table-4.10

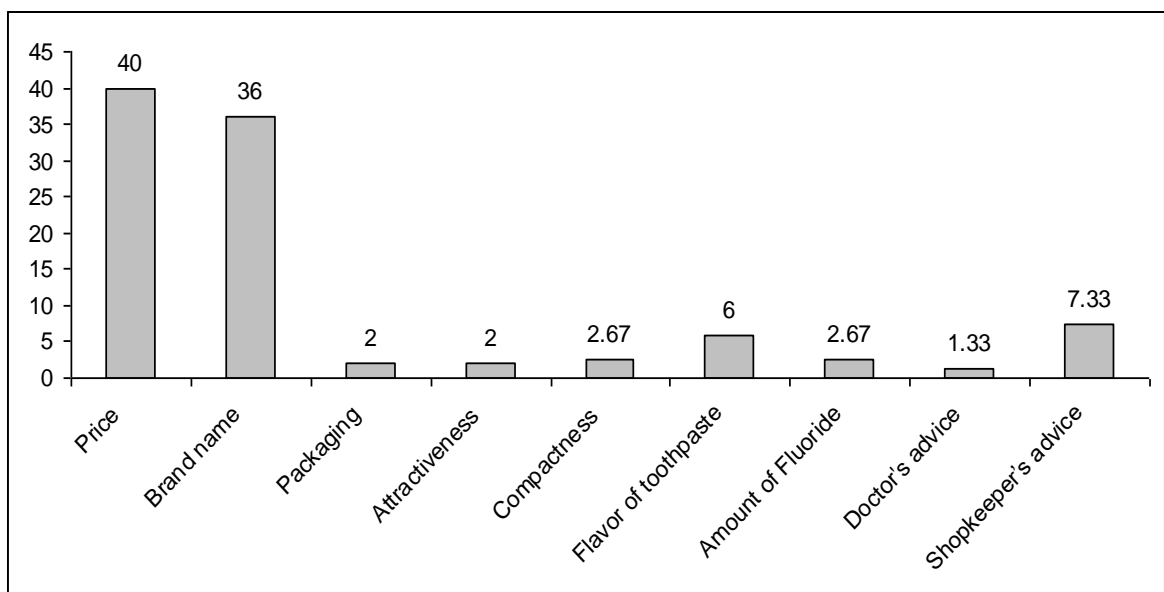
Factor that Consumer Consider While Buying Toothpaste

Considerable factors	Respondents	Percentage
Price	48	40
Brand name	43	36
Packaging	2	2
Attractiveness	2	2
Compactness	3	2.67
Flavor of toothpaste	7	6
Amount of Fluoride	3	2.67
Doctor's advice	1	1.33
Shopkeeper's advice	11	7.33
Total	120	100

(Source: Field Survey, 2012)

Figure-4.9

Factor that Consumer Consider While Buying Toothpaste



Presentations of above responses show that 40 percent consumers consider price to make decision to buy toothpaste where as 36 percent are following brand names. It seems that price and brand image significant for the company to attract buyers. Other factor like flavour, doctor's advice etc. are also to some extent influencing factors but its presence is very low.

Table-4.11

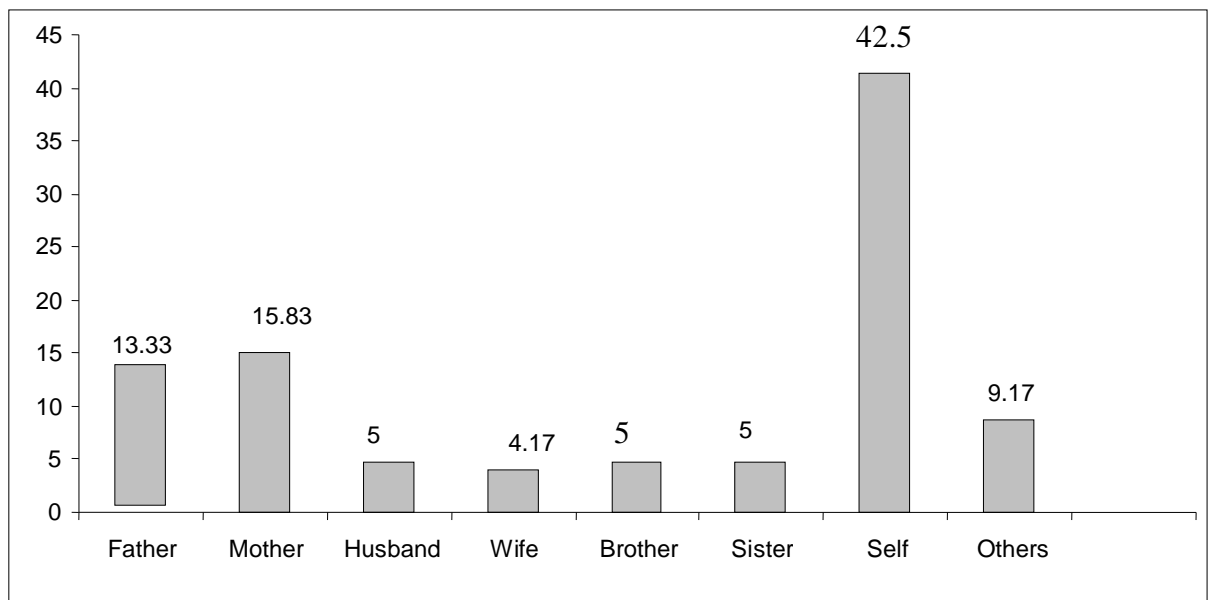
Who Usually Makes the Decision to Buy Toothpaste

Decision Maker	Respondents	Percentage
Father	20	13.33
Mother	24	15.83
Husband	7	5
Wife	6	4.17
Brother	8	5
Sister	8	5
Self	64	42.5
Others	13	9.17
Total	120	100

(Source: Field Survey, 2012)

Figure-4.10

Who Usually Makes the Decision to Buy Toothpaste



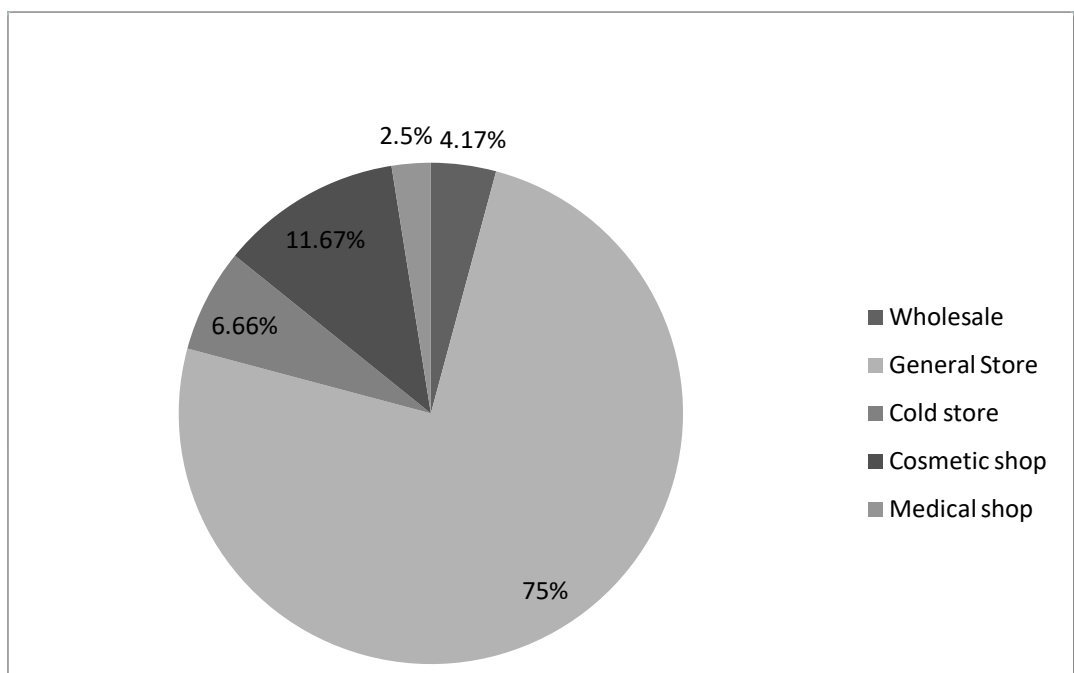
Above responses shows that most of respondent make decision self i.e. 42.5 percent. Most of them are housewives and this study show that ladies plays important role to make buying decision.

Table-4.12  
Which Shop Consumer Buy Toothpaste

Types	Respondents	Percentage
Wholesale	5	4.17
General Store	90	75
Cold store	8	6.66
Cosmetic shop	14	11.67
Medical shop	3	2.5
Total	120	100

(Source: Field Survey, 2012)

Figure-4.11  
Which Shop Consumer Buy Toothpaste



Above table and figure signals that most of consumers purchase by general store. This categories show that 75 percent, 11.67 percent, 6.66 percent, 4.17

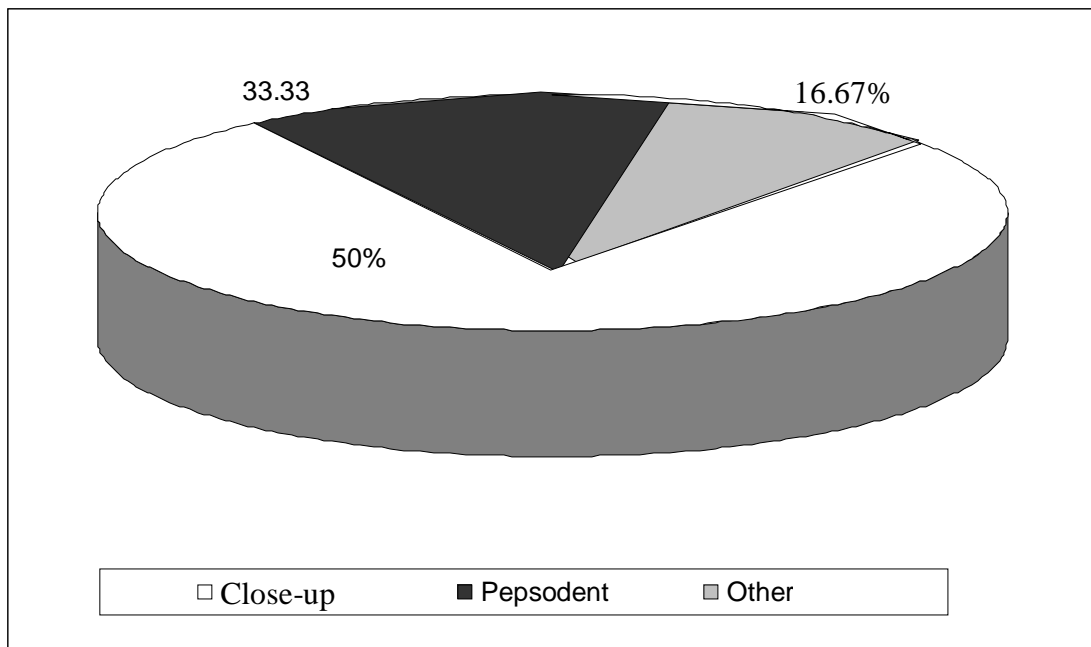
percent, 2.5 percent purchase from general stores, cosmetic shop, cold store, wholesale and medical shop respectively.

Table-4.13  
Easy Availability of Preferred Brand

Availability	Respondents	Percentage
Close-up	60	50
Pepsodent	40	33.33
Other	20	16.67
Total	120	100

(Source: Field Survey, 2012)

Figure-4.12  
Easy Availability of Preferred Brand



Above table and figure try to show that 50% respondents get close-up brand, 33.33% respondents get pepsodent brand, 16.67% get other brands easily which show that close-up brand is stocked in large quantities.

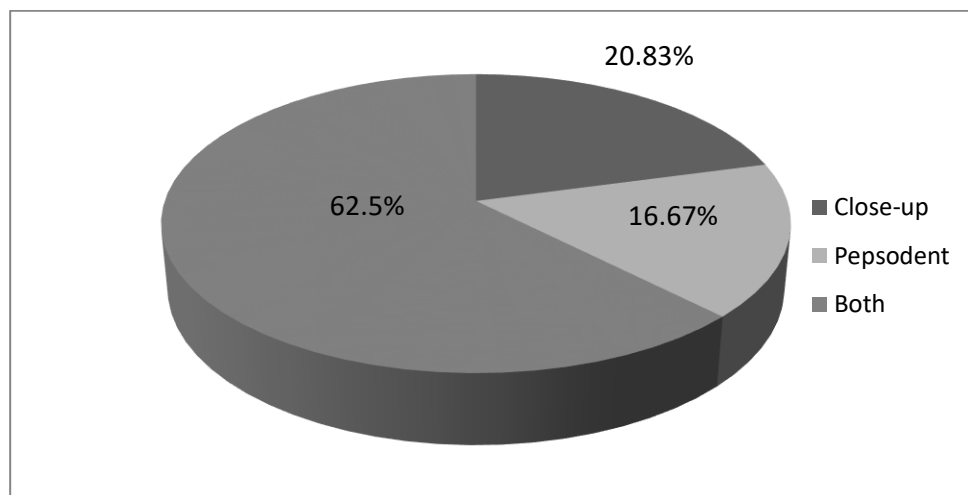
Table-4.14  
Notice Trend of Advertisement

	Respondents	Percentage
Close-up	25	20.83
Pepsodent	20	16.67
Both	75	62.5
Total	120	100

(Source: Field Survey, 2012)

Figure-4.13

Notice Trend of Advertisement



Above responses clearly shows 20.83 percent respondents notice the advertisement of close-up, 16.67% notice the advertisement of pepsodent and 62.5% notice advertisement of both which signals that both close-up and pepsodent advertisements are effective.

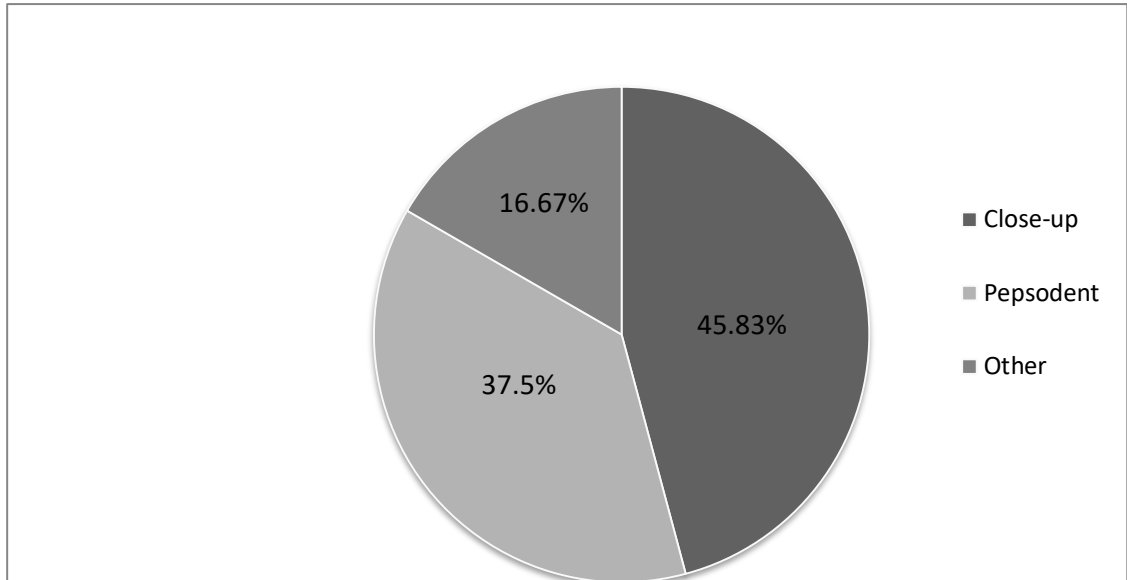
Table-4.15

The Brands using maximum Advertisement Media

	Respondents	Percentage
Close-up	55	45.83
Pepsodent	45	37.5
Other	20	16.67
Total	120	100

(Source: Field Survey, 2012)

Figure-4.14  
The Brands using maximum Advertisement Media



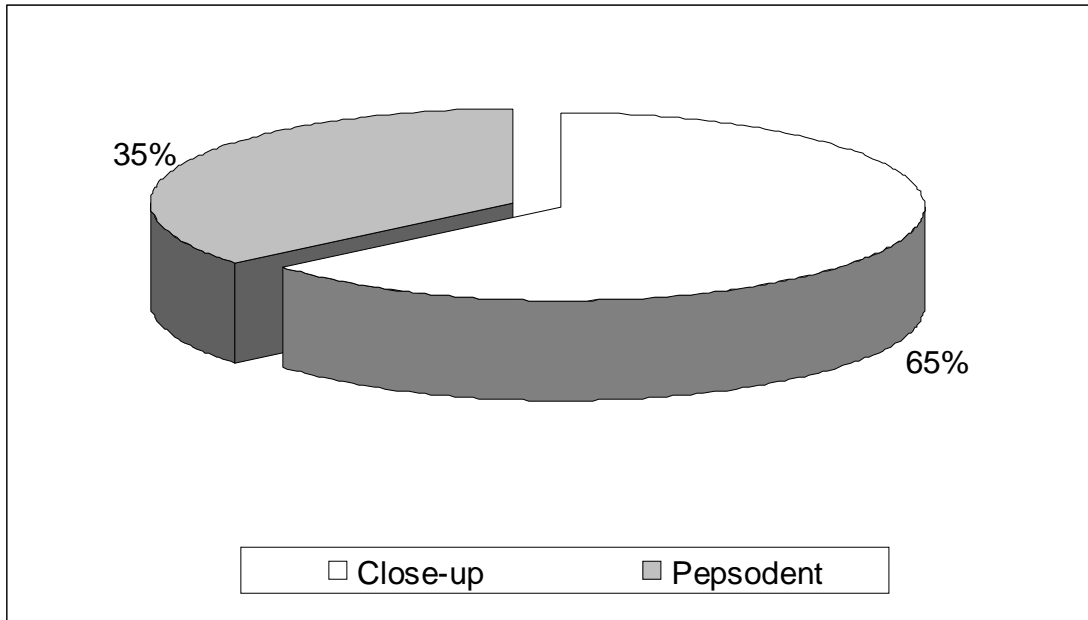
Among the respondents, 45.83% notice the advertisement of close-up in different advertisement media like television, radio, newspaper hoarding, etc which uses maximum advertisement media. 37.5% respondents notice the advertisement of pepsodent .which use lesser advertisement media than close-up. 20% notice other brands using maximum media. In total, pepsodent is noticed using maximum advertisement media for vast advertisement.

Table-4.16  
One of the Best Advertisements of the Two Brands

Brand Name	Respondents	Percentage
Close-up	78	65
Pepsodent	42	35
<b>Total</b>	<b>120</b>	<b>100</b>

(Source: Field Survey, 2012)

Figure-4.15  
One of the Best Advertisements of the Two Brands



The table and figure show that 65 percent respondents like advertisement of Close-up. And 35 percent respondents like advertisement of Pepsodent toothpaste. It shows that Close-up creates its advertisement interesting which is liked by the respondents.

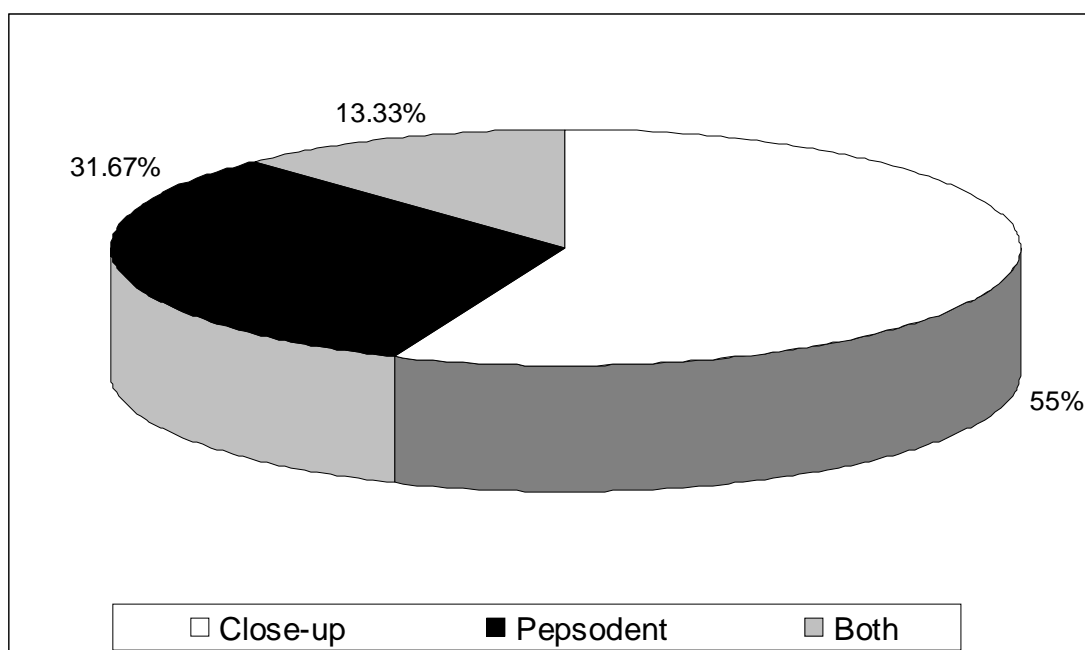
Table-4.17  
Best of Quality

Brand Name	Respondents	Percentage
Close-up	66	55
Pepsodent	38	31.67
Both	16	13.33

Total	120	100
-------	-----	-----

(Source: Field Survey, 2012)

Figure-4.16  
Best of Quality



Among the responses most of respondent prefer as the best quality is Close-up toothpaste i.e. 55 percent. But only 31.67 percent respondent prefer as the best quality is Pepsodent toothpaste and 13.33 percent respondents prefer as the best quality is both toothpaste. It means close-up has maintained its quality.

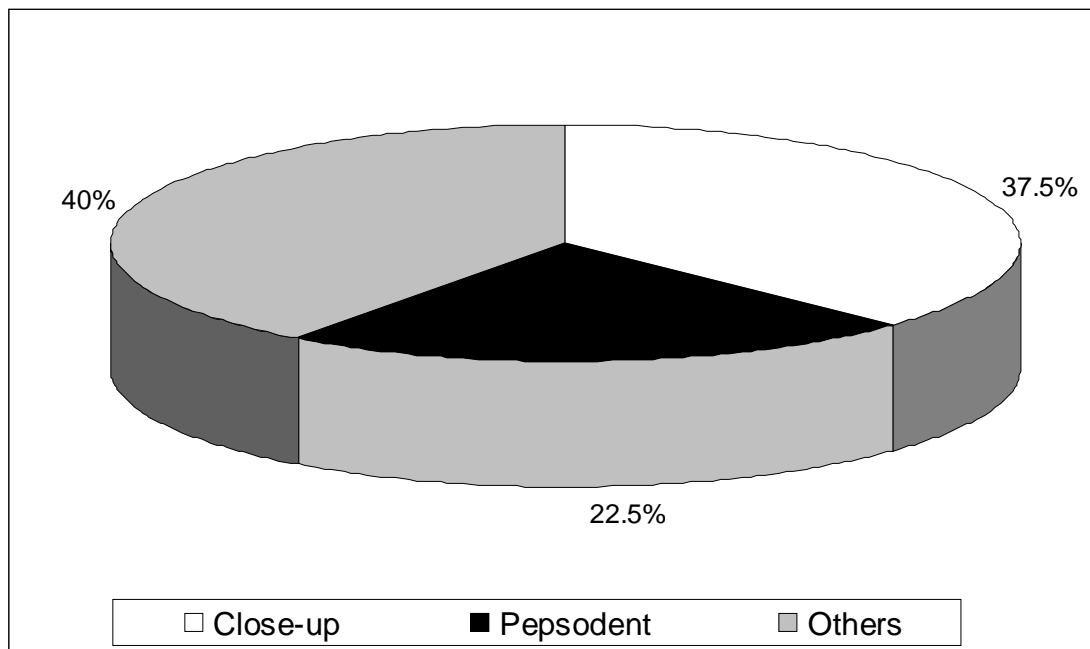
Table-4.18  
The Brands Consumers Suggest to Buy

Brand Name	Respondents	Percentage
Close-up	45	37.5

Pepsodent	27	22.5
Others	48	40
Total	120	100

(Source: Field Survey, 2012)

Figure-4.17  
The Brands Consumers Suggest to Buy



The table and figure show that 37.5 percent and 22.5 percent respondents suggest buying Close-up and Pepsodent toothpaste respectively . And 40 percent respondents suggest buying other available brand. The respondents suggest to buy the brand that satisfy their needs.

Table-4.19

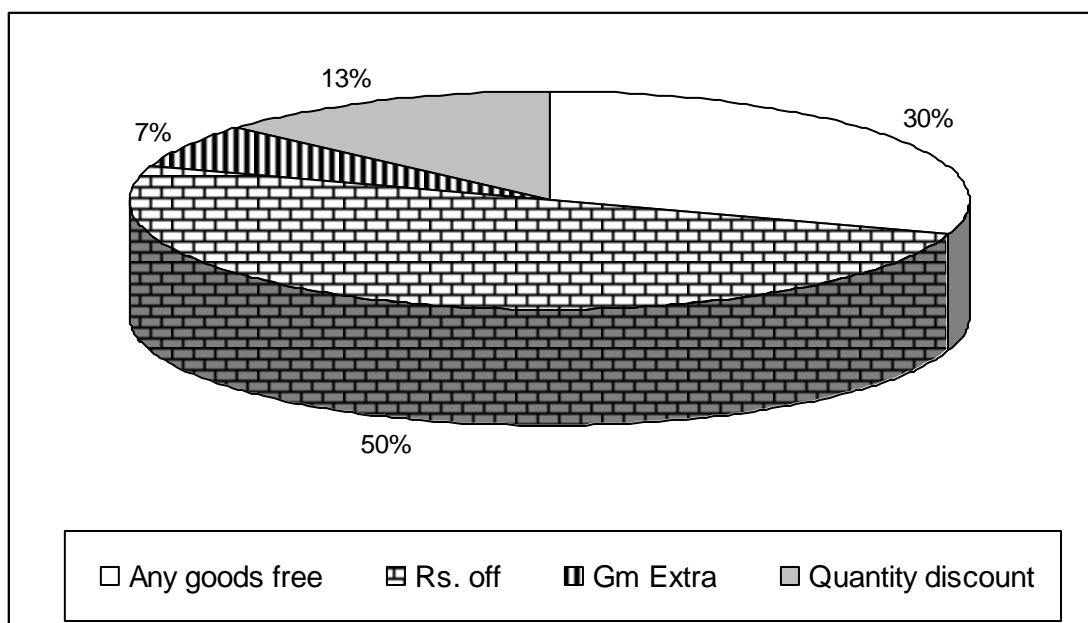
In Consumers Experiences Most of the Consumers like Incentives are as follows

Incentives	Respondents	Percentage
Any goods free	36	30
Rs. Off	60	50
Gm Extra	8	6.67
Quantity discount	16	13.33
Total	120	100

(Source: Field Survey, 2012)

Figure-4.18

In Consumers Experiences Most of the Consumers like Incentives are as follows



Above table indicates that most of customers i.e. 50 percent like Rs. off scheme according to consumers. Likewise, any goods free also one of the better incentives scheme in their experience. These incentives directly can influence on sales.

#### 4.4 Retail Sales/ Shopkeepers' Behaviour

Shopkeepers are nearest mediator with consumers for any fast moving consumer's good manufactures. Their behaviours and attitude towards a brand

have significant effect on sales. So their preference towards a brand helps to determine sales of a product. Here, researcher includes a study due to importance of their behaviour with toothpaste brand. Researcher develops 52 questionnaires for retail sales survey and responses are obtained as follows:

Table-4.20

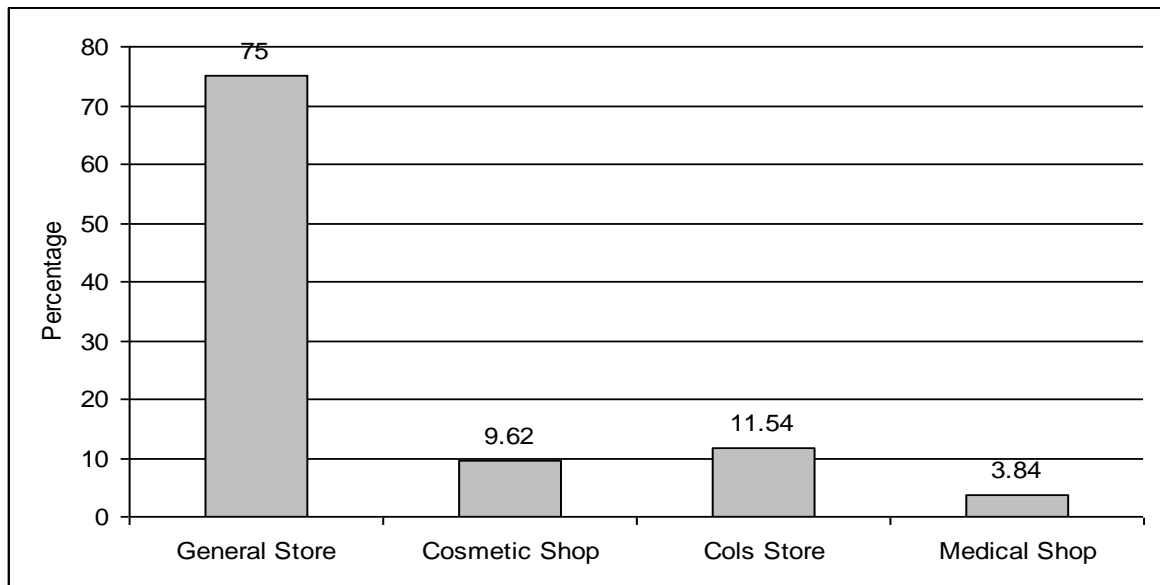
Shop Categories where from Various Brands of Toothpaste are Selling

Types	Quantity	Percentage
General Store	39	75
Cosmetic Shop	5	9.62
Cols Store	6	11.54
Medical Shop	2	3.84
Total	52	100

(Source: Field Survey, 2012)

Figure-4.19

Shop Categories where from Various Brands of Toothpaste are Selling



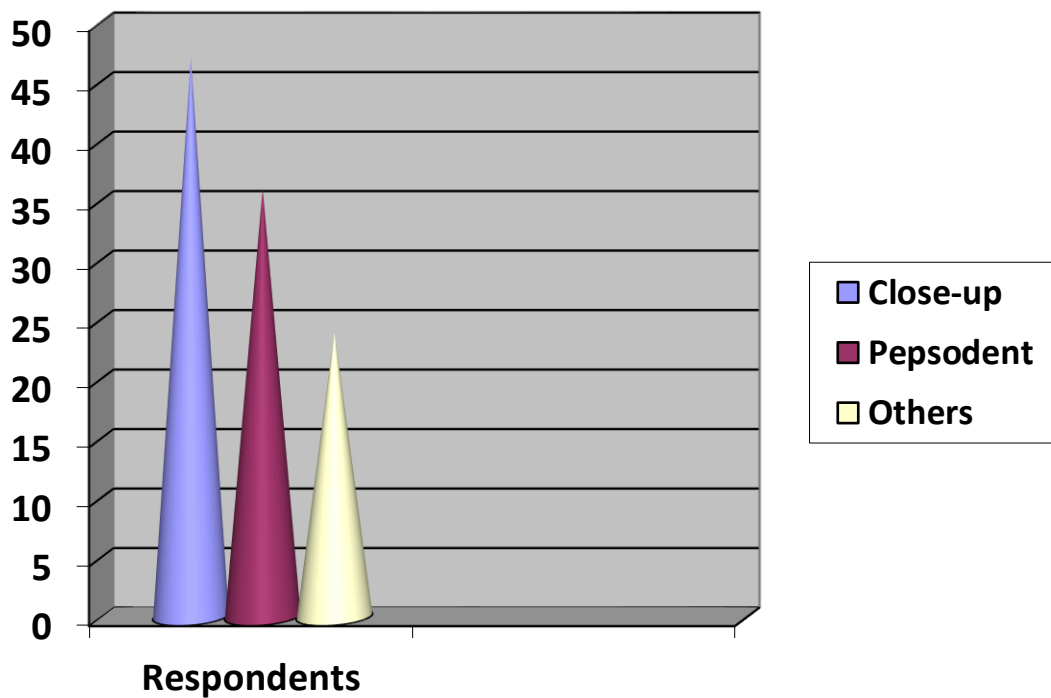
Above table and figure signals that toothpaste has been selling buy general store in the large scale. This categories show that 75 percent represents general stores, 9.62 percent represent cosmetic shop and 11.54 percent cold store as well as 3.84 percent medical shop.

Table-4.21  
Brands Stock in a Shop for Sale

Brand Name	Respondents	Percentage
Close-up	47	90.38
Pepsodent	36	69.23
Others	24	46.15

Source: Field Survey, 2012)

Figure-4.20



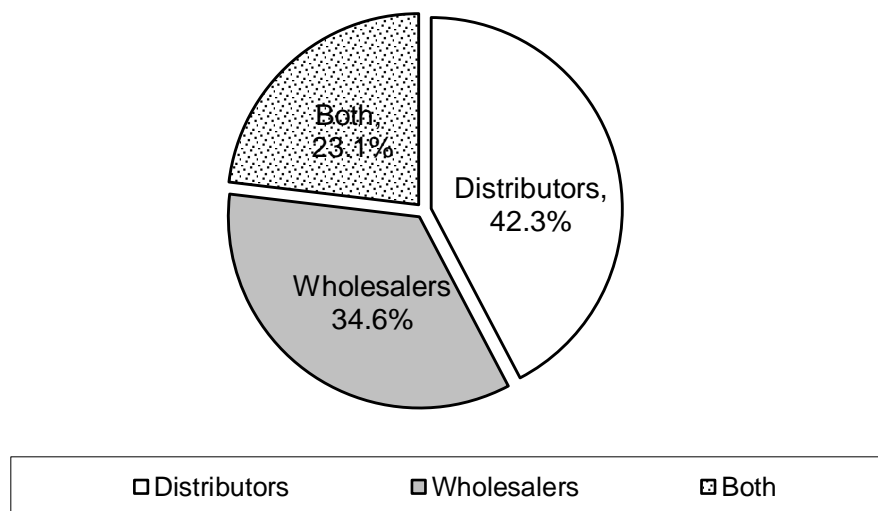
Above table and figure indicate that 47 respondents i.e. 90.38% are stocking close-up, 36 respondents i.e. 69.23% are stocking pepsodent and 24 respondents i.e. 46.15% are stocking other brands which indicates that close-up has higher demand.

Table: 4.22  
Shopkeepers' buying behavior

Source of buying	No. of shops	Percentage
Distributors	22	42.30
Wholesalers	18	34.60
Both	12	23.10
Total	52	100

(Source: Field Survey, 2012)

Figure-4.21  
Shopkeeper's Buying Behavior



Most of the shopkeepers i.e. 42.30 percent buy Close-up and Pepsodent toothpaste from distributors only and 34.60 percent shopkeepers purchase from wholesaler only. Remaining 23.10 percent are buying from distributors as well as wholesaler.

Table-4.23

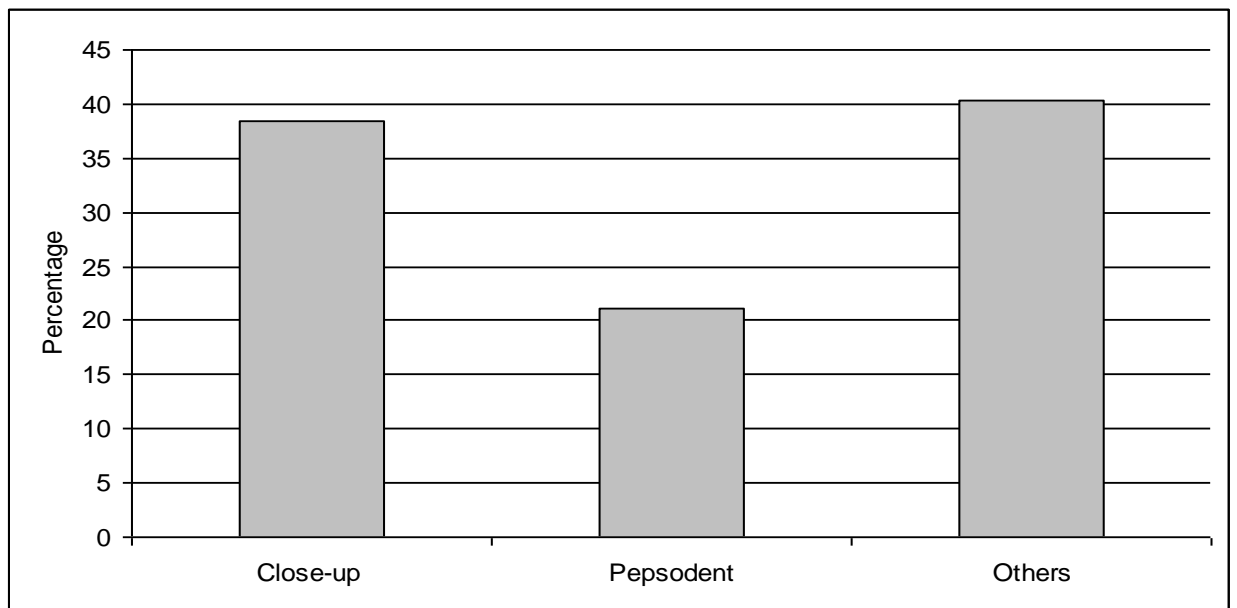
Which brand has more sales from your shop?

Brand name	No. of shops	Percentage
Close-up	20	38.46
Pepsodent	11	21.15
Others	21	40.39
Total	52	100

(Source: Field Survey, 2012)

Figure-4.22

Which brand has more sales from your shop?



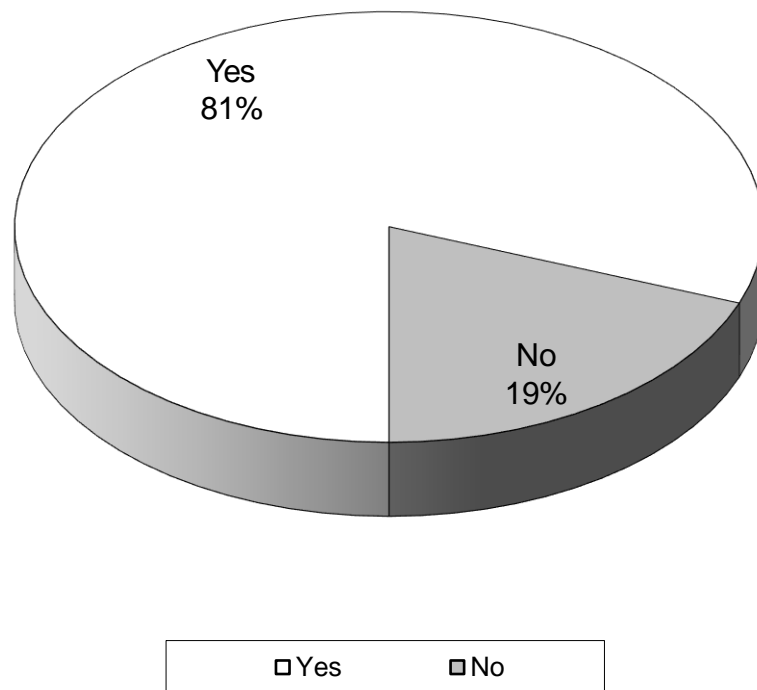
The table and figure shows that Close-up toothpaste has more sales from the shops i.e. 38.46 percent sale on Close-up. From some shops, Pepsodent also have more sales i.e. 21.15 percent sales on Pepsodent and only 40.39 percent sales on other available toothpaste. It seems that the Uniliver Nepal Ltd. has captured the large market share in Dhangadhi Municipality.

Table-4.24  
 Convincing Behavior of Shopkeepers

Convince	No. of shopkeepers	Percentage
Yes	42	80.77
No	10	19.23
Total	52	100

(Source: Field Survey, 2012)

Figure-4.23  
 Convincing Behavior of Shopkeepers



Above table shows that 80.77 percent shopkeepers convince their consumers if they don't ask a specific brand and 19.23 percent shopkeepers remain silent. It seems that sales may be depended on seller's convincing behavior at some extent.

Table-4.25

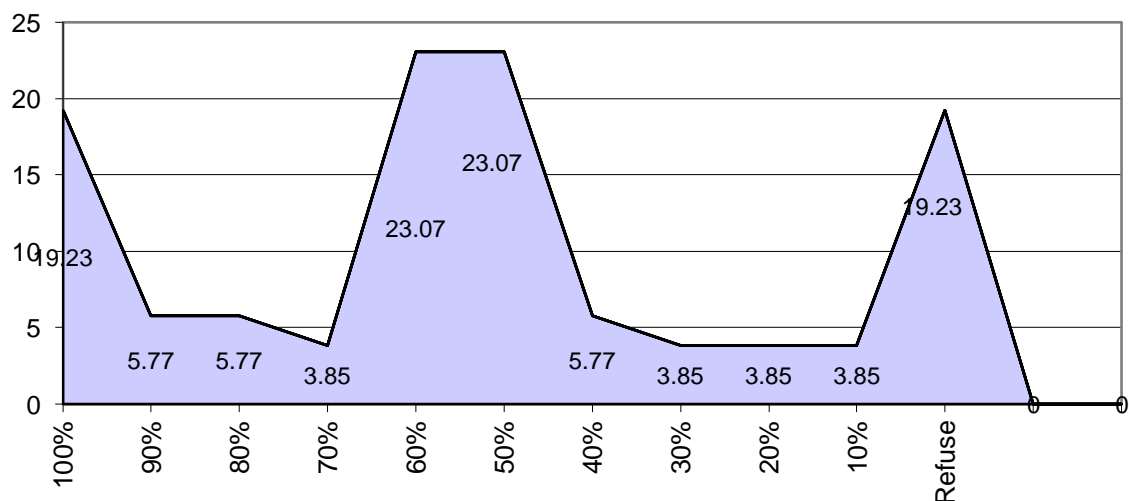
No. of Followers of Shopkeeper's Advice

Followers	No. of shopkeepers	Percentage
100%	10	19.23
90%	3	5.77
80%	3	5.77
70%	2	3.85
60%	3	23.07
50%	12	23.07
40%	3	5.77
30%	2	3.85
20%	2	3.85
10%	2	3.85
Refuse	10	19.23
Total	52	100

(Source: Field Survey, 2012)

Figure-4.24

No of Followers of shopkeeper's advice



Above mentioned data on the table show that how much percentage customers are convinced by sellers. So push sell is also influencing factor to increase sales by giving extra benefit to sellers.

Table-4.26

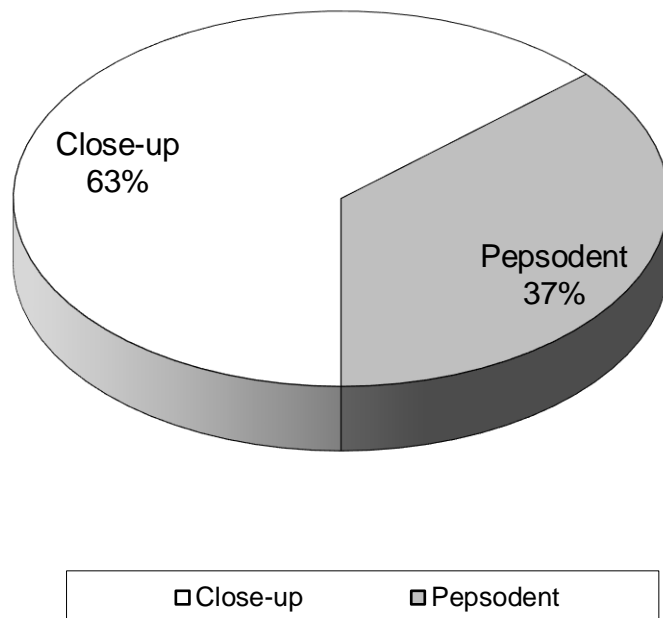
The Best Advertisements of the Brand on Shopkeeper's View

Brand Name	Respondents	Percentage
Close-up	33	63.46
Pepsodent	19	36.54
Total	52	100

(Source: Field Survey, 2012)

Figure-4.25

The Best Advertisements of the Brand on Shopkeeper's View



Above table and figure shows that 63.46 percent shopkeeper's like advertisement of Close-up brand and is looking more effective one. And only 36.54 percent shopkeepers like advertisement of Pepsodent toothpaste.

Table-4.27

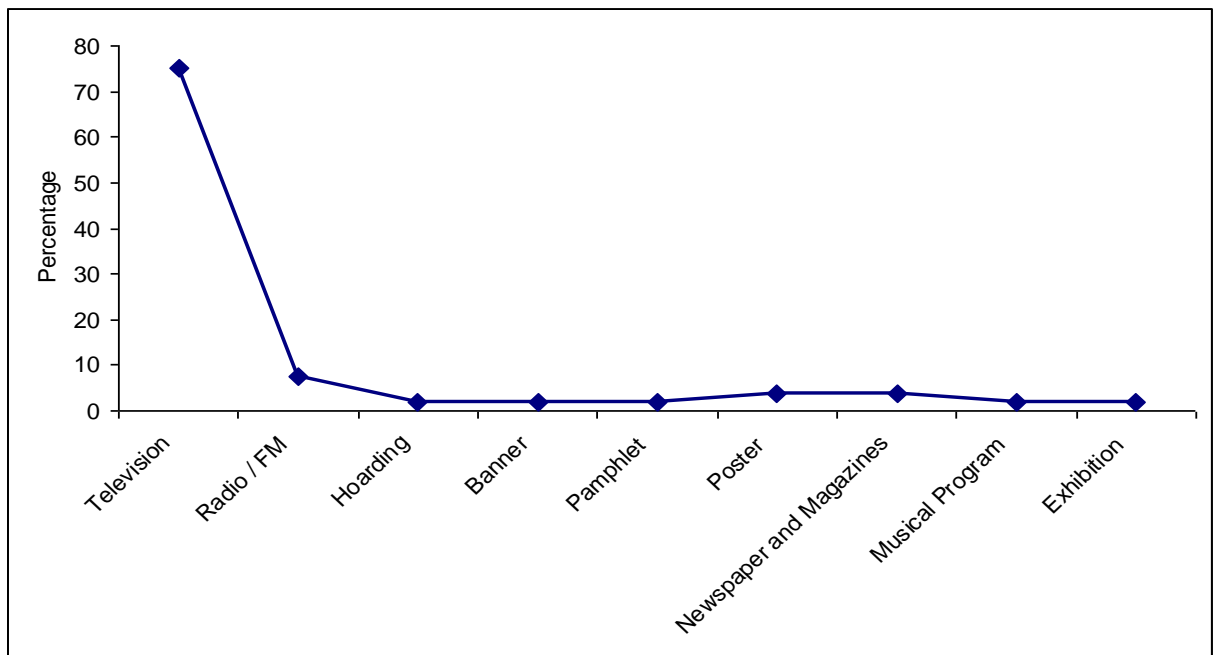
The Best media for advertisements on shopkeepers' view

Media	No. of Retailers	Percentage
Television	39	75
Radio / FM	4	7.69
Hoarding	1	1.92
Banner	1	1.92
Pamphlet	1	1.92
Poster	2	3.85
Newspaper and Magazines	2	3.85
Musical Program	1	1.92
Exhibition	1	1.92
Total	52	100

(Source: Field Survey, 2012)

Figure-4.26

The best media for advertisement on shopkeepers' view



Among the responses most of shopkeepers prefer as the best media for advertisement is television i.e. 75 percent shopkeepers think effective.

Table-4.28

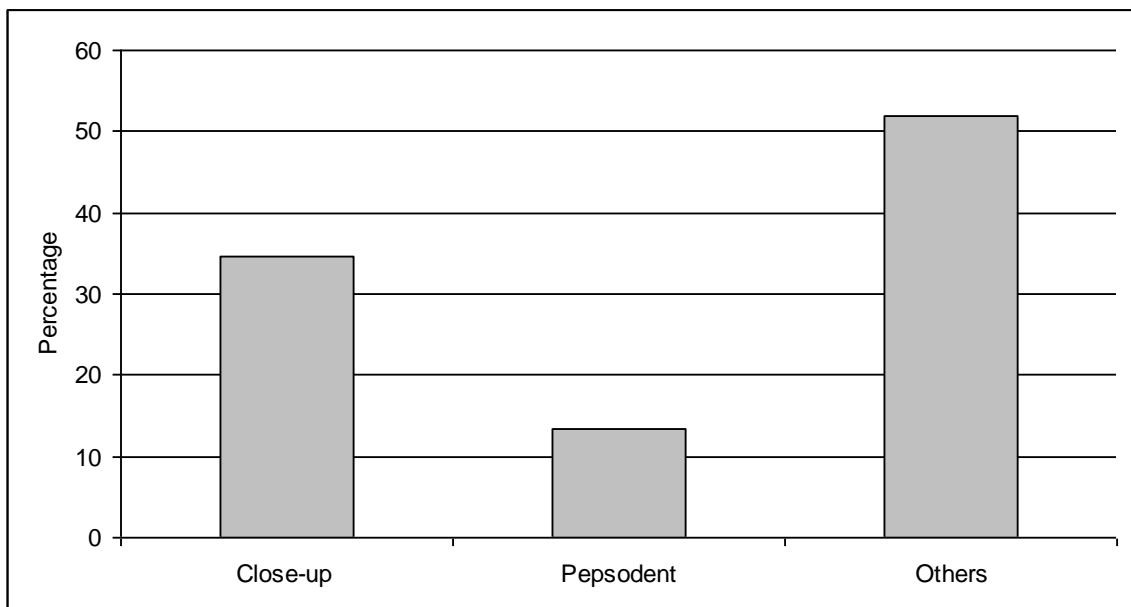
The More Profitable Brand than Another

Brand Name	Respondents	Percentage
Close-up	18	34.62
Pepsodent	7	13.46
Others	27	51.92
Total	52	100

(Source: Field Survey, 2012)

Figure-4.27

The More Profitable Brand than Another



On the view of 34.62 percent shopkeepers close-up brand has more profit than other. But most of the shopkeepers i.e. 51.92 percent are getting more profit than Nepalese leading brands.

Table-4.29

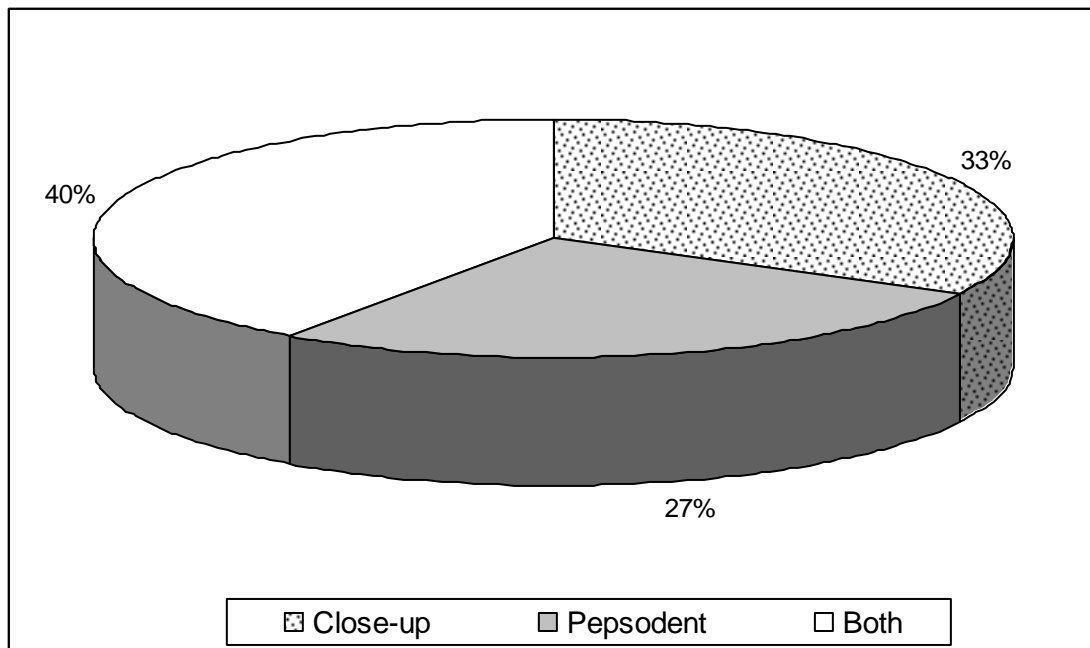
The Best Packaging of the Toothpaste

Brand Name	Quantity	Percentage
Close-up	17	32.69
Pepsodent	14	26.92
Both	21	40.38
Total	52	100

(Source: Field Survey, 2012)

Figure-4.28

The Best Packaging of the Toothpaste



On the view of 40.38 percent shopkeepers say that both brand have best packaging. But 32.69 percent shopkeepers says Close-up brand and 26.92 percent shopkeepers says Pepsodent brand have best packaging.

Table-4.30

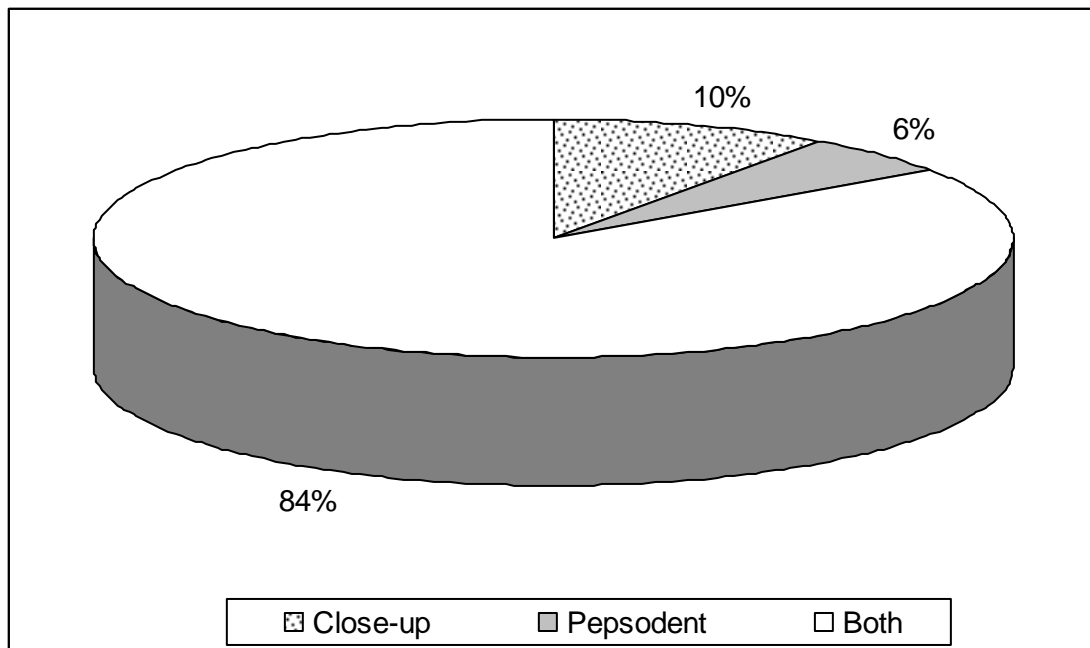
The Good Distribution Channel of the Toothpaste

Brand Name	Quantity	Percentage
Close-up	5	9.62
Pepsodent	3	5.78
Both	44	84.60
Total	52	100

(Source: Field Survey, 2012)

Figure-4.29

The Good Distribution Channel of the Toothpaste



Among the responses most of shopkeepers said that both brand have a good distribution channel i.e. 84.60 percent.

Table-4.31

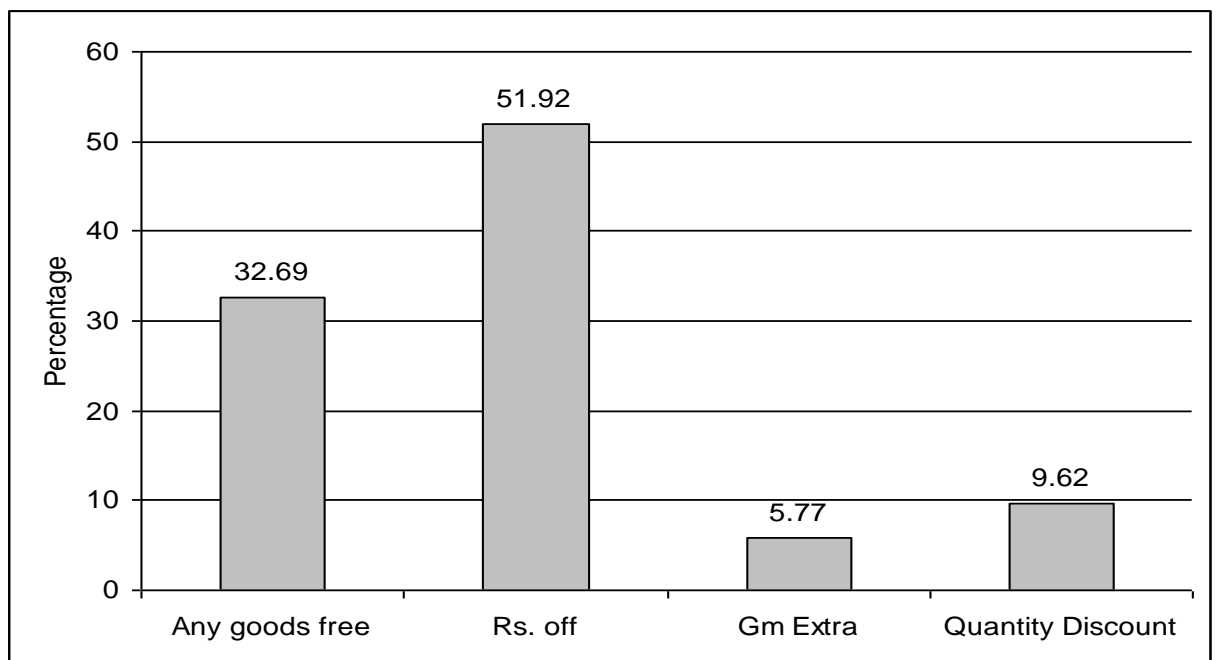
In Shopkeepers Experiences Most of the Customers like Incentives are as Follows

Incentives	Quantity	Percentage
Any goods free	17	32.69
Rs. off	27	51.92
Gm Extra	3	5.77
Quantity Discount	5	9.62
<b>Total</b>	<b>52</b>	<b>100</b>

(Source: Field Survey, 2012)

Figure-4.30

In Shopkeepers Experiences Most of the Customers like Incentives are as follows



Above table indicates that most of customers i.e. 51.92 percent like Rs. off scheme according to shopkeepers. Likewise, any good free is also one of the better

incentive schemes in their experience. These incentives directly can influence on sales.

#### 4.5 Distributors survey

The business in Nepal is becoming complex day by day. Several business companies are being established in Nepal, producing similar products, with their own brand. For increasing their market, these companies are also taking the advantages of sales promotion. They try to be strong in distribution system, which plays vital role in raising sales. If distribution is good, the customer who has brand awareness will never shift to another brand because they will find their brand easily whenever they want. Hence, the distribution plays the vital role for each and every company in increasing their market share. So, researcher collects the information for distributor's sales from Dinesh Concern Pvt. Ltd, which is the authorized dealer of Unilever Nepal for Dhangadhi. The information obtained from its sales book of five consecutive years are as follows:-:

Table-4.32

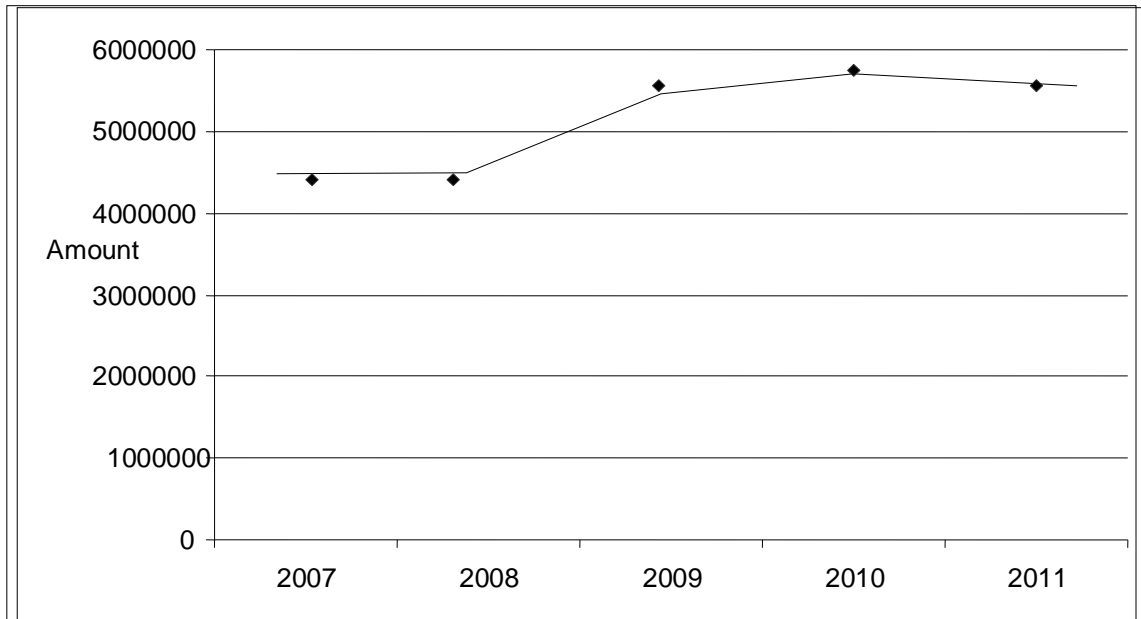
Sales of the Close-up Toothpaste from the Sales Book on 2007 to 2011

<b>Year</b>	<b>Sales Amount (in Rs.)</b>
2007	4415040
2008	4421400
2009	5666050
2010	5952908
2011	5742934

(Source: Dinesh Concern Pvt. Ltd)

Figure-4.31

Sales of the Close-up Toothpaste from the Sales Book on 2007 to 2011



This sales record shows that Close-up toothpaste is gradually increasing its market. But last year (in 2011) sales was decreasing.

Table-4.33

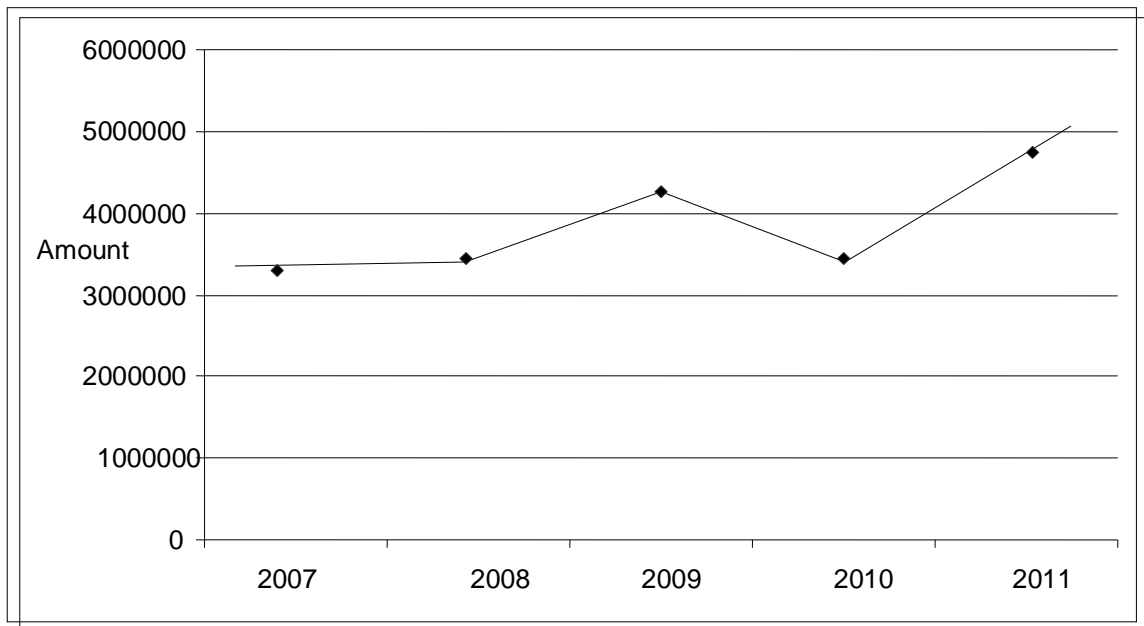
Sales of the Pepsodent Toothpaste from the Sales Book on 2007 to 2011

Year	Sales Amount (in Rs.)
2007	3342820
2008	3539287
2009	4196685
2010	3680078
2011	4877780

(Source:Dinesh Concern Pvt. Ltd)

Figure-4.32

Sales of the Pepsodent Toothpaste from the Sales Book on 2007 to 2011



This sales record shows that Pepsodent toothpaste is also gradually increasing its market. In 2010, the sales were slowly decreased. Then Pepsodent toothpaste maintained its distribution channel and launched different schemes. So, the sales of Pepsodent toothpaste increased in 2011..

Table-4.34

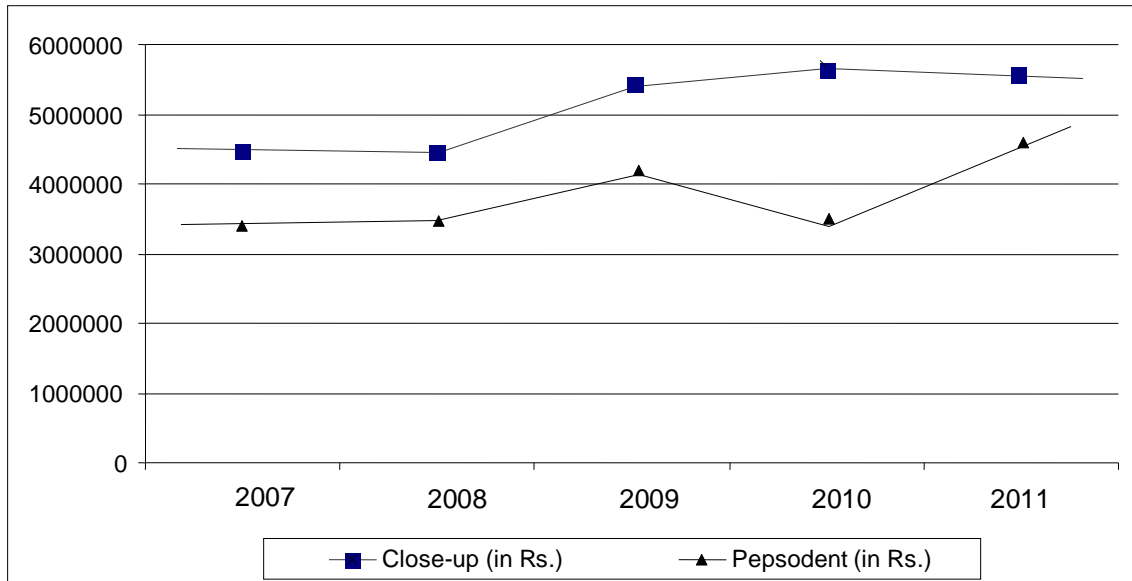
Comparative Sales Record of Close-up and Pepsodent Toothpaste on 2007 to 2011

Year	Close-up (in Rs.)	Pepsodent (in Rs.)
2007	4415040	3342820
2008	4421400	3539287
2009	5666050	4196685
2010	5952908	3680078
2011	5742934	4877780

(Source:Dinesh Concern Pvt. Ltd.)

Figure-4.33

Comparative Sales Record of Close-up and Pepsodent Toothpaste on 2007 to 2011



This sales record shows that Close-up toothpaste is in top position than Pepsodent toothpaste. The market share of Close-up toothpaste is high in Dhangadhi Municipality. In 2011, sales position of Close-up was slowly decreased. So, they will try to maintain their distribution channel.

On the other hand, the sales position of Pepsodent toothpaste was slowly decreased in 2010 then Pepsodent toothpaste maintained their distribution channel and launched the different promotional tools. So, the sale of Pepsodent was increased in 2011 and so on.

In total sales of Unilever Nepal Ltd. is in increasing pattern and the total sales of toothpaste is overall in increasing pattern. So, the market share of Unilever Nepal Ltd. is better than the other company.

## 4.6 Major Findings of the Study

On the basis of presentation and analysis of the Field Survey and subsequent analysis, the study has following outcomes.

1. The people having age of 26-45 purchased toothpaste mostly.
2. Most of People involve in their own business and their average income almost similar.
3. Most of People use Close-up toothpaste.
4. In Dhangadhi Municipality females have the main decision power than males to purchase toothpaste.
5. Most of consumers are not loyal towards any specific brand but they prefer two or three brands.
6. Most of consumers are encouraged to buy for price and brand name.
7. Most of consumer purchase from general store.
8. Consumers get brand they like easily.
9. Most of consumers easily notice the advertisement of Close-up and Pepsodent toothpastes.
10. Advertisement on television is effective for toothpaste.
11. In consumer's view, the better advertisement is of Close-up than the Pepsodent toothpaste.
12. Consumers prefer as the best quality is Close-up toothpaste than the Pepsodent toothpaste.
13. Most of consumers suggest buying Close-up toothpaste than the other brand.
14. Many consumers recognized the incentives of Close-up and Pepsodent toothpaste.
15. Most of consumers like incentives of Rs. off and any goods free.
16. Toothpaste has been selling by general store in the large scale.
17. Almost all the shop has in stock to sale Close-up than the Pepsodent toothpaste.
18. Shopkeepers, Retailers buy from distributor and wholesaler.

19. In shopkeepers' view Close-up toothpaste have more sales from their shop.
20. Most of the shopkeepers convinced their customers to buy, so push sell has more power to increase sales of any brands.
21. In shopkeepers view, the best advertisement is of Close-up then the Pepsodent toothpaste.
22. In shopkeepers view, advertisement on television is effective for those toothpaste.
23. The Close-up toothpaste is getting more profit than Pepsodent toothpaste.
24. The both toothpaste have best packaging according to shopkeepers.
25. The both toothpaste had a good distribution channel according to shopkeepers.
26. Rs. off scheme is more effective scheme for consumers on the expectation of shopkeepers.
27. Gradually sells are increasing each year and found sound market position of Close-up and Pepsodent toothpaste in Dhangadhi municipality.
28. In Dhangadhi, overall demand of Close-up and Pepsodent toothpaste are more than Rs. 7000000 (seven millions) yearly.
29. Market share of Close-up toothpaste is higher than the Pepsodent toothpaste in Dhangadhi Municipality.

## **CHAPTER- V**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary and Conclusion**

Research on marketing is fruitful to marketer for each step of marketing activities. Though competition and responsibility towards society both controversial situations have to face a marketer in current environment. Marketing management or a marketer has to understand exactly whether the company stands up in the overall market position and what will do for future to make further steps ahead.

Toothpaste market is a fast moving consumer goods market which product has become a part of needs of people in the society. In context of Nepalese consumers, they also have interest very much to have the toothpaste among the various brands. Now so many brands of toothpaste are in the market around the country. Among the brands, Close-up, Pepsodent, Colgate, Dabur, Brighter, Anchor etc. are familiar brands with Nepalese consumers. Brighter industry, Flura, Himal, etc. are national toothpaste manufacturing companies where Unilever Nepal, Colgate Palmolive and Dabur Nepal are multinational companies.

Multinational companies has been expending large amount of money in advertisement from the different local, national and international medias. So naturally their brands are popular and familiar among the consumers. Most of consumers use the brands, which have produced by these companies.

This research was conducted to find out the current market position of Close-up and Pepsodent toothpaste in Dhangadhi Municipality. Consumers, seller and distributors in Dhangadhi Municipality are the main source of data for study. The researcher developed the two type of questionnaire, one type of questionnaire for consumer side and other is shopkeeper side. It was not possible to visit more consumer and shopkeepers due to many limitations. So, randomly, questionnaires were distributed and collected. All the responses were analyzed by only percentile method on tabular form and figures.

This study indicates that overall demand of toothpaste is increasing. Therefore expenditure on sales promotion and advertising campaigns can expand market by Toothpaste Company.

The researcher found that the market share of Close-up is higher than Pepsodent and other brands. Simultaneously Pepsodent has the better market share among other toothpaste. During the survey it was also felt that the education level among the people was good, because the questionnaire was filled accurately.

Most of the consumers are not loyal for any specific company or brand; therefore cash prizes are greatly effective for toothpaste as promotional tools. Consumers are not conscious about oral care most of them do not check their teeth. People generally brush their teeth only once a day in the morning. So, companies can excess their market by providing health programs in this area.

Close-up and Pepsodent toothpaste are the brand of Unilever Nepal Ltd. (UNL) which has best popular multinational company than the other company. The study shows that Close-up is popular among the respondents and it has had good market share and has been able to make its own identity in the market. Its quality, advertisements are also good than the other brands. The Pepsodent toothpaste has also good market share and has been able to make its own identity in the Dhangadhi. So, overall UNL has good market situation in Dhangadhi Municipality.

## **5.2 Recommendations**

Achievement and continuity of sound market position is priority of any organization. Toothpaste market has a good market potential in the company as compare as other consumer goods. Toothpaste is being the most necessary things in human life. Therefore, good quality as well as reasonable price having toothpaste may achieve large market size.

On the basis of above study, some suggestions are occurred which may be applicable for concerned.

Attractive sales promotion tools can easily increase sales of toothpaste that must be related with cash prizes. There were found, mostly consumers are not loyal for any particular brand name, so the company has to make clear about quality and content of product which is extraordinary than other brand of something different.

Advertisements on electronic Medias are more effective, so the design and story of advertisement have to make typical or something extra as possible. People are not conscious about their oral health therefore company has to launch more and more participative dental health care campaigns which increase demand of toothpaste. It is because; most of people brush once a day, which is due to unconscious about health.

Shopkeepers can make sell which brands have more profit than others. So, companies have to give some extra cash incentives for a long time. It will be also a better to increase sales.

Retailers are middleman between company and last users, so company should provide benefit to their (retailer) by giving different scheme/ bonus etc. If scheme/bonus are coming in near future it should be informed timely. It will be also a better to increase sales volume.

## BIBLIOGRAPHY

Agrawal Govinda Ram (Dr.);

**Marketing management in Nepal**, M.K. Publisher and distributor, Kathmandu, 2002

Boyd Harper W, Westfall Ralf, Stasch Stanley F.;

**Marketing research**, 7<sup>th</sup> edition, Richard D. Irwin inc.II USA, 2002

Donald Tull and Del Hawkins;

**Marketing Research, Measurement and method**, 5<sup>th</sup> ed. Maxwell Mcmillan international, 1990

Joshi P.R.;

**Research Methodology**, 2<sup>nd</sup> edition, Buddha Academic Enterprises Pvt. Ltd., Kathmandu, 2002.

Koirala K. D. (Dr.);

**Marketing decision**, M.K. Publisher and distributors, Kathmandu, 2002.

Kotler Philip;

**Marketing Management, Analysis, Planning and Control**, 2<sup>nd</sup> edition, Prentice Hall of India Pvt. Ltd., New Delhi, 1974

Koirala K. D. (Dr.);

**Marketing management**, M. K. Publishers and Distributors, 2057 B. S.

Kothari C. R.;

**Research Methodology**, New Age International (P) Ltd. India, Reprint edition 2000

Rathor B. S.;

**Advertising Management**, Himalaya Publishing House Ltd. India, 2005

Jefkins Frank;

**Advertising Today**, 2<sup>nd</sup> edition, International Text Book Company, Glasgow, 1977

Shrestha Shyam;

**International Marketing Decision, Nepalese perspective**, 2<sup>nd</sup> edition, Buddha Academic Enterprises Pvt. Ltd., Kathmandu, 2005.

The world book of **Encyclopedia** volume -12

### **Unpublished Thesis**

Aryal Kishor Raj; **“The study on market share of Colgate in comparison with other brand”** SDC, 2002,

Khanal Shiva Raj, **A Study of Market Situation of Toothpaste Pepsodent a Case Study of NPG**, Unpublished Thesis Submitted to SDC,, 2002.

Lamichhane Hari, **Marketing of Cold Drinks in Kathmandu**, Unpublished Thesis Submitted to P.N. Campus, T.U.

Parajuli Sanjay; **“A study of loyalty on branding”** SDC, 2001.

Shrestha R.K., **The Role of Advertising in Brand Choice and Product Positioning**, Unpublished Thesis Submitted to CDM, T.U, 1997.

Thapaliya Arun Kumar, **A Study on Market Situation of Instant Noodles**, Unpublished Thesis Submitted to CDM, T.U., 1999

Sharma Vijay Ananda; **“Measuring Advertising Effectiveness: The Active Response Scale (A study of low involvement product: Instant noodles, Toothpaste & Washing shops)** T. U. 2002.

### **Website**

[www.himalayansnax.com](http://www.himalayansnax.com)

[www.colgatepamolive.com](http://www.colgatepamolive.com)

[www.daburnepal.com](http://www.daburnepal.com)

## APPENDIX-I

### Questionnaire for Consumer's Behavior Survey

Dear respondents,

I am a student of MBS from Tribhuvan University and going to conduct a survey for partial fulfillment of Master's level. So, I request you to take a few minutes time, I assure you that all your response will be kept confidentially and will be used only for my study.

Sex: - Male / female      Age: - \_\_\_\_\_      Family      size: \_\_\_\_\_  
Profession:- \_\_\_\_\_      Education: \_\_\_\_\_      monthly income: \_\_\_\_\_

#### **Questions:**

1. Which of the brands of toothpaste do you usually buy?

- a. Close-up    b. Pepsodent      c. Both      d. Other (Specify)

2. Does your family use specific brand or any available brand?

- a. Specific brand      b. Any brand

3. What do you consider when you buy toothpaste?

- a. Price      b. Brand name      c. Packaging  
d. Attractiveness      e. Compactness      f. Flavor of toothpaste  
g. Amount of fluoride      h. Doctor's advice      i. Shopkeeper's advice

4. Who usually makes the decision to buy toothpaste?

- a. Father      b. Mother      c. Husband  
d. Wife      e. Brother      f. Sister  
g. Self      h. Other (Specify)

5. Where do you usually buy toothpaste?

- a. Whole sale      b. General Store      c. Cold store  
d. Cosmetic shop      e. Medical shop

6. Do you get the brand easily which you want?
- a. Yes                      b. No                      c. Sometimes
7. Have you noticed the advertisement of Close-up and Pepsodent toothpaste?
- a. Yes                      b. No
8. In your opinion, which brand uses maximum advertisement media like TV, radio, banner, pamphlet, etc?
- a. Close-up                      b. Pepsodent                      c. Other (Specify)
9. Between the two brand advertisements, which one is the best?
- a. Close-up                      b. Pepsodent
10. Which toothpaste is the best quality?
- a. Close-up                      b. Pepsodent                      c. Both
11. Which brand do you suggest to buy?
- a. Close-up                      b. Pepsodent                      c. Other (specify)
12. In your experience, what kinds of incentives most of customers like?
- a. Any Goods Free                      b. Rs. Off                      c. Gm Extra
- d. Quantity discount

## **Appendix-II**

### **Questionnaire for Retailers' Survey**

Dear respondents,

I am a student of MBS from Tribhuvan University and going to conduct a survey for partial fulfillment of master's level. So, I request you to take a few minutes time, I assure you that all your response will be kept confidentially and will be used only for my study.

#### **Questions:**

1. In which category does your shop exist?

- a) General Store      b) Cosmetic Shop      c) Cold Store  
d) Medical Shop

2. In which brand are you stocking in your shop for sale?

- a) Close-up      b) Pepsodent      c) Other (Specify)

3. Where do you buy toothpaste from?

- a) Distributors      b) Wholesaler      c) Both

4. Which toothpaste has more sales from your shop?

- a) Close-up      b) Pepsodent      c) Other (Specify)

5. Do you convince your customer?

- a) Yes      b) No

6. If yes, how many percentage of customers accept you advice?

- a) 100%      b) 90%      c) 80%      d) 70%      e) 60%  
f) 50%      g) 40%      h) 30%      i) 20%      j) 10%

7. Between the two advertisements which one is the best?

- a) Close-up      b) Pepsodent

8. In your opinion which is the best media for the toothpaste advertisement?

- a) Television
- b) Radio/ FM
- c) Hoarding
- d) Banner
- e) Pamphlet
- f) Poster
- g) Newspaper and magazines
- h) Musical program
- i) Exhibition

9. Which brand gives more profit than another?

- a) Close-up
- b) Pepsodent
- c) Other (Specify)

10. Which toothpaste is the best packaging?

- a) Close-up
- b) Pepsodent
- c) Both

11. Which toothpaste have a good distribution channel?

- a) Close-up
- b) Pepsodent
- c) Both

12. In your opinion, what kinds of incentives most of customers like?

- a) Any goods free
- b) Rs. off
- c) Gm Extra
- d) Quantity discount