

CHAPTER-I

INTRODUCTION

1.1 General Background of the Study

The civilization of human being, there came every possible facility in their lives by themselves for more and more convenient life. Today we can find every corner of this world as very cozy place due to the development & advancement of more and more improved and latest technologies. Most of such inventions have undoubtedly made lives faster and easier. Amongst these inventions for people's lives, automobile was also invented in 1885 AD which was really significant event. Such then, every possible effort is being employed for the better features and specification of automobile. Now with this constantly being modified and better featured manmade object, man is really attaining better lives.

Every line of automobiles is regularly rendering services to the people according to their respective features and objective of their production and development whether it is Truck, Tractor, Bus, Van, Jeep or Car. Automobile has two active dimensions which are contributing to the development of the economy. One dimension is the business of automobile itself and another is the transportation and carriage of people and goods from one place another in a very safe, reliable and convenient way. Thus, it has become an important part of the society and the world.

In the very contest of automobile, car has become a necessary part of today's busy lives. With the rapid growth of life style, Nepalese people are also being very eager to have private family car. Exploring and watching all these demand of the Nepalese people, its neighboring countries and third countries are more eager to produce and export cars which are suitable to our country's road and family status. So, we can see the very fact is happening here in Nepal. Nepalese roads are getting busy with public and private cars. So, we can see that the cars for today's business as well as social lives are getting a necessity. It has made the day

to day lives easier, faster. In Nepali market, with price competitiveness on one side and competitive technical features on the other, Korean automobiles are also gradually claiming their stake in the Nepali automobile market.

1.2 History and Development of Automobiles

A vehicle is a mobile machine that is designed or used to transport people or cargo. Most often vehicles are manufactured, such as bicycles, cars, motorcycles, trains, ships, boats and aircraft.

Vehicles that do not travel on land often are called craft, such as watercraft, sail craft, aircraft, hovercraft and spacecraft. Land vehicles are classified broadly by what is used to apply steering and drive forces against the ground: wheeled, tracked, railed or skied. ISO 3833- 1977 is the standard, also internationally used in legislation, for road vehicles types, terms and definitions.

The birth of the car as we know it today took several years and the works and developments of many people. It was not until 1885 that the first car rolled down the streets; however, earlier attempts at steam powered road vehicles were successful, giving people the idea that cars as we know them today have existed for a lot longer than they have.

The first steam-powered vehicle was designed by Nicolas-Joseph Cugnot and constructed by M. Brezin in 1769 and could attain speeds of up to 6 km/hour. The next step towards the development of the car was the invention of the internal combustion engine. Francois Isaac de Rivaz designed the first internal combustion engine in 1807, using a mixture of hydrogen and oxygen to generate energy. Several designs were developed for a car to run on the internal combustion engine during the early 19th century, but with little to no degree of commercial success due to the fact that there was no known fuel that could be safely internally combusted.

The development and history of the automobile in Nepal is not so far or longer. In 1942 at the regime of king Tribhuvan for the first time the car was entered in

Kathmandu valley. As time passed, cars became less of luxury and more of a necessity. However, after a century of automobiles, we are finally realizing the long-term effects of transport by internal combustion and are looking for alternative forms of fuel and transportation.

1.3 Introduction of KIA Motors

From its very humble beginning as manufacture of bicycle parts by hand on the outskirts of Seoul Korea KIA motor has emerged vehicles for the cost six decade, laying claim to the production of the country's first automobile as well as Korea's first automobile export.

The word "KIA" is derived from the Chinese Character "KI" meaning to arise or come up out of and a referring to Asia. So when put together, KIA means to arise or come up out of Asia. Today KIA has truly risen as a major global player and boasts an ever expanding product line up that is sold through 179 distributors and over 3300 overseas dealer in 155 countries around the world. Over 32000 KIA employees spanning the globe from an expansive human network that aspires for excellence on the behalf of valued customer.

Brand slogan- The power to surprise represents KIA's global commitment to surpassing customer expectation through continuous automotive innovation while embodying the exciting and enabling attributes of the KIA brand. The KIA Company is producing these KIA brand series:

Manufactured By KIA Motors:

- ❖ KIA Picanto
- ❖ KIA Rio
- ❖ KIA Forte
- ❖ KIA Soul
- ❖ KIA Sedona

- ❖ KIA Rondo
- ❖ KIA Borrego
- ❖ KIA Sportage Lx
- ❖ KIA Sportage EX
- ❖ KIA SportageEX1
- ❖ KIA Sportage EX2
- ❖ KIA Sorento
- ❖ KIA Carens
- ❖ KIA New optima
- ❖ All-New Cadenza

KIA is the newest and most exciting force of change in the automotive world and KIA are ready to change the way you feel and think about driving. More than promise its KIA commitment to driving a pure pleasure.

1.4 High Light of the Study

The study will focus on the effectiveness of marketing practices of the automobile car. Today's drastically changing market is covered, handled and managed with the great help of today's sophisticated marketing management and stunning sales promotion . And this reality cannot be denied. Every product or service is created for the consumer or customer to use and it is achieved through proud selling or offering of best product or service with best advertising and promotional tools.

The practices of marketing and sales promotion are getting increasing importance and scope in the marketing management. At the same time it is getting vast with the competitive environment of the same subject, i.e. advertising and sales promotion. So, fit is as important to built strong and wealthy marketing strategy

and policy as important to understand, win and retain the market for the product or service. Implementation of such policy and strategy should be in optimum manner, Hence the study is to describe the marketing practices of cars especially KIA. The study will also go through the transportation problem in Nepal.

1.5 Statement of the Problem

In Nepal vehicles importers are facing tough competition. Most of the importers are launching ambitious marketing strategy in the market. In this ground, marketing of KIA cars in Nepal is tough and ambitious. Generally, KIA cars are considered to be high class car and are expensive but they are qualities.

Transportation is needed to deliver the final products in the place of consumption. Transportation is needed for delivery of the product and even used by people to reach the destination. For delivering the product large vehicles like truck, lorry, tanker, train, tractor, aero plane, ship etc are used whereas ship, airplane, car, jeep, van, minibuss, train, helicopter, rocket, etc are used by people to reach the destination.

Nepal is mountainous country due to which it is difficult to deliver the product to the place of destination in the right time. So the importance of the transportation is very high. Generally in Nepal, truck, lorry, and tankers are used to carry the goods from one place to another. Trucks are used to carry construction goods like iron rod, cement, brick, sand, stone, timber, daily consumable product like rice, wheat, vegetable, etc. Lorry is used to carry huge machinery equipment like generator, welding machine, drill machine, car, motor bike etc.

Tankers are used to carry petroleum products. Due to mountainous country, it is difficult to build road, railway track and airport in Nepal. It is costly to construct road and railway track in the hills. Besides, Nepal hasn't enough budgets to construct the road and railway track in the hill.

The major problems of vehicles and transportation are as follows:

- ❖ Due to landlocked and mountainous country, it has become very difficult to supply goods from one place to another place.
- ❖ Transportation of goods by carrying at the person's back is not possible in the 21 century; vehicles are needed for transportation of goods promptly and safely.
- ❖ Due to landlocked country construction of road in mountainous country is very expensive and transporting of product in the mountainous roads is very dangerous as well.
- ❖ Nepal is poor country and it has not yet manufactured vehicles that can carry goods and people as a result, importing of vehicles is increasing.
- ❖ Nepalese people, due to expensive price cannot buy vehicles to transport product from one place to another.
- ❖ Due to the import of vehicles, vehicles maintenance cost is also expensive as spare parts has to be imported as well.
- ❖ International standard roads are not constructed in Nepal yet and even pitched roads are available in selected place due to this transporting of goods by vehicles is difficult.
- ❖ Small and narrow road of Nepal has made difficult to drive vehicles as a result prompt delivery of goods has become impossible.

In Nepal, roads have not been constructed of international standard, narrow and graveled roads has made difficult for vehicles to run. Besides, due to graveled and narrow roads, vehicles accident rate has increased and quick delivery of goods to the place of consumption has made difficult.

Vehicles are imported from other country; vehicle is expensive to the Nepalese farmer. As Nepalese farmer cannot buy the vehicles as a result there is delay in the delivery of the product. Vehicles are imported to carry people from one place to

another. Private and public vehicles are used to carry people from one place to another: bus, car, van etc are used for prompt and safely arrival to the destination in the main objective of the cars and buses. It helps people to reach the destination safely and quickly. Under this ground, the study of the marketing of vehicles is relevant.

1.6 Objective of the Study

Product marketing in Nepal has become very important in recent years. Without marketing, it has become almost impossible to sale product in the Nepalese market. In this study, I have tried to find out the marketing of KIA cars and the importance of transportation in Nepal.

The major objectives of the study are as follows

- ❖ To evaluate the trend of vehicle sales in Nepal.
- ❖ To analyze the pricing strategies of vehicles in Nepal.
- ❖ To examine the market situation of KIA cars in Nepal and to assess effectiveness of marketing strategy.
- ❖ To analyze market potentiality of KIA cars in Nepal.
- ❖ To see consumer attributes towards purchase of KIA cars.

1.7 Importance of the Study

Many companies are involved in importing different brands of cars. All the companies are using almost same marketing strategies for selling the product. Due to the cut throat competitions in the market, it is necessary to try new strategies to capture and expand the market. In this ground, it is felt necessary to make research while marketing of the KIA cars.

1.8 Limitation of the Study

In the market there are different kinds of cars are easily available in the market. There are many choices for the customers in the market. Due to small budget I have not been able to market overall study of the brands available in the Nepalese market. Although, I have taken one brands namely, KIA and have studied. The data have maintained was provided by the showroom and some are downloaded from the internet, office record, annual reports and even different newspapers were taken while preparing the proposal. The data maintained are of five years starting from 2006/07 to 2010/11.

1.9 Chapter Plan

The study has been organized into five chapters, which are as follows;

Chapter one: It has focused on the subject matter of the study consisting general background of the study, Introduction of KIA Motors, high light of the study, statement of the problem, objective of the study, importance of the study, limitation of the study and chapter plan.

Chapter two: It has given the review of literature. It has included the conceptual framework along with review of major books, journals; research works i.e. the review of the previous studies or thesis etc. It studies the marketing practices of the KIA Motors in Nepal.

Chapter three: It has dealt with research methodology. It has included methodology used to achieve the objective of the study, nature and sources of data, population and sample, data collection procedures, data processing and analysis procedures and data analysis tools such as time series analysis and index numbers and percentage.

Chapter four: This chapter has presented the analysis and interpretation of data using bar diagrams, pie charts, line charts, and statistical tools described in chapter three and drawing major findings.

Chapter five: It has covered the summary, conclusions and suitable recommendations made on the basis of the study.

CHAPTER-II

LITERATURE REVIEW

Literature Review is basically a stock taking of available literature in one's field of research. The literature survey thus provides the students with the knowledge of the status of their field of research. Thus, previous studies cannot be ignored as they provide the foundation of the present study. This chapter highlights the literature that is available in concerned subject as to my knowledge, research work, and relevant study on this topic, review of journals and articles and review of thesis work performed previously.

The primary purpose of literature review is to learn not to accumulate. It enables the researcher to know:

- ❖ What has been done in the subject?
- ❖ What others have written about the topic?
- ❖ What theories have been advanced?
- ❖ What approaches have taken by other researchers?
- ❖ What are areas of agreement or disagreement about the research?
- ❖ Whether there are gaps that can be bridged through the research purpose.

The purpose of literature review is thus, to find out what research studies have been conducted in one's chosen field of study and what remains to be done. Therefore, this chapter has been divided into three parts. They are as follows:

2.1 Conceptual Framework

It works as a theoretical framework in the field of research. All the basic knowledge required in the field of research can be cleared from the conceptual review. The concepts of those required basic knowledge are as follows:

2.2.1 Concept of Marketing

Simply, the term marketing refers to the activities done by the company to deliver its products from the place of production to the place of consumption. It means that the marketing is the process of transfer of ownership of the product in exchange of something of value. It is a total system of business activities designed to plan, price, promote and distribute the want-satisfying product to the target markets in order to achieve organizational objectives and satisfy the consumer desire.

Marketing consists of all business activities involved in the flow of goods and services from the point of initial production until they are in the hands of the ultimate consumer. Thus, agricultural marketing is a process by which the producer and buyers of agricultural goods are brought together.

The marketing process establishes forward linkages for agricultural activities, that is, it provides economic rewards for the production process. It includes not only storage and transportation activities of the middleman but also encompasses all activities linking the consumer and the producer.

According to American Marketing Association: “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.” Kotler Philip 1997, p. 15.

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. It is a societal process which encompasses all activities aimed at satisfying customer needs and wants through exchange relationships to achieve organizational objectives in a dynamic environment. It includes anticipating demand, managing demand, and satisfying demand.

In the light of above definitions, it can be concluded that each and every marketers should understand the consumer needs, tastes, quality and choice. Similarly, each and every firm should have marketing system for channel the product to the market to satisfy consumer needs and wants within a set of dynamic environmental forces.

Thus, marketing is a process of delivering goods and services produced to satisfy the needs of consumers to exchange in an effective way within a set of dynamic environmental forces to accomplish the objectives of producers, to fulfill the goal of organizations and societies.

2.1.2 Marketing Mix

Marketing mix is defined as the set of marketing tools that organization use to pursue their marketing objective in the target market. These tools or marketing mix are known as 4ps product, price, place and promotion. The total marketing effort consists of the design; implementation and evaluation of the marketing mix. Organization should strike right balance between these 4ps.

- ❖ Product: Mix to satisfy consumer need, quality variety, branding, design (shape, size, color), and packaging.
- ❖ Price: Reasonable, discount in bulk buying stockiest, allowance, terms of sale.
- ❖ Place: Distribution channels - its either direct selling approach through which services can be offered to the customer at a lower cost or through agents and brokers, franchisers and electronic channels which could be used for distribution channel.
- ❖ Promotion: Advertising, sales promotion, public relation, personal selling, direct marketing.

Beside these 4ps other 3ps are also added in the case of service marketing. They are:

- ❖ **Physical Evidence:** Most evidence cannot be offered without the support of tangibles. Though customers cannot see service; they can definitely see the tangibles associated, examine them and try to form an opinion on the service provider.
- ❖ **People:** Service organization is people-oriented and people-based organizations. Employees of a service firm constitute the major competency in undertaking business operations. Every employ of the service organization is a marketing person, who undertakes either full-time or part-time marketing activity. Whether an employee is involved in direct contact with the customer or not, if he/she was placed on the line of visibility, his behavior, activities and performance will have a direct influence on consumers. Service employees are to be trained and motivated for better performance in marketing activities.
- ❖ **Process:** Process is a functional activity that assures service availability and quality. The way the physical setting is designed technically and how the functions are scheduled and routed to provide promise services to the customers speaks of the efficiency of the process. In simple terms, the management of the process is to manage service encounters effectively

2.1.3 Evolution Process of The Marketing Department

The marketing organization provides the vehicle for making decisions on products, marketing channels, physical distribution, promotion and prices. It can be said that marketing organization is the group of identifiable people involved in achieving the marketing objectives the proper division of work and authority and responsibility. Marketing departments have evolved through the following four stages:

1. Simple Sales Department

Organizations operating under the production and product concept have simple sales department organization. In this case separate sales executives

are appointed for each product or group of product in the product line. Each will have its own organization to perform the various sales tasks. The organization structure shows production, finance, and personnel departments at the upper levels while the selling function is handled by a sales department which has a lower status than three departments. The organization structure is also adopted by small organizations each product executive can focus his attention to his product's sale and to the marketing strategies to be followed for increasing the sales of that product. In a sales department, the sales manager handles two divisions: the sales force management division and other selling function department. The role of pricing and distribution are handled by the finance and production departments respectively.

2. Sales Department with Ancillary Marketing Function

Organizations adopting the selling concept give higher weight to the sales department. Due to increase in activities and volume of the firm, sales department with ancillary marketing function is evolved. In this stage the status of the sales department is also enhanced and the department is placed on equal footing with the production, finance and personnel departments.

3. Separate Marketing Department

The organization operating under marketing concept has separate marketing department. The department gives more emphasis on marketing activities. The number and size of departments can be decided on the basis of requirements of the enterprise. A separate marketing department is established along with the sale department. The sales department manages other marketing functions like advertising, sales promotion, marketing research new product development etc.

4. Modern Marketing Department

The structure is prevalent under the marketing concept. The role of a mutually satisfying exchange is central to marketing concept. The marketing concept describes an ideal state of affairs. It exists when an organization focuses all of its

efforts in providing products that satisfy its customer. The customer is the focal point for how each area of the organization should be organization is run. Products are created with the goal of satisfying customer's needs and wants. All departments within the organization should be organized around the marketing function anticipating, simulating and meeting customer's requirements and work together towards the goal of customer satisfaction.

2.1.4 Marketing Environment Analysis

The business firm does not live in a vacuum. The business firm must operate within the framework of forces which constitute the marketing environment. The environment factors must be duly considered in planning any marketing program. Marketing environment can be micro as well as macro. Here we will discuss about micro and macro environment.

A) Micro Environment

The forces which are close to the firm is called micro environment. These forces affect the firm's ability to serve its customers. In other words micro environment is located within the firm. It surrounds the both the firm and marketing mix. This variable affects a firm's ability to facilitate and expedite-

Exchange in various ways:

The forces in micro environment directly influence whether and how a marketing manager can perform certain marketing activities. It may affect a marketing manager's decisions and actions through their influence on consumers' reactions toward the firm's marketing mix. The micro environment component includes suppliers, intermediaries, and competitors and public:

1. Customer

Customers are the king in marketing. Every activity should be done in order to satisfy customer needs and wants. Customers are the major components of micro environment of marketing. Customers include consumer market, business

market, retailer market, government market and international market. Marketing management should formulate and implement the plans and policies as per customer's needs and wants.

2. Supplier

Suppliers are also one of the important components of micro environment of marketing. They are an important link in the firm's overall customer value delivery system. They provide the resources needed to the firm. The firm's suppliers include raw material supplier, machine supplier, human resources supplier, technology supplier, capital supplier etc. They play an important role to get success in marketing.

3. Intermediaries

Marketing intermediaries are also a major component of the micro environment of marketing. They help the firm to promote, sell and distribute its goods and services to the customers. Reseller, physical distribution firms, marketing services agencies, financial intermediaries are the examples of marketing intermediaries. Marketing management should take care while choosing marketing intermediaries.

4. Competitors

A competitor is one who sells a product or service in the same market at similar price. They are also major components of micro environment of marketing. This is the age tuffs competition. So marketing management must carefully identify and analyze its currents and potential competitors. It must try to do better than other competitors or to win over some of its customers. It must gain strategic advantage by positioning their offering strongly against competitors, offering in the minds of consumer.

5. Publics

The micro environment of marketing also includes various publics. A public may be any group of persons that has an actual or potential interest in or impact

on the firm's ability to objectives. Publics include financial publics, government publics, local government, media publics; general public etc marketing management should maintain the good relationship with them.

B) Macro Environment

The business firm is an open adaptive system with its own environment. It does not exist independent of the environment. Environment consists of several forces. The larger societal force that affects both the consumers and firm is called macro environment. The firm has interaction and interdependence with economic, social, political, legal technological and culture forces. These are called macro environmental forces. These environmental forces define the resource, opportunities and threats available to and facing the firm. These forces affect life style, standards of living and preference and needs for the product. Since a marketing management tries to develop and adjust the marketing mix components to satisfy consumers, the effects of macro environment on consumers also have an impact on the marketing mix component.

Thus the environments which affect the firm externally is called macro environment. Macro environment is located outside the firm. It is uncontrollable. The uncontrollable forces are shaping and influencing the nature and character of customer demand. As these forces continue to develop and change, they determine the new requirements for efficient and effective marketing plans and policies.

The macro environment components include demographic, political, legal, economic, socio- cultural and technological forces.

1. Demographic environment

It is a scientific study of human population and its distribution in terms of size, density, Age, Location, Gender, Race, Occupation and Other Statistics. It deals with quantitative elements such as age, sex, education, occupation, income, geographical concentration and dispersion, urban and rural population, etc.

demography offers consumer profile which is Very essential in markets. Demographic environment analysis enables marketing, Management to understand the bases of market segmentation and to determine marketing reaction to a new product or consumer reaction to an adverting campaign. A good demographic analysis combines several components such as:-

- ❖ Population rate of growth or decrease
- ❖ Income or economic power
- ❖ Life style
- ❖ Occupation
- ❖ Education
- ❖ Geographic segmentation, etc.

2. Political and Legal Environment

Political and legal forces are gaining considerable importance in marketing activities and operations of business firms. The actions of political and legal forces strongly influence the economic and political stability of country which also affect the marketing. Marketing management cannot ignore the legislation regulation competition and protecting consumers. Marketing policy making is influenced by government policies. Political and legal environment offers the environment on which the first have to operate their marketing activities. A good political and legal environment analysis consist the following components:-

- ❖ Government policies
- ❖ Government agencies
- ❖ Pressure groups
- ❖ Laws, etc

3. Economic Environment

Economic environment plays a significant role in the marketing system. High economic growth assures higher level of employment and income, high purchasing power and willingness to spend, and this leads to marketing boom in many industries. Marketing plans and programmed are also influenced by many other economic items such as interest rates, money supply, price level, consumer credit, etc. A good economic environment analysis consist several components such as:-

- ❖ Natural resources
- ❖ Income distribution
- ❖ Economic health
- ❖ Inflation
- ❖ Fiscal policies
- ❖ Competition, etc.

4. Socio-Cultural Environment

The socio-cultural environment is made up of institutions and other forces that affect a society's basic values, perceptions, preferences, and behaviors, socio-cultural forces usually influence the welfare of a business firm in the long-run. We have ever-changing society. New demands are created and old ones are lost in due course. Marketing management must make necessary adjustments in marketing plans in order to fulfill new social demands. It must analyze how the socio-cultural environment analysis combines the following components:

- ❖ Demographic
- ❖ Life style
- ❖ Social forces

- ❖ Cultural forces, etc.

5. Technological Environment

Modern marketing has been shaped by technology. It's a major component of macro environment of the marketing. New technologies offer a main source of economic growth. Many businesses are earning handsome profits from products that did not exist few decades ago. Electronic industry is the best example of exploiting new marketing style of living of consumers. Marketing management can create and deliver standards and styles of life with the help of technology. A good technology environment analysis combines the following components:

- ❖ Level of technology
- ❖ Place of technology change
- ❖ Research and development budget, etc.

2.1.5 Market Segment

A market consists of people with needs and wants to satisfy, ability to spend and willingness to buy products. It is a grouping of customers. A single product cannot satisfy the needs of all the customers in all markets. Customers vary in terms of needs characteristics and behavior. Buying motives and buying habits also vary. Purchasing power also varies.

Market segmentation is the process of dividing the total market into large homogeneous group of customers who share similar needs. Marketing segmentation is the process of dividing the total market in to large homogeneous is the act of identifying and profiling distinct group of buyer who might prefer varying products and marketing mixes.

Market can be divided into:

- 1. Consumer Markets:** The reasons for buying products are for own personal or household use. They consist of ultimate consumers.
- 2. Industrial Markets:** The reasons for buying products are for business use, resell, or to make other products. They consist of industries, business, retailers etc.
- 3. Institutional Markets:** The reason for buying products is to provide service to the clients. They have special buying needs and characteristics. They consist of schools, college, hospitals, nursing.

Organizations can adopt the following levels of segments:

- ❖ **Undifferentiated Marketing Strategy:** The total market is viewed as a homogeneous engaged in mass production, mass distribution and mass promotion of one product for all customers. One product for all customers. One single marketing mix is developed. This is not found in practice.
- ❖ **Differentiated Marketing Strategy:** The total market is viewed as heterogeneous consisting of customer groups with various characteristics. Organization divided the market into major market segments. Select one or more of those segments as target and develop marketing mix tailored to each segment. We can divide it in three parts they are A) Niche Marketing Strategy B) Local Marketing Strategy C) Individual Marketing Strategy.

2.1.6 Customer Value

Customer value is the difference between total customer cost and total customer value. Customer always wants to get various types of benefits from the product they expect to buy. Today the customer is utterly demanding, thanks to the proliferation of global players and their products. Hence it is needed for the business to attract and more importantly retain customer. Customer interaction has therefore assumed great significance as it forms the platform to know and understand the customer, his needs preference and the like.

According to Philip Kotler-"Customer delivered value is the difference between total customer value is the bundle of benefits customer expect from a given product or service. The total customer cost is the bundle of costs customer expects to incur in evaluating, obtaining, using and disposing of the product and service."

$$CDC = TCV - TCC$$

WHERE,

CDC = Customer delivered value

TCV = Total customer value

TCC = Total customer cost

1. Total Customer Value

Total customer value is the bundle of benefits customers expect from the product, which include functional benefits (the features of the product and emotional benefits, (the satisfaction derived from using the product).

2. Total Customer Cost

Total customer cost is the sum of costs customer incur in knowing, evaluating, obtaining, using and disposing a product which include monetary costs, time, and psychic.

2.1.7 Customer Satisfaction

Satisfaction is person's feeling of pleasure or disappointment resulting from the comparing a product's perceived performance in relation to his or her expectation. Thus, customer satisfaction is a post purchases outcome where the customer compares the expected benefits with the actual benefits received from the product. If the performance is below the expectation the customer is dissatisfied. If the performance exceeds the expectations the customer is highly

satisfaction or delights. Following are tools for tracking and measuring customer satisfaction:

1. Complain and Suggestion System

A customer- cent red organization makes it customers to deliver suggestions and complaints. Global major like P&G. Generally Electric and Whirlpool established hotlines with toll-free telephone number. Companies are also adding web page and e-mail to facilities two-way communication. These information flows provide companies with to act quickly to resolve problems.

2. Customer Satisfaction Survey

Studies show that although customer are dissatisfaction with one cut of every four purchases less than 5 percent of dissatisfaction customers will complain. Most customers will buy less or switch suppliers. Complaints levels are thus not a good measure of customer satisfaction.

Responsive companies measure customer satisfaction directly by conducting periodic surveys. They send questionnaires or make telephone calls to a random sample of recent customers. While collecting customer satisfaction data, it is also useful to ask additional question to measure repurchase intention, this will normally be high if the customer's satisfaction is high. It is also useful to measure the likelihood to recommend the company and brand to others. A high positive word- mouth score indicate that the company is producing high customer satisfaction.

3. Ghost Shopping

Companies can hire persons to pose as potential buyer to report on strong weak points experienced in buying the company's and competitor's product. These mystery shoppers can even test whether the company's sales personnel handle various situations well. Thus a mystery shopper can complain about a restaurant's food to test how the restaurants handle these companies. Not only

should companies hire mystery shopper but also managers themselves should leave their offices from time to time, enter company and competitors sales situation where they are unknown and experience firsthand the treatment they received as "customer". A variant of this is for managers to phone their own complaints to see how the calls are handled.

4. Lost Customer Analysis

Companies should contact customer who have stopped buying or who switched to another supplier to learn why this happened. When IBM loses a customer, it mounts a thorough effort to learn where it failed. Not only is it important to conduct exit interviews when customers first stop buying. But it is also necessary to monitor the customer's loss rate. If it is increasing, this clearly indicated that company is failing to satisfy to customer.

2.1.8 Marketing System

A market system is any systematic process enabling many market players to bid and ask helping bidders and sellers interact and make deals. It is not just the price mechanism but the entire system of regulation, qualification, credentials, reputations and clearing that surrounds that mechanism and makes it operate in a social context.

Because a market system relies on the assumption that players are constantly involved and unequally enabled, a market system is distinguished specifically from a voting system where candidates seek the support of voters on a less regular basis. However, the interactions between market and voting systems are an important aspect of political economy, and some argue they are hard to differentiate, e.g. systems like cumulative voting and runoff voting involve a degree of market-like bargaining and tradeoff, rather than simple statements of choice. Bellow figure shows all factors of marketing system.

Figure 2.1

Marketing System



Above figure shows that all the factors of marketing system. Network Marketing, Testing and Measuring, System Automation, Email Marketing, Optimization, Website Marketing, Database Management, Sales Process, Staff Training, Portfolio Analysis, Finance Management, Join Venture, Feedback and Surveys, Customer Care, Relationship Management, and Social Media are the main factors of marketing system.

Most of the Nepalese people are of middle class. Huge amount of capital is required to purchase the car. So buying behavior of people is influenced by friends and family members. So generally in Nepal marketing practices of KIA car is done on installment basis. Most of vehicles are financed by the ‘A’ grade commercial banks such as Everest bank, Nabil bank, NIC bank with the interest rate of 12% to 18%.

2.1.9 Marketing Concept In Nepal

The economy of Nepal is characterized by excessive dependence on agriculture. The industrial sector is in a developing stage. The role of service has been growing in the recent years. Due to the topographical diversity of the country coupled with the transport and communication facilities, marketing has remained fragmented.

The public sector remains dominant in the Nepalese economy. The private sector is developing and is dominated by the family-owned and managed business. The advent of global companies, especially in tourism and finance sectors, has resulted in the transfer on new marketing skills along with capital and technology.

Marketing has traditionally remained a neglected aspect in Nepal. Enterprises tend to concentrate on the production and selling rather than marketing. The selling concept has serving as the marketing philosophy of Nepalese managers. The public sector has generally remained indifferent to the marketing concept.

The marketing concept has not been embraced by most Nepalese organization. This is clear from the following points:

- ❖ Management philosophy in most organization of Nepal does not emphasize customer orientation.
- ❖ Target markets have not been clearly defined by most Nepalese organizations.
- ❖ Marketing information system has remained very weak in most organization.
- ❖ Marketing activities have remained fragmented in the organization co-ordinate. Marketing department has not become a part of the top management team.

- ❖ Organizations tend to be more interested in the producing products and making profit through selling and promotion. They seem least concerned about satisfying the needs of the customer.

Nepal has experienced significant socio- economic changes over last twenty five yeas. The supply driven marketing where organization could sell everything they produced, is increasingly giving way to demand –driven marketing. The realization is gradually coming that customers and their needs are important in marketing. The increasing intensity of competitions in the Nepalese market has also helped in this regards.

Most of the banks which were not involved in customer oriented business have started practicing consumer orientation in their marketing efforts. Due to which the number of marketing professionals are increasing and have given them place to practice in those organization. Besides, gradual emerge of the global companies such as Surya Tobacco, Pepsi, Coca-cola etc are implementing new concept of marketing strategies in the Nepalese market as result Nepalese entrepreneurs could get chance to learn and development their marketing skills.

2.1.10 International Product Life Cycle And Marketing Strategies

Product life cycle is a concept that attempts to describe a product’s sales, profits, customers, competitors and marketing emphasis from its beginning until it is removed from the market. Actually, it is an attempt to recognize distinct stages in the sales and profit history of the company’s product.

Once the product is launched successfully in the market may be failure in the same market. A marketer should not assume that a product once developed and launched in the market successfully may be able to capture market in future also because of the changes in the product life cycle of the product with the passes of time.

Product life cycle asserts basically the following four things:

- ❖ Products have a limited life after which the product may be dead if appropriate strategy is not adopted.
- ❖ Product sales pass through distinct stages, each posing different challenges to the seller.
- ❖ Product profits rise and fall at different stages of the product life cycle.
- ❖ Products require different marketing, financial, manufacturing, purchasing, and personnel strategies at different stages of their life cycle.

Greater the competition the shorter will be the life of the product. Similarly, fashion products will have a shorter life cycle. Since the international markets are highly competitive, the life of the entire product becomes comparatively shorter. Therefore, the international marketers need to develop and launch the new products in international markets very carefully to sustain in the markets.

For the successful implementation of products in international markets, the international marketers need to test, time to time, the product suitability and product adaptation in the international markets.

2.2 Historical Background of KIA Motors

According to Kia Motors, the name "Kia" derives from the Sino-Korean words *ki* (to come out) and *a* (which stands for *Asia*), it is roughly translated as 'arise or come up out of Asia' or 'rising out of Asia'.

South Korea's oldest car company, Kia was founded on June 9, 1944 as a manufacturer of steel tubing and bicycle parts by hand and has operated as one of the country's since. In 1951 Kia began building complete bicycles. In 1952, Kia changed its name from Kyungsoong Precision Industry and later built motorcycles (starting in 1957), trucks (1962) and cars (1974). The company opened its first integrated automotive assembly plant in 1973, the Sohari Plant. Starting in 1986, in partnership with Ford, Kia produced several Mazda-derived vehicles for both domestic sales in South Korea into other countries.

In 1992, Kia Motors America was incorporated in the United States. The first Kia-branded vehicles in the United States were sold from four dealerships in Portland, Oregon in February 1994. Since then, Kia expanded methodically one region at a time. Dealers in 1994 sold the Sephia, and a few years later the United States line expanded with the addition of the Sportage.

During the Asian financial crisis, Kia declared bankruptcy in 1997; in 1998 Hyundai Motor Company acquired 51% of the company outbidding Ford Motor Company which had owned an interest in Kia Motors since 1986. After subsequent divestments, Hyundai Motor Company owns less than 50% of the company.

2.1.1 About KIA in Nepal

These Nepal Kia B2B web page is generally a great Kia as well as all of the parts promotional place designed for Nepal Kia and also Kia parts interrelated producers, and who deal Nepal Kia products or even the parts. Nepal Kia and its part is truly a real totally common key word just for online search. If your organization is relevant to Nepal Kia , you'll imagine worried recognizing so many competitors inside the preferred finish result when you browse Nepal Kia spare parts, trader, and or Nepal Kia component local stores. As you may concluded that, basically no enterprise would be able to survive with no internet promotion on nowadays. To grab your achievable clients associated Nepal Kia and also parts, you will need highlight your favorite Kia product detail inside the top 20 or so outcomes meant for all mainly typical search-"Nepal Kia suppliers", and also Nepal Kia parts seller. One can work with Web marketing industry experts to rate your Nepal Kia or Nepal Kia parts in the top twenty search result within Google for a bit of particular times basically luck. Nonetheless, you also need couple of hardworking bloggers and also other nature visit to Nepal Kia spares to uphold that ranked. It truly is higher priced moreover time costing---is not really cost-effective for each Nepal Kia product firm. You could already have really been acknowledged this particular page's excellent

positioning to no matter phrases involving "Nepal Kia suppliers" or "Nepal Kia spares dealers" or even corresponding key words. This is only just one of the few millions webpages we acquired on the top of Google and yahoo positioning, which specifically maintained right up just by our own millions industry-linked online pages, 100s industry directory websites moreover blog posts besides of "Nepal Kia " part page. Trying out a few cents/ day (for sole keyword) an excellent ranking position designed for "Nepal Kia suppliers" or "Nepal Kia spare parts distributors" would be your pages.

The Kia Soul is part of the Korean manufacturer's new product offensive. Being touted as a crossover, it is really a tall compact hatchback. Featuring tons of cabin space, the front-wheel-drive Kia Soul is powered by a 1.6-litre 4-cylinder engine.

2.1.2 Road In Nepal

A country cannot progress unless it has a good road network. It improves market intelligence while encouraging price equalization among different transport regions of the country. Since Nepal's economy is agrarian in character and the settlement pattern is rural oriented, rural roads constitute a critical element of the transport infrastructure. Among man- made developments, road has altered the landscape of the earth's surface in most dramatic ways. In the hills, road construction can have significant effects on slope stability, drainage, erosion and sediment supply to the drains.

Since the early nineties, all districts started road construction without proper planning and investment priority because they had access to road heads. Most of the roads are neither completed nor in operation. There is a serious lack of technical supervision and management capacity for road projects at the local level. Most of the roads are poorly aligned and excavated using the cut-and-throw approach. Practice of ruthless cut-and-throw approach has triggered instability of hill slopes, causing many landslides ultimately resulting in a tremendous amount

of soil loss and loss of agricultural land. Local people accepted such practice because they were innocent about its effects and wanted access to roads.

The need to develop the road network is of paramount importance to the country. However, Nepal is not able to provide sufficient strategic roads (national highways and feeder roads) let alone expand the branch roads (districts and village roads), or build feeder roads. Roads improve access to the markets and enhance farmers' agriculture-based economic opportunity. Therefore, optimal management and handling of hill road construction is the only solution to meet the demand of the time. So, here in Nepal Kathmandu and Tarai region have better road than over all Nepal. Which road is suitable for KIA motors.

2.3 Review of Related Research, Articles and Books

In the ancient days goods and services were transported to the place of consumption by carrying at the back of people. Huge number of goods was transported by these methods. After years, the goods were then transported by carrying at the back of the donkey, horse, ox, and elephant. In the early modern age, the traders and merchants used donkey to carry goods and transported to the place of consumption. In ancient days Nepalese, Indian, Tibetan merchant used donkey, sheep, horse, elephant and even people to carry goods from one place to another place to consume.

In the 21st century there are numbers of transportation facilities available. Today, transportation has become major issue for the customer satisfaction. The customer does not wait at one place to get goods and services. They are always attracted by other sellers who provide well transportation and services. So to meet the demand of the customer, the product is immediately transported to the market for the availability of the customers.

The 21st century business person, use many means of transportation, huge amount of product is transported by truck, lorry, cargo van, cargo aero plane,

helicopters and rails. Similarly, the liquid products like oil, petrol, diesel, gas are transported by tanker.

- ❖ On the basis of Himalayan news service , "The Himalayan Time" Auto page Korean Vehicles in Nepal may 27 2005 p 8.

The influx of Korean Vehicles in Nepal is changing the contours of the domestic auto market. Luxury car markets are expensive and cheap car are not luxuries. That's the way it has been.

But the fast growing Asian manufactures of low priced vehicles are breaking this fight compartmentalization around the world and through Nepali auto market is small.

The speedy growth of Korean auto giants have also compelled other global manufactures including Indian vehicles manufactures to offer new choices to buyers which certainly is an advantages to customers.

- ❖ On the basis of Himalayan news service, "The Himalayan Times" Reconditioned Vehicles Market in Nepal, August 19/2005 p8.

There is significant growth in automobile sales, both new and old, is closely associated with the changing life style and increased purchasing power of people.

Buying a used car is a still remains a nerve- wracking experience for most. The market for second hand cars lacks specific rules and regulation or market that is not yet organized properly.

However, the number of enterprises involved in buying, selling and exchanging reconditioned vehicles has already crossed three dozen alone in the Kathmandu valley, which in itself is a proof that the market for reconditioned automobiles is getting into the curse mode. Most of the enterprises are low retail distributors of all major brands of vehicles available in the market. So one can buy or exchange either new or reconditioned vehicles at such enterprises.

Almost all brands of reconditioned cars, ranging from Japanese to Korean, Indian to Chinese and others are available in the market. Due to traditional brand loyalties Japanese brands still enjoy a leading position. Whereas Indian and Korean vehicles have also been able to capture a substantial market share in recent years.

Usually reconditioned houses do not sell vehicles as they come, but instead they give them a distinct look overhaul all major parts of a vehicle, including denting-printing and putting on new tires to the market them resemble new vehicles are undertaken.

However, for a buyer it still is essential to check various parts of a vehicle thoroughly before buying a reconditioned car. The condition of engine, body gear-box, model and outlook along with proper documents govern the price of a vehicle.

2.4 Review of Related Thesis

2.4.1 Malla's Study

Mr. Suresh Malla Conducted a research study entitled "A Study on Market Potentials of Chevrolet AVEO in Kathmandu" with the objectives of:

- ❖ To find out and analyze the market potential of cars in Kathmandu valley with a special focus on mid- sized, affordable cars, commonly known as C-segment.
- ❖ To analyze market potentiality of Chevrolet AVEO.
- ❖ To find out customer's attitude towards Chevrolet AVEO.
- ❖ To suggest and recommend for the improvement to all concerned parties on the basis of finding and customers' base on this study.

Malla's findings were:

- ❖ In Kathmandu valley, total registration of car, van, jeep, is in increasing trend every year. But sales for the last few years are affected adversely by political insatiability and Maoist insurgency.
- ❖ Sales of car, van, jeep is Bagmati zone is comparatively high than others.
- ❖ By analyzing last two months sales of AVEO, researcher found that AVEO has been able to grab large part of market share which shows that market potential of vehicles is very positive.
- ❖ By doing survey on most preferred car by customers in Kathmandu valley in terms of its features, researcher found AVEO got highest rating which proves it to most like cars in C- segment.
- ❖ By analyzing rating of various attributes of cars by respondents, researcher found that customers give most priority to availability of spare parts followed by safety and fuel efficiency.
- ❖ By doing analysis on most potential customers researcher found that business man are the most potential customers in Kathmandu valley for Chevrolet AVEO.
- ❖ By going through price of all competing C-segment cars, researcher found that Chevrolet AVEO is priced average on C- segment category with highest being Toyota Yaris.
- ❖ By SWOT analysis of Chevrolet AVEO, researcher found that brand awareness and trust of the customers towards General Motors products are biggest strength of the vehicles whereas high price can be considered against weakness. Opportunity of AVEO is there are many customers favoring product of GM. whereas intense competition from other imported cars can be taken as big threat.

2.4.2 Rai's Study

"A Study on Advertising and Sales Promotion of Cars in (with a special reference to Hyundai Santro)" revealed that the automobile business is one of those sectors of Nepalese business which aggressively uses advertising and promotion to promote their business, and every automobile dealer is coming out with competitive promotional schemes, that includes financing schemes at lowest interest rate.

The basic objective of the study was to evaluate effectiveness of advertising and sales promotion for attaining and retaining the market, concentrating on automobile business in Nepal.

The study also aimed to analyze the importance of promotion in building a company's reputation.

Both primary and secondary data were collected for the purpose. Field survey was done to collect primary data from the market, using questionnaire and personal interview, promotional activities planned and implemented by AVCO international Pvt. Ltd was analyzed. Lastly, the researcher recommended bringing out advertising and promotional scheme regularly.

2.4.3 Bhandari's Study

Mr. Bhandari conducted a research study entitled "Brand Performance Study on Motorbike with Reference to Kathmandu City" with the objectives are

- ❖ To identify the profiles of consumer of specific brand.
- ❖ To examine product attributes sought in the motorbike brand
- ❖ To access to consumer's perception on the brand preference.

The researcher was mainly focused on brand loyalty in motorbike market in Kathmandu, but he has explained some finding requiring purchasing behavior of people which can be relevant to other goods purchases too. His findings are:

- ❖ Consumer gives more preference to large brand of variety of product.
- ❖ The price factor has been found as the main factor brand.
- ❖ Consumer can be convinced by warranty and guarantee.
- ❖ The decision process is given attested by product attributes

2.4.4 Baniya's Study

Mr. LB. Baniya conducted a research entitled "A Study of Buyer Behavior in Pokhara with Special Reference to Cross Cultural Buying Pattern" having the following objects

- ❖ To find out the brand pattern and purchase frequency of clothing and the grocery products for British Gurkhas and local people.
- ❖ To examine the store name and local people for the purchase of clothing and grocery.
- ❖ To find out the attitude of British –Gorkha and the local people towards bargaining One hundred of respondents were selected for the study. This study was based on primary data.

The major findings of the study are:

- ❖ The purchase frequencies of people from one area are similar to large extent.
- ❖ Foreign influences vital in purchasing brand across the nation.
- ❖ Awareness of people for product is different for variety of product.
- ❖ As for as the criteria used to choose a product is concerned, Quality and price come first.

2.2.5 Shrestha's Study

Mrs. shrestha conducted a research study entitled "Role of TV advertisement on Car sales" with having a following objectives.

- ❖ To find out the impact of TV advertisement of cars on consumer preference.
- ❖ To analyze the effectiveness of the advertisements of Cars.
- ❖ To examine the factors that influence to buy the Car.
- ❖ To find out the relationship between sales and TV advertisement.

The major findings of the study are:

- ❖ From the analysis on TV advertisement all group of consumer most like musical advertisement.
- ❖ In the analysis group of education, most of respondents preferred musical and good wording advertisement.
- ❖ In the analysis of gender, female consumer like musical advertisement than male but good wording advertisement are more preferred by male consumer than female.
- ❖ In the subject to gender wise reaction of advertisement most of male and female 72% and 77.5% respondents viewed that they were particular only to the meaning of advertisement.

2.5 Research Gap

Research gap focuses that the researcher how much trying to give new things from his/her study with compare to previous studies held by different researcher. Due to changing the time and circulation of environment the previous and present may be different in many ways. This is a research gap between the present research and previous research. Data collected through questionnaire is presented and analysis in the research is the gap between the previous and present research. Though many affiliated researchers have been done in this area but these have been very few

exclusive researchers on this subject. This study may be a new study in this field and no study have been made on marketing system and practices of KIA motors in Nepal.

This research differs from the above-explained researchers on various grounds. They are as follows.

- ❖ This study examines the marketing aspects of KIA motors in Nepal.
- ❖ This study analyses the marketing programmed applied by KIA motors.
- ❖ This study shows the way to implement the marketing strategy on KIA motors.
- ❖ This study helps solve the problems in marketing activities in KIA motors.

CHAPTER-III

RESEARCH METHODOLOGY

Research in common parlance refers to a search for knowledge is composed by means repeatedly or again and again and “search” means to investigate or find. Research methodology is a way to systematically solve the research problem. Research methodology may be defined as “a systematic process that is adopted by the researcher in studying problem with certain objective and view”. In other word, research methodology describes the methods and process applied in the entire aspect of the study focus of data, data gathering instrument and procedure, data tabulating and processing and methods of analysis. It is really a method of critical thinking by defined and redefining the problems, formulating hypothesis or suggested solution and collecting and organizing and evaluating data, making deduction and making conclusions. Research methodology is a path from which we can solve research dilemma systematically to accomplish the basic objective of the study. It consists of a brief explanation of research design, nature and sources of data, method of data collection and methods of tools used for analyzing data.

3.1 Research Design

A research design is the arrangement of conditions for collection and analysis of data that aim to combine relevance to the research purpose with economy in procedure. Research design in the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to objective of this study. To achieve the objective of this study, descriptive and analytical research design has been used. It is the process which gives us an appropriate way to reach research goal. It includes definite procedures and techniques which guide in sufficient way for analyzing and evaluating the study. This study is carried out by using both quantitative and qualitative analysis methods. Mostly, secondary data has been used for analysis, but the discussion and personal interview with the concerned employees of the selected company are also used for qualitative

analysis. Hence, research design of this study is based on descriptive and analytical method

3.2 Population and Sample

In Nepal, different brands of vehicles are imported and sold. There are almost 24 brands of vehicles that are sold in Nepalese market. Among them, Toyota is the most sold Japanese luxury vehicles, where as Maruti & Tata are most sold middle class vehicles. The different brands of vehicles that are available in Nepalese market are as follows:

Different Brands of Vehicles Available in Nepal

- ❖ Force, Nakasu Motors P.Ltd.
- ❖ Toyota, United Traders Syndicate P.Ltd.
- ❖ Tata, Sipradi Trading P.Ltd.
- ❖ Maruti, Arun International Traders
- ❖ Proton, Hansraj Hulaschand & Co. P.Ltd.
- ❖ Sayangang, Hansaraj Hulaschand & Co.P. Ltd.
- ❖ Mahindra, Agni Incorporated P.Ltd.
- ❖ Honda, Syakar Company P. Ltd.
- ❖ Mazda, Padma Shree P. Ltd.
- ❖ Pedorua, Nemlik International Traders P. Ltd.
- ❖ Suzuki, Arun International Traders
- ❖ KIA, Continental Trading Enterprises P.Ltd.
- ❖ Chevrolet, Vijaya Motor P. Ltd.
- ❖ Nissan, Dugar Brothers & Sons

- ❖ Fiat, Bhajuratna Agency P. Ltd.
- ❖ Ford, Dugar Brother & Sons
- ❖ Daewoo, Hansaraj Hulaschand & co. P. Ltd.
- ❖ Hulas, Motor Hulas Motors P. Ltd.
- ❖ Tata, Leyland Asian Auto Traders
- ❖ Isuzu, Shankar Automobiles Agency

The entire importer has provided competitive packages to the customers. They have their own showrooms and service centre in the Kathmandu and in the other cities of the Nepal as well. All the importers sell their vehicles all over the Nepal. Among them, my research will concentrate with following brand.

Research Concentrated Brands

KIA Continental Trading Enterprises P. Ltd.

3.3 Data Collection Procedure

Information and data would be collected through various ways. Questionnaire, Interview, observation would be done for primary data and office records, published data, statements and balance sheet would be taken for secondary data. Customers of attitude towards different brands of cars would clearly be reflected in the questionnaire. Purchase behavior shown by potential buyer of car will also reflected in the questionnaire

3.4 Tools For Analysis

The main purpose of analyzing the data is to change it from and unprocessed from to an understandable presentation. The analysis of data consists of organizing, Tabulation, performing statistical analysis and drawing inferences.

The data is presented in the following:

❖ Pictorial Presentation

❖ Tabulation Presentation

3.5 Methods of Analysis & Presentation of Data

The presentation of data is the basic organization and classification of the data for analysis. After data collection is completed, the data will be in the row form. The data will still be on questionnaires, data collection forms, and note cards. It is necessary to arrange the data so that it makes some sense to the researcher and so that it can be later be presented to the researcher.

A very common way of presenting data for two variables, which have a relationship, is a figure or chart. Not all data can be presented in figures. It works best when the data is continuous. This is a characteristic of parametric data. Figures and tables would be used in the thesis to show the data so that anyone can easily understand.

❖ Diagrammatic and Graphic Representation of Data

Graphs and diagrams would be used in the thesis which are used for the presentation of statically data in the form of geometrical figures like points, lines, bars, rectangle, circles etc.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

There are several steps to analyze findings of the research. The steps referred to 17 research questions and helped to find out the marketing system practiced of KIA motors in Nepal. This chapter examines the perception of KIA motors situation, knowledge of marketing system of KIA, problem for not implementing as a promotional tools and the major problem the sector face at present. Major objective of research is to find out the current trends of marketing strategies by KIA motors. In the respond on the objective of this research, views of KIA motors are analyzed. The questions were objective, ranking and subjective types.

This chapter incorporates data presentation and analysis of the information collected directly from Continental Trading Enterprise Pvt. Ltd. All the available information have been modified and adjusted into the required data for analyzing. This study has dealt with the primary and secondary data, to find out the marketing practices associated with Continental Trading Enterprise Pvt. Ltd in Kathmandu. On the whole, it has included data presentation, interpretation and analysis using table, chart and diagram.

4.1 Market of KIA Cars

Today KIA has truly risen as a major global player and boasts an ever expanding product lineup that are sold through 182 distributors and over 3300 overseas in 155 countries around the world. KIA car is one of the luxurious and economy cars in automobile world. It equipped by computerized engine, has elegant looks and decorated by high interior and safety.

KIA cars are generally for middle class. In Nepal many middle class people are enjoying with KIA brand according to their income capacity and wish. Continental Trading Enterprises Pvt.Ltd. is the sole authorized distributor in Nepal for passenger vehicles manufactured by KIA motors of South Korea.

Continental has a showroom in the heart of the city. Since the time of its establishment, the company has always striven for excellence and growth. Continental Trading Enterprises Pvt. Ltd. is gradually expanding its wings in the Nepalese market.

Hyundai brand is direct competitor of KIA brand because they are origin from the same county Korea. Continental Trading Enterprises Pvt. Ltd. has appointed some of its sub-dealer and agent in different cities of Nepal. They are as follows;

Table 4.1

Sub-Dealers and agent of Continental Trading Enterprise Pvt. Ltd.

S.N	Sub-Dealer and Agent	City
1	Sapana Automobiles	Butwal
2	A&B Auto House	Pokhara
3	Ratna Laxmi International Pvt. Ltd.	Nepalgunj
4	Auto Market Pvt. Ltd.	Biratnagar
5	Bama Motors	Kathmandu
6	Mally Brothers	Kathmandu
7	Auto Village Pvt. Ltd.	Kathmandu
8	Not active	Surkhet
9	Not active	Janakpur

Source: Field Servey, 2012

KIA car is economy car so most people enjoying with KIA branded car according to their income and wish. Continental Trading is trying to do best in each and every city of Nepal.

Table 4.2

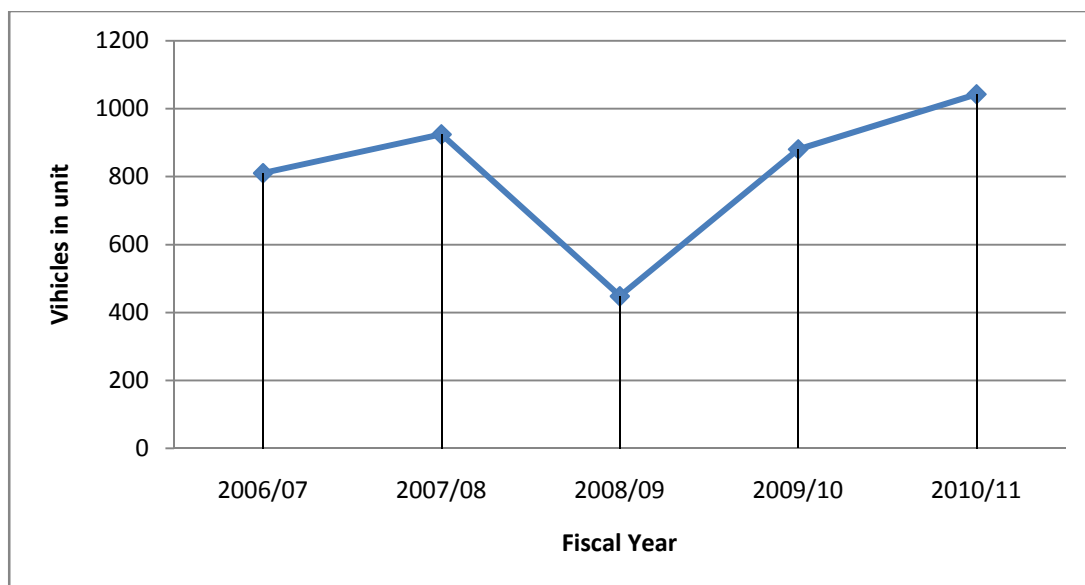
Sale of KIA Vehicles

Fiscal year	Vehicles sales unit
2006/07	810
2007/08	924
2008/09	448
2009/10	880
2010/11	1042
Average	820

Source: Field Servey, 2012

Figure 4.1

KIA Sales in Unit



The above table shows that KIA brand vehicles are going to the market more and more in every fiscal year but in fiscal year 2008/09 only 448 vehicles are sold which is lowest. Again in 2010/11 there is 1042 vehicles are sold which is highest of the study period. But average sale of KIA brand is 820 so it is not sad thing.

4.2 Marketing Mix For KIA Cars

Here, the marketing mix of KIA vehicles is studied. The marketing mix or 4ps of the KIA cars includes:

- ❖ Product of KIA car
- ❖ Price of KIA car
- ❖ Promotion of KIA car
- ❖ Place/ distribution of KIA car

4.2.1 Product / KIA Cars

KIA has truly risen as a major global player and boasts an ever expanding product lineup that is sold through 182 distributors and over 3300 overseas in 155 countries around the world. KIA car is one of the luxurious and economy car in automobile world. It is equipped by computerized engine, has elegant looks and decorated by high interior and safeties.

KIA cars are generally for middle class. In Nepal many middle class people are enjoying with KIA brand according to their income capacity and wish.

4.2.2 Price of the KIA

Price of the KIA vehicle is comparative in the market. KIA brand falls in the middle class family. The price of KIA vehicles are highlighted as under;

Table 4.3

Price List of KIA Cars

Models	Prices (NRs)
New Picanto 1.2 Lx	Rs 2049000
New Picanto 1.2 Ex	Rs 2199000
Ceranto	Rs 580000
Sportage Diesel	Rs 6149000
Sportage Ex	Rs 3439000
Sportage Ex1	Rs 3999000
Sportage Ex2	Rs 4299000
Sorento	Rs 5599000
Carens	Rs 3449000
Rio/Rio 5	Rs 3350000

Source: Field Servey, 2012

4.2.3 Promotion of KIA Cars

Continental Trading Pvt. Ltd. the sole authorized agent of KIA Cars in Nepal is issuing various promotional in the market to attract the customers. It is providing finance schemes, free insurance schemes, free servicing schemes, test ride, mobile service etc.

Continental Trading Enterprises Pvt. Ltd. attends show and also exhibits its car in different fairs and festivals. Here are the sales promotional activities and tool used Continental Trading Enterprises Pvt. Ltd. to promote and sell the KIA cars in Nepal.

- ❖ Attending trade fair/ auto show
- ❖ Mobile KIA service
- ❖ Discount, Cash Commission to agents
- ❖ Exchange facilities
- ❖ Test ride
- ❖ Insurance, free insurance, partial free insurance
- ❖ Service benefit
- ❖ Installment loan period up to 10 years.
- ❖ On the spot financing
- ❖ Regular advertising
- ❖ And many more

4.2.4 Place / Distribution Channel of KIA Cars

Continental Trading Enterprise Pvt. Ltd. has built a strong distribution network through the country for the sale of KIA cars. It has appointed more sub-dealers and agents throughout the country for the effective distribution of cars, besides, for the quality customer service well equipped service centre is available in the Katmandu valley and each dealer and sub- dealer are dealer authorized for the servicing of KIA cars.

4.3 Brand Image/ Brand Loyalty

The customer are brand conscious. They know what they are consuming and using. With the branded product they feel great satisfaction. Customers are paying money for the brand, and then product and service.

To attain and retain the customer for any product and service, their favorable brand image must be developed and established. Initially, it may be hard to gain the brand image, but once it gained it will upgrade the market for itself.

Customers of the automobile are also highly conscious about the product brand. They want to enjoy the brand name of the product along the products benefits and features.

KIA is well known and established brand name in the automobile market. It is highly honored in the automobiles business world. This brand is generally known for the comfort, safety and durability.

4.4 Total Market Share of Kia Vehicles and Others In Nepal

There are many brands in the Nepalese market along with chinese brand. Different brands are struggling to be success in Nepalese market. Each brand is different to each other according to their technology, luxury, safety, price and brand loyalty. Each brand has its customers.

Maruti has family customer, Mahindra has a professional person such as Construction Company, Driving professional etc. The share of KIA and other brands in the Nepalese is discussed as under.

Table 4.4**Total Market Shares of KIA Vehicles in Nepal**

S.N	Brand Name	Market Share (%)
1	KIA	19.7
2	Hyundai	16.15
3	Maruti	27.37
4	Mercedes Benz	0.05
5	Mahindra	3
6	Mitsubishi	0.05
7	Chevrolet	1
8	Ford	0.05
9	Toyato	2
10	Proton	0.05
11	Force	0.05
12	Nissan	1.50
13	Honda	0.70
14	Opal	0.05
15	Perodua	0.05
16	BMW	0.16
17	Gelly	0.05
18	Tata	16.58
19	Other Brand	11.44

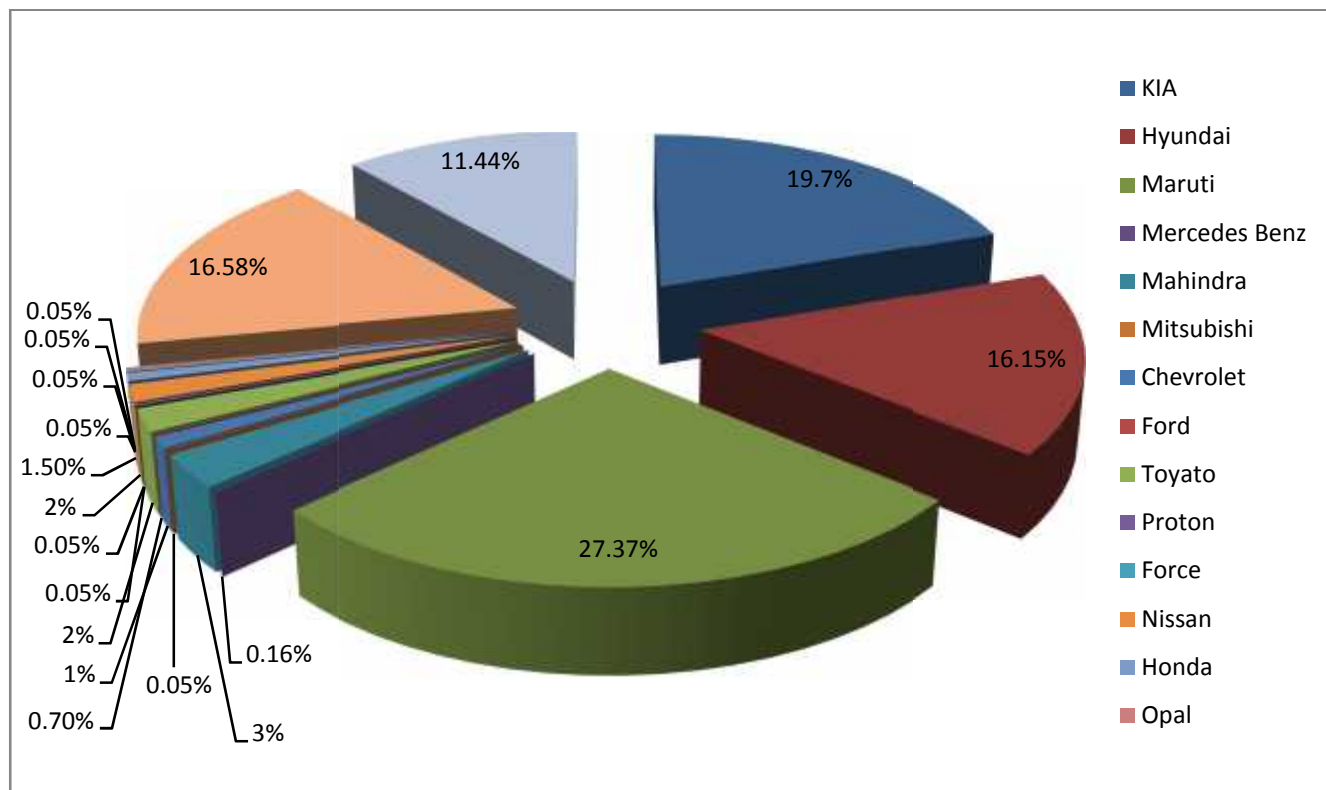
Source: Field Servey, 2012

From the above table it is clear that the Maruti brand has the largest market share in the Nepalese market because no of Maruti brand is used as Taxi and cargo van. Another second brand is KIA which is used in private car and used as public car as micro bus. But Hyundai is third position in Nepalese market. This brand is used in private sector and somewhere it is used as taxi such as Pokhara and other city.

The further discussed in the figures below.

Figure 4.2

Total Market Shares of KIA Vehicles in Nepal



In the above figure directly showing that Maruti, KIA, Tata and Hyundai are top four brand of Nepalese market. These brands are doing many competitive work and bringing very effective scheme to customer to attract on own brands. Most of the sports event are sponsoring by these brand globally.

KIA and Hyundai is direct competitor for each other because they are from the same country Korea and they have to same market so it is very difficult to work for them to overtake but in these days KIA has over took to Hyundai in the context of Nepalese market. Mercedes Benz, BMW, Lamer Zen are most expensive brand for the Nepalese market so it is unsuitable to compare with Hyundai Santro, i10 and KIA Picanto. To go with Hyundai and KIA, Mercedes Benz, BMW, King Royals need to start produce new economic class vehicles.

4.5 Result of Empirical Investigation

An empirical investigation has been conducted in order to find out various aspects of KIA marketing System and practices in Nepal from the real life experience. The major tool used for this purpose is an opinion survey through a set of structured questionnaire. A total of fifty sets of same questionnaire are distributed to the respondents. The responses received from these respondents have been interpreted as below.

The questionnaire either asked for a yes/ no response or asked for ranking of choices according to number of alternative where first choice is most important and last choice was least important. If the number of alternatives were six then the first preferred choice got six points and the last preferred choice got one point. Any alternatives, which were not ranked, did not get any point. The total points available to each choice were converted into percentages in reference to the total points available to each choice. The choice with the highest score of percentage is ranked as the most important choice and one with the lowest percentage being ranked as least choice.

4.5.1 Influenced of Car Buying Decision

In order to know whether the people could be interpreted that the car buyers in Nepal are influenced by their family, friends and relatives shows that the car buyer are more influenced by societal influence. A question was asked “who influenced car buying decision?” The customer’s his own influence has received third place in

sales forces' option most of the respondents answered they influenced car buying decision by their friends and relatives.

4.5.2 Factor Influenced Car Buying Decision

A question was asked "What factor influenced car buying decision?" It could be interpreted that the factors that influence car buyer Nepal are Brand name, Easy Financing Scheme, Social pressure, after sales service and fuel efficacy.

4.5.3 Features of Car Influence Car Buying Decision

A question was asked "What features of car influence car buying decision?" The important features that influence car buyer in Nepal are performance, exterior appearance, fuel efficiency, EMI scheme and buyback gurantee.

4.5.4 Media Affect Car Buying Decision

A question was asked "Which media affect car buying decision?" It could be interpreted that the important media that influence car buying in Nepal are television, newspaper, auto show and personal sales forces But most of the respondents affect by hording board.

4.5.5 Cars Are Most Used In Nepal

In Nepal, most of the vehicles are the economic classes. Their prices are less and fuel efficiency is more than other car. In average they are 800-1300 CC such as KIA Picacto, Hyundai Santro, Hyundai i10 etc. Most of the respondents wants diesel cars but they are little bit costly then petrol motors.

4.5.6 Market Segmentation Related Questions

A question was asked "Who is the buyer? What are their professions? What are their ages? What are their educations levels?"

According to personal interview they are mostly business personal and their business are goods importer/supplier, professor, doctor, engineer and pilot.

Majority of buyer are 30-40 years of age. Majority of buyer are educated. Majority of buyer are from family having monthly household income more than Rs.25,000. Most of the buying process takes place with bank and finance companies financing.

4.5.7 Related To Buying Process

A question was asked as follows and respondent's response was presented in bellow.

1. What is the vehicles buying process of customers?

According to sales executive, most of the customers come to showroom and show their queries about the vehicles. It takes 20-60 minutes for inquiry of the product and generally customers takes some days for purchase decision. Some of them pay full cash and most of them buy through installment process or banking process.

2. What percent of customers go to for test drive of the vehicles before buying?

According sales executives, 90% of the customers go for the test drive of car before buying. Mostly male customers go for test drive.

3 When do customers buy a car? Are promotional activities during occasion attractive?

Some customers buy car in special occasion such as greatest festival Dashain, Tihar in Nepal so authorized dealers used to give some festival discount offer and gift voucher for promotion. At the mean time dealer also organize auto show, vehicles rally on these occasions.

4.5.8 Related To Brand Awareness

A question was asked as follows and respondent's response was presented in bellow.

1. Are you satisfied from present car?

The car owner's in Nepal seems to be satisfied from their car. Small but significant portion of car owners' are satisfied from their car such as Hyundai Santro, I10 KIA Picanto and Sportage etc.

2. Which brand is popular in the context of Nepal?

In the context of Nepal, according to survey Maruti brand is most popular. After Maruti, KIA is more popular than Hyundai brand. Tata, Force, Honda are also popular brand for Nepalese road.

3. Which Financial Institution is used for financing vehicle?

Most of vehicles are financed by the A grade commercial bank such as Everest Bank Ltd, Nabil Bank Ltd., Laxmi Bank Ltd., NIC Bank Ltd. But the development bank and C grand finance company, co-operative bank are also engaged to financing the commercial vehicles and luxurious vehicles. Mostly vehicles loan interest rate is 12% to 18%. They negotiate according to vehicles type and customer.

4. What's about the road condition?

Most of roads are pitched they are now 4 lane but the government going to start to build the 6 lane high way road around the Kathmandu valley. Not only that most of the high ways are good but they are narrow in turnings. So the Nepal's roads are suitable for only small vehicles.

5. What kind of marketing strategies is KIA company using?

Continental International Trading Pvt. Ltd. is getting aggressive to push the KIA cars in the market. It is adapting every possible and available promotional tool to sell its product in the market. Those schemes are also working to help the product. It wants to have the challenger attitude not the leader the market. The company believe that technologically advanced product and the strong brand appeal are pulling the feet of the customers toward showroom. To capture the greater market share the company is expanding its sub-dealers and personal sell agent. Not only that they also importing the most wanted vehicles such as KIA Sportage, Picanto. These cars and micro buses are demanded more than stock.

To capture more its market, the company is regularly doing social work such as blood donation, sport event and exchanging facility, mobile service, donated education fund etc. They always trying to launch new model and new technology such as Sportage is new brand of KIA. There are also more varieties in sportage.

According to above result we can say that marketing strategies of KIA car is more effective because KIA car was sold more than others except maruti cars. It was happened because KIA cars were sold more because of marketing strategies. If marketing strategy is strong then sell can be raised.

4.6 Research Outputs

We are in 21st century, everything is going on globally so, Nepal is also member of WTO. Nepalese market is following the global market concept. It is not easy to do business in Nepalese market because of booming global economy, the increasing and decreasing power of Dolor, increasing political unrest in the world, rising economic power of China and India in the world.

Being these environments KIA is well established brand in Nepal. Generally, KIA is renowned as economic car for the Nepalese people even this brand have world class vehicles such as KIA sportage, KIA Rio, Picanto etc. KIA cars has euro engine, computerized engines, and air bags for safety.

Here are some important outputs of research. They are,

Nepalese business persons are importing world class vehicles like Land Rover, Mercedes

Benz, BMW, Toyota Pajero, Land cruiser in the country. Such vehicles have helped in the increment of the living standard of Nepalese people. The import of such vehicles in Nepal has obviously helped in the development of the transportation and also increased the revenue because in the vehicle import tax in Nepal is 100% on cost price.

- ❖ Hyundai and KIA brand is known as middle class being it has air bag for safety, comfort in driving.
- ❖ Since the fiscal year 2048/49 huge number of vehicles has been imported, this trend is going on; this trend clearly shows that the living standard of Nepalese people is going high.
- ❖ Government has announced to build the new highway around the valley with international standard 6 lanes; government should do this project as soon as fast. Otherwise there will be long traffic jam. Besides this government should restrict the old vehicles from the second/ third country.
- ❖ Government should check the sound pollution properly and should give green sticker only for the right vehicles and also need to give oral and practical training for professional/non professional drivers about the traffic rules and engine performance.
- ❖ Nepalese business persons are importing world class vehicles like Land Rover, Mercedes Benz, BMW, Toyota Pajero, Land cruiser in the country. Such vehicles have helped in the increment of the living standard of Nepalese people. The import of such vehicles in Nepal has obviously helped in the development of the transportation and also increased the revenue because in the vehicle import tax in Nepal is 100% on cost price.

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- ❖ Government has announced to build the new highway around the valley with international standard 6 lanes; government should do this project as soon as fast. Otherwise there will be long traffic jam. Besides this government should restrict the old vehicles from the second/ third country.
- ❖ Government should check the sound pollution properly and should give green sticker only for the right vehicles and also need to give oral and practical training for professional/ non professional drivers about the traffic rules and engine performance. It could be interpreted that the important media that influence car buying in Nepal are television, newspaper, auto show and personal sales forces.

4.7.1 Major Findings

- ❖ Price of the KIA vehicle is comparative in the market. KIA brand and falls in the middle class family. KIA cars are generally for middle class. In Nepal many middle class people are enjoying with KIA brand.
- ❖ KIA brand vehicles are going to the market more and more in every fiscal year but in fiscal year 2008/09 only 448 vehicles are sold which is lowest and in 2010/11 it becomes highest.
- ❖ There are 182 distributors and over 3300 overseas of KIA in 155 countries around the world.
- ❖ KIA Motors take second place i.e. 19.7 percent of Nepalese market.
- ❖ Continental Trading Pvt.Ltd. the sole authorized agent of KIA Cars in Nepal is issuing various promotional in the market to attract the customers.

It is providing finance schemes, free insurance schemes, free servicing schemes, test ride, mobile service etc.

- ❖ The car buyers in Nepal are influenced by their family, friends and relatives shows that the car buyers are more influenced by societal influence.
- ❖ In average there are 800-1300 CC cars are mostly sales, such as KIA Picanto, Hyundai Santro, Hyundai i10 etc. Most of the respondents wants diesel cars but they are little bit costly then petrol motors.
- ❖ Most of vehicles are financed by the A grade commercial bank such as Everest Bank Ltd, Nabil Bank Ltd., Laxmi Bank Ltd., NIC Bank Ltd. But the development bank and C grand finance company, co-operative bank are also engaged to financing the commercial vehicles and luxurious vehicles.
- ❖ Continental International Trading Pvt. Ltd. is getting aggressive to push the KIA cars in the market. It is adapting every possible and available promotional tool to sell its product in the market.
- ❖ KIA is renowned as economic car for the Nepalese people even this brand have world class vehicles such as KIA sportage, KIA Rio, Picanto etc. KIA cars have euro engine, computerized engines, and air bags for safety.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Nepal has been importing number of vehicles in the country. Different brands and different country made vehicles are imported in the country. World standard vehicles like Lamer Zen, Mercedes Benz, King Royals, BMW, Toyota, Coverlets etc has distributed a lot in the development of the transportation system in Nepal.

There were not enough vehicles in the city before 2048 BS. On that time there were limit vehicles for the public and could buy only the rich person. But after 2048 BS huge number of vehicles was imported. In each year, the thousand of vehicles are imported. Vehicles of different brands and quality are being imported in the country. In Nepal, world standard vehicles like Lamer Zen which is one of the most expensive in the world which cost about Rs 7 cores.

KIA vehicles are doing well in the global market as well as Nepalese market, KIA is in the 5 position in the worldwide sales 2007 AD. On 2007 AD, millions vehicles are sold by KIA Company. So they ranked as 5th position. On 2007, Toyota Company was awarded as world 1st vehicles Seller Company.

Nepal Government has taken open policy and levied 100 % tax and other extra duty in the vehicles even though number of vehicles has been importing in the country. There is no doubt that today's business era is the age of market. There is a proverb in Nepali "BOLNEKO PETHO BIKCHA NABOLNEKO CHAMAL NI BIKDAINA" which who does marketing that person's rice would sell but who does not do marketing that person's rice would not be sold. So this Nepali proverb proved that marketing is must important work in the business sector since the accent time. But today we are in 21st century, any business cannot sustain with out the marketing. Marketing starts even before the business concept emerges. The

concept of business needs marketing to get the identity in the market and sustain in the global market competition. Marketing is most important thing in every stage of product life cycles.

There is no other voice against the importance of advertisement because it is true that advertisement plays a vital role in the field of marketing of any product and services. An ISO certified company and other successful companies are making expenses of huge amount on the advertising of the product or services. A remarkable portion of marketing budget is devoted to advertising. Advertisement has become a means of very easy and prompt mass communication. Any organization can communicate its mission, object, service and product to its target market. Advertising is one of the most important promotional tools that companies to direct persuasive communications to target buyers and publics.

Profit earning, nonprofit earning and the government organization are frequently using advertising for their product, service, idea, mission and public issues. Shankar Group, UN, WTO, World Bank is also using the advertising. Even those national and international groups could not be denied.

In the automobile world, companies are using advertisement aggressively. They are doing through various means or Medias such as print media, audio advertising (radios), visual media (film slide), audio visual media (film, television), display (window display, sky display, hoarding boards, electric board). There is competition among the advertisers to cover the main page of the newspaper.

Every automobile dealer in Nepal is offering competitive schemes to its customer. Every possible facility is being offered to the market. Nepalese market of automobile has really become competitive. There are lots of automobile brand. Customers choose any of these brands. It is no doubt that customers have many options to choose. They can move anywhere as they like. To become successful in such hard market situation, each every marketer is trying to provide as much facilities as can be offered. They are using varieties of promotional tools to attract potential customer enquiries toward showroom.

Today's important facilities being provided to the customer is financing facilities. Most of the customers want to use financing scheme. They don't want to freeze huge amount in the one product. They want to mobilize their money in earning parts such as real state and companies shares. By this they easily can pay the installment. Knowing these requirements of the customer, companies of the automobile are trying to reduce the interest rate. For this, they are trying to contract with different banks and finance company such as Hyundai company contract with Everest Bank Limited, Mahindra automobile company contracted with United Finance Co. On this period companies are offering interest @12% - 18% on hire purchase. They are also offering 5-7 years installment time.

To achieve the targeted sales, customers are being offered varieties of facilities. Dealers and sub-dealer are also equally being motivated to the sell product. They are motivated by providing for display, making advertising, providing credit, Bonus scheme etc.

The effectiveness of advertisement and sales promotion in the sales of automobiles has seen and proved. While advertisement pull these enquires from prospective customers and sales promotion offers incentive to make instant decision. These two terms of marketing supplement each other to sell the product as soon as possible. These two tools try to get the immediate result. These have short term effect. Effectively handled marketing tools can help to achieve the targeted result.

The supportive top management of the company for the advertising and promotions has facilitated marketing managers to become aggressive. Competitions of KIA is also aggressive as the market situation demands. It has regularly brought the fascinating schemes.

Continental International Trading Pvt. Ltd. are getting aggressive to push the KIA cars in the market. It is adapting every possible and available promotional tool to sell its product in the market. Those schemes are also working to help the product. It wants to have the challenger attitude not the leader the market. The

companies believe that technologically advanced product and the strong brand appeal are pulling the feet of the customers toward showroom. To capture the greater market share the companies is expanding its sub-dealers and personal sell agent. Not only that they also importing the most wanted vehicles such as Hyundai Santro, i10, KIA Sportage, Picanto. These cars and micro buses are demanded more than stock.

To capture more its market, both companies are regularly doing social work such as blood donation, sport event and exchanging facility, mobile service etc. They always trying to launch new model and new technology such as i10 and i20 is new model of Hyundai brand and sportage is new brand of KIA.

5.2 Conclusion

Topographically, Nepal is classified in to three regions-the northern Himalayan range, the middle mountain region and southern plain Tarai. The climate varies sharply with altitude and the arctic on the higher peaks of Himalaya range to humid sub-tropical in the central Kathmandu valley and hot climate in the southern belt. The infrastructure of Nepal is not good. Roads are very narrow. There are not good wide road.

In Nepal, all the vehicles are used in for transportation for goods and passengers. Generally, small as heavy vehicles are equally important in Nepal. Heavy vehicles like bus, truck, Tata-mobile, and micro-bus are use for transporting goods and passenger from one place to another place and small vehicles like car, taxi, are used for the same purpose. These vehicles have different brands and made by different companies such Hyundai, KIA, Tata, Mahindra Maruti and so on. These brands have helped a lot in the development of transportation in Nepal.

International standard vehicle like Mercedes Benz, Toyota land cursor, Pajero, Hyundai Accent cars run in the Nepalese roads which have made the life of Nepalese people safe and comfortable. Hyundai and KIA both are the middle class vehicles and they are from the same country Korea. KIA also have standard

car but in Nepal, middle class type such as Hyundai Santro, i10 and KIA Picanto, Prologue were sold more than high standard car like Hyundai Accent, Tucson, KIA Sportage, Rio.

In Nepal buying car is very expensive because they are imported from the second and third country. Tax on vehicles is very high which is 100% on its cost. Importing of such costly vehicles has improved the living standard and social prestige but the huge amount is going out from the country Nepal. Since such vehicles are not manufactured in the country Nepal. Nepal also manufactures “HULAS” and “MUSTANG MAX” brand vehicles. It was cheap than other imported branded vehicles. It seemed very strong and was used in carrying goods. But it was failed to capture its market being cheap and strong.

In the context of Nepalese market, KIA is the successful brand even they have tough competition. These brands are successful due to its world class standard, efficient and prompt after sales services provided by importers. KIA are in the 5th position in the worldwide sales 2007 AD. On 2007 AD, 4.23 millions vehicles are sold by KIA Company. So they ranked as 5th position. These brands have given great contribution in the development of transportation, living standard of Nepalese people and to generate high tax.

Each year thousand of vehicles are imported in the country. Import of so many vehicles has made the road slow in the city. Vehicles are increasing day by day but the roads for those newly imported vehicles have not been constructed. So traffic has become slow in the pick hour 9 am-11 am and 4 pm- 6 pm.

Too many traffic in the city has been making the pollution in the city. Sound and air pollution are the major problem in the city. Thus the government should take the necessary action and should check vehicles green sticker time to time.

Continental Associates Pvt.Ltd. introduced KIA club membership so as to give efficient services and keep them to keep them come back and again but its

club concept seems to be not working due to lack of its knowledge to its customers.

Its competitor has been advertising its product in each and every media so as to inform about the product, price, new features and models but Continental Trading Enterprise Pvt.Ltd. do not advertise regularly as its competitors do due to this, its close competitors sales have increased. Similarly its has introduce new promotional schemes regularly, has good after sales services but Continental Trading Enterprises Pvt. Ltd. sales volume is decreasing due to ineffective after sales service and petrol shortage. The customers are supposed to get the vehicle delivered within one month from the day of booking but the customers do not get the vehicles delivered even the after the two/three month from the booking. Because of this, most customer cancel the booking and buy the other cars. To day in the global market customer does not want to waste their valuable time and inner desire.

5.3 Recommendations

Nepalese market is basically seller-oriented and the bargaining power of the people is weak. There fore is lack of the product and market specialization in the country. Here are some recommendation for Continental International Trading Pvt.Ltd. which would help them for the better sales and better marketing performances.

- ❖ After 2048 BS, Nepal has tremendously imported the vehicles from the second/ third countries. The import of the vehicles has been increasing in each year. The government should take restriction in the import of vehicles. Government should remove the being 20 years old vehicles from the city and Government should strictly check on the pollution sticker (green sticker).

- ❖ In Nepal, almost all kind of vehicles are imported. There are many vehicles choice in the term of price and giving facilities such as air bag, euro engine disk break.
- ❖ KIA should bring aggressive marketing scheme to increase the sales volume. Its competitors have not stepped aggressively in the market. So, can take chance and can increase the sales by providing various facilities and reducing the price as well.
- ❖ On the other hand, continental should try to go first then after try to defeat to its competitor Maruti and Chevrolet. It should recruit skillful sales person and honest staffs.
- ❖ The advertisement informing about the important feature and benefits of the vehicles should come out regularly such air bag, allow wheels, euro engine etc.
- ❖ The promotional scheme should be brought according to the change need and desire of customer. Such as car decoration, electronic devices, scratch car, gold coin, Tour package etc.
- ❖ Mobile service should be launched.
- ❖ After sales service support should be well maintained and upgraded since the satisfied customers are the best advertiser of the product.
- ❖ For the customer relationship, company should do social work such as blood donation, folk dance competitions, scholarship etc.
- ❖ Sales person and marketing executive should be trained about the technical feature and specifications to have better product and customer behavior.
- ❖ Company should reduce the interest rate from @12% - @18% and EMI scheme time should increase.
- ❖ Companies are giving only festival discount; company should also give customer's birthday discount.
- ❖ Some companies are irritating to customer by giving phone call, company should do this according finding the potential customer.
- ❖ The vehicles should deliver in time.

- ❖ Company should appoint the individual agent to increase sells.
- ❖ When customers visit the showroom car must be ready there for display and give test drive.
- ❖ There should be some approaches to attract foreign join venture automobile company in Nepal. That will help to minimize the cost of auto mobile in the country.

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WEB SITES

www.sbgroun.com.np

www.kiamotors.com

www.gm.com

APPENDIX-I

QUESTIONNAIRE

Dear Sir/Madam

At first, I would like to introduce myself as a student of Shanker Dev Campus, Tribhuvan University, MBS Final Year. In order to fulfill the partial requirement of Master Degree in Business Studies of Tribhuvan University of Nepal, I am conducting the research work entitled “Marketing System and Practices of KIA Motors in Nepal.”

I have sent this questionnaire to spare some of your valuable time to provide your valuable experience, suggestions and opinions concerning with Marketing System and Practices in Nepal, which will be very much appreciated. If you could provide your important time for filling this questionnaire.

I assure that the information you provide me will solely be utilized in research work. I hope for your kind co-operation and support.

Kabindra Koirala

Your sincerely

Q.No. 1 Your name please?

Ans.

Q.No. 2 What is your occupation?

Ans. (a) Business person

(b) Teachers

(c) Student

(d) Other

Q.No. 3 Do you have a car?

Ans. (a) Yes

(b) No

(if your answer is b then go to question no 7)

Q.No. 4 Which car do you have?

Ans. (a) Hyundai

(b) KIA

(c) Toyota

(d) Other

Q.No. 5 When did you buy it?

Ans.

Q.No. 6 Do you want to buy a car?

Ans. a) Yes

(b) No

Q.No. 7 Which brand you most prefer to buy?

Ans. (a) Hyundai

(b) KIA

(c) Toyota

(d) Other

Q.No. 8 How much you want to pay for this brand?

Ans. (a) Above Rs. 1000000/-

(b) Above Rs.2000000/-

(c) Above. 5000000/-

Q.No.9 What features influenced your car buying decisions?

Ans. (a) Performance

(b) Fuel efficiency

(c) Safety Feature

(d) Other

Q.No.10 Which media has affected you to buying decision?

Ans. (a) Television

(b) News paper

(c) Radio/ FM

(d) Sales person

(d) Other

Q.No.11 Please rank in scale 1-3 for the car manufactured in 3 country?

Ans. (a) Honda

(b) Toyota

(c) KIA

(d) Hyundai

(e) Nissan

(f) Other

Q.No.12 Do you think the present political scenario has affected the buying/selling of vehicles? If yes, how?

Ans.

Q.No.13 How would you rate the various attributes in a car?

Ans.

Q.No.14 Why are you going to buy this brand? (Please write 100 words)

Ans.

Q.No.15 Do you go for a test drive before buying the vehicle?

Ans.

Q.No.16 Which financial institution supports you to buy the vehicle?

Ans.

Q.No.17 Do you buy the vehicle for necessity or for maintaining your status?

Ans.

Q.No.18 Do you buy your vehicle during any festival offers or according to your need?

Ans.

Q.No.19 Any suggestion do you have for this brand? (Please write 100 words)

Ans.

APPENDIX-II

Questionnaire for Dealers

1. Your Dealers name please?

Ans.

2. How many KIA dealers are there in Nepal?

Ans.

3. Do you know the main marketing strategies of KIA motors in Nepal?

Ans. (a) Yes

(b) No

(If your answer is Yes then fill question no 4)

4. What kind of marketing strategies of KIA motors using in Nepal?

Ans.

5. What feature of KIA are different than others?

Ans.

6. Name the main models of KIA which are mostly sales in Nepal and draw the price of these cars?

Ans.

7. What are the after sales services facilities of KIA motors?

Ans.

8. What are the buying process of KIA vehicles in Nepal?

Ans.

9. Is there any financing process and policies to buy the KIA motors?

Ans.

10. Which types of engine did we get from KIA motors?

Ans. (a) Diesel engine

(b) Petrol engine

(c) Both

11. What kind of advertisement did KIA motors use to promote its products?

Ans.

12. What percent of customers go to for test drive of the vehicles before buying?

Ans.