

**A Study of Marketing Communication Mix & its impact on the
effectiveness of telecom service provider – Spice Nepal Pvt. Ltd.**

Submitted By:

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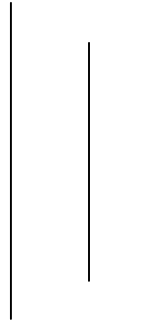
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RECOMMENDATION

This is to certify that the thesis

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Entitled

**A Study of Marketing Communication Mix & its impact on the
effectiveness of telecom service provider – Spice Nepal Pvt. Ltd.**

*has been prepared as approved by this Department in the prescribed
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DECLARATION

I hereby declare that the work reported in this thesis entitled “A Study of Marketing Communication Mix & its impact on the effectiveness of telecom service provider – Spice Nepal Pvt. Ltd.” submitted to Shanker Dev Campus, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement of the Degree of Master’s of Business Studies (M.B.S) under the supervision of Mr. Kailash P Amatya of Shanker Dev Campus.

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Sagun Shrestha
Researcher

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ABBREVIATIONS

ICT	Information and Communication Technology
NTC	Nepal Telecommunication Corporation
UTL	United Telecom Limited
SNPL	Spice Nepal Pvt. Ltd.
GSM	Global System for Mobile Communication
SMS	Short-text Messaging Services
MMS	Multimedia Messaging Services
PRBT	Personalized Ring Back Tones
PR	Public Relations
KTM	Kathmandu
SLC	School Leaving Certificate
MBS	Masters' in Business Studies
SDC	Shanker Dev Campus
TU	Tribhuvan University
GPRS	General Packet Radio Service

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Nepal is a geographically challenged country, its 25.3 million or so people scattered throughout mountains, high peaks, hills, valleys, and terail, presenting barriers to sustainable growth and development. With a gross domestic product (GDP) per capita of \$311 (2006), an average growth rate of 2.9% in the past 3 years, and a poverty incidence of 31% (2004), the economy has not been doing well enough to address the Millennium Development Goals (MDGs) and to make full use of the economic opportunities created by two neighbors, India and the People's Republic of China (PRC). The rural population is predominant, at 85% of the total population. Although nonagricultural activities are gradually contributing more to GDP, agriculture is still Nepal's main economic activity, employing more than 80% of the population and providing 38% of GDP. Remittances are a major source of foreign exchange and of income for many households. Households receiving remittances increased to 32% in 2004 from 23% in 1996, accounting in large measure for the dramatic drop of the incidence of poverty from 42% in 1996 to 31% in 2004.

Besides Nepal's geography and dispersed population, the insufficient use of information and communication technology (ICT) is directly relevant to this low economic performance. The Government realizes that ICT is the most effective way of lowering the country's geographic barriers, enabling information and knowledge management, providing new means of service delivery, introducing innovation, and thereby creating opportunities for economic and social development. ICT access is an

MDG target, as it is important by itself and can help attain other poverty reduction goals and improve access to health and education services.

1.2 Description of Development of Telecom Services in Nepal

The history of telecommunications in Nepal is relatively new compared to the developed countries. A line between Kathmandu and the Indian border was opened in 1914, but it took almost four decades when the capacity of the local exchange in Kathmandu reached 300 lines. Major growth in telecom sector in Nepal has occurred since 1995. World Bank assistance in particular has spurred the initial growth of telecom sector in Nepal resulting in steady increase telephone density. In the latter half of the 1990s, Nepal has grown as fast, if not faster, than any other country in the South Asia region – despite the absence of foreign investment. An important milestone was reached in 1999 when tele-density reached one line per 100 inhabitants. The Telecommunication Act of 1997 established a regulatory body, the Nepal Telecommunications Authority (NTA) on March 4, 1998. Government of Nepal has passed the Telecom Policy, 2004 replacing the older Telecom Policy, 1999.

The Nepal Telecommunications Corporation (NTC) is the incumbent public telecommunications operator which held a monopoly over all aspects of telecommunications in Nepal until few years back. Until recently, NTC used to be fully State-owned entity, which has now been privatized and converted into Nepal Telecom. The Nepal Telecom (formerly Nepal Telecommunications Corporation), Nepal's pioneer telecommunications operator, has made significant progress in the growth and development of the national public switched telecommunications

network (PSTN) in the last decade, particularly during Nepal's Fifth Phase Telecom Project (1992-97). NTC also started providing GSM mobile service from May 1999. At present, United Telecom Ltd. (UTL) is providing Wireless Local Loop based telecom service inside Kathmandu Valley. Similarly, Spice Nepal (P) Ltd. is providing cellular mobile telephone connections based on GSM from Mid September 2005.

The Internet was first introduced into Nepal in 1993 in a venture of the erstwhile Royal Nepal Academy of Science and Technology (RONAST), now Nepal Academy of Science and Technology and a private company, Mercantile Office Systems (MOS). In 1995, a second company, World Link, set up a similar service at a lower price through a cheaper connection to Canada. Their only business was providing e-mail service, whereas MOS's e-mail service was only one of many aspects of its business.

1.3 Introduction of Spice Nepal Pvt. Ltd.

Spice Nepal Private Ltd., popularly known under its brand name "Mero Mobile", is the first private GSM mobile operator in Nepal. Company was established in 2004 and commercially launched on 17th September 2005.

Spice Nepal Private Ltd. (SNPL) stands as a privately owned GSM mobile operator in Nepal and is the first company to operate private GSM services in telecommunications sector of Nepal with the brand name "MERO MOBILE". It broke the monopoly held by the state-owned telecommunications company, Nepal Telecom by building a new arena in cellular telephony services.

Spice Nepal Private Ltd. was established in the year 2004 with the license issued by Nepal Telecommunications Authority to operate GSM mobile services both Post-Paid and Pre-Paid in the country and commercially launched its services on September 17, 2005 in the capital valley and vicinity. Within the time span of 2 years of operation (since its commercial launch) SNPL has extended its services to different geographical areas of Nepal such as; Dhulikhel, Banepa, Nagarkot, Bharatpur in Chitwan, Hetauda, Birgunj, Simara, Biratnagar, Itahari, Dharan, Janakpur, Nijgadh, Rajbiraj, Kakarbhitta, Bhadrapur, Pokhara, Butwal, Bardagath, Bhairahawa, Nepalgunj, Surkhet, Dhangadi and Mahendra Nagar. 14 out of the 14 zones of Nepal are covered with Mero Mobile.

SNPL is gradually expanding its network coverage in various urban, semi-urban and rural areas of the country. In many places SNPL is providing services to the subscribers by installing and using satellite equipments and network.

A company that started its service with basic services like Voice call & SMS service at the launching phase, has one by one, introduced services like Call Waiting, Call Forwarding, Conference Call, Voice Mail, Missed Calls Notification, SMS to e-mail, e-mail to SMS, USSD, Mobile Internet (GPRS/EGDE), Multimedia Messaging Services (MMS), Personalized Ring Back Tones (PRBT) and different types of Value added Services, SNPL has always planned and adopted new technologies and services available in the international market and provided them among its subscribers. Most of the services were introduced for the first time in Nepalese Telecommunication Services market which has re-defined Mero Mobile as the most innovative, modern, accessible and popular brand in Nepal with more than 1,298,165 subscribers within the country.

SNPL has tied up with an array of operators in more than 31 countries, including 74 operators around the world at present and gradually extending roaming partners day by day for the convenience of its subscribers.

SNPL is providing services to the subscribers via its huge distribution network along with its three customer care centers located in Kathmandu and Pokhara. It is gradually opening new customer care centers in different parts of Nepal where SNPL has extended its networks. Along with a big distribution channel, SNPL owned customer care centers and call center, SNPL is providing all types of services and help to the subscribers related to the brand.

At the CEO Conclave Award-2006, organized by Voice & Data, South Aisa's leading information and communication magazine SNPL bagged awards for "Mobile Operator with Best Consumer Pull in Nepal" and "Most Innovative Mobile Operator in Nepal". The winners were chosen among best mobile operators in the SAARC region for their contributions in cellular phone development, innovative products introduction and value added services rendition held at Colombo, Sri Lanka. SNPL was rewarded as "Mobile Operator with Best Consumer Pull in Nepal 2007" at an event held at Kathmandu.

SNPL is determined to introduce new innovative services and facilities to the people of Nepal. It has recently received license to operate an ISP, which it is planning to launch in the near future.

The company distributes unlimited pre-paid and post-paid lines through 4000 outlets located at various places in and outside the Kathmandu Valley.

1.4 Statement of the Problem

Nepalese Telecom Sector which was long dominated by Nepal Telecom as the lone player in the monopoly market has changed now. New players including the Spice Nepal Pvt. Ltd. has entered the market with a brand – “Mero Mobile”. Mero Mobile, which was launched in September 17th 2005, has introduced number of services like CPRS, PBRT and MMS for the first time in Nepal. The brand also gained popularity among the general public in a short span of time.

With the ever growing competition in every industry due to open and liberal markets, the significance of marketing and promotional strategy has been much more important. The 1st step for any product would be to make its potential consumers aware of its existence and make an appeal to them so that they will consume the product. Promotional strategy refers to communication process through which public get informed and respond towards a market offering. One of the factors for Mero Mobile’s large popularity within a short span of time is its promotional strategy. When the telecom market was dominated by well established Nepal Telecom, it would not have been easy for any new private sector company enter the telecom market. But against the odds, Mero Mobile did quite well and expanded its services to 14 Zones of Nepal.

The core theme of the problem is to show how “Marketing Communication mix or Promotional Strategies” can play a major part in entering a new market challenging well established competitor and winning market share. In this regard, the study will dwell upon the following issues:

-) How did Mero Mobile penetrate into Nepalese Telecom Market?

- J How effective was Mero Mobile's promotional activities?
- J What kind of promotional strategies were used to win NT's customers by mero mobile?

1.5 Significance of the Study

Promotional strategies are used widely by Nepalese organizations for entering new markets, for launching new products or for continuing with existing products. Promotional strategies always play a role in making public aware of the products and influencing people to consume the product. The study particularly deals with effectiveness of Promotional Strategy / Marketing Communication Mix of Spice Nepal Pvt. Ltd. while launching Mero Mobile brand. Though researches have been carried out about promotional strategies of Nepalese firms in the past, the area of assessment of effectiveness of marketing communication mix by a new market entrant that and too in the Telecom Industry in Nepal is a unique case. The study will dwell on promotional technique, tools, policies and its effectiveness.

1.6 Objectives of the Study

The main objective of this study is to examine the overall impact of Spice Nepal's promotional strategy. More specifically, the study's objectives are:

1. To examine promotional strategy and tools adopted by Spice Nepal Pvt. Ltd.
2. To identify response of Mero Mobile's target audience.
3. To examine brand awareness of Mero Mobile.

1.7 Limitations of the Study

As with any study, this study also has some limitations. Data collection of related field is very difficult in Nepal. In order to make a study on such topic more fruitful, it is essential that the study on this topic conducted on frequent time intervals.

The study is limited to:

- i. The primary data collected will be based on the sample of telecom users in Kathmandu valley.
- ii. The response of respondents will be analyzed in terms of simple statistical tools only.
- iii. Since this type of study hasn't been conducted much, there will be limitation in secondary data collection.
- iv. Above all, there is time constraint as it is only a study to fulfill partial requirement of confining MBS degree.

In spite of these limitations, full efforts will be made to make this study reliable and valid.

1.8 Organization of the Study

The study will be organized in five chapters. The title of each chapter is as follows.

Chapter one :- Introduction

Chapter two :- Review of Literature

Chapter three :- Research Methodology

Chapter four :- Presentation and analysis of data

Chapter five :- Summary, Conclusion and Recommendations

Chapter one contains: Introductory matters, which describes the introduction, statement of the problem, significance of the study, objectives of the study, need of study, limitations of study and organization of overall study.

Chapter two deals with review of literature relating to Marketing Communication Mix / Promotional Strategy. It will include introduction, meaning of promotional strategy and its tools and review of previous literature.

Chapter three contains methodology employed in the study. It includes the introduction, research design, nature, source of data, and tools of analysis and definition of key terms.

Chapter four contains the presentation and analysis of data through the way of designed methodology from analysis interpretation, major findings have been deduced.

Chapter five lastly contains summary, conclusions and recommendations of the study have been presented.

CHAPTER II

REVIEW OF LITERATURE

2.1 Conceptual Framework

Organizations exist to attain certain mission for undefined period of time. In order to exist in the business for a long period of time, organizations must look for effective and efficient ways of doing business activities to achieve organizational objectives. At present due to environmental dynamism and competitiveness, the struggle for survival and succeeding in the business has become more difficult and challenging. The growth trend and nature of the service industry with the competitive environment brought several and special problems for services marketing. Since service encounters are complex and multiple factors affect interactions, organizations have to adopt holistic marketing approach to deal with these problems.

Holistic marketing approach for services requires external marketing which deals with the interaction of the company as a whole with the customer in terms of company product, price, distribution channels, and promotion activities. Internal marketing is the process of engaging the support and commitment of employees and other organizational members for the goals and objectives of the company (Lancaster and Reynolds, 2004); and interactive marketing deals with the interaction of frontline employees with customers in terms of understanding and solving customers' problems attentively

2.1.1 Marketing Mix

Marketing mix is a combination of marketing elements used in the sale of a particular product. The marketing mix shapes the role of marketing within all types of organizations, both profit and nonprofit. The marketing elements center around four

distinct functions, sometimes called the Four Ps: *product*, *price*, *place* (of distribution), and *promotion*. All these functions are considered in planning a marketing strategy, and any one may be enhanced, deducted, or changed in some degree in order to create the strategy necessary to efficiently and effectively sell a product. Each element in the marketing mix consists of numerous sub elements. Marketing managers make numerous decisions based on the various sub elements of the marketing mix, all in an attempt to satisfy the needs and wants of consumers.

The marketing mix should be viewed as an *integrated* and *coordinated* package of benefits that reflect the characteristics of customers and various targeted publics and satisfy their needs, wants, and expectations. The elements of the marketing mix should be *integrated* because *each element of the mix usually has some impact, direct or indirect, on the other three*. For example, if one improves the product or service probably he has to change the price because it costs more to produce. Although one may not have to change where the product is delivered to the customer, one will almost certainly have to change the promotion or communication with the customer because one needs to tell the customer about the changes he has made in the product and how the changes will make it more desirable and satisfying.

One problem in many organizations is that different divisions may be responsible for different elements of the marketing mix. This happens even in well managed organizations. The result is that the offering is confusing to the target market. Lack of communication among divisions makes this problem worse. And if they don't share the same view of organizational objectives, the problem is worse.

In this context, Promotional Mix, also known as marketing communication mix, is a key marketing tool to communicate to perspective customer regarding the market

offering and persuading them to purchase the product or services. Following section deals with theoretical aspects of Marketing Communication Mix and its elements:

2.1.2 Marketing Communication Mix

One of the four P's of marketing mix is promotion also known as marketing communication. Organizations have to communicate with their existing and potential customers about what they are doing. Marketing communication is very important and at the same time challenging in the service sector as the nature of services is characterized by intangibility of the service product, which is decisive to convince customers on the value of a product. The intangibility of services has a number of managerial implications. Marketing communication is defined as all strategies, tactics, and activities involved in getting the desired marketing messages to intended target markets, regardless of the media use (MarcommWise, 2006). Most service marketers have access to numerous forms of communication, referred to collectively as the marketing communication mix. The mix includes advertising, personal contact, publicity and public relations, sales promotion, instructional materials, and corporate design (Lovelock and Wirtz, 2004). Marketing communication mix elements provide information and consultation that are important components to add value to a product or service. Customers need information about the features of the product or service, its price and how they can access it, to make informed purchase decision. Thus, if customers are able to get the necessary information about the product timely and adequately, they may feel that they are buying quality product or service. This means having good and effective communication channels adds value to the product or service of the company as customers have confidence on their purchase.



Fig2.1 : The elements of the marketing communications mix

Promotion is a persuasive communication that tells the target customers about product, price and place. It stimulates demand / purchase intent. The objectives of the promotion are:

a) Informing: Promotion informs the target consumers about the product, price and availability and it creates awareness about the product. Providing information about the product helps customers make purchase choice.

b) Persuading: Customers have many products to choose from and thus organizations are facing intense competition in the market. Promotions persuade customers to make purchase decision in favor of the promoted brand. It also stimulates product demand, influences buyer behavior, and induces the intermediaries to carry such product.

c) Reminding: Consumers have short – lived memory hence promotion acts as a reminder of a particular brand. It also reminds customers that the brand has the potential to satisfy their needs.

d) Re-enforcing: Since promotion plays a vital role in post-purchase stage of the buying process it reassures the consumers about the products benefits to reduce their anxiety.

2.1.3 Components of Marketing Communication Mix

Marketing Communication Mix consists of the specific blend of **advertising, sales promotion, public relations, personal selling and direct marketing** tools that the company uses to pursue its advertising and marketing objectives.

Advertising: Advertising is a paid communication. It refers to the means employed to draw attention to object or purpose. It can be any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. It uses various media for delivering messages to reach numerous buyers at a low cost.

They are:

- Print Media: Newspapers, journals, brochures, newsletters
- Visual Media: bill boards, point of purchase displays
- Audio: Radio, FM
- Audio Visual Media: TV, Video Tapes, Cinema
- Internet: Email, Websites

Mero mobile launched several advertisement campaigns widely using print media, visual media, Audio and Audio Visual Media

Features of Advertising

- a) Advertising involves cost for visualization, copywriting, illustration and layout design (development cost) and for recording, filming, photographing and printing (production cost). Advertising has a message (verbal or visual).
- b) Advertising is non-personal and physical presence of the sender is not required.

- c) Advertising is sponsored by the organization and the sponsor pays the cost.
- d) Advertising promotes products by business firms, social awareness like family planning and environment protection by social organization and ideologies by political parties.
- e) Advertising has objectives such as informing, persuading, reminding, re-enforcing and achieving sales.

Importance / Objectives of Advertising

a) Information: Firms use advertisements to disseminate information about product use, features, advantages, benefits, price and availability to the target consumers and to create brand awareness and acceptance.

b) Persuasion: Advertisements persuade the target consumers to make the purchase decision in favor of the advertised brand .It helps to stimulate product demand, build brand preference, encourages purchase and brand switching, attracts intermediaries to carry the brand. Thus, it helps maintaining market share.

c) Reminder: Advertisements remind the customers about the brand.

d) New Segments: Advertisement creates brand awareness in new segments and persuades trial purchase.

e) Image: Advertisements build image of the organization. It can be about quality, price or social responsibility.

John Philip Jones used data provided by AC Nielsen, a marketing research firm, to study the effects of advertising. Jones found that 70% of the advertisement

campaigns in his sample boosted sales immediately, but the effect was strong only in 30% of the cases. Only 46% of the campaigns appeared to result in a long-term sales boost. Jones also asserts that increased sales can come from a single advertisement, that blitz campaigns suffer from diminishing returns, and those advertisements that do not generate extra sales on first airing should be pulled. (Phillip Kotler, 1995:52)

Public Relations (PR): PR involves a variety of programs designed to promote or protect a company's image or its individual products. PR promotes favorable attitude and opinion about an organization, its policies and products. Publicity is any communication about an organization, its products or policies through the media that is not paid for by the organization.

Nature of PR: Public Relation can be divided broadly in two categories i.e. Press Relation and Public Service Activities. Press Relation helps a company to pass its positive information (improved performance, new products, sponsorship etc) to its customers and public through press conferences, news release, featured articles and various publications. Public Service Activities (like sponsoring sports, socio-cultural events and exhibition and displays) helps a company to promote its image or product image.

PR Objectives: Organization uses this approach of promotion to announce new product / repositioning of product / performances, to build favorable image, to persuade and remind customers about established products, to announce change in policies, to build interest in established products, to announce technological development and to counter negative publicity about organization or its products.

Mero Mobile launched several public relation campaigns including organizing various social events and distributing free sim card with purchase of concert tickets

etc.

Extreme Rock Show at National Stadium and 100% Live Concert at Tudikhel:

By distributing free pre-paid sim cards with each concert ticket, it was intended to give public, young participants in particular, a taste of Mero Mobile's services, thereby creating awareness and increasing the volume of subscribers.

Sales Promotion: Sales promotions are non-personal promotional efforts that are designed to have an immediate impact on sales. Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). The sales promotion is directed at consumers, intermediaries or sales personnel to push the sales, to encourage purchase, to attract new consumers, to introduce new products, to display better and to provide more shelf space. The basic objective of sales promotion is to achieve faster and higher sales.

Features of Sales Promotion:

- a) Duration of sales promotion is small – lasts from a few days to a few months (2 to 3 months.). It can be seasonal as well.
- b) Sales Promotion provides attractive incentives to the buyer.
- c) Sales promotion aims at quicker and higher sales volume. Existing customers buy more of the product and possibly new consumers try the product.
- d) Target Audience can be the consumer, the intermediaries, or the sales persons.

Methods of Sales Promotion: There are three methods of sales promotion which are described below:

a) Consumer Promotion: Sales promotions targeted at the consumer are called consumer sales promotions. Some of the tactics commonly used for consumer promotion are free sampling, offering coupons, Instant Win, Collect & Win, Price

Offs, Contest / Prizes etc. Consumer Promotion encourages greater use of the products by the existing customers, attracts new consumers (trial purchase, switchers) and increases impulse buying. Consumer promotions may be used during the launch of a product to create brand awareness

b) Trade Promotion: Sales promotions targeted at retailers and wholesale are called trade sales promotions. Trade promotion persuades the channel members to carry the product, attracts new channel members and offset competitive promotions. Trade promotional methods generally used by companies are Free Goods, Allowances, Sales Contests, Gift Items, Price Offs, Scratch and Win, Trade Shows, Credit Facilities etc.

c) Sales Force Promotion: Sales promotion targeted at sales force is called Sales Force Promotion. The objectives for sales force promotion is to motivate sales force and to support new products. A company entices sales force by offering Sales Commissions, Promotional Kits, Gifts Items, and Sales Contest etc.

Personal Selling: It is personal communication with customers to persuade them to buy the products. Either sales personnel goes to the customers or the customers come to the sales persons i.e. it is a two-way information flow. It involves face-to-face interactions between the sales person and the customer. Sales person provide information about the products and consumers give feedback if any to the sales persons. Personal Selling involves persuasion. Sales personal persuade customers to buy products. Presentations are made, queries are answered. The sales person can make presentation and demonstration about the product. The message design can be made flexible according to buyer characteristics.

Personal selling is the most powerful tool in persuading customers to make purchase decisions. Several visits can be made by the sales person to influence customer-buying decision. Relationship Building: Relationships develop between the sales person & the customer during sale. Relationship build through personal selling helps perform these

Direct Selling: It consists of direct connection with carefully targeted individual consumers to obtain both immediate response and cultivate lasting relationships. Use of telephone, mail, fax, and internet is made extensively during direct selling. The message and marketing communications are tailored as per the need of the consumers.

Brand Awareness

Brands are more than just names and symbols. Brands represent consumer perceptions and feeling about a product and its performance – everything that the product or services means to consumers.

Brand awareness is a process of promoting particular brand with its entire service feature through the help of aggressive promotional tolls. A full brand communication strategy and program is developed to buid awareness of the brand attribute.

As one branding expert suggests, “ultimately, brands reside in the minds of consumers” (Philip Kotler 2003:419). Thus a real value of a strong brand is its power to capture consumer preference and loyalty continuously.

Promoting Brand of Mero Mobile

Companies must carefully manage their brands. First, the brand's positioning is a must. Key Mero Mobile campaigns:

One paisa Campaign

This campaign was directly aimed at increasing sales and creating habitual Mero Mobile users

Extreme Rock Show at National Stadium and 100% Live Concert at Tudikhel

By distributing free pre-paid sim cards with each concert ticket, it was intended to give public, young participants in particular, a taste of Mero Mobile's services, thereby creating awareness and increasing the volume of subscribers.

One hour Talk time Campaign

This scheme which offers subscribers one hour free talk time per month is a brand building exercise that creates an image of Mero Mobile as being committed to providing optimum services to its customers.

Localizing the brand of Mero Mobile

Through festival ads like Holi Ad: The festival if Holi linked with One hour free talk time campaign.

Dasaign Ad: An ad that incorporates the various elements of Dasain was released in all the major local newspapers.

All the above campaigns somehow succeeded in creating awareness among the people which can be ascertained by the increasing subscribers of Mero Mobile. People take this service as a strong competitor of NT. Within a short span of time people get alert about the services due to effective promotional impact.

2.2 Review of Previous related research work

Few researches relevant to the study conducted in Nepal and abroad are presented below.

Shree Chandra Bhatta (1998) conducted research titled “Sales Promotion and its effect on sales: A case study of Beer Market of Nepal” with an objective of finding out which mode of sales promotion is more acceptable by the Nepalese consumers and which mode is more wisely used by manufacturers as sales promotional tools, to find out the most suitable media to advertise about the sales promotion to evaluate the effectiveness of sales promotional activities in sales of Beer in Nepal and to predict the sales of coming year if every factor remain same.

Kishor Raj Aryal (2002) in “The study of Market Share of Colgate in comparison with other Brands” tried to show that sales promotion, advertising, price and consumer behaviour impact on sales of the product. It also showed how it affects market share of Colgate. The research tried to find out the popular media of advertisement for toothpaste, which can easily attract the potential consumers on each brand of companies, to identify the competition of Colgate toothpaste the term

of sales, to identify the buying behavior of Colgate toothpaste, and to observe the impact of pricing factor on Colgate toothpaste.

Joyti Shrestha (2007) in thesis entitled “ A study on advertising and its impact on the buying behavior of the consumer” dealt with finding out impact of advertisement on buying behavior. The objective of the study was to find out the relationship between consumer’s attitude towards advertisement and buying decisions, to understand the consumer’s credibility towards advertising and its effect on buying decision and to get insights about the factors affecting consumer decision process. Thus the study show findings like advertising is the first effective source of conveying information which affects consumers while making buying decisions.

Dipankar Raj Bajracharya (2007) in his thesis “Advertising and sales promotion of Samsung Television in Nepal” conducted study on advertising and sales promotion activities of promotional mix. The objective of the study was to evaluate the effectiveness of advertising and sales promotion for attaining and retaining the market share of television business in Nepal, to analyze the importance of sales promotion in building company’s reputation, to review the market status of Samsung television, and to examine brand awareness of the consumers. The study came up with findings that the advertising plays a vital role in sales of TV in this competitive market and trade promotion is more effective way to increase the sales of the company.

Rajasekhara Mouly Potluri (2008) in his thesis “Assessment of effectiveness of marketing Communication mix elements in Ethiopian service sector” evaluated the effectiveness of advertising and personal selling practices of Ethiopian Service Sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction. The findings of the analysis

showed that Ethiopian Service Sector's advertising and personal selling indicated moderately effective in providing information, creating awareness, and changing attitude and ineffective in building company image and enforcing brand loyalty. The research also identified lack of integration between advertising and personal selling.

2.3 Research Gaps

Finding effectiveness of marketing communication mix is a burning topic in the field of Marketing. Various researches on this topic has been carried out in Nepal and abroad. Most of the researches were carried out by the firms themselves to assess effectiveness of their promotional strategies to make future decisions. Independent researches in this area are few. Moreover, the research on effectiveness of marketing communication mix of mobile service provider – Spice Nepal Pvt. Ltd. is a new and unexplored area. This research deals with marketing communication mix strategies adopted by Spice Nepal while promoting Mero Mobile services in a market largely dominated by telecom giant – Nepal Telecom. This research studies and analyzes secondary data and primary data to assess effectiveness of its marketing communication mix strategies.

CHAPTER THREE

RESEARCH METHEDODOLOGY

3.1 Introduction

“Research methodology is way to solve the problem systematically. It facilitates the research work and provides reliability and validity to it. Market research specifies the information required to address these issues; designs the method of collecting information; manage and implements and data collection process; analyze the result; and communicate the findings and implementation” (Marketing News”, January, 1987:1).

The general methodology followed is data collection through secondary and primary sources. Literature reviews were conducted for collecting secondary data while interview method and questionnaire method were adopted for primary data collection. Tabular method was used to analyze and interpretate primary data.

3.2 Research Design

In planning and designing a specific research, it is necessary to anticipate all the steps to be successful in collecting valid and reliable information. It is broken down into very small parts or activities, the marketing research process would consist of a great number of steps. The research design under this study will be descriptive cum exploratory in nature.

On the other hand if we cluster the various steps according to major activities, we can view the marketing research process as consisting of the following steps;

1. Nature and source of data
2. Population and Sampling
3. Data collecting procedure
4. Data processing
5. Data analysis

3.3 Nature and Source of Data

Two types of data were collected - primary and secondary data. Primary data are those data collect from consumer and agent, subagent and customer care. Secondary data are those data collected from company Spice Nepal Pvt. Ltd., and agency and collect from the published advertisement in general daily newspaper, television, radio, hoarding board and through internet and websites.

3.4 Population and Sampling

Under this study population represent the total number of Mero Mobile users in KTM Valley. Sample is the selection of certain no. of respondents out of the population. For consumer survey sample consisting of only 100 respondents were choosen by randomly selection in order to get general information which is based on different cities of KTM valley. For trade survey only few no. of questionnaire were distributed among agent, subagent and customer care centre.

Following areas, sample size and the respondent's no. were taken for consumer survey.

Area of KTM	Sample size	Respondents No.
New road	10	10
Putalisadak	10	10
Baneshwore	10	10
Thamel	10	10
Kalimati	10	10
Sanepa	10	10
Thimi	10	10
Jawalkhel	10	10
Balaju	10	10
Patan Dhoka	10	10
Total	100	100

Source:- Primary Data

The sample size and distribution for trade survey are as follows:

Outlets	No. of Outlets	No. of Respondents
Agent	2	2
Subagent	7	7
Customer care	1	2
Total	10	11

(Source:- Primary Data)

3.5 Data Collection Procedure

A Structured questionnaire was developed for the purpose of collection data from the Mero mobile user who are the real consumer. The questionnaire were distributed through personal contact and requested to the respondent to fill it and the researcher also filled the questionnaire by personal interview with agent; sub agent and customer care executives and receptionist.

The researcher collected the secondary data from company Spice Nepal Pvt. Ltd, Ad agency, and published advertisement in different for example general daily news paper, television, raido, hoarding board and through internet and websites. The researcher also collected relevant information from published articles and researches regarding marketing communication mix / promotional mix.

3.6 Data Processing

When the researcher collected the response for the entire questionnaire they have been computed coded and tabulated under different headings for the analysis purpose.

3.7 Data Analysis Techniques

Tables of data must be compiled percentage and average must be computed and comparison must be a set of information that coincided with the list of needed information established in the second step of the research process.

Finally the researcher tried to find out the effectiveness of promotional strategy of Mero Mobile in the society by getting the questionnaires filled. Analysis has been made by percentile method. The research tried to find out all the objectives of research through this research.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The data has been collected and interpreted into two categories - consumer survey and trade survey. Consumer survey refers to survey performed among real users of the mobile service. And trade survey refers to survey performed among agent subagents and customer care centre.

First type of data are those from the survey conducted on person who live in Kathmandu valley with questionnaire as survey instrument and the one-to-one interview with representatives of customer care and receptionists.

Second type of data is based on secondary data, which was taken from ad agency; Published advertisement, and websites and managed by taking interview from the executives, officers and managers of the spice Nepal Pvt. Ltd.

Within the boundary of certain limitation among the large population, only 100 sample size has been taken from real consumers and trade survey through 2 agents, 7 subagents and 1 customer care centre.

In this report for consumer survey the researcher has shown the demographic Profile, buying motive, buying decision, advertisement impact, brand loyalty, and market competition.

Trade survey was conducted through few numbers of questionnaires, which was distributed among agents, subagents and customer care centers. Trade survey was conducted through secondary data the research was conducted through taking interview from the officers and managers of the Spice Nepal Pvt. Ltd.

4.2 Consumer Survey

4.2.1 Respondent Profile

Out of 100 questionnaires, all were distributed to the sample of real consumers who were from KTM valley. The following table gives the details.

Table 4.1
Response received

Place	Questionnaires	Percentage
Kathmandu Valley	100	100

(Source: Primary Data)

Interpretation

As evident from table 4.1, out of the total number of questionnaires distributed, 100% responses were received from target respondents.

Table 4.2
Age Group of Respondents

Age Group yrs	Respondents	In Ktm Valley
		Percent
Below 20	20	20
20-30	50	50
30-40	10	10
40-50	15	15
50+	5	5
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.2 shows the age group of respondents who participated in the research. According to above table, 20% of respondents were below 20 yrs of age (college going students), 50% of respondents were between 20 to 30 yrs of age, which is

highest age group among all. Percentage of respondents in Age group of 30 to 40 years is 10%, while 15% were in 40 to 50 yrs age group. Respondents above 50 yrs were only 5% which is lowest among all.

Conclusion

Among the sample, highest percentage of respondents i.e 50% were from age group 20-30 while 5% of respondents were above 50 yrs old.

Table 4.3
Education Level of Respondents

Education	Respondents	In Ktm Valley
		Percent
Up to SLC	5	5
Certificate	10	10
Graduate	60	60
Master	25	25
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.3 shows the educational background of the respondents. Respondents with educational level up to SLC level was 5%, similarly certificate level, graduate level and master level was 10%, 60% and 25% respectively. Here, the rate of respondents whose educational level is Graduate is higher among all and up to SLC level is lowest among all. As the research is about mobile service, so the school going person are not included. Most of the respondents are student plus job holder with above 20 yrs age limit.

Conclusion

The number of respondents who participated in survey with educational background

of Graduate degree is highest among all and up to SLC level is lowest among all.

Table 4.4
Profession of Respondents

In Ktm Valley		
Profession	Respondents	Percentage
Student	25	25
Housewives	10	10
Job Holder	35	35
Businessman	10	10
Others	20	20
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.4 shows that the respondents belonging to student were 25%, housewives were 10% while jobholder was 35% which is the highest among all profession, respondents belong to businessman was 10% and other profession include student cum part time job holder which is the second highest among all.

Conclusion

Maximum no. of participated respondent are jobholder i.e 35% , while minimum no. of respondent are housewives.

Table 4.5
Monthly Income of Respondents

In Ktm Valley		
Income Level	Respondents	Percent
3000-5000	20	20
5000-10000	25	25
10000-20000	40	40

20000+	15	15
Total	100	100

(Source :- Primary Data)

Interpretation

Table 4.5 shows the monthly incomes of the respondents. According to the table, the respondents whose monthly income lies between 10,000 to 20,000 is highest among all which is 40% and the income level more than 20000, is lowest level among all which is only 15%. Though the identity of respondents were kept secret, it was still difficult to get real information on the salary.

Conclusion

According to this particular study, the rate of income level which is earned by respondents lie between 10,000 to 20,000 is more than the respondents whose earning is more than 20000. This research is on the basis of per month income.

Table 4.6
Family size of Respondents

Family Size	Respondents	In Ktm Valley
		Percent
3-1	5	5
3-5	50	50
5-8	30	30
8+	15	15
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.6 shows the no. of member in family of the respondents. According to table 5% of the respondents have 1-3 members, 50% respondents have 3-5 members, 30% have 5-8 members and the 15% of respondents belongs to more than 8 members in their family.

Conclusion

Maximum no. of the respondents belongs to from 3-5 members and the minimum respondents have a family size below 1-3 members.

4.2.2 Consumer Buying Motive

This section deals with buying motives of the surveyed customers of Mero Mobile. In order to find about the buying motives of the consumers, questions like “what motivated you to buy ‘Mero Mobile’ services?” were asked

Table 4.7
What motivate you to buy Mero Mobile service?

(In Ktm Valley)

Reason¹	Respondents	Percent
Service Feature	30	30
Service Charge	10	10
Promotional activities	20	20
Others	40	40
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.7 shows different motivating factors of respondents. 35% of the respondents said they were motivated through service features, while 10% were motivate through charge; likewise 20% said they were motivated through promotional activities. 40% of the respondent said it was factors other than service, fee or promotional activities that motivated them. The response is interesting in terms of the number of respondents claiming to be motivated through promotional activities i.e just 20%. Though, in a formal survey setting respondents tends to rationalize their response promotional activities could have played larger role in motivating customers to

¹ The questionnaire usually offered closed ended questions. This particular question offered 4 options.

purchase the services than what is seen from the above table.

Conclusion

Every person have different motivating factor according to their perception and aspiration. So, 40% of respondents have their own different motive. Though only 20% of the respondents accepted Mero Mobiles' promotional activities as a motivating factor to procure the services, it could have played some part for motivating others as well.

4.2.3 Buying Decision

The researcher tried to show the response of respondents regarding buying decision through very simple and specific questions, such as, "What kind of things you consider while buying any service?" "What factors play a vital role in Mobile service buying decision?" or "What influenced you to decide to buy 'Mero Mobile Service?'"

Table 4.8
What kinds of things you consider while buying any service?

(In Ktm Valley)

Factor Consider	Respondents	Percent
Price	20	20
Brand Name	25	25
Service	35	35
Facility	20	20
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.8 shows the things considered by respondents while buying any service. Regarding to the particular research, 35% of respondents considered service was the key factor while buying a service which is highest among all. Likewise respondents who consider price and facility are 20% and respondents considering brand name are

25% which is second highest

Conclusion

According to the research, respondents are more conscious about the buying decision. They give more emphasis to services provided by any service provider while buying.

Table 4.9
What factors play a vital role in mobile buying decision?

In Ktm Valley

Factors	Respondents	Percent
Network Coverage	50	50
Service Charge	15	15
Service Features	30	30
Others	5	5
Total	100	100

(Source:- Primary Data)

Interpretation

Table 4.9 shows that out of total respondents, 40% of respondents' Mobile service buying decision is triggered by Network Coverage - which is the highest among all. Likewise respondents whose important factor is Service charge is 15% and Service features is 30% and others factors is 5% which is the lowest among all.

Conclusion

Maximum respondents give emphasis to Network coverage and Service features because without them buying any mobile service is useless. And "other" factors are less important to respondents according to above table.

Table 4.10
What influence you to decide to buy Mero mobile Service?

In Ktm Valley

Influencing Factors	Respondents	Percent
Network Coverage	25	25
Hassle Free Subscription	40	40
One hr Talk time	20	20
MMS	5	5
Ramro Tariff	10	10
Total	100	100

(Source: Primary Data)

Interpretation

As above table shows, interestingly Network coverage was not the key influence factor for respondents to buy Mero Mobile services. Only 20% purchased Mero Mobile services because of Network Coverage. 40% of the respondents purchased Mero Mobile services because of its hassle free subscription process. Similarly, 20% purchased it because of one hour talk time and 10 and 5% of the respondents purchased the services because of “ Ramro Tarrif”, the recently launched Mero Mobile promotional campaign, and MMS respectively.

Conclusion

Maximum no. of respondents was influenced by hassle free subscription procedures because nobody has much time to be involved in time consuming procedures. Minimum no. of respondents was influenced by MMS Service.

4.2.4 Advertising Impact

A huge variety of media channels was used for the display of advertising, usually in the form of combination or mix. The most recent addition to these channels was interactive, involving a two way exchange between the presentation of advertising and the target audience. Researcher tried to find out an advertisement impact on

respondents which was deliberated by different media channel.

In this particular research, researcher tried to show the advertising impact towards the service. A question was asked about what factors in advertising attracts customers the most. Specific questions like “Have you seen the “Mero Mobile” advertisement?”, “Do you think advertising provides us with valuable information about product features?” “Has regular advertising in different media been able to create positive respond towards particular product?” were asked.

The following table presents answer to these questions:

Table 4.11
What factors in advertising attract you the most?

Factors	Respondents	Percent
Presentation	25	25
Theme	25	25
Information	35	25
Artists	15	15
Total	100	100

Interpretation

According to above Table 4.11, 25% for the respondents most attracting factor in advertising is presentation. Similarly, other 25% were attracted by Theme; again 35% of respondents were attracted by information and 15% were attracted by artists. As we all know that advertisement is informative mass communication process through which valuable information can be attained so, the highest no. if respondents are attracted by information factor. Likewise, very low no. of respondents was attracted by artists.

Conclusion

Maximum no. of respondent is attracted by informative factor of advertisement while minimum no. of respondents is attracted by artist.

Table 4.12
Have you seen the Mero Mobile advertisement?

Option	Respondent	Percent
Yes	95	95
No	5	5
Total	100	100

Interpretation

Table 4.12 indicates that 95% of the respondents have seen the advertisement in different media. Only 5% of respondent haven't seen advertisement. This means "Mero Mobile" is very popular among the respondents.

Conclusion

Maximum no. of respondents had seen "Mero Mobile" advertisement. Only the few respondents hadn't seen the advertisement. One of the objectives of advertising campaign, i.e to communicate to target audience and making them aware of the brand is well achieved by Mero Mobile's advertising campaign.

Table 4.13
If yes, can you name any of them?

(In KTM Valley)

Advertisement	Respondents	Percent
One Paisa	10	10
Concert	10	10
One hr talk time	20	20
PRBT	5	5
MMS	5	5
Ramro tarrif	10	10
All above	40	40

Total	100	100
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(Source: Primary Data)

Interpretation

According to above table out of total respondents, 10% of respondents had noticed One paisa campaign, another 10% of respondents had noticed Concert, and 20% of respondent noticed One hr talk time which is second highest among all. PBRT and MMS campaign had been noticed by 5% each respectively. The recently launched one of the successful campaign called “Ramro tariff” had been noticed by 10%. As all above advertisement is popular and specific, so 40% respondents had noticed all of the advertisement and which is highest among all option.

Conclusion

Maximum No. respondents had noticed all of the advertisement of Mero Mobile. The respondents who had noticed PRBT and MMS are very low in comparison to others.

Table 4.14

Do you think advertisement provides us with valuable information about product features?

(In KTM Valley)

Option	Respondents	Percent
Yes	71	71
No	29	29
Total	100	100

(Source: Primary Data)

Interpretations

Table 4.14 shows that the respondents who thought advertisement provides valuable information about product features is 71% and the respondents who have opposite thought is 29%. Highest group of respondents believe that through promotional activity they get information about the product features which is available in market and help them to make buying decision. And small group of respondents have

different feeling according to their behavior.

Conclusion

Maximum No. of respondents believe that advertisement provides valuable information. Only few respondents denied it

Table 4.15
Has regular advertisement in different media been able to create positive response towards particular product?

(In KTM valley)

Option	Respondent	Percent
Yes	82	82
No	18	18
Total	100	100

(Source: Primary Data)

Interpretation

Above table indicates at 82% of respondents believe that regular advertising in different media have been able to create positive response towards the particular product while 18% of respondents doesn't believe that regular advertising can provide positive response towards particular product.

Conclusion

Maximum no. of respondents agrees regular advertising obviously provide positive response towards particular product.

4.2.5 Brand Awareness

The cost of winning new customers is much higher than retaining and cross selling to existing customers, so brand awareness is important economic factor in profitable brand development. So, the researcher tried to know about brand awareness through

simple question like “what factors cause the brand awareness of Mero Mobile?” “For brand awareness which promotional tools are most effective?”

Table 4.16
What factors cause the brand awareness of Mero Mobile?

In Ktm Valley

Factors	Respondents	Percent
Promotional Blend	70	70
Service Feature	15	15
Service Charge	10	10
Others	5	5
Total	100	100

(Source:- Primary Data)

Interpretation

According to the table, 70% of respondents which is the highest no. of respondents were aware about the particular brand through the help of promotional blend. 15% through service feature, 10% through service charge and 5% through other factors. Mero mobile had launched various campaigns to promote brand in initial period to date to create brand awareness which seems successful by obtaining the result of above table.

Conclusion

Promotional blend is succeeding to create brand awareness among maximum no. of respondents.

Table 4.17
For brand awareness which promotional tools is most effective?

In Ktm Valley

Promotional	Respondents	Percent
Advertising	47	47
Sales Promotion	20	20
Public Relation	28	28

Others	5	5
Total	100	100

(Source: Primary Data)

Interpretation

According to above table, though having such strong competitors like Nepal Telecom, Mero mobile is success to aware respondents about new brand in GSM mobile service due to effective communication mix tools. As a result, 47% of respondents were aware of Mero Mobile brand by advertising, 20% through sales promotion and 28 % from public relations and 5% through other factors.

Conclusion

Among all promotional alternative advertising is indispensable factor for brand awareness of Mero mobile.

4.2.6 Market Competitors in the feeling of Respondent

Nepalese Information Communication Technology (ICT) service system, especially GSM Mobile service till sep17, 2005 was not competitive because there was monopoly market which was run by NTC. But after September 17, 2005 when Spice Nepal Pvt. Ltd. Launched its GSM Mobile service both post and prepaid with brand name called 'Mero Mobile' market become competitive. So, through this research, researcher wants to show how the respondents feel about both services. So the research had asked very specific question regarding the subject matter like, "Do you think 'Mero Mobile' is strong competitors of NTC?"

"If yes, what must be factor?"

Table 4.18

Do you think 'Mero Mobile' is strong competitor of NTC?

In Ktm Valley

Option	Respondents	Percent
Yes	68	68
No	32	32
Total	100	100

(source: Primary Data)

Interpretation

According to Table 4.18, 68% of respondents think that Mero Mobile is strong competitors of NT because within very short period of time Mero Mobile become popular among the respondent through promotional strategy, 32% of respondents still don't think that Mero Mobile is strong competitors of NTC because they are loyal to their existing brand. But largest no. of respondents believes that Mero Mobile is strong competitors of NTC.

Conclusion

Maximum no. of respondents think that Mero Mobile is strong competitors of NTC and only Minimum participated respondents feel there is no competition among them.

Table 4.19
If yes what must be the factors?

Factors	Respondents	Percent
Easy to Get Sim Card	45	45
Widely Distributed	5	5
Cheap Cost	5	5
Least Network Problem	20	20
Improved GSM Technology	5	5
Heavy promotional Campaign	20	20
Total	100	100

(Source:- Primary Data)

Interpretation

According to Table 4.19, 45% of respondents feel easy to get sim card is the competitive factor of Mero Mobile. Likewise respondents those who feel wide distribution, cheap cost and Improved GSM technology as the most competitive

factor of Mero mobile are 5% each respectively. While 20% of respondents those who believe least network problem as the competitive factor of mero mobile. Last but not the least 20% of respondent believe in heavy promotion campaign as the most effective factor of Mero mobile to compete with NT.

Conclusion

Maximum respondents feels Easy to get sim card is the competitive factor of Mero Mobile and minimum no. of respond feels cheap cost, widely distribution, improved GSM technology as the factor to get NT sim card one has to engage in very long procedure which is time consuming.

4.3 Trade Survey Result

4.3.1 Trade Survey Procedure

Trade respondents: Agent 2
 Sub agents 7
 Customer care centre 1 (Baneshwor)

4.3.2 Mero Mobile: Brief introduction

Mero mobile is a GSM service Mobile and directly competitive to NT GSM. If we once looked the history of GSM service mobile. NT is the first service provider in Nepal that is owned by government. In 2005 sep 17th, the Spice Nepal company has launched the GSM service mobile named Mero mobile by aggressive promotion strategies which we can easily understand through their present wide network and subscriber base. Now the brand covers around 54 urban cities (14 zones) with more than 1.7 million subscribers.

Secondary Data collected from Spice Nepal Pvt. Ltd.

Distribution Channels:	
Customer Care Centre (Company's)	Company's Agents
Krishna Towers (New Baneshwor)	Sila Trade international Pvt. Ltd.

Pulchowk	Ohm Solutions Pvt. Ltd.
Pokhara	Digitel.com.np Pvt. Ltd.
	Satellite Nepal Pvt. Ltd.

There are more than 1300 sub-agents that are witnessing upward spiral day by day. Due to well conceptualized advertising and promotional blitz, Mero mobile has emerged as an acknowledged Player in the country's cellular mobile telephone market.

Demographic Data

-)] Total number of urban population 5 million
-)] Total population of Nepal 26.5 million approx
-)] Total youth population (age 14 yrs – 24 yrs) 19.5%

Official Figure

-)] The number of NT mobile users – 1900000
-)] The number of Mero mobile users – 1710000
-)] The number of UTL users – 150000

Table 4.20

Various campaigns through which subscribers were achieved by the company

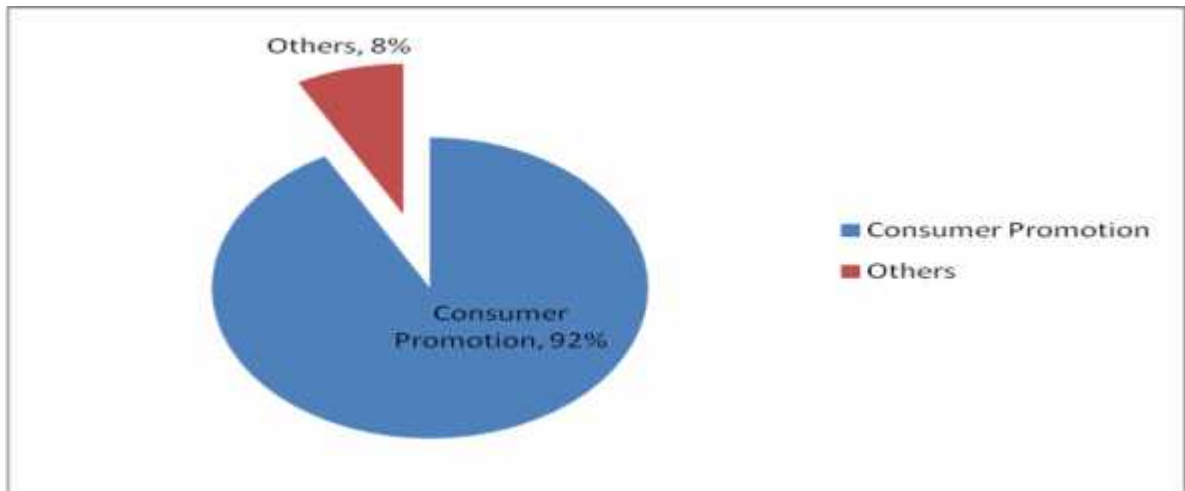
Campaign	No. of Subscribers achieved
One paisa	150000
One hr Talk time	400000
MMS (Multimedia Messaging Service)	30000
PRBT (Personalized ring Back Tone)	35000
Access	350000
Recharge Card	15000
Ramro Tariff	450000
Concerts	200000
Dashain and Tihar Schemes	30000
Testimonials	50000

(Source:- Spice Nepal Pvt. Ltd.)

The above table attests to the fact that the expanding community of subscribers of Mero mobile has much to do with the well orchestrated promotional campaigns. Thus, the most successful campaigns were One hr Talk time and Ramro Tariff. The total number of subscribers the Mero mobile has achieved till date stands at 1710000. As such, as per the above table 1575000 no. of subscribers were achieved from the consumer promotion and the rest are from other activities.

4.3.3 Consumer Promotion Vs. other Activities

Figure 4.1
Consumer Promotion Vs other Activities



The above fig shows that Mero mobile subscribers are increasing at a healthy clip owing to the effective promotional strategies rather than other activities.

4.3.4 Trade Promotion

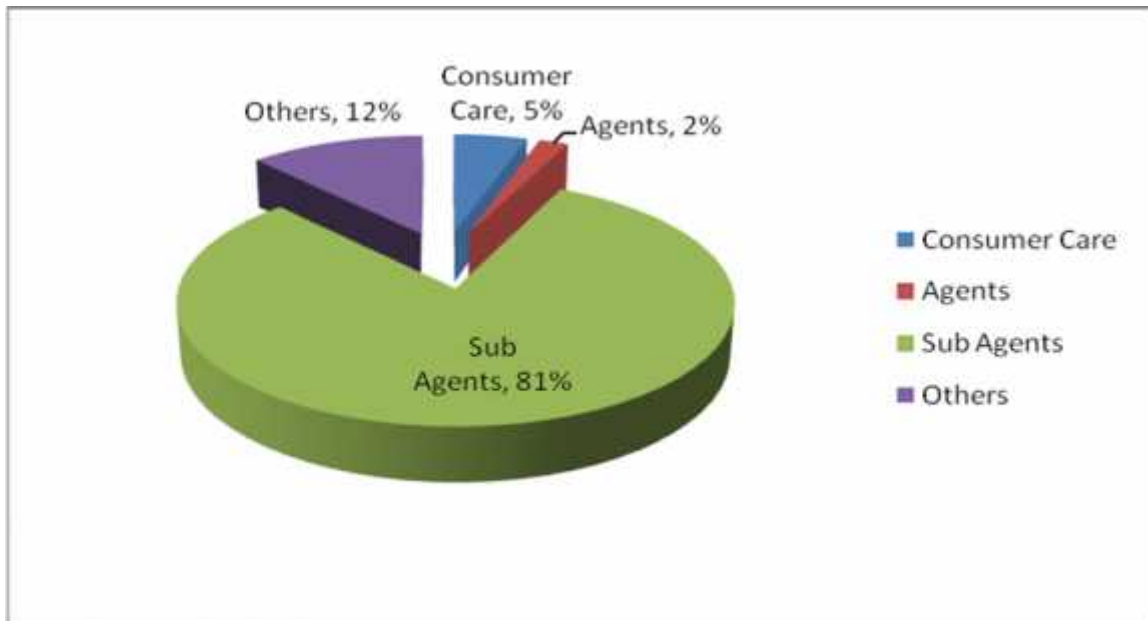
There isn't any trade scheme provided by Mero Mobile to any dealer. But they can get 2% to 5% commissions on different products. This fact also implies that the strong brand image earned by the Mero mobile can safely be ascribed to productive advertising gimmicks of the brand.

4.3.5 Increasing Sales

Sales of mero mobile are in increasing trend from its starting period till now. The exponentially rising indicator of the sales volume of the brand also suggests that the advertising campaigns of the Mero mobile were efficacious.

4.3.6 Selling through various outlets

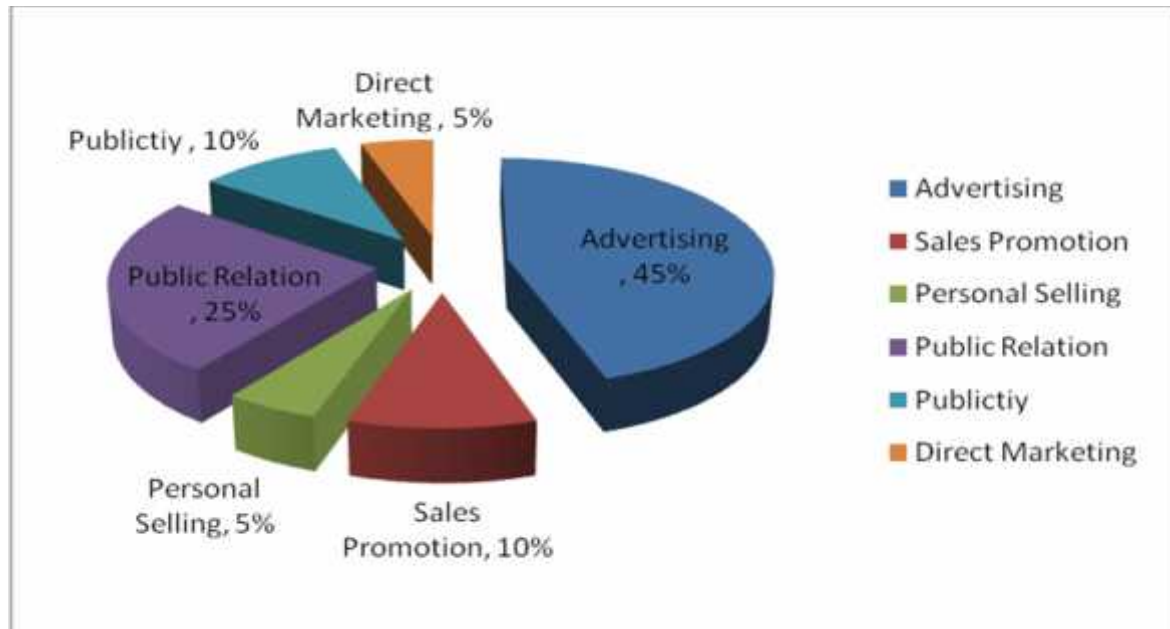
Figure 4.2
Selling Figure of Outlets



Mero Mobile has two dedicated customer care centers located in Kathmandu and Lalitpur and has plans to open customer care center in different parts of the country where it has its network. There four agent and more than 1300 subagent is available now.

4.3.7 Most effective Promotion

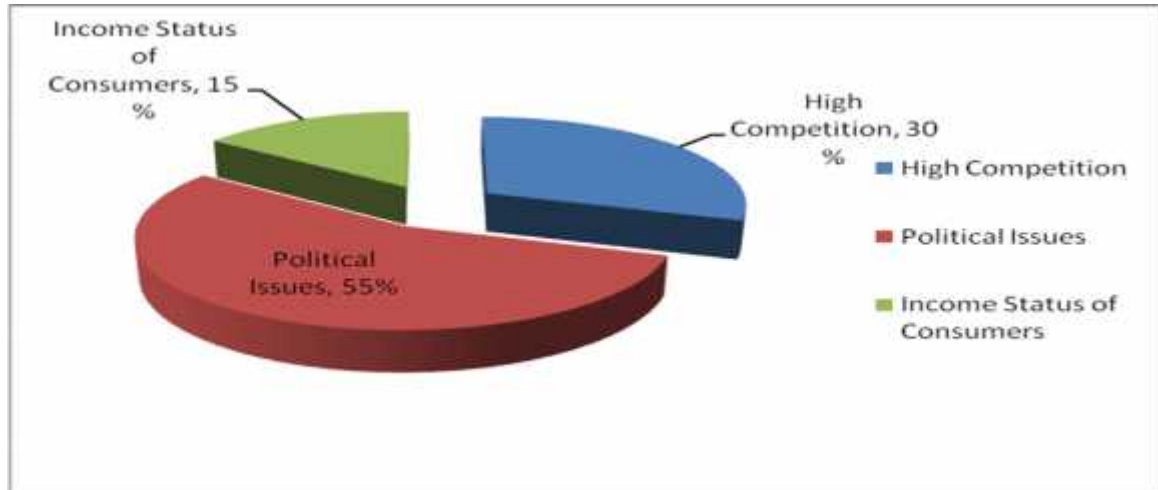
Figure 4.3
Effective Promotion



This graph also indicated the advertising should be the indispensable tool of the marketing protocol of the Mero mobile.

4.3.8 Problems organization sense is ensuring effective business

Figure 4.4
Problem Making Effective Business



The volatile political situation can be termed as the major obstacle for the smooth growth of any business venture. Such being the scenario, it appears clear that the role of customer-centric should be stronger in this regard.

4.4 Major Finding

4.4.1 Major Finding of the study of Consumer survey

Main objective of the study is to identify response of audiences of Mero mobile, identify the brand awareness of Mero mobile and to identify the promotional tools adopted by Mero mobile. The research is mainly focused on consumer point of view. So, the following findings were drawn from consumer survey.

1. The maximum respondent age fall under 20 to 30 while having consumer survey

2. The no. of male participants were higher than female
3. Most of the respondents were graduate and jobholders with having average income level
4. While buying respondents always gives preferences to service features and facilities more than price
5. Respondents buying decision regarding to mobile services are highly affected by good Network Coverage & Service Features.
6. Respondents have positive response towards the advertising of Mero mobile.
7. Most of the respondents have noticed all of the ad campaigns, but One hr Talk is highly appreciated among all of the ad campaign.
8. Among all promotional alternatives, advertising is most powerful tool to create brand awareness of Mero mobile.
9. Mero mobile is strong competitor of NT ascertaining through consumer survey.
10. Respondents feels Mero Mobile compete with NT due to its sales promotion trends, network coverage, Easy to get Sim Card and Heavy publicity.

4.4.2 Major finding of the study of Trade Survey

While performing trade survey, questionnaire interview were conducted with representatives from Agent, Sub-agents and customer care centre. And secondary data were collected from executives, officers and managers of the Spice Nepal Pvt. Ltd.

On the basis of research analysis of trade survey those findings can be drawn:

1. Mero Mobile provided its service through customer care service, located in Kathmandu and Lalitpur, four agents and more than 1300 subagents are available.

2. According to research approx percentage of selling through various outlets:
Customer care 5%, Agent 2% and others outlet 12%
3. According to survey reports obtained from Mero mobile office demographic data: Total population of Nepal is 265 million approx out of which 5 million is urban population and total youth population (age 14yrs to 20 yrs) 19% out of which

No. of NT Mobile users – 1900000

No. of Mero mobile users – 1710000

Which indicate that within short period of time Mero mobile have invigorated its foothold in the market.

4. Sales of Mero Mobile are at increasing trend with daily sales of approx 2500 new subscribers per day.
5. The most successful campaign is one hr talk time and Ramro tariff through which 400000 and 450000 new subscriber achieved respectively.
6. The most effective promotional strategies according to trade survey are advertising, then sales promotion and then public relations. Direct marketing and personal selling is not yet in practice.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

A marketing research on “A Study of Marketing Communication Mix & its impact on the effectiveness of telecom service provider – Spice Nepal Pvt. Ltd.” was conducted. Questionnaire were distributed in different cities of Ktm Valley for consumer survey and for trade survey questionnaires were distributed to agent, sub-agents, customer care centre and interview were taken from the executives, officers and managers of the spice Nepal Pvt. Ltd. The study is about effectiveness of Marketing Communication Mix or the promotional tools. So, the researcher had promotional based survey analysis the effect. After analysis data interpretation and conclusion were made. The main target of this study is to find out effectiveness of promotional strategy of Mero Mobile service. So, to fulfil this target consumer and trade survey was performed with very specific questionnaire method and simple statistical tools were used.

The research found that though having such tough competitor – Nepal Telecom, Mero mobile service attracted consumer towards its services through effective marketing communication mix. Now the brand covers around 54 urban cities (14 zones) with more than 1.7 million subscribers. From initial phase 2005 to 2008, Mero mobile achieved increasing no. of subscribers and gained popularity among people though improved GSM technology.

Finally, study shows that Mero Mobile is popular among the respondents. One of most effective factor contributing to its popularity is its most effective way of communication process which directly increased the sales volume.

5.2 Conclusion

The study shows that promotional campaign of Mero Mobile service directly impact to its sales volume. Through different campaign the service has grabbed large no. of subscribers.

The study also tried to find out the most desirable feature of mobile service. Number of respondent used Mero Mobile service as they perceived it has least network problem, and it provides lots of facility like free talk time, MMS and Ramro tariff. Nobody have enough time to involve in same problem for long time. So, Hassle free is also most effective service of Mero Mobile. Sales promotion and advertisement are the most attractive promotional strategy used by the company to communicate with the consumers. One hr talk time, Ramro tariff is the most successful campaign.

The total no. of subscribers which the Mero mobile has achieved till date stands at 1710000. As such, 15750000 no. of subscribers were achieved from the consumer promotion and the rest from other activities. Mero Mobile subscribers are increasing at a healthy clip owing to the effective promotional strategies.

5.3 Recommendations

Due to well conceptualized advertising and promotional blitz, Mero Mobile has emerged as an acknowledged player in the country's cellular mobile telephone market. And the expanding community of subscribers of Mero mobile has much to do with the well orchestrated promotional campaign.

On the basis of findings of the present study the following recommendations are advised for the company.

1. Marketing communication campaign is highly focused and popular among youth population. So, the upcoming campaign should be able to cover remaining population too.
2. Advertising is indispensable tool of the marketing protocol of the Mero Mobile. So, the upcoming advertisement should be more entertaining, attractive and effective which will be able to cater the need of brand information too.

3. Good Network coverage of Mero Mobile service is highly appreciated by people. So, the company should be able to maintain such quality though achieving large quantity subscribe
4. Out of total no. 92% of subscribers are achieved through promotional campaign and 8% through other activities. Due to the fact, company must be concerned on launching fascinating consumer promotional campaign ratio can be maintained.
5. One hr Talk time and Ramro tariff are most popular campaign among many others so such types of campaign have to be launched for further sales and popularity.
6. The present market is very competitive, still NT is leading service provider. So Mero Mobile has to compete with same pace with providing best quality communication service to their subscribers.

From the acquired data of this study it can be advised that the company should continue effective marketing communication campaign like One hr talk time and Ramro tariff which is really increasing the customers.

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Web site

www.ntc.net.np

www.spicenepal.com

Appendix I
Questionnaire for consumer Survey

Dear Respondents

I am the student of MBS from Tribhuvan University and going to conduct a survey for partial fulfillment of Masters Level. So, I request you to take few minutes time, I assure you that all your responses will be kept confidential and will be used for my study only.

Demographic Factor

1. Age Group
 - a. Below 20 years
 - b. 20-30 yrs
 - c. 30-40 yrs
 - d. 40-50 yrs
 - e. 50+
2. Sex
 - a. Male
 - b. Female
3. Address
4. Education
 - a. Upto SLC
 - b. Certificate
 - c. Graduate
 - d. Masters
5. Profession
 - a. Student
 - b. Housewives
 - c. Jobholder
 - d. Business man
 - e. Others
6. Income Level (NRs.)
 - a. 3000-5000
 - b. 5000-10000
 - c. 10000-20000
 - d. 20000+

7. Size of family
 - a. 1-3
 - b. 3-5
 - c. 5-8
 - d. 8+
 - e.

Buying motive

8. What motivate you to buy Mero Mobile Service
 - a. Service Feature
 - b. Service Charge
 - c. Promotional activities
 - d. Others

Buying Decision

9. What kind of things you consider while buying any service?
 - a. Price
 - b. Brand Name
 - c. Service
 - d. Facility
10. What factors plays a vital role in Mobile service buying decisions?
 - a. Network Coverage
 - b. Service Charge
 - c. Service Features
 - d. Others
11. What influence you to decide to buy Mero Mobile Service?
 - a. Network Coverage
 - b. Hassle Free
 - c. One hour Talk time
 - d. MMS
 - e. Ramro Tariff

Advertising impact

12. What Factors in advertising attracts you most?
 - a. Presentation
 - b. Theme

c. Information

d. Artists

13. Have you seen the Mero Mobile advertisement?

a. Yes

b. No.

14. If yes, can you name any of mero mobile advertisement?

a. One Paisa

b. Concert

c. One hour talk time

d. PRBT

e. MMS

f. Ramro Tariff

15. Do you think advertisement provides us with valuable information about product features? Please specify your answer

a. Yes

b. No.

16. Has regular advertisement in different media been able to create positive respond towards particular product?

a. Yes

b. No.

Brand Awareness

17. What factors cause the brand awareness of Mero Mobile ?

a. Promotional Blend

b. Service Features

c. Service Charge

d. Others

18. For Brand awareness which promotional tools is most effective?

a. Advertising

b. Sales Promotion

c. Public Relation

d. Others

Competition

19. Do you think Mero Mobile is strong competitors of NTC?

- a. Yes
- b. No

20. If yes, what must be the factor?

- a. Easy to get sim card
- b. Widely distributed
- c. Heavy promotion
- d. Effective communication
- e. Customer care service
- f. Least Network
- g. Cheap Cost

Appendix II

Questionnaire for Trade Survey

Dear Respondents,

I am the student of MBS from Tribhuvan University and going to conduct a survey for partial fulfillment of Masters Level. So, I request you to take few minutes time, I assure you that all response and reliable data will be kept confidential and will be used only for my study.

1. How do you rate your sales trend?
 - a. Increasing
 - b. Decreasing
 - c. Moderate
2. How do you rate the effectiveness of promotional tools while launching new service?
 - a. Highly satisfied
 - b. Satisfied
 - c. Moderate
 - d. Highly dissatisfied
 - e. Dissatisfied
3. Which of the promotional strategy do you think most effective?
 - a. Advertising
 - b. Sales Promotion
 - c. Personal selling
 - d. Public Relation
 - e. Direct Marketing
4. What type of problem does your organization see in making effective business?
 - a. High competition
 - b. Political issues
 - c. Income status of consumer

Attached with short brief introduction of Mero Mobile, Research Methodology and how promotional strategy help while penetrating GSM service in the country?

Appendix III

1. Agents Name and Sub Agents

Agents name

- a. Sila Trade International Pvt. Ltd.
- b. Ohm solution Pvt. Ltd.
- c. Satellite Nepal Pvt. Ltd.

Sub agents : More than 1300 sub agents are working with us and day by day its increasing

2. Approx data of subscribers that have subscribed through various campaigns:

One Paisa : 150000

One hr talk time: 400000

MMS : 30000

PRBT 35000

Access: 350000\

Recharge card campaigns : 15000

Ramro Tariff : 450000

Concerts : 200000

Dashain and Tihar schemes : 30000

Testimonial ad : 50000

3. Trade promotion

Schemes to agents: no any scheme, they work on commission basis

Margin of agents : 2% to 5% commission on different products

4. Per day sales data : 2500 (approx)

5. Sales Data..... 2005/2006/2007/2008 approx

2005 : 150000

2006: 600000

2007 : 1200000

2008 : 1710000

6. Approx. Percentage of selling through various outlets:

Customer care : 5%

Agent : 2%

Sub agents: 80%

Others outlet : 12%