

CHAPTER-1

INTRODUCTION

1.1 Background

Nepal is one of the landlocked country. It is situated between India and China. It is a developing country. Trade and business related activities are increasing day by day. Nepal, located on the southern slopes of the mighty Himalaya, is also called a "Buffer State". It is a bounded on the north by the Tibet, an autonomous region of the People's Republic of China and on its east, south & west by the Indian states of Indian Territory. It is an elongated rectangle with a total area of 147,181square Kilometers lying between 80°4' & 88°12' east longitude 26°22' and 30°27' north latitude. Although tiny in the world map, Nepal is the largest of all these Himalayas and Kingdoms.

Nepal is a developing country with agro-based economy. Agriculture is the backbone of economy of developing countries like Nepal, in which the majority of population is only dependent on agriculture. Out of the total population of 30 million people , 81% are dependent on agriculture and rest of the people are engaged in trade, industry and other sector. Due to slow pace of economic development, Nepal remains poor and underdeveloped country. Though there is potential for agriculture and industrial development, there is shortage of adequate capital and strong need for mobilization of funds.

Marketing is needed in all types of organization. The essence of marketing is that it enables an organization to find out what the customers' needs are and it also helps to decide a product to make. Today's marketing environment is characterized by globalization, technological change an intense competition. Successful marketers are those who deliver what customers are willing and ability to purchase. Marketing is a process of identifying and satisfying customers' needs and wants. For this reason, marketers today conduct many marketing research and development program in order to identify consumer behavior and to study consumer's decisions. Once it is understood marketers

become able to predict and shape their marketing strategies accordingly. Without doubt, marketers who understand markets and consumer behavior have great competitive advantage in the market place. So, it is obvious that a producing organization or manufacture must determine the attitudes, needs & wants of their customer first and then bring products in the market accordingly. According to Prof. 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." Another scholar Prof. William J. Stanton defines marketing as "A total system of business activities design to plan, Price, Promote and distribute want satisfying products to target markets to achieve organizational objectives." Similarly, the American Marketing Association defines marketing as "The process of planning and executing the conception, Pricing, Promotion and distributions of ideas, goods and services to create exchange that satisfy individuals and organizational objectives. The main focus is being on consumer need satisfaction as well as marketer's profit.

Marketing is concerned not only with attracting new customers but also with retaining the existing customers. To retain the existing customers the organization conducts various programs. Direct marketing, relationship marketing, e-commerce etc new emerging concepts are being adopted by the modern organization. Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, protect, and enhance brands. Marketers say, " Branding is the art and combination of marketing." A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or service of one seller or group of seller and to differentiate them from those of competitions. A brand is an offering from a known source. A brand name carries many associations in the minds of people. These associations make up the brand image. All companies strive to build brand strength-that is, a strong, favorable brand image. Smart companies, When they first become acquainted with the product category an brands, what their brands

beliefs are, how involve they are with the product, how they make their brand choices, and how satisfied they are after purchase.

Hence, above definitions of marketing suggests that it consists of some activities consisting of study of consumer needs, Products, Price, Place, Promotion to facilitate exchange and brands that satisfies individual as well as organizational objectives within the social and marketing environment prevailing today. The consumer or customer gets the product he/she wants and the manufacturer or marketer gets the profit with satisfaction. This highlights the importance of product is the whole process of marketing. Product is always an important element of the marketing mix. It is more than goods and services as people think it to be. A product consists of goods services, ideas, experience events, Places, personality and organizations. Prof. Philip Kotler defines a product as "anything that can be offered to a market to satisfy a want or need."

Research area selected for our study is Hetauda, the cntral region of Nepal situated on the Mahendra Highway. It is one of the famous commercial and industrial town of Nepal. Being the most populated area, it may prove to be the most suitable area for the purpose of our research. Since, most of the modern hotels, restaurants and bakeries are found in Hetauda. The consumption of cold drinks is immense here. As such the survey held in the process of our research reveal the true characteristics of the cold drinks available in the markets. At the same time the results derived by the research are appreciable to the whole country. This study includes almost all the brands of cold drinks (i.e. coke, fanta, Other, sprite, pepsi, mirinda, Dew, dew etc). Among the industries that produce cold drinks, bottlers Nepal is in direct competition with Pepsi-cola products. Coca-cola almost captures 60% of the market share. Beside these two brands, there are some other brands of cold drinks like Dew, Rio, and Dew juice selling cold drink in Hetauda. These entire products, also to some extend compete with some Chinese cold drinks available in the market. But these

Chinese cold drinks are not in significant amount for our research purpose. Therefore our study focuses in the product of coke & pepsi.

1.2 Focus of the study

Every research has given some focus on particular matters. Similarly this research or study tries to focus on the marketing of cold drinks in Hetauda. Generally cold drink stands for alcohol-less drink. Cold drinks are sold in bottles, plastic containers or cans. Most people in our country Nepal use more cold drinks in the hot seasons and very very less in cold season. That's why demand of cold drink in Nepal goes comparatively high in the hot or summer season.

Marketing in this true sense helps to increase effective demand for a product through the reduction of distribution cost and also helps 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 day and produces goods. It helps ringing markets competitive thus increasing efficiency of resource 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 program that concentrates only on production will be less effective than a program that recognizes the contribution of marketing.

This study will examine the present marketing strategies of cold drinks in Hetauda and try to find out the marketing variables affecting the cold drinks. The research also focuses on the role played by attitude, image & usage pattern of cold drinks.

1.3 Statement of Problem

There is the cutthroat competition in the market of cold drinks. The stiff competition in the marketing of cold drinks has forced the marketers to adopt a

variety of marketing tools and techniques in the market place. The manufactures in a variety of Medias use different types of advertisement. As a result of competition between new established companies industries are developing rapidly. This development in the industries sector has provided varieties of different type of product, different brands of even a single product, to the Nepalese consumers. Every product is made for the fulfillment some needs and wants product are used or consumed by the customer's different way and in different occasions. Customers want different attributes from the same product. Therefore, usage pattern, brand positioning and band image are also important to be taken into account. Nepalese consumers are provided with different brands and they are quite free to choose the one they think the best. We can see different brand of cold drinks in market just as Pepsi, Coke, Mirinda, Fanta, Sprite, 7'up, Other, Other etc. The competition is very tough in the cold drink market. Demands of cold drinks are increasing day by day and many new companies are emerging to fulfill the demand. However the new brands they are not in the stage to compete with Coca-Cola and Pepsi products.

Cold drinks are one of the heavily advertised products. Large amount of money is spent on the promotion of cold drinks. Yet very few companies are found to measure the effects of their advertisements. It is essential for companies to know about their consumers, their choice and preferences. For regular sales and distribution of cold drinks we must know about 'which is the best advertising media'. Which advertising media can be more effective? Therefore the problems encompassed by this study are as follows:

- ❖ What is the consumers' perception and consumption behavior of cold drinks in Hetauda?
- ❖ What are the different brands and what is the level of awareness of those brands in consumer's minds?
- ❖ What are the usage patterns of cold drinks?
- ❖ What image cold drinks carry in consumer's mind?

- ❖ What type of distribution network exists in the study area for marketing of cold drinks?
- ❖ What are the marketing strategies begin adopted by the marketers of cold drinks in the study area?
- ❖ What types of impacts have the advertisements made on the sales of cold drinks in the study area?
- ❖ What are the effects of sales promotion schemes on sales of cold drinks in the study area?

1.4 Objective of the Study

The main objective of this study is to examine the marketing of cold drinks in Hetauda. However the specific objectives of the study are as follows:

- ❖ To examine the consumers' perception and behaviors in the purchase of cold drink in Hetauda.
- ❖ To find out the levels of awareness of different brand, their images and attitudes towards different brand.
- ❖ To evaluate the impact of advertisement and sales promotion schemes on sales of cold drinks in the study area.

1.5 Importance of the study

Every business organization is established with the objectives of gaining profits. In order to achieve the organizational goal, marketing concepts should be implemented and adopted in the organization. Generally success of an industry depends on the function of success marketing of its product. In an era of cutthroat competition, successful marketing of the products demands through understanding of consumer's taste; choice preference and loyalty attitude, image of certain products and consumption behavior. Manufactures may use the findings from this study and marketer's cold drinks to understand better about their consumers and design better marketing strategy for the study area. This study may also useful to identify the consumer behavior and their

decision towards cold drinks in the area of Hetauda, which finally helps to redesign the appropriate marketing mix.

1.6 Limitations of the study

Each and every study is conducted under some constrains and limitations. This study is also limited by some common constraints. They can be pointed out as follows:-

- ❖ The study is based on Nepalese perspective.
- ❖ This study has been strictly limited to Hetauda.
- ❖ The findings from this study may not apply for the National character.
- ❖ The Study has been predominantly based on primary information collection through a questionnaire survey of limited number of individuals and retailers.
- ❖ Therefore, the findings of this study are affective to some extent by the small size of the sample.
- ❖ This study has been conducted to fulfill the requirements of the M.B.S. program of T.U. for a prescribed, not for a generalization purpose.

1.7 Organization of the Study

The whole study has been divided into five chapters starting from Introduction, Review of literature, Research methodology, Data presentation & analysis and Summary, conclusion & Recommendation. A brief outline of this chapter has been outlined as under:

- ❖ **Introduction:** The first chapter of the study serves as an introduction to the study. It includes the background of the study, focus of the study, statement of the problem, objective of the study, importance of the study and limitation of the study.
- ❖ **Review of Literature:** This chapter deals with review of the different literature in regards to the theoretical analysis and review of

books, article and thesis related to the study field. Therefore it includes conceptual framework and other related studies.

- ❖ **Research Methodology:** This chapter deals with research methodology used to carry out the research. It includes research design, population and samples, sources and techniques of data collection and data analysis tools.

- ❖ **Data Presentation and Analysis:** It is the main body of research. It includes data analysis. The collected data are analyzed and interpreted by the research design set in methodology chapter and concludes with the main findings of the study.

- ❖ **Summary, Conclusion and Recommendation:** The last chapter concludes summary, conclusion and makes some recommendation obtained from the whole study.

CHAPTER-II

REVIEW OF LITERATURE

Review of literature is the study of past research studies and relevant materials which helps to enhance the existing knowledge. Review of literature means reviewing past research studies and related materials so as to get in depth knowledge and derive further conclusions. Review of literature is basically a stock taking of available literature in the field of research. It supports the researcher to explore the relevant facts and true facts for the reporting purpose in the field of study. In the course of research, review of the existing literature would help to check the chances of duplication in the present study. Thus one can find what studies have been conducted and what remains to be done.

This chapter is divided into three parts. The first section of this chapter includes conceptual framework, second part includes Review of Various Studies where as third part is Research Gap.

2.1 Conceptual Review

2.1.1 The Market

In narrow sense, a market is meant for a place where buying and selling of goods and services take place. But in boarder sense, a market denotes not only a place, but also an area and or demand. A market may also be defined as the demand made by a certain group of potential buyers for a product or service. "Market is defines as people or organizations with wants, to satisfy, many to spend, and the willingness to spend it. Thus in the market demand for any given product or service, there are three factors to consider. People or organization with wants their purchasing power and their buying behavior. " A market consists of people or organization with needs to satisfy, money to spend and willingness to spend.

A market consists of all the potential customers sharing a particular need or wants who might be willing and able to engage in exchange to satisfy that needs to want. A market represents the aggregate demand of the buyers and potential buyers for a product or services over a specific period of time. In marketing a market consists of the following characteristics:-

- ❖ A market is a convenient meeting place for exchange purpose.
- ❖ Buyers and sellers are the two sides or parties of the market.
- ❖ There may exist both direct as well as indirect contacts between the buyers and sellers.
- ❖ Product is an object of the market if there is no product, there will be no selling and buying activities.
- ❖ Money acts as the medium of exchange and price for any product is determined by the mutual understanding between the sellers and buyers, or by the free play of demand and supply factors.
- ❖ There should exist free competition without which need fulfillment is affected.
- ❖ Transfer of ownership should take place after the exchange of goods and services.

2.1.2 Marketing

Generally marketing is the buying and selling of the goods and services. In other words it is the performance of business activities that direct the flow of goods and services from the producers to consumers or users. The seller receive payment from the sale of goods and services and the consumer will get possession for use. So it is also related towards human activity directed at satisfying needs and wants through exchange process. For this purpose it has to identify and meet human and social need.

The term marketing derived from the word market. Market may or may not be place, there may or may not be gathering of buyers and sellers at stated time, but to be a market there must be transfer of titles on the basis of monetary

value. So it is an area for potential exchanges. Of course, "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, agricultural marketing is a process by which the producer and buyer of agricultural goods are brought together."

"The making 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."

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of goods, services, and ideas to create exchanges with target group that satisfy customer and organizational objectives."

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 production facilities to the market. Specifically marketing might be defined as the response of businessmen to consumer demand through adjustments in production capabilities. Adjusting production, accounting, finance 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."

"Marketing is a social and managerial process by which individuals and groups obtain what they needs and want through creating, offering and exchanging products of value with others." Marketing can be defined in a simple manner as the activities done by the company to deliver the product from the place of production to the place of consumption. It means that marketing is the process of the transfer of ownership of the product in exchange of something of value.

Different authorities define 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 concerned with regular the lever, timing, and character of demand for one more products of an organization." "Marketing is human activity directed at satisfying needs and wants through exchange processes." "Marketing is the anticipation, stimulation, facilitation, regulation and satisfaction of consumer and public's demand for products, services, organization, people, place and ideas through the exchange process." According to Stanton "Marketing is defines as total system of business activities designed to plan, price, promote and distribute want satisfying goods and service to present and potential customers."

In the 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 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 ht maximum of satisfaction by providing goods and services for their consumption.

In the modern marketing era every marketers should understand the consumer 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 ad everywhere than customer attract in that product easily.

2.1.3 Marketing System

A system is a set of units with relationships among them. Marketing is a system of business activities designed to plan, price, promote and distribute want satisfying product to target market to achieve organizational 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 anything 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 we must know that there is something wrong with the marketing organization. And, in this situation no marketer can work successfully. So, the marketing manager must be able to analyze the marketing system in systematic manner."

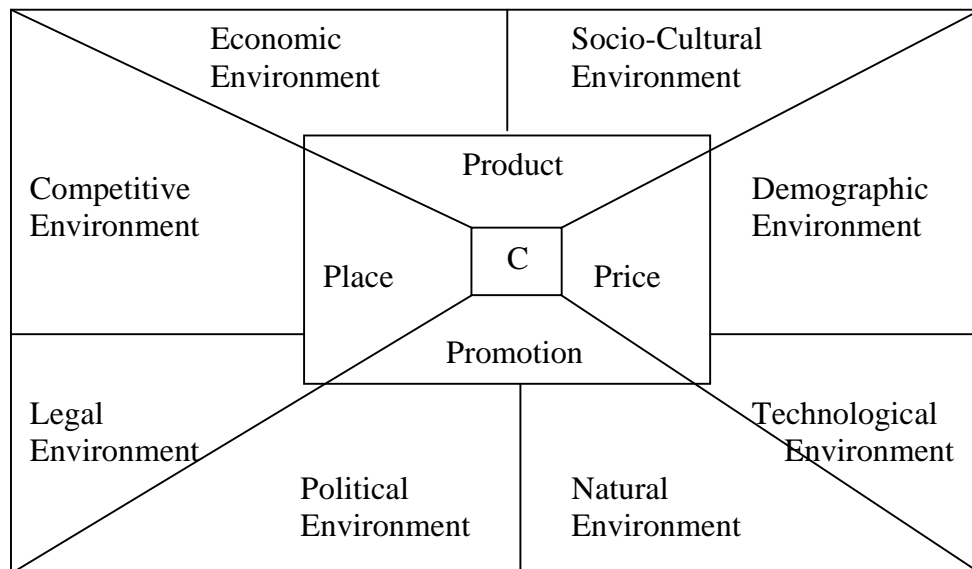
2.1.4 Marketing Environment

"Environment 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." 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, packages, goods, Services, or ideas. "The marketing environment as consisting of six categories of forces: political, legal, regulatory, societal, economic and competitive, and technological." 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 than ever, on knowing: what a firm is; what it is in the competitive environment; and who its competitors are."

"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 to make the decision more effective and suitable Marketing environment includes forces such as, economic, sociocultural, demographic, competitive, technological, political and legal natural etc."

Figure-2.1
Marketing Environment



The importance of marketing environment to the management has been increasing these days than ever 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 forces and successfully run his business.

2.1.5 Role of Marketing in Industrialization

Industrialization is the impact of overall development of country. Today industrialization is considered as synonymous to development. The countries, which are industrialized, are developed too and vice versa. Many countries which we say the most developed countries like UK, USA, Japan, China etc. have been fully industrialized and the countries which are under developed or developing are also stepping gradually ahead toward that direction. All Nepal, a developing country, too is not exception to this phenomenon of the world.

Marketing plays a very significant role in accelerating the pace of industrialization, which in turn, aims at making the economy developed and strong. In this connection, it is significant to note that marketing is the most important multiplier of economic integration and the fullest utilization of assets and productive capacity an economy already possesses. It mobilizes latent economic development of entrepreneurs and in managers."

Marketing plays important role in the process of industrialization. The proceeds of industrial activity are passed on to the society through the process of marketing. Hence, the success or failure of business largely hinges upon the art and science of marketing, which is composed of explorative knowledge, tact, and talent of veteran practitioners. In the global market, the multinational companies like Sony, Hitachi, Toshiba, Philips, Proctor and Gamble, Johnson and Nicholson, and many others have been permeating throughout the world with the help of modern marketing practices and methods. So are Tata the Birla, the Bajaj India, and STC, That food (Ra Ra noodles), Bottlers Nepal and Panchakanya Iron in Nepal. Marketing in this sense has made the producers as well as the customers more conscious toward comparative service, values, safety, satisfaction and convenience.

2.1.6 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 in 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 situations it is considered as no more than an aid to highlighting the fact that 'marketing' is a much broader concept than just selling and buying.

A brief review of the main principles surrounding the marketing mix can help to clarify its true role in the development amid execution of an effective marketing effort.

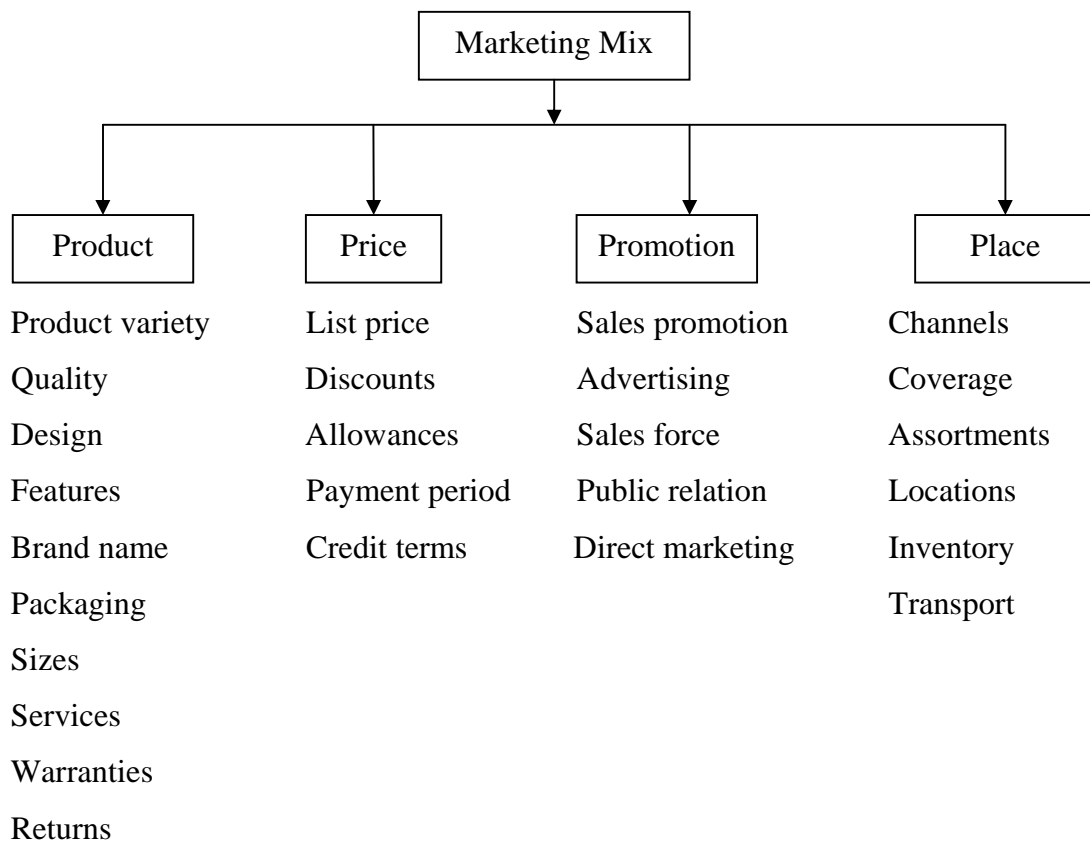
The marketing mix is the set of marketing variables which the organization blends to achieve the marketing goal in a defined target market. The marketing mix consist of everything the organization can do influence the demand for its product in the target market.

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 'mixes'. In fact it is this different that may provide one company with competitive advantages 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 don not outset that this model is not of universal validity.

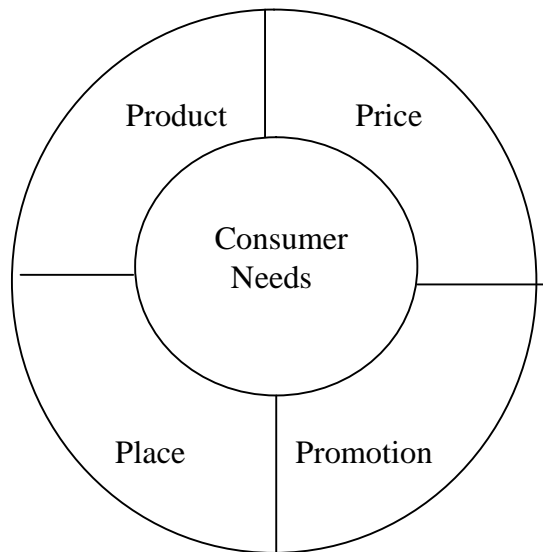
The theory underlying the four Ps is that, if one manages to achieve the right product at the right price with the appropriate promotion, and in the right place, the marketing program will be effective and successful. However, one must bear in mind that each of the four Ps can be broken down in to a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

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." "Marketing mix may be considered as consisting of four Ps-product, price, promotion, place."

Figure-2.3
Variable of Marketing Mix



2.1.6.1 Product

Product is 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 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 see the product concept as including service, because it is too easy to become overly occupied 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.

A product is anything that can be offered to a market to satisfy a want or need. Products that are marketed include physical good, services, persons, place, organization and ideas.

The product offered by an organization is what the business(or no business) entity is all about. While we tend to think of products 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." "Product mix includes decisions on product line and mix, product, quality, variety, design features, branding, packaging, labeling, etc. It also includes important activities such as product planning and development.

2.1.6.2 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 from 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. Any sequence of marketing institutions, from producer to final user or consumer, including any number of middlemen is called a channel of distribution. Marketing managers must work in and through such channels and so our study of place will be very important to marketing strategy planning.

Even through marketing intermediaries are primarily a non controllable environmental factor, a marketing executive has considerable latitude when working with them. Management's responsibility is:

- To Select and manage the trade channels through which the products will reach the right market at the right time and
- To develop a distribution system for physical handling products and then transporting them through the appropriate channels.

2.1.6.3 Promotion

Promotion, one of the four major variables with the marketing manager works, is communicating information between seller and buyer with a view to changing attitudes and behavior. 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.

The major promotional methods include personal selling, mass and sales promotion. Personal selling involves direct face to face relationships between sellers and potential customers. Mass selling is designed to communicate with large number 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.

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.

2.1.6.4 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. 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 competitors 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 decide on strategies concerning discounts, freight payments, and many other price related variables.

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. Price is value expressed in terms of dollars and cents, or any 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 wants satisfying benefits. Price is the value placed on goods and services. Price is the amount of money and/or product that are needed to acquire some combination of another product and its accompanying services.

It is the variable that creates sales revenue. Consumers pay price 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 variable of marketing mix because of inflationary pressures in recent years.

2.1.7 Marketing Strategy

Marketing strategy is both unique and common. That might sound like a contradiction of terms 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 nearly 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 Dewly 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 call be unprofitable if the individual strategic sectors are dominated by smaller competitors." 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 selection a price for a produce, designing an advertising campaign, 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 markets share harvest profit and share of defined share from competitors. Another widely used definition of strategy in

marketing emphasized the broader perspective of strategy in management. That definition views strategic market planning as a four steps.

- ❖ Defining the business
- ❖ Setting a mission
- ❖ Selecting functional plans for marketing, production, and other areas and
- ❖ Budgeting for those plans, (A bell and Hamond 1979) in that sense, marketing strategy is more akin to corporate strategy."

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 question;

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

Strategic marketing helps to define the market in entering and competing. 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 existing product with improvements. Similarly, strategic marketing tries to identify an appropriate time for entering to the market defined. The appropriate time to enter the market may be the first in the market or wait until primary demand is established."

2.1.7.1 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 service." "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, places, organizations, ideas or mixes of these entities." A product is anything that is potentially valued by a target market for the benefits of satisfaction it provides (Craven, Hills and Woodruff). The general principle is that a firm must have a right product that can satisfy the needs and wants of the consumers. But a product cannot satisfy their needs and wants over the time period, because of several reasons:

First, like living creatures a product also has a life during which a firm has to reformulate or modify 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 indicate 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 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.

Product strategy is the core of strategic planning for the enterprise and it plays 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 surprise since meeting people's needs and wants with goods and services is what business is all about.

A product strategy consists of:

- Deciding 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.

2.1.7.2 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 ;argely depends. No rational product policy, no product, and no marketing strategy cnabe formulated without consideration of price, nor price is 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 the determination of some object that can be used to establish the value of the exchange to all parties involved in the transaction. Determining the value 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; 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."

2.1.7.3 Distribution Strategy

Distribution is one of the major marketing functions. Without its effective and efficient management the whole marketing system may be failed. So that, clever marketing manager should have given 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 control etc.

Most producer 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." "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.

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 behavior of the customers, effectiveness of time, education and social values.

The distribution channel moves goods from producers to consumers. It's 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 to agree on price and the other terms that the transfer of ownership possession can happen.

In today is 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 products at the right place at the right time at the lower cost.

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.

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 of distribution.

In today's economy most of the producer of goods and services do not sell their goods directly to the final users. Between them and the final users stands a ghost 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, manufacturers and may negotiate on behalf of the producer but do not take title to the goods. They are agent middlemen.

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

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

- ❖ The number of sellers and buyers and the distance o product movement are relatively large;
- ❖ The frequency of purchase is high;
- ❖ Markets are decentralized.

There are three levels of marketing channels:

- ❖ Direct channels
- ❖ Indirect channel
- ❖ Mixed channel

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 good 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:

- ❖ Merchant Middlemen; and
- ❖ Agents

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

2.1.7.4 Physical Distribution

Physical distribution is concerned to the management of physical flow of goods from the points of suppliers to the points of purchasers. Cravens, Hills and woodruff define 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. Stanton defines 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.

^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. More specifically, the objectives of physical distribution are:

- ❖ To provide customer service
- ❖ To distribute goods more safely

- ❖ To minimize the total cost
- ❖ To supply goods to the right target market function of physical distribution.

A physical distribution system consists of a set of interrelated functions with specific boundaries. The interrelated functions include the following elements:

- ❖ Transportation
- ❖ Warehousing
- ❖ Inventory Management and control
- ❖ Order processing
- ❖ Material Handling

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

- ❖ Rail transport
- ❖ Highway transport
- ❖ Water transport
- ❖ Pipe-line transport
- ❖ Air transport

Warehousing decision determines the number, size and location of storage facilities needed to service customer demand. Developing effective warehousing strategy includes the decisions regarding the following elements:

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

Inventory decisions are concerned with balancing the costs of carrying inventory, ordering products from suppliers and controlling other inventory costs to achieve a desired level of consumer satisfaction. Inventory

accumulation is expensive, yet availability is essential to having satisfaction customers.

Order processing constitutes the communication linkage that stimulates a physical distribution system into action. In other words, order processing regard to all those activities involved in collecting, 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 and activity that is important in inventory, warehousing, and transportation. The characteristics of a product determine to a large extent how it will be handled.

2.1.7.5 Promotional Strategy

Promotional strategy is also one of the most important marketing strategies. There is various type of promotion. These include advertising personal selling, sales promotion and various miscellaneous efforts. When management has a message to pass to target consumers promotion is the proper vehicle.

Like other marketing tools, both business and non business organizations use promotion. The state of Louisiana has been promoting family planning since 1965. Promotion can be used to improve the image of police work as a career.

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 inducting a consumer either to continue or to start purchasing the firm's product or service at some given price.

Promotion is persuasive communication. It is a highly visible element in the marketing mix. It tells 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."

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 advertising, 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 for communicating with buyers and other involved in marketing purchasing decision. 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.

There are various promotion methods.

A. 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. Advertising can be described as any paid of non personal communication by a sponsor. Advertising any persuasive message carried by a mass medium and paid for by a sponsor who sings the message.

B. 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. 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. 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.

C. 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." 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 dealer effectiveness in a specific time period.

D. 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. The most common types of publicity are news releases (also called press releases), photographs, and feature stories. Publicity is similar to advertising except that it involves an

unpaid and unsigned message even though it may use the same mass media as advertising does.

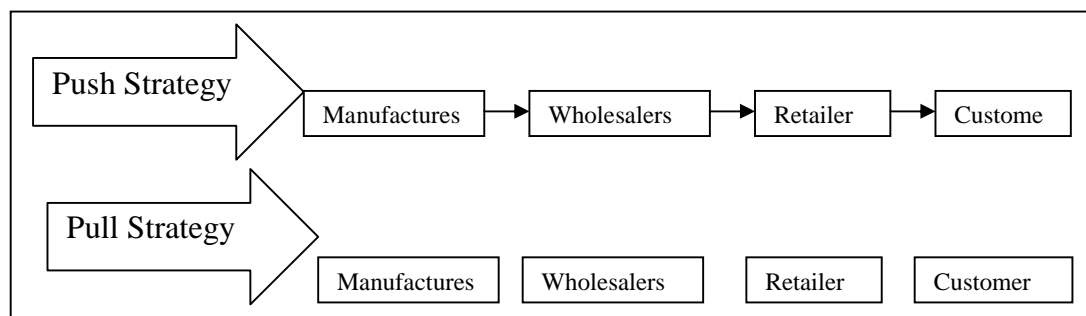
E. Public Relations:

Marketers engage in public relations in order to develop a favorable 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 labor 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.

➤ Push or Pull Strategies:

In Push strategy, 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 retailer promotes to customer. Personal selling and trade promotion tools are 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 customer are persuaded to ask the product from the retailer, the retailer ask the product from the wholesalers and the wholesalers order the product from the manufactures. The product is 'pulled' through the channel to increase sales. Aggressive advertising and consumer promotion is emphasized in pull strategy. This strategy is useful where brand loyalty is high.

Figure-2.4



Interpersonal or mass communication strategy: The interpersonal communication strategy emphasizes selling as a tool for face-to-face promotion. The mass communication strategy emphasizes advertising publicity and sales promotion.

2.1.8 Definitions of Attitude

2.1.8.1 Definition

Social psychologists, unfortunately, do not agree on the precise definition of an attitude. In fact, there are more than 100 different definitions of the concept. However, four definitions are more commonly accepted than others. One conception is that an attitude is how positive or negative, favorable or unfavorable, or pro or cons a feels toward an object an object. The definitions views to attitude as a feeling or an evaluation reaction to the objects.

A second definition represents that thoughts of Allport, who views attitudes as “learned predispositions to respond to an object or class of object in a consistently favorable or unfavorable way”. This definition is slightly mare respond towards an object.

A third definitions of attitude popularized by cognitively oriented social psychologists is: " an enduring organization of motivational, emotional perceptual, and cognitive process with respect to some aspect of the individual's world. This views attitudes as being made up to three components. (1) the cognitive, or knowledge, component,(2) the affective, or emotional, component, and (3) the cognitive, or behavioral-tendency, component.

More recently, theorists have given more attention to a new definition of attitude, which has generated much research and has been useful in predicting behavior. This definition explicitly treats attitudes as being multidimensional in nature, as opposed to the one-dimensional emphasis taken by earlier definitions. Here, a person's overall attitude toward an object is seen to be a

function of(1) the strength of each of a number of beliefs the person holds about various aspects of the object and(2) the evaluation he gives to each behalf as it relates to the object. A belief is the probability a person attaches to a given piece of knowledge being true.

This last definition has considerable appeal, because it has been shown that consumers perceive a product (object) as having many attributes, and they form beliefs about each of these attributes. For example, a consumer may believe strongly that Listerine mouthwash kills germ, helps prevent colds, gives people clean, refreshing breath, and prevents sore throats. If this consumer evaluates all five of these attributes as favorable qualities, then according to the definition he would have a strongly favorable overall attitude toward the brand. On the other hand, a second consumer might believe Justas strongly as the first consumer that Listerine possesses all five of these traits; however, she may not evaluate all attributes as favorably as the first consumer does. Therefore, her overall attitude toward the brand would be less favorable. This idea will be discussed in more later in the chapter.

It has been important to provide all four attitude definitions because the majority of attitude studies have been based on them. In fact, results of this research serve as the basis of this chapter.

2.1.8.2 Characteristics of Attitudes

Attitudes have several important characteristics or properties: namely, they (1) have an object; (2) have direction, intensity, and degree; (3) have structure; and (4) are learned.

1) Attitudes Have an Object

By definition, attitudes must have an object. This is, they must have a focal point whether it be an obstruct concept, such as "ethical behavior" or a tangible item, such as a motorcycle. The object can be a physical thing, such as a

product, or it can be an action, such as buying a lawnmower. In addition, the object can be either one item, such as a person, or a collection of items such as a social group; it also can be either specific (Deutschmacher bologna) or general (imported meats).

2) Attitudes Have Direction, Degree and Intensity

An attitude expresses how a person feels toward an object. It expresses (1) direction- the person is either favorable or unfavorable toward, or for or against the object; (2) degree how much the person either likes or dislikes the object; and (3) intensity the level of sureness or confidence of expression about the object, or how strongly a person feels about his or her conviction. Although degree and intensity might seem the same and are actually related, they are not synonymous. For example, a person may feel that a Snapper riding mower is very poorly made. This indicates that his attitude is negative and the degree of negative feeling is quite extensive. However, the individual may have very little conviction or feeling of sureness (intensity in attitude) that he is right. Thus, his attitude could be more easily changed in a favorable direction than a person who feels a strong conviction that Snapper mowers are poorly made.

3) Attitudes Have Structure

As explained below, attitudes display organization, which means that they have internal consistency and possess inter attitudinal centrality. They also tend to be stable, to have varying degrees of salience, and to be generalizes.

The structure of human attitudes may be viewed as a complex Tinker Toy set created in a type of circular pattern. At the center of this structure are the individual's important values and self concept. Attitudes close to the hub of this system are said to have a high degree of centrality. Other attitudes located farther out in the structure possess less centrality.

Attitudes do not stand in isolation. They are associated (tied in) with each other to form a complex whole. This implies that a certain degree of consistency must exist between them. That is, because they are related, there must be some amount of "fit" between them, or conflict will result. Also, because the more central attitudes are related to a larger number of other attitudes, they must exhibit a greater degree of consistency than more peripheral attitudes do.

Because attitudes cluster into a structure, they tend to show stability over time. The length of time may not be infinite, but it is far from being temporary. Also, because attitudes are learned, they tend to become stronger, or at least more resistant to change, the longer they are held. Thus, newly formed attitudes are easier to change and less stable than are older ones of equal strength.

4) Attitudes are learned

Among all of the attitudes in a person's attitudinal structure, some are more important or salient to her than others. For example, a U.S. consumer might feel that "buying American" is more important than saving money. Therefore, she might purchase an American car that costs more than a comparable foreign car. Also, the "buy American" attitude can be closely tied to attitudes of creating American jobs, keeping money at home, and the like, which thereby support the "buy American" attitude and increase its salience.

2.1.8.3 Functions of Attitudes

Attitudes serve four major functions for the individual: (1) the adjustment function, (2) the ego defensive function, (3) the value expressive function, and (4) the knowledge function. Ultimately, these functions serve people's need to protect and enhance the image they hold of themselves. In more general terms, these functions are the motivational bases, which shape and reinforce positive attitudes toward goal objects perceived as need satisfying and/or negative attitudes toward other objects perceived as punishing or threatening. These situations are diagrammed. The functions themselves can help us to understand why people hold the attitudes they do toward psychological objects.

1. Adjustment Function

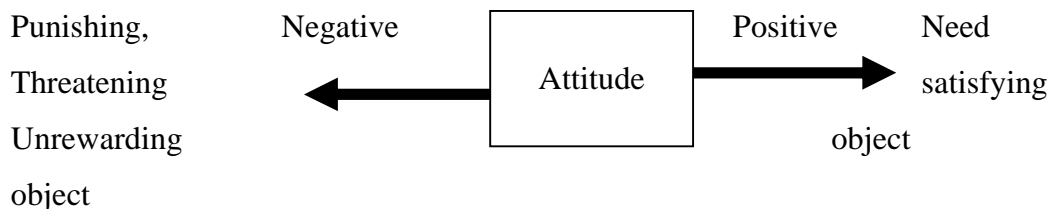
The adjustment function directs people toward pleasurable or rewarding objects and away from unpleasant, undesirable ones. It serves the utilitarian concept of maximizing reward and minimizing punishment. Thus, the attitudes of consumers depend to a large degree on their perceptions of what is needed satisfying and what is punishing. Because consumers perceive products, services, and stores as providing need-satisfying or unsatisfying experiences, we should expect their attitudes toward these objects to vary in relation to the experiences that have occurred.

2. Ego-Defensive Function

Attitudes formed to protect the ego or self image from threats help fulfill the ego defensive function. Actually, many outward expressions of such attitudes reflect the opposite of what the person perceives himself to be. For example, a consume who has made a poor purchase decision or a poor investment may staunchly defend the decision as being correct at the time or as being the result or poor advice from another person. Such ego defensive attitudes help us to protect our self image, and often we are unaware of them.

Figure- 2.5

Attitude development and function based on perceived need satisfaction or harm avoidance.



3. Value-Expressive Function

Whereas ego-defensive attitudes are formed to protect a person's self image, value expressive attitudes enable the expression of the person's centrally held values. Therefore, consumers adopt certain attitudes in an effort to translate their values into something more tangible and easily expressed. Thus, a conservative person might develop an unfavorable attitude toward bright clothing and instead be attracted toward dark, pinstriped suits.

Marketers should develop an understanding of what values consumers wish to express about themselves, and they should design products and promotional campaigns to allow these self expressions. Not all products lend themselves to this form of market segmentation, however. Those with the greatest potential for "value expressive" segmentation are ones with high social visibility. Cross-pens, Saks Fifth Avenue clothes, Ferrari automobiles, and Bang & Olufsen stereo systems are examples.

4. Knowledge Function

Humans have a need for a structured and orderly world, and therefore they seek consistency, stability, definition and understanding. Out of this need develop attitudes toward acquiring knowledge. In addition, the need to know tends to be specific. Therefore, an individual, who does not play golf, nor wish to learn the sport, is unlikely to seek knowledge or an understanding of the game. This will influence the amount of information search devoted to this topic. Thus, out of our need to know come attitudes about what we believe we need or do not need to understand.

In addition, attitudes enable consumers to simplify the complexity of the Dew world. That is, as was pointed out in the chapter on information processing, the Dew world is too complex for us to cope with so we develop mechanisms to simplify situations. We saw that this involves sensory thresholds and selective attention, and it also involves attitudes. Attitudes allow us to categorize or

group objects as a way of knowing about them. Thus, when a new object is experienced we attempt to categorize it into a group, which we know something about. In this way the object can share the reactions we have for other objects in the same category. This is efficient because we do not have to spend much effort reacting to each new object as a completely unique situation. Consequently, we often find consumers reacting in similar ways toads for "going out of business" sales, "limited time" offers, "American made" goods, etc. Of course, there is some risk of error in not looking at the unique aspects or new information about objects, but for better or worse, our attitudes have influenced how we feel and react to new examples of these situations.

2.1.9 Image

Since our research is concerned with the image of the cold drinks, 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 images as a review of literature in the concerned field o study, as follows.

2.1.9.1 Image Analysis

Image 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 and object are highly conditioned by that object's image.

2.1.9.2 Product & Services Images

The image that a product or service has in the mine of the consumer that is it's positioning is probably more important to its ultimate success that 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 product. They try to differentiate their products by stressing attributes that they claim will fulfill the consumer's needs better than

competing brands. They strive to create a product image consistent with the relevant self-image of the targeted consumer segment.

2.1.9.3 Positioning Strategies

Positioning strategy is the essence of the marketing mix; it complements the company's segmentation strategy 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 images) 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.

2.1.9.4 Repositioning Strategies

Regardless of how well positioned a product appears to be the marketer may be forced to reposition it in response to market events, such as a competition cutting into the brand's market share. For example, rather than trying to meet the lower process of high quality private label competition, some premium brand marketers have repositioned their brands to justify their higher prices, playing up brand attributes that 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 and supermarkets). Similar repositioning strategy was adopted by sprite and fanta to target young generation Johnson & Johnson also adopted same tactics.

Another reason to reposition a product or service is changing consumer preferences. 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 bread word "Fried" from its advertising. Weight watchers its diet-thin imagery while responding to a perceived shift in consumer values.

2.1.9.5 Perceived Quality

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

Clues 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 and Pepsi both are offered in same color signifying the completion they have with each other.

Consumers like to believe that they base their evaluations or 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.

2.1.10 Usages Pattern

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 product (i.e. cold drinks 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 behavior 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 and consumers also. On the other hand in a change to 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 image and consumer behaviors regarding the marketing of cold drinks in Hetauda.

In fact, the images of this product 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 if consumers is directly related to the understanding of consumer behavior. It is obvious that a marketer or a manufacturer must have an idea or insight into why individuals act in certain 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 consumption pattern or usage pattern of a particular product depends upon this 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 is

related to image and attitudes. As such, study of consumers usage pattern is deeply rooted in the theories of consumer behavior began to study the buying behavior of consumers, they soon discovered 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 "market 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 behavior regarding usage pattern of consumers include the rate of new product development, growth of the movement, public policy concerns and environment 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.

2.2 Review of Related Studies

2.2.1 Thapaliya, Anup kumar, in 2007 conducted "A study in Market Situation of Instant Noodle Yum Yum" (A case study in Nepal")

A case study mainly focused in marketing situation of Yum Yum in Market having the following main objectives.

- To test the market of 'yum yum' in Nepal
- To obtain and analyze the information on the sales of different kinds on instant noodles in Nepal
- To obtain the consumers opinion on price, quality and test of different brands.
- To compare the position of 'yum yum' instant noodles with other brands.
- To assess the average percentage of consumer's loyalty over several brands.
- To compare the price, quality and taste of 'yum yum' with other brands.
- To suggest the company of 'yum yum' for overall marketing activities for better distribution.
- To assess the status, usage pattern, attitude and Image of Yum Yum.

On the basis of the field survey and subsequent analysis, the study has found followings. All wholesalers are under the distributorship of Chitwan supplier, the single distributor of yum Yum in Hetauda. 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 stand in second. Few wholesalers have expressed the view that some retailers complain over the price of Rara, wai wai and kits and on the taste of yum yum. After introduction of yum yum in the market, 90% of wholesalers expressed that it is 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 noodle and yum yum was in second position. Out of 100 percent 65% use noodles as Tiffin and rest 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 Nepal. 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 and reliable channel to collect information from wholesalers, distributors and consumers.

The study has recommended that an improvement in the test and quality and fixing reasonable price 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 and encourage them to focus their transactions on Yum Yum. The company should diversify its market by penetrating into potential rural areas. It should establish efficient distribution networks and provide reasonable amount of commission at each level.

Although Mr. Hari Lamichhane had conducted a similar study in 2005 in the same study area, this study has been more focused on studying the consumers perspective on their consumption behavior of cold drink. This study has also integrated the retailer level survey in order to examine the distribution system of cold drink in the study area and find out what the channel members particularly the retailers give priority in selling cold drink.

2.2.2 Lamichhane, Hari "Marketing of cold Drinks in Nepal"(2008)"

The study was undertaken in 2006 with the following objectives:

- To examine the potential consumers in purchasing cold drinks.
- To identify the purchases behavior of consumers who purchase cold drinks.
- To estimate demand of cold drinks in Nepal
- To identify the best choice of consumers on cold drinks in the basis of selecting brands advertising habitual testing, asking question and personal inspection.
- To find the relationship between the brand preference and advertising.
- To find out the popular media of advertising for the cold drinks, which can easily attract the potential consumers on each company, branded cold drink.
- To estimate sales of cold drink in Nepal

The study has concluded that advertising is considered as the primary source of information. The advertisement of coke, Pepsi and other branded cold drinks are found in Nepal. 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 mostly favorite media for advertisement. The major reasons of brand switching are the taste of the product.

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 manufacturers of cold drinks should try to fulfill consumers demand on cold drinks of their choice.

2.2.3 Pathak, Krishna Prasad, in 2009 conducted the study on "Coffee Marketing System in Nepal" with the following objectives:

- To analyze the present phenomena, problems for the farmers engaged in coffee farming.
- To assess the existing coffee marking system.
- To analyze the challenges, problems and profitability of faming, processing and marketing of coffee and professional standards.
- To recommend measures for improvement.

From this study, the following conclusions have been deduced. Nepalese farmers are motivated to plant coffee for better yields and they need technical support and training for professional farming skills. There is no support to farmers. Input, supply and sales security were very weak. Recently emerging community activities show better symptom's 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

only measure and no promotions are done. Distribution system components are assembly transportation, processing and order processing. Through Nepalese domestic production covers only 22.9 % 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 that select better seeds appropriate for Nepalese landscape and climate should be conducted. 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 experts. 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 developed as the catalysts to incorporate rural people in modern business ethics. Professional should be encouraged in coffee marketing.

2.2.4 Bhatta, Shree Chandra, in 2010 conducted a study on "Sales Promotion and its Effect on Sales"

A case study of Beer Market of Nepal with the objectives of analyzing the sales promotion and its effects on sales is the main focus of the study. Though the concept of sales promotion is relatively new in Nepal, there are lots of thinking to be researched and find out on the practice of sales promotion. The study had the following specific objectives:

- To find out whether the sales promotion does impact on sales of beer.
- To find out what mode of sales promotion is more acceptable by the Nepalese consumers.
- To find out what mode is more wisely use by the manufacturers as a sales promotion tools.

- To evaluate effectiveness of sales promotion activities in the sales of near in Nepal
- To find out which media is suitable to advertise about the sales promotion.
- To predict the sales of coming year if every factors would be the same.

On the basis of analysis of the consumers view point and sales data separately. The following are drawn. The people with high income group highly educated and from business people tend to drink beers more. The people prefer san Miguel brand than other nears. In the case of sales promotion the cash prizes out of all the tools insist people. In advertising, electronic medial is very popular among the people. In advertising, electronic medial the sales increase in a high speed. Fro, the regression it is clearly seen that if the expenses on the sales promotion increases, the sales of the product will be increases. 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 particular 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 promotion 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 cash prizes so company should cut sown the prize like motorcycles, fridge, tv, etc. findings proved that that the sales promotion have positive impacts on the sales of the beer. But the companies launcdhed 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 last, sales promotion is very important if the use would be in a proper way.

2.3 Research Gap

After reviewing the above thesis it is found that various research work has been done on the topic of marketing of cold drinks in Nepal. But no specific research has yet been able to go in depth of the topic and has successfully accomplished the specific objectives of the research work. Cold drinks market is increasing in Nepal. Coca-cola company and pepsi company are the large producers of cold drinks and they are capturing the market for long period of time. Some small producer are entering in to the market of cold drinks. In this research, the reseacher has tried a lot to obtain the real statistics of users of cold drinks . For this, 200 consumers and 100 retailers of coldrinks are taken for sample in the town of Hetauda where no any research has yet been done in this area so far. Besides that researchers has tried to find out the attitudes and perception of cold drink users towards cold drinks in Hetauda. The researcher has also made efforts to highlight problems of cold drinks market in Nepal. So, this study is trying to find the attitude, perception and marketing of cold drinks in Nepal. This research can fulfill the needs of persons who want to obtain the knowledge about cold drinks market in Hetauda.

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Introduction

The objective of this study is to examine the marketing, usage pattern, attitude and image of cold drinks in Hetauda. In this study, the necessary relevant data have been collected from the sample consumers and retailers. To achieve this 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 retailer of cold drink in Hetauda. The questioners have been administered in order to generate data and other information relation to the research questions adopted for this study.

3.3 Population and Sample

As the total population of cold drink users of presently available brands is hard to find in number, the study takes the population as the total consumers of cold drinks in Hetauda town. The study has included 200 consumers and 100 retailers of cold drink based in Hetauda. 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 professions, age group, educational backgrounds and sex.

3.4 Nature and Sources of Data

This study is mainly based on primary data collected directly from the respondents. The respondents for this study are the consumers and the retailers of cold in Hetauda. 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 Hetauda town collecting necessary information.

Table 3.1
The size of Sample and Respondent

Respondents	Sample size	Questionnaires	%Question return
Consumer	200	200	100%
Retailer	100	100	100%
Total	300	300	

As shown in table 3.1, 200 consumers and 100 retailers were interviewed by the researcher with the help of two different sets of structured questionnaires. Apart from the data collected through the questionnaire, some supplementary primary data provided by the distributors have been used in this study. The questionnaires used in this study are presented in the appendix.

RESPONDENT'S PROFILE: CONSUMERS

Table 3.2
Users of cold drink: Age wise

Age	No. of respondent	Percentage
10-15	40	20%
15-25	60	30%
25-35	40	20%
Above 35	60	30%
Total	200	100%

As shown in table 3.2, among the sample selected for the study, 20% of consumer of cold drink lies in the 10 to 15 age groups, 30% lie in the 15-25 age group, 20% lie in 25 to 35 age group and 30% lie in the above 35 age group. From this table it can be inferred that users of cold drink can be found across the different age group.

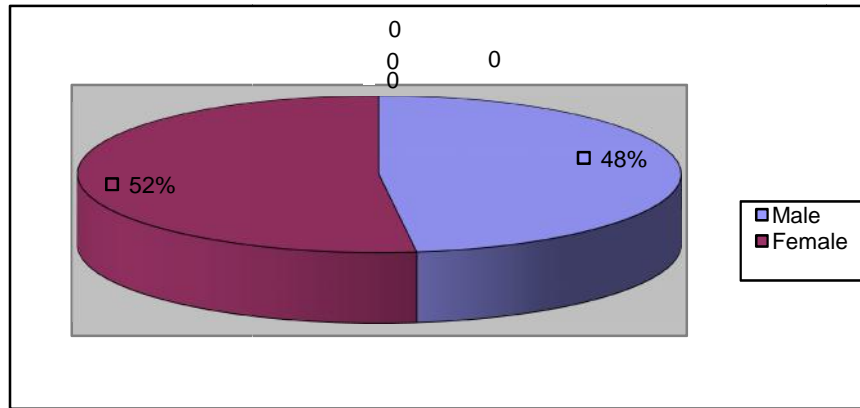
Table 3.3

Users of cold drink: sex wise

Sex	No. of respondent	percentage
Male	104	52%
Female	96	48%
Total	200	100%

Figure-3.1

Users of cold drink: sex wise



As presented in table 3.3, the sample includes 52% male consumers and 48% female consumers of cold drinks.

Table 3.4

Users of cold drink: Education wise

Education	No. of respondent	Percentage
Under S.L.C	60	30%
S.L.C passed	32	16%
Under graduate	46	23%
Graduate	62	31%
Total	200	100%

Figure -3.2

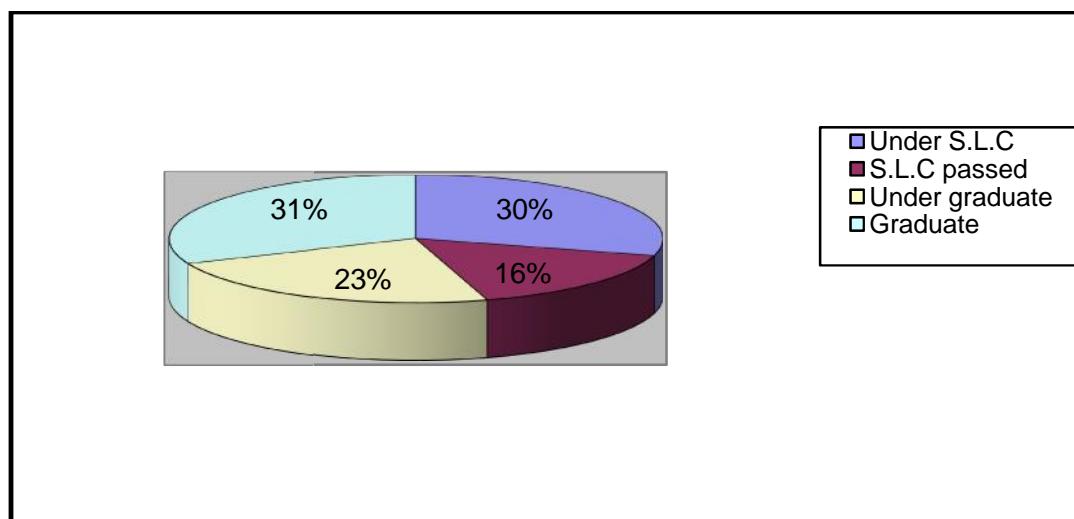


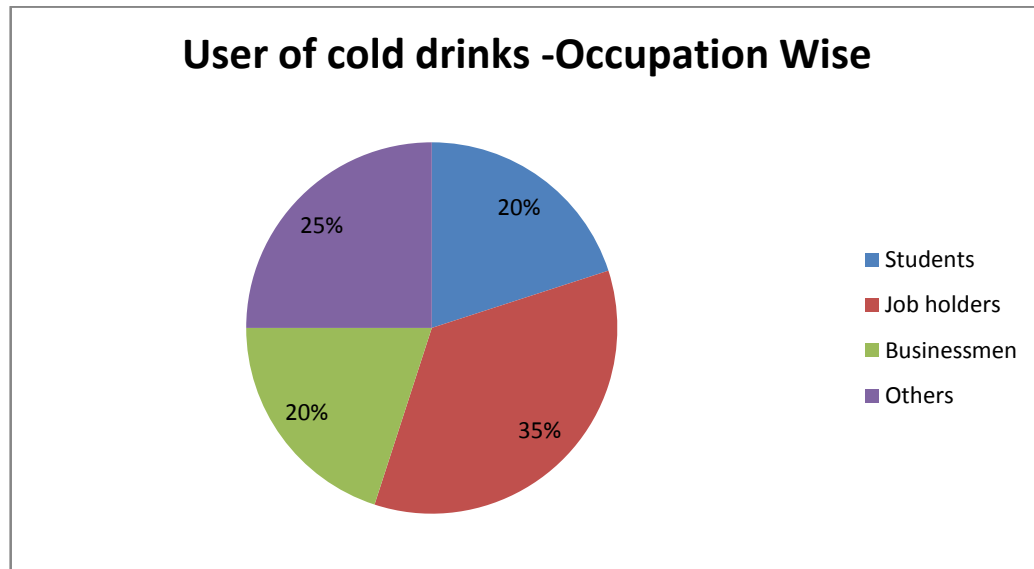
Table 3.4 represents the education profile of the respondents. Out of 200 respondents surveyed, 31% are graduates, 23% are under graduates, 16% are S.L.C pass, and 30% are under S.L.C.

Table 3.5

Users of cold drinks: Occupation wise

Occupation	No. of Respondent	Percentage
Students	40	20%
Job holders	70	35%
Businessmen	40	20%
Others	50	25%
Total	200	100%

Figure-3.3



As shown in Table 3.5, according to the occupation background 20% are the students, 35% are jobholders, and 20% are businessmen and 25% from other occupation.

3.5 Data Collection Procedures

Two set of structured questionnaire was developed for the purpose of collection data from the consumers as well as retailers. The questionnaires were distributed through personal contact in which the respondents were requested to fill up the questionnaire. The researcher personally visited to take interview of the retailers and consumers. Consumers were chosen from different socioeconomic background for interview. In the process of collecting data the researcher was also in touch with the responsible officers of companies selling Coca-Cola, Pepsi, Dew, and Rio products.

3.6 Data Processing and Analysis

The raw data collected through the questionnaire have been manually processed and presented in the form of tables. Once the data are arranged sequentially, 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 the researcher himself. So there was no delay in collection of the questionnaires distributed to the consumers. Every questionnaire was thoroughly checked after the collection.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

This chapter incorporates 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. This chapter first presents the consumer level survey and then 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 4.1
Users of Cold Drinks

Option	No. of respondent	Percentage
Yes	200	100%
No	0	0%
Total	200	100%

During the survey time, the question about usages of cold drinks to 200 sample customers, all the customers has drunk the cold drinks. Refer to Table No. 4.1.

Table 4.2
User of Cold drink, Use Pattern and their Favorite Brand

Brand	No. of respondent	Percentage
Coke	40	20%
Fanta	20	10%
Sprite	10	5%
Pepsi	30	15%
Mirinda	10	5%
Dew	30	15%
Other	60	30%
Total	200	100%

The survey included question to know 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 4.2.

Among the 200 respondents survey in Hetauda 20% of the consumer are found to consume coke, where as 10% of respondent consume fanta, 5% consume sprite, 15% consume pepsi,5% consume Mirinda, 15% consume Dew and 30% consume other.

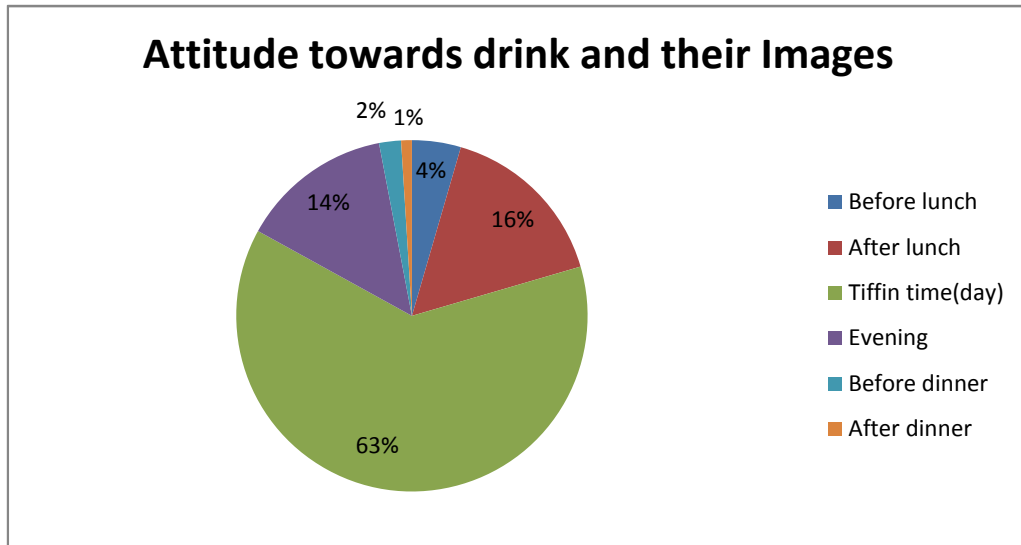
From the above table it proves that the choice of coke is far ahead than other cold drink, while Pepsi and Dew takes the second position. From the analysis it shows that the coca cola products (coke, fanta, sprite and Other) have a combined market share of more than 65 percent of the Hetauda cold drink market.

Table 4.3

Attitude towards drink and their Images

Options	No. of respondent	percentage
Before lunch	8	4 %
After lunch	32	16%
Tiffin time(day)	126	63%
Evening	28	14%
Before dinner	4	2%
After dinner	2	1%
Total	200	100%

Figure-4.1



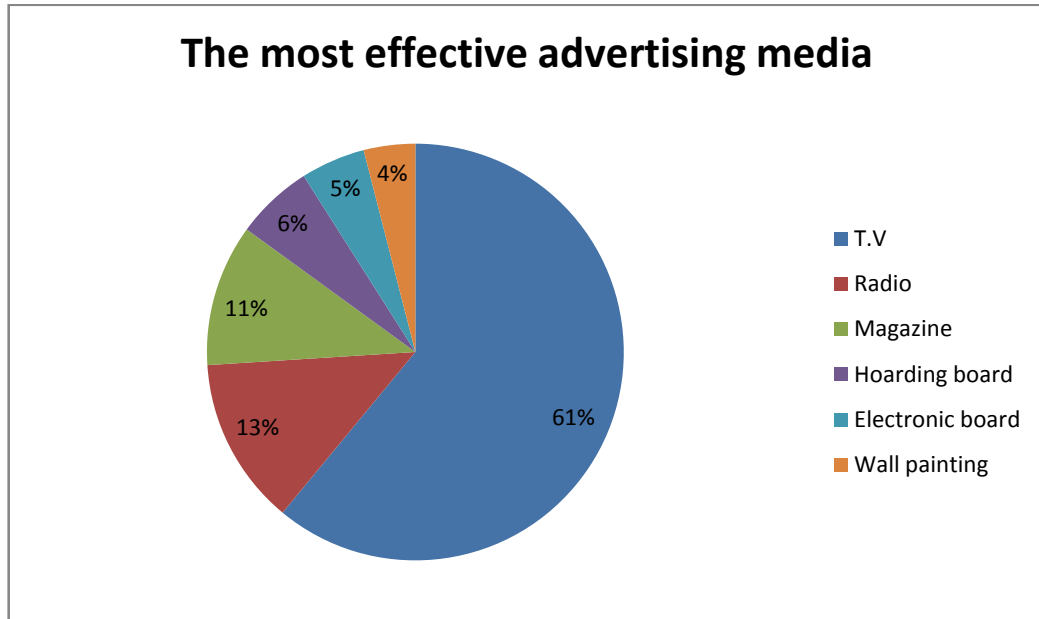
As presented in the table4.3, the most preferred time for taking cold drink is the Tiffin time, where 4% of responds consume cold drinks before launch , while 16% responds are found to take cold drink after lunch, 14% taken in the evening time, 2% take before dinner and 1% take cold drink after dinner.

Table 4.4

The most effective advertising media

Media	No. of respondent	Percentage
T.V	122	61%
Radio	26	13%
Magazine	22	11%
Hoarding board	12	6 %
Electronic board	10	5%
Wall painting	8	4%
Total	200	100%

Figure - 4.2



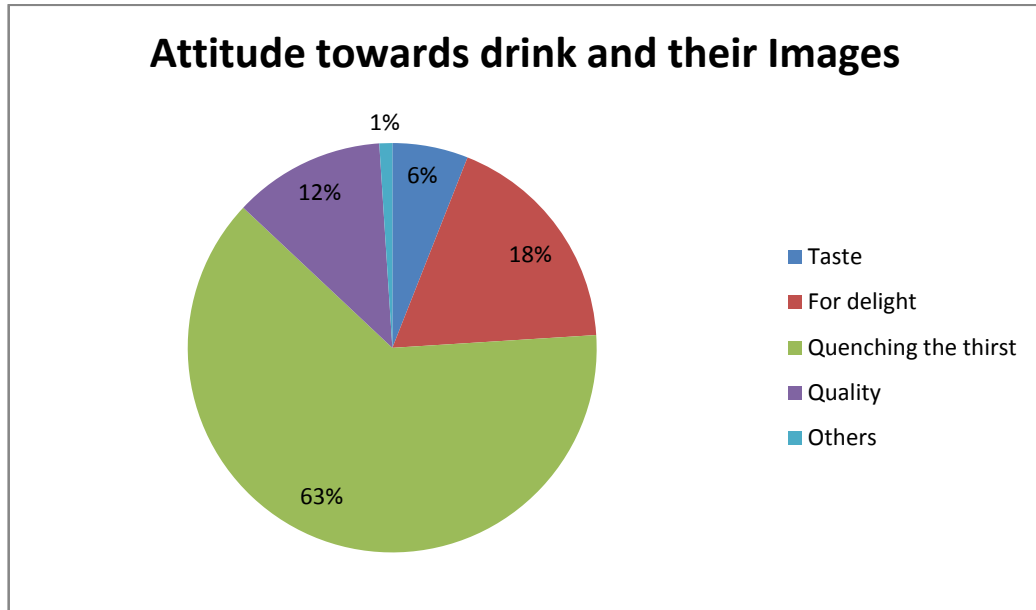
Consumer’s perception of the most effective media is presented in table 4.4. The table indicates that consumers feel that the T.V. is the most effective media (61%), followed by radio (13%), magazines(11%), hoarding board (6%), electronic board (5%) and wall paintings (4%). The survey shows that even though the exposure of cold drink advertisement through radio is found to be low, yet consumers feel that it is an effective medium for advertisement of cold drink after the TV.

Table 4.5

Attitude towards drink and their Images

Options	No. of respondent	percentage
Taste	12	6%
For delight	36	18%
Quenching the thirst	126	63%
Quality	24	12%
Others	2	1%
Total	200	100%

Figure - 4.3



As shown in table 4.5, 63% of respondents thought that the best reason for having cold drink is quenching the thirst. While 18% of respondents are found to consume cold drink for delight, 6% respondent for the taste, 12% of respondents for quality and 1% respondents concludes for other interests and hobby.

Table 4.6

Factors that influence consumer to have cold drink

Factor rank	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
Availability	15	23	36	34	43	25	13	11	200
Advertisement	16	17	28	28	39	36	21	15	200
Sales scheme	7	9	13	28	27	50	56	10	200
Price	9	23	34	41	23	23	36	11	200
Quality	82	34	24	13	14	13	13	7	200
Taste	42	74	31	19	9	10	7	8	200
Brand	22	15	24	27	38	32	30	12	200
Other	7	6	7	11	11	8	22	128	200

In table 4.6 different factors influencing consumption of cold drinks have been ranked according to consumer's choice. Consumers have ranked the quality of the cold drink as the most important factor (74 first rank and 28 second rank), followed by taste (36 first rank and 66 second rank). The brand is in the third position with 16 first rankings and 9 second rankings. Similarly advertisement is the fourth position, availability is in the fifth position, price is in the sixth position, and sales scheme and others are in the seventh position.

This indicates that consumers 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 preference to the sales scheme and other factors.

Table 4.7
Frequency of purchase of cold drink

Reasons	Coke		Pepsi	
	No. of respondent	%	No. of respondent	%
Because of brand	12	6%	30	15%
Because of taste	68	34%	40	20%
It's available everywhere	14	7%	20	10%
For freshness	10	5%	8	4%
For quenching the thirst	40	20%	70	35%
For fashion	6	3%	4	2%
Because of quality	37	25%	20	10%
Others	0	0.00%	8	4%
Total	200	100%	200	100%

Table 4.7 presents the reasons for consuming cola-based drink particularly coke and Pepsi. The analysis shows that 34% of respondents have coke because of its taste, 25% because of quality, 20% for quenching the thirst, 6% because

of its brand name and easy availability, 5% for its freshness and 3% have for fashion.

Similarly, 35% of respondents have Pepsi for quenching the thirst, 20% have because of its taste, and 15% because of its brand name, 10% because it is available everywhere, 10% for its quality, 4% for freshness, 4% for other reasons and 2% have for fashion.

From the above survey, it can be concluded that taste stands the first reason for having coke followed by quality, while in case of Pepsi its thirst quenching attribute stands as the first reason followed by its brand name and stability.

Table 4.8

Brand advertising most recalled

Brand	No. of respondent	Percentage
Coke	110	55%
Pepsi	40	20%
Sprite	20	10%
Fanta	12	6%
Mirinda	2	1%
Dew	12	6%
Other	4	2%
Total	200	100%

As shown in table 4.8, 55% of respondents remember advertisement of coke, 20% remember advertisement of pepsi, 10% remember advertisements of sprite, 6% remember advertisements of Dew, 6% remember advertisements of fanta, 1% remembers advertisements of Mirinda and 2% remember advertisement of other cold drinks. From the above analysis, it can be inferred that coke advertisements have been very effective with a very high recall value.

Table 4.9

Suitable place for having cold drink (Image)

Options	No. of respondent	Percentage
Own house	70	35%
Restaurant/Bakery	100	50%
Picnic	10	5%
Festival	10	5%
Others	10	5%
Total	200	100%

As shown in tables 4.9 that the most suitable place for having cold drink is restaurant/bakery 50% of respondents are found to consume cold drink. While 35% of respondents consume cold drink in their own house, 5% of respondent consume in picnics and festivals, and only 5% of respondents consume in other places.

Table 4.10

Recall of any advertisement of cold drink

Option	No. of respondent	Percentage
Yes	200	100%
No	0	0%
Total	200	100%

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

Table 4.11

Suitable size for having cold drink (Image)

Size	No. of respondent	Percentage
200ml	18	9%
250 ml	140	70%
500 ml	4	2%
1.5 liter	26	13%
2 liter	12	6%
Total	200	100%

As shown in table 4.11, the most preferred size is the 250 ml. Bottles 70%, followed by 1.5 liter bottle 13%, 200 ml. bottle 9%, Two liter bottle 6%, while the 500 ml. bottle 2%.

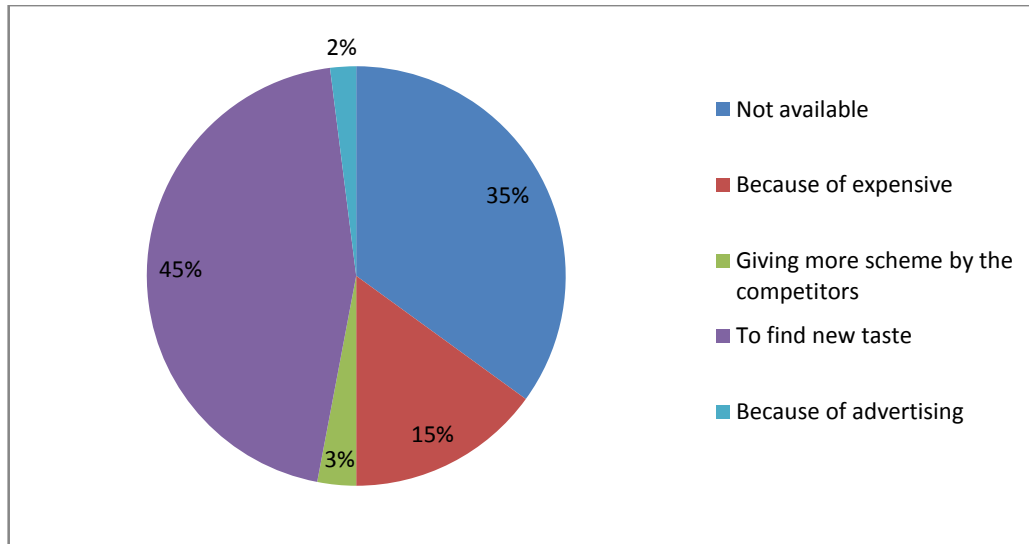
Table 4.12

Reasons for changing brand

Reason	No. of respondent	Percentage
Not available	70	35%
Because of expensive	30	15%
Giving more scheme by the competitors	6	3%
To find new taste	90	45%
Because of advertising	4	2%
Total	200	100%

Figure - 4.4

Reasons for changing brand



As presented in table 4.13, consumers are found often trying other brands as 45% respondents change their brand to find new taste. While 35% respondents change their brand when they're most preferred brand is not available. Another 15% of respondents change their brand because of price factor, 3% of respondents change their brand when competing brand provides different sales schemes, and only 2% of respondents are found to change their brand due to advertisement. Thus it concludes that a large number of respondents change their brand to find the new taste.

Table 4.13

Media exposure of cold drink advertisement

Media	No. of Respondent							
	Coke	%	Pepsi	%	Dew	%	Other	%
Magazine	40	20	30	15	32	16	60	30
Radio	60	30	50	25	28	14	60	30
TV	100	50	120	60	140	70	80	40
Total	200	100	200	100	200	100	200	100

From the table 4.13, it has been found that the consumers have more exposure of cold drink advertisements through the television as this figure for coke, pepsi, Dew and Other are 50%, 60%, 70% and 40% respectively. Magazine provides the second most important exposure, while exposure through radio is found to be very low.

Table 4.14

Buying action after Exposure to Advertisement

Option	No. of respondent	Percentage
Recently	4	2%
After seeing one or two times	16	8%
After additional Information	28	14%
Not consulted	32	16%
When it need	120	60%
Total	200	100%

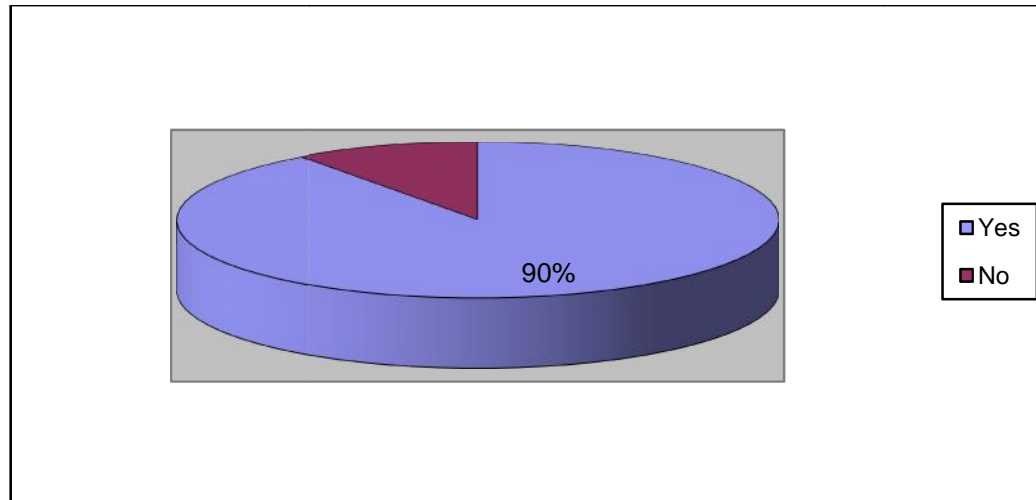
Table 4.15 shows that the advertisements have very little action effects as 60% of respondents are found to buy cold drink when they need, while 16% respondent found that they buy cold drink without consulting any advertisements. Only 2% of the respondent is found to buy cold drink immediately after exposure to and advertisement and additional 8% after a few exposures.

Table 4.15

Influence by the Advertisement

Option	No. of respondent	Percentage
Yes	180	90%
No	20	10%
Total	200	100%

Figure - 4.5
Influence by the Advertisement



As shown in table 4.16, 90% consumers replied that they were fully influenced by the advertisement while 10% consumers replied that they were not influenced by the advertisement.

Table 4.17
Participation in the process of buying cold drink

Option	No. of respondent	Percentage
Myself	136	68%
Family member	48	24 %
Friends	12	6%
Others	4	2%
Total	200	100%

As presented in table 4.17, 68% of consumers purchase cold drink for themselves, 24% of consumers purchase through their family members, 6% purchase through their friends and 2% purchase through other people.

Table 4.18

Frequency of purchase of cold drink

Option	No. of respondent	Percentage
Once a day	56	28%
Twice a day	24	12%
Once a week	34	17%
Twice a week	36	18%
Others	50	25%
Total	200	100%

Table 4.18 shows the frequency of having cold drinks of the consumers, where 28% of consumers are found to have cold drink once a day. 12% of consumers have twice a day, 18% of consumers have cold drink twice a week, 17% of consumers have once a week and 25% 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 Hetauda.

Table 4.19

Advertisement liked most by respondents

Option	No. of respondent	Percentage
Foreign advertisement	34	17%
Nepali model advertisement	40	20%
Nepali folksong advertisement	84	42%
Cartoon picture advertisement	42	21%
Total	200	100%

Table 4.19 shows that 42% of the respondents like advertisements based on the Nepalese folksong, while 21% of respondents like cartoon picture advertisement, 20% like advertisements with Nepali model, and 17% like foreign advertisements. From the analysis it may be inferred that the cold

drinks users primary like folk-song based advertisement while there are sufficient numbers of respondents who like other forms of advertisements.

4.2 RETAILER SURVEY

Table 4.20

Year in Business

Year	No. of Retailer	Percentage
0-5	60	60.00%
5-10	28	28%
10-15	10	10%
15 above	2	2%
Total	100	100.00%

As shown in table 4.20, among the 100 retailers surveyed 60% of retailers have been running their business for the last five years. 28% of retailers for the last 5 to 10 years, 10% of retailer for the last 10 to 15 years and 2% have been running their business for the last 15 years.

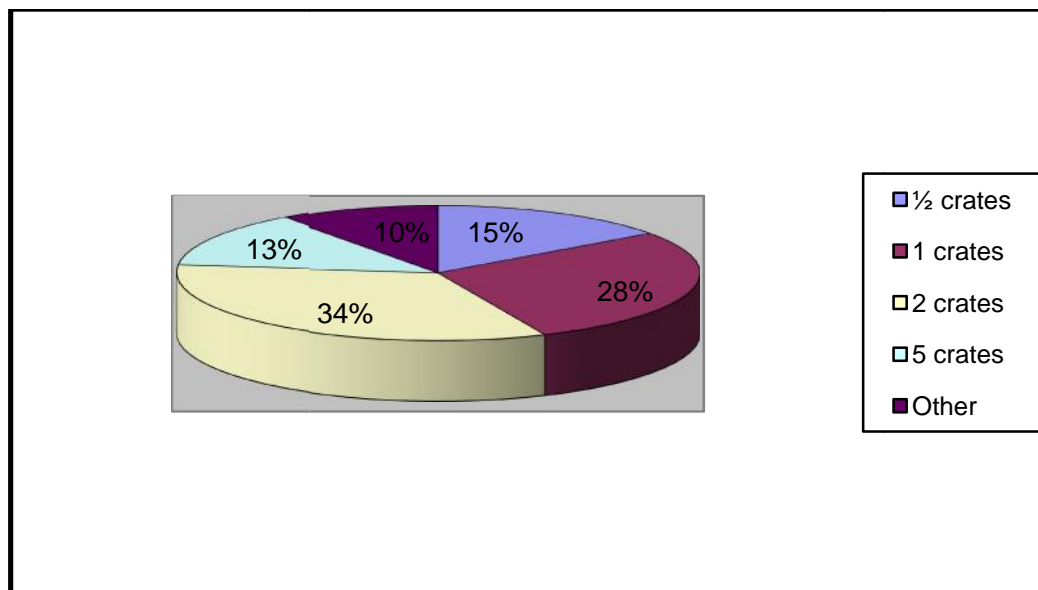
Table 4.21

Retail sales of cold drink per day

Crates	No. of respondent	Percentage
$\frac{1}{2}$ crates	15	15%
1 crates	28	28%
2 crates	34	34%
5 crates	13	13%
Other	10	10%
Total	100	100%

Figure - 4.6

Retail sales of cold drink per day



Out of 100 retailers 34% sells 2 crates of cold drink in a day, 28% sells 1 crates per day, 15% sells 1/2 crates per day, 13% sells 5 crates per day and 10% of the retailers sell less than half crates 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 in a day.

Table 4.22

Brand availability in the retail outlets

Brand	No. of respondent	Percentage
Coke	15	15%
Pepsi	12	12%
Sprite	15	15%
Fanta	15	15%
Mirinda	6	6%
Dew	14	14%
Other	23	23%
Total	100	100%

Table 4.22 presents the brand availability in the retail outlets in the Hetauda town. The survey showed that availability of Coca-Cola products (Coke, Fanta, Sprite) is generally higher than the Pepsi products (Pepsi, Mirinda). Dew is also found to be very strong in terms of availability in the retail stores of the study area, while other is slowly catching up in the market.

Table 4.23

Brand that has more percentage

Brand	No. of respondent	Percentage
Coke	33	33%
Pepsi	17	17%
Sprite	15	15%
Fanta	17	17%
Mirinda	3	3%
Dew	5	5%
Other	10	10%
Total	100	100.00%

As shown in table 4.23, coke is at the top position among the brands as 33% of the retailers opined it as the most selling brand and it followed by Pepsi and Fanta (17%), by Sprite 15%, by dew 5%, by Mirinda 3%, by Other 10%.

Table 4.24

Size of bottles sold most

Size (ml/liter)	No. of respondent	Percentage
200 ml	10	10%
250 ml	65	65%
500 ml	12	12%
1.5 liter	5	5%
2 liter	8	8%
Total	100	100%

As shown in table 4.24, 65% of the retailers opined that 250ml. bottle has the highest sales. Similarly 200ml, 500ml, 1.5ltr and 2 ltr bottles sold are 10%, 12%, 8% & 5% respectively.

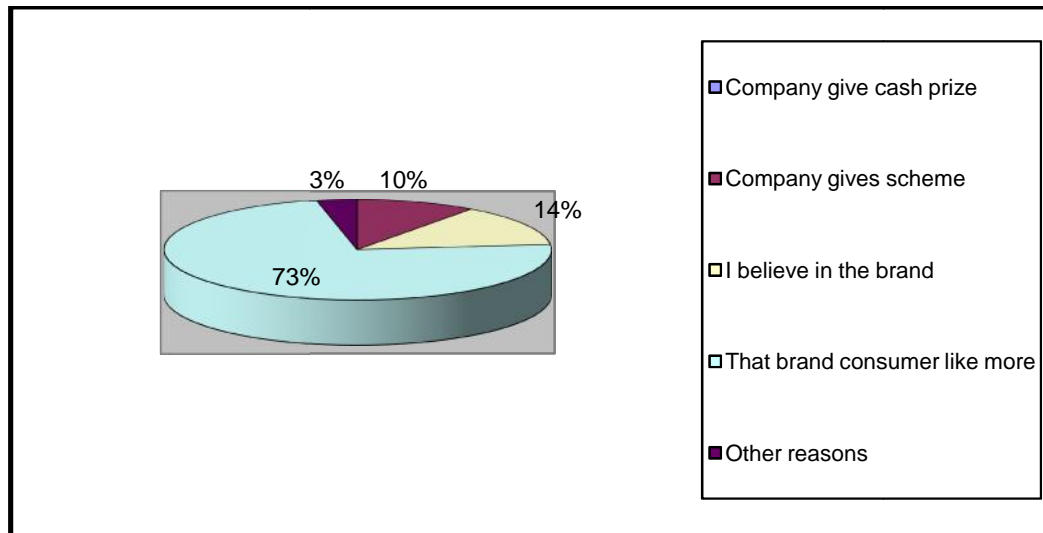
Table 4.25

Reasons for preference to sell the Brand

Reason	No. of respondent	Percentage
Company give cash prize	0	0%
Company gives scheme	10	10%
I believe in the brand	13	13%
That brand consumer like more	74	74%
Other reasons	4	3%
Total	100	100%

Figure 4.7

Reasons for preference to sell the Brand



As shown in table 4.25, 74% of the retailers like to sell coke mainly because the consumers like the drink. While 13% of the retailer like to sell coke because they believe in the brand, 10% of the retailer prefers to sell the brand because the company provides them with sales schemes.

Table 4.26

Type of packaging preferred for selling: bottle vs. can

Option	No. of respondent	Percentage
Can	10	10%
Bottle	90	90%
Total	60	100%

As shown in table 4.26, 90% of the retailers opined that it is easy to sell cold drink in bottles. Only 10% of the retailers are found to say it easy to sell cold drinks in cans. The above table proves that it is easy that it is easy to sell the cold drinks in bottles for the retailers.

Table 4.27

Frequency of company salesman's visit to shop

Option	Coke	%	Pepsi	%	Dew	%	Other	%
Daily	47	47%	13	13%	10	10%	7	7%
Once a week	25	25%	22	21%	57	57%	35	35%
Twice a week	23	23%	20	20%	12	11%	15	15%
Other	5	5%	45	45%	21	21%	43	43%
Total	100	100%	100	100%	100	100%	100	100%

The table 4.27 reveals that, the Coca-Cola and Pepsi salesman visit about half of the retail outlets on a daily basis. The shop visit by the company salesmen for Dew and Other is found to be mostly once a week. This indicates that the Coca-Cola and Pepsi have more aggressive marketing strategy in Hetauda than the Dew and Other.

Table 4.28

Quantity of purchase of cold drink at a time

Option	No. of respondent	Percentage
1 crates	5	5%
2 crates	22	22%
More than 3 crates	30	30%
More than 5 crates	40	40%
More than 10 crates	3	3%
Total	100	100%

This survey reveals (table 4.28) that out of 100 retailers. 3% of the retailer's purchase more than 10 crates at any one time. While 40% are found to purchase more than 5 crates at a time, 30% of the retailers purchase more than 3 crates at a time, 22% of them purchase 2 crates, and only 5% purchase of cold drink in Hetauda is mostly between 5 to 10 crates at a time.

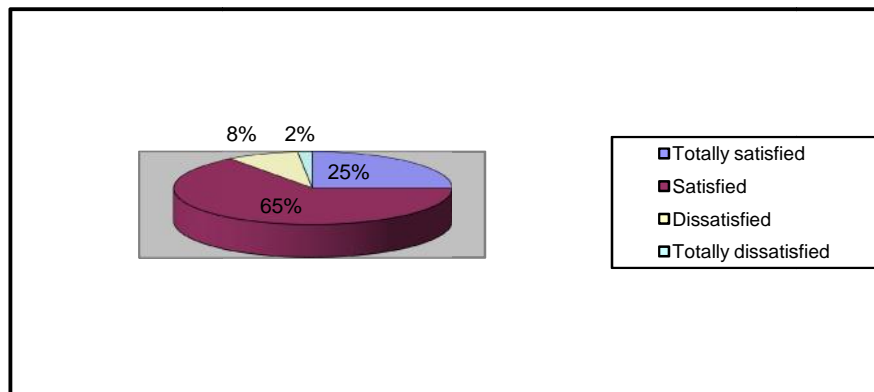
Table 4.29

Satisfaction from the distribution

Option	No. of respondent	Percentage
Totally satisfied	25	25%
Satisfied	65	65%
Dissatisfied	8	8%
Totally dissatisfied	2	2%
Total	100	100.00%

Figure - 4.8

Satisfaction from the distribution



As presented in table 4.29, 25% are totally satisfied by the current distribution, 65% are satisfied, while 8% retailers are dissatisfied, and 2% retailers are totally dissatisfied. The analysis indicates that the retailers in general are satisfied from the performance of the distributors of cold drink in Hetauda.

Table 4.30

Retailer reaction in distribution channel of different brands

Option	Coke	%	Pepsi	%	Dew	%	Other	%
Very good	50	50%	10	10%	22	22%	7	7%
Good	42	42%	42	42%	40	40%	17	17%
Not so bad	8	8%	33	33%	38	38%	69	69%
Bad	0	0%	15	15%	0	0%	7	7%
Total	100	100%	100	100%	100	100%	100	100%

Figure - 4.9

Retailer reaction in distribution channel of different brands

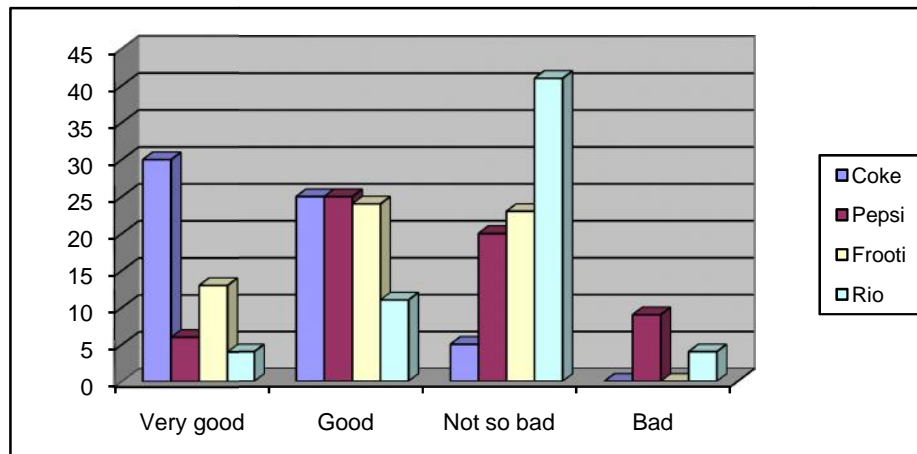


Table 4.30 shows that 50% of the retailers feel that the coca cola company's distribution channel is very good, while for Pepsi only 10% of the retailers opined that the company's distribution channel is very good this indicates that the retailers have higher level of satisfaction with coca cola's distribution than the distribution of Pepsi.

Similarly, retailers are satisfied with the distribution of Dew as 22% felt the company's distribution very good and good. Retailers found to be not so satisfied with the distribution of Other as 68% of them opined the company's distribution channel as not so bad.

Table 4.31

Brand preference to sell

Brand	No. of respondent	Percentage
Coke	66	66%
Pepsi	8	8%
Sprite	0	0%
Fanta	21	21%
Mirinda	0	0%
Other	5	5%
Total	100	100%

As presented in table 4.31, 66% of the retailers are found to prefer to sell Coke because of its high demand in the market. While 21% of the retailers prefer to sell Fanta, 83% of them prefer to sell Pepsi and 5% of the retailer prefers to sell the other brands of cold drinks.

Table 4.32

Influence of advertising on sales

Option	No. of respondent	Percentage
Fully responsible	60	60%
Responsible to some extent	33	33%
No responsible	6	6%
No responsible at all	1	1%
Total	100	100 %

The table 4.32 reveals the retailers have high faith on advertising effect on sales as 60% of them opined that the advertisement is fully responsible for the sales of the brand. While 33 of the retailers opined, as it is partly responsible for the sale of brand, 6% of the retailers declared that it is not responsible and only 1% of the retailers declared that it is not responsible at all for sales. So the above table has proved that most of the retailers feel that the advertisement is responsible for the sales of the brand.

Table 4.33

Factors for increase in sales of cold drinks

Option	No. of respondent	Percentage
Advertising should be more	12	12%
Decrease in price	10	10%
To put prize in cork	26	26%
Increase in quality	46	46%
Change the taste	0	0%
Others	6	6%
Total	100	100%

According to the table 4.33, 46% of retailers claim that the quality should be better to increase the sales, 26% of the retailers want the prize in cork, and 12% of the retailers said the advertisement should be increased. From the above table it may be inferred that quality and sales scheme are essential to increase in sales of cold drink.

Table 4.34

Sales promotion scheme to induce sales

Option	No. of respondent	Percentage
Cash prizes	51	51%
Coupon prizes	13	13%
Item prizes	22	22%
Awards	13	13%
Others	1	1%
Total	100	100%

As shown in table 4.34, 51% of the retailers said that cash prizes induces sales of cold drinks, while 22% of the retailers found that the items prize is more effective on sales, 13% of them are in favor of coupon prizes and awards. This indicates that retailers of the study area are in favor of coupon prizes and awards. This indicates that retailers of the study area are in favor of cash prizes.

Table 4.35

Sales promotion scheme for the retailers

Option	No. of respondent	Percentage
Yes	82	82%
No	18	18%
Total	100	100%

As shown in table 4.35, 82% of the retailers opined that the company provides them with sales promotion schemes, while 18% of the responsible said that the company does not provide them with any scheme.

Table 4.36

Type of promotion scheme provided by the company

Option	No. of respondent`	Percentage
Cash discount	23	23%
Cold drink discount	50	50%
Fridge	25	25%
Prizes	0	0%
Other	2	2%
Total	100	100%

As presented in table 4.36, 50% of the retailer receive discount in cold drink as a promotion scheme, 25% of them have received Fridge, and 23% receive cash

discount. The cold drink companies do not provide any prizes to the retailer as a promotion scheme.

Table 4.37

Attitude in changing the brand for receiving schemes From competing brand

Option	No. of respondent	Percentage
Yes	19	19%
No	81	81%
Total	100	100%

As presented in table 4.37, 81% of the retailers opined that even if a competing company provides more sales schemes they don't stop selling the old brand, while 19% of them are found to be willing to stop selling the old brand if they receive better sales schemes. This indicates that more than four fifths of the retailers are brand loyal.

4.3 Major Findings of the Study

As a result of above analysis of data some major findings may be summed up as listed below:

- During the survey time, the question about usages of cold drinks to 200 sample customers, all the customers have drunk the cold drinks. Refer to Table No. 4.1.

- 'Coke' the number one choice. As the analysis of table no 4.2 suggest, From the analysis of table no. 4.2 , it proves that the choice of coke is far ahead than other cold drink, while Pepsi and Dew takes the second position. From the analysis it shows that the coca cola products (coke, fanta, sprite and Other) have a combined market share of more than 65 percent of the Hetauda cold drink market.

- Our second major finding is regarding the image of cold drinks on basis of time to drink. It is found that people consider cold drinks as daytime drinks as suggested by the consumer survey shown by table no. 4.3. This table shows that the most preferred time for taking cold drink is the Tiffin time(63%), where 4% of responds consume cold drinks before launch , while 16% responds are found to take cold drink after lunch, 14% taken in the evening time, 2% take before dinner and 1% take cold drink after dinner.
- Our next finding is regarding about the most effective adverting media. The table 4.4 indicates that consumers feel that the T.V. is the most effective media (61%), followed by radio (13%), magazines(11%), hoarding board (6%), electronic board (5%) and wall paintings (4%). The survey shows that even though the exposure of cold drink advertisement through radio is found to be low, yet consumers feel that it is an effective medium for advertisement of cold drink after the TV.
- Further findings about image of cold drinks on basis of reasons to drink, it is found 63% of respondents thought that the best reason for having cold drink is quenching the thirst. While 18% of respondents are found to consume cold drink for delight, 6% respondent for the taste, 12% of respondents for quality and 1% respondents concludes for other interests and hobby.
- The finding includes consumers first preference goes to quality, taste and brand name and only the moderate level of preference to availability, advertisement and price.
- The study also found that 55% of respondents remember advertisement of coke, 20% remember advertisement of pepsi, 10% remember advertisements of sprite, 6% remember advertisements of Dew, 6% remember advertisements of fanta, 1% remembers advertisements of

Mirinda and 2% remember advertisement of other cold drinks. From the analysis, it can be inferred that coke advertisements have been very effective with a very high recall value.

- The study also found that the most suitable place for having cold drink is restaurant/bakery 50% of respondents are found to consume cold drink. While 35% of respondents consume cold drink in their own house, 5% of respondent consume in picnics and festivals, and only 5% of respondents consume in other places.
- From the study, 100% of respondents are found to recall the advertisement of cold drink .This indicates that cold drink advertisements have not only the higher level of exposure but also a very high recall value.
- From the analysis it is also found that the most preferred size of cold drink is 250 ml.(70%) and less preferred size is 500ml. (2%).
- Consumers are found to often try other brands as 45% respondents change their brand to find new taste. While 35% respondents change their brand when they are most preferred brand is not available. Another 3% of respondents change their brand when competing brand provides different sales schemes, 15% of respondents chnge their brand becose of expensiveness of cold drinks and only 2% of respondents are found to change their brand due to advertisement. Thus it concludes that a large number of respondents change their brand to find the new taste.
- It has been found that the consumers have more exposure of cold drink advertisements through the television as this figure for coke, pepsi, Dew and Other are 50%, 60%, 70% and 40% respectively. Magazines provide the second most important exposure, while exposure through radio is found to be very low.

- The study shows that the advertisements have very little action effects as 60% of respondents are found to buy cold drink when they need, while 16% respondent found that they buy cold drink without consulting any advertisements. Only 2% of the respondent is found to buy cold drink immediately after exposure to and advertisement and additional 8% after a few exposures.
- The study also shows that 90% consumers replied that they were fully influenced by the advertisement while 10% consumers replied that they were not influenced by the advertisement.
- From the study it also found that 68% of consumers purchase cold drink for themselves, 24% of consumers purchase through their family members, 6% purchase through their friends and 2% purchase through other people.
- The study also shows the frequency of having cold drinks of the consumers, where 28% of consumers are found to have cold drink once a day. 12% of consumers have twice a day, 18% of consumers have cold drink twice a week, 17% of consumers have once a week and 25% 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 Hetauda.
- One of the finding of this study is about advertisement liked most by respondent. In this regards, 42% of the respondents like advertisements based on the Nepalese folksong, while 21% of respondents like cartoon picture advertisement, 20% like advertisements with Nepali model, and 17% like foreign advertisements. From the analysis it may be inferred that the cold drinks users primary like folk-song based advertisement

while there are sufficient numbers of respondents who like other forms of advertisements.

- Among the 100 retailers surveyed 60% of retailers have been running their business for the last five years, 28% of retailers for the last 5 to 10 years, 10% of retailer for the last 10 to 15 years and 2% have been running their business for the last 15 years.

- Out of 100 retailers 34% sells 2 crates of cold drink in a day, 28% sells 1 crates per day, 15% sells 1/2 crates per day, 13% sells 5 crates per day and 10% of the retailers sell less than half crates in a day. From this it may be inferred that the retail sales per store in generally between one to two crates of cold drink in a day.

- The study showed that availability of coca cola products (coke, fanta, sprite and Other) is generally higher than the pepsi products (pepsi, Mirinda). Dew is also found to be very strong in terms of availability in the retail stores of the study area, while other is slowly catching up in the market.

- The coke is at the top position among the brands as 33% the retailers opined it as the most selling brand and it followed by Pepsi and fanta 17%. In the study, 65% of the retailers opined that 250ml. bottles have the highest sales, and 10% of the retailers opined that it is easy to sell cold drinks in cans. This infers that it is easy to sell the cold drinks in bottles for the retailer.

- The coca cola and pepsi salesmen visit about half of the retail outlets on a daily basis. The shop visit by the company salesmen for Dew and Other is found to be mostly once a week. This indicates that the coca

cola and pepsi have more aggressive marketing strategy in Hetauda than the Dew and Other.

- This study reveals that out of 100 retailers, 3% of the retailers purchase more than 10 crates at any one time. While 40% are found to purchase more than 5 crates at a time, 30% of the retailers purchase more than 3 crates at a time, 22% of them purchase 2 crates and only 5% purchase 1 crates at a time. This indicates that the retail purchase of cold drink in Hetauda is mostly between 5 to 10 crates at a time.

- The study found that 25% of the retailers are totally satisfied with the current distribution, 65% of the retailers are satisfied, while 8% retailers are dissatisfied, and 2% retailers are totally dissatisfied. The analysis indicates that the retailers in general are satisfied, from the performance of the distributor of cold drink in Hetauda. About 50% of the retailers feel that the coca cola company's distribution channel is very good while for Pepsi only 10% of the retailers opined that the company distribution channel is very good. This indicates that the company's distribution channel is very good. This indicates that the retailers have higher level of satisfaction with coca cola's distribution than then the distribution of Pepsi. Similarly, retailers are satisfied with the distribution of fruity as 62% felt the company's distribution as very good and good. Retailers are not so satisfied with the distribution of Other and 69% of them opined the company's distribution channel as not so bad.

- In the study, 50% of the retailers are found to prefer to sell coke because of its high demand in the market. While 16% of the retailers prefer to sell fanta, 15% of them prefer to sell Pepsi, 5% of them prefer to sell Sprite, 2% of them prefer to sell Mirinda, 10% of them prefer to

sell Dew and 2% of the retailer prefers to sell the other brands of cold drinks.

- The study reveals that the retailers have high faith on advertising for its effect on sales as 60% of them opined that the advertisement is fully responsible for the sales of the brand. While 33% of the retailers opined as it is partly responsible for the sale of brand, 6% of the retailers declared that it is not responsible and only 1% of the retailers declared that it is not responsible at all for sales. So the study indicates that most of the retailers feel that the advertisement is responsible for the sales of the brand.

- In the study, 82% of the retailers opined that the company provides them with sales promotion schemes, while 18% of the respondents said that the company does not provide them with any scheme. It was found that 50% of the retailers receive discount in cold drink as a promotion scheme, 25% of them have received freezer and 23% receive cash discount. The cold drink companies do not provide any prizes to the retailers as a promotion scheme.

- In the study, 81% of the retailers opined that even if a competing company provides more sales schemes they don't stop selling the old brand, while 19 of them are found to be willing to stop selling the old brand if they receive better sales schemes. This indicates that more than four fifths of the retailers are brand loyal.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

In the modern time industries are developing rapidly in Nepal. Every year new fields of industrial importance are being uncovered. Similarly the number of units at different types of industries is also increasing in the country. All these have introduced tough competitions 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 with right price, at suitable place, with good brand promotion, label and package. The product should be able to win the heart of consumers to be successful in the market.

Marketing plays a very significant role in accelerating the pace of industrialization, which in turn, aims, of making the economy developed and strong. Indeed, marketing is the most significant multiplier of economic development. The development of marketing makes possible economic integration and the perfect utilization of whatever assets and productive capacity that economy energy and finally contributes o the greatest need: that for the rapid development at entrepreneurs and managers.

The rapid urbanizations in Nepal have included a cultural of drinking cold drink by the people. Moreover, population density has been creating hot climate, which in turn has increased the demand for cold drink. 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 market has become very competitive in Nepal and it is essential for every company to set up effective marketing mechanisms to exploit the market potential.

This study has been conducted with the object of examining the marketing of cold drinks in Hetauda. This study has been concluded to examine the consumers' perception and behavior in the purchase of cold drink in the study area and evaluate the distribution Network and Marketing strategies of cold drink companies. It aims to evaluate the impact of advertisement and sales promotion schemes on scale of cold drinks and identify consumers profit and their preference of cold drink in the study area. It also aims to measure the effect of sales promotion schemes on the sales of cold drinks and identify consumers profit and their preference of cold drinks in the study area. It also aims to measure the effect of sales promotion schemes on the sales of cold drinks and identify consumers profit and their preference of cold drink. The study has been concluded through a survey of consumers and retailers. All together, 200 consumers and 100 retailers' opinions' have been collected by administering questionnaires.

5.2Conclusions

As analyzed in the above data presenting and analysis chapter, we come to conclude as to the marketing Image Attitude as usage pattern of cold drink described by follows:

- The Coca-Cola products (Coke, Fanta, Sprite and Other) have a combination market share of more than 65 percent of the Hetauda cold drink markets.

- Consumers are generally found to consume cold drink during the tiffin time. The best reason for having cold drinks is "quenching the thirst", followed by "for delight"; "for the test", "for the quality" and "for other interested and hobby". Consumers are found to give higher preference to the quality, taste and brand name in the choice of cold drinks, moderated level preference to availability, advertisement and prices factors, moderate preference to the sales scheme and others factors. The most

common place for having cold drink by consumers is restaurant and Bakery shop, followed by consumers' residence, picnics and festivals, and other places. The most preferred size is the 250ml. bottles, followed by 1.5-liter bottle, 200ml. bottle, two-liter bottle, while the 500ml. bottle is the least preferred one.

- Consumers have more exposure of cold drink advertisements though the television. Magazines provide the second most important exposure, While exposure though radio is found to be very low. In terms of consumers' perception of the most effective media, the TV is the most effective media, followed by the radio, magazines, hoarding board, electronic board, and wall paintings. Even though the exposure of cold drink advertisement of cold drink after the TV.
- All respondents are found to recall the advertisement of cold drink. This indicates that cold drink advertisements have only higher level of exposure but also a very high recall value. The recall value of coke advertisements was highest, followed by pepsi, sprite, Dew, fanta, Other and mirinda. A very large number of respondents remember T.V. advertising. The study showed that T.V is more attractive media and radio is the weakest media of advertisement.
- The advertisements have very little action effects as a large number of respondents are found to buy cold drink when they need. The study however showed that although consumers buy cold drink when the need arises, advertisements have played a very strong role in the choice of cold drink brand.
- Consumers are found to often try other brands as almost half of the respondents changed their brand to find new taste, more than one third changed 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 frequency of consumption of cold drink is quite high in Hetauda. Consumers who take cold drink daily are about 28%. Consumers generally purchase cold drink for themselves or through their family members.
- The taste stands the first reason for having coke followed by quality, while in case of Pepsi; its thirst quenching attribute stands as the first reason followed by its brand name and availability. The thirst quenching properties of both Dew and Other are the first and the second most important reasons for consumption these fruit based drinks.
- Cold drink users primarily like folk song based advertisement while there are sufficient numbers of respondents who like other forms of advertisements.
- The study showed that availability of coca cola products (coke, fanta, sprite, and Other) is generally higher than the Pepsi products(Pepsi, Mirinda). Dew is also found to be very strong in terms of availability in the retail stores of the study area, while other is slowly catching up in the 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 250ml. Bottle has the highest sales, and that it is easy to sell cold drink in bottles.

- The coca cola and pepsi salesmen visit about half of the retail outlets on a daily basis. The shop visit by the company salesmen for Dew and Other is found to be mostly once a week. This indicates that the coca cola and pepsi have more aggressive marketing strategy in Hetauda than the Dew and Other.
- The study indicates that the retailers in general are satisfied from the performance of the distributors of cold drink in Hetauda. About half of the retailers feel that the coca cola company's distribution channels is very good, while for pepsi only 10% of the retailers opined that the company's distribution channel is very good. This indicates that the retailers have higher level of satisfaction with coca cola's distribution than the distribution of pepsi. Similarly, retailers are satisfied with the distribution Dew and not so satisfied with the distribution of Other. The retailers are found to prefer to sell coke because of its high demand in the market.
- The study reveals that the retailers have high faith on advertising for its effect on sales. It also shows that retailers have high faith in the coke advertisement as two third of them feel that the advertisement of coke has influenced its sales, while this figure for pepsi is only 16%. However, 45% of retailers claim that the quality should be better to increase the sales, about one fourth of the retailers want the prize in cork, and only 10% of the retailers said the advertisement should be increased. From this, it may be inferred that the quality and sales schemes are essential to increase the sales of cold drink. Retailers are found to prefer cash prizes to induce sales of cold drinks, followed by item prizes, coupon prizes awards.
- Half of retailers receive sales promotion schemes from the companies in the form of discount in cold drink m followed by free fridge, and cash

discount. The cold drink companies do not provide any prizes to the retailers as a promotion scheme. More than four fifths of the retailers are brand loyal as they opined more than of the retailers that even if a competing company provides more sales schemes they don't stop selling the old brand.

5.3 Recommendations

Based on the conclusions derived from this study ,the following Recommendation have been suggested to the companies selling cold drinks in Hetauda.

- Since coca cola products (Coke, fanta, sprite and Other) have a combined market share of more than 65 percent of the cold drink market and also has a very aggressive marketing strategy, it is necessary for other cold drink companies to review and revise their respective marketing strategies in Hetauda.
- Since consumers are found to give high weight age to "quenching the thirst" and "for delight", the advertisements of the cold drinks should be built around these two major attributes. As we are experiencing through different Indian Television, marketers their seem to give the meaning of coca cola as "DHANDA". They try to give impression by doing so that coke is equivalent quenching through and it is the only cold drink in the market. As consumers are found to give higher preference to the quality taste and brand name in the choice of cold drink the advertisements should also be focused on these important aspect.
- As consumers have more exposure of cold drink advertisements through the television and magazines, these media should be extensively utilized.

- The recall value of Fanta, Other and Mirinda advertisements was very low and these advertisements need corrections. The study showed that although consumers' buy cold drink when the need arises, advertisements have played a very strong role in the choice of cold drink brand.
- Since brand switching is very common among the consumers mainly to find new taste, or unavailability of the most preferred brand, companies should focus on a better availability of their brands. Pepsi products (Pepsi, Mirinda) need to improve on its availability factor.
- Since cold drink users primarily like folk sing base advertisements companies should present more advertisements based on popular Nepalese folk songs.
- Dew and Other have to improve their marketing strategies as the satisfaction level of retailers is found to be low.
- The quality sales schemes are essential to increase the sales of cold drink retailers are found to prefer cash prizes to induce sales of cold drink followed by item prizes, coupon prizes and awards. Companies should focus on these sales promotion schemes.

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- ❖ The Gorakhapatra

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- ❖ www.google.com
- ❖ www.psc.gov.np
- ❖ www.nepalbank.com
- ❖ www.nepalsbi.com

MAGAZINE

- ❖ The Boss
- ❖ Abhiyan
- ❖ Wave

Appendix-I

Questionnaires for consumer

1. Do you drink cold drinks?
a) Yes, I do. b) No, I don't.
2. When you think of cold drinks, which brand in particular comes into your mind?
a) Coke b) Fanta
c) Pepsi d) Sprite
e) Mirinda f) Dew
g) Other
3. Which time generally do you prefer for having cold drink?
a) Before lunch b) After lunch
c) Tiffin Time (day) d) Evening time
e) Before dinner f) After dinner
- 4) Which form of advertisement inspired you to have one of the above mention cold drinks?
a) Television b) Radio
c) Magazine d) Hoarding/banners/posters
e) Electronic board f) Wall Painting
- 5) What is good about the brand you choose to have, so it comes in your mind first?
a) Taste b) For delight
c) Quality d) quenching the thirst
e) Others

6. Which one of the following do you prefer much while making a decision to buy a cold drink? Give 'no.1' to the first preferred and 'no.8' to the last preferred.
- a) Availability
 - b) Advertisement
 - c) Sales scheme
 - d) Price
 - e) Quality
 - f) Taste
 - g) Brand name
 - h) other reason
7. Why do you take cold drinks?
- a) To quench thirst
 - b) For fun
 - c) For freshness
 - d) Because of fashion/ because of 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) Dew
 - g) Others
9. Usually where do you prefer to have cold drinks?
- a) Own house
 - b) Restaurant / Bakery
 - c) Picnic
 - d) Festivals
 - e) Others
10. Do you recall any advertisement of any brand of cold drinks?
- a) Yes
 - b) No
11. If yes, which one do you recall in your memory?
- a) Coke
 - b) Pepsi
 - c) Sprite
 - d) Fanta
 - e) Mirinda
 - f) Dew
 - g) Other

12. What size of bottle do you prefer?
- a) 200ml
 - b) 250 ml
 - c) 260 ml
 - d) 300 ml
13. What is the main reason to choose the present brand of cold drink?
- a) First reason:
 - b) Second reason:
14. Which form of advertisement do you think is more effective for cold drinks?
- a) T.V.
 - b) Radio
 - c) Newspaper
 - d) Signboard
 - e) Wall Painting and other board Painting
15. 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
16. Do you change brands after the purchasing of cold drinks?
- a) Yes, I do
 - b) No, I do not.
17. Why do you purchase cold drinks? Give your reason.
- a) Because of brand
 - b) Because of taste
 - c) For Freshness
 - d) for fashion
 - e) For other.

18. Which kind of advertisement do you like the most?

a)For advertisement

b)Nepali type advertisement

c)Folk song advertisement

d)cartoon picture advertisement.

Respondents

Name:

Date:

Age: 10-15

15-25

25-30

35- above

Male

Female

Educational Background:

Below SLC

SLC passed

Intermediate

Graduate

Post graduate

Profession:

Student

Service holder

Commerce

Others

Appendix-II

Questionnaires for Retailers

1. How long have you been running the shop?
 - a) Recently
 - b) Less than one year
 - c) Up to two years
 - d) 3 to 5 years
 - e) More than 5 years
 - f) 10 or more years

2. How many crates of cold drinks do you sell in one day?
 - a) Less than one
 - b) One to two
 - c) Two to five
 - d) More than five
 - e) More in any
 - f)

3. Which brands of cold drinks do you sell?
 - a) Coke
 - b) Mirinda
 - c) Pepsi
 - d) Dew
 - e) Sprite
 - f) Fanta
 - g) Other

4. Which brand you normally sell more?
 - a) Coke
 - b) Mirinda
 - c) Pepsi
 - d) Dew
 - e) Sprite
 - f) Fanta
 - g) Other

5. Which cold drinks (bottles) do you sell more?
 - a) Coke
 - b) Pepsi
 - i) 200 ml.
 - i) 200 ml.

- | | |
|---------------|---------------|
| ii) 250 ml | ii) 250 ml |
| iii) 500 ml | iii) 500 ml |
| iv) One litre | iv) One litre |
| v) 1.5 litre | v) 1.5 litre |

6. What reasons do you think of for the more selling of the specific brand?
- a)
- b)
- c)
- d)
7. Which one of the above on basis of volume (in ml.) is it easy to sell in your opinion?
-
8. Which one is easy to sell among the followings:
- | | |
|--------------------------|-----------------------|
| a) Cold drinks in bottle | b) Cold drinks in Can |
|--------------------------|-----------------------|
9. How does advertisement affect the selling of cold drinks?
- | | |
|-----------------------|---------------------------|
| a) Affects more | b) Does not affect |
| c) Moderately affects | d) Does not affect at all |
10. Which one of the following should be done to boost up the selling of cold drinks?
- a) More advertisement
- b) More prizes reward for consumers through promotional schemes
- c) Reduction price
- d) Emphasis of Taste
- e) Change in Taste
- f) All of the above

11. Does the company provide you with schemes when you purchase cold drinks from them?

- a) Yes
- b) No

12. Which of the following schemes does the company offers you

- a) Cash discount
- b) Discount of one bottle or more in one bottles
- c) Refrigerator as reward for selling cold drinks
- d) Other reward

13. Which of the above schemes do you think is best?

Mention the name

14. Do you give up selling old brands, if you are provided with new and more attractive schemes by other brands?

- a) Yes, I give up
- b) No, I do not

15. Does the company replace new bottles with the broken one or you have to income them from your own a/c?

- a) They do replace
- b) No, they do not

17. Will you change old brands, if other provide more sales scheme?

- a)Yes I do
- b)No I don't.

16. If any suggestions, please write them down as follows:

a) For coke:

.....

.....

.....

b)For pepsi:

.....

.....

.....

c) For other:

.....

.....

.....

Respondents

Name:

Age:

Sex: Male

Female

Name of shop:

Place:

Education:

- a) S.L.C.
- b) Below S.L.C.
- c) Under graduation
- d) Graduation
- e) Post graduation