

CHAPTER- ONE

INTRODUCTION

1.1 Background of The Study:

The study of consumer behavior enables marketers to understand & predict consumer's acquisition, consuming and disposing activities. Consumer behavior defined as the behavior that consumers display in searching for purchasing, using, evaluating and disposing of products, services and ideas that they expect will satisfy their needs.

Consumers and customers are diverse in nature. Customers stand for those who regularly purchase from a particular store, company, organization or place. But consumers are those who regularly purchase and use by themselves. Customers may or may not be consumers, but consumers are always being customers.

Consumers are mainly of two types; individual consumers & organizational consumers. Individual consumers buy goods and services for their own use and for household use. Organizational consumers include profit and non- profit business, government agencies (local, state and national) and institution. Both consumers purchase goods, services, and ideas for their own use. But in consumer behavior, individual consumers are the main focus of the study.

In general, consumers are both buyers & users. But in some extent, at least one person can play one or more than one role in purchasing and consuming. These roles may appear in the forms of initiator, influencer, buyer and user. These roles are explained in Table 1.1

Table 1.1
Role of Consumer Behavior

Role	Description
Initiator	The individual who detects that some needs or wants are not being met, and authorizes a purchase to rectify the situation.
Influencer	A person who by some intentional or unintentional words or actions influences the purchase decision, the actual purchase, and or the use of the product or service.
Buyer	The individual who actually makes the purchase transaction.
User	The person most directly involved in the consumption or use of the purchase

For example, a wife as an initiator and influencer may ask her husband (buyer) to pick up a box of total cereal on his shopping trip because their child (user) said she wanted it. At another time the husband could act as the initiator, buyer and user by purchasing a health spa membership for himself.

Consumer behavior is an exciting and dynamic field of the study. Consumer behavior is a young discipline; the first textbook was written in the 1960s. Its intellectual forefathers however are much older. For example, Thorstein Veblen talked about conspicuous consumption in 1899. Similarly in the early 1900s writers began to discuss how psychological principles could be used by advertisers. (Ward and Robertson, 1970; 342)

Consumer behavior was a relatively new field of the study in the mid-to-late 1960s. With no history or body of research of its own, the new discipline was borrowed heavily from concepts developed in other scientific disciplines, such as economics, psychology, social psychology, sociology, anthropology and demography. In psychology, we have to study the behavior and mental process of individuals. In sociology, we have to study the collective behavior of people in

group. In social psychology, how individuals influence and are influenced by group is studied. In economics, people's production, exchange and consumption of goods and services are dealt in. And, in anthropology, how people are related to their culture is mentioned.

The study of consumer behavior has three levels of analysis: individual level, micro environment level, and macro environment level. Individual level of analysis focuses on identifying the processes that influence a person in the acquisition, consumption, and disposition. In fact problem recognition, information search and evaluation, purchasing problem, decision process, post purchase behavior, and feedback are studied in individual analysis. Micro environment levels of study consist of those interpersonal and situational factors, which are outside of the person, that influence consumer behavior at any particular point of time. In it, we have to study on information processing, learning and memory, motivation and involvement, attitudes, personality, self-concept and leadership. Macro environment levels of study consist of the broad set of forces that influence a large number of consumers to act similarly. The type of macro environment includes the effects of culture, subculture, social class, social group, family and personal, economic and government conditions.

The study of consumer behavior provides benefits for consumers, marketers and even students. As consumers and marketers are diverse in nature, the reasons why people study consumer behavior are also diverse.

Consumer's insight into their own consumption related decision; what they buy, why they buy, how they buy and the promotional influences that persuade consumer to buy by showing their behavior.

Marketers recognize why and how individuals make their consumption decisions by studying consumer behavior. They can make better strategic marketing decisions. If marketers understand consumers' behavior, they are able to predict how consumers are likely to react various informational and environmental cues

and are able to shape their marketing strategies. Marketers who understand consumer behavior have great comparative advantage in the market place.

Students gain insights into why individuals act in certain consumption related ways and with learning what internal and external influences impel them to act as they do.

The interdisciplinary background in which the consumer behavior discipline is rooted, it is not surprising that academicians from a variety of contributing disciplines, including marketing itself have become interested in the study of consumer behavior not necessarily from a managerial or applied perspective, but simply to understand the consumer better. From the point of view of understanding consumption behavior and the meanings behind such behavior is called interpretive.

Interpretivists have expanded the boundaries of study to include many subjective aspects of consumer behavior such as the effects of moods, emotions and type of situation on consumer behavior, the role of fantasy of play, of rituals, even of the sensory pleasures that certain products and services provide. Many Interpretivists consider each purchase experience unique, because of the diverse set of variables that play at a particular moment- in time. Because of its focus on the consumption experience, the interpretive approach is also known as experimentalism.

Despite the apparent diversity in context with consumer behavior, some common approaches should be taken into account while studying consumer behavior.

- Consumer analysis provides the foundation of marketing management. It assists managers in designing the marketing mix; segmenting the market place; predicting product positioning and differentiation: performing environmental analysis; and developing market and research study.
- Consumer analysis plays a critical role on public policy department.
- Knowledge of consumer behavior improves personal ability to be a more effective consumer.

- Consumer analysis provides knowledge of human behavior.
- The study of human behavior provides three types of information consumer orientation, facts about buying behavior, and theories to recognize the thinking process.

Consumer decision process varies considerably in its complexity. Most of the decisions consumers require to make are probably rather or simple ones, such as the purchase of staple foods. However, consumers also must make decisions that are comparatively complicated, such as buying durable goods. The range of difficulty of consumer decision process extends even further to problem solving that may be characterized as being highly complex, such as home

The range of consumer problem solving approaches can be placed on a spectrum from routine problem solving, to limited problem solving and to extensive problem solving as follows: (Howard, 1989: 361-364)

Routine Problem Solving (RPS) :

In routine problem solving when consumers buy a new brand they have purchased before, it usually involves little or no information seeking and is performed quickly. Consumers are brand loyal and tend to buy in a habitual, automatic and unthinking way.

Limited Problem Solving (LPS) :

In limited problem solving when consumers buy a new brand in a familiar product category, it usually involves a moderate amount of information seeking and time in choosing.

Extensive Problem Solving (EPS) :

In extensive problem solving when consumers buy an unfamiliar product category, it usually involves the need to obtain substantial information and a longer time to choose. They must form a concept of the new product category and determine the criteria to be used in choosing a brand.

The examples of consumer decision making cited above may be generalized toward a typical consumer problem solving modal consisting of four basic types of activities in the process of purchasing. The consumer's four steps are,

- a) Problem Recognition.
- b) Information Search and Environment.
- c) Purchase Decision.
- d) Post Purchase Behavior.

The assumptions underlying this and other decision process approaches to consumer behavior seem to be the following.

- 1) Two or more alternatives provide opportunity to consumers to make a choice.
- 2) Consumer evaluative criteria facilitate the forecasting of each alternative's consequences for the consumer's goals or objectives.
- 3) The consumer uses a decision rule or evaluative procedure to determine the chosen alternative.
- 4) Information obtained from external sources and / or memory is used in the application of the decision rule or evaluative procedure.

The characteristics of consumer problem solving approach are presented in Table 1.2

Table 1.2
Characteristics of Consumer Problem –Solving.

	Routine problem solving	Limited problem solving	Extensive problems solving
Purchase involvement	Low	Medium	High
Problem recognition	Automatic	Semi-automatic	Complex
Information search	Minimal	Limited	Extensive
Purchasing orientation	Convenience	Mix	Sopping
Post purchase, process	Very limited habit, brand loyalty	Limited inertia to repurchase brand	Complex-loyalty if satisfied complain if dissatisfied

Consumer behavior is a broad field that studies how individuals, families and groups acquire, consume and dispose of goods, services, ideas and experience. (Mowen, 1974:4)

1.2 Background of The Company :

A multinational company, MNC., is a company that operates in more than one country. A MNC. Typically consists of a parent company in the home country and its majority- owned affiliates or subsidiaries in other countries. Mnc5 often create a global business strategy that targets emerging markets in countries that offer maximum growth and profit potential. Executing a successful multinational strategy can create tremendous value for an MNC’s shareholders.

(www.ehow.com/info_8118618_definition_multinational_company.html
march27,2011)

The Rs. 2.5 billion soft drinks market offer immense potential, as there are only two major players; Pepsi and coke. There is tremendous opportunity for these two companies as global population, income level ,life style and consumption ratio are growing fast. The total annual sales of cold drinks in the market are estimated at some 6.5 million cases (each case contains 24 bottles). There is tremendous opportunity in this industry in Nepal because there is growing trend of drinking in cinema Halls, Stadium, consumers' daily travels and social gathering etc. Pepsi company is a multinational company, which produces and sales its products in all countries, began its operation in Nepal in 1986 through the local bottler Swastika Pvt. Ltd. It was introduced to Nepalese market about 10 years, later than coca-cola. Now Pepsi product have been growing popularity and capturing its good market share.

The management of Pepsi bottler in Nepal was under taken by Varun Beverages (Nepal) Pvt. Ltd.in 1999. Varun Beverages (Nepal) Pvt. Ltd. is controlled and management by Jaipury Group of India. Its territorial head office and factory is situated at Koteshwor , Kathmandu.

The purpose of Varun Beverages (Nepal) Pvt. Ltd .Is to make availability of different brands of beverage all over the kingdom to fulfill the consumer's taste and their changing preferences. Its target consumers mainly comprise the young generation across the country.

The seven hundred and fifteen employees working permanently and temporarily are presented in Table 1.3 in the classified fashion.

Table 1.3
Employment Profile

Employment	Permanent	Temporary	Total
Male	391	151	542
Female	125	48	173
Total	516	199	715

(Source: Internal Report, 2011)

These employees are organized in flow chart structure, which is presented below:

Figure

Production capacity of Pepsi products is 420 bottle per minute (BPM) and it's capacity utilization is 90,70,000 crates. The producer of Pepsi in Nepal claims that it holds 35% of the market, and the rest by is coke.

The company has been the leader for producing new pack size such as 1.5 liters, 2 liters, per bottle and 200 ml . Phuchche flavor such as slice and Mountain Dew, which have helped to increase market share. Now the company is producing seven brands in different flavor and pack, which are presented.

Table 1.4
Brand ,Flavor, and Pack Size of The Company's Products

Brand	Flavor	Pack
Pepsi	Cola	200ml, 250 ml, 300 ml, 1.5 ltr,2 ltr.
Mirinda	Apple	200 ml, 250 ml, 300 ml,1.5 ltr, 2 ltr.
7'up	Lime	200 ml, 250 ml, 300 ml, 1.5 ltr, 2 ltr.
Mountain Dew	Mango	250 ml,
Soda	Clear lime	250 ml, 500ml, 2 ltr
Slice	mango	250ml, 500ml, 2ltr

(Sources: Field Survey, june,2011).

These products are distributed all over the kingdom through distributors and retailers. Most of distributors operate by direct observation of the company.

Its target customers mainly comprise the young generation across the country. In terms competition, the different brands of coca-cola are its prime competitors.

Marketing strategy, investment pattern, brand outlook, and acceptance of the brand by the public are all different from competitors. The company is also

implementing different and very obsessive marketing strategies to enhance its competitiveness. Consumer schemes have always proved to be effective tools of promotion. The company has set different strategy than coke, offered a pack of WAI WAI noodles for these customers who buy a 1.5 and 2 liter bottle of Pepsi. In other size bottles the company has offered puma and Mama bhujija.

Since the establishment of the company, its flay ship brand Pepsi is doing very well. Mountain Dew has also provided to be a good flavor and attractive packaging. It has been very well received by consumers. Also, there is no competitor for Mountain Dew.

1.3 Statement of The Problem

Pepsi and coke are mainly two competitor products in cold drinks market in Nepal. The prestigious growth of the market between these cola giants has been growing ever since Pepsi to Nepal in 1986.since coke entered Nepal in 1979, it had been enjoying market leadership in soft drink industry. So, coke had a sort of monopoly in the market till then.

The total annual sale of cold drinks in the market is estimated at some 6.5 million cases. The producer of Pepsi in Nepal claims that the Pepsi holds 35% of the market. The rest is attributed to Bottler's Nepal. So the Varun Beverages (Nepal) Pvt. Ltd. must affectively use its marketing strategies for growing their market share. But to what extent it is effortful in boosting up Nepalese consumers behavior in the intervals of time remain always starts with the following problems;

- What is the buying behavior of consumers (age, group, sex group and occupational group) ?
- Which are the most effective factors that consumers consider while making buying decision?
- What are the consumption patterns of consumers (age, group, sex group and occupational group)

- Are the Nepalese consumers of Pepsi product satisfied with what they set in the market?
- Which are the important promotional activities carried out by the company?
- Which advertising media are most effective to remote consumers?
- Do the location, brand awareness, and shop awareness affect the purchase behavior of consumers?

1.4 Objectives of The Study :

Keeping in view the statement of research problems, the objectives of the studies are set as follows:

- To find out the degree of consumer's satisfaction
- To find out consumption patterns of these categories of consumers.
- To evaluate the effective promotional activities that the company uses.
- To measure the effectiveness of advertising media, used by the company.
- To examine to what extent the location, brand awareness and shop awareness of consumers influence their purchasing decision.
- To evaluate the factor influencing consumer purchase decision.

1.5 Significance of The Study:

Consumers are the gods of the market so consumers' satisfaction is the main motto of any organization or producer. Consumer's behavior plays a significance role in consumption patterns. Consumption is the optimum use of the product. For knowing the complexity of the consumers' behavior studies are conducted from time to time.

The Nepalese market has been gradually heading towards cutthroat competition. In this context, different types of product with a large number of alternative brands are available in the market. It is essential for the manufacturers' and/or marketers of the products to know the buying behavior of target customers to achieve its goods.

1.6 Limitation of The Study

This research has the following limitation:

- Since convenience sampling is used, it may not reach all areas of true representation of soft drink users..
- The findings have been derived from, only that date which were responded by the sampled consumers and the organization.
- The researcher limited the use of statistical tests because of small sample size.
- Time memory limitation. Time is limited.
- Primary data limitation. Primary data is the first hand data ;so, it is difficulty to collection .

1.7 Organization of The Study

This thesis has been prepared under five specific chapters.

I. Introduction

The first chapter includes background of the study, background of the company, Statement of the problem, objectives of the study, significance of the study and limitations of the study.

II. Review of Literature

The second chapter contains conceptual review, review of previous studies, conceptual review includes introduction of consumer behavior, traditional models of consumer behavior, and contemporary models of consumer behavior, introduction of advertising and promotional activities.

III. Research Methodology

The third chapter presents research design, nature and sources of data, sampling plan, data collection procedure and analytical tools and procedure.

IV. Presentation and Analysis of Data

The fourth chapter is explanatory in nature and deals with consumption pattern of Pepsi consumers, consumer satisfaction, and effectiveness of promotional activities of the company, effectiveness of the media advertising, location, stores and brand awareness of the company.

V. Summary, Conclusion and Recommendations

The last chapter provides summary, conclusion and recommendations.

In addition to these chapters, bibliography and appendices have been also attached with at the end.

1.8 Research Hypothesis

Hypothesis is usually considered as the principal instrument in research. Its main function is to suggest new experiments and observations in fact many experiments are carried out with the deliberated object of testing hypothesis decision makers often face situations wherein they are interested in testing hypothesis on the basis of available information and then take decision on the basis of such testing. In social science, where direct knowledge of population parameter is rare, hypothesis testing is the often used strategy for deciding whether a sample data offer such support for a hypothesis that generalization can be made. Thus hypothesis testing enables us to make probability statements about population parameter. There are many types of hypothesis. Chi-square test is one most important types of them. Chi-square basically to test the significant difference between the actual (observed) frequency and the expected frequency based on null hypothesis. In other words, it is used to test whether more than two population are classified into several categories with respect to two attitudes. It can be used a chi-square test to determine if the attributes are independent of each other. We have a set of observed frequencies and we want to test whether a particular distribution support the hypothesis chi-square test is used to test the goodness of fit.

CHAPTER – TWO

REVIEW OF LITERATURE

The purpose of reviewing the literature is to develop some expertise in one's area, to see what new contributions can be made and to receive some ideas for developing a research design.

Scientific research must be based on past knowledge. The previous studies can not be ignored because they provide the foundation to the present study. In other words, there has to be continuity in research. This continuity in research is ensured by linking the present study with the past research studies.

Thus, the purpose of literature review is to find out what research studies have been conducted in one's chosen field of study and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing (wolf and Pant, 1999: 30)

In this section, the researcher has tried to review the findings of a few past researches in consumer buying decision-making along with the textual review.

2.1 Conceptual Review:

In this part, concept of the topic and its related meaning are presented, which help to know the research and its findings. In this study, conceptual review includes introduction of consumer behavior and models of consumer behavior.

2.1.1 Introduction of Consumer Behavior:

Consumer behavior, in simple terms, means the behavior shown by consumer before purchase, while purchasing and after purchase of the product. The term consumer behavior refers to searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy

Consumer behavior is the study of the decision- making units and processes involved in acquiring, consuming and disposing of goods, services, experiences and ideas.

Consumer or buyer behavior is the process whereby individuals decide whether, what, when, where and how and from whom to purchase goods and services.

The term consumer behavior refers to the behavior of that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs (Schiffman & L.L Kanuk, 1993:7)

Studying consumer behavior is quite complex, especially because of many variables involved and their tendency to interact. Consumer behavior is an exciting and dynamic field of study. A wonderful aspect of taking a course in consumer behavior is that examples are everywhere. Because all of us are consumers, we can draw on our every day experiences in the market place to understand consumer behavior concepts and theories.

In order to study consumer behavior, it is necessary to make up one's mind with different behavioral models so that it will be easier later to find out the satiability of cold drink consumer' behavior. These models have been separately briefed out.

In order to study consumer behavior, it is necessary to make up one's mind with different behavioral models so that it will be easier to understand it. A model can be defined as a simplified representation of reality. It simplifies by incorporating only those aspects of reality that interest the model builder. Other aspects that are not of interest only add to the complexity of the situation and can be ignored. Thus an architect's model of a building may not show furniture arrangements, if that is not important to the building's design. Similarly, in modeling consumers we should feel free to exclude any aspects that are not relevant to their behavior. Since we have defined consumer behavior as involving a decision process, models that focus on this process will be of considerable interest to us (Engel and Blackwell, 1982:599)

2.1.2 Traditional Models of Consumer Behavior:

The earliest comprehensive consumer models were actually devised by economists seeking to understand economic systems. Economics involves the study of how scarce resources are allocated among unlimited wants and needs (Michael, 2000:4). Its two major disciplines – Macro economics and Micro economics- have each developed alternative views of consumers.

- Economics Models.
- Behavioral Models.

2.1.2.1 Economics Model:

Economics models are also two types, they are as follows:

- Micro Economics Model.
- Macro Economics Model.

Micro Economics Models

The classical micro economics approach developed early in the nineteenth century, focused on the pattern of goods and prices in the entire economy. It involved making a series of assumptions about the nature of the average consumer and then developing a theory useful in explaining the workings of an economy made up of many such people. Focus was placed on the consumer's act of purchase, which of course, is only a portion of what we have defined as consumer behavior. Thus micro economists concentrated on explaining what consumers would purchase and in what qualities these purchases would be made. The tastes and preferences leading to these purchases were assumed to be known already. Therefore, micro economists choose to ignore why consumers rank these needs and preferences.

The resulting theory was based on a number of assumptions about consumers. Primary among these were the following:

- Consumer's wants and needs are in total, unlimited and therefore can not be fully satisfied.
- Given a limited budget, consumer's goals are to allocate available purchasing dollars in a way that maximizes satisfaction of their wants and needs.
- Consumers independently develop their own preferences without influence of others and these preferences are consistent over time.
- Consumers have perfect knowledge of the utility of an item: that is they know exactly how much satisfaction the product can give them.
- As additional units of a given product or service are acquired, the marginal (additional) satisfaction or utility provided by the next unit will be less than the marginal satisfaction or activity provided by previously purchased units. This is referred to as the law of diminishing marginal utility.
- Consumers use the price of a good as the sole measure of the sacrifice involved in obtaining it. Price plays no other role in the purchase decision.
- Consumers are perfectly rational in that given their subjective preferences; they will always act in deliberate manner to maximize their satisfaction.

Given these assumptions, economists argued that perfectly rational consumers will always purchase the good that provides them with the highest ratio of additional benefit to cost. (Engel & Blackwell, 1982:600)

Macro Economics Models:

Macro economists focus on aggregate flows in the economy –the monetary value of goods and resources, where they are directed, and how the change over time. From such a focus, the macroeconomists draws conclusions about the behavior of consumers who influence these flows. Although the discipline has not generated a full-unified model of consumers, it does offer a number of insights into their behavior.

One interest centers on how consumers divide their income between consumption and savings. This deals with two economic facts of life : higher income families spend a smaller proportion of their disposable income than do lower- income families but as economic progress raises all income levels over time these proportions do not seem to change. That is, lower income groups do not significantly change the proportion of income devoted to spending as economic progress results in an increase in their income. The relative- income hypothesis explains this apparent contradiction by their peers and social groups than their absolute income levels. Therefore the proportion of a family's income devoted to consumption is expected to change only when an income change places the family in a different social setting. This will not happen when an income levels are rising at the same time.

Another macroeconomic proportion, the permanent-income hypothesis explains why specific individuals are slow to change their consumption patterns when their incomes do suddenly change. It proposes that consumers do not use actual income in any period to determine the amount of their consumption expenditures, but instead are influenced by their estimate of some average, long-term amount that can be consumed without reducing their accumulated wealth. The suddenly increases or decreases in income are viewed by the consumer as temporary and therefore are expected to have little influence on consumption activity.

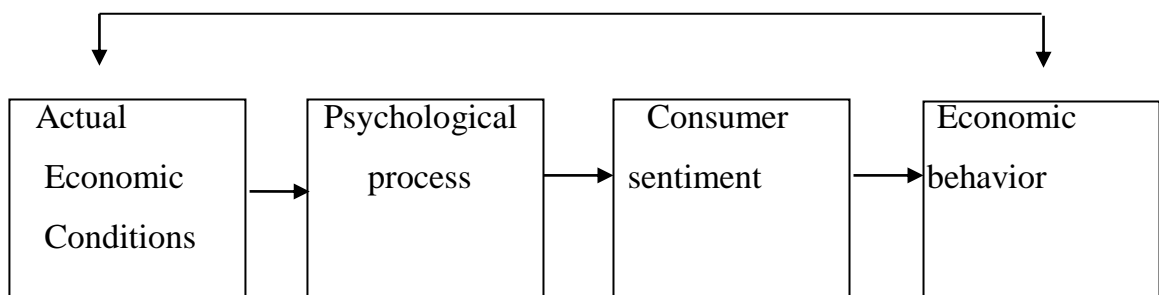
2.1.2.2 Behavioral Economics Models:

Behavioral influences on consumers were viewed as complicating factors which could be assumed to cancel each other out. This approach lacking and argued that an appreciation of how psychological variables influence consumers could lead to a deeper understanding of the behavior of economic agents. Now behavioral economics was fostered by important changes, which occurred in our economy especially after World War 2. Rising income levels had given a large number of consumers' significant discretionary income- spending power available after necessities had been purchased. In short, our economy had changed from one characterized as much for few to one described as more for many.

A very simplified representation of behavioral economics model appears in figure 2.1. As in traditional models, actual economic conditions are shown as influencing consumers. These economic conditions include the rates of interest, inflation, and unemployment, the level of the GNP as well as more personal economic situations such as the household's current status regarding taxes, income and debt. However, as the diagram shows with modulating arrows rather than directly influencing the consumer, these actual economic conditions are modified by psychological factors, which include consumers' motivations, knowledge, perceptions and attitudes.

Figure 2.1

A Simplified Representation of Behavioral Economics Perspective



2.1.3 Consumer Decision Rules of Heuristics:

Consumer decision rules (often referred to as heuristics decision strategies and consumer information processing strategies) are procedure used by consumers to facilitated brand choices. Such rules reduce the burden of making complex decision by providing guidelines or routines that make the process less taxing.

Consumer decision rules have been broadly classified into two major categories compensatory and non-compensatory decision rules.

2.1.3.1 Compensatory Decision Rule:

In following a compensatory decision rule, a consumer evaluates brand options in terms of each relevant attribute and computes a weighted or summated score reflects the brand relative merit as a potential purchase choice. The assumption is

that the consumer will generally select the brand that scores highest among the alternatives evaluated.

A unique feature of a compensatory decision rule is that it allows a positive evaluation on some other attribute to balance out of negative evaluation on some other attributes. Here are the approaches that have been discussed most in the literature. (Bettman,1990:80)

The Expectancy Value Model:

The model assumes from the outset that there will be one the one evaluate criterion or attribute along which the alternative will be evaluated. Judgments are based on beliefs that assess whether or not the object actually process the attributes in question plus an evaluation of the goodness or badness of the belief.

This, in effect is the feishbein multi attribute model. It is hypothesized that brands are evaluated one at a time along all attributes and that the total evaluation or judgment is the sum of the rating along, each attribute. The brand with the highest sum wins, and a relatively poor rating on are attribute may be offset by higher rating on the others.

The Attribute Adequacy Model:

The expectancy value model makes no particular assumption about the degree to which the rating of a brand or product along an attributes approaches or even exceeds the idea the consumer has in mind for that attribute. In the attribute adequacy model, the evaluation is arrived at in a similar manner to that discussed above, with the expectation that an explicit assessment is made of the difference between ideal and actual on each attribute.

2.1.3.2 Non Compensatory Decision Model:

In following non compensatory decision rules consumers are not allowed to balance positive evaluation of a brand on one attribute against a negative evaluation on some other attribute. The non-compensatory model has received

less attention in the literature, but four variations have been isolated. (Engle & Backwell, 1982:604)

- Conjunctive
- Disconjunctive
- Lexicographic
- Sequential eliminator

The Conjunctive Model:

In the conjunctive model, the consumer establishes a separate, minimally accepted level as a cut off for each attribute. If any particular brand falls below the cutoff point on any one attribute, the brand is eliminated from further consideration.

The Disconjunctive Model:

When following this approach, acceptable standards are established for each criterion. A brand will then be evaluated as acceptable if it exceeds the minimum specified level on any of these attributes. The choice rule used is to select the first satisfactory alternative

The Lexicographic Model:

When following this approach the consumer has ranked product attributes from most important to least important. The brand that dominates is the most important criterion receive the highest evaluation. If two or more brands tie, then the second attribute is examined and so on until the tie is broken.

Sequential Elimination:

Here, the consumer has established minimum cut off point for each attribute. One criterion is selected for use, and all alternatives whose attributes do not pass that cut-off point are eliminated. Then the processing proceeds to the next attribute.

2.1.4 Consumer Decision Process:

Although the number and complexity of operations carried out by a consumer varies with the type of purchase involved, the consumer buying in general has

been regarded as a problem solving i.e. extensive problem solving, limited problem solving and routines response behavior, the consumer decision process involves myriad of decisions made with respect to the choice of the product, brand, vendor, buying quality, delivery time, modes of payment etc. (Kotler, 2003:43)

A normative consumer decision process model as postulated by Howard and Seth. Various writers involve five step of problem recognition, search information for alternative evaluation, choice and outcomes. As argued by Bettmen (1990), these steps however need not be sequential, according to him it is too simplistic a view to stay that decisions are made after all necessary information regarded have been gathered because choice and information acquisition occur simultaneously. Moreover, the stage of decision process is also affected by decision, inputs (marketing mix offered by the firms) and socio-cultural background of the decision maker. The chief assumption of such flow chart model of consumer decision making is that alternatives exist for a buyer and she/he is rational enough to judge the consequences of each action on her/him by evaluating them on the basis of information available either in their memory or from external sources of information. A brief description of different components of consumer decision process follows which might be able to provide an understanding of the entire complete scale of consumer decision process. The process is also known as six-step process. These steps are as follows:

Problem Recognition:

The buying process starts when one or more individuals recognize a problem or need. Consumer's need for a product or product class may be aroused either by internal stimuli such as hunger, thirst, sex, shelter or sleep or by external stimuli resulting from consumer's interaction with the external environment for example, accountant needing a calculator, researchers needing a book.

Information Search:

Possible products are searched and suppliers are located at this stage, product and suppliers alternatives are identified through internal search such as company files, catalogs, market information system and purchase department etc. or from external sources such as friends, relatives, colleagues, reference group, advertisements, dealers product testing organizations etc.

Information search enables consumers to develop a set of buying alternatives from among which they can make a choice. The emergence of this situation pushes them ahead or to the next step of decision process.

Evaluation of Alternatives:

Having come up with a set of buying alternative, consumers tend to evaluate each of them on their attributes and their relative worth to them to arrive at the final choice. The product identified is evaluated to determine whether they meet performance specifications. Suppliers are evaluated for capability, price, services etc. committees may be used for evaluation.

In this stage consumers are able to come up with the decision as to the brand they would buy.

Purchase Decision and Outcomes:

Consumer evaluation of alternatives set their preference across alternative brands and they likely to choose the brand which is most preferred, at this stage, consumer execute their purchase intention.

The performance of newly bought product and suppliers is evaluated at this stage. Actual performance is compared with specifications, if the performance is not satisfactory, corrective actions are taken this stage provides feedback on purchase decision. To the best of our knowledge no attempt has been made so far to empirically test the validity of flow chart process of consumer decision making as theorized by Howard, Seth and others. Some of its components have been

empirically examined. In particular search and choice behavior are the aspects that have received research attention.

2.2 Introduction of Advertising:

Advertising is directed toward a group of people who are also called prospects to influence in the buying decision. This view may be clear by the view of Kenneth A. Longman. He has said when a persuasive communication is directed toward, large group of individuals it is called advertising.

Advertising media is the vehicle through which advertiser’s message goes to target audiences. It is the vital connection between the company that manufactures a product and the consumers who buy it. Advertising media is a type of communication. Producers want to give a lot of information about his products but he can not do so by is personal efforts by personal contact or by mail. “The advertising media is the career of the advertising message” (Sandage & Burger,1985:49)

Table 2.1
Types of Advertising

1 Newspapers	6 Outdoor <ul style="list-style-type: none"> ➤ Bill Board ➤ Signs
2 Magazine <ul style="list-style-type: none"> ➤ Customers Magazines ➤ Business Publications ➤ Professional Journals 	7 Other <ul style="list-style-type: none"> ➤ Dealers Display ➤ Packages, Labels, Insert ➤ Theaters, screen ➤ Novelties
3 Radio.	
4 T.V.	
5 Direct Mail	

(Source: Sandage and Burger, 1985:50)

“The medium or communications channels can be impersonal or interpersonal” (Schiffman & L.L Kanuk, 2002:59). Mass media consists newspapers, magazines, billboards, radios, T.V., internet and interpersonal media is a internal formal conversation between a sales persons and customers, in this study, the researcher wants to evaluate the effectiveness of mass media used by the company.

2.2.1 Introduction of Promotional Activities:

Promotion, one of the major variables with which the marketing managers work, is communicating information between seller and buyer with a view to changing attitudes and behavior. The marketing manager’s job is to tell target customers that the right product is available at the right place, at the right price. “Promotion is the ingredient used to inform and persuade the market regarding a company’s product. Advertising, personal selling and sales promotions are the major promotional activities.” (Station and Futrell, 1998:56).

The major promotional methods include personal selling, mass selling and sales promotion. Personal selling involves direct face-to-face relationship between sellers and potential customers. Mass selling is design to communicate with large numbers of customers at the same time. Advertising is the main form of mass selling, but it also involves publicity. Sales promotion refers to specific activities that complement personal and mass selling such as point of purchase displays, booklets, and direct mailing.

Companies face the task of advertising the total promotion budget over the five promotional tools; advertising, sales promotion, public relations and publicity, sales force and direct marketing. Within the same industry, companies can differ considerably in how they allocate their promotional budget. It is possible to achieve a given sales level with varying promotional mixes (Kotler, 1980:622).

It is the variable that communicates to the consumer about other variables of marketing mix for their need satisfaction. It consist of advertising, publicity, personal selling and sales promotion. In this study, promotion schemes are under

the crown (UTC), X percent quantity extra or free, X item free with purchase of pet bottle, rupees X discount on popular music concert and submission of special wrapper is launched by the organization. (Note: X denotes certain.

2.2.2The Advertising and Consumer Behavior:

Television advertising is the newest and fastest growing media in the underdeveloped countries. Its appeal directly reaches in to the ear and eyes of the viewer. Hence medium of advertising is considered as most effective. Most of the advertisers use this medium these days. Television advertising combines the merits of both radio and cinema; people can see and hear the advertisement message in their home.

- TV advertisement reaches extremely to large audience.
- It uses picture, print sound and motion for effective result.
- It can target specific audience.
- TV is highly flexible and selective media, which can be used locally, regionally and nationally.
- It is considered as a best advertising media ever invented because it is a means of actual demonstration in to house of the prospect.
- Advertising is needed to the consumer, because it contains information about the things they want.

“Promotional elasticity measures the responsiveness of sales to change in the amount of advertising with constant price. In one form it is the ratio proportionate change in sales to the proportionate change in the advertising that causes the change.” “The communicator must start with the audience, because the audience determines what is to be said and who is to say it?” (Monroe ,1974).

It is important to know what kind of message and media is suitable for communicating to the target audience. For this only answer to study about the consumer behavior. Psychological, sociological, cultural and anthropological factor of the group provide the way for the communication process between the

consumers. Such understanding makes the advertiser capable of designing the message which is more appropriate to them.

It is often said that, advertiser often cross the limits of reasonableness and give false promises and introduce unbelievable descriptions to excite the curiosity of the people, who are easily led away by such falsehood. That is of course not advisable in the interest of the advertisers. Such exaggerations of merits and superlative claims might induce readers to make wrong judgments of facts but these advertisements do not secure any lasting effect, and prove eventually wasteful.

But today, advertising has, not only an informative device. Its purpose is not only to inform but also to persuade, hence, these two things are interlinked and that very difficult to separate. The statement in the advertising appears to be more informative but the tone is suggestive of certain action and sometimes the language used in advertising is so forceful as to create curiosity to see the product and a keen desire to buy it. In fact the effect and the success of advertisement are judgment from favorable reaction that it can create with the consumer.

2.3 Marketing Concept:

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

There are five competing concepts under which organizations can choose to conduct their business; the production concept, the product concept, the selling concept, the marketing concept and the societal marketing concept. Out of which the marketing concept holds that key to achieving organizational goals consist of determining the needs and wants of target market and delivering the desired satisfactions more effectively and efficiently than competitors. It starts with a well defined market focuses on customer needs, co-ordinates all the activities that will affect customer and produces profits by satisfying customers.

In recent years some have questioned whether the marketing concept is an appropriate philosophy in a world faced with major demographics and environmental challenges. The societal marketing concept holds that the organization's task is to determine the needs, wants and interest of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society's well beings. This concept calls upon marketers to balance three considerations.

- Company profits
- Consumers satisfaction and
- Public Interest

2.3.1 Evolution of Marketing:

The evolution of marketing has been analyzed in similar way by various authors in their independent works. Some of the authors as Philip Kotler and Gary Armstrong are of the view that there are different stages in the process of evolution of marketing as follows

Production Oriented Stage :

The production concept lies in the philosophy that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency.(Kotler, 2003:17)

These authors believe that, that is a useful philosophy in two types of situations

- When the demand of a product exceeds the supply, management should look for ways to increase production.
- When the cost of production is high and is required to decrease to expand market. (Kotler and Armstrong, 2008: 14)

The Product Oriented Stage:

The idea that the consumer will favor product that offers the most quality, performance and features and that the organization should therefore, devote its energy to making continuous product improvements.

The Sales Oriented Stage:

This stage emerged with the philosophy that consumers would not buy enough of the organizations' products unless the organization undertakes a large-scale selling and promotion effort.

Marketing Oriented Stage:

The basic target of this stage is that the achievements of organizations goals depend on determining the needs and wants of target markets and delivering the desired satisfactions more efficiently than do competitors.

Societal Marketing Oriented Stage:

This is the latest development in the field of marketing. The stage is based upon the fact that the organization should determine the needs/wants and interests of the target markets and deliver the desired satisfaction more effectively and efficiently than do competitors in a way that maintains or improves the consumer's and society's well being. (Agrawal, 2000: 17)

2.3.2 Marketing And Advertising

The term marketing refers to all business activities aimed at: (a) finding out who customers are and what they want, (b) developing products to satisfy those customers' needs and desires and (c) getting those products, into the customer's possession. According to the board of directors of the American marketing association defined "Marketing is the process of planning and executing the

conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy the perceived needs, wants and objectives of individual and organization.” (Bovee, et.al.1992:121)

Each organization has marketing objectives and a marketing plan to achieve them. In the process of achieving its marketing objectives, the organization uses several marketing tools, known as 4ps- product, price, place and promotion. This is also known as marketing mix and advertising falls in the promotion mix.

Advertising as a part of the total marketing mix influences the sales of the products, as do the other variable of mix. Together with the product or brand, price, channel of distribution and personal selling, advertising attempts to reach the marketing objectives.

Advertising is a mass or non-personal selling. It is the tool marketers can use to inform, persuade, and remind customers about their products or services. To be successful, though advertising depends on the adequate performance of the other marketing activities.

2.4 Brand:

A brand is an identifiable entity that makes specific promises of value. If you ask ten marketing professionals or brand managers to define the word “brand”, you very well may get ten different answers you receive, hopefully, will at least have some commonalities. In my own experience and in my extensive study of brands and branding, there is one definition of “brand” that seems to most succinctly define exactly what a brand is.

Prof. Kotler says “ a brand is a name of mark intended to identify the product of one seller or group of sellers and different the product from competing producers” (Kotler, 2003:420). Similarly, the American Association defines a brand as a name, term, sign, symbol or a combination of them, intended to identify the goods or services of one seller or groups of sellers and to different them from those of competitors. A brand is thus a product or service whose dimensions different it in

some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible; related to product performance of the brand. They may also be more symbolic, emotional, or intangible; related to what the brand represents.

In its simplest form, a brand is nothing more and nothing less than the promises of value you or your product make. These promises can be implied or explicitly stated, but none-the-less, value of some type is promised.

The word “brand”, when used as a noun, can refer to a company name, a product name, or a unique identifier such as a logo or trademark.

In a time before fences were used in ranching to keep one’s cattle separate from other people’s cattle, ranch owners branded, or marked, their cattle so they could later identify their herd as their own.

<http://www.davedolak.com/articles/dolak4.htm>

2.4.1 Brand Awareness:

Brand awareness is a marketing concept that refers to a consumer knowing of a brand’s existence; at aggregate (brand) level it refers to promotion of consumers who know of the brand. Brand awareness can be measured by showing a consumer the brand and asking whether or not they knew of it beforehand. However, in common market research practice a variety of recognition and recall measures of brand awareness are employed all of which test the brand name’s association to a product category cue, this came about because most market research in the 20th century was conducted by post or telephone, actually showing the brand to consumers usually required more expensive face-to-face interviews (until web-based interviews became possible). This has led many textbooks to conceptualize brand awareness simply as its measures, that is, knowledge that the brand is a member of a particular product category, e.g. soft- drinks. Examples of such measures include:

- **Brand Recognition-** Either the brand name or both the brand name and category name are presented to respondents.
- **Brand Recall-** the product category name is given to respondents who are asked to recall as many brands as possible that are members of the category.
- **Top of Mind Brand Awareness-** as above, but only the first brand recalled is recorded (also known as spontaneous brand recall).

A gauge of marketing effectiveness measured by the ability of a consumer to recognize and/or recall a name, image or other mark associated with a particular brand. (<http://en.wikipedia.org/Brand-awareness> june3)

Brand awareness is the likelihood that consumers recognize the existence and availability of a company's product or service. Creating brand awareness is one of the key steps in promoting a product. Brand awareness is an important way of promoting commodity-related products. This is because for these products, there is very few factors that different one product from its competitors. Therefore, the product that maintains the highest brand awareness compared to its competitors will usually get the most sales. For example, in the soft drink industry, very little separates a generic soda from a brand-name soda, in terms of taste. However, consumers are very aware of the brands Pepsi and coca cola, in terms of their images and names. This higher rate of brand awareness equates to higher sales and also serves as an economic moat that prevents competitors from gaining more market share.

(<http://www.investopedia.com/terms/b/brandawareness.asp>)

Thus, brand awareness is a marketing concept that refers to a consumer knowing of a brand's existence; at aggregate (brand) level it refers to the promotion of consumers who know of the brand. It is the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of target market, brand awareness is the

primary goal of advertising in the early months or years of a product's introduction.

2.4.2 Brand Switching:

As the name implies, brand switching means consumers habit of constantly shifting from one brand to another in this sense brand switching is opposite to brand loyalty a brand loyal consumer is stacked up to a specific brand or a set of brands. The buyer who is habitual to brand switching is loyal to no brand. Understanding of why consumers are involved in brand switching behavior is very important for complete understanding of brand loyalty behavior. Because why consumers switching brand explains to a great extent, why consumers, are not brand loyal.

There are many causes of occurrence of brand switching behavior. In the book of Mkt. Management 10th edition Philip kotler has explained “some consumers are often observed to do a lot of brand switching. An example occurs in purchasing cookies: the consumer has some beliefs, chooses a brand of cookies without much evaluation and evaluates it during consumption. But next time, the consumer may reach for another brand out of boredom or a wish for a different taste. So brand switching is needed for the sake of variety rather than dissatisfaction. It is not unusual to switch brands simply because of variety seeking.

“some consumers switch brand because they are dissatisfaction or bored with a product, others because they are concerned with price than with brand names”(Schiffman &L.L Kanuk, 1993:89)

A consumer having been loyal to a brand for long time may switch to another brand because of being dissatisfied or being bored with the brand has been using for long time. Similarly, if the consumer is price conscious than brand then even a light price cit in the competitive brand may make him move towards those brands. But the research studies on brand switching reveal that brand switching is not very much stronger as it is generally thought. In other words, brand switching is not

very much threatening to a manufacturers. A recent study on consumer purchase habits reported that brands with longer market shares have proportionately larger groups of loyal buyer. Another study reported that, contrary to many marketers' beliefs. Brand loyalty is not declining significantly. The slight decline that has been measured appears to be due to an increase b marketers in scales promotion. (E.g. Special price deals, coupons, sweepstakes, free sample) at the expense of advertising and to greater consumer awareness of brand more comparative advertising and more targeting to hard specialty niches. (Schiffman and L.L Kanuk,1993:91)

Thus it follows that some intrapersonal factors such as dissatisfaction, boredom, price consciousness as aspiration for testing new brands cause brand switch. Similarly, also some external factors like special price deals, coupons, sweepstakes, free samples, and comparative advertisement etc. may cause brand switch. But what the research show is that "such a brand switch can not be converted onto brand loyalty. The consumers do not keep on sticking up to the brand which they are switched to together with the end of such special deals as price cuts, free samples, coupons etc. consumers return back to their previous brand.

2.4.3 Brand Preference

People begin to develop preferences at a very early age. Some babies like apple juice, others water. Some kids play softball, others read. Some people thrive in the city and some need the quit of the country. Some drink coke while others prefer Pepsi. Our preferences are part of the what makes us who we are. And the brands we seek out reflect our preferences.

Within any product category, most consumers have a group of brands that comprise their preference set. These are the four or five up-market brands the consumer will consider when making a purchase. When building preference, the goal is to first get on the consumer's preference sets, and then to move up the set's

hierarchy to become the brand consumers prefer the most their up-market brand. Gaining and maintaining consumer preference is a battle that is really won.

The competition among brand is fierce. In every product category, consumers have more choices, more information and higher expectations than ever before. Jockeying for position in a consumer's preference set requires an aggressive strategy and constant vigilance. The process begins by knowing who you are and with whom you want to establish a relationship.

Key to communication this brand position is establishing a frame of reference. In an article published by the Harvard Business Review entitled, three questions you need to ask your brand, Kevin lane keller writes, a frame of reference signals to consumers the goal they can expect to achieve by using a brand. Consumers can quickly figure out what the product is and how they should use it.

(<http://www.smithandjones.com/content485,july,2009>)

2.4.4 Brand Loyalty

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images, or level of quality at the right price. This perception becomes the foundation for a new buying habit. Basically, consumers initially will make a trial purchase of the brand and, after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar.

Brand loyalists have the following mindset:

- "I am committed to this brand."
- "I am willing to pay a higher price for this brand over other brands."
- "I will recommend this brand to others."

(<http://www.extension.iastate.edu/agdm/wholefarm/html.c5-54.htmljuly2,2009>)

Brand loyalty is a concept of major importance in marketing. The reason is that brand loyalty is one of the factors that determine a firm's market share. Market

share in an assets in itself, since new entrants in a market face an entry barrier because they lack market share.

However, “Brand loyalty is a temporal aspect of consumer behavior.” (Engel & Blackwell, 1982:598). Brand loyalty analyses whether or not a consumer is loyal. I had specific brand or set of brands in a certain period. Brand loyalty is the level of commitment that customer feel toward a given brand, as represented by their continuing purchase of that brand. Studies on brand loyalty began when researches on consumer behavior became popular around late 50s and early 60s. (Engel & Blackwell, 1982:598)

The consumers worldwide are not same, and because all aspects of consumer behavior are culture-bound and not subject to more environmental factors but integrated in all of human behavior, there is an increased need to identify and understand this integration. The marketers today have realized that the understanding of consumer behavior is the must and to be in the market they must be offering the consumers what they want. This modern theory has made the sellers become conscious enough to create as image of what they are offering so that the ultimate consumers would identify their product amidst of several likewise made available and thus they have begun to brand their products. Most of the products today are sold by brands. In the developed countries like united kingdom, united states of America and Japan even vegetable products are sold by brands. This increasing use of brand has significantly increased the necessity to understand the brand loyalty behavior of the consumers all over the world. Because marketers are concerned with actual consumer purchasing pattern and with consumer’s beliefs and opinions concerning their brand and competing brands, today no denies indispensability of understanding the brand loyalty behavior for successful marketing of the products. Brand loyalty, through may seem simple at a glance, it is not a simple concept. “just as there are different approaches to the definition and measurement of information processing, so to there are different views as to the definition of brand loyalty” (Schiffman & L.L Kanuk, 1993: 258)

Of the earliest studies defined brand loyalty to the sequence of purchasing a specific brand. (Engel & Blackwell, 1982:566). The key insight of this definition is that the purchasing pattern of specific brand determines loyalty to the brand.

This definition classifies brand loyal in four categories:

- Undivided loyalty
- Divided loyalty
- Unstable loyalty
- No loyalty

For example- if A, B, C, D, E, F are the various brand in the particular product category. The consumer of the product could be classified as having the following types of loyalty:

- Undivided loyalty if the purchase sequence is AAAAAA
- Divided loyalty if the purchase sequence is ABABAB
- Unstable loyalty if the purchase sequence is AAABBB
- No loyalty if the purchase sequence is ABCDEF

Thus, it is obvious that according to this definition brand-choice sequence is the criteria that measures the brand loyalty

Using this definition or adopting brand-choice sequence approach to brand loyalty, George Brown analyzed the purchase records of 100 household in Chicago tribune panel for such frequently purchased items such as coffee, orange juice, soap and margarine, and found that the percentage of households, demonstrating some degree of loyalty varied from 54 to 95% depending on the product involved. In fact the percentage of households that undividedly loyal varied from 12% to 73% across products. (Engel & Blackwell, 1982:567)

George Brown's study is an important study on brand loyalty. This study has proved that brand loyalty does exist and varies across products. Thus, it justifies the rational of conducting research on brand loyalty. The contribution made by this study for development of concept of brand loyalty is considered significant.

However, the study suffers from certain shortcomings. The major shortcoming is the definition of brand loyalty the study has adopted.

Brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image or level of quality at the right price. Consumer behavior is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future.

(http://www.essortment.com/all/brandloyalty_pqk.htm)

Thus, brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product of service or other positive behaviors such as word of mouth advocacy.

2.4.5 Brand And Consumers

The world brand is comprehensive, encompassing other, narrower terms. The American Marketing Association defines a brand is name/or mark intended to identify the product of one seller or group of sellers and differentiate the product from competing products. A brand name consists of words, letters, and/or numbers that can be vocalized. A brand mark is the part of the brand that appears in the form of symbol, design or distinctive color or lettering. A brand mark is recognized by sight but cannot be expressed when a person pronounces the brand name Lux, Close-up and Gillette and brand names the distinctively lined globe of AT&T is the brand mark of Gillette.

Trademark is a brand that has been adopted by a seller and given legal protection. All trademarks are brands and thus include the words, letters, or numbers that can

be pronounced. They may also include a pictorial design (Brand mark). Some people believe that the trademark is only the pictorial part of the brand.

Historically, most products were unbranded. Producers sold packages containing goods without any identification mark of them. Branding started when craftsmen put trademarks on their products to protect against inferior quality. Pharmaceutical companies were the first to put brand names. Today hardly anything is unbranded products from unorganized markets like vegetables, salts, fruits, etc. are unbranded. But now we have branded salts too.

Brands are also successful because people prefer them to ordinary products. Brands give consumers the means whereby they can make choices and judgments. Based on these experiences, customers can then rely on chosen brands to guarantee standard of quality and service, which reduce the risk of failure in purchase.

Today, world is characterized by more complex technology, and this can be extremely confusing to people who are not technology minded. Brands can play an important role here by providing simplicity and reassurance to the uninitiated offering a quick, clear guide to variety of competitive products and helping consumers reach better, quicker decision. Consumers are never loyal to generic products. However, they develop a loyalty to branded products.

2.5 Review of Previous Studies

Some researchers have conducted research on consumer behavior in Nepal. The researchers have tried to highlight only on a single aspect of cold drinks consumer behavior or their market.

A dissertation entitled “the Marketing of Cold Drinks in Biratnagar (Shrestha, 1998) has addressed on the following major objectives

- To examine the potential consumers in purchasing cold drinks.

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

The Major Findings of The Study Are

- Pepsi-cola is increasing gradually while coca-cola is highly increased among the drinks due to different advertising strategies.
- Advertisement expenditure of coca-cola is much higher than that of Pepsi in each fiscal year.
- Most of the consumers have been found consuming cold drinks of coca-cola brand in the market.
- NTV is the most popular media in Biratnagar city, while Radio Nepal holds the second position and wall painting the third.
- Consumers give more preference to the brand but less preference to the quality and taste.
- Advertising of Coca-cola in NTV and on Radio are much more attractive than that of Pepsi-cola.
- Cinema halls advertising techniques also have greater influence of Coca-cola's consumers.

Another dissertation entitled "Advertising through Television: Impact on Consumer Behavior" (Ghimire, 2000) has presented on the following major objectives

- To identify the present situation of TV advertising of NTV.
- To know what kind of advertising they prefer.
- To know how the different group of people perceive the advertisement from television and their reaction about advertising.

The Major Findings of The Study Are

- Mostly children, young age, and old age people prefer musical advertisement whereas others prefer good wording advertisements.
- Considering the education factor of the people mostly below S.L.C., S.L.C. and uneducated people prefer musical advertisements whereas other people prefer good wording advertisements.
- Considering the sex, female consumers prefers musical advertisements rather than advertisements with good wording and vice-versa.
- Most of people gave first preference to advertisement from TV. Followed by newspapers, radio, magazine and cinema respectively.
- Many people watch the NTV advertisements.
- Most of the people buy the products when they need and watch the advertisements.
- Repetition of advertisement attracts people's attention.
- Few TV advertisements are good, few are boring.
- People prefer to choose advertised products, if the price and quality of both products are same.
- Advertisements help to recall the brand or product name while buying.

One another dissertation entitled “A Study on Buyer's Behavior of Indian Gorkhas and local people: With Special Reference to the Vyas municipality, Tanahau” (Timilsna,1999) has addressed on the following major objectives.

- To find out the brand preference and purchase frequency of the clothing approval.

- To find out the shop awareness, purchase frequency of the clothing approval.
- To find out the criteria used by the Indian- Gorkha and local people for choosing a particular brand, product and shop and their importance.
- To compare the buying behavior of the Indian Gorkha and the local people.

The Major Findings of the Study Are

- Majority of the respondents used Indian and Chinese clothing apparels. The main reasons for selecting this brand were price, quality, and easily availability of Nepalese clothing apparel in wide range of variables high risk for Nepalese brand. Foreign brand is considered as quality brands.
- Clothing apparels were bought on either the half yearly or the yearly basis.
- So far as the shop awareness was concerned majority of Indian Gorkhas and local people have low level of awareness regarding name and brand.
- Concerning to the purchase location, local market seems to be the favorite place for purchasing.
- So far as the criteria used to choose a product is concerned price, quality, durability seemed to be the prominent decisive criteria for a brand choice.
- Availability of wider varieties of clothing apparels attracts large number of customer in the shop.
- Majority of Indian Gorkhas and local people were involved in bargaining and has a favorite attitude towards bargaining.
- The behavior of shopkeeper was an important determinant for favorite response from customers.

2.6 Research Gap

This study has been carried out in Sunsari district. In fact in this study has been done to specially or mainly to find out consumer behavior with special reference Pepsi product of Varun beverage. This research is differ from the above mention research works because the researcher have categorized the consumer behavior

according to their groups, and also categorized the preference, location, brand awareness etc. the researcher have also show the purchase pattern of the Pepsi product, how they think of the alternative brands or they compare the brand with another brand, also categorized them by the education level and also many case the researcher have done likewise brand loyalty, store and time related usages.

CHAPTER THREE

RESEARCH METHODOLOGY:

3.1 Introduction:

Research methodology is a way to solve research problem systematically. It facilitates the research work and brings reliability and validity on it. It discusses the procedure employed on the study including data collection and analysis. A research work should be effective, accurate and useful and it should follow scientific methods. The research methodology employed in this study is presented below.

3.2 Research Design:

This research study attempts to analyze the consumer behavior of Pepsi product in Sunsari district. It analysis the relationship between behavior of consumer (dependent variables) and possible factors extent influence on consume decision to buy a particular product Pepsi so the field study research design was use. It attempts to find the problems, acquire necessary information analyze the information and provide appropriate remedy for the problems observed. The research design is descriptive and analytical.

3.3 The Population

The population for this study comprised the entire consumers who buy Pepsi within the sunsari district of Nepal. So, the population for this study includes students, businessman, and service holder.

A part of Kosi Zone, is one of seventy-five district of Nepal, a landlocked country of south Asia. The district, with Inrauwa as its district headquarters, covers an area of 1,257 of km and has a population of 6,25,633.

www.census.gov.com.np

This study has taken only literature consumers with different background, which is from below SLC level to post graduate level. The respondents represented the

resident of Sunsari district and people residing in Sunsari for a period of more than a year have been included in.

3.4 The Sampling Procedure

The population of this study is very large. Therefore, out of this population only 100(25 business group, 50 student group and 25 service groups) consumer are taken for research study. The respondents are selected as samples using Judgmental (i.e. non random) sampling. The logic behind using judgmental sampling for this study is the small size of sample in comparison to the population.

The respondents for the sample were selected from the different places of Sunsari district viz. Janta multiple campus, Kasturi college, Biswoadaesha college, Tarahara shopping center, Omega departmental store, Gorkha departmental store, Bank, and other different professions, etc.

3.5 Nature and Sources of Data:

Data collected for the first time is known as primary data. Primary data are collected by primary sources. Data collected for the second time or more is known as secondary data. Secondary data are collected by secondary sources.

For this study, both primary and secondary data and information are used. But the research is mainly based on primary data or original data collected direct through questionnaire.

3.6 Data Collection Technique:

The data have been through a self- administrated questionnaire survey at mutually convenient time. The respondents were supported by oral explanation at the point where they got confused or unable to understand content of the questionnaire. Sample of the questionnaire is given in appendices. The researcher had personally observed the buying activities of the consumer's of Pepsi product.

3.7 Analytical Tools and Procedure:

The primary data and information collected from survey method are grouped into homogenous nature. The data collected in this way have been appropriately organized and then tabulated. The responses of the questions have been tabulated on different tables. Percentage and other computations have been calculated in the respective tables and the tabulated data have been described upon the analysis. To make it more effective various pictorial tools such as graphs, bar diagrams and pie charts have been used.

Statistical tools such as percentage and chi-square test are used. They are as follows:

Percentage(%) – percentage is mostly used measurement tools. It helps to analyze comparatively.

Chi-square test (χ^2)

Chi- square basically to test the significant difference between the actual (observed) frequency and the expected frequency based on null hypothesis. In other words, it is used to test whether more than two population are classified into several categories with respect to two attitudes. It can be used a chi-square test to determine if the attributes are independent of each other. We have a set of observed frequencies and we want to test whether a particular distribution support the hypothesis chi-square test is used to test the goodness of fit.

Critical region of chi-square test statistic is obtained from the chi-square table, which is given for combination of the level of significance (α) and the corresponding degrees of freedom (d.f). in case of testing the independence among the attributes in contingency table the d.f = (r-1) (c-1), where r is the no. of rows and c is the number of columns. If the calculated value of chi-square obtained is less than the corresponding tabulated value, it is said to be non significant at the required level of significance. It means data not provide any evidence against the null hypothesis, which may therefore, be accepted at the

required level of significant and we may conclude that there is good fit between theory and practice.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

Since this chapter is analytical and interpretive in nature, it consists of various activities that the researcher has undertaken. First, collected data were sorted out in accordance with their homogeneity. Then they were presented in suitable tables with appropriate headings to provide clear picture of what intended to show. While preparing these tables, it was tried to the best to remove complexities. In course of analysis, both the mathematical and statistical tools, which were previously explained in the third chapter, were used. The researcher interpreted the tabled data taking into account three-angles. In the first angle, simply the exact figurative explanation was made. In the second angle, what these data meant for was drawn out. But in the last angle, various causes why certain occurrences took place were explored.

This chapter, particularly, consists of the analysis and interpretation of the following:

- Consumption pattern of Pepsi consumers.
- Degree of consumers' satisfaction.
- Effectiveness of promotional schemes of the company.
- Effectiveness of advertising media of the company.
- Location, store and brand awareness of consumers.
- Factors influencing consumers purchase decision.

4.1 Consumption Patterns of Pepsi Consumers

The opinion, survey undertaken by the researcher, relating to their consumption pattern and consumption tune, reveals that the respondents have varying consumption behavior. The data have been presented in table 4.1, and chart 4.1 makes it more obvious.

Table 4.1
Consumption Pattern of Pepsi Consumers (in a week)

Respondents	Business group	Student group	Service group	Total
No. of time	No. (%)	No. (%)	No. (%)	No. (%)
1 to 3 times	5 (3)	12 (24)	5 (20)	22 (22)
4 to 7 times	10 (40)	25 (50)	10 (40)	45 (45)
8 to 11 times	8 (32)	8 (16)	5 (20)	21 (21)
12 to above times	2 (25)	5 (10)	5 (20)	12 (12)
Total	25 (100)	50 (100)	25 (100)	100 (100)

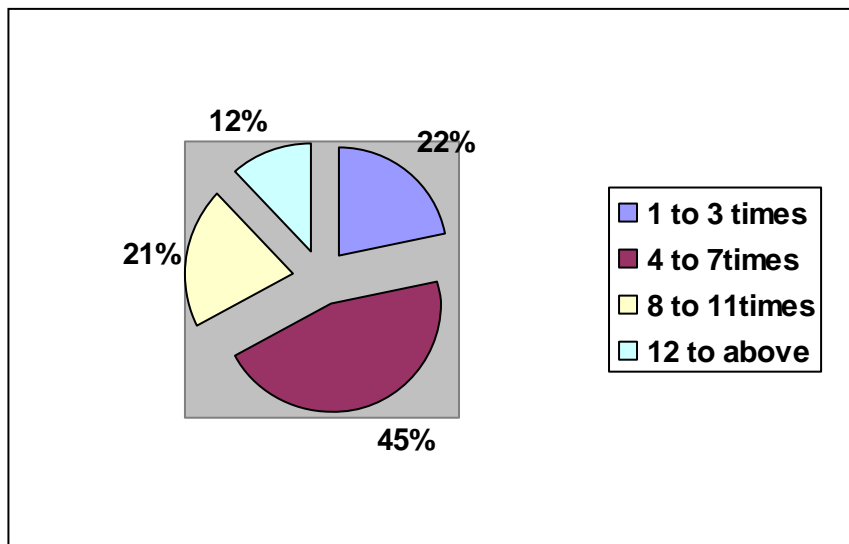
(Source: Field Survey, June,2011).

The table 4.1 shows that among business group, three percent respondents opined that they used Pepsi products 1 to 3 times, forty percent expressed their opinion that they used to drink 4 to 7 times, thirty two percent respondents expressed their opinion that they consumed these products 8 to 11 times, and twenty five percent respondents expressed their opinion that they used 12 to above times.

Those responding students have also more or less the same behavior. Twenty four percent students group of Pepsi consumers drink 1 to 3 times, fifty percent respondents 4 to 7 times, sixteen percent respondents 8 to 11 times, and only ten percent of them were likely to drink these products 12 to above times in a week.

Those who are under service group expressed different opinions. Twenty percent of them used Pepsi products 1 to 3 times, forty percent consumers 4 to 7 times, twenty percent of them 8 to 11 times, and 12 and above times respectively within a week.

Figure 4.1
Consumption Pattern of Consumers in Total



Out of total consumers forty five percent were found drinking pepsi products 4 to 7 times, twenty two percent consumers 1 to 3 times, twenty one percent respondents drink these products 8 to 11 times whereas twelve percent consumers drank either 12 times or more within a week.

From the explanation, it is clear that most of consumers consume pepsi products 4 to 7 times in a week. However, more or less the consumers consume these products 1 to 3 times and 8 to 11 times respectively.

When the hypothesis was tested taking into account chi-square test, the calculated value came 5.8684 (Appendix-II). The tabulated value for 6 degree of freedom (d.f) at 5% level of significance is 12.59 (Appendix-II) which is greater than the calculated value. So, the null hypothesis is accepted. It means there is independent response of the occupational group.

4.2 Time Related Consumption Behavior:

About time related consumption behavior, the researcher again sot various responses, which are shown in table 4.2

Table 4.2
Time-Related Usage Behavior of Pepsi Consumers

Respondents	Business group	Student group	Service group	Total
Time	No. (%)	No. (%)	No. (%)	No. (%)
Noon	17 (68)	42 (84)	19 (76)	78 (78)
Evening	4 (16)	14 (28)	4 (16)	12 (12)
Night	3 (12)	2 (4)	2 (8)	7 (7)
Morning	1 (4)	2 (4)	-	3 (3)
total	25 (100)	50 (100)	25 (100)	100 (100)

(Source: Field Survey, June,2011)

The table 4.2 shows that out of total consumers, 68% business group respondents, 84% student group consumers, and 76% service group consumers referred Pepsi products to use at noon. But in aggregate, 78% of total respondents used to drink these products at that time. In this way, it can be said that consumers were likely to drink Pepsi at noon.

The above table also shows that 16% business group respondents, 28% student group respondents, and 16% service group consumers were likely to use Pepsi products in the evening. Among total respondents, only 12% consumers preferred to drink these products at that time. Evening is the secondly preferred time to take Pepsi products by the consumers.

So far as the consumption pattern is concerned, 12% of the total business group respondents, 4% of total student group consumers, 8% of service group respondents, and 7% of aggregate consumers prefer to consume Pepsi products at night time. From this explanation, it is clear according to the respondents, night time was the most preferred time to take Pepsi products.

While studying consumer behavior of different groups of Pepsi users on the basis of morning time, only 4% business group and student group respondents were in favor of using at that time. In totally, only 3% of total consumers were likely to drink Pepsi products at morning. As above analysis, morning time lastly preferred to drink Pepsi products by the consumers.

In order to test the hypothesis, chi-square was used. The calculated value of chi-square at 5% level of significance appeared 14.4687, and the table value of chi-square test for 6 d.f. at 5% level of significance is 12.59. since calculated value of chi-square is greater than the table value, null hypothesis is rejected or alternative hypothesis is accepted. In another words, the views expressed by respondents group were significantly different.

4.3 Degree of Consumer Satisfaction

In the study, the researcher categorized the degree of consumer satisfaction into five parts; highly satisfied, satisfied, normally satisfied, dissatisfied, and highly dissatisfied. Here, the researcher tried to measure the degree of consumer's satisfaction with available Pepsi products. Table 4.3 represents the responses obtained

Table 4.3
Degree of Consumer's Satisfaction with Available Pepsi Products

Respondents	Business group	Student group	Service group	Total
Degree of satisfaction	No. (%)	No. (%)	No. (%)	No. (%)
Satisfied	8 (32)	19 (38)	12 (48)	39 (39)
Normal	9 (36)	16 (32)	7 (28)	32 (32)
Highly satisfied	4 (16)	10 (20)	3 (12)	17 (17)
Dissatisfied	2 (8)	2 (4)	2 (8)	6 (6)
Highly dissatisfied	2 (8)	3 (6)	1 (4)	6 (6)
total	25 (100)	50 (100)	25 (100)	100 (100)

(Source: Field Survey, June, 2011)

Among the business group, 32% respondents opined that they were satisfied, 36% expressed that they were normally satisfied, 16% said that they were highly satisfied with the available Pepsi products in the market. Both the consumers who were dissatisfied and highly dissatisfied with the available Pepsi products in the market represented 8% each. From above analysis, we can say that most of the business group consumers were normally satisfied and satisfied with available Pepsi products.

Twenty percent of student group opined that there is not necessary for improving the product or they are highly satisfied with available Pepsi products. Similarly thirty eight percent respondents were satisfied with available Pepsi products,

whereas thirty two percent consumers were normally satisfied with them. Only four percent respondents opined that they were dissatisfied with them, and six percent of them were found highly dissatisfied with the available Pepsi products. In this way, it is evident that student group consumers of Pepsi products satisfied with available Pepsi products in the market.

Service group consumers have been found responding the same behavior as was found with respect to student group consumers. Out of total service group consumers, twelve percent respondents opined that they were highly satisfied, forty eight percent simply satisfied, and twenty eight percent respondents expressed their opinion that they were normally satisfied with the company's products. However, eight percent of respondents were dissatisfied with the Pepsi products and only four percent respondents out of total were highly dissatisfied with these products.

From above explanation, it is clear that most of the consumers were satisfied with available Pepsi products, but only twelve percent respondents were dissatisfied with them.

In aggregate, out of total consumers, thirty nine percent respondents were found satisfied, thirty two percent respondents were found normally satisfied, seventeen percent consumers were found highly satisfied. But out of total consumers, six percent respondents were found dissatisfied and six percent respondents were found highly dissatisfied.

For testing dependency between respondents professions, chi-square test was used. Calculated value of chi-square test was 2.743 (Appendix- II), which is less than the table value, i.e. chi-square test 8d.f.0.05=15.51. So the null hypothesis is accepted or the views expressed by the respondent's professions are independently related.

4.4 Effectiveness of Promotional Schemes of The Company

The researcher also tried to find out the effectiveness of the promotional schemes, which are used by the company. Five major promotional schemes are preferred by the company for boosting up sales. The responses of consumers were presented in Appendix –III but the total weighted responses have been presented in table 4.4

Table 4.4
Weightier Responses of the Respondents about the Promotional Schemes

Respondents	Businessgroup	Student group	Service group	total
Promotional Schemes	Weight no. (rank)	Weight no. (rank)	Weight no. (rank)	Weight no. (rank)
Under the crown (UTC)	46 (1)	113 (1)	48 (1)	207 (1)
X% quantity extra	75 (3)	118 (2)	57 (2)	205 (2)
X item free	61 (2)	142 (3)	73 (3)	276 (3)
Rs. X discount on popular music concert	85 (4)	163 (4)	89 (4)	337 (4)
Submission of special wrapper	108 (5)	214 (5)	108 (5)	430 (5)
Total	375	750	375	1500

(Source: Field Survey, June, 2011)

The table 4.4 shows that all of the occupational groups placed the first rank to under the crown scheme (UTC). X % quality extra scheme appears in the second rank for student and service respondents as against X item free for business group respondents. Similarly student group and service group respondents placed X item

extra scheme in the third rank. But business group respondents placed X% quantity extra scheme in the third position.

Again, all of the respondents groups assigned fourth rank to Rs.X discount on popular music concert scheme. Similarly, submission of special wrapper scheme is the last priority (fifth ranked) by the entire consumers group.

From the above explanation, we know that to under the crown scheme is in the first priority and X% quantity extra, X item free, Rs. X discount on popular music concert and submission of special wrapper scheme.

On other orders of preferences, the calculated value of chi-square test arrived 7.042 (Appendix-II), whereas the table value at 0.05 for 8 d.f. is 15.51. The calculated value of chi-square test is lesser than tabulated value. So the null hypothesis is accepted or the respondents' opinions are independently related.

4.5 Effectiveness of the Advertising Media of The Company

The company mostly uses four advertising media. The responses relating to their effectiveness are presented in appendix-III, but table 4.5 represented total no. of weighted responses.

Table 4.5

Weighted Responses of the Respondents About the Advertising Media

Respondents	Businessgroup	Student group	Service group	Total
Advertising media	Weight no. (rank)	Weight no. (rank)	Weight no. (rank)	Weight no. (rank)
T.V.	53 (2)	73 (1)	51 (2)	177 (1)
F.M /Radio	49 (1)	115 (2)	51 (1)	214 (2)
Press	61 (3)	142 (3)	71 (3)	274 (3)
Hoarding board	87 (4)	170 (4)	78 (4)	335 (4)
Total	250	500	250	1000

(Source: Field Survey, June, 2011)

Business group and service group respondents preferred to F.M./ Radio medium the most, but student group T.V. media the most in total, TV. Medium stood in the first rank of preference.

Television medium appeared in the second rank for business and service group respondents as against F.M/Radio media for student group respondents. In total F.M. media stood in the second rank of preference.

All the respondents of Pepsi products put the third rank to press media and fourth to Hoarding Board.

In aggregate, TV. Advertising medium has taken the first priority and the most effective advertising medium; majority of the respondents placed the press medium in the third rank, whereas hoarding board in the fourth rank.

The calculated value of chi-square test came 8.3 (appendix-II), whereas the table value at 0.05 for 6 d.f. is 12.592. Since the table value of test is greater than the calculated value, the null hypothesis is accepted. In another words, the views expressed by the respondents group have no significant difference.

4.6 Location, Store and Brand Awareness of Consumers

In course of priding out location, store and brand awareness of consumers the rehear converted the obtained responses into weighted from for the analysis purpose. But the original responses have been presented in appendix-III

Table 4.6.1
Weighted Responses of Pepsi Consumers About the Location

Respondents	Businessgroup	Student group	Service group	Total
Location	Weight no rank	Weight no.. rank	Weight no. rank	Weightno. (rank)
Retail shop	67 (2)	110 (1)	73 (2)	250 (2)
Restaurant & bar	57 (1)	125 (2)	61 (1)	243 (1)
Home	98 (5)	157 (3)	88 (5)	343 (5)
Street side	84 (4)	176 (4)	77 (4)	337 (4)
Anywhere	69 (3)	182 (5)	76 (3)	327 (3)
Total	375	750	375	150

(Source: Field Survey, June, 2011)

The table 4.6.1 depicts that business group and service group consumers along with total consumers of Pepsi products, have reflected the same behavior. They preferred to rank the retail shop, restaurant and bar, home street side, and

anywhere the second, the first, the fifth, the fourth and the third for choosing place for buying. But the student group respondents were likely to take Pepsi products at retail shop and others at home, at street side and at anywhere in that order.

For testing the hypothesis, calculated value of chi-square test came 12.703 (Appendix-II) whereas table value at 0.05 for 8 d.f. is 15.5 (Appendix-II). so the views expressed by the respondents were independently related.

Consumers buying store have been categorized into only three types- grocery, departmental store and home delivery jobbers. The responses where from they buy or which types they prefer are presented in table 4.6.2

Table 4.6.2
Consumers Usually Buying Store

Respondents	Business group	Student group	Service group	Total
stores	No (%)	No (%)	No (%)	No (%)
Grocery	16 (64)	42 (84)	18 (72)	76 (76)
Departmental Store	7 (28)	7 (14)	6 (24)	20 (20)
Homedelivery jobbers	2 (8)	1 (2)	1 (4)	4 (4)
	25 (100)	50 (100)	25 (100)	100 (100)

(Source: Field Survey, June, 2011)

Out of total business group consumers of Pepsi products, 64% consumers used to buy from grocers store, 28% respondents from departmental store, and 8% of them used to purchase these products from home delivery jobbers.

Among the student group consumers of Pepsi products, 84% used to purchase from grocery store, 14% from departmental store and only 2% from home delivery jobbers.

Out of the aggregate service group consumers, seventy two percent consumers used to buy from grocery store, six percent from departmental store and four percent from home delivery jobbers respectively.

In aggregate, most of the consumers (76%) preferred to buy the Pepsi products from grocery store, and only twenty percent respondents from departmental store and four percent from home delivery jobbers.

For testing the hypothesis, the calculated value of chi-square test arrived 3.922 (Appendix-II) whereas the table value of chi-square test, 0.05,4 d.f. is 9.49. So relating to their responses, there is no relationship between occupational groups' responses.

The researcher also tried to measure the brand awareness level of Pepsi product consumers. Their responses have been included in appendix III. but here the total weighted responses have been presented in table 4.6.3

Table 4.6.3
Brand Awareness and Rank Order of Responses

Respondents	Businessgroup	Student group	Service group	Total
Brand	Weighted no. (rank)	Weighted no. (rank)	Weight no. (rank)	Weight no. (rank)
Pepsi-cola	53 (1)	95 (1)	51 (1)	199 (1)
Mirinda	79 (3)	134 (2)	70 (3)	283 (3)
7'up	100 (5)	195 (4)	91 (4)	386 (4)
Mountain dew	69 (2)	147 (3)	67 (2)	283 (2)
Soda	129 (6)	266 (6)	137 (6)	532 (6)
Slice	95 (4)	213 (5)	109 (5)	417 (5)
Total	525	1050	525	2100

(Source: Field Survey, June, 2011)

The table 4.6.3 shows that the entire respondents assigned the first priority to Pepsi-cola for purchasing and using. Mountain dew stood in the second rank as all the respondents under business group and service group, along with the total sampled respondents expressed their priority for this rank.

Similarly, the business group and the service group respondents placed Mirinda in the third rank. So was ranked by the total respondents. But the student group of respondents assigned mountain dew third rank. 7'up is fourth preferred item by student group, service group, and total respondents of Pepsi product consumers. But business group consumers placed slice in the fourth rank. All the respondents of Pepsi products ranked sixth position to soda.

When hypothesis was tested taking into account chi-square test, the calculated value arrived 3,.9614 (appendix-II) whereas the table value at 0.05 for 10 degree of freedom (d.f.) is 18.3, which greater than the calculated value. So the null hypothesis is accepted. It means the respondents are independently interested.

4.7 Factors Influencing Consumers Purchase Decision

When an opinion survey was made relating to factors affecting consumer purchase decision, the researcher found some very important factors among which quality remained the prime factor. The obtained responses have been shown in table 4.7

Table 4.7
Factors Influencing the Selection of Pepsi Products

Respondents	Business group	Student group	Service Group	Total
Factors	No. (%)	No. (%)	No. (%)	No. (%)
Low price	3 (12)	3 (6)	9 (3)	8 (8)
Good quality	9 (36)	31 (62)	13 (52)	53 (53)
Convenient quality	4 (16)	7 (14)	4 (16)	15 (15)
Convenient availability	4 (16)	6 (12)	2 (8)	12 (12)
Enjoy scheme associated with	5 (20)	3 (6)	4 (16)	12 (12)
Total	25 (100)	50 (100)	25 (100)	100 (100)

(Source: Field Survey, June, 2011)

Among the business group respondents, 12% consumers of Pepsi products preferred price, 36% of them preferred good quality, 16% respondents emphasized on convenient quality and convenient availability respectively. But 20% respondents under this group preferred it due to enjoying schemes associated with the item.

Out of total sampled students, 6% gave importance to price factor, 62% to quality, 14% to convenient quality, 12% to convenient availability, and the rest to enjoying schemes associated with the item in selecting the Pepsi products.

Out of the total respondents in service group, 52% were influenced by quality, 16% by convenient quality and by enjoying schemes associated with the item, whereas only 8% of the respondents preferred to convenient availability and the rest 3% , the price.

In aggregate, most of the respondents preferred the Pepsi items due to good quality, and convenient availability.

For testing dependency between respondents' professions, chi-square test was used. Calculated value of chi-square test is 6.7807 (Appendix-II), which is greater than table value, i.e. chi-square 8 d.f., 0.05= 15.51. So the null hypothesis is accepted. In another words, there is no significance difference between the views expressed by the respondent groups.

4.8 Major Findings of The Study

- Seventy eight percent respondents consumer Pepsi products at Most of the consumers consume Pepsi products in four to seven times within a week
- Most of the consumers are satisfied with available Pepsi products and only twelve percent consumers are dissatisfied
- Under the Crown (UTC) schemes were highly preferred and then X% quantity extra, X item free, Rs. X Discount on popular music consult, and Submission of special wrapper schames are respectively preferred.

- Most of the consumers know about the advertisement of Pepsi product by television along with other media, like radio/ FM, TV., and Newspapers.
- Respondents firstly prefer to T.V. media, and then F.M./Radio media, Press media, and Hoarding board are respectively preferred second, third, and fourth.
- Respondents prefer to drink Pepsi products first at Restaurent & Bar and then Retail shop Anywhere, Street side and at Home respectively.
- Seventy six percent or more than seventy consumers are usually buying Pepsi products from Grocery store.
- Majority of the respondents have placed Pepsi-cola the first priority and other Pepsi products like Mountain Dew, Mirinda, 7'up, Slice and Soda in that order.
- Most of the consumers (50%) were influenced by the quality. So the quality is the most effective factors to increase interest of consumer
- The advertisers of Pepsi product have realized the essence of advertising in the present situation of Nepalese market.
- Advertising is the main source of information about particular brand of cold drinks as well as most sensitive course of promotion.
- Almost all the consumers know about the advertisements of Pepsi brand.
- Most of the advertising of Pepsi product is attractive and effectiveness.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This is the last chapter of this study. In this section, the researcher tried to present the aggregate view expressed by specially the consumers of the Pepsi products and on that basis, the findings and recommendation have been concluded. Specifically, this chapter includes summary, conclusions and recommendation.

5.1 Summary

Consumer is the king in modern business, the success and failure of any business firm entirely depends on consumer's reactions to its offers. It is, therefore, essential for the marketers or manufactures of the products and services to understand the consumer buying behavior for long-term survival in today's changing, and competitive business environment. However, understanding of consumer behavior is becoming more complex and complicated standing of consumer behavior is becoming more complex and complicated day by day; it requires continuous, efforts of investigation and exploration of consumers, but such practices of investigation and exploration on consumers buying behavior are too rare or entirely absent in Nepalese business perspectives.

Varun Beverages (Nepal) Pvt. Ltd has been producing Pepsi products under technical collaboration with Pepsi Co., New York. The company is producing seven brands within different flavors and packs. Pepsi Co. has its competition with Coke in terms of Coca cola Vs Pepsi cola, Mirinda Vs Fanta, 7'up Vs Sprite, Soda Vs Teem, and Slice Vs juice. But there is no competitor brand of Mountain Dew, so it keeps the monopoly market in soft Nepal is a small and poor country and so Nepalese consumers seem bias and they use any products depending upon availability. Most of the marketing policies, strategies, and work forces are heavily borrowed from India. However, Nepalese market is small, the researcher tries to enhance or support to understand the consumers' behavior in Nepal.

This study or research is very small. So, the researcher has set limited objectives. In this study the researcher has tried to find out the consumption pattern of

consumer, degree of consumers satisfaction, effectiveness of promotional schemes, effectiveness of advertising media, location, store and brand awareness of consumers, and factors influencing consumers purchase decision.

Review of literature includes conceptual review and review of previous studies. In conceptual review includes introduction and models of consumer behavior, introduction of promotional activities, and introduction of advertising, brand, brand awareness, marketing concepts, etc.

In this study, the research methodology includes research design, nature and sources of data, sampling plan, data collection procedure, and data analysis procedure. In data analysis only two tools (i.e. percentage, and chi-square test) and pie chart are used.

The population of this study is the consumers of Pepsi product, who are exposed to the advertisements of Pepsi brand by different medium. The sample of the study comprised of 100 consumers in Sunsari district. A judgmental sample method is used to select the samples. A well set of questionnaire is the main source of information. These questionnaires are served, collected and tabulated for analysis. Tabulated data are analyzed using possible statistical tools and percentage methods to attain the stated objectives of the study.

Advertising is the main source of information and key tool to motivate and persuades to the consumers. Advertising supports, motivates and excites consumers on their decision making process. An effective advertisement influence the consumers to choose a particular brand (Pepsi) at the same time develop a positive attitude towards the brand and help to create brand loyalty. We have to understand that advertising alone can't do all expected job. To make advertising more effective, co-ordination and integration among promotional tools are required. First time purchase generally occurs because of advertising, but to make consumers frequent purchasers the role of quality, price and taste come first than advertising.

5.2 Conclusion

Consumers have their own interest in using various types of goods though most of them have almost the same type of nature for consuming. From the investigation, the researcher has concluded various findings, which are presented below.

- In the response, 100% respondents yes, they have taken Pepsi product.
- Most of the consumers get the knowledge about the advertisement of Pepsi product from Television, Radio/FM and Newspaper.
- Most of the consumers consume Pepsi product in 4 to 7 times within a week.
- Seventy eight percent Respondents consumers Pepsi products at noon time.
- Most of the consumers are satisfied with available Pepsi products and only twelve percent consumers are dissatisfied.
- Respondents firstly prefer to TV. Media, and then FM./Radio media, press media and Hoarding board are respectively preferred second, third and fourth.
- Advertisement of Pepsi product is popular and effective too.
- Advertising is responsible for choosing the Pepsi brand.
- Respondents prefer to drink Pepsi products first at Restaurant & Bar and then Retail shop, Anywhere, Street side and at home.
- Seventy six percent and more than seventy consumers are usually buying Pepsi products from Grocery store.
- Majority of the respondents have placed Pepsi-cola the first priority and other products like Mountain Dew, Mirinda, 7'up, Slice and Soda in that order.
- Most of the consumers are influenced by the quality. So the quality is the most effective factors to increase interest of consumer.
- Quality is the main factor for brand switching.

- Under the crown schemes are highly preferred and then X% quality extra, X item free, Rs. X discount on popular music concert, and Submission of special wrapper schemes are respectively preferred.

5.3 Recommendations

On the basis of analysis and findings the study has forwarded some recommendations, which are presented below.

- Pepsi products are not even available in urban area. Therefore, the company should employ its effort to enlarge its branches in remaining urban areas. It should also focus on distributing to the remote areas.
- Most of the people preferred to further improvement in quality of the available brands, so this expectation should rightly be considered.
- Advertising of the company is dependent on Indian origin but in Nepal, it should focus on Nepali origin. In advertng, visuals & slogans should also be oriented toward Nepalese origin.
- Promotional schemes are not efficient; they are only focusing to dealers. Therefore, the company should improve their promotional policy.
- Consumers are highly aware of brands through advertising. Advertising is the only tool, which reaches to the mass economically. So, the marketers of Pepsi are suggested to advertise their products through Television along with Radio/FM and Newspaper.
- As a whole advertising believability is found satisfactory, advertising tells people about the facts related with products and services. But unfortunately, these days, there are too much untruthful, misleading, deceptive and exaggerated advertising to attract the consumer. Advertising effectiveness depends a great deal upon consumer belief in its essential truthfulness. So to make advertising more believable and effective, it should be primarily concentrated towards the well being of consumers by providing truthful and acceptable message.

- Informative and reminding the product type of advertisement is suitable for the Pepsi brand. So, marketers are suggested to use these types of advertising.
- Advertisement of Coke is effective and leading the market. But the Pepsi brands' advertisement is not getting proper popularity in the market as Coke. So, it should be better to other companies to fill this gap and make their presence strong in the market.
- Various programs, schemes, etc. should be launched from the institutional level to create more and more awareness among the people to make them feel about the brand of target products.
- Special attention should be given on the consumer from very age groups be it young, teenager, child or adult. Even the master brand should re- modified and expanded into various sub- brands to reach all type of groups.
- Repeated promotional activities via advertisements, exhibition, sponsorships, hoarding boards, etc. should be carried out so as to make the target customer groups to recall the brand and make them feel the brand as their own part of their life.
- Various survey programs should also be conducted in order to study how much the customers are aware towards the target brands and also know of how much they are loyal towards the target brands. Such programs can be conducted via various ways depending upon the cost, time, suitability, easiness, and other similar factors.
- Various offers can also be provided to draw the attention of the hidden groups via various programs. One example can be to officially sponsor any particular programs e.g. game, stage show, etc.
- The success of any product is depends upon the post purchase behavior of consumers and it is largely determined by the satisfaction received from consumption. Advertising alone doesn't make the consumers frequent purchaser of the product. So, to make advertising impact more effective on brand choice and brand loyalty, the advertisement should

be more creative, unique in design or style with truthful information, in right time, furthermore qualitative product, good taste with reasonable price also needed for it

Advertising is the life-blood of modern marketing, especially in the course of promotion. It is not just a charity but a strategic promotional tool of modern marketing. Continuous studies on advertising impact on brand choice and brand loyalty should be made, so that it will give worthwhile of advertising and also provides the effective information and guideline for developing successful marketing strategy to cope neck-to-neck competition of the market.

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APPENDIX- I

FIELD SURVEY QUESTIONNAIRE

“A Study on Consumer Behavior (With Special Reference Pepsi Product of Varun Beverages(Nepal) Pvt. Ltd. In case of sunsari district)”

Below is given a set of questions about the Pepsi product .This questionnaire is presented for your valuable information about the Pepsi product consumption patterns and your expectations. Without your kind co-operation it will be difficult to complete the research.

Please fill your personal details before answering the questionnaire.

Name :

Sex : a. Male () b. Female ()

Marital status : a. Married () b. Unmarried () .

Age : a. Below 20 years () b. 20 to 29 years () c. 30 to 39 years ()
d. 40 years +()

Education : a. Literate () b. S.L.C. () c. Intermediate () d. Graduate () .

Occupation : a. Service () b. Businessmen () c. student () d. Other () .

Instruction : Please tick the given following questions.

1. Have you taken Pepsi products?

a. Yes () b. No () .

2. Which products item do you like most?

a. Pepsi-cola () b. Mirinda () c. 7'up () d. Mountain Dew ()
e. Soda () f. Slice () .

3. How often do you use cold drinks within a week?

a. 1 to 4 times () b. 5 to 9 times () c. 10 to above () .

4. Why do you select Pepsi product?

a. Low price () b. Good quality () c. Convenient quantity ()
d. Convenient availability () .

5. When you drink cold drinks?
 - a. At morning () b. At noon () c. At evening () d. At night ().

6. Which advertising media have dominance on such effect?
 - a. T.V. () b. Radio () c. Press () d. Hoarding Board / Wall paper ().

7. Which promotional scheme affects most in your buying decision?
 - a. X item free with purchase of pet bottle () b. X% quantity extra ()
 - c. rs. X discount per bottle () d. Submission of special wrapper ().

8. Where are you most likely to drink cold drinks?
 - a. In any retail shop () b. In Restaurant and Bar () c. At home ()
 - d. Anywhere ().

9. From where do you usually buy?
 - a. Grocery store (Kirana) () b. From departmental store ()
 - b. Through home delivery jobbers ().

10. Do you want to suggest the manufacture and enhance both the organization and image? If yes what are they?

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Thanks for your kind co-operation.

Appendix-IV

Steps in computing chi- square test (Gupta, 1990)

Step-1 Complete the expected frequencies E_1, E_2, \dots, E_n corresponding to the observed frequencies O_1, O_2, \dots, O_n under some theory or hypothesis.

Step-2 complete the deviation $(O-E)$ for each frequency and then square them to obtain $(O-E)^2$.

Step-3 divide the square of the deviation $(O-E)^2$ by the corresponding expected frequency to obtain $\frac{(O-E)^2}{E}$

Step-4 add the values obtained in step 3 to complex chi-square=

Step-5 under the null hypothesis that the theory first the data well, the above statistic follows, chi-square distribution, $U = (n-1)$ d.f

Step-6 look up the tabulated values of chi-square for $(n-1)$ d.f. at certain level of significance, usually 5% from the table. (significance value of X_2 at different d.f. are given in the table)

APPENDIX –II

Chi-square (X^2) Test

The table value [Shrestha, Sunita, and Silwal, (2059, p-416] and calculated value of chi-square (X^2) test is as follows:

Table No.	Degree of freedom (d.f.)	Tabulated values of 5% Level of significance	Calculated value
4 – 1	6	12.59	5.8984
4 – 2	6	12.59	14.4587
4 – 3	8	12.51	2.743
4 – 4	8	12.51	7.042
4 – 5	6	12.59	8.3
4 – 6.1	8	12.51	12.703
4 – 6.2	4	9.49	3.922
4 – 6.3	10	18.31	13.3614
4 – 7	8	15.51	6.787

Calculation of chi-square (X^2) values

$$\text{Calculation of Expected Frequency (E)}_n = \frac{\text{Row.Total} \times \text{Column.Total}}{\text{Grand.Total}}$$

Table no. 4.1 (Consumption Pattern of Pepsi Consumers)

$$E(5) = \frac{22 \times 25}{100} = \frac{550}{100} = 5.5$$

$$E(8) = \frac{21 \times 50}{100} = \frac{1050}{100} = 10.5$$

$$E(10) = \frac{45 \times 25}{100} = \frac{1125}{100} = 11.25$$

$$E(5) = \frac{12 \times 50}{100} = \frac{600}{100} = 6$$

$$E(8) = \frac{21 \times 25}{100} = \frac{525}{100} = 5.25$$

$$E(5) = \frac{22 \times 50}{100} = \frac{550}{100} = 5.5$$

$$E(2) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$$

$$E(10) = \frac{45 \times 25}{100} = \frac{1125}{100} = 11.25$$

$$E(12) = \frac{22 \times 25}{100} = \frac{1100}{100} = 11$$

$$E(5) = \frac{21 \times 25}{100} = \frac{525}{100} = 5.25$$

$$E(25) = \frac{45 \times 50}{100} = \frac{2250}{100} = 22.50$$

$$E(5) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$$

Computation of chi-square (X^2) value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E) ²	(O-E) ² /E
5	5.5	-0.5	0.25	0.0455
10	11.25	-1.25	1.5625	1.3889
8	5.25	2.75	7.5625	1.4405
2	3	-1	1	0.3333
12	11	1	1	0.0909
25	22.50	2.5	6.25	0.2778
8	10.5	-2.5	6.25	0.5952
5	6	1	1	0.1667
5	5.5	-0.5	0.25	0.0455
10	11.25	-1.25	1.5625	0.1389
5	5.75	-0.25	0.0675	0.0119
5	3	2	4	1.3333

				$\Sigma \frac{(O-E)^2}{E} = 5.8684$
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Table no. 4.2 (Time Related Usage Behaviour of Pepsi Consumers)

$$E(1) = \frac{3 \times 25}{100} = \frac{75}{100} = 0.75$$

$$E(2) = \frac{3 \times 50}{100} = \frac{150}{100} = 1.5$$

$$E(0) = \frac{3 \times 25}{100} = \frac{75}{100} = 0.75$$

$$E(17) = \frac{78 \times 25}{100} = \frac{1950}{100} = 19.50 \quad E(42) = \frac{78 \times 50}{100} = \frac{3900}{100} = 39$$

$$E(19) = \frac{78 \times 25}{100} = \frac{1950}{100} = 19.5 \quad E(4) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$$

$$E(14) = \frac{12 \times 50}{100} = \frac{600}{100} = 6 \quad E(4) = \frac{12 \times 25}{100} = \frac{300}{100} = 3$$

$$E(3) = \frac{7 \times 25}{100} = \frac{175}{100} = 1.75$$

$$E(2) = \frac{7 \times 50}{100} = \frac{350}{100} = 3.5$$

$$E(2) = \frac{7 \times 25}{100} = \frac{175}{100} = 1.75$$

Computation of chi-square (X^2) value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
1	0.75	0.25	0.0625	0.0833
17	19.50	-2.5	6.25	0.3205
4	3	1	1	0.3333
3	1.75	1.25	1.5625	0.8929
2	1.50	0.5	0.25	0.1667
42	39	3	9	0.2308
14	6	8	64	10.6667
2	3.5	1.5	2.25	0.6429
0	0.75	0.75	0.5625	0.75
19	19.5	0.5	0.25	0.0129
4	3	1	1	0.3333
2	1.75	0.25	0.0675	0.0357
				$\Sigma \left[\frac{(O-E)^2}{E} \right] = 14.4689$

Degree of freedom (d.f.) = (r - 1) (e - 1) = (4 - 1) (3 - 1) = 6

Table no. 4.3 (Degree of Consumer Satisfaction with Available Pepsi Products)

$$\begin{aligned}
 E(4) &= \frac{17 \times 25}{100} = 4.25 & E(10) &= \frac{17 \times 50}{100} = 8.5 & E(3) &= \frac{17 \times 25}{100} = 4.25 \\
 E(8) &= \frac{39 \times 25}{100} = 9.75 & E(19) &= \frac{39 \times 50}{100} = 19.5 & E(12) &= \frac{39 \times 25}{100} = 9.75 \\
 E(9) &= \frac{32 \times 25}{100} = 8 & E(16) &= \frac{32 \times 25}{100} = 16 & E(7) &= \frac{32 \times 25}{100} = 8 \\
 E(2) &= \frac{6 \times 25}{100} = 1.5 & E(2) &= \frac{6 \times 50}{100} = 3 & E(2) &= \frac{6 \times 25}{100} = 1.5 \\
 E(1) &= \frac{6 \times 25}{100} = 1.5 & E(3) &= \frac{6 \times 50}{100} = 3 & E(1) &= \frac{6 \times 25}{100} = 1.5
 \end{aligned}$$

Computation of chi-square value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
4	4.25	-0.25	0.0625	0.0147
8	9.75	-1.75	3.0625	0.3141
9	8	1	1	0.125
2	1.5	-0.5	0.25	0.1667
1	1.5	-0.5	0.25	0.1667
10	8.5	1.5	2.25	0.2647
19	19.5	-0.5	0.25	0.0128
16	16	0	0	0
2	3	1	1	0.3333
3	3	0	0	0
3	4.25	-1.75	1.5625	0.3678
12	9.75	2.25	5.0625	0.5192
7	8	-1	1	0.125
2	1.5	0.5	0.25	0.1667
1	1.5	-0.5	0.25	0.1667

				$\Sigma \left[\frac{(O-E)^2}{E} \right] = 2.743$
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Degree of freedom (d.f.) = (r - 1) (e - 1) = (5 - 1) (3 - 1) = 8

Table no. 4.4 (Effectiveness of Promotional Scheme)

$$E(46) = \frac{207 \times 375}{1500} = 51.75 \quad E(133) = \frac{207 \times 750}{1500} = 103.50$$

$$E(48) = \frac{250 \times 375}{1500} = 51.75 \quad E(75) = \frac{250 \times 750}{1500} = 62.5$$

$$E(118) = \frac{250 \times 750}{1500} = 125 \quad E(57) = \frac{250 \times 375}{1500} = 62.5$$

$$E(61) = \frac{276 \times 375}{1500} = 69 \quad E(142) = \frac{276 \times 750}{1500} = 125$$

$$E(73) = \frac{276 \times 375}{1500} = 69 \quad E(85) = \frac{237 \times 375}{1500} = 84.25 \quad E(163) = \frac{337 \times 750}{1500} = 168.50$$

$$E(89) = \frac{337 \times 375}{1500} = 84.25$$

$$E(108) = \frac{430 \times 375}{1500} = 107.50 \quad E(214) = \frac{430 \times 750}{1500} = 215$$

$$E(108) = \frac{430 \times 375}{1500} = 107.5 \text{ Computation of chi-square value:}$$

Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
46	51.75	-5.75	33.0625	0.6389
75	62.50	12.50	156.25	2.5
61	69	-8	64	0.9275
85	84.25	0.75	0.5625	0.0667
108	107.50	0.5	0.25	0.0233
113	103.50	9.5	90.25	0.8720
118	125	-7	49	0.392
142	138	4	16	0.1159
163	168.50	-5.5	30.25	0.1795
214	215	-1	1	0.0465
48	51.75	-3.75	14.0625	0.2717

57	62.50	-5.5	30.25	0.484
73	69	4	16	0.2319
89	84.25	4.75	22.5625	0.2678
108	107.50	0.5	0.25	0.2333
				$\Sigma \left[\frac{(O-E)^2}{E} \right] = 7.042$

Degree of freedom (d.f.) = $(v - 1) (c - 1) = (5 - 1) (3 - 1) = 8$

Table no. 4.5 (Effectiveness of Advertising Media)

$$E(53) = \frac{177 \times 250}{1000} = 44.25 \quad E(73) = \frac{177 \times 500}{1000} = 88.5$$

$$E(51) = \frac{177 \times 250}{1000} = 44.25 \quad E(49) = \frac{214 \times 250}{1000} = 53.5$$

$$E(115) = \frac{214 \times 500}{1000} = 107 \quad E(50) = \frac{214 \times 250}{1000} = 53.5$$

$$E(61) = \frac{274 \times 250}{1000} = 68.5 \quad E(142) = \frac{274 \times 500}{1000} = 137$$

$$E(71) = \frac{274 \times 250}{1000} = 68.5 \quad E(87) = \frac{335 \times 250}{1000} = 83.75$$

$$E(170) = \frac{335 \times 500}{1000} = 167.5 \quad E(78) = \frac{335 \times 250}{1000} = 83.75$$

Computation of chi-square (X^2) value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
53	44.25	8.75	76.5625	1.73
49	53.50	-4.50	20.25	0.38
61	68.50	-7.5	56.25	0.82
87	83.75	3.25	10.5625	0.13
73	88.50	-15.5	240.25	2.72
115	107	8	64	0.60
142	137	5	25	0.18
170	167.50	2.5	6.25	0.04
51	44.25	6.75	45.5625	1.03

50	53.50	-3.5	12.25	0.23
71	68.50	2.5	6.25	0.04
78	83.75	-5.75	33.0625	0.40
				$\Sigma \left[\frac{(O-E)^2}{E} \right] = 8.3$

$$\begin{aligned} \text{Degree of freedom (d.f.)} &= (r - 1) (c - 1) \\ &= (4 - 1) (3 - 1) \\ &= 6 \end{aligned}$$

Table no. 4.6.1 (Location Affects their Buying Decision)

$$E(67) = \frac{250 \times 375}{1500} = 62.50 \quad E(110) = \frac{250 \times 750}{1500} = 125$$

$$E(73) = \frac{250 \times 375}{1500} = 62.5 \quad E(57) = \frac{243 \times 375}{1500} = 60.75$$

$$E(125) = \frac{243 \times 750}{1500} = 121.5 \quad E(61) = \frac{243 \times 375}{1500} = 60.75$$

$$E(98) = \frac{343 \times 375}{1500} = 85.75 \quad E(157) = \frac{343 \times 750}{1500} = 171.5$$

$$E(88) = \frac{343 \times 375}{1500} = 85.73 \quad E(84) = \frac{337 \times 375}{1500} = 84.25$$

$$E(176) = \frac{337 \times 750}{1500} = 168.5 \quad E(77) = \frac{337 \times 375}{1500} = 84.25$$

$$E(69) = \frac{327 \times 375}{1500} = 81.75 \quad E(182) = \frac{327 \times 750}{1500} = 163.5 \quad E(76) = \frac{327 \times 375}{1500} = 81.75$$

Computation of chi-square (X^2) value:

Observed Frequency (O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
67	62.50	4.5	20.25	0.324

57	60.75	-3.75	14.0625	0.232
98	85.75	12.25	150.0625	1.75
84	84.25	-0.25	0.0625	0.001
69	81.75	-12.75	162.5625	1.99
110	125	-15	225	1.80
125	121.5	3.5	12.25	0.101
157	171.5	-14.5	210.25	1.226
176	168.5	7.5	56.25	0.334
182	163.5	18.5	342.25	2.093
73	62.5	10.5	110.25	1.764
61	60.75	0.25	0.0625	0.001
88	85.75	2.75	5.0625	0.059
77	84.25	-7.25	52.5625	0.624
76	81.75	-5.75	33.0625	0.404
				$\Sigma \left[\frac{(O - E)^2}{E} \right] = 12.703$

$$\begin{aligned} \text{Degree of freedom (d.f.)} &= (r - 1) (c - 1) \\ &= (5 - 1) (3 - 1) \\ &= 8 \end{aligned}$$

Table no. 4.6.2 (Consumers Usually Buying Stores)

$$\begin{aligned} E(16) &= \frac{76 \times 25}{100} = 19 & E(42) &= \frac{76 \times 50}{100} = 38 \\ E(18) &= \frac{76 \times 25}{100} = 19 & E(7) &= \frac{20 \times 25}{100} = 5 & E(7) &= \frac{20 \times 50}{100} = 10 \\ E(6) &= \frac{20 \times 25}{100} = 5 \\ E(2) &= \frac{4 \times 25}{100} = 1 & E(1) &= \frac{4 \times 50}{100} = 2 & E(1) &= \frac{4 \times 25}{100} = 1 \end{aligned}$$

Computation of chi-square value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	(O-E) ²	$\frac{(O - E)^2}{E}$
16	19	-3	9	0.474
7	5	2	4	0.8

2	1	1	1	1
42	38	4	16	0.421
7	10	-3	9	0.474
1	2	-1	1	0.5
18	19	-1	1	0.053
6	3	1	1	0.2
1	1	0	0	0
				$\Sigma \left[\frac{(O - E)^2}{E} \right] = 3.922$

$$\begin{aligned}
 \text{Degree of freedom (d.f.)} &= (r - 1) (c - 1) \\
 &= (3 - 1) (3 - 1) \\
 &= 48
 \end{aligned}$$

Table no. 4.6.3 (Brand Choice Behaviour of Consumers)

$$E(53) = \frac{199 \times 525}{2100} = 49.75 \quad E(95) = \frac{199 \times 1050}{2100} = 99.50$$

$$E(51) = \frac{199 \times 525}{2100} = 49.75 \quad E(79) = \frac{283 \times 525}{2100} = 70.75$$

$$E(134) = \frac{283 \times 1050}{2100} = 141.50 \quad E(70) = \frac{283 \times 525}{2100} = 70.75$$

$$E(100) = \frac{386 \times 525}{2100} = 96.50 \quad E(95) = \frac{386 \times 1050}{2100} = 193$$

$$E(91) = \frac{386 \times 525}{2100} = 96.50 \quad E(69) = \frac{283 \times 525}{2100} = 70.75$$

$$E(147) = \frac{283 \times 1050}{2100} = 141.50 \quad E(67) = \frac{283 \times 585}{2100} = 70.75$$

$$E(129) = \frac{532 \times 525}{2100} = 133 \quad E(266) = \frac{532 \times 1050}{2100} = 266$$

$$E(137) = \frac{532 \times 525}{2100} = 133 \quad E(95) = \frac{417 \times 525}{2100} = 104.25$$

$$E(213) = \frac{417 \times 525}{2100} = 208.50 \quad E(109) = \frac{417 \times 525}{2100} = 106.25$$

Computation of chi-square value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	$\frac{(O-E)^2}{E}$
53	49.75	3.25	0.2123
79	70.75	8.25	0.962
100	96.50	3.5	0.127
69	70.75	-1.75	0.0433
129	133	-4	0.1203
95	104.25	-9.25	0.8207
95	99.50	-4.5	0.2035
134	141.50	-7.5	0.3975
195	193	2	0.0207
147	141.50	5.5	0.2138
266	266	0	0
213	208.50	4.5	0.0971
51	49.75	1.25	0.0314
70	70.75	-0.75	0.008
91	96.50	-5.5	0.3135
67	70.75	-3.75	0.1988
137	133	4	0.1203
109	106.25	2.75	0.0712
			$\Sigma \left[\frac{(O-E)^2}{E} \right] = 3.9614$

Degree of freedom (d.f.) = (r - 1) (c - 1) = (6 - 1) (3 - 1) = 10

Table no. 4.7 (Factors Influencing in Selecting Pepsi Products)

$$E(3) = \frac{8 \times 25}{100} = 2 \quad E(3) = \frac{8 \times 50}{100} = 4 \quad E(2) = \frac{8 \times 25}{100} = 2$$

$$E(9) = \frac{53 \times 25}{100} = 13.25 \quad E(31) = \frac{53 \times 50}{100} = 26.5 \quad E(13) = \frac{53 \times 25}{100} = 13.25$$

$$E(4) = \frac{15 \times 25}{100} = 3.75 \quad E(7) = \frac{15 \times 50}{100} = 7.5 \quad E(2) = \frac{12 \times 25}{100} = 3$$

$$E(4) = \frac{12 \times 25}{100} = 3$$

$$E(6) = \frac{12 \times 50}{100} = 6$$

$$E(3) = \frac{8 \times 25}{100} = 2$$

$$E(5) = \frac{12 \times 25}{100} = 3$$

$$E(3) = \frac{12 \times 50}{100} = 6$$

$$E(4) = \frac{12 \times 25}{100} = 3$$

Computation of chi-square value:

Observed Frequency(O)	Expected Frequency (E)	(O-E)	$\frac{(O-E)^2}{E}$
3	2	1	0.5
9	13.25	-4.25	1.363
4	3.75	0.25	0.017
4	3	1	0.333
5	3	2	1.333
3	4	-1	0.25
31	26.5	4.5	0.764
7	7.5	-0.5	0.033
6	6	0	0
3	6	-3	1.5
2	2	0	0
13	13.25	-0.25	0.0047
4	3.75	0-25	0.017
2	3	-1	0.333
4	3	1	0.333
			$\Sigma \left[\frac{(O-E)^2}{E} \right] = 6.7807$

$$\text{Degree of freedom (d.f.)} = (r - 1) (c - 1)$$

$$= 4 \times 2$$

$$= 8$$