

CHAPTER – 1

INTRODUCTION

1.1 General Background

Today's marketing environment is characterized by globalization, technological change and intense competition. Successful marketers are those who deliver what customers are willing to purchase as well as ability to purchase. For this reason marketers today conduct many research and development to study consumer behaviour so as to recognize why and how individual make their consumer decisions. Once it is understood marketer become able to predict and shape their marketing strategies accordingly. Definitely marketers who understand markets and consumer behaviour have great competitive advantage in the market place. So it is obvious that a producing organization or manufacturer must determine the attitudes, needs & wants of their customer first and then bring products in the markets accordingly.

Marketers at the end of the twentieth century are confronted with increasingly multicultural marketplaces. Globalization of markets and international competition are requiring firms to operate in a multicultural environment. In addition, migration patterns and transnational communication media like satellite television are creating multicultural populations in domestic markets and exposing consumers to alternative behaviours and wants (Douglas and Craig, 1997). Several attempts have been made to develop integrative views of current research on cross-cultural consumer behaviour.

Cross-cultural management researchers have traditionally used Hofstede's (1980, 1997) definition of culture, which equates culture to "the collective programming of the mind which distinguishes the members of one group or category of people from another" (Hofstede, 1997, p. 5). The focus of this definition is the comparison of one culture with another. This is an etic definition of culture. Researchers that follow an

etic approach in cross-cultural consumer research generally look for universal or culture-free theories and concepts. They search for variables and constructs common to all cultures that can be directly compared in order to discover how those cultures are different from or similar to each other. This approach is typical of cross-cultural psychology and other comparative social sciences.

Culture influences behaviour through its manifestations: values, heroes, rituals, and symbols (Hofstede, 1997). These are the forms in which culturally-determined knowledge is stored and expressed. Thus, each cultural group possesses different cultural manifestations. We utilize these manifestations, as they encompass most elements of culture described by other authors (e.g. Sojka and Tansuhaj, 1995).

When consumers choose among competing products, they face quality and product performance uncertainty. So, they are likely to rely on heuristics to judge quality across competitive products since consumers have finite time horizons and no incentive to perform thorough comparative studies prior to purchase (Dawar & Parker, 1994). The economics and marketing literature have both found that signals serve mostly as heuristics in assessing product quality when there is a need to reduce the perceived risk of purchase (Jacoby, Olson, & Haddock, 1971; Olson, 1977), the consumer lacks expertise and thus the ability to assess quality (Rao & Monroe, 1988), consumer involvement is low (Celci & Olson, 1988), objective quality is too complex to assess or the consumer is not in the habit of spending time objectively assessing quality (Allison 3 & Uhl, 1964; Hoch & Ha, 1986), or there is an information search preference and need for information (Nelson, 1970; 1974; 1978). The signals that are more studied include brand names (Akerlof, 1970; Darby & Kari, 1973; Olson, 1977; Ross, 1988) or brand advertising (Milgrom & Roberts, 1986), product features or appearance (Nelson, 1970; Olson, 1977), price (Leavitt, 1954; Milgrom & Roberts, 1986; Olson, 1972; 1977; Rao & Monroe, 1989; Wolinsky 1983), and product/retail reputation, store names, warranties, or guarantees (Cooper & Ross, 1985; Emons, 1988; Olson, 1977; Rao & Monroe, 1989).

Although few of the results from these studies can be generalized, brand names have been found to be more important than price, which is in turn more important than physical appearance. Retail reputation or store name has been found to be least consequential in signaling product quality (Jacoby, Szybillo, & Busato-Schach, 1977; Rao & Monroe, 1989). Nevertheless, packages are one of the main elements of the product appearance and as such are an important source of information since consumers rely heavily on labels for product information and also packaging is a significant marketing expenditure larger than advertising itself. Several studies have investigated issues such as packages as a means of attracting the attention of consumers (Underwood et al., 2001; Garber et al., 2000; Goldberg et al., 1999; Schoormans & Robben, 1997). Other studies researched packages as a means of communication as well as a means of communicating brand and product meaning (Underwood & Klein, 2002; Garber et al., 2000). The literature shows that the visual appearance of a product can influence consumer product evaluations and choice in many ways. (Creusen & Schoormans, 2005). Some authors considered the role of product or package appearance in consumer product evaluation or choice (Bloch, 1995; Garber, 1995; Garber et al., 2000; Veryzer, 1993; Veryzer, 1995) It is found that the shape of products (Bloch, 1995) attracts attention. Kojina et al. (1986) studied the relationship between design and pattern preferences, and design and color preferences. They found that design and pattern preferences were related to each other whereas design and color preferences were not. It is well accepted that packages have an essential role in influencing the consumer purchase choices and intention at the point of purchase. These past research findings are related to the current study, their findings contribute to the understanding of the impact of packages on consumer behaviour and more closely their purchase intention at the point of purchase.

Another finding is that appearances have an impact on attitudes concerning brands and packages as well as purchase intentions. The studies on behaviour

communication have focused on the impact of the package appearance on various phases in the choice process.

Such issues as the formation of the consideration set (Garber et al., 2000; Schoormans & Robben, 1997), product recall (Rettie & Brewer, 2000), product and brand evaluation (Underwood & Klein 2002; Schoormans & Robben 1997; Homer & Gauntt, 1992; Gordon et al., 1994) and choice behaviour (Gordon et al., 1994; Kojina et al., 1986) have been emphasized.

1.2 Statement of Problem

The consumer market amounts to a total of 6.3 billion people, and thus there is great demand for an enormous variety of goods and services, especially as consumers differ from one another in that of age, gender, income, education level, and tastes. Moreover, the relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies (Kotler *et al.* 2005). The reason why consumers buy what they do is often deeply rooted in their minds, consequently consumers do not truly know what affects their purchases as *“ninety-five percent of the thought, emotion, and learning [that drive our purchases] occur in the unconscious mind- that is without our awareness”* (Armstrong *et al.* 2005, p. 143). Consumers’ purchase process is affected by a number of different factors, some of which marketers cannot control, such as cultural, social, personal, and psychological factors. However, these factors must be taken into consideration in order to reach target consumers effectively (Kotler *et al.* 2005). Culture is *“the set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions”* (Ibid, p. 256), and is the primary reason behind a person’s wants and behaviour. Although different societal groups have their own culture that affects consumers’ buying behaviour, the extent to which it influences the behaviour might vary from country to country. Each cultural group can be divided into groups consisting of people with common life experiences and situations, also known as

subcultures (Kotler *et al.* 2005), such as nationality, racial groups, religion, and geographical areas. The third cultural factor is social class, which is constituted upon among other variables: occupation, income, education, and wealth (Blackwell *et al.* 2001). The second classification of factors affecting consumer behaviour is social grouping, which is composed of small groups, social roles and status, and family that affect all individuals to some extent. Some of these groups have a direct influence on a person, i.e. membership groups, groups that a person can belong to (Kotler *et al.* 2005), and reference groups which “*serve as direct (face-to-face) or indirect points of comparison or reference in forming a Person’s attitudes or beliefs*” (Armstrong *et al.* 2005). However, some are affected by groups in which they do not belong to; these reference groups include aspirational groups, groups that a person desires to belong to and a fan’s admiration for an idol, etc. (Ibid). Finally, a wife, husband or a child have strong influences on a consumer and thus the family is the most vital consumer buying organization in society (Kotler *et al.* 2005). Consumers’ personal characteristics, like for instance age and life-cycle stage, occupation, Economic situation, lifestyle, as well as personality and self-concept influence consumers’ buying behaviour. Moreover, depending on a person’s occupation and financial situation, as well as the stage in life a person is in, his/her demands for products shift. A person’s lifestyle forms his/her world and the way he/she decides to act, thus a person’s activities, interests, and opinions constitute their lifestyle, as well as affecting the choice of products (Armstrong *et al.* 2005). Moreover, all people are individual; hence have a unique personality of different characteristics, which is often portrayed with traits, such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, and aggressiveness (Blackwell *et al.* 2001). Four objects constitute this group of factors, namely motivation, perception, learning, and beliefs & attitudes. When a person is motivated, he/she acts accordingly and the actions taken are affected by the person’s perception of the situation. Perception is the individual selection; organization and interpretation of the information which flows through people’s senses, and consequently a meaningful picture of the world are

formed. When people experience new things, changes take place in their behaviour, i.e. they learn new things when they take action. As a result, beliefs and attitudes are acquired and hence affect the buying behaviour (Armstrong *et al.* 2005). Hence this study attempts to identify consumer's perception and behaviour with regard to coke and Pepsi consumption.

Hardman (2010) conducted, Coke versus Pepsi preference of 67 volunteer subjects, both by asking them and by subjecting them to blind taste tests. They then gave the subjects sips of one drink or the other as they scanned the subjects' brains using functional magnetic resonance imaging (fMRI). In this widely used imaging technique, harmless magnetic fields and radio signals are used to measure blood flow in regions of the brain, with such flow indicating brain activity levels. In the experiments, the sips were preceded by either "anonymous" cues of flashes of light or pictures of a Coke or Pepsi can.

The experimental design enabled the researchers to discover the specific brain regions activated when the subjects used only taste information versus when they also had brand identification. While the researchers found no influence of brand knowledge for Pepsi, they found a dramatic effect of the Coke label on behavioural preference. The brand knowledge of Coke both influenced their preference and activated brain areas including the "dorsolateral prefrontal cortex" and the hippocampus. Both of these areas are implicated in modifying behaviour based on emotion and affect. In particular, wrote the researchers, their findings suggest "that the hippocampus may participate in recalling cultural information that biases preference judgments." The researchers concluded that their findings indicate that two separate brain systems--one involving taste and one recalling cultural influence--in the prefrontal cortex interact to determine preferences.

The Coca-Cola Company's major strength aside from its product features and benefits is the large-scale operation it possesses that is widely distributed across

200 countries worldwide. Because Coca-Cola aims to be the number one when it comes through product choice around the world, the company is very keen in developing its system of distribution to keep satisfying customers. Coca Cola's distribution channels include vending machines, retail outlets, fountain retailers and wholesalers, and other channels that supply home and immediate consumptions. In fact, 32% of the US gallon sales in 2003 are accounted to fountain retailers such as restaurants and to approximately 640 fountain wholesalers ("Coke", 2008). To be able to efficiently distribute their products, Coca Cola employs a strategy pretty much like franchisors do but with a slight variation. Coca-Cola obligates its bottlers to sign a separate contract, the "Bottler's Agreements", that subjects the bottlers to specific terms and conditions which include the allowance to purchase entire requirements of the designated concentrates and syrups from the Coca-Cola Company and its authorized suppliers. This eases the distribution procedure of Coca Cola by providing the bottlers the ability to manufacture Coca products (of course meeting the standards of the company) on their own by allowing faster production and distribution to the local sites all around the 200 countries. Simply put, anyone can avail of Coca Cola products on their local at whim because the production and distribution processes are decentralized as opposed to centralized process where the main plant distributes every Coca Cola products all around the globe ("The Coca Cola", 2008). Coca Cola Bottlers developed a number of innovative ways to sell and distribute its products. It has evolved from the usual retail store to putting up Coca Cola kiosks in universities, marketplace, and other public places to developing sturdy transport bicycles, mobile mini kiosks, and mobile coolers for street vending. Coca Cola has placed selling depots and integrated kiosks in convenient stores and groceries and generally in areas where market can easily avail of them without the hassle of queuing up in order to saturate the market with the product. This signifies that the distribution and the logistics of the company are so designed to meet the large market it serves. Coca Cola has been very keen in its efforts to develop new ways of attracting customers and at the same time providing them what they need in

the most convenient manner. The company aims to reach out to virtually everyone in the globe including entrepreneurs and is committed to assist them to move up in the supply chain and expand profitability, which in turn provide Coca Cola the space it needs to put up a fridge or a kiosk for free – a very good thing for Coca Cola (“The Coca Cola”, 2008). All in all, Coca Cola has a competitive advantage when it comes to its distribution and logistics procedure because the company has been able to mobilize every resource it has to efficiently distribute its products. Coca Cola clearly understands its competitive advantage in being so big whose operations is of worldwide scale and has used it to gain favorable edge in the competition.

All advertising is not designed to lead directly to sales. It may be, for example, aiming for long-term brand image building. Whether it is designed for short-term or long-term purposes, advertising’s effectiveness lies in its capability to stimulate or maintain sales (Eachambadi 1994; Mantrala et al. 1992; Naik et al. 1998; Vidale and Wolfe 1957). Thus, advertising is frequently used as an independent variable in explaining changes in sales (Lillien 1994). According to Abraham and Lodish (1990, p. 50), however, a real and important issue in advertising effectiveness is “the *incremental* sales of a product over and above those that would have happened without the advertising or promotion”. If short-term advertising can result in a sustained high level of sales, as they put it, the company is “getting the most out of advertising”. While advertising managers have long considered the idea that advertising’s impact on sales can persist longer than the current period “intuitively attractive” (Clarke 1976, p. 346), many of them still assume that advertising’s effect on sales is short-term. They also hold that, in all cases, more and longer uses of advertising are better than less and shorter uses of it no matter if

Advertising is directly boosting sales (Jones 1992, 1995). Abraham and Lodish (1990) suggest that, as a result, much advertising is wasted, largely due to the lack of measures that can show the manager the impact of short-term advertising on long-term sales. Bass (1969, p. 291), among many others, lamented: “There is no more

difficult, complex, or controversial problem in marketing than measuring the influence of advertising on sales” because of our inability to isolate advertising effects from other effects and to quantify such effects. In this paper, we report on a study addressing this problem by utilizing a relatively new concept, marketing persistence. Marketing persistence measures the extent to which a relatively short-term change in the marketing mix, e.g., advertising expenditures, leads to a long-lasting effect on sales (see, e.g., Dekimpe and Hanssens 1995; 1995; 1999; McHale 1997; Simon 1997). Persistence or hysteresis is a well-known phenomenon in the study of physics, in which an electrical shock applied to a piece of iron causes its permanent magnetization. Economists have used the concept to understand the effects of momentary changes in several areas of economics with significant results. They have, for instance, analyzed how a temporary change in the inflation rate resulted in a long-lasting impact on the employment rate in the United Kingdom (see, e.g., Blanchard and Summers 1988), or how a short-term change in currency exchange rates led to a long-lasting effect on export performance (Dixit 1989). Although it has been only recently applied to marketing, hysteresis or persistence has attracted increasing attention since it offers an innovative perspective on the important issue of effective long-term marketing resource deployment. If companies can measure how incremental sales are gained without additional advertising expenditures, scarce resources can be saved for other purposes (Slywotzky and Shapiro 1993). The purpose of this paper is to investigate the impact of short-term advertising on long-term sales of consumer durables and non-durables in China by using cross-sectional time-series TV advertising and sales data. As China hastens its transformation to a market economy, its advertising industry has witnessed one of the fastest growth rates in the world, averaging 35 percent annually, far more than the country’s GDP growth rate and the global advertising growth rate (Hong Kong Trade Development Council 1998). For example, in 1996, one of the years studied in this paper, companies in China spent over US\$5 billion on advertising (Zenith Media 1998). Was this money well spent in creating long-term effects on sales? There has

been criticism that it was not (Zhuang, Zhou and Ouyang 2001). As the world's most populous country with rapidly and steadily growing consumer incomes, China has become an attractive market for many multinational corporations, especially due to its recent accession to the WTO. If corporations can use their marketing budgets more effectively through cutting advertising wastage, both their competitiveness and profitability will be improved. All advertising is not designed to lead directly to sales. It may be, for example, aiming for long-term brand image building. Whether it is designed for short-term or long-term purposes, advertising's effectiveness lies in its capability to stimulate or maintain sales (Eachambadi 1994; Mantrala et al. 1992; Naik et al. 1998; Vidale and Wolfe 1957). Thus, advertising is frequently used as an independent variable in explaining changes in sales (Lillien 1994). According to Abraham and Lodish (1990, p. 50), however, a real and important issue in advertising effectiveness is "the *incremental* sales of a product over and above those that would have happened without the advertising or promotion". If short-term advertising can result in a sustained high level of sales, as they put it, the company is "getting the most out of advertising". While advertising managers have long considered the idea that advertising's impact on sales can persist longer than the current period "intuitively attractive" (Clarke 1976, p. 346), many of them still assume that Advertising's effect on sales is short-term. They also hold that, in all cases, more and Longer uses of advertising are better than less and shorter uses of it no matter if Advertising is directly boosting sales (Jones 1992, 1995). Abraham and Lodish (1990) Suggest that, as a result, much advertising is wasted, largely due to the lack of measures that can show the manager the impact of short-term advertising on long-term sales. Bass (1969, p. 291), among many others, lamented: "There is no more difficult, complex, or controversial problem in marketing than measuring the influence of advertising on sales" because of our inability to isolate advertising effects from other effects and to quantify such effects. In this paper, we report on a study addressing this problem by utilizing a relatively new concept, marketing persistence. Marketing persistence measures the extent to which a relatively short-

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profitability will be improved. Therefore, the problems encompassed by this study are as follows :

1. What is the consumers' perception and consumption behaviour of Coke & Pepsi ?
2. What are the usage trends of Coke & Pepsi ?
3. What status Coke & Pepsi carry in consumer's mind ?
4. What type of distribution network exists in the study area for marketing of Coke & Pepsi ?
5. What are the marketing strategies being adopted by the marketers of Coke & Pepsi ?
6. What type of impacts have advertisements made on the sales of cold drinks in the study area ?
7. What are the effects of sales promotion schemes on sales of Coke & Pepsi in the study area ?

1.3 Objective of the study

The present study focuses on the marketing of coke and Pepsi in Bhairahawa. Normally three drinks are perceived by consumers as alcohol free drinks. Cold drinks are sold in bottles, Plastic, Container or cans. The people in this locality have the feeling that three drinks are cold drinks & therefore are to be used in the hot season only. Naturally the demands of these drinks are far more higher in the summer season as compared other seasons.

Marketing in its true sense helps to increase effective demand for a product through the reduction of distribution of cost and also help to explore markets for new products. The role of marketing with regard to dissemination of information is very important for consumer as well as producers to buy and produce goods. It helps in rising markets competitive thus increasing efficiency of resources use likewise; its role with regard to satisfying consumers and making inputs available at reasonable price as services has its own importance. Therefore, the impact of marketing is deep

and far reaching. A national development programmed that concentrates only on production will be less effective than a programmed that recognized the contribution of marketing.

This study will examine the present marketing strategies of Coke & Pepsi in Bhairahawa and try to find out the marketing variables affecting the Coke & Pepsi. The research also focused on the role played by image, & usage trend of Coke & Pepsi in Bhairahawa.

The present study purpose is to examine the marketing of Coke & Pepsi in Bhairahawa. The specific purposes of study are as follows :-

1. To examine the consumers' perception and behaviour in the purchase of Coke & Pepsi in Bhairahawa
2. To find out the level of awareness in terms of brand, their status and attitude towards different brands.
3. To evaluate the distribution network and marketing strategies of Coke & Pepsi.
4. To identify consumers profile and their reference of Coke & Pepsi in the study area.

1.4 Limitation of study

1. This study has been confined only to Bhairahawa, so it may not represent to all Nepalese Coke & Pepsi markets.
2. The limited time restricted us from widening our information and level of understanding of each department.
3. The study has been predominantly based on primary information data collected through a questionnaire survey of limited number of individuals, hotels and retailers.
4. The findings of this study are affected to some extent by the small size of the sample.

1.5 Organization of the study

According to the generally format, this study has been organized into five different chapter. The first chapter deals with the introductions that includes General background, statement of problems, Objective of study, limitation of study and organization of study. The second chapter provides review of literature that includes lightly concept of market, marketing, marketing system, marketing environment, marketing mix, marketing strategy, attitude, image and usage pattern. Research methodology utilized for the study has been incorporated in the third chapter. It deals research design, population and sample, nature and sources of data, data collection procedures and data processing and analysis. The fourth chapter presents the data presentation and analysis, related with individuals consumers survey, hotels and retailers survey and major findings of the study. The chapter five shows the summary, conclusions and recommendations of the study. The bibliography and appendices are presented at the end of the study report.

CHAPTER – 2

REVIEW OF LITERATURE

2.1 Introduction

Review of literature occupies an important role as it tries other research in the area of the problem has already been done. A critical review of literature helps the researcher to develop a through understanding and insight into research works that relates to the study the researcher has pursued it is also way to avoid investigating problems that have already been definitely answered. So for no research work has been conducted on this specific topic.

2.2 Conceptual framework

2.2.1 The market

The term marketing has a number of usages in economy theory and in business in general. “A market may be defined as a place where buyers and sellers meet, product or services are offered for sales, and transfers of ownership occur” (W.J. Stanton). A market may also be defined as the demands made by a certain group of potential buyers satisfy money to spend, and the willingness to spend it. Thus in the market demand for any given product or service organization with wants their purchasing power and their buying behaviour.

“A market consists of all the potential customers sharing a particular need or want that might be willing and able to engage in exchange to satisfy that need or want. (Kotler, 1999) “A market represents the aggregate demand of the buyers and potential buyers for a product or services over a specific period of time.”(Bluell, 1984) Market is a group of individuals or organizations who may the goods offered for sale and who meet these three additional criteria.

- a) Member of a market must have the purchasing power to be able to the product being offered.
- b) Market members must be willing to spend their money or exchange other

resources to obtain the product. .

c) Market members must have the authority to make such expenditures. (Kotler)

2.2.2 Marketing

"Marketing consists of all business activities involved in the flow of goods and services from the point of initial production unit they are in the hands of the ultimate consumer. Thus, agriculture marketing is a process by which the producer and buyer of agriculture goods are brought together.(Zikmund & d' Damiko, 1986)

"The marketing process establishes forward linkages for agricultural activities, that is, it provides economic rewards for the production process. It includes not only storage and transportation activities of the middleman but also encompasses all activities linking the consumer and the producer". (Macmillan Dictionary of Modern Economics. Fourth Edition)

"Marketing is the process of planning and executing the conception, pricing, promotion and distribution of goods, service and ideas to create exchanges with target groups that satisfy customer and organizational objectives. (Ibid)

A marketing programmer plays a crucial role in the physical distribution of any product. Therefore each and every firm should have marketing system for channel the product to the market, to satisfy customer needs and wants. Sometimes they have to face the marketing problems of capturing the market and creating goodwill.

A more modern definition in tune with greatly expanded productive capacity might emphasize the adaptation of production facilities to the market. Specifically marketing might be defined as the response of businessmen to consumer demand through adjustment" in production capacities. Adjusting production, accounting, financing and marketing in the light of the changing needs of consumers who are affluent enough to have varied buying choices. "Marketing is concerned with designing an efficient and fair system which will direct an economy's flow of goods and service from producers to consumers and accomplish the objective of the society. (Philip Kotler) "Marketing is a social and managerial process by which individuals

and groups obtain what they need and want through creating, offering and exchanging products of value with others (E. Jerome McCarthy). "Marketing can be defined in a simple manner as the activities done to deliver the product from the place of production to the consumption. It means that marketing is the process of the transfer of ownership of the product in exchange of something of value(Wrope Alderson,1957). Different authority defines marketing in different ways. "Marketing is the exchange taking place between consuming groups on the one hand and supplying groups on the other." "Marketing is concern with regular label, timing and character of demand for one more products of an organization.. (Kotler) "Marketing is human activity directed at satisfying needs and wants through exchange processes. (Joel R.Evans & Barry Berman,1982). "Marketing is the anticipation, stimulation, facilitation, regulation and satisfaction of consumer and publics demand for products, services, organization, people, place and ideas through the exchange process (K.D.Koirala B.S. 2057). In light of above definitions, it can be concluded that marketing is a process of delivering goods and services produced to satisfy the needs of consumers to the consumers in an effective way so that the objectives of the producers by making it possible to sell their produces are fulfilled. Marketing thus satisfies the objectives of the producers by making it possible to sell their products on the market in one hand and on the other hand helps consumer to get to the maximum of satisfaction by providing goods and services for their consumption. In the modern marketing era every marketers should understand the consumer's needs. Successful marketing understand consumer taste, quality and choice. If there is no satisfaction of consumer that product doesn't give good result. For consumer satisfaction, the product that is available easily and everywhere than customer attract in that product easily.

2.2.3 Marketing System

A system is a set of units with relationships among them. Marketing is a total system of business activities designed to plan, price, promote and distribute, want- satisfying product to target market to achieve organization objectives. "The concept of marketing system is given by the system approach to marketing based upon the work of Bertalanfy." The term marketing system consists of two separate words "marketing" and "system". Marketing is a human activity directed at satisfying needs and wants through exchange processes. On the other, the term "system "means regularly interacting group of activities forming a unified whole. In other words, system means systematic or regular flow of any thing directed at fulfilling basic goals. "Marketing system deals with the smooth functioning of the marketing activities for the fulfillment of the consumer needs and wants. If a marketer fails to do so, then one must know that there is something wrong with the marketing organization. And, in the situation no marketer can work successfully. So the marketing manager must be able to analyze the marketing system in a systematic manner (Wrope Alderson,1957)

2.2.4 Marketing Environment

"Marketing is an outside organization but potentially relevant to the firm's market and marketing activities. It consists of the factors that affect the firm's ability to develop and maintain both the successful transactions and the relationships with its target customers (Shrestha, Shyam K.). "The marketing environment consists of external forces that directly or indirectly influence an organization's acquisition of inputs and generation of outputs. Examples of inputs include skilled personnel, financial resources, raw materials and information. The output should be information, package, goods, services or ideas."

"The marketing environment as consisting of six categories of forces: political, legal, regulatory, societal, economic and competitive, and technological (Terri, George R.,1977). In this sense, marketing environment lays upon limits or constraints on the firm's marketing activities, such as, marketing information system, marketing

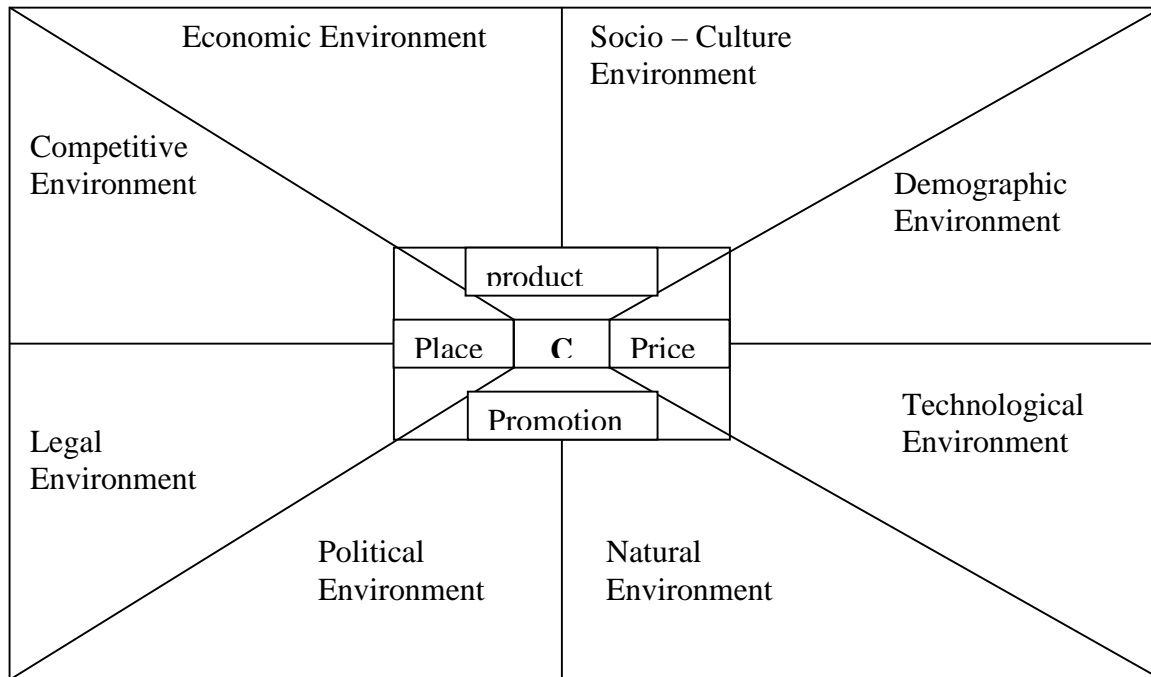
planning system, implementation system, control system, production activities, pricing, promotion, placing etc. The effect of marketing environment cannot be measured in term of expectations, assumptions and predictions but in terms of goal achievements. That's why; investing a huge amount of time, money, energy, etc has become a new life style of almost all marketing enterprises. The key to marketing success lies more now than ever on knowing what a firm is, what it is in the competitive environment and who its competitors are (Pride & Ferrell).

The company's decision is directly affected by the marketing mix and the marketing mix decision is affected by the marketing environment. Therefore, while deciding marketing mix, a comprehensive study and analysis on marketing environment must be made the decision more effective and suitable marketing environment includes forces such as economic, socio cultural, demographic, technological, political & legal natural etc. (P.R. Baradarajan,1995).

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Figure-2.1

Marketing Environment



The important of marketing environment to the management has been increasing these days than even before, because there are several opportunities and threats or challenges within the marketing environment, which should be, forecasted and rightly analyzed by the marketing manager to enjoy the opportunities. A successful marketer is one who can appropriately analyze these forces. A successful marketer can acquire several opportunities through these forced amid successfully run business.

2.2.5 The marketing Mix

The marketing mix is one of the most fundamental concepts associated with the marketing process. It is well understood by most modern marketers and is systematically applied on many industries especially those that deal with physical products. Yet it is easy to assume that, because most managers have heard about it and or/ use it, there is no need to mention it again a book on marketing.

The sad truth is that quite often the precise role and scope of the concept and its underlying principles are not fully appreciated by those who tackle about it or use it.

Many managers as no more than a theoretical model that helps in understanding the breath of activities encompassed by the marketing task regard it. In many situation it is considered as no more than an aid to highlighting the fact that marketing is a much broader concept than just 'selling' and 'prompting'. A brief review of the main principles surrounding the marketing mix can help to clarify its true role in the developing amid execution of an effective marketing effort. "The marketing mix .is the set of marketing variables which the organization blends to achieve the marketing goal in a defined target market. The marketing mix consists of everything the organization can do influence the demand for its product in the target market (McCarthy,1996).

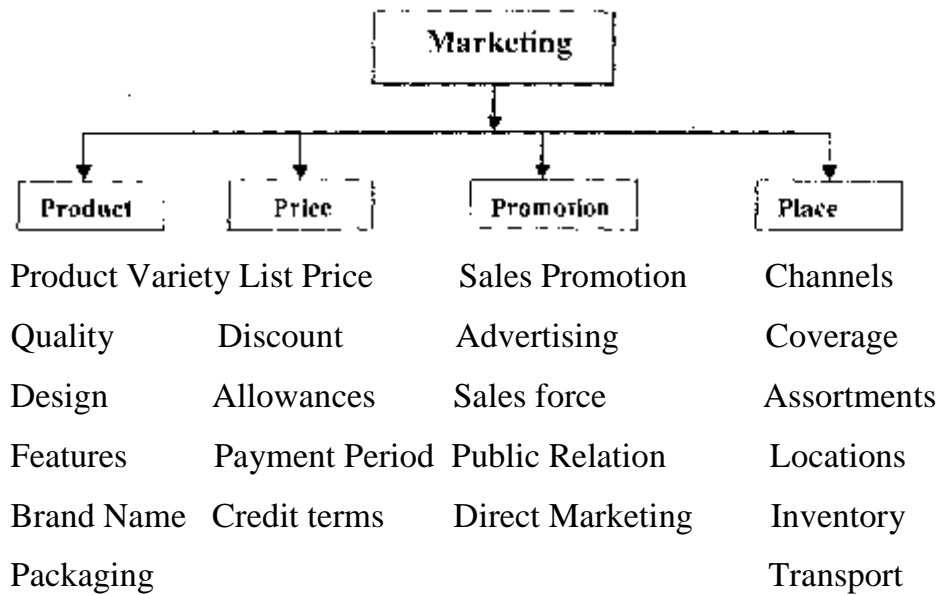
As stated earlier the marketing mix represents as assemblage of tasks and subtasks, which ultimately will help to satisfy the customer's requirements in such a way as to enable the firm to attain its objectives in an optimum fashion. The subtle part of the concept is that different company in the same business may opt to develop different 'mix'. In fact it is this difference that may provide one company with a competitive advantage over its competitors.

The concept of the marketing mix essentially premises that the decision making executive must analyze certain market forces and certain elements of marketing if the executive is ultimately to determine a sound " mix " of marketing elements which promises to be effective and profitable. The "four Ps model "of the marketing mix has probably gained acceptance because of its elegance rather than its validity in all situations. Regrettably, what has been gained in simplicity has been sacrificed in universal appropriateness. It is easy to find examples of marketing programmers, which do not outset that model is not of universal validity.

The theory underlying the four Ps is that; if one manages to achieve the right product at the right price with the appropriate promotion and in the right place, the marketing program will be effective and successful. However, one must bear in mind that each of the four Ps can be broken down into a number of sub-components. "Marketing mix

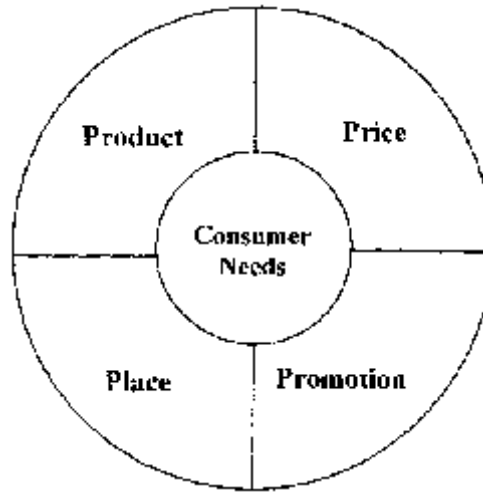
is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market (Niel H Borden and MartinV. Marshall, 1959).

Figure-2.2
The Marketing Mix



"Marketing mix is one of the key concepts in modern marketing. It refers the set of variables that the business uses to satisfy consumer needs (Agrawal. Govinda Ram, 1982). "Marketing mix may be considered as consisting of four Ps- product, price, promotion and place (Ibid)

Figure-2.3



Variable of Marketing Mix

2.2.5.1 Product

Product is commonly accepted as one of the most important parts of the marketing mix. Without product we cannot sell or buy the things. The product area is concerned with developing the right product for the target market. This product may involve a physical product and\ or some combination of services. The crux of the matter in the product area is to develop something, which will satisfy the customers' needs. Most of the text will be concerned with tangible products, but the principles in most cases also apply to services. It is important to keep this in mind, since the service side of our economy is growing. It is also important to overly occupy with producing and selling tangible products. Too many production- oriented people fall into these trap and neglect important opportunities for satisfying needs in other ways. Automobile manufactures and dealers. "A product is anything that can be offered to a market to satisfy a want or need. Product that is marketed includes physical goods, services, persons, place, organizations and ideas"(Kotler). "The product offered by an organization is what the business (or no business) entity is all about. While we tend

to think of product as objects, we can see and touch the term product may be used in referring to intangible services and ideas as well. So product is a market's offering as perceived by the market”(Buell). Product mix includes decisions on product line and mix, product quality, variety, design features, branding, packaging, and labeling etc. it also includes important activities such as product planning and development” (Koirala).

2.2.5.2 Place

A product is not much good to a customer if it is not available when and where he\ she wants it. We must consider where, when and by whom the goods and services are to be offered for sale.

Goods and services do not flow producers to consumers automatically. They move through channels of distribution where a great deal of marketing work is done. Channel members may or may not handle the goods some may own them and transfer title, while others do neither. Some may provide return and repair services, while also storing and transporting them and others may be primarily concerned with transmitting money and information. In other words, a number of things flow through a channel, besides goods, in both ways.

"Place or distribution mix includes design of the distribution channels, distribution networks, dealer, promotion and motivation systems and physical distribution of the product”(Ibid). Any sequence of marketing institutions from producer to final user or consumer, including any number of middlemen is called channels and so our study of place will be very important to marketing strategy planning. Even though marketing intermediaries are primarily a non controllable environmental factor, a marketing executive has considerable latitude when working with them. Management's responsibility is:

- 1) To select and manage the trade channels through which the products will reach the right market at the right time.

2) To develop a distribution system for physical handling products and then transporting them through the appropriate channels (Journal of Marco Marketing).

2.2.5.3 Promotion

Promotion, one of the four major variables with which the marketing manager works, is communicating information between seller and buyer with a view to changing attitudes and behaviour. The marketing manager's job is to tell target customers that the right product is available at the right place at the right price. "Promotion is the ingredient used to inform and persuade the market regarding a company's product. Advertising personal selling and sales promotion are the major promotional activities"(W.J. Stanton & Futrell). The major promotional methods include personal selling, mass selling and sales promotion, personal selling involves direct face to face relationships between sellers and potential customers. Mass selling is designed to communicate with numbers of customers at the same time. Advertising is the main form of mass selling, but it also involves publicity. Sales promotion refers to specific activities that complement personal and mass selling such as point of purchase displays booklets, leaflets, and direct mailings. "Companies face the task of distributing the total promotion budget over the five promotional tools advertising, sales promotion, public relations and publicity, sales force and direct marketing. Within the same industry, companies can differ considerably in how they allocate their promotional budget. It is possible to achieve a given sales level with varying promotional mixes" (Kotler). "It is the variable that communicates to the consumer about other variable of marketing mix for their need satisfaction. It consists of advertising, publicity, personal selling and sales promotion"(Agrawal).

2.2.5.4 Price

Price is also one of the major parts of the marketing mix. While the marketing manager is developing the right product and promotion, he also must decide on the right price. One that will round out his marketing mixes and makes it as attractive as possible. In setting the price, he must consider the nature of competition in his target

market as well as the existing practices on markups, discounts and terms of sale. He also must consider legal restrictions affecting prices.

"Price mix includes such as analysis of companies' prices, formulation of pricing objectives, setting the price, determining terms and conditions of sales, discounts and commission etc." "In pricing, management must determine the right base price for its products. It must then decide on strategies concerning discounts, freight payments and many other price-related variables"(Stanton).In economic theory, we learn that price, value and utility are related concepts. Utility is the attribute of an item that makes it capable of satisfying human wants. Value is the quantitative measure of the worth of a product to attract other products in exchange. Prices is value expressed in terms if dollars and cents or ant other monetary medium of exchange. In pricing, we must consider more than the physical product alone. A seller usually is pricing a combination of the physical product and several services and want-satisfying benefits. Price is the value placed on goods and services. Price is tile amount of money and\ or product that is needed to acquire some combination of another product and its accompanying services"(Stanton)."It is the variables that create sales revenue. Consumers pay prices to buy products for their need satisfaction. It may be fixed on the basis of cost, demand or competition. It may involve discounts, allowances, credit facilities etc. price has become the second most important variables of marketing mix because of inflationary, pressures in recent years" (Agrawal).

2.2.6 Marketing strategy

Marketing strategy is both unique and commonplace. That might sound like a contradiction of term but it is not. The term "strategy " is widely used to describe a seemingly endless number of marketing activities, Today, everything in marketing seems to be "strategic." There is strategic pricing, strategic market entry, strategic advertising and may be even strategic strategy. The glut of competition has focused more attention on performing the traditional marketing actions strategically with an eye towards beating the competition. In that sense, marketing strategy is commonplace. In recent years it seems to have been appended to neatly every

marketing action. Marketing strategy is also unique. There is not one unified definition upon which marketers agree. Marketing strategy is a commonly used term, but no one is really sure what it means. "A strategic sector is one in which you can obtain a competitive advantage and exploit strategic sectors are the key to strategy because each sector's frame of reference is competition. The largest competitor in an industry can be unprofitable if the individual strategic sectors are dominated by smaller competitors" (Subhash Jain). Boyd and Larreche (1978) had found in the history of marketing strategy that tremendous confusion over just what strategy is. The term "strategy" as used in marketing, has been applied to at least three types of issues, each at a different level of aggregation.

At the macro level, there are marketing strategies, which focus, on manipulations of the marketing mix variables-product, price, place, and promotion. According to that definition, setting a strategy for a product consists of selecting a price for a product, designing an advertising campaign, and then deciding on a plan of distribution. Finally, there are product market entry strategies, which include strategies that look at specific marketing decisions. Strategies that call for a firm to built market share harvest profit (and share) or defend share from competitor. Another widely used definition of strategy in marketing emphasizes the broader perspective of strategy in management. The definition views strategic market planning as a four-step process.

- a) Defining the business
- b) Setting a mission
- c) Selecting functional plans for marketing, production and other areas.
- d) Budgeting for those plans, (A bell and Hammond 1978) in that sense,

marketing strategy is more akin to corporate strategy. (Steven P, 1991).

Strategic marketing is a major component of the strategic planning. Its main objective is to establish the product\market scope of a business. Strategic and marketing is the method that concentrates on the market to serve, the competition to be tackled and the timing of market entry \ exit and related moves. Formally, strategic marketing deals with the following questions.

- Where to complete?
- How to complete?
- When to complete?

"Strategic marketing helps to define the market in entering and completing. That may be either an entire market or one or more segments of the entire market. Strategic marketing provides inputs or techniques for solving customer need. That technique may be either an introduction of a new product or of existing product with improvements. Similarly, strategic marketing tries to time to enter the market may be the first in the market or until primary demand is established.

2.2.6.1 Product Strategy

In a very narrow sense, a product is a set of tangible physical attributes assembled in an identifiable form. Each product carries a commonly understood descriptive name, such as apples, steel or baseball bats. " A product is a set of tangible and intangible attributes, including packaging, color, price, manufacturer's prestige, retailer's prestige and manufacturer's and retailer's services"(Stanton & Fatrell). "Product is anything that can be offered to a market for attention acquisition, use or consumption and that might satisfy a want or need. Products include more than just tangible goods. Broadly defined, product includes physical objects, service, persons, place, organizations, ideas or mixed of these entities" (Kotler and Armstrong , 1999). A product is anything that is potentially valued by a target market for the benefits of satisfaction it provides (Craven, Hill and Woodruff). The general principle is that a firm must have a right product that can satisfy the needs and wants or' the consumers but a product cannot satisfy their needs and wants over the time period, because of several reasons. First, like living creating a product also has a life during which a firm has to reformulate or differentiate or standardize it to maintain its position in the market. Second consumer demand goes on changing over the time period. As such, the same consumer may demand different products over the time period. Finally the requirement of all consumers is not alike, different consumers may demand for

different product attributes (such as quality, product, service, branding, good packing, attractive color and design prestige, problem solution etc) at the same time.

"It clearly indicates that the product decision is not only an important decision in the marketing but also a most challenging task for the marketers. To succeed in the competitive markets the marketer must be able to study each and every aspects of the product including product life cycle, new product development, product mix and product line, product positioning, branding and packaging etc." "Product is what marketers offer to consumers. They include goods, service, Ideas and any other things that can be exchanged by a supplier and a buyer or consumer. The term product concept refers to the marketing strategist's selection and blending of a product's primary characteristics and auxiliary dimensions into a basic idea or concept emphasizing a particular set of consumer benefits"(Zikmund and D' Amico , 1986). Product strategy is the core of strategic planning for the enterprise and it plays a pivotal role in shaping marketing strategy. Management's strategic decisions about the product to be offered are among the most important of those affecting the future of a company. No other strategic decision has such widespread impact, cutting across every functional area and affecting all level of an organization. This key strategic role should not come as a surprise since meeting people's needs and wants with goods & services is what business is all about. A product strategy consists of:-

-) Decision how to position a business unit's product offering (specific product line or mix) to serve its target market.
-) Setting strategic objectives for the product offering.
-) Selecting a branding strategy.
-) Developing and implementing a management strategy for new and existing products (David W. Cravens).

2.2.6.2 Pricing strategy

Price is one of the four major elements that the marketing manager must consider while preparing the marketing program. Price is regarded as a backbone on which the success of the marketing program largely depends. No rational product policy, no product design, and no marketing strategy can't be formulated without consideration of price, nor is price set in isolation of the total strategy. Since price decisions affect not only the firm's sales and profit but also determines its future prospects, they must be taken into account seriously.

In general, price is value or amount of money sacrificed to obtain a particular product or service. Price may also be defined as the exchange of something of value between parties involved in a transaction. In economic sense, price is value expressed in terms of rupees or dollars, or any other monetary medium of exchange.

Pricing on the other means the determination of proper value to a particular product or service. In broader sense, price settings involve of the exchange to all parties involved in the transaction. Determining the values to base price is a strategic decision. Pricing as a strategic variable in marketing. It should be based on systematic decisions to assign a value to communication the seller's estimated worth of the offering.

Price strategy has many characteristics in common with a bomb! The consequences of pricing decision can be explosive and far-reaching and it may be difficult to alter a strategy once it has been implemented, particularly if the change calls for significant price increases. Price has many possible uses as a strategic instrument in corporate and marketing strategy.

We define a price strategy as "deciding how to position price within the range of feasible prices, establishing whether price shall be used as an active or passive element in the marketing program setting the specific objectives to be accomplished by price and establishing policies and structure for guiding pricing decisions"(David W. Cravens).

2.2.6.3 Distribution strategy

Distribution is one of the vital marketing function. Without its effective and efficient management the whole marketing system may collapse. Therefore marketing manager should give due attention towards its better functioning. Simply speaking, distribution is the delivery of the products to the right time, place and consumer. It is not a single element, but it is a mixed of various to consolidate functions, such as channel of distribution, transportation, warehousing and inventory controls etc.

Most producers work with marketing intermediaries to bring their product to market they try to forget a distribution channel. A producer should decide how many middlemen he should seek at each level of distribution. He will determine the numbers of retailers, wholesalers, agents and so on.

"Distribution may be defined as an operation or a series of operation which physically bring the goods manufactured or produced by any particular manufactures in to the hands of the final consumer or users"(Rustam S. Daver, 1977)."Distribution channels are major factors in the effective development of the market share, internationally to maintain quality and ensure services; direct distribution is also undertaken by many manufactures. Also, the use of multiple channels will expand and include Tele-marketing, direct response marketing, mail- order and computer assisted buying" (William Lazer, 1990).

Distribution is concerned with the activities involved in transferring goods from producers to final buyers and users. It includes not only physical activities, such as transporting and storing goods but also the legal promotional and financial activities performed in the course of transferring ownership. Since a succession of enterprises is generally involved in the distribution process leading to the final sale to the consumer or user to understand distribution one must analyze both the different kind of marketing institutions and the marketing channels in which they operate.

The means of distribution have a very significant effect upon the prices of goods and a single means is not enough due to the geographical diversity where there is single system this has led to the rise in the price of commodities on the one hand and the

non-availability of them in time, on the other hand. These problems have pointed to the necessity of a new management in the means of distribution which specially considers the factors like the nature of the commodity, the behaviour of the customers, effectiveness of time, education and social values.

The distribution channel moves goods from producers to consumers. It overcomes time, place and possession gaps that separates goods and services from those who would use them. The different distribution channels are useful for receiving information, finding and communicating with perspective buyers, attempting can happen.

In the present-day mass production economy, most producers do not sell their goods directly to the final users. Distribution channels are among the most complete and challenging function of decision- making facing a firm in modern business organization. "The channel and physical distribution programmer are developed to deliver right product ay the right place at the right time at the lower cost"(Burr W. Hupp). "Effective control of distribution costs can give an organization an advantage, if the organization cannot control distribution costs profit will be impaired in the short run and survival may be threatened in the long run"(Ronald J, Lewis, 1969). Most producers do not sell their product directly to the final consumers. That is why; they use a variety of intermediaries. Channels are the medium for taking the goods and services to ultimate buyers. These organization and agencies are grouped together in various combinations linking particular producing units through the channels distribution." In today' s economy most of the producer of goods and services do not sell their foods directly to the final users between them and the final users stands a host of marketing intermediaries performing in a variety of functions and bearing a variety of names. Some middlemen such as wholesalers and retailer buy, take title to, and re-sell the merchandise. They are called merchant middlemen other such as brokers, manufactures and may negotiate on behalf of the producer but do not take title to the goods. They are agent middlemen"(Kotler).

After the product has been produced, producers must distribute or supply these products to the target markets. In the most of the cases, producers use several middlemen or channels of distribution to supply goods and services to the consumption point.

A channel of distribution shall be considered to comprise a set of institutions, which perform all of the activities utilized to move a product and its title from production to consumption (Bucklin). Channels of distribution is an organized network of agencies and institutions which in combination, perform all the activities required to link producers with users and users with producers to accomplish the marketing task (Craven, Hills & Woodroff).

These intermediaries or channels of distribution tend to be used for several reasons:

- 1) The number of sellers, buyers and the distance of product movement are relatively large .
- 2) The frequency of purchase is high.
- 3) The lot sizes needed by end users are small.
- 4) Markets are decentralized.

Channel structure

There are three levels of marketing channels:

- 1) Direct channels.
- ii) Indirect channels.
- iii) Mixed channels.

Under direct channel, producer himself distributes goods and services to the end users. No intermediaries are used in this case. Under indirect channel, several intermediaries such as wholesalers, retailers' dealers, agents' etc are used to supply goods and services from production point to the consumption point. Under mixed channel, producer uses both direct as well as indirect channels at the same time for the purpose.

Here, intermediaries or middlemen can be divided into two categories:

- a) Merchant middlemen

b) Agents

Merchant middlemen purchase outright and actually take title to the goods. Merchant middlemen include wholesalers, retailers etc. Agent acts in an agency capacity on clients and does not take title to the goods which they deal. They usually charge certain commission in tens of percentage or lump sum.

Physical distribution

Physical distribution is concerned to the management of physical flow of goods from the points of suppliers to the points of purchases. "Physical distribution management as the process of strategically managing the movement and storage of materials, parts, and finished inventory from suppliers between enterprise facilities and to customers (Kotler)."Physical distribution as the activities concerned with the movement of the right amount of the right products to the right place of the right time"(Stanton).

The main objective of physical distribution is getting the right product safely to the right places at the right time at the least possible cost. Fore specifically, the objectives of physical distribution are:-

- a) To provide customer service
- b) To distribute goods more safely
- c) To minimize the total cost
- d) To supply goods to the right target market function of physical distribution

A physical distribution system consists of a sell interrelated functions with specific boundaries. The interrelated functions include the following element:-

- a) Transportation
- b) Warehousing
- c) Inventory management and control
- d) Order processing
- e) Material Handling

Transportation is the element of the physical distribution system that links geographically separated markets and facilities. There are five models of transportation: -

- 1) Rail transport
- 2) Highway transport
- 3) Water transport
- 4) Pipe-line transport
- 5) Air transport

Warehousing decision determines the number, size and location of storage facilities needed to services customers demand. Developing effective warehousing strategies includes the decisions regarding the following elements:-

-) Location of warehouse
-) Determine the type of warehousing i.e. private or public warehousing.
-) Evaluate developments in warehousing.

Inventory decisions are concerned with balancing the costs of carrying inventory, ordering products from supplies and controlling other inventory costs to achieve a desired level of consumer satisfaction, inventory accumulation is expensive, yet availability is essential to having satisfied customers.

Order processing constitutes the communication linkage that stimulates a physical distribution system into action. In other words, order processing regards to all those activities involved in collection, checking and transmitting sales-order information. It is the handling of all paper work associated with the sale of goods and services offered by an organization.

Material handling, also called the physical handling of goods, is an activity that is important in inventory, warehousing and transportation. The characteristics of a product to a large extent how it will be handled.

2.2.6.4 Promotional strategy

Promotional strategy is also one of the most important marketing strategies. There are various types of promotions. These include advertising, personal selling, sales promotion and various miscellaneous efforts. When management has a message to pass to target consumer's promotion is the proper vehicle. "Like other marketing tools, both business and non business organizations use promotion. The state of Louisiana has been promotion family planning since 1965" (Adel L. El- Ansary and Oscar E. Kramer, 1973). "Promotion can be used to improve the image of police work as a career" (Richard W. Hansen). A company needs to make marketing decisions only in the areas of segmentation, product offering, pricing and distribution but also in the area of promotion. "Promotion is any marketing effort whose function is to inform or persuade actual or potential consumers about the merits of a (given) product or service for the purpose of including a consumer either to continue or to start purchasing the firm's product or service at some (given) price" (Wroe Alderson and Paul E. Green).

Promotion is persuasive communication. It is a highly visible element in the marketing mix. It sells the target customers about product, price and place. It is also known as marketing communication." Promotion is applied communication used by marketers to exchange persuasive messages and information between buyers and sellers" (Kundt & Amico, 1986).

"Promotion represents the various communications to inform and persuade people that a firm directs towards its market targets, channel organizations and the public at large. These communications consists of advertizing, personal selling and sales promotion activities. Increasingly marketing management is finding it profitable to combine advertising, personal selling, packaging, point of purchase, direct mail, product sampling, publicity, and public relations decisions into an integrated promotion strategy

Since each type of promotion has certain strengths and short comings, the strategy adopted should capitalize upon the advantages of every component in shaping a cost effective communications mix (W. Cravens, 1996).

There are various promotion methods:-

Advertising:-

"Unlike personal selling and some sales promotion and public relation techniques, advertising is an impersonal means of communication. Advertising is an impersonal promotion to groups that is paid for by an identified sponsor. It focuses upon group of persons, rather than upon individuals"(Robin Peterson ,1977)."Advertising can be described as any paid from of non- personal communication by a sponsor "(Dholakia, Khurana, Bhandari and Jain, 1988)."Advertising includes any persuasive message carried by a medium and paid for by a sponsor who sings the message"(Douglass Johnson, 1978).

Personal selling:-

"Personal selling can be a very intense means of promotion. Personal selling consists of person-to-person communication between sales persons and their prospects. Unlike advertising, it involves personal interaction between the source and the destination (Ibid)."Personal selling refers to oral presentation to one or more customers in a face-to-face situation for stimulating demand for products and services or enhancing company image"(Ibid)."Personal selling is a person-to- person dialogue between buyer and seller where the purpose of the interaction, whether face-to-face or over the phone, is to persuade to buyer to accept a point of view or to convince the buyer to take a specific course of action"(Zikmund & d' Amico, 1986).

Sales promotion:-

According to the American Marketing Association, sales promotion is, "those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstrations, and various no recurrent selling efforts not in the

ordinary routine”(American Marketing Association, 1960).Sales promotion activities are impersonal and usually nonrecurring, and are directed to ultimate consumers, industrial consumers and middlemen. These activities tend to supplement the advertising and personal selling efforts. Examples of sales promotion are free product samples, trading stamps, store displays, premiums, coupons and trade shows. "Sales promotion can be defined as those promotional activities other than personal selling, advertising and publicity that are intended to stimulate buyer purchases or leader effectiveness in a specific time period”(Zikmund & d' Amico, 1960).

Publicity:

"Publicity is a means of promoting to the mass market. Publicity is similar to advertising, except that it is free, is found in the editorial portion of news media and pertains to newsworthy events”(Rollie Eiliman and C.A. Kirkparick, 1968). The most common types of publicity are news release to advertising except that it involves an unpaid and unsigned message, even though it may use the same mass media as advertising does”(Zikmund & d' Amico, 1986).

Public Relations:

"Marketing engages in public relations in order to develop a favourable image of their organizations and products in the eyes of the public, they direct this activity to parties other than target consumers. These 'others' include the public at large union, the press, and environmentalist groups. Public relations activities include sponsoring floats in parades, lobbying and using promotion messages to persuade members of the public to take a desired position”(Robin Peterson, 1977).

Promotion Strategies

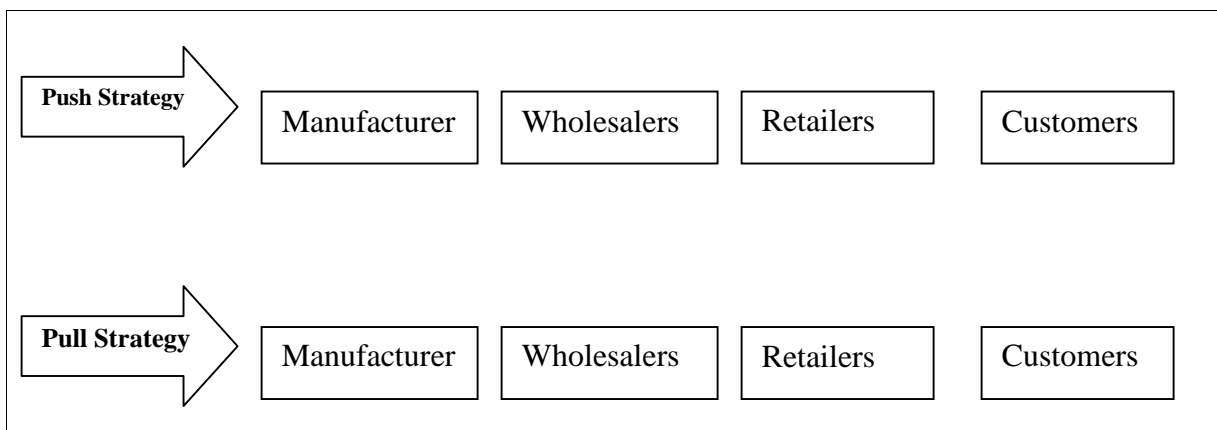
Push and pull strategies:

In puss strategies, the promotion program is directed at middlemen. The product is "pushed" through the channel. The channel members are persuaded to order, carry and promote product to customers. The manufacturer promotes to wholesaler, the wholesaler promotes to retailer, the emphasized in push strategy. This strategy is

useful where brand loyalty is low and market share is to be protected. In pull strategy, the promotion program is directed at customers. The customers are persuaded to ask for the product from the retailer, the retailers ask for the product from the wholesalers and the wholesalers order the product from the manufacturers. The product is "pulled" through the channel to increase sales. Aggressive advertising and consumer promotion is emphasized in pull strategy is useful where brand loyalty

Figure-2.4

Push and pull strategies



2.2.7 Status

As our research is concerned with the status of Coke and Pepsi, it is very relevant to make some assessment as to the "identifying the target audience"(as it is called in the language of marketing). For this purpose we are going to present some analysis of status(images) as a review of literature in the concerned field of study, as follows;

2.2.8.1 Status Analysis

Status is the set of beliefs, ideas, impressions and person holds as to an object i.e. a product in the marketing sense. People's attitudes and action towards an object are highly conditioned by that object's status.

2.2.8.1.1 Product & Service Status

The status that a product or service has in the mind of the customer that is its positioning is probably more important to its ultimate success than are its actual characteristics. Marketers try to position their brands so that they are perceived by the consumer as fitting into a distinctive niche in the market place, a niche occupied by no other claim will fulfill the consumer's needs better than competing brands. They strive to create a product image consistent with the relevant self-status of the targeted consumer segment.

2.2.8.1.2 Positioning strategies

Positioning strategies is the essence of the marketing mix. It complements the company's segmentation strategies and selection of target markets. Positioning conveys the concept, or meaning, of the product or service in terms of how it fulfills a consumer needs. Different consumer meanings (i.e. product status) are sometimes assigned to the same product or service. Thus, a product or service can be positioned differently to different market segments, or can be repositioned to the same audience, without actually being physically changed.

2.2.8.1.3 Repositioning Strategies

Regardless of how well positioned a product appears to be the marketer may be forced to reposition it in response to market event, such as a competitor cutting into the brand's market share. For example, rather than trying to meet the lower prices of high-quality private label competition. Some premium brand marketers have

repositioned their brands to justify their higher prices, playing up brand attributes that had previously been ignored.

When Revlon decided to change the image of Revlon cosmetics to attract a younger, more diverse audience, its repositioning strategy involved changing its copy appeals, changing its advertising media (to youth-oriented TV shows). and changing its distribution channels (from higher- price department stores to lower- priced retail outlets such as drug stores and supermarkets). A similar repositioning strategy was adapted by Sprite & Fanta to target young generation. Johnson & Johnson also adopted same tactics.

Another reason to reposition a product or service is changing consumer preference. For example, as consumers became aware of the dangers of intense sustaining, alert cosmetic companies began to add sunscreens to lipsticks, moisturizers and foundation creams, and to promote this new benefits as a major attribute, thus repositioning specific product line. They also created a new and highly profitable product category. Self- tanners that required no sun exposure whatever. When health-oriented consumers began to avoid hi-fat foods, many fast-food chains acted swiftly to reposition their images by offering salad bars and other health oriented foods. Kentucky Fried Chicken changed its well known corporate name to KFC in order to omit the dread word "Fried" from its advertising. Weight watchers repositioned its line of frozen foods from "dietetic" to "healthy "maintaining its diet-thin imagery while responding to a perceived shift in consumer values.

2.2.8.2 Perceived quality

Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the product. Some of these cues are intrinsic to the product services and others are extrinsic. Either singly or in composite, such cues provides the basis for perceptions of product and service quality.

Cues that are intrinsic concern physical characteristics of the product itself, such as size, color, flavor or aroma. In some cases, consumers use physical characteristics to

judge product quality; For example, consumers often judge the flavor of ice cream or cake by color cues. Even the perceived quality of laundry detergents is affected by color cues. For example, many detergents are traditionally colored blue, in the hopes that housewives will associate the color with the "bluing" their grandmothers used to add to whiten and brighten their laundry. Similarly, Coke & Pepsi both are offered in same color signifying the completion they have with each other.

Consumers like to believe that they base their evaluations of product quality on intrinsic cues, because that enables them to justify their product decisions,(either positive or negative) as being " rational" or " objective" product choices. More often that not, however, they physical characteristics they use to judge quality have no intrinsic relationship to the products quality. For example, though many consumers claim they buy a brand because of its superior taste, they are often unable to identify that brand in blind taste tests.

2.2.9 Usage Trend

Products do not sell themselves and marketing program that insures the same of products as intended should include a program that will guarantee the sell of products. This objective should include the study of usage pattern of the product i.e. that is in hand. How consumers behave as to the consumption pattern of the products(i.e. Coke & Pepsi in our case) must be studied. In fact the image of the product can be derived from the study of the usage pattern of the product itself. For this purpose the study of consumer behaviour was done by the researcher himself through observation and interviews in many cases and conclusions were drawn from the answers received through questionnaires distributed to retailers & consumers also. On the other hand if a change to be made in taste, price or quality as a whole of the product is felt, again the study on usage pattern of the product is needed. In our case i.e. our research work on cold drinks, the practical aspect of the problem is very clear and lack of any previous research in the field hindered this detail review of literature. And the findings as to the usage pattern will come to be implied within the

status and consumer behaviours regarding the marketing of Coke & Pepsi in Bhairahawa.

In fact, the status of these products as well as the attitude of a consumer towards a certain product are often related to the pattern of use as seen in the market. Since, the usage pattern of consumers is directly related to the understanding of consumer behaviour. It is obvious that a marketer or a manufacturer must have an idea or a consumption- related ways and with learning what internal and external influence impact them to act as they do. As such it can be stated that image and the attitude themselves as already has come into existence in the mind of the consumer. As such, this specific study as to usage pattern itself does not give much sense unless it encompasses both image and attitude. Similarly, as marketing researchers began to study the buying behaviour of consumers, they soon realized that many consumers rebelled at using the identical products everyone else used. Instead, they preferred differentiated products that they felt reflected their own special needs, personalities and lifestyles. Such situations give birth to different image and attitudes towards different products and as a result set particular types of usage pattern of products in the market. To meet the needs of specific groups of consumers, most marketers adopt a policy of "marketing segmentation", which calls for this division of their total potential markets into smaller, homogeneous segments for which they could design specific products and or promotional campaigns. At the same time they also use promotional techniques to vary the image of their products so that they would be perceived as better fulfilling the specific needs of certain target segments. This process is called nowadays as "positioning." Other reasons for the developing interest in consumer behaviour regarding usage pattern of consumers include the rate of new product development, growth of the consumer movement, public policy concerns and environmental concerns etc.

Thus the marketing objective should be to enable the consumer, to link a specific image with specific brand name and such image will definitely lead to some specific pattern of use of the products and the pattern seen and found in the existing

marketing conditions also lead back to the image and attitude also. This means usage pattern can also give feed back to the marketers as to the strategic decision makings regarding the images and attitudes of consumers towards certain products.

2.3 Review of Related Studies

2.3.1 Review of Empirical Studies in Global Context

Zhou & Ouyang (2002) studied the long termed effects of TV advertising on sales contrary to conventional wisdom that sustained spending in advertising is needed to maintain high levels of sales, the concept of marketing persistence suggest that short term advertising camping's can have long lasting impacts on sales. The study also concluded that all advertising is not designed to lead directly to sales. It may be, for example, aiming for long-term brand image building. Whether it is designed for short-term or longterm purposes, advertising's effectiveness lies in its capability to stimulate or maintainsales (Eachambadi 1994; Mantrala et al. 1992; Naik et al. 1998; Vidale and Wolfe 1957). Thus, advertising is frequently used as an independent variable in explaining changes in sales (Lillien 1994). According to Abraham and Lodish (1990,), however, a real and important issue in advertising effectiveness is "the *incremental* sales of a product over and above those that would have happened without the advertising or promotion". If short-term advertising can result in a sustained high level of sales, as they put it, the company is "getting the most out of advertising". While advertising managers have long considered the idea that advertising's impact on sales can persist longer than the current period "intuitively attractive" (Clarke 1976,), many of them still assume that advertising's effect on sales is short-term. They also hold that, in all cases, more and longer uses of advertising are better than less and shorter uses of it no matter if advertising is directly boosting sales (Jones 1992; 1995). Abraham and Lodish (1990) suggest that, as a result, much advertising is wasted, largely due to the lack of measures that can

show the manager the impact of short-term advertising on long-term sales. Bass (1969,), among many others, lamented: “There is no more difficult, complex, or controversial problem in marketing than measuring the influence of advertising on sales” because of our inability to isolate advertising effects from other effects and to quantify such effects.

In an attempt to study Revisiting Malleable Self : Brand effects on consumer self perception of personality trait Fennis, Pruyn & Maasland (2005) examined the causal relationships between personality and human personality, a pilot study was conducted to identify brands from different product categories that varied along the dimensions of the Brand Personality scale (Aaker1997) and could serve as stimulus material in the series of experiments. To this end, a rating study was conducted in which a total of 100 judges (undergraduate students with a mean age of 24.5 years, $SD=3.33$) were asked to rate a total of 125 familiar brands from four product categories (soft drinks, magazines (titles), automobiles, and clothing). The brand personality scale (Aaker 1997) was used to rate each brand. This scale consists of 42 adjectives (on 5-point scales ranging from ‘not at all descriptive’ to ‘highly descriptive’), encompassing the five basic dimensions of the brand personality construct: sincerity, excitement, competence, sophistication and ruggedness. Sample adjectives include ‘down-to-earth’ (sincerity), ‘daring’ (excitement), ‘intelligent’ (competence), ‘charming’ (sophistication) and ‘outdoorsy’ (ruggedness; see Aaker 1997 for a complete listing of the adjectives). With the exception of sophistication, inter-judge reliability (Cronbach’s alpha) for these dimensions was sufficiently high to proceed with the analysis (.84, .87, .90, .67, respectively). Because of the failure to obtain a satisfactory reliability for sophistication, this dimension was dropped from further analyses. Hence, in the actual experiments, only the influence of the remaining brand personality dimensions was assessed (i.e., sincerity, excitement, competence, and ruggedness). On each of these dimensions, each of the brands in the pilot study was assigned a score, obtained through summing and averaging the scores on the adjectives that formed each dimension. The mean scores of all brands for each

category were then ranked for each brand personality dimension, which enabled us to select the highest and lowest rated brands for each of the dimensions and across each product category. As a sample of the brands used in the experiments, the results of the pilot test showed that 'Jeep' scored highest and 'Nissan' scored lowest on the brand personality dimension of excitement in the product category of automobiles. For the product category of clothing, 'Pall Mall' clothing scored highest and 'Esprit' lowest on the ruggedness dimension.

Eva-Lena Andersson, Evelina Arvidsson, and Cecilie Lindström (2006) studied that International advertising and international sponsorship respectively influence the local target group in different ways, but they also affect international brand in that they have an impact on brand image and brand equity. Moreover, depending on a person's age, consumers view brands differently, and thus have an effect on international brand alone, but also in combination with international advertisement and international sponsorship. Together, these factors influence the way in which a brand is perceived, and consequently influence consumer preferences. Yet, as a result of globalization, the use of advertisement across cultural borders has grown immensely, and while one expert claims that the average person is daily exposed to 1,600 advertisements, another expert estimates the total number to be as much as 5,000 a day (Armstrong *et al.* 2005), "*from billboards to bumper stickers to logos on caps and T-shirts*" (www.thegredecountry.com). Seeing as advertising clutter has increased tremendously and is more intense than ever, it is vital that companies differentiate themselves from competitors by creating even more powerful, entertaining, and innovative advertisement messages. However, this has proven to be very costly, especially within highly competitive product markets, such as the soft-drink industry, which requires higher advertising budgets just to stay even with competitors. Examples of such companies that spend billion of dollars on advertising in order to stay key players in their industry are The Coca-Cola Company and Pepsi Company, not only are Coca-Cola and Pepsi dominant market leaders on the

worldwide beveragemarket, but they are also two of the most notable and widely sold commercial brands in the world (<http://en.wikipedia.org>), and annually spend billions of dollars on advertising campaigns. In 2004, Coca-Cola's worldwide advertising budget exceeded \$1.5 billion, while Pepsi's advertising expenditure totalled \$1.3 billion (www.mind-advertising.com). Coca-Cola's advertising has always been celebrated globally, and introduced its first advertising theme in the early 1900's and has since seen plenty of popular themes that have become recognised worldwide (www.coke.com). Today, Coca-Cola depends heavily on "*images of happiness and togetherness, tradition and nationalism*", whereas Pepsi relies more on the appeal of celebrities, popular music, and young people in their television commercials. Not only can it be difficult to understand consumer behaviour and target groups' needs on the domestic market, but for multi-national companies, this is an even greater struggle. Despite the fact that most of the world's consumers have certain things in common, their values and attitudes, as well as behaviour often differ. As a result, it is vital that international marketers understand these differences and adapt their marketing strategies accordingly. Failure to do so could result in disaster for a company's international products and marketing programs. More specifically, the degree to which international advertisement should be adjusted in accordance to distinctive consumer characteristics in different countries is of great concern for many companies (Armstrong *et al.* 2005). Consequently, the debate about whether to standardize or adapt an advertising campaign has come to dominate the area within the international marketing literature for decades (Harris *et al.* 2003). Although some notable international advertising campaigns have been successful, most multinational companies have difficulties in targeting and stimulating consumers from various countries through a standardized marketing program. Moreover, as today's economies are becoming more entwined than ever, any possible method that can be used in supporting the building of global brands is appealing. One of the primary objectives that international marketers have is to create an image that is familiar worldwide, but at the same time associated with explicit meanings (Fahy *et al.* 2004).

Although advertising is still the number one communication tool for businesses, immense changes within, for instance, technology has required companies to implement other promotional strategies other than traditional marketing communication tools. Moreover, employing a mixture of all marketing communications components in order to sustain and build competitive advantages (Erdogan *et al.* 1998). One such promotional strategy is that of sponsorship, which to some extent share similar objectives to advertising, such as sustaining and building corporate awareness. Although both advertisement and sponsorship messages are delivered to a greater audience, the later persuades its contexts more indirectly and implicitly. Moreover, Erdogan *et al.* (1998, p. 372) claim that “*messages sent by companies, are controlled to a greater extent in the case of advertising than in the case of sponsorship even though sponsorships are being designed to offer more precise, less cluttered ways for marketers to promote products and services through sampling, demonstration, contests, and many interactive, educational, and family activities*”. Although it is believed by many that sponsorship has the potential to become the marketing communication tool of the 21st century, research remains without theoretical base and a clear definition of sponsorship does not exist (Dolphin, 2003). The majority of the advertisement research that exist merely suggest which advertisement is the best amid those that are evaluated, and despite the fact that one advertisement might be more memorable or cause more attention than others, this does not imply that there is a definite relationship to consumer preferences and sales success (Hartley, 2001). The majority of the sponsorship research has focused on “*consumer awareness of sponsors and perceptions of the sponsor’s image*” (Carrillat, *et al.* 2005, p. 51), and accordingly there is little evidence\ concerning the effect a company’s sponsorship activities have on consumers’ attitudes and buying behaviour. Although demographic segmentation continues to have an influential role\ within the marketing theory, the majority of the research focuses on the way in which demographic variables affect marketing communications, particularly that of gender and advertising. Merely little research can be found within the other demographic

variables and thus age segmentation theory is relatively limited (FitzGerald *et al.* 1996). As a result, more knowledge about factors affecting consumer buying behaviour is needed. Thus we propose the following question: to what extent do advertising, sponsorship, brand, and age affect consumer preferences?

The overall purpose of this paper is to gain a deeper understanding of different international and local factors affecting consumer preferences on a local market. Specifically, we want to explore the effect international well-recognized advertising campaigns have on consumers' buying process. We also want to study whether or not there is a relationship between the above mentioned factors' influence on the choice of homogenous products.

2.3.2 Review of Nepalese Studies

Shrestha(1998) studied the usage pattern, attitude and image of cold drinks to examine the purchase behaviour of consumers. The study covered a survey among consumers of cold drinks in Kathmandu valley consisting of 100 respondents. The study also concluded that advertising is considered as the primary source of information. The advertisement of Coke, Pepsi and other branded cold drinks are founded in Kathmandu. Coca-Cola brand is more popular than other brand. Consumer gives more preference to the brand but less preference to quality and test. Television is the most favorite media for advertisement. The major reason of brand switching is the taste of the products.

The study has recommended that advertising should be more believable and effective, so manufactures are suggested to advertise their product through television and other media. 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. It is suggested that the manufactures of cold drinks should try to fulfill consumer's demand on cold drinks of their choice.

In an attempt to study the coffee marketing system in Nepal, Pathak (1998) examined the challenges, problems and profitability of farming, processing and

marketing of coffee and professional standards with 50 respondents. The study articulated that Nepalese farmers are motivated to plant coffee for better yields and they technical support and training for professional farming skills. There is no support to farmers input; supply and sales security were varying weak. Recently emerging community activities show better symptoms in this respect. Pricing to support farmers was effective due to increased competition. Market promotion is weak and packing is the first place to start promotional campaign. Now, push sales is the only measure and no promotions are done. Distribution system components are assembly transportation, processing and other processing. Through Nepalese domestic production covers only 22.9 percent of domestic market. Nepalese coffee is worth exporting and Nepalese consumers prefer instant coffee mainly imported from India. It shows that Nepal can develop coffee, as an important cash crop to generate exports which should help in economic growth, employment generation and mitigating the ever-increasing unfavorable balance of trade, for this professional and institutional approach, is warranted for.

The study has recommended to select better seeds appropriate for the Nepalese landscape and climate. Interest Rate 17% is not appropriate for farming and is very high. Enterprising farmers should be trained so as to make them the bridge between the ordinary farmers and technical exports. Wet pulping should be introduced and farmers should be facilitated to pulp, hull and grade the beans and green beans should be introduced in trade. There should be improved in packing of roasted coffee. Demonstration farms should be developed as the catalysts to incorporate rural people in modern business ethics. Professionalism should be encouraged in coffee marketing.

Bhatta (1998) studied the Beer market of Nepal with the objectives of analyzing the sales promotion and its effect on sales in Kathmandu valley with 100 respondents. Though the concept of sales promotion is relatively new in Nepal, there are lots of

things to be researched and find out in the practice of sales promotion. On the basis of analysis of the consumers view point and sales data separately. The following findings are drawn. The people with high-income group highly educated and from business people tend to drink beers more. The people drink beer at restaurants for relaxation rather than other cause. The people prefer San Miguel brand than other beers. In the case of sales promotion the cash prizes out of all the tools insist people. In advertising, electronic media is varying popular among the people. If the expenses on sales promotion increase, the sales increase in a high speed. From the regression it is clearly seen that if the expenses on the sales promotion increases the sales of the product will be increased. It is concluded that sales promotion works as a starter to the beer drinkers. Most people, who are not so educated, are not loyal to wards any particulars brand. Due to this, the sales promotions easily quench the attention of those beer drinkers and as a result the sales of the beer will increase.

The people who drink beers accept electronic media most. So far sales promotions purpose, the electronic media is very suitable. The sales promotion is very powerful tools which can easily boots the sales. The study has recommended that low-income group as well as low education group should be launched the beer. In advertising, the electronic media is very popular. So the heavy media coverage should be acquired. People like sash prizes so company should cut down the prize like motorcycles, fridge, TV, etc. findings proved that the sales promotion have positive impacts on the sales of the beers. But the companies launched the sales promotion programmers for only 3 months. It is strongly advised that sales promotion programmers should be launched at least for 6 months. At least, sales promotion is very important if the use would be in a proper way.

Thapa (1999) studied the market situation, price, quality and test of instant noodle to test the position of Yum Yum instant noodle with other brands in Kathmandu valley consisting of 150 respondents. On the basis of the field survey and subsequent analysis, the study has found following. All wholesalers are under the distributorship

of Chitwan Supplier, the single distributor of Yum Yum in Kathmandu. Wholesalers prefer the brands of noodles on the basis of sales volume. On the basis of sales volume Wai Wai stands at the top and Yum Yum stands in second. Few wholesalers have expressed the view that some retailers complain over the price of Rara, Wai Wai, and Hits and Ot! the taste of Yum Yum. After introduction of Yum Yum in the market, 90% of wholesalers expressed that the quality is not satisfactory and rest of the wholesalers expressed that the quality is not satisfactory regarding the distribution of different brands by their quality. Wai Wai is the best quality noodles and Yum Yum was in second position. Out of 100 percent, 65 % use noodles as Tiffin and rest of 35% respondents use it as both Tiffin and dinner.

This study concluded that the use of instant noodles has become a general consumption phenomenon in Kathmandu. There are various brands of instant noodles available in the market and market of noodles has turned to be competitive in recent years. The company does not have effective & reliable channel to collect information from wholesalers, distributors & consumers.

In an attempt to study the impact of sales promotion tools on sales of cold drinks in Chitawan Adhikari (2002) examined with 100 respondents To find out which promotion tools and media is more acceptable by Nepalese consumer, evaluate effectiveness of sales promotional activities in the sales of Cold drinks in Nepal and relationship between sales promotion package and consumer behaviour. The major objective if the present study to see sales promotional tools are effective or not on the sales of the Cold drinks. The whole research is sub divided on the basis in interpretation and analysis into two parts i.e. first effect of sales promotion from the consumer and shopkeepers view point and second effects on sales promotion from the calculation of sales data. On the basis of analysis of the consumers view point and sales data separately. Person drinks Cold drinks occasionally and prefers Coca-Cola brand more than others. People are aware about sales promotion activities out of

them most people know about item prize than coupon than cash prizes. But cash prizes is effective than others tools. The sales of Cold drinks increasing month by month but the ratio of sales is higher is the months when the companies lunched sales promotion program. This indicates that is positive relationship between the sales promotions. If the expenses on sales promotion increases the sales increases in a high speed. The sales of one brand does not affect negatively to the sales of other brands. As the observation shows that the trend of all two brands are increasing. The Cold drinks drinker's have not particular choice of brands. So the concept of brand loyalty is not founding Nepalese Cold drinks market. So they can easily be directed towards one particular brand through proper marketing net. All media is not popular among the people. Only electronic media (especially TV) is vary popular among the people and the people who watch and listen media notice the advertising. The percentage of the people notice advertising for entertainment is higher than for information. It is found that cold drink distributor generally conduct 3 months special promotion package one time in a year. In this time they achieve 50 percent sales target of year. From the regression it is clearly seen that if the expenses on the sales promotion increases the sales of the product will be increases. Large numbers of people are interested on promotional contents that the manufacturer launches various occasions. Retailers are interested on promotional program. They are aware of cash prizes then other promotional work. Sales promotion programmed has positive impact on retailers and most of them taken parts on contents and win prizes. The study has further recommended for an improvement in the taste and quality and fixing reasonable price which can be helpful measure to increase the volume of sales in the market. The company should increase the incentive to the wholesalers\ distributors so as to motivate & encourage them to focus their transactions on Yum Yum. The company should diversify its marker by penetrating into potential rural areas. It should establish efficient distribution networks and provide reasonable amount of commission at each level. Although Lamichhane (1998) had conducted a similar study in the same study area, this study has been more focused on studying the

consumers' perspective in their consumption behaviour of cold drinks. This study has also integrated the retailer level survey in order to examine the distribution system of cold drinks in the study area and find out what the channel members; particularly the retailers give priority in selling cold drink.

2.4 Review of Related Articles

2.4.1 Annual Review of Coca-Cola Company

The Coca-Cola Company at Atlanta city has published an annual review that describes the company's overview. According to this overview "the health of our business depends on the health of our consumers, their communities and the natural environment we all depend on. The people of the Coca-Cola company work together with our bottling partners, our business partners and members of the communities in which we operate- and even our critics-to identify and address existing and emerging social and environmental issues as well as potential solutions with our technical and marketing expertise, our reputation and network of influence and our global production and distribution system, we have a tremendous opportunity to make a meaningful difference in the more than 200 countries we call home. We believe that the greater our presence, the greater our responsibility."

2.4.2 Task Force Report

2.4.2.1 Market Place

The task force report of coca-cola product at Atlanta, USA has described in detail about the quality product like coca-cola. According to Task force report under place "when you Purchase a coca- cola product, you count on its quality. Our market nearly 2400 beverage products in more than 200 countries. Each of those products must be of the highest quality and must meet consumers' changing tastes, needs and expectations. And in each of those countries, we are an active member of the

business community, working hand in hand with local individuals, merchants and governments to improve the health and prosperity of the local economy”.

2.4.2.2 Quality

According to task force reports under quality "We ensure the quality and safety our beverages through the coca-cola quality system (TCCQS), our integrated approach to managing quality, environment, health and safety. We continuously review TCCQS to ensure it meets the stringent and up-to date global requirements related to food safety, as well as quality management method, industry best practices and marketplace conditions. In our ingredient evaluation laboratories, for example, we perform precise analysis of fruits juices and other ingredients sent to us by our suppliers, to ensure and to improve product quality. Our processes, too, undergo constant scrutiny, to safeguard the water we use in our products and the packaging that carries them to our consumers. We inform and educate our business partners about our standards so that they meet the highest quality requirements. Under TCCQS, quality is our highest business objective and our enduring obligation.

A world wide initiative involving every aspect of our business. Everyone who works for or with coca-cola is empowered and expected to maintain the highest standards of quality in products, processes and relationships. TCCQS mandates in-depth self-assessment throughout our operations, by all our business units. This enables us to continually raise our standards.

The articles of Coca-Cola war published in Himalayan times dated on perspective, Sunday, September 10, 2006 entitle of cola war and branding events. According to cola wars" cola, as it was less formally called (the company trademarked the nick name in (1962), enjoyed a market share in excess of 60 percent at the end of second world war, but increased competition from others drinks began to erode the company's dominance. Part of this was coca-cola's own doing during the 1960s, it introduced new drinks Sprite, TAB, and Fresca, and in 1982 the incredibly popular diet. Coke debuted but the increasing success of Pepsi-cola, which first appeared in

1898, eventually gave the company reason for concern. It's impossible to say who fired the first volley, but during the 1970s and 1982s, the so-called "cola wars" intensified." According to branding events "today, coca-cola spends more money on global sports sponsorship than Pepsi or any other company with total worldwide expenditures in excess of \$1 billion a year. Coke sponsored the 2002 and 2006 world cup, and it has sponsored the Olympics since 1928. In 1998, the company signed a landmark 100-year deal for sprite to .be the official soft drink of the national basketball association. The company currently distributes approximately 300 brands of drinks around the world, including sprite, TAB, Fresca and Diet coke, Surge, Power-Ade (surge and power ad are the official soft and sports drinks, respectively of the American national Hockey league), Barq's, Dasani bottled water, the minute Maid line of fruit drinks, and mr.Pibb. The popular variant Cherry coke was introduced in 1985, and in 2002 Vanilla coke hit store sheives.

Some may believe that the company's future is mixed as well but the common perception seems to be: if the company can survive just about anything. With the name 'Coke' practically synonymous with 'Cola drinks'. One can't imagine the brand's name recognition going flat anytime soon. The cola wars will never end, but coke is far too entrenched in the public's consciousness to ever settle for less than number two in the market share battle.

2.4.4 Birth of the top brand

The most valuable global brand of 2006 was published **the boss** journal dated September 15 to 14 October 2006. According to these articles "In May, 1886, Coca-Cola was invented by Doctor John Pimberton a pharmacist from Atlanta, Georgia. John Pimberton conducted the Coca-Cola formula in a three legged brass kettle in his backyard. The name was a suggestion given by John Pimberton's bookkeeper Frank Robinson. Being a bookkeeper, Frank Robinson also had excellent penmanship. It was who first scripted "Coca-Cola" into the flowing letters which has become the famous logo of today.

The soft drink was first sold to the public at the soda fountain in Jacob's pharmacy in Atlanta on May 8, 1886. Until 1905, the soft drink, marketed as a tonic, contained extracts of cocaine as well as the caffeine-rich kola nut. In 1887, another Atlanta pharmacist and businessman, Asa Candler bought the formula for Coca-Cola from inventor John Pemberton for 2,300 dollars. By the late 1890s, Coca-Cola was one of America's most popular fountain drinks, largely due to Candler's aggressive marketing of product. With Asa Candler, now at the helm, the Coca-Cola Company increased syrup sales by over 4000 percent "between" 1890 to 1900.

On April 23, 1985, the trade secret "New Coke" formula was released. Today, products of the Coca-Cola Company are consumed at the rate of more than one billion drinks per day!

Today, the Coca-Cola Company is the global leader in the non-alcoholic beverage industry. It offers nearly 400 brands in over 200 countries. Many of these brands, including soft drinks, fruit juices, bottled water and sports drinks, are only available in specific regions of the world- sometimes in just a single country. The reason for this is simple: different people like different beverages at different times and for different reasons.

CHAPTER-3

RESEARCH METHODOLOGY

3.1 Introduction

The objective of this study is to examine the marketing, usage trend and status of Coke and Pepsi in Bhairahawa. In this study, the relevant data have been collected from consumers and retailers. To achieve the objective, the study follows a research methodology, which has been described as follows:

3.2 Research Design

This study is based on a survey research design. A limited scale survey has been conducted among the consumers and retailers of Coke and Pepsi in Bhairahawa. The questionnaires have been administered in order to collect data and other information relating to the research adopted for this study.

3.3 Population and Sample

As the total population of cold drinks users of presently available brand is hard to quantify in number, the study takes the population as the total consumers of Coke and Pepsi from various parts of Bhairahawa. Though the sample size is very small in comparison to the total population, sufficient efforts have been made to make the sample representative by including consumers from the different profession, age group, educational backgrounds and sex.

3.4 Nature and Sources of Data

This study is based mainly on primary data collected directly from the respondents. The respondents for this study are the consumers and the retailers of Coke and Pepsi at Bhairahawa. Most information has been collected from the primary source through the questionnaires and oral conversation with concerned distributors and consumers. The questionnaires were distributed to the consumers and retailers of Bhairahawa collecting necessary information.

Table: 3.1

The size of sample and respondents:

Respondents	Sample size	Questionnaires	%question return
Consumers	100	50	100%
Retailers	50	30	100%
Total	150	80	

As shown in table 3.1, 100 consumers and 50 retailers were interviewed by this studies researcher with the help of two different sets of structured questionnaires. Apart from the data collected through the questionnaires, some supplementary primary used in this study are presented in the appendix.

RESPONDENTS' PROFILE: CONSUMERS

Table: 3.2

User of Coke and Pepsi: Age wise

Age	No. of respondents	Percentage
10-15	22	22%
15-25	36	36%
25-35	27	27%
Above 35	15	15%
Total	100	100%

As shown in table 3.2, among the sample selected for the study, 22% of consumer of Coke and Pepsi lies in the 10 to 15 age groups, 36% lies in the 15 to 25, 27% lies in 25 to 35 age group and 15% lies in the above 35 age group. From this table it can be inferred that the users of cold drink can be found across the different age group.

Table: 3.3

User of Coke and Pepsi: Sex wise

Sex	No. of respondent	Percentage
Male	37	37%
Female	63	63%
Total	100	100%

As presented in table 3.3, the sample included 37% male consumers and 63% female consumers of Coke and Pepsi in Bhairahawa. It also shows that the female consumers of cold drinks in increasing day by day then previous year.

Table: 3.4

Users of Coke and Pepsi: Education wise

Under S.L.C.	11	11%
S.L.C. passed	19	19%
Under graduate	35	35%
Graduate	21	21%
Above graduate	14	14%
Total	100	100%

Figure-3.4

Users of Coke and Pepsi: Education wise

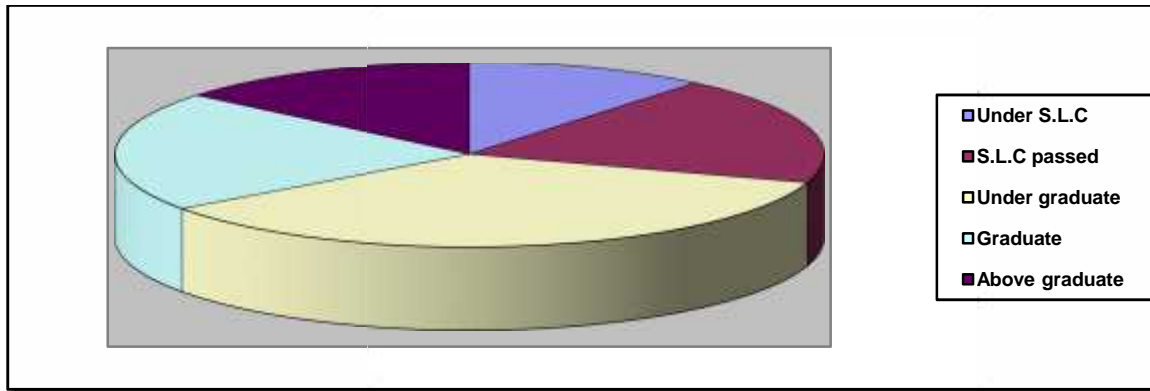


Table 3.4 presents the education profile of the respondents, out of 100 respondents surveyed, 35% of Coke and Pepsi users are under graduate and 19%, 21%, 14% and 11% are S.L.C. passed, graduate, above graduate and under S.L.C. respectively. On the basis of above data we can say that soft drinks are more famous among undergraduate students and graduate are in second place in comparison with other group education wise.

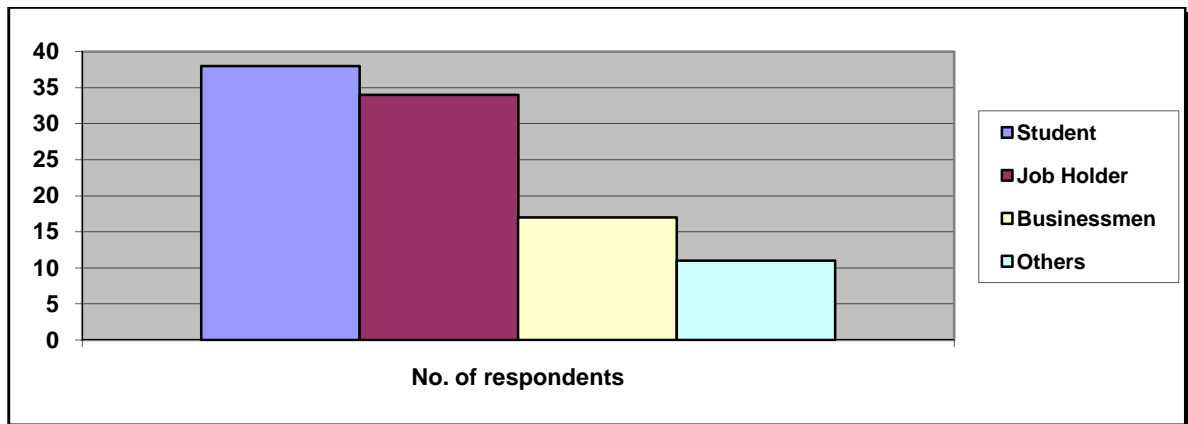
Table: 3.5

Users of Coke and Pepsi: Occupation wise

Occupation	No. of respondents	Percentage
Students	38	38%
Job holders	34	34%
Businessman	17	17%
Others	11	11%
Total	100	100%

Figure 3.5

Users of Coke and Pepsi: Occupation wise



As shown in table 3.5, according to occupation background 38% are students, 34% are job holders, 17% are businessman and 11% are others to take Coke and Pepsi. The no student as respondent is higher because soft drinks are more famous among students than any other group, job holder are in second position for this purpose in comparison with business and other groups.

3.5 Data Collection Procedures

Two sets of structured questionnaires were developed for the purpose of collection data from the consumers as well as retailers such as college, banks, office and hotels etc. The questionnaires were distributed through personal contact in which the respondents were requested to personally visit to take interview of the retailers and consumers. Consumers were chosen from different socio economic background for interview officers of companies and lecture of college interviewing Coke and Pepsi.

3.6 Data Processing and Analysis

The raw data collected through the questionnaires have been manually processed and presented in the form of table. Once the data are arranged orderly, simple statistical tools were used for analysis. The processed data have also been presented graph, bar, diagram and pie-chart. All the questionnaires were distributed and collected by these studies. So there was no delay in collection of the consumers. Every questionnaire was thoroughly checked after the collection.

CHAPTER-4

DATA PRESENTATION AND ANALYSIS

This chapter deals with data presentation and analysis. The data and information collected from the consumers and retailers have been presented, analyzed and interpreted in this chapter for attaining the stated objectives of the study. The heading first presents the consumer level survey and the retailer level survey after analysis and interpretation; the major findings of the study are included at the end of this chapter

4.1 Consumer Survey

Table: 5.1

User's Cold drinks usage trend and their favorite brand

Brand	No. of respondent	Percentage
Coke	37	37%
Fanta	19	19%
Sprite	11	11%
Pepsi	23	23%
Frooti	8	8%
Mirinda	3	3%
Total	100	100%

The survey included question to find out the attitude of consumers to cold drink of different brands and whether they consume only one type of brand or more than one. The result of survey is shown in table 5.1

Among the 100 respondents' survey in Bhairahawa, 37% of the consumer are found to consume Coke, where as 19% of respondent consumed Fanta, 23% of respondents

consume Pepsi, 11% of respondents consume Sprite, 8% consume Frooti and 3% of respondents consume Mirinda.

From the above table it proves that the choice of Coke is far ahead than other cold drink while Pepsi takes the second position. From the analysis it shows that the Coca-Cola products (Coke, Fanta, Sprite) have a combined market share of more than 67% of the Bhairahawa cold drinks market.

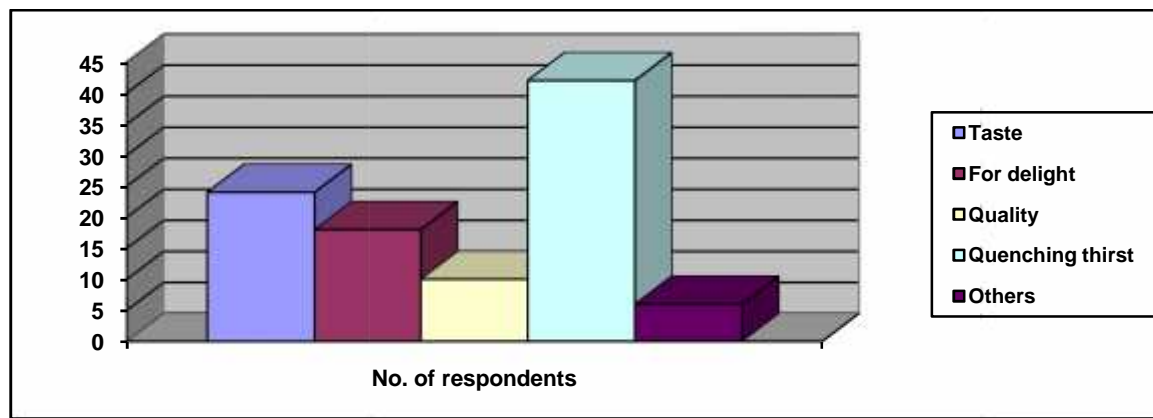
Table: 5.2

Reasons for having cold drinks (Status and Attitude)

Options	No. of respondents	Percentage
Taste	24	24
For delight quality	18	18
Quality	10	10
Quenching thirst	42	42
Others	6	6
Total	100	100

Figure 5.2

Reasons for having cold drinks (Status and Attitude)



As shown in table 5.2, 42% of respondents say that the best reason for having cold drinks is quenching the thirst. While 18% of respondents are found to consume cold drinks for delight, 24% respondents for the taste, 10% for the quality and 6% respondents includes for other interests and hobby. On the basis of the data presented above most of the respondent have common need of soft drinks to meet their thirst need and second is for their taste in comparison with other reasons for having drinks.

Table: 5.3

Factor that influence consumer to have Cold drinks.

Factor rank	1st	2nd	3rd	4th	5th	6th	7th	8th	Total
Availability	6	11	20	19	23	12	5	4	100
Advertisement	6	7	16	14	21	20	10	6	100
Sales Scheme	1	1	4	15	14	30	32	3	100
Price	4	11	18	21	11	11	20	4	100
Quality	48	19	12	5	5	5	5	1	100
Taste	23	44	17	9	2	3	1	1	100
Brand	11	6	12	14	20	16	16	5	100
Other	1	1	1	3	4	3	11	76	100

In table 5.3, different factors influencing consumption of cold drinks have been ranked. According to consumer's choice, consumers have ranked the quality of cold drinks as the most important factor (48 first rank and 19 second rank) followed by taste (23 first rank and 44 second rank), the brand is third position with (11 first rank and 6 second rank). Similarly availability is in fourth position, advertisement is in the fifth position, price in the sixth position and sales scheme and other are in same position.

This indication that consumers give higher preference to the quality, taste and brand name in the choice of cold drinks. Moderate level of preference to availability

advertisement and price factor and lower preference to the sales scheme and other factors.

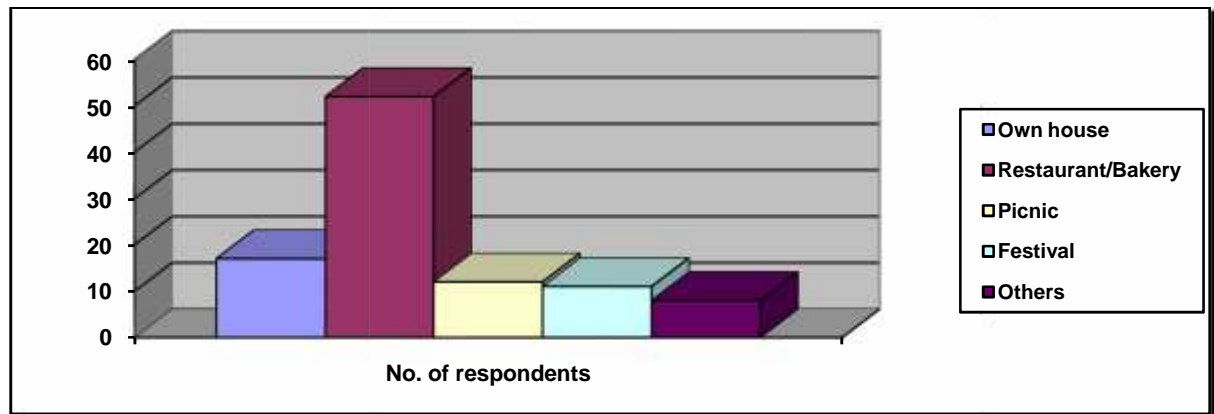
Table: 5.4

Suitable place for having Coke and Pepsi (Status)

Option	No. of respondents	Percentage
Own house	17	17%
Restaurant/Bakery	52	52%
Picnic	12	12%
Festival	11	11%
Others	8	8%
Total	100	100%

Figure 5.4

Suitable place for having Coke and Pepsi (Status)



As shown in table 5.4, that the most suitable place for having cold drinks is restaurant/bakery which is the 52% of the total respondents. While 17% of the respondents consume Coke and Pepsi in own house. 12% of respondent consume on picnic and 11% and 8% of respondent consume cold drink in festival and others respectively. The above figure shows that most of people like to have soft drinks in

restaurant and bakery and second choice is at home with other family members in comparison with other spots.

Table: 5.5

Size (ml or liter) of Coke and Pepsi most preferred

Size	No. of respondent	Percentage
200ml	48	48%
250ml	30	30%
500ml	3	3%
1 liter	10	10%
1.5 liter	9	9%
Total	100	100%

As shown in table 5.5, the most preferred size is 200ml bottles (48%), followed by 250ml (30%), 1 liter bottles (10%) and 1.5 liter bottles (9%) while 500ml bottle is the least preferred one. The above figure shows that small size is more popular among the respondent as it is easy to serve and more convenience than other size. People enjoy large size or family pack during the party at home or at any other place with friends because it is cost effective and easy to carry single bottle than many small ones.

Table: 5.6

Media exposure of Coke and Pepsi along with Sprite and Real

Media	No. of respondents							
	coke	%	Pepsi	%	Sprite	%	Real	%
Magazine	28	28%	15	15%	23	23%	19	19%
Radio	25	25%	27	27%	29	29%	26	26%
T.V.	47	47%	58	58%	48	48%	55	55%
Total	100	100%	100	100%	100	100%	100	100%

From the table 5.6, it has been found that consumers have more exposure of cold drink advertisements through the television as figure for Coke, Pepsi, Sprite and Real are 47%, 58%, 48% and 55% respectively. Ratio also provides the second most important for Pepsi and magazine provides second most important exposure for the coke. From the above table it can be conclude that television is the most effective media for the advertisement among the public than any other media like radio and magazine.

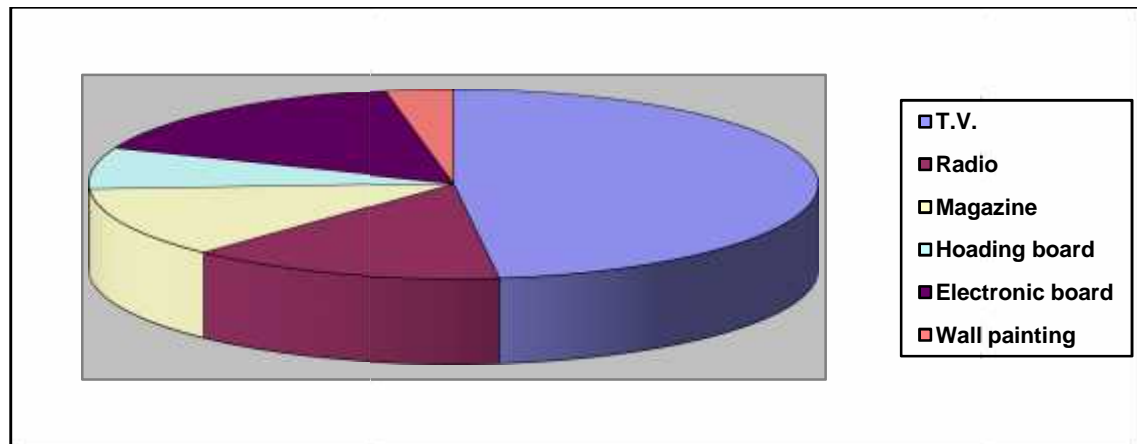
Table: 5.7

The most effective advertising media

Media	No. of respondents	Percentage
T.V.	48	48%
Radio	14	14%
Magazine	12	12%
Hoarding board	7	7%
Electronic board	16	16%
Wall painting	3	3%
Total	100	100%

Figure 5.7

The most effective advertising media



Consumers' protection of the most effective media is presented in table 5.7. The table indicated that consumer's feel that the TV is the most effective media (48%), followed by radio (14%), electronic board (16%), magazine (12%), hoarding board (7%) and wall painting (3%). The surveys show that even though the exposure of cold drink advertisement through the radio is found to be low, yet consumers feel that it is an effective medium for advertisement of cold drink after the TV.

Table: 5.8

Recall of any advertisement of Coke and Pepsi

Options	No. of respondents	Percentage
Yes	100	100%
No	0	0
Total	100	

From the above table 5.8, 100% of respondents are found to recall the advertisement cold drink. This indicates that Coke and Pepsi advertisements have not only the higher level of exposure but also a very high recall value.

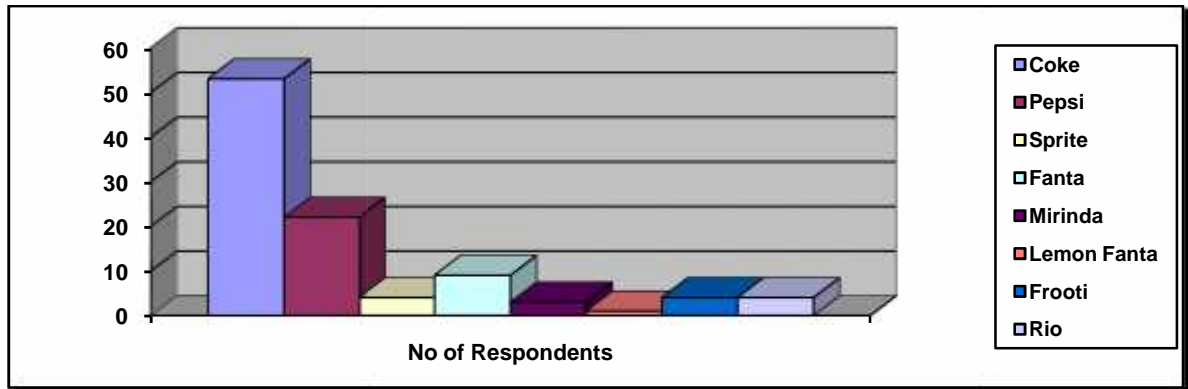
Table: 5.9

Brand advertisement most recalled

Brand	No. of respondents	Percentage
Coke	53	53%
Pepsi	22	22%
Sprite	4	4%
Fanta	9	9%
Mirinda	3	3%
Leman Fanta	1	1%
Frooti	4	4%
Rio	4	4%
Total	100	100%

Figure 5.9

Brand advertisement most recalled



As shown in table 5.9, 53% of respondents remember advertisement of Coke, 22% remember advertisement of Pepsi, 9% remember advertisements of Fanta, 4% remember advertisements of Frooti, 4% remember advertisements of Sprite and Rio, 3% remember advertisements of Mirinda and 1% remember advertisement of Leman Fanta. From the above analysis, it can be inferred that Coke advertisements have been very effective with a very high recall value.

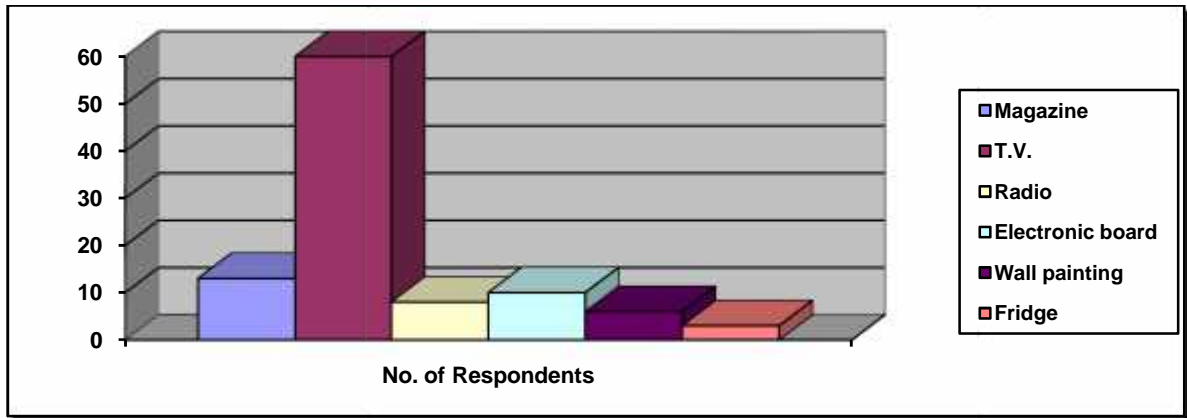
Table: 5.10

Advertising media having most recall

Media	No. of respondents	Percentage
Magazine	13	13%
T.V.	60	60%
Radio	8	8%
Electronic board	10	10%
Wall painting	6	6%
Fridge	3	3%
Total	100	100%

Figure 5.10

Advertising media having most recall



As shown in table 5.10, it can be seen that 60% of respondents remember T.V. advertisement, while 13% of respondents remember advertising in magazine, 10% of respondents remember advertisement in electronic board, 8% and 6% of respondents remember advertisement in radio and wall painting respectively and 3% of respondents remember advertisement fridge. From the above survey it proves that T.V. is the most attractive and strong media and fridge is the weakest media of advertisement for cold drink in Bhairahawa area.

Table: 5.11

Buying action after exposure to advertisement

Option	No. of respondents	Percentage
Recently	4	4%
After seeing one or two times	8	8%
After additional information	15	15%
Not consulted	26	26%
When it need	47	47%
Total	100	100%

As shown in table 5.11, it can be seen that the advertisements have very little effects as 47% of respondents are found to buy cold drink when they need, while 26% respondents found that they buy cold drink without consulting any advertisements, 15%, 8% and 4% of respondents found that they buy cold drink after additional information, after seeing one or two times and recently. It proves that nobody can change human behaviours.

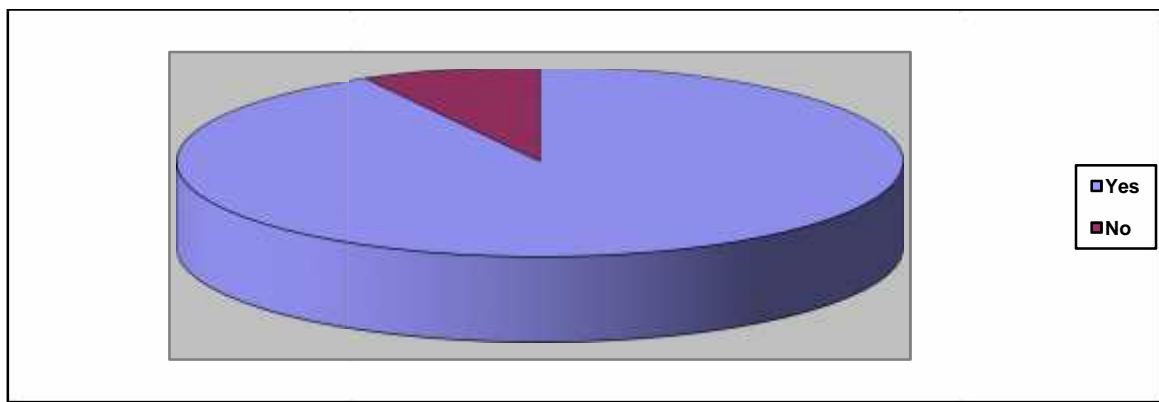
Table: 5.12

Influence by the advertisement

Option	No. of respondents	Percentage
Yes	92	92%
No	8	8%
Total	100	100%

Figure 5.12

Influence by the advertisement



As shown in table 5.12, 92% consumers replied that they were fully influenced by the advertisement while 8% consumers replied that they were not influenced by the advertisement. From the analysis of table 5.11 and 5.12, it should be inferred that

although consumers buy cold drink when the need arises, advertisements have played a very strong role in the choice of cold drink brand.

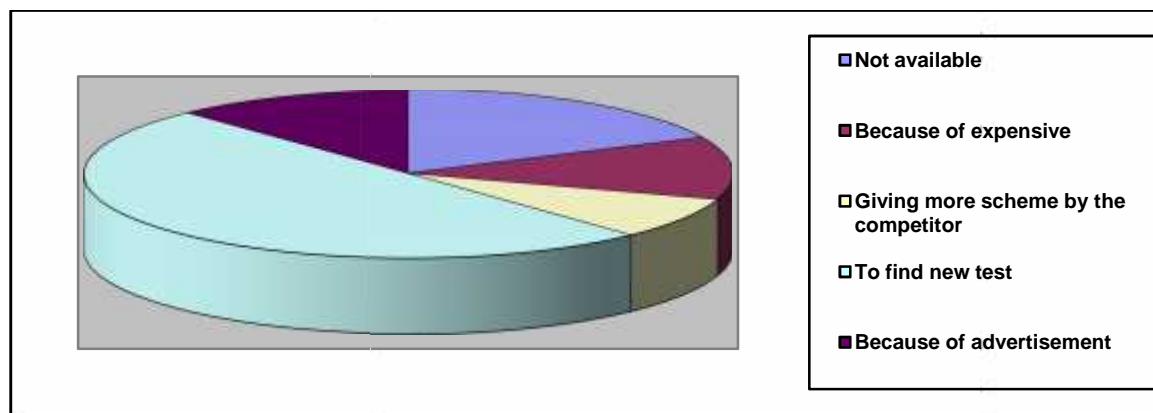
Table: 5.13

Reasons for changing brand

Reason	No. of respondents	Percentage
Not available	18	18%
Because of expensive	12	12%
Giving more scheme by the competitors	8	8%
To find new taste	50	50%
Because of advertisement	12	12%
Total	100	100%

Figure 5.13

Reasons for changing brand



As presented in table 5.13, consumers are found often trying other brands as 50% respondents change their brand to find new taste. While 18% respondents change their brand when they are most preferred brand is not available. Another 12% of respondents change their brand because of advertisement. 12% of respondents

change their brand because of expensive price. And 8% of respondents change their brand when completing brand provides different sales schemes. Thus it concludes that a large number of respondents change their brand to find the new taste.

Table: 5.14

Participation in the process of buying soft drink

Option	No. of respondents	Percentage
Myself	55	55%
Family member	11	11%
Friends	22	22%
Others	12	12%
Total	100	100%

As presented in table 5.14, 55% of consumers purchase cold drink for themselves, 22% of consumers purchase through friends, 11% & 12% of consumers purchase soft drink through their family and others respectively.

Table: 5.15

Frequency of purchase of cold drink

Option	No. of respondents	Percentage
Once a day	28	28%
Twice a day	9	9%
Once a week	17	17%
Twice a week	24	24%
Whenever they like	22	22%
Total	100	100%

Table 5.15 shows the frequency of having cold drinks of the consumers, where 28% of consumers are found to have cold drink once a day. 9% of consumers have twice a day, 17% of consumers have cold drink once a week, 24% of consumers have cold drink twice a week and 22% of consumers have cold drinks whenever they like to

have. From the table it can be inferred that the frequency of consumption of cold drink is quite high in Bhairahawa.

Table: 5.16

Reasons for having Cola-based cold drink (Coke/Pepsi)

Reasons	Coke		Pepsi	
	No. of respondents	Percentage	No. of respondents	Percentage
Because of brand	10	10%	10	10%
Because of taste	18	18%	8	8%
It's available everywhere	5	5%	11	11%
For freshness	5	5%	8	8%
For quenching the thirst	40	40%	36	36%
For fashion	4	4%	13	13%
Because of quality	17	17%	5	5%
Others	1	1%	9	9%
Total	100	100%	100	100%

Table 5.16 presents the reasons for consumption cola-based particularly Coke and Pepsi. The analysis shows that 40% of respondents have Coke because of quenching the thirst, 10% because of brand, 18% because of taste, 5% because of its available everywhere, 5% for freshness, 4% for fashion, 17% because of quality and 1% of respondents because of others.

Similarly, 36% of respondent have Pepsi for quenching their thirst, 10% have because of brand, 8% have because of taste, 11% of it's available everywhere,, 8% for freshness, 13% for fashion, 5% have because of quality and 9% have chosen

Pepsi for others reason. From the above survey, it may be concluded that quenching thirst stands the first reason for having Coke and Pepsi cola. While taste and quality are second and third reasons for having Coca-Cola and fashion and availability are second and third reasons for having Pepsi Cola.

Table: 5.17

Advertisement liked most by respondents

Options	No. of respondents	Percentage
Foreign advertisement	23	23%
Nepali model advertisement	41	41%
Nepali folksong advertisement	31	31%
Cartoon picture advertisement	5	5%
Total	100	100%

Table 5.17 shows that 41% of the respondents like advertisement based on the Nepali model advertisement, while 31% of respondents like Nepali folksong advertisement, 23% of respondents like foreign advertisement and 5% of respondents like cartoon picture advertisements. From the analysis it may be inferred that the cold drink users primarily like advertisement with Nepali model while there are sufficient number of respondents who like other forms of advertisements.

4.2 Retailer survey

Table 5.18

Year in Business

Year	No of retailer	Percentage
0-5	14	28%
5-10	21	42%
10-15	10	20%
15 above	5	10%
Total	50	100%

As shown in table 5.18 among the 50 retailers surveyed 42% of retailers have been running their business for the last ten years. Where as 28% of retailers for the last five years, 20% of retailers for the fifteen years and 10% of retailers for above fifteen years. The above data is collected form the retailers who have no experience of selling to retailer who have more than fifteen years of selling soft drinks to make the data more realistic and authentic. The size of retailers who have five to ten years of experience is more because they are neither at their top or bottom stage of their sales and it is easy to produce more realistic data from them in comparison with others.

Table:- 5.19

Brand availability in the retail outlets

Brand	No. of respondent	Percentage
Coke	44	17.6%
Pepsi	33	13.2%
Sprite	24	9.6%
Fanta	32	12.8%
Mirinda	15	6%
Lemon Fanta	8	3.2%
Frooti	32	12.8%
Rio	55	22%
7'up	7	2.8%

Table 5.19 presents the brand availability in the retail outlets in the Bhairahawa. The survey showed that availability of Coca-Cola products (Coke, Fanta, Sprite and Lemon Fanta) is generally higher than the Pepsi products (Pepsi, Mirinda, and 7up).

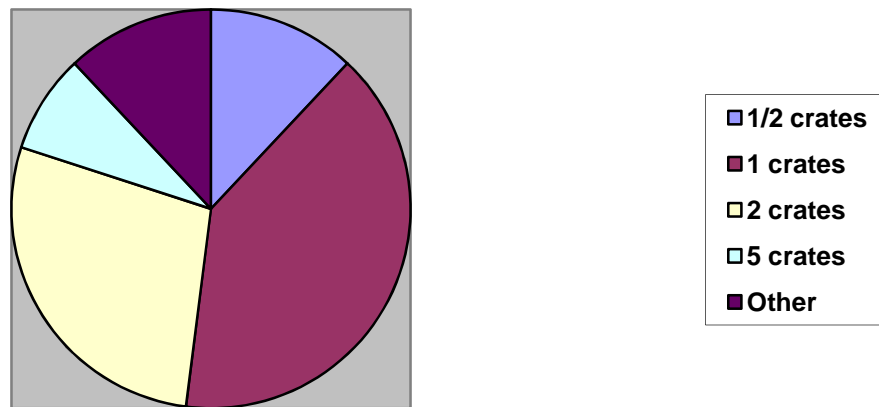
Rio is also found to be very strong in terms of availability in the retail stores of the study area. Now a day's selling frequency of Frooti is decreasing day by day in our market.

Table : 5.20

Retail sales of cold drink per day

Crates	No of respondent	Percentage
½ Crates	6	12%
1 Crates	20	40%
2 Crates	14	28%
5 Crates	4	8%
Other	6	12%
Total	50	100%

Figure 5.20



Out of 50 retailers 40% of retailers sells one crates of cold drink in a day, where as 28% of retailers sell two crates of cold drink in a day, 12% of retailers sell half crates of cold drink in a day and 8% of retailers sell five crates cold drink in a day, From the

above table it may be inferred that the retail sales per store is generally between one to two crates of cold drink a day.

Table : 5.21

Brand that has more sales

Brand	No of respondent	Percentage
Coke	19	38%
Pepsi	9	24%
Sprite	2	4%
Fanta	12	18%
Mirinda	5	10%
Lemon Fanta	3	6%
Total	50	100%

As shown in table 5.21, Coke is at the top position among the brands as 38% of the retailers opined it as the most selling brand and followed by Pepsi, Fanta, Mirinda, Lemon Fanta and Sprite with 24%, 18%, 10%, 6% and 4% respectively. Form the above data we can say that coke is the most popular brand fanta and pepsi are at second and third position respectively in compare with other brands.

Table: 5.22

Size of bottles sold most

Size (ml/liter)	No. of respondent	Percentage
200ml	6	12%
250ml	32	64%
500ml	3	6%
1 liter	5	10%
1.5 liter	4	8%
Total	50	100%

As shown in table 5.22, 64% of the retailers opined that 250ml. Bottle have the highest sales. Whereas 12% of retailers sale 200ml, 6%, 10% and 8% of retailers sale 500ml, 1 liter, and 1.5 liter respectively. From the above table we can say that most popular size is 250ml among the respondents because it more easy to serve and more convenience to handle than other big ones. Sale of 1.5 liter is less because it mostly used during the parties with family member or friends. Now a days during the big functions such as marriage large size is more popular because it is more convenience to serve in glass and is also cost effective.

Table: 5.23

Type of packaging preferred for selling bottle Vs can

Options	No of respondent	Percentage
Can	10	20%
Bottle	40	80%
Total	50	100%

As shown in table 5.23, 80% of retailers opined that it is easy to sell cold drink in bottles. Only 20% of the retailers are found to say it easy to sell cold drinks in cans. The above table proves that it is easy to sell the cold drinks in bottles for the retailers. Can is more popular in tourist area because they are easy to carry by the tourist and they can enjoy their tour with their favorite drinks without sitting at single shop or place.

Table: 5.24

Frequency of company salesmen’s visit to the shop

Option	Coke	%	Pepsi	%	Frooti	%	Rio	%
Daily	15	30%	26	52%	14	28%	21	42%
Once a week	25	50%	14	28%	25	50%	15	30%
Twice a week	8	16%	6	12%	8	16%	5	10%
Other	2	4%	4	8%	3	6%	9	18%
Total	50	100%	50	100%	50	100%	50	100%

The table 5.24 indicates that 50% of salesmen of Coke visit retail shop in once a week whereas 30% of salesmen visit retail shop in daily, 16% of salesmen visit retail shop once a week. Similarly 28% of salesmen of Pepsi visit the retail shop once a week, 52% do it daily and 12% visit the shop twice a week. The table above shows the more effective marketing strategies of Coke and Pepsi in Bhairahawa, as compared to other cold drinks.

Table: 5.25

Quantity of purchase of Coke & Pepsi at a time.

Option	No. of respondent	Percentage
1 crates	3	6%
2 crates	6	12%
More than 3 crates	14	28%
More than 5 crates	19	38%
More than 10 crates	8	16%
Total	50	100%

This survey reveals (table 5.25) that out of 50 retailers, 38% of the retailers purchase more than five crates while 6% purchase one crate, 12% two crates, 28% more than three crates whereas 16% more than ten crates.

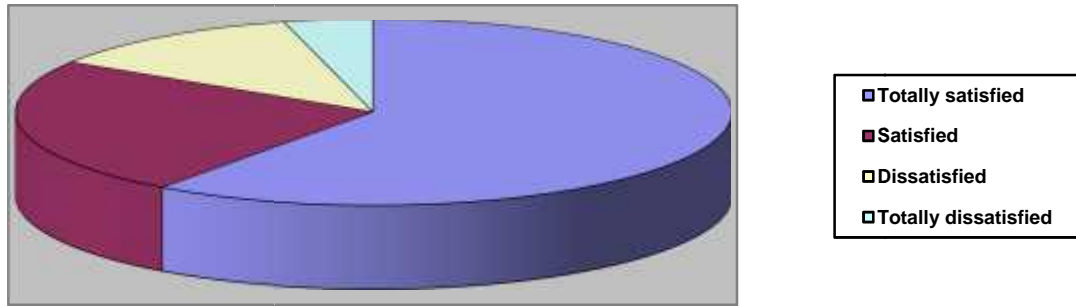
Table: 5.26

Satisfaction from the distribution

Option	No of respondent	Percentage
Totally satisfied	30	60%
Satisfied	12	24%
Dissatisfied	6	12%
Totally dissatisfied	2	4%
Total	50	100%

Figure 5.26

Satisfaction from the distribution



As presented in table 5.26, 60% of retailers are totally satisfied by the current distribution way. Whereas 24% are only satisfied, 12% are dissatisfied and 4% are totally dissatisfied. The analysis indicates that the retailers in general are satisfied from the performance of the distributors of Coke & Pepsi in Bhairahawa.

Table: 5.27

Retailers' reactions in distribution channel of different brands

Option	Coke	%	Pepsi	%	Frooti	%	Rio	%
Very good	20	40%	13	26%	12	24%	24	48%
Good	26	52%	17	34%	18	36%	20	40%
Not so bad	3	6%	16	32%	17	34%	3	6%
Bad	1	2%	4	8%	3	6%	3	6%
Total	50	100%	50	100%	50	100%	50	100%

Table 5.27 shows that 48% of the retailers feels that the Rio product company's distribution channels is very good, while 52% of the retailers feel that the Coca-Cola Company's distribution channel is only good. Likewise 34% and 40% of the retailers feel that Pepsi and Frooti Company's distribution channel are good. Similarly, 2%, 8%, 6% and 6% of the retailers feel that the Coke, Pepsi, Frooti and Rio Company's distribution channels is bad. It proves that the condition of distribution channel will be working hard to reach retailers to give many returns.

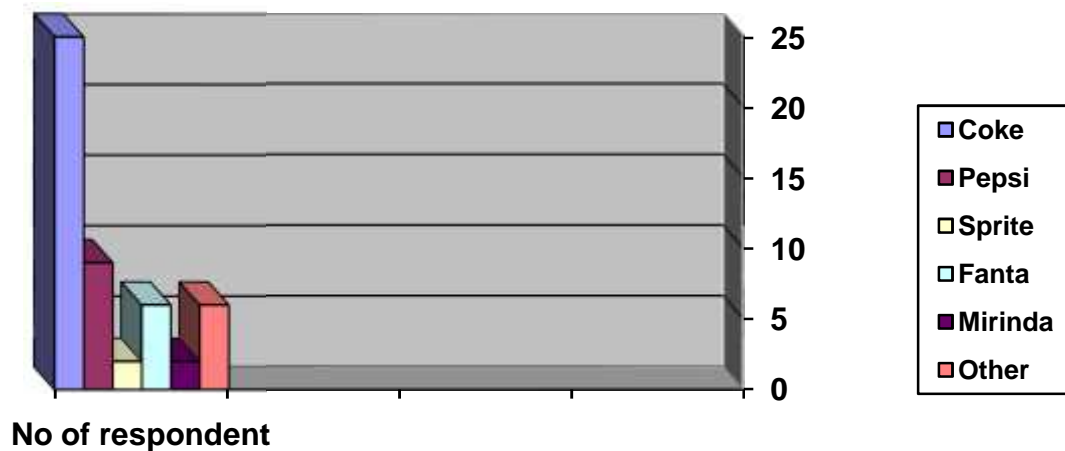
Table: 5.28

Brand preference to sell

Brand	No. of respondent	Percentage
Coke	25	50%
Pepsi	9	18%
Sprite	2	4%
Fanta	6	12%
Mirinda	2	4%
Other	6	12%
Total	50	100%

Figure 5.28

Brand preference to sell



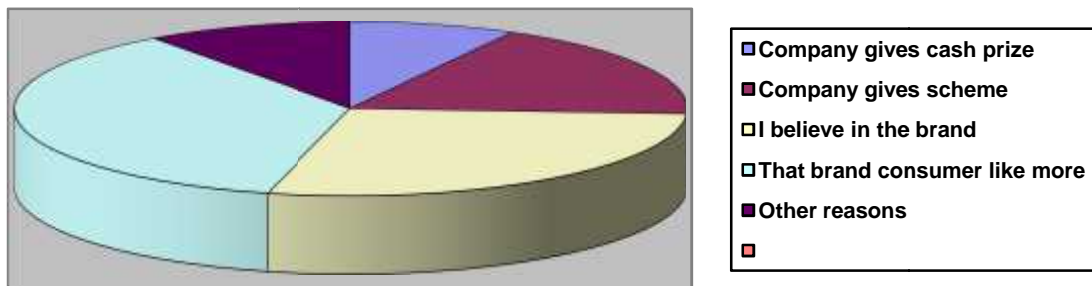
As presented in table 5.28, 50% of the retailers are found to prefer to sell coke because of its high demand in the market. While 12% of the retailers prefer to sell Fanta, 12% are preferred to other brands cold drinks, 18% are preferred to sell Pepsi and 4% are preferred to sell Sprite and Mirinda.

Table: 5.29

Reasons for preference to sell the brand

Reason	No. of respondent	Percentage
Company gives cash prize	4	8%
Company gives scheme	9	18%
I believe in the brand	14	28%
That brand consumer like more	18	36%
Other reasons	50	100%
Total	50	100%

Figure 5.29



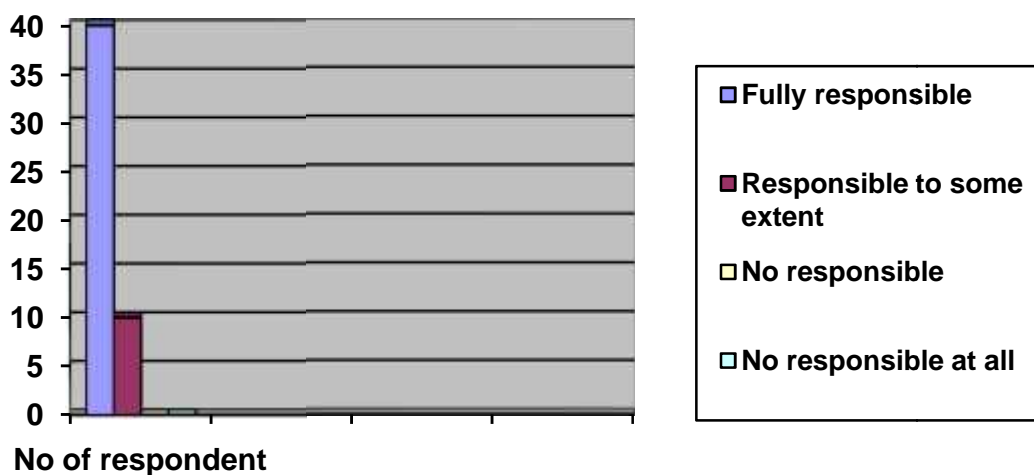
As shown in table 5.29, 36% of the retailers like to sell mainly because the consumers like that brand more, while 28% of the retailers' preference to sell because of they believe in the brand, 18% of the retailers' preference to sell because company gives scheme, 8% of the retailers' preference to sell because of cash prize and other reasons respectively.

Table: 5.30

Influence of advertising on sales

Options	No of respondent	Percentage
Fully responsible	40	80%
Responsible to some extent	10	20%
Not responsible	0	0
Not responsible at all	0	0
Total	50	100%

Figure 5.30



The table 5.30 reveals the retailers have high faith on advertising effect on sales as 80% of them opined that the advertisement is fully responsible for the sales of the brand. While 20% of the retailers opined as it is partly responsible for the sale of brand. It indicates that there is a vital role of advertisement to influence sales of any type of brand.

Table: 5.31

Influence of advertising on sales

Option	No of respondent	Percentage
Coke	28	56%
Pepsi	10	20%
Sprite	3	6%
Fanta	5	10%
Mirinda	1	2%
Other	3	6%
Total	50	100%

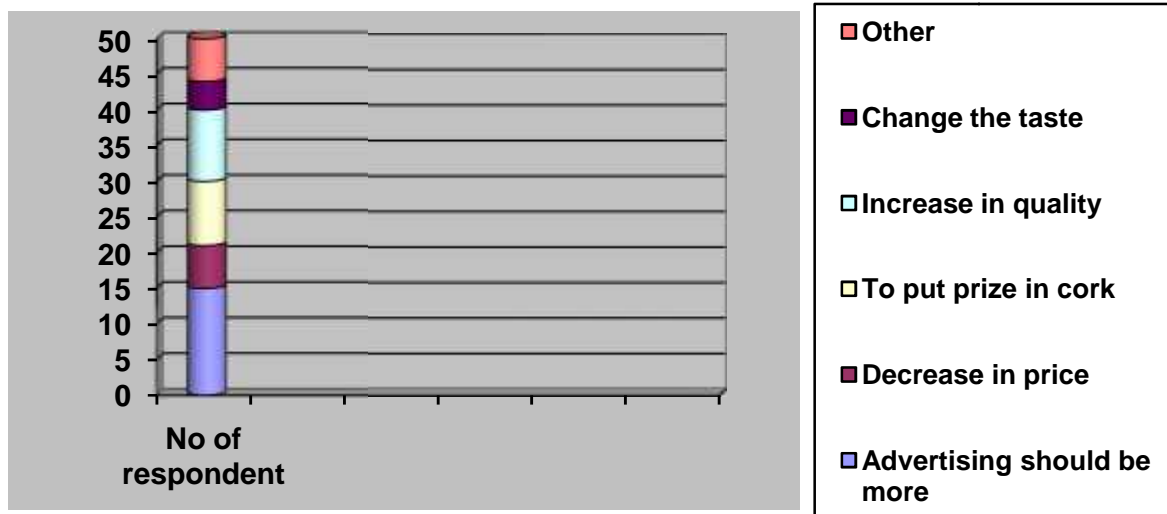
Table 5.31 shows that retailers have high faith in the Coke advertisement as 56% of them feel that the advertisement of Coke has influenced its sales, while this figure for Pepsi is only 20%. Retailers' feelings towards the influence of Fanta advertisement on its sales is 10%, for other type of brand is 6%, for Sprite is 6% and for Mirinda is 2%.

Table: 5.32

Factors for increase in sales of Coke and Pepsi

Option	No of respondent	Percentage
Advertising should be more	15	30%
Decrease in price	6	12%
To put prize in cork	9	18%
Increase in quality	10	20%
Change the taste	4	8%
Others	6	12%
Total	50	100%

Figure 5.32



According to table 5.32, 30% of retailers claim that the advertising is the best factor to increase in sales of Coke & Pepsi where as 20% of the retailers claim to increase quality to increase in sales of Coke & Pepsi in Bhairahawa. 18% of retailers suggest to put prize in cork to increase in sales of cold drinks, 12% of the retailers say to other reasons to increase the sales of cold drinks, 12% of the retailers also say to

decrease in price to increase in sales of cold drinks and only 8% of the retailers claim to change the taste to increase in sales of Coke & Pepsi in the Bhairahawa.

Table: 5.33

Sales promotion schemes to induce sales

Options	No of respondent	Percentage
Cash prizes	25	50%
Coupon prizes	10	20%
Item prizes	10	20%
Awards	4	8%
Others	1	2%
Total	50	100%

As shown in table 5.33, 50% of the retailers said that cash prizes induces sales promotion of Coke & Pepsi while 20% of the retailers said that coupon prizes induces sales promotion of Coke & Pepsi. 20% of the retailers said that item prizes induce sales promotion of Coke & Pepsi, 8% of the retailers said to sales promotion of Coke & Pepsi because of awards and only 2% of the retailers said that there is other reasons to induce sales promotion of Coke & Pepsi in Bhairahawa.

Table: 5.34

Sales promotion scheme for the retailers

Options	No of respondent	Percentage
Yes	42	84%
No	8	16%
Total	50	100%

As shown in the table 5.34, 84% of the retailers opined that the company must provide them with sales promotion schemes, while 16% of the retailers said that the companies no need to provide them with any kind of scheme.

Table: 5.35

Type of promotion scheme provided by the company

Options	No of respondent	Percentage
Cash discount	15	30%
Cold drink discount	7	14%
Fridge	20	40%
Prizes	6	12%
Other	2	4%
Total	50	100%

As presented in table 5.35, 40% of the retailers want to take fridge as a promotion scheme, whereas 30% of the retailers want to receive cash discount as promotion scheme, 14% of the retailers want to receive cold drink discount as promotion scheme, 12% of the retailers want to receive prizes as promotion scheme and 4% of the retailers want to receive other type of prizes as promotion scheme.

4.3 Major findings of the study

On the basis of above analysis of the data, some major findings have been summed up as follows :-

1. The market position of Coke is dominating here and it is the number one choice while Pepsi holds the second position. As the analysis of table no. 5.1 suggests, the choice for Coke is far more than to any other brands of cold drinks available right now in the market. People's response towards Coke is more positive than to other brands and together with this the Coca-Cola Company has rightly combined Coke with its other product i.e., Fanta, Sprite & Lemon Fanta, so that it has about 76% of the cold drink market.

2. reasons to drink. Table no 5.2 exposes status (image) of cold drinks in people's mind. Similarly, 42% of the respondents pinpoint the reasons to have cold drinks for quenching the thirst. Another status regarding cold drinks in people's mind is that it is more suitable to have three drinks in restaurants and bakeries as table 5.4 suggests its strength as 52%.
3. The third finding hints at consumer's first preference to quality, taste and brand name and only the moderate level of preference to availability, advertisement and price.
4. Equally important finding can be derived from table no 5.21, this table defines the consumption trend of cold drinks. The table suggests that more than 38% of the total sales of cold drinks is occupied by Coke. This means consumers prefer Coke rather than other cold drinks. Therefore consumption trend of cold drinks is dominated by Coke.
5. It has been found that consumers have more exposure of Coke & Pepsi through the television. Its figure stands as 48 %. Naturally it most effective media for advertisement, the second media of exposure is electronic board (16%) which is far below the first one. The strength of the other media is radio (14%). Surprisingly, even the exposure of the Coke & Pepsi through radio is very low. It needs to be promoted the exposure of advertisement for Coke & Pepsi in an under developing country like Nepal.
6. It is interesting enough to find all respondents recalling the advertisement of the cold drink. It is studied that Coke & Pepsi advertisements have much higher level of exposure as well as a very high recall value. The study found that 53% of respondents remember advertisement of Coke, while 22% of the respondents remember advertisement of Pepsi, 9% remember Fanta, 4% remember Frooti, 4% remember Sprite and Rio, where as 3% and 1% of the respondents remember Mirinda and Lemon Fanta respectively. From the above analysis, it may be inferred that Coke advertisements have been very

effective with a very high recall value, Of course, the second priority is occupied by Pepsi.

7. The advertisements have very little action effects as 47% of respondents are found to buy cold drinks when they needed. While 26% of respondents found that they buy cold drinks without consulting any advertisements. Only 4% of respondents are found to buy cold drinks recently after exposure to an advertisement and additional 15% after a few exposures. However, most of the consumers replied that they have fully influenced by the advertisements. While marginal number of consumers replied that that they were not influenced by the advertisements. From this, is should be inferred that though consumers buy cold drinks when the need arises, advertisements have played a very strong role in the choice of cold drink brand.
8. Consumers are often found to try other brands as 50% respondents change their brand to find new taste while 18% respondents change their brand when their most preferred brand is not available. Another 12% of respondents change their brand because of effect of advertisement.12% of respondents change their brand because of price factor whereas only 8% of respondents change their brand when competing brand provides different sales scheme. Thus it concludes that a large number of respondents change their brand to find the new taste.
9. In the study area, 55% of consumers purchase cold drinks for themselves. 22% of the consumers purchase through their friends, whereas 11% of consumers purchase cold drinks through their family members and others respectively. Similarly, 28% of consumers are found to have cold drinks once a day, 22% of consumers have cold drinks whenever they like to have, 24% of consumers have cold drinks twice a week, 17% of consumers have once a week and only 9% of consumers have twice a day. From this, it can be inferred that the frequency of consumption of cold drinks is quite high in Bhairahawa.

10. In terms of the reasons for consuming cola based drink, particularly Coke & Pepsi, 40% of respondents use to have Coke because of quenching the thirst, 18% because of taste, 17% for quality, 10% for brand, 5% for freshness, 4% for fashion and 1% for other reason. Similarly, 36% of respondents use to have Pepsi because of quenching the thirst, 13% for fashion, 11% for available everywhere, 10% for brand, 9% for other reason, 8% for freshness, 8% for taste and 5% for quality. From this study, it can be concluded that quenching the thirst stands the first attribute for having Coke & Pepsi.
11. Among the 50 retailers surveyed, 42% of retailers have been running their business for the last five to ten years, 28% of retailers for the five years, 20% of retailers for last ten to fifteen years and only 10% of retailers have been running their business for last fifteen years.
12. Out of 50 retailers, 40% sell one crates of cold drink in a day, 28% sell two crates of cold drinks in a day, 12% sell half and other crates of cold drinks in a day and only 8% sell five crates of cold drinks in a day. From this, it may be inferred that the retail sales per store is generally between one to two crates of cold drinks in a day.
13. The study found that 60% of the retailers are totally satisfied with the present distribution channels, 24% of the retailers are satisfied, while 12% of retailers are dissatisfied and only 4% of the retailers are totally dissatisfied. The analysis indicates that the retailers in general are satisfied with distribution channel and marketers. From the performance of the distribution of Coke and Pepsi in Bhairahawa, 52% of the retailers feel that the Coca-Cola company's distribution channel is good. This indicates that the retailers have medium level of satisfaction with Coca-Cola's distribution than the distribution of Pepsi. Similarly, 48% of the retailers feel that distribution channel of Rio is good. This indicates that distribution channel of company is not so bad and also shows that efficiency of distribution channel will be increasing in near competition market.

14. In the study, 50% of the retailers are found to prefer to sell Coke because of its high demand in the market. While 18% of the retailers prefer to sell Pepsi, 12% of the retailers prefer to sell other types of cold drinks. 12 of the retailers prefer to sell Fanta, 4% of the retailers prefer to sell Sprite and Mirinda respectively. Similarly, 36% of the retailers like to sell cold drinks brands mainly because the consumers like the drinks while 28% of the retailers like to sell because they believed in the brand, 18% of retailers like to sell because the company provides them with sales schemes 8% of the retailer like to sell because the company provides cash prizes and 10% for other reasons respectively.
15. The study reveals that the retailers have high faith advertising for its effect on sales as 80% of them opined that the advertisement is fully responsible for the sale of brand. While 20% of the retailers opined it partly responsible for the sale of brand. So the study indicates that most of the retailers feel that the advertisement is responsible for the sales of the brand.

Chapter-5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

In recent days, there has been a rapid increase in the number of industries in Nepal and they are developing with equal strength. Every year new fields of industrial importance are being discovered. Consequently, the number of units at different type of industries is also increasing in the country. All these have introduced a keen competition in the Nepalese market. Today, a product not only needs quality enhancement, but also better promotion and presentation in the market. The product should be presented at right time at suitable place with good brand promotion, label and package. Every product needs to meet the need and satisfaction of consumers to get success in the market .

Marketing always plays a very significant role in accelerating the pace of industrialization which is essentially important in making the economy developed and strong. Obviously, marketing is the most significant multiplier of economic development. The developing of the marketing makes possible economic integration and the perfect utilization of whatever assets and productive capacity that as economy has already possessed. It mobilizes latent economic energy and finally contributes to the greatest needs for the rapid development of entrepreneurs and managers. The rapid urbanization in Nepal has induced a culture of having cold drinks. Moreover, population density has been creating hot climate, which in turn has increased the demand for cold drinks. The variety of cold drink brands sold in the Nepalese market has also increased in recent years. The modern bottled cold drink was first introduced in Nepal in 1976 when Coca-Cola was established, followed by

Pepsi in 1986. Since then, several industries have been established in Nepal to meet the ever increasing demand. Thus, the cold drink markets have become very competitive in Nepal and it is essential for every company to set up an effective marketing mechanism to exploit the market potential.

The present study aims at overviewing the actual marketing of Coke & Pepsi in Bhairahawa. It has been conducted to examine the consumers' perception and behaviour in the purchases of these drinks in the study area and evaluate the distribution network and marketing strategies of Coke & Pepsi companies. It aims to evaluate the impact of advertisement and sales promotion schemes on sales of cold drinks and consumer profile and their preference of Coke & Pepsi in the study area. It also aims to measure the effect of sales promotion schemes on the sales of cold drinks and identify consumers profile and their preference of Coke & Pepsi. This study has been conducted through a survey of consumers and retailers. Altogether 100 consumers' and 50 retailers' opinions have been collected by administering questionnaires.

5.2 Conclusions

The main conclusion of this study is that the Coca-Cola products (Coke, Fanta and Sprite) have a combined market share of more than 76 percent of the Bhairahawa cold drink markets. The consumers are generally found to have Coke & Pepsi during the Tiffin time (day). The best reasons for having cold drink is "Quenching the thirst", followed by "For delight", "For taste", "For quality", and "For their interest and hobby". Consumers are found to give higher preference to the quality, taste and brand name in the choice of cold drink, moderate level preference to availability, advertisement and price factors and lower level preference to sales scheme and other factors. The most common place for having cold drink by consumer is restaurant and bakery shop followed by consumer their own house, picnics, festival and other places. The most preferred size is the 200 ml bottles, followed by 250 ml,

1 liter, 1.5 liter, respectively while 500 ml bottle is the least preferred. The Consumer have more exposure of Coke & Pepsi advertisements through the television, magazines provide the second most important exposure while exposure through radio is found to be very low. In term of consumers' perception of the most effective media the television is the most effective media followed by radio, electronic board, magazines, hoarding board and wall painting. Even though the exposure of Coke & Pepsi advertisements through radio is found to be low. However, consumers feel that it is as effective medium for advertisement of Coke & Pepsi after television and electronic board. All respondents are found to recall the advertisements of Coke & Pepsi . This indicates that the Coke & Pepsi advertisements have not only higher level of exposure but also a very high recall value. The recall value of coke advertisements was highest followed by Pepsi, Fanta, Frooti, sprite, Rio, Mirinda and leman Fanta. Very large number of respondents remember television advertising. The study showed that television is more attractive media and radio is the weakest media of advertisement for Coke & Pepsi .

The study also concludes that the advertisements have very little action effects as a large number of respondents are mostly found to buy Coke & Pepsi when they need. The study however, showed that although consumers buy these drinks when the need arises, advertisements have played a very strong role in the choice of cold drink brands. Consumers are interested in trying other brands as half of the respondents change their brand to find new taste, more than one fourth change their brand when their most preferred brand was not available. Some consumers are found to change their brand because of price factor or when competing brand provided different sales schemes and very few due to advertisement.

The study further concludes that Quenching thirst stands the first reason for having Coke while in case of Pepsi its quenching thirst attribute stands as the first reasons followed by its fashion and taste. The quenching thirst properties of both Rio and Frooti are the first and the second. The reason behind the priority consumption status of these drinks is because they are fruit-based drinks. Cold drinks

users primarily like Nepali model advertisements while there is a large number of respondents who like other forms of advertisements also. The study showed that availability of Coca-Cola products (Coke, Fanta, Sprite and lemon Fanta) is generally higher than Pepsi products (Pepsi, Mirinda and 7up.) Rio is also found to be very strong in terms of availability retail stores of the study area, while Frooti is slowly catching up the Bhairahawa market. The coke is at the top position among the brands as two third of the retailers opined it as the most selling brand followed by Fanta and Pepsi. In the study, most of the retailers opined that 250 ml bottle has the highest sales and that is easy to sell Coke & Pepsi in bottles. The Coca-Cola salesmen visit about half of the retail outlets once a week basis, whereas nearly half of the Pepsi salesmen visit the retail outlets on a daily basis. The shop visit is found to be mostly once a week whereas the shop visit by the company salesmen for Rio is found to be mostly on daily basis. This indicates that the Coca-Cola and Pepsi have more successful marketing strategy in Bhairahawa than the Rio and Frooti.

The study indicates that retailers in general are totally satisfied from the performance of the distribution of the Coke & Pepsi in Bhairahawa. About 40% of the retailers feel that the Coca-Cola Company's distribution channel is very good. While for Pepsi only 26% of the retailers opined that the company's distribution channel is very good. This indicates that the retailers have much higher level of satisfaction with Coca-Cola's distribution than the distribution of Pepsi. The retailers are found to prefer to sell Coke because of its high demand in the Bhairahawa market. More than half of retailers receive sales promotion schemes from the companies in the form of fridge followed by cash discount and cold drink discount. However, the Coca-Cola Company not provide any prizes to the retailers as a promotion scheme. More than two-thirds of retailers are brand loyal. The Coca-Cola Company has to provide more sales schemes in future to enhance its sales percentage

5.3 Recommendations

On the basis of the findings of this study , the following recommendations are suggested to the company selling Coke and Pepsi in Bhairahawa.

1. As Coca-Cola products (Coke, Fanta, Sprite and Lemon Fanta) have combined share of more than 75% percent of the cold drink market and also has a very aggressive marketing strategy, the Coca-Cola Company has essentially to review and revise its current marketing strategies in Bhairahawa.
2. Because consumers are found to give high weightage to " Quenching the thirst " and " For delight " the advertisements of Coca-Cola Company should be built around these two major attributes. We are already experiencing through different Indian television channels that marketers are hammering sales promotion of Coca-Cola. By doing so, they want to make impression that Coke is equivalent to quenching the thirst and it is the only cold drink in the market. As consumers are found to give higher preference to the quality, tastes & brand name, Coke is synonym (choice) of cold drink. The advertisements should also be focused on these important aspects.
3. Since consumers have more exposure of Coke & Pepsi advertisements through the television and magazines, these media should be extensively utilized.
4. As brand switching is very common among the consumers mainly to find new taste or unavailability may focus the preferred brand, Coca-Cola Company should focus on a better availability of its brands. Pepsi products (Pepsi, Mirinda and 7up) should be improved in its availability factor.
5. Since cold drink users primarily like Nepali model advertisements, the company should present more advertisements based on popular Nepali model.
6. The quality sales schemes are very essential to promote the sales of Coke & Pepsi. Retailers are found to prefer cash prizes to induce sales of cold drinks, followed by coupon prizes, item prizes and awards. The company should focus on these sales promotions schemes to maintain and enhance the sales status of Coke & Pepsi in Bhairahawa.

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Appendex-1

Questionnaires for retailers and hotels

I am Arpit Kumar Jaiswal, a student of MBS of New Horizon Campus, Butwal . I am doing a thesis for the partial fulfillment of Masters Degree in MBS (Masters of Business Studies). In course of my study I need of your kind support for collecting information regarding my topic “**A STUDY ON CONSUMPTION BEHAVIOUR OF CONSUMER CONCERN TO PEPSI AND COKE.**” I have made a set of questionnaires for you and request you to fill up them. I assure you that the informations provided by you will be kept confidential and used only for my research purpose.

Thanks

- 1) How long have you been engaged in this business?
 - a) just started
 - b) Less than a year .
 - c) More than a/two/three/..... year/s
 - d) Nearly for year.
- 2) Which brand of cold drinks do you sell ?
 - a) Coke
 - b)Pepsi
 - c) Fanta
 - d) Sprite
 - e) 7'up
 - f) Rio
 - g) Fruity
 - h) Lemon Fanta
 - i) All of the above
- 3) How many crates of Coke & Pepsi do you sell per day ?
 - a) Less than one
 - b) One to two
 - c) three to.....
 - d) More than.....
- 4) Which brand/brands of drinks has/ have a high market ?
 - a) Coke
 - b) Pepsi
 - c) Real
 - d) Fanta
 - e) Sprite
 - f) All of the above .
- 5) Would you suggest any new technique for promoting the sales of Coke & Pepsi ?
 - a) If yes, which one ?.....
 - b) The given technique is effective
 - c) I do not know
- 6) Which cold drinks bottle do you sell more ?

a) Coke	b) Pepsi
1) 200ml	1) 200ml
2) 250ml	2) 250ml
3) 500ml	3) 500ml

15) If your answer is (a), then advertisement of which brand has more effects? a) Coke b) Pepsi c) Sprite d) Fanta e) Mirinda j) Others

16) Which one of the following should be done to promote the sale of Coke & Pepsi ?
a) More advertisement b) More prizes for consumers through promotional schemes c) Reduction of price d) Emphasis on quality e) Change in taste f) All of the above

17) Does the company provide you with schemes when you purchase Coke & Pepsi from them?
a) Yes b) no

18) Which of the above schemes do you think as best?
Mention the name,

19) Which of the following schemes does the company offer you?
a) Cash discount b) Discount of one bottle or more in one bottle
c) Refrigerator as reward for selling cold drinks d) others reward.

20) Will you give up selling old brands, if you are provided with new and more attractive schemes by others brands?
a) Yes b) No c) It is different to answer d) I have not thought of it.

21) Does the company replace new bottles with the broken ones?
a) They are replaced b) Part of them are replaced. c) Not replaced

22) Please write down any comment or suggestions you have for Coke & Pepsi?
.....
.....

Respondents:

Name :-

Education:-

Age:-

College:-

Sex:-

Signature:-

Appendex-2

Questionnaires for Consumers.

I am Arpit Kumar Jaiswal, a student of MBS of New Horizon Campus, Butwal. I am doing a thesis for the partial fulfillment of Masters Degree in MBS (Masters of Business Studies). In course of my study I need of your kind support for collecting information regarding my topic “*A STUDY ON CONSUMPTION BEHAVIOUR OF CONSUMER CONCERN TO PEPSI AND COKE.*” I have made a set of questionnaires for you and request you to fill up them. I assure you that the informations provided by you will be kept confidential and used only for my research purpose.

Thank you

- 1) Do you take cold drink ?
 - a) Yes, b) No, c) Occasionally
- 2) When you think of cold drinks, generally which brand comes into your mind?
 - a) Coke b) Fanta c) Pepsi d) Sprite e) Lemon Fanta f) Fruity g).....
- 3) At what time do you generally prefer for having cold drinks?
 - a) Before lunch b) After lunch c) Tiffin time d) Evening time e) Before dinner f) After dinner
- 4) Which form of advertisement inspires you to have one of the above mention cold drinks?
 - a) News paper\magazines b) Radio c) Television d) Hoarding \Banner\Posters e) Others
- 5) What is special about the brand you prefer?
 - a) Taste b) Flavor c) Price d) Quality e) All
- 6) Rearrange in order from" a to h" from the order of priorities while making a decision to buy Coke & Pepsi?
 - a) Availability b) Advertisement c) Selling Price d) Price e) Quality f) Taste g) Brand Name h) Other reasons.

- 7) Why do you take Coke & Pepsi?
- a) To quench thirst b) For fun c) For freshness d) Because of fashion
 - e) Because friends offer.
- 8) What is the brand name of the cold drink you like the most?
- a) Coke b) Pepsi c) Sprite d) Fanta e) Mirinda f) Lemon Fanta g) Rio
 - h) Fruity
- 9) Where do you usually prefer to have Coke & Pepsi at ?
- a)Retail-store b)Cold-store c)Restaurant d) Bakery
- 10)Do you recall any advertisement of any brand of Coke & Pepsi?
- a) Yes b)No c) I can't recall now .
- 11)If yes, which one do you recall on your money?

- 12)Which form of advertisement did you recall in your mind?
- a) Newspaper\Magazine b) Radio c) Television
 - d) Hoarding\Banners\Posters e) Others
- 13)After watching the advertisement you buy Coke & Pepsi?
- a) Immediately b)Gathering more information c) I wait for the time to have it .
- 14)What size of bottle do you prefer?
- a) 200ml b) 250ml c) 260ml d) 300ml
- 15)What is the main reason to choose the present brand of cold drinks?
- a) First reason.....
 - b) Second reason
 - c) Third reason.....
- 16)Which form of advertisement do you think is more effective for cold drinks?
- a) Television b) Radio c) Newspaper d) Signboard e) Wall painting & other board painting .
- 17)Do you change brand? If you do, what are the reasons?
- a) Because of non-availability of my brand.
 - b) Because my brands price has gone up.

- c) Because of the scheme given by other brands.
- d) Because of advertisement.
- e) In order to have new taste.

18) Does advertisement affect the purchasing of Coke & Pepsi?

- a) Yes, it does b) No; it does not c) Upto two years d) 3 to 5 years e) More than 5 years J) 10 or more years.

19) Do you change brands after seeing the new advertisement?

- a) Yes, I do b) No, I do not believe in advertisement. c) It makes me think over the brand I am using .

20) How many bottles of Coke & Pepsi do you take on average?

- a) One bottle a day b) Two to three bottles a day c) One bottles a week
- d) Twice a week e)

21) Who generally buys Coke & Pepsi for you?

- a) Myself b) Family member c) Friends d) Others.

22) I drink Coke, because...

- a) I like the brand name b) I like the taste c) To quaint thirst d) It is of high quality
- e) For refreshment J) For fashion g) Mention if there are others reasons
-

23) I drink Pepsi because.....

24) Which of the following advertisements you like the most ?

- a) Foreign advertisement. b) Nepali model advertisement c) Nepali folk song advertisement. d) Cartoon picture advertisement.

25) Any comments about the advertisements of Coke & Pepsi ?

.....

Respondents:

Name :-

Sex:-

Age:-

Education :-

College:-

Signature:-