

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Marketing means developing a strategy to get the product in front of customers so they have the opportunity to buy it. This concept is a management orientation that holds that the key task of the organization is to determine the needs and wants of the target and to adopt organization to delivering the desired satisfactions more effectively and efficiency that its competitors. It is the reorganization on the part of management that all business decisions of a firm must be made in the light of customer needs and wants. It focuses in consumer needs.

Advertising is just a part of the whole marketing process. The word advertising is derived from the two Latin words 'ad' means towards and vertigo means I turn. So the meaning of advertising is to turn people's attention to the specific things. Earliest form of adverting is to draw the people's attention towards the specific things. In other words advertising is to draw people's attention to the certain goods. Advertising is simply a message, but advertising is a process. This process includes programming the series of activity which is necessary to plan and prepare the message and get it to intend market. Other points are that advertising is used to help sell products and services. The buyer makes five decisions in the affirmative in marketing a purchase in any one is missing; he does not buy which he said yes to all five purchasing result. These five decisions related to need, product, source, price and time.

People normally argued that why do company spend so much money on advertising. This option occurs because some people regard expenses made in advertising is waste of money but other think it as a buying guide. Both consumer and seller, advertising are informative devices. Hence advertising consists of those activities by which visual or oral message are addressed to

selected public for the purpose of informing and influencing them to buy the product.

Consumers are the king in marketing. They are the decision maker to buy or not to buy the products and services. Consumer behavior is the attitude, feeling, perceptions, norms and values of the consumers towards the products and services. It indicates the consumer response of any particular brand form and services. Consumer behavior can be defined as the process where the individuals decide whether, what, when where, how and from whom to purchase goods and services. A consumer buying behavior is influenced by economic, cultural, social, personal and psychological factors. Consumers also have very different lifestyles, even if they share other demographic characteristics such as gender or age. The way we feel about ourselves, the things we value, the things we like to do in our spare time - all of these factors help to determine which products will push our buttons or even those that make us feel better.

Consumer response is the ultimate test of whether a marketing strategy will succeed. Thus, a marketer should incorporate knowledge about consumers into every facet of a successful marketing plan. Data about consumers help organizations to define the market and identify threats to and opportunities for a brand. And, in the wild and wacky world of marketing, nothing is forever - this knowledge also helps to ensure that the product continues to appeal to its core market.

Consumer behaviour essentially refers to how and why people make the purchase decisions they do. Marketers strive to understand this behaviour so they can formulate suitable marketing stimuli that will result in improved sales and brand loyalty. Marketers must exercise care in analyzing consumer behaviour. Consumers often turn down what appears to be a winning offer. As soon as marketers believe that they understand their consumers, buyer decisions are made that appear to be irrational. But what looks like irrational behaviour to a marketer is completely rational to the consumer. Buying

behaviour is never simple. It is affected by many different factors. Yet understanding it is the essential task of marketing management.

The consumer behaviour is defined as the behaviour that the consumer display in searching for, purchasing, using, evaluating and disposing of products that they expect will satisfy their needs.

Before setting up its marketing, a company needs to identify its target consumers and their decision processes. Although many buying decisions involve only one decision maker, some decisions may involve several participants, who play such roles as initiator, influencer, decider, buyer, and user. The marketer's job is to identify the other buying participants, their buying criteria, and their influence on the buyer. The marketing program should be designed to appeal to and reach the other key participants as well as the buyer.

The amount of buying deliberateness and the number of buying participants increase with the complexity of the buying situation. Marketers must plan differently for four types of consumer buying behaviour: complex buying behaviour, dissonance-reducing buying behaviour, habitual buying behaviour, and variety-seeking buying behaviour. These four types are based on whether the consumer has high or low involvement in the purchase and whether there are many or few significant differences among the brands.

In complex buying behaviour, the buyer goes through a decision process consisting of need recognition, information search, and evaluation of alternatives, purchase decision, and post purchase behaviour. The marketer's job is to understand the buyer's behaviour at each state and what influences are operating. This understanding allows the marketer to develop an effective and efficient program for the target market. The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as:

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products).
- The psychology of how the consumer is influenced by their environment (e.g., culture, family, signs, media).
- The behaviour of consumers while shopping or making other marketing decisions.
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome.
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer, and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Consumer behaviour presents glimpses of this secret, by allowing marketers to probe deeper into the exogenous and endogenous influences that persuades consumer purchase and consumption decision making. So, it is imperative for marketers to understand the buyer's decision process.

Model of Consumer Decision Making

The process of consumer decision making can be viewed as three distinct but interlocking stages:

- a. The Input Stage
- b. The Process Stage
- c. The Output Stage

The input stage influences the consumer's recognition of a product or a need and consists of two major sources of information:

- i. The firm's marketing efforts
- ii. And the socio-cultural environment.

The *process stage* of the model focuses on how consumers make decisions. The psychological factors inherent in each individual affect how the external

inputs from the input stage influence the consumer's recognition of need, pre-purchase search for information, and evaluation of alternatives.

The output stage of the consumer decision-making model consists of two closely related post decisions activities:

- i. Purchase Behaviour
- ii. and Post purchase Evaluation

1.2 Profile of Jagadamba Cement Industries Pvt. Ltd.

Jagdamba Cement is a distinct brand name in the Nepalese market. This company was established in the year 2001 and since then has been the market leader in cement manufacturing in Nepal. This company also holds the largest market share in the Nepalese market. According to the market requirement Jagdamba Cement Industries has different products spread all over the Nepal.

Jagdamba Cement Industries Pvt. Ltd. is to produce & distribute Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC) at competitive prices to achieve the needs and satisfaction of its valued customers in Nepal, which can be achieved through meeting the statutory & regulatory requirements of country, using high grade of raw material & Continual improvement in quality of works and services rendered by the company, enhancing the involvement of all levels of employees, using best available resources and by reviewing quality objectives time to time.

The factory is located at goanna VDC-07, bhairahawa (bhairahawa to lumbini highway), which is around the 290 km from the Kathmandu .The factory has total production capacity of 900 MT day or 18,000 bags of cement/day. Due to its idea location at the centre of east-west highway, transportation charges from the factory to the major cities of all over the Nepal are kept at the minimum. Thus creating a better and more cost effective distribution network .The factory also produce PPC cement beside OPC cement .The PPC cement is marketed under its JAGADAMBA brand.

The company also has another manufacturing unit located at birgunj with a production capacity of additional 900 MT/day or 18,000 bags of cement /day. This plant produces Portland slag cement. Thus , in the total company produces 1800 MT/Day or 36,00 bags of cement /day, daily covering all the major market of Nepal, on time on demand.

1.3 Statement of the Problems

An effective advertising program is that which can accomplish the assigned promotional task. Advertising by its definition, is persuasive communication and its objective is to turn the potential buyers into the actual one. Advertising should add to the marketability of the product. It is necessary to find out the effect of the advertisement on the consumer behavior so that the sale rate of commodity is increased. The more effective the advertisement the more selling takes place. Furthermore the effect of the advertisement differs from the types of the consumer. It is also necessary to know what types of consumer are expected to by the particular types of commodity. All these things should taken into account to increase the interest of advertisement.

In Nepal, the advertisers are advertising their products without considering the consumer behavior. They do not consider about the consumers' desire, regarding advertising and effect of advertising on buying attitudes of consumer, this is why the advertisement fails to increase the goodwill of products among customers. Advertising plays a vital role in promotion efforts by familiarizing, awaring, informing and influence the consumers to buy the products and helps them in buying decision. In this situation the major problems of the study are as follows.

- What is the impact of advertising on consumer buying behavior of Jagadamba Cement?
- What is the relation between advertisement and consumer buying decision of Jagadamba Cement?

- What are the most effective promotional activities & advertising media for advertisement of Jagadamba Cement?
- What is the consumer expectation from advertising of Jagadamba Cement?
- What are the encouraging factors that helps to make purchases decision of Jagadamba Cement?

1.4 Objective of the Study

The main objective of the study is to find out the impact of advertising on consumer buying behavior of Jagadamba Cement. However, other specific objectives are as follows.

- To analyze the relation between advertisement and consumer buying decision of Jagadamba Cement.
- To find out the most effective promotional activity & advertising media for advertisement of Jagadamba Cement.
- To access the consumers exception from advertisement of Jagadamba Cement.
- To analyze the encouraging factors that helps to make purchases decision of Jagadamba Cement.

1.5 Significance of the Study

Advertising is the most popular promotion tool to create need and wants of consumers. Now it is widely used by social business Government organization. The growth of advertising in Nepal is phenomenal considering the fact that a few decades back, only a Property few products reached out to consumers through limited media like the national daily Gorkhapatra or the state owned radio stations. With the mushrooming of FM stations, private print media and televisions channels and increasing access to media, advertising is growing with leaps and bounds. For making consumers well informed, advertising is

becoming more important to provide suggestion on various aspects of daily life.

It is hard to make sale of products and services without advertising. Advertising is essential to inform, persuade and remind to the consumers. Various media are used by the company. Every year many manufacturing, and trading organizations have been investing millions rupees only for advertising of their products. Unfortunately a proper research regarding advertising media has not been properly analyzed and evaluate.

1.6 Limitations of the Study

The major limitations of this study are as follows.

- The study is based on the primary data only.
- This study covers only impact of advertising on consumer buying behavior.
- The field survey is confined to the Kathmandu Valley so it may not be reflecting the exact case of whole Nepalese population.
- Because of lack of research in this topic, the secondary data are limited within few research.

1.7 Organization of the Study

Basically, this study has been divided into five chapters.

Chapter-I: Introduction

The first chapter includes background of the study, statement of the study, objective of the study, significance of the study, limitation of the study and organization of the study.

Chapter-II: Review of Literature

The second chapter is the review of literature which includes theoretical concepts of advertising. In this concept of advertising the matter presented is

the definition of advertising, the historical background, various advertising media available in Nepal, present advertising situation, the overview of previous related thesis etc.

Chapter-III: Research Methodology

The third chapter is the research methodology which includes research design, population and sampling source of data, data collection procedure, analytical tool and data processing.

Chapter-IV: Presentation & Analysis of Data

The fourth chapter is the analysis and interpretation of data deals with the issues identified in the introduction. What has been analyzed, how it has been analyzed, and what has been found are the concerns of this chapter. This chapter deals mainly with the issues in the light of the theoretical perspectives. It also includes the major findings of the study.

Chapter-V: Summary, Conclusion & Recommendation

This chapter summarizes the whole spectrum of the study. It also offers recommendation for the improvement in future.

Similarly, at the front part of the study table of contents, recommendation sheet, viva voce sheet, acknowledgement, list of table and figure and abbreviation are presented and bibliography and appendices are presented at the end of the study.

CHAPTER II

REVIEW OF LITERATURE

This chapter is concerned with review of literature relevant to the topic Impact of advertising on consumer buying behavior. The purpose of reviewing of literature is to develop some expertise in one's area, to see what new contribution has made and to receive some ideas for developing a research design. Thus, previous studies cannot be ignored as they provide the foundation of the present study. This chapter highlights the literature that is available in concerned subject as to my knowledge, research work, and relevant study on this topic, review of journals/articles and review of thesis work performed previously. The review of literature has been divided in two categories namely conceptual framework, theories related to the topic and review of articles, books and master's level thesis.

2.1 Conceptual Framework

2.1.1 Meaning & Definition of Advertising

Advertising is a major form of promotion in international as well as domestic marketing. People generally buy a product only after knowing about it. That is why; advertising plays a vital role in marketing especially in purchasing and providing information to a large number of scattered mass in different regions of the country. Advertising is a tool of the mass selling and an indispensable medium. It can bring the message to millions of people at the same time, while it is not so in case of personal selling, store display etc. This process includes programming the series of activity which is necessary to plan and prepare the message and get it to intend market. Other points are that advertising is used to help sell products and services. The buyer makes five decisions in the affirmative in marketing a purchase in any one is missing; he does not buy which he said yes to all five purchasing result. These five decisions related to need, product, source, price and time. (Littlefield and Kirkpatrick 1991).

"Advertising is a form of mass communication where their source is in direct contact with the receiver and the receiver is always a group or more precisely an aggregation rather than another individual" (Alexander, 1982).

"Advertising consists of all the activities involved in presenting to a group, a non personal oral or visual, openly sponsored message regarding a product, service or idea. This message is called an advertisement is disseminated through one or more media and is paid for by the identified sponsor" (Stanton, 1978).

People normally argued that why do company spend so much money on advertising. This option occurs because some people regard expenses made in advertising is waste of money but other think it as a buying guide. Both consumer and seller, advertising are informative devices. Hence advertising consists of those activities by which visual or oral message are addressed to selected public for the purpose of informing and influencing them to buy the product.

Some definitions of advertising have been given below so as to make clear meaning of advertising. The American marketing association defines advertising as "any paid form of non personal presentation of goods, services or ideas for action openly paid for by identified sponsor"

Advertising is one of the ways of promoting products, services and ideas among various ways. It influences consumer attitude and purchase behavior in a variety of consolidated manner. The main purpose of advertising is to persuade the consumer to buy the products and services and increase of productivity, increases sales and profit, minimizes sale and distribution cost and heightens the reputation and goodwill of the company. The other purposes can be to inform the consumer about the products availability, features, use etc. Sales do not occur automatically but has to be pushed towards the consumers through use of different tools of the promotional blend like advertising.

Koirala has described the difference between advertising and sales promotion in his book “Sales Promotion in Nepal” as sales promotion and advertising differ in terms of objective as well as the frequency duration and purpose of users. Advertising informs, persuade, and remind the target market. Where as sales promotion goes to encourage purchase by brand loyal consumer and attracts new competitors brand users. For effective sales promotion are required creative talent, time and money. It became expensive with frequent operation. While excess sales promotion with respect to a branded product may hurt that products brand image. Advertising creates awareness in the market place and may be repeated design to create and image of or to carry a sales message about producers or services to the consumer, while sale promotion is activity an used to generate and immediate sales of product or service” (Koirala, 2003)).

Advertising is a form of communication intended to promote the sale of a product or service to influence a particular cause to gain political support to advance a particular cause or to elicit some other response desire by the advertiser. (New encyclopedia, Britanica Mactopedia, 1979:103). Advertising that induces a change in sale of perception of the product is a milestone for brand” (Kathmandu Post, 2004:1). So this study concludes that advertising should have such power as attention, communication, readability, memorable and selling.

2.1.1.1 Objectives of Advertising

There are so many objectives of advertising, which depends upon the policy of the company. Generally in the past, the purpose of advertising was to inform to the prospective consumer about goods and services produced by the company. Now a days advertising not only concerns with the information flow but also motivate, persuade to the target consumer in the specific market.

Every stage of product life cycle need advertising but volume of it may be low and high depending upon the nature and stages. Advertising creates demand for the goods and market is possible for the introduction of mass production, installation of up to date machinery and consequent reduction of cost of the articles. Advertising is beneficial not only to the producer and retailer but also to the consumers.

Advertising has multiple objectives and roles in persuading the consumers. It is essential to manufactures, whole-seller, and even to the retailer and it assist to excel the sale of products and services. Many specific communication and sales objects can assigned to advertising. The degree of effectiveness of advertising is determined by the satisfaction of consumer. The objectives of advertising can be classified with respect to its aim as informing, persuading and remanding. It is made according to the product life cycle, if the product is in introduction phase, optimal advertising is to inform and if the product is in maturity phase then persuading advertisement is optimal.

Mass production needs mass selling it makes possible by improvement and installation of latest plants as well as advertising through effective media but difficult to say that effective media vehicle. Purpose of advertising can be listed below as;

- It helps retailers in multiplying sales
- It assists to increase the demand of the product
- It conveys message to the prospective consumers
- It makes the public conscious

Advertising is important to retailer, for the retailer it quickens the turnover as well as reduces degree of remaining dead stock and result in proportionate reduction of overhead expenses. It informs the fluctuated price of the product so the retailer can avoid the losses by the price change. Similarly, it provides benefits to the buyer's. The manufactures are compelled to maintain the quality

of the goods advertised. Money spend on advertising that is a kind of investment and manufacturer wants to return from the consumer so that he has to fix the quality of the product on the media then the consumer gets the qualitative goods and services.

Likewise, by the advertising, people know about the various goods and services previously unknown to them so it educates the public and enables them to select the most suitable goods and services by comparing goods and services lunched by the various manufacturers. It creates curiosity and interest of people. After interest is aroused advertising also make people acquire after and seek further information about goods and services advertised. So we can say that advertising is such things which makes networks among various parties as consumer, public, manufacturers, and retailer and so on.

On the other hand consumer behavior is a function of a complex process so it is difficult to say that advertising is only on variable that influence the behavior of the consumer. Advertising objectives can also be classified as per their objectives in term of informing, persuading or reminding. Example of information type objectives includes making prospective consumer aware of a new product announcing a new price and explaining how a product works. Persuading objectives include attempting to build brand preference and loyalty and changing a consumer's attitude about particular brand characteristics. Objective having to do with reminding includes communication telling consumers where and when to buy the product. (Boyd, Westfall and Stasch, 2002).

2.1.1.2 Function of Advertising

The basic function of advertising is to create a positive psychological image about the product. However, it's another function is to bring something deliberately to the notice of some one else. Generally advertising has to perform different functions, categorized as marketing communication and

education functions as well as economic and social functions which are described in brief as follows.

a. Communication Function

Advertising, by its objective, communicate some message to the group of people. In the present content, the communication of information is still one of the basic functions and objectives of advertising. Such as advertising used primarily for communication are advertisements in telephone directories, newspapers, classified ads, and legal notices published by various organizations and government bodies.

b. Economic Function

Advertising makes people aware of products services and ideas to promote sales and there by commerce. In the same way it provides consumers, knowledge about new products or prices and gives industrial buyers important evidence or information about available products and services. Advertising greatly reduces the cost of distribution and means of personal selling. This leads to lower costs and higher profits. It accelerates the success of good products.

c. Marketing Function

To increase their sales and profits, companies develop marketing strategy. The marketing strategy is determined by the particular way companies combine and use various marketing elements. The marketing mix includes a variety of options known as the four 'P' and generally categorized under the heading of product, price, place and promotion.

d. Education Function

As an education function, it speeds the new and untried and in so doing, accelerates technological advances in industry and hastens the realization of a

fuller life for all. It helps reduce accidents and waste of natural resources and contributes to build a better understanding and appreciation.

e. Social Function

Advertising is one of the modern society's most visible aspect. It is one of the majority forces that have helped to improve the standard of living in the country and around the world by publishing the material, social and cultural opportunities of a society.

2.1.2 Development of Advertising in Nepal

The history of development of advertising in Nepal starts from early Malla period. With the passage of time, consumption habit changed and society entered into the Malla period between 936-1825 B.S. At this period people came to know about the product to the people. The King at that period was very liberal. King was interested to understand the needs, wants, desires, plan and pleasure of the people. The announcer pre- claimed about the product to the people. They also demonstrate the product at cultural show festivals and Jatras etc. Even during the Rana period , public announcer went through the streets announcing the opening and closing of gambling period during the Laxmi Pooja and other occasions.

With the passage of time things have changed. Nepali newspaper and the magazines featured advertisement. On 20 chaitra 2007 B.S., Radio Nepal broadcasted daily three hours commercial programs. Even in the short span of time, advertising have developed remarkable.

The first newspaper of the country was published on Jestha 1958 B.S Prior to this, only verbal advertising prevailed. At present many different dailies weeklies, fortnightlys, monthlies and other periodicals have given significant contribution to the present marketing environments. Similarly advertising activities development effectively with the established of commercial service

of Radio Nepal, Private FMs as well as all television channels which are broad Nepal.

The history of advertising agencies in Nepal was started after establishing advertising agency in 2017 B.S. At that time advertising was only about the official notice and information and number of advertisers were also very few. Advertising was rarely done in private newspaper while advertisement from Radio Nepal was not in practice.

The History of Television broadcasting in Nepal starts from Paush, 2041 B.S. in the name of Nepal Television and starts to telecast the programme in the 2042 B.S. while the Commercial Telecasting started only in 2044 B.S. The History of FM (frequency modulation) programme broadcasting in Nepal starts from Kartik 2052 B.S. (16th November 1995).

Nepalese society has known advertising and its usefulness to the business. They knew that even a superior product can not be sold if the advertiser fails to speak about it. In the early stage, the needs and wants were very limited and the product was also very limited.

2.1.3 Consumer

A consumer is a person or group of people, such as a household, who are the final users of products or services. The consumer's use is final in the sense that the product is usually not improved by the use. The consumer is the one who pays to consume the goods and services produced. As such, consumers play a vital role in the economic system of a nation. In the absence of effective consumer demand, producers would lack one of the key motivations to produce: to sell to consumers and the consumer also form part of the chain of distribution.

Typically, when business people and economists talk of consumers, they are talking about the person as consumer, an aggregated commodity item with

little individuality other than that expressed in the decision to buy or not to buy. However, there is a trend in marketing to individualize the concept. Instead of generating broad demographic profiles and psycho-graphic profiles of market segments, marketers have started to engage in personalized marketing, permission marketing, and mass customization (Krohn Lauren, 1995).

2.1.3.1 Consumer Behavior

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Customer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behavior is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behavior analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

Each method for vote counting is assumed as social function but if Arrow's possibility theorem is used for a social function, social welfare function is achieved. Some specifications of the social functions are decisiveness, neutrality, anonymity, monotonicity, unanimity, homogeneity and weak and strong Pareto optimality. No social choice function meets these requirements in an ordinal scale simultaneously. The most important characteristic of a social function is identification of the interactive effect of alternatives and creating a logical relation with the ranks. Marketing provides services in order to satisfy customers. With that in mind the productive system is considered from its beginning at the production level, to the end of the cycle, the consumer (Kioumarsis, 2009).

2.1.4 Consumer Buying Behavior

Buying behavior is the decision process and act of the costumers involved in buying and using products (Philip Kotler). Consumer behavior is the process where the individual decide to what, when, where how and from whom to purchase goods and services. Buyer behavior refers to the buying behavior of consumers.

2.1.5 Marketing Strategy and Consumer Behavior

2.1.5.1 Market Analysis

Market analysis requires an understanding of the 4-Cs which are consumer, conditions, competitor and the company. A study is undertaken to provide superior customer value, which is the main objective of the company. For providing better customer value we should learn the needs of the consumer, the offering of the company, vis-a-vis its competitors and the environment which is economic, physical, technological, etc.

A consumer is anyone who engages himself in physical activities, of evaluating, acquiring, using or disposing of goods and services.

A customer is one who actually purchases a product or service from a particular organization or a shop. A customer is always defined in terms of a specific product or company.

However, the term consumer is a broader term which emphasizes not only the actual buyer or customer, but also its users, i.e. consumers. Sometimes a product is purchased by the head of the family and used by the whole family, i.e. a refrigerator or a car. There are some consumer behavior roles which are played by different members of the family.

Role	Description
Initiator	The person who determines that some need or want is to be met (e.g. a daughter indicating the need for a color TV).
Influencer	The person or persons who intentionally or unintentionally influence the decision to buy or endorse the view of the initiator.
Buyer	The person who actually makes a purchase.
User	The person or persons who actually use or consume the product.

All the consumer behavior roles are to be kept in mind but, the emphasis is on the buyer whose role is overt and visible.

a. The Consumer

To understand the consumer; researches are made. Sometimes motivational research becomes handy to bring out hidden attitudes, uncover emotions and feelings. Many firms send questionnaires to customers to ask about their satisfaction, future needs and ideas for a new product. On the basis of the answers received, changes in the marketing mix are made and advertising is also streamlined.

b. The External Analysis (Company)

The external analysis may be done by the feedbacks from the industry analyst and by marketing researches. The internal analysis is made by the firm's financial conditions, the quantum of the sales, force and other factors within the company.

c. The Competition

In the analysis of the market a study of the strengths and weaknesses of the competitors, their strategies, their anticipated moves and their reaction to the company's moves and plans is to be made. The company after getting this information reacts accordingly and changes its marketing mix and the offering is made in a manner which can out do the competitor. This is a very difficult process and it is easier said than done. To have correct information about the competitors and to anticipate their further moves is the job of the researcher.

d. The Conditions

The conditions under which the firms are operating have also to be seriously considered. The factors to be studied are the economy, the physical environment, the government regulations, the technological developments, etc. These effect the consumer needs, i.e. the deterioration of the environment and its pollution may lead to the use and innovation of safer products. People are health conscious and are concerned with their safety. Hence, in this case, safer products have a better chance with the consumer. In case of recession, the flow of money is restricted greatly. This leads to the formulation of different marketing strategies.

2.1.5.2 Market Segmentation

The market is divided into segments which are a portion of a larger market whose needs are similar and, they are homogeneous in themselves. Such segments are identified with similar needs.

a. **Need Set**

By need set, it is meant that there are products which satisfy more than one need. An automobile can fill the transportation needs, status need, fun needs or time saving needs. So the company tries to identify the need sets which its product can fulfill. Then we try to identify the groups who have similar needs, i.e. some people need economical cars, others may go for luxury cars.

b. **Demographic and Psychographic Characteristics**

These groups are identified and they are described in terms of their demographic and psychographic characteristics. The company finds out how and when the product is purchased and consumed.

c. **Target Segment**

After all the above preliminary work is done, the target customer group known as the target segment is chosen, keeping in mind how the company can provide superior customer value at a profit. The segment which can best be served with the company's capabilities at a profit is chosen. It has to be kept in mind that different target segments require different marketing strategies and, with the change in the environmental conditions the market mix has to be adjusted accordingly.

2.1.5.3 Marketing Strategy

Strategies are formulated to provide superior customer value. In formulating market strategies, the 4-ps are directed at the target market.

a. **Product**

Product is anything that is offered to the consumer which is tangible and can satisfy a need and has some value.

b. Price

Price is the amount of money one must pay to obtain the right to use the product.

c. Distribution (Place)

The goods can be distributed by many channels. These could be retailers, wholesalers, agents or by direct selling. Distribution outlets play an important role in reaching the goods to the consumer. They provide, time, place and possession utilities. Some goods need to be marketed through the channels or the middleman. Others can be marketed directly by the company to the actual consumer.

d. Promotion

Promotion is the means of changing the attitudes of the consumer, so that it becomes favorable towards the company's products. Various means of promotion are advertising, personal selling, sales promotion and publicity.

e. Service

Service refers to auxiliary service that enhances the value of the product or the service. For instance, while buying a car. Free services are provided over a certain period of time. Check-ups are free and maintenance is also covered on the charge of an adequate amount along with the product purchased. These auxiliary services are provided at a cost with money. These provide value to the product or the customer. These services give an advantage to the customer and he is free from the both botheration of occasional checkups or risk. The risk is considerably reduced and the customer derives satisfaction with his decision to purchase.

2.1.5.4 Consumer Buying Decision Process

The decision-making process consists of a series of steps which the consumer undergoes. First of all, the decision is made to solve a problem of any kind. This may be the problem of creating a cool atmosphere in your home.

For this, information search is carried out, to find how the cool atmosphere can be provided, e.g. by an air-conditioner or, by a water-cooler. This leads to the evaluation of alternatives and a cost benefit-analysis is made to decide which product and brand image will be suitable, and can take care of the problem suitably and adequately. Thereafter the purchase is made and the product is used by the consumer. The constant use of the product leads to the satisfaction or dissatisfaction of the consumer, which leads to repeat purchases, or to the rejection of the product.

The marketing strategy is successful if consumers can see a need which a company's product can solve and, offers the best solution to the problem. For a successful strategy, the marketer must lay emphasis on the product/brand image in the consumer's mind. Position the product according to the customers likes and dislikes. The brand which matches the desired image of a target market sells well. Sales are important and sales are likely to occur if the initial consumer analysis was correct and matches the consumer decision process. Satisfaction of the consumer, after the sales have been affected, is important for repeat purchase. It is more profitable to retain existing customers, rather than looking for new ones. The figure below gives an idea of the above discussion.

A buying decision process (or cost-benefit analysis) describes the process a customer goes through when buying a product. This buying decision model has gone through lots of interpretation by scholars. Although the models vary, there is a common theme of five stages in the decision process. These stages were first introduced by John Dewey (1910). The stages are as follows.

1. Problem/Need recognition
2. Information search
3. Evaluation of alternatives
4. Purchase decision
5. Post-purchase behavior

These five stages are a good framework to evaluate customers' buying decision process. However, it is not necessary that customers get through every stage, nor is it necessary that they proceed in any particular order. For example, if a customer feels the urge to buy chocolate, he or she might go straight to the purchase decision stage, skipping information search and evaluation.

a. Problem/Need-Recognition

Problem/Need-recognition is the first and most important step in the buying decision. Without the recognition of the need, a purchase cannot take place. The need can be triggered by internal stimuli (e.g. hunger, thirst) or external stimuli (e.g. advertising). Maslow held that needs are arranged in a hierarchy. According to Maslow's hierarchy, only when a person has fulfilled the needs at a certain stage, can he or she move to the next stage.

b. Information Search

The information search stage is the next step that the customers may take after they have recognized the problem or need in order to find out what they feel is the best solution. This is the buyers' effort at searching the internal and external business environments to identify and observe sources of information related to the focal buying decision. Consumers can rely on print, visual, and/or voice media for getting information.

c. Evaluation of Alternatives

At this stage, consumers evaluate different products/brands on the basis of varying product attributes and whether these can deliver the benefits that the

customers are seeking. This stage is heavily influenced by one's attitude, as "attitude puts one in a frame of mind: liking or disliking an object, moving towards or away from it". Another factor that influences the evaluation process is the degree of involvement. For example, if the customer involvement is high, then he/she will evaluate a number of brands; whereas if it is low, only one brand will be evaluated.

Customer involvement	High	Medium	Low
Characteristics	High	Medium	Low
Number of brands examined	Many	Several	One
Number of sellers considered	Many	Several	Few
Number of product attributes evaluated	Many	Moderate	One
Number of external information sources used	Many	Few	None
Time spent searching	Considerable	Little	Minimal

d. Purchase Decision

This is the fourth stage, where the purchase takes place. According to Kotler, Keller, Koshy and Jha (2009), the final purchase decision can be disrupted by two factors: negative feedback from other customers and the level of motivation to comply or accept the feedback. For example, after going through the above three stages, a customer chooses to buy a Nikon D80 DSLR camera. However, because his good friend, who is also a photographer, gives him negative feedback, he will then be bound to change his preference. Secondly, the decision may be disrupted due to unanticipated situations such as a sudden job loss or the closing of a retail store.

e. Post-purchase Behavior

These stages are critical to retain customers. In short, customers compare products with their expectations and are either satisfied or dissatisfied. This can

then greatly affect the decision process for a similar purchase from the same company in the future, mainly at the information search stage and evaluation of alternatives stage. If customers are satisfied, this result in brand loyalty, and the information search and evaluation of alternative stages are often fast-tracked or skipped completely. As a result, brand loyalty is the ultimate aim of many companies.

On the basis of either being satisfied or dissatisfied, a customer will spread either positive or negative feedback about the product. At this stage, companies should carefully create positive post-purchase communication to engage the customers.

2.1.6 Factor Influencing Consumer Buying Behaviors

2.1.6.1 Cultural Factors

a. Culture

The set of basic values perceptions, wants and behaviors learned by a member of society from family and other important institutions is culture. Culture is the most basic cause of a person's wants and behavior. Every group or society has a culture, and cultural influences on buying behavior may vary greatly from country to country.

b. Sub Culture

Sub Culture is a group of people with shared value systems based on common life experiences and situations. Each culture contains smaller sub cultures a group of people with shared value system based on common life experiences and situations. Sub culture includes nationalities, religions, racial group and geographic regions. Many sub culture make up important market segments and marketers often design products.

c. Social Class

Almost every society has some form of social structure, social classes are society's relatively permanent and ordered divisions whose members share similar values, interests and behavior.

2.1.6.2 Social Factors

a. Groups

Two or more people who interact to accomplish individual or mutual goals is called group. A person's behavior is influenced by many small groups. Groups that have a direct influence and to which a person belongs are called membership groups. Some are primary groups includes family, friends, neighbors and coworkers. Some are secondary groups, which are more formal and have less regular interaction. This includes organizations like religious groups, professional association and trade unions.

b. Family

Family members can strongly influence buyer behavior. The family is the most important consumer buying organization society and it has been researched extensively. Marketers are interested in the roles and influence of the husband, wife and children on the purchase of different products and services.

c. Roles and Status

A person belongs to many groups, family, clubs, and organizations. The person's position in each group can be defined in terms of both role and status. For example M & "X" plays the role of father, in his family he plays the role of husband, in his company, he plays the role of manager, etc. A Role consists of the activities people are expected to perform according to the persons around them.

2.1.6.3 Personal Factors

a. Age and Life cycle Stage

People change the goods and services they buy over their lifetimes. Tastes in food, clothes, furniture, and recreation are often age related. Buying is also shaped by the stage of the family life cycle.

b. Occupation

A person's occupation affects the goods and services bought. Blue collar workers tend to buy more rugged work clothes, whereas white-collar workers buy more business suits. A Co. can even specialize in making products needed by a given occupational group. Thus, computer software companies will design different products for brand managers, accountants, engineers, lawyers, and doctors.

c. Economic situation

A person's economic situation will affect product choice

d. Life Style

Life Style is a person's Pattern of living, understanding these forces involves measuring consumer's major AIO dimensions i.e. activities (Work, hobbies, shopping, support etc) interest (Food, fashion, family recreation) and opinions (about themselves, Business, Products).

e. Personality and Self Concept

Each person's distinct personality influences his or her buying behavior. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment.

2.1.6.4 Psychological Factors

a. Motivation

Motive (drive) a need that is sufficiently pressing to direct the person to seek satisfaction of the need

b. Perception

The process by which people select, Organize, and interpret information to form a meaningful picture of the world.

c. Learning

Changes in an individual's behavior arising from experience.

d. Beliefs and attitudes

Belief is a descriptive thought that a person holds about something. Attitude is a Person's consistently favorable or unfavorable evaluations, feelings and tendencies towards an object or idea.

2.1.7 History of Cement in Nepal

The use of cement in Nepal as binding material came into effect in Nepal from the beginning of early 1950's. As no indigenous cement manufacturing industry existed, early users of cement were dependent on imports from India to meet their needs. Gradually, around 1965, the supply of cement was diversified in the form of foreign aid program. The cement was started to import in commercial scale only in the early 1970's from China, South Korea, North Korea, Burma, Indonesia, Thailand, Japan, Hong Kong and many other countries.

In 1975, the first cement plant, Himal Cement Company Limited, came into being to provide Nepal's first state – owned cement manufacturing facility. Its

production capacity initially was 160 tpd and subsequently a new Chinese plant with the production capacity of 200 tpd was added making total capacity of 360 tpd. Then two additional plants, one at Hetauda, Hetauda Cement Industries Limited with the production capacity of 750 tpd and other at Udayapur, Udayapur Cement Industries Limited, with the production capacity of 800 tpd were added to the state cement manufacturing capability. Himal Cement Company was dissolved in 2002 due to environmental cause.

Rise in production of cement has raised new hopes in a country that was dependent on Indian cement until a few years back. Rising investment in cement and increasing production have hinted that Nepal is moving toward self-dependence in cement. History of cement production in Nepal is not that long with the trend of opening of cement factory rising due to the liberal economic policy adopted by the government after the political change of 1990. But Nepali cement factories apart from government-owned Hetauda and Udayapur factories had to depend on Indian raw materials. Different studies have showed that Nepal have reserves of raw materials (limestone) sufficient for 90 years but the majority of Nepali cement factories were forced to import raw materials from India for around one and half decades in lack of investment in mining and processing of the limestone reserves. A total of 42 cement factories currently produce cement in Nepal and over a dozen of those have started to produce clinkers. These industries have provided direct employment to around 10,000 persons and indirect employment to almost double of that. The government is preparing to ban import of clinkers and that has also attracted foreign investment in cement industry. Registration for a cement factory by the Dangote Group of Africa at the Office of the Company Registrar recently shows that. The factory set to be established with total foreign investment is set to attract investment of Rs 56 billion while it is expected to provide jobs to 6,000 and fulfill 30 percent of the country's demand once it comes into operation.

There is no investment friendly environment in Nepal despite the potential for production for self-dependence and even export. Even the existing industries have not been able to operate at full capacity due to different problems. Different small and big hydropower projects under construction in Nepal also do not use Nepali cement. Even if it is used, it is used only at risk-free places or places where immediate repair and maintenance is possible. Foreign cement comes out to be cheaper for them in comparison to Nepali cement as the projects receive discount on customs duty. Nepali cement factories also cannot prosper due to problems like load-shedding and strikes inside factories.

The Cement Manufacturers' Association claims that private sector alone has invested over Rs 50 billion in cement industry that meets 75 percent of the total demand in the country. Less than 50 percent of clinker is imported now while it was almost 100 percent earlier. Indian cement is gradually being displaced from bordering cities in the west like Nepalgunj. Consumers constructing houses have also started to choose Nepali cement over Indian cement. The compulsion for import of cement can be totally ended if the government were to provide discount on customs, promote private investment and pay attention toward investment friendly environment and quality.

Big business houses of Nepal are also being attracted toward cement industry while even the existing factories are expanding investment. It is not hard to judge that entrepreneurs are also assured about the future of this sector as they have been expanding investment even to operate the factories—that consume a huge amount of electricity—with diesel generators. The country will become more prosperous with rising consumption of cement which is also considered to be the barometer of prosperity as it is used in infrastructure construction and development works. This sector can create foundation for sustainable development of the country as raw materials and necessary human resources are available in Nepal, and it can also be exported by increasing production through more investment. Investment by the government on infrastructure for cement industry is commendable and price will also become competitive and

consumers can reap benefits if dependable supply of electricity can be guaranteed.

Established in the year 2001, Jagdamba Cement Industries Private Limited has become a district brand in the Nepalese market. The company that holds the largest market share in the Nepalese has also been able to successfully establish itself as a market leader in cement manufacturing in Nepal with its different products spread all over the country.

The company was established with the major objective of producing and distributing Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC) at competitive prices to achieve the needs and satisfaction of its valued customers in Nepal. It aims to achieve this objective through meeting the statutory and regulatory requirements of country, using high grade of raw material and continual improvement in quality of works and services rendered by the company, enhancing the involvement of all levels of employees, using best available resources by reviewing quality objectives time to time.

To ensure the quality of the cement manufactured by the company, Jagdamba Cement uses high quality clinker imported only from the best suppliers including Shree Cement, Prism Cement and Vasavadutta Cement among others. Moreover, the main raw material Lime (CaO) is controlled by very advanced technology with computerized weigh feeder, used for the product of Jagdamba Cement brands. Dedicated towards making consistent and qualitative product, the products manufactured by the company could be compared with any local as well as imported cement available in the market.

The cement industry produces OPC and PPC cement while the plant in Birgunj produces slag cement as per the demands and needs of the market and these are supplied to specific area for specific use as per the demand. The factory located at Gonaha VDC- 7 in Bhairahawa has the total production capacity of 900 MT per day (18,000 bags of cement per day). The PPC cement produced here is

marketed under its Jagdamba brand. Another plant situated at Birgunj, also with the production capacity of 900 MT cement per day, produces Portland slag cement. The company, overall, produces 1800 MT per day which pretty much covers the major market of Nepal.

The two brands of cement produced by Jagdamba Cement Industries Private Limited are Jagdamba 53 Grade OPC Cement which is one of the highest selling cement in Nepal since 2001 and has been successful to establish a reputation for itself and Ultra Premium OPC Cement which ensures superior quality in cement that would result in durable and long lasting construction.

The cements manufacturing plants of Jagdamba Cement Industries Private Limited use very advanced technology with computerized weigh feeder for controlling content of lime and the quality of the products are maintained throughout with the help of frequent tests and clients' feedback. It has balanced chemical for moderate sulphate resisting properties and very low chloride content to avoid corrosion in steel and due to low heat of hydration in the cement, cracks are rare. All these qualities ensure durability of the construction and concrete works done by this cement.

2.2 Review of Journal/Articles

Jakstien, Susnien & Narbutas (2008) wrote an article on "*The Psychological Impact of Advertising on the Customer Behavior*" Customers are valuable assets for the enterprise, but they can be costly to acquire and retain. The customers' differences in the course of their relationship with the enterprise are reflected in their contributions to the enterprise value throughout their tenure. To the extent that different acquisition strategies bring different "qualities" of customers, the acquisition effort has an important influence on the long-term profitability of the enterprise. Indeed, both practitioners and scholars have emphasized that enterprises should spend not to acquire just any customer but

rather the “right” kind of customer because advertising plays a very important role in this field.

Advertising plays a major role in modern life. It shapes the attitudes of the society and the individual and inevitably influences customer behavior. The customer has to contend with a huge amount of information and be able to make a choice, draw conclusions and make important decisions. The most important task for a business advertising itself is to present its product in such a manner that the whole environment around the buyer turns into a positive emotional stimulus. The main goal of advertising a certain product or service is to attract the customer’s attention and analyze the impact of advertising on customer behavior, which is determined by a multitude of aspects, although the psychological-cognitive, emotional and behavioral-ones play the most important role.

Khan and Siddiqui (2012) wrote an article on “*Effective advertising and its impact on consumer buying behavior*” advertising is a way of communication to convince an audience for taking purchase decision about a product or service and delivering information to viewers. The result shows that there is positive relationship of emotional response with consumer buying behavior and no relationship between environmental response and consumer buying behavior. Therefore, it is concluded that consumers purchase products by emotional response, rather than environmental response. In environmental response consumer do shopping unplanned but in this research consumer purchase those products from which consumer are emotionally attached. These attachments are created through advertisement as audio, video and text form, which appeals him or her. This research is conducted in telecom sector; therefore for generalization of these results, it is necessary for future researcher to empirically contribute to do this research by using other brands i.e. mobile advertising, FMCGS products automobiles, electronics etc. There should be novelty approach to attract the consumer buying behavior for future studies. Consumer buying behavior should be checked by consumer psychological

behavior and social concerns. There is a need to conduct this research by personality trait of consumer, which creates impact on consumer buying behavior in Pakistan.

Rai (2013) had written an article *“Impact Of Advertising On Consumer Behaviors And Attitude”* In the current era of information explosion and the world of media, advertisements play a major role in changing the behavior and attitude of consumers towards the products shown in the advertisements. The advertisements not only change the way of product is consumed by user but alter the attitude with which they look at the product. All over the world, advertisements have been used since ages for a wide variety of brands. For over the last two decades, a sharp increase in advertisements per brand can be witnessed. Advertisements have great influence in purchasing decision of customers for particular brands. It is a ubiquitously accepted fact that advertisements can bestow special attributes upon a product or service that it may have lacked otherwise.

Advertisement influences the behavior and attitude formation of consumers worldwide. The consumer’s motivational sources are advertisements. The consumers are induced significantly by advertisements when the target is on quality and price. Purchase attitude and behavior is influenced by variety of advertisements which cover product evaluation and brand recognition.

Noman and Ahmad (2013) had published an article *“Impact of Brand Image and Advertisement on Consumer Buying Behavior”* brand image and advertisement play a crucial role to boost up any business performance as brand image is an implied tool which can positively change people’s buying behaviors and advertisement is behaving as a driving force for any business as it’s an effective source to convey message and stay in customer’s mind.

At present time in global and emerging markets business war is not only on price but customer attraction, loyalty and relationship matters a lot. Companies

are so conscious about their customer's satisfaction. Advertisement play a crucial role for any business to boost up its performance graph as it is a powerful strategy to attract to customer towards products. Advertisement is a dominant and leading weapon in all marketing tools due to its positive impact in consumers buying behavior. It's an effective way to communicate and convey to the audience and its promotional strategy for the promotion of awareness relating to any product. Consumer buying behavior can be positively changed due to attractive ads.

2.3 Review of Previous Studies

There are some similar studies which had been conducted previously about advertising in Nepal. Professionalism and highly advanced marketing and advertising practices have not institutionalized here in Nepal. However, the Nepalese Business Environment is also influenced and the entrepreneurs have recognized the need of advertising. The related literatures which are similar to advertisement have been reviewed and from these literatures, their objectives, findings and method were noted as follows.

Ghimire (2000) conducted a study on "*Advertisement Through Television: Impact on Consumer Behavior*" has the following objectives.

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

The major findings of this study are as follows.

- Advertisement help to recall the brand or product name while buying.
- Mostly children, young and old age people prefer musical advertisements where as others prefer good wording advertising.

- Considering sex, female consumer prefers musical advertisement rather than advertisements with good wording and vice-versa, while considering the education factor people below SLC and uneducated people prefer musical advertisement.
- Repetition of advertisement attracts people's attention and people prefer to choose advertised product, if the price and quality of both product re same.
- Most of people gave first preference to advertisement from TV followed by newspaper, radio, magazine, cinema respectively and may people watch NTV advertisement.

Bhandary (2003), conducted a research entitled "*The Impact of Advertising on Consumers' Attitude*" (with specially reference to Wai Wai noodle) with the following objectives

- To evaluate other role of advertising in changing the consumer's attitude towards Wai Wai noodle.
- To calculate the consumer market of Wai Wai noodle
- To obtain the consumer's attitude of Wai Wai noodle with others.
- To up lift the consumer's positive attitude towards Wai Wai instant noodle

The Major Findings of the Study are as follows.

- The advertisement is an important of getting knowledge about the noodles. Advertising is considered as the first source of information.
- The Wai Wai noodle is preferred most of consumers due to its quality, packaging and other aspects.
- Most of consumers used three packets of noodles in a day in family group; it means people are fascinated with quick made noodles.
- Advertising of Wai Wai noodle is found better satisfied than others noodles.

Shrestha (2006) conducted a study on “*The Role of Advertising on Brand Loyalty*” has the following objectives.

- To analyze the effectiveness of advertising on brand loyalty of consumers product.
- To evaluate the role of advertising for brand loyalty in Nepalese Market.
- To determine consumers’ importance to advertising and other promotional tools while making selection decision.

The major findings of this study are as follows.

- Advertising is the main source of information about particular brand as well as sensitive subject in the country in the course of promotion.
- Most of the consumers like entertaining advertising than other types of advertisement.
- It is found that advertisement has a great contribution for purchase of soft drink.

Adhikari (2009) conducted a study on “*A comparative study on the Effectiveness of promotional tools on sales*” have the following objectives.

- To find out what promotional tools is more acceptable by the Nepalese customers.
- To find out what mode is more wisely used by the marketers are sales promotional tools.
- To find out which promotional tools are best to attract the customers.
- To find out whether the sales promotion does impact on the sales of bowling game.

Major finding of this study are as follows.

- The person gets information or knows about bowling game from advertisement more than from their friends.

- People are aware of advertising as a promotional tool rather than other promotional tool and the people watch\listen\read advertisement to get information and entertainment.
- Price discount and cash price are two major sales promotions that attract the customer towards products or services.
- Sales promotion tool include people to play bowling game most. Due to cash prize and price discount they are induce to play bowling game respectively.
- Advertising and sales promotion such as cash prize price discount is most widely used by bowling center and cash prize and price discount type of promotional tool is most appreciated by Nepalese customers.
- Advertising helps to aware the customers and includes them to play bowling game where as sales promotion induces them to play bowling game repeatedly.

Gyawali (2012) conducted a study on “*Advertising practice in Nepal*” has the following objectives.

- To identify the existing and present position of advertising in Nepal.
- To identify the use of advertising as an effective method of promotion.
- To suggest measure to enable advertig to play its role effectively.

The major findings of this studies are as follows.

- Advertising is main method of promotion practiced in the country and effects of advertising is generally not evaluated.
- The advertising programs are not well coordinated with other elements of marketing and promotional strategy.
- Most of the consumers have given first preference to the test of the product while the quality of the product is considered second important factor in case of soft drink.

- The effective advertising in time is regarded as the best tool for brand loyalty.

2.4 Research Gap

Research gap refers to the gap between previous research and this research. Many research studies have been conducted by the different students, experts and researcher about advertising & consumer buying behavior. None of the above studies has done researcher entitled “A Study on Impact Of Advertising on Consumer Buying Behavior With Reference to Jagadamba Cement” so this study could help to further researchers like students & Planners.

CHAPTER III

RESEARCH METHODOLOGY

Research methodology is a path from which we can solve research dilemma systematically to accomplish the basic objective of the study. Research methodology assists to formulate the way to get the predetermined objectives so it is the strategic formula, which helps to study a problem smoothly and scientifically closer to truth. Research methodology is a format or a set of methods that has to follow as guiding principles in a scientific study. It consists of a brief explanation of research design, nature and sources of data, method of data collection and methods of tools used for analyzing data.

3.1 Research Design

A research design is the arrangement of conditions for collection and analysis of data that aim to combine relevance to the research purpose with economy in procedure. Research design is the plan, structure and strategy of investigation conceived to obtain answers to research questions and to objective of this study. The present study is based on survey research design. In this, role of advertising and its impact on consumer buying behavior has been evaluated. Hence, for this questionnaire are used.

3.2 Population and Sample

It is difficult to collect information from all the consumer so that sample has been taken by using judgmental sampling method. Research population for the study has been the consumers and the business involved people (involved in advertising agencies and Dealer of Jagadamba Cement) of Kathmandu Valley. So, the research population has been, advertising agency, dealer and the the consumers of Jagadamba Cement. For the study purpose 35 consumers, 10 advertising agency and 5 Dealer of Jagadamba Cement are selected which are shown in the following table.

Table: 3.1
Sample of the Study

S.N.	Respondents	Numbers
1	Consumers	35
2	Advertising Agency	10
3	Dealer of Jagadamba Cement	5

Table: 3.2
Sample Distributors of Jagadamba Cement

S. No.	Parties Name	Tel. No.	Destination
1	Banglamukhi Hardware	4489959	Koteshwar
2	B.S Baniya Store	4471565	Tinkune
5	Purnima Depo	5546834	Satdobato
89	Samjhana Hardware	4109124	Baneshwor

Table: 3.3
Sample Advertising Agencies

S.N.	Agency Name	Address	Phone
1	A.N.S Creation	Thapagaon	4465590
2	Aastha Advertising Agency Pvt. Ltd.	Mid -Baneshwor	2081326
3	ABC Creation Pvt. Ltd	Shantinagar	4785362
4	Ace Advertising Agency	Putalisadak	4242314
5	Ace Media & Marketing Pvt. Ltd.	Shantinagar	4622458
6	Achiever Support and Service Traders Pvt. Ltd	Kamalpokhari	4432388
7	Ad Expand Pvt. Ltd.	Dillibazar	4417808
8	Ad Express	Anamnagar	4220327
9	Ad Point Nepal Pvt. Ltd.	Putalisadak	4771552
10	Apple Media & Advertising Pvt.Ltd	New Baneshwor	4485400

3.3 Nature & Sources of Data

The present study is basically conducted on primary data there is less use of secondary data. Depending on the nature of data and information following sources have been utilized.

3.3.1 Primary Sources

Primary data has been collected through questionnaire for different level of people, i.e. different gender, occupation, education level, different attitudes and beliefs, which are taken from different age group.

3.3.2 Secondary Sources

As a regard supporting literature, relevant books, websites, thesis, newspaper etc. have been used.

3.4 Data Collection Procedure

The study is based on primary data. So, two sets of questionnaire are prepared - one for the consumers and the next for the combined for advertising media, seller/distributors and consumers. The questionnaire is prepared to support the objective of this research. Which questionnaires are distributed to the different consumers, to the personnel of the different media and advertising agencies and distributor of the different product. The questionnaires have been prepared in such a way that help to find the different types of advertisement which preferred by people, people's reaction about advertisement, buying habits of advertised products, causes of product buying, categories of advertising by people, impact of media on human mind, different information provided by advertisement and its comparative benefits and other benefit of advertisement besides product awareness. The data collection work is conducted at Kathmandu Valley. So collected data may differ from the other parts of the country. Most of the questionnaires are filled by the respondents themselves with the help of researcher.

3.5 Data Analysis Tools

In order to accomplish the objective of the study various tools (percentage, diagrams, pie chart) have been applied for the purpose of analysis. The result of analysis has been properly tabulated, compared, analyzed and interpreted.

3.5.1 Multiple bar-diagrams

Diagrams are visual aids which give a bird's eye view of a set of numerical data which show the information in a way that enables us to make comparison between two or more than two sets of data. Diagrams are in different types. Out of these various types of diagram one of the most important form of diagrammatic presentation of data is multiple bar diagram which is used in cases where multiple characteristics of the same set of data have to be presented and compared.

3.5.2 Pie-diagram

A pie-diagram is a widely used aid that is generally used for diagrammatic presentation of the values differing widely in magnitude. In this method all the given data are converted into 360 degree as the angle of a circle is 360 degree and all components of the data are presented in terms of angles that total 360 degree for one set of data.

3.5.3 Percentage

Percentage is one of the most useful tools for the comparison of two quantities or variables. Simply, the word percentage means per hundred. In other words, the fraction which 100 as its denominator is known as a percentage and the numerator of this fraction is known as rate of percent. This tool also has been used here.

3.5.4 Hypothesis Test

Chi Square

Chi-Square test is a non-parametric test because it depends only on the set of observed and expected frequencies and degree of freedom. Since, Chi-square test does not make any assumptions about population parameters; it is also called a distribution free test. Chi-square test is a test, which describes the magnitude of difference between observed frequencies and expected frequencies under certain assumptions. In other words, it describes the magnitude of the discrepancy between theory and observation.

Null Hypotheses (H₀): There is no significance difference between in the opinion made by the different groups of respondents.

Alternative Hypothesis (H₁): There is significance difference between in the opinion made by the different groups of respondents.

It is defined as;

Chi-square = Sum of (O-E)²/E

Where,

O = Observed Frequencies

E = Expected Frequencies

Tabulated Value;

Find the tabulated value/critical value of Chi-square for (c-1) (r-1) degree of freedom at 5% level of significance.

Decisions;

If calculated Chi-square is less than the tabulated Chi-square, it is not significance H₀ is accepted otherwise it is rejected.

CHAPTER IV

PRESENTATION & ANALYSIS OF DATA

In this chapter, to find the answer of research problem, the collected data are necessary to present and analyze by processing. This chapter will present the data on table & figure. This chapter consists of analysis and presentation of empirical data. The data collected are tabulated, analyzed and presentation in a reasonable and wise manner. The data presentation and analysis are based on the primary and secondary sources of information.

4.1 Analysis of Data Relating to Consumers

4.1.1 Consumers Advertisement Watching/Reading/Listening Habits

The table below presents the consumers advertising watching/listening/reading habits when the advertisement appear or hear.

Table: 4.1

**Jagadamba Cement's Consumers Advertisement
Watching/Reading/Listening Habits**

Options	No. of Respondents	Percentage
Yes	25	71
No	10	29
Total	35	100

Source: Field Survey

Figure: 4.1

**Jagadamba Cement's Consumers Advertisement
Watching/Reading/Listening Habits**

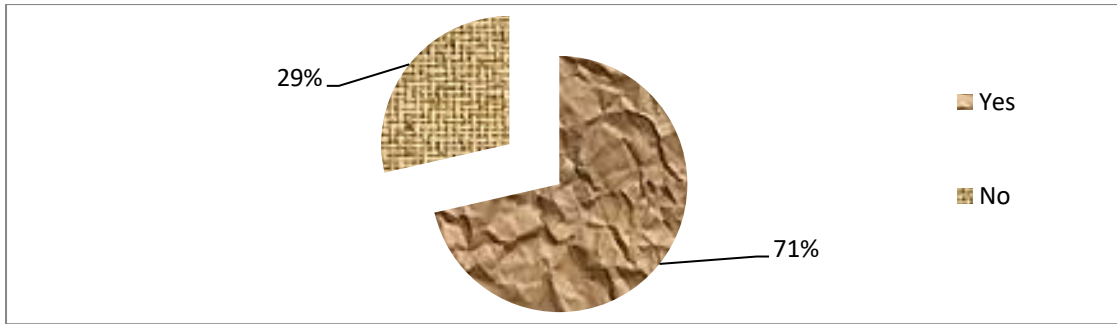


Table 4.1 & Figure 4.1 show that the habit of people watching, listening and reading advertising. Among the respondents of the sample population 71% of people are found to have the habit of watching/listening/reading advertisement. Likewise, 20% respondents are found not to have the habit of watching/listening/reading advertisement.

4.1.2 Consumers Reaction to the Advertisement

The different people react to the advertisement differently like some of them ignore the advertisement, some of them tries to know what advertise meant, some of them may be curious about the advertisement whereas some of them just watches the advertisement. The situation of consumers' reaction is presented in the following table.

Table: 4.2

Consumers Reaction to the Advertisement

Options	No. of Respondents	Percentage
Ignore	5	14
Try to Know	15	43
Curious	10	29
Just Watching/Listening/Reading	5	14
Total	35	100

Source: Field Survey

Figure: 4.2

Consumers Reaction to the Advertisement

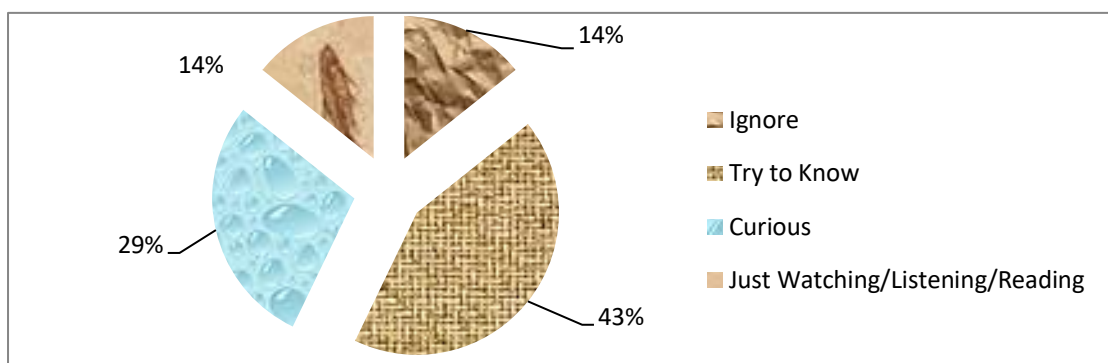


Table 4.2 & Figure 4.2 show that the total sample populations have not same opinion to the advertisements. Among the respondents most of the respondents were found to be conscious only with the meaning to advertisement i.e. they try to know the meaning of advertisement (i.e. 43%). Very few number of respondents were found to be avoiding the advertisement (i.e. 14%) and 29% were highly interested to the advertisement while 14% were found to be dull audience or listeners.

4.1.3 Effect of Advertisement on Consumer's Buying Decisions

The consumers buying decisions is depends upon various factors like advertisement influence them to buy that product by introducing that product or that product was needed for them etc. The result of consumer's reaction in this regard is presented in table below.

Table: 4.3

Effect of Cement Advertisement on Consumer's Buying Decisions

Options	No. of Respondents	Percentage
Yes	30	86
No	5	14
Total	35	100

Source: Field Survey

Figure: 4.3

Effect of Cement Advertisement on Consumer's Buying Decisions

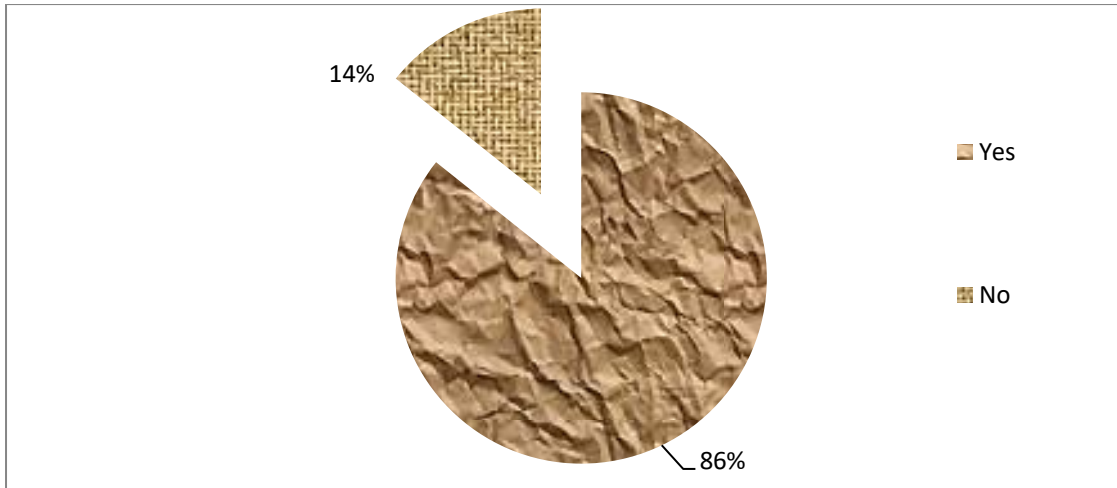


Table 4.3 & Figure 4.3 show that out of total respondents, 86% respondents were found to be the consumers of the product because they were influenced by the advertisement and only 14% respondents are not influence by advertisement of product.

4.1.4 Expectation of Consumer from Advertisement

Different people expecting from advertisement differently like some of them wants to know about the product and services, some of them wants to know about consumption of product or services etc. The situation of consumers' expectation is presented in the following table.

Table: 4.4

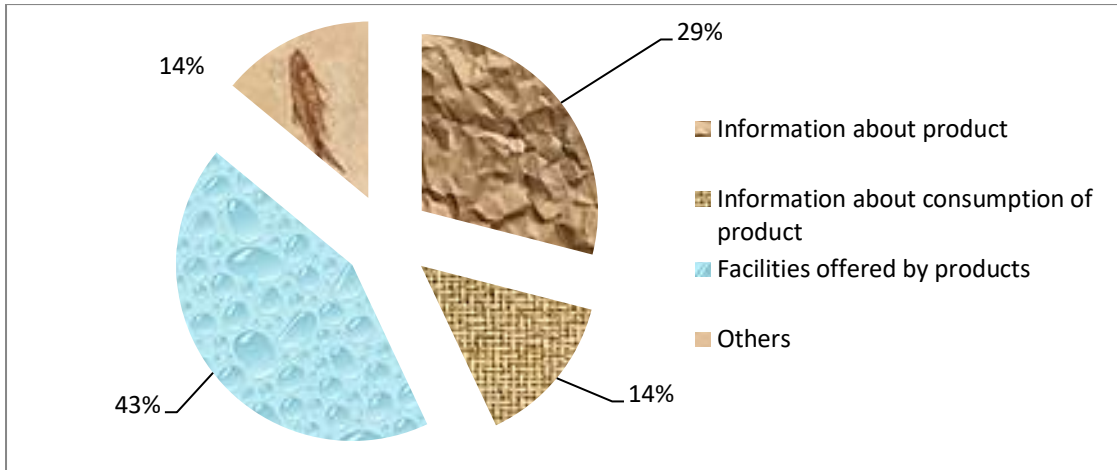
Expectation of Consumer from Cement Advertisement

Options	No. of Respondents	Percentage
Information about product	10	29
Information about consumption of product	5	14
Facilities offered by products	15	43
Others	5	14
Total	35	100

Source: Field Survey

Figure: 4.4

Expectation of Consumer from Cement Advertisement



Facility offered by product has been the main quest for the respondents (43% of total sample) in an advertisement where as few of them, compared to above, prefer to know about the information about product and information about the way of consumption of that product and services in an advertisement 29% and 14% respectively but very few of them i.e. 14% of the respondents expect some other in an advertisement shown by the table. So this clearly depicts that the majority of the respondents are sensible and want to remain facility provide by product.

4.1.5 Impact of Repeated Advertisement to Attract the Consumers Attention

The repeated advertisement of various products and services through various media of advertisement sometimes attracts the customer's attention whereas sometimes that fails to attract. The impact of the repeated advertisement to attract the consumer's attention is presented in table below.

Table: 4.5
Impact of Repeated Advertisement of Jagadamba Cement to Attract the Consumers Attention

Options	No. of Respondents	Percentage
Yes	30	86
No	5	14

Total	35	100
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Source: Field Survey

Figure: 4.5
Impact of Repeated Advertisement of Jagadamba Cement to Attract the Consumers Attention

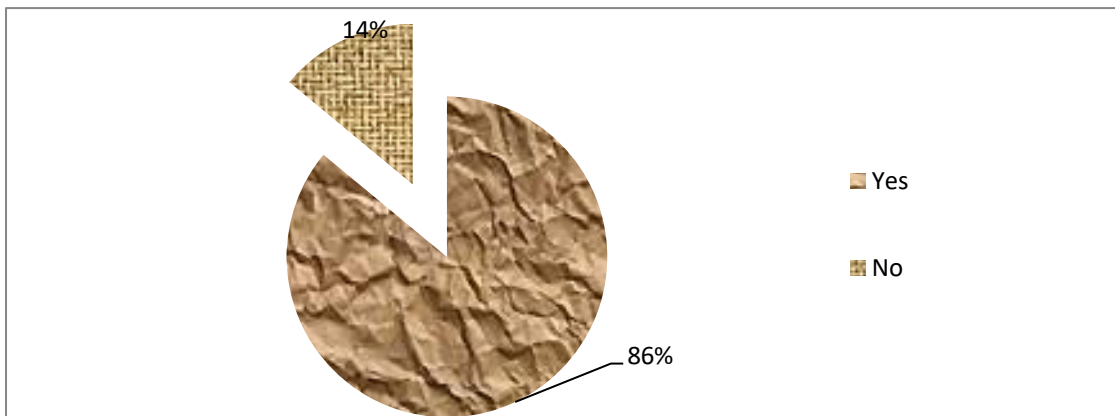


Table 4.5 & Figure 4.5 show the number of consumers being attracted by repeated advertisement in different media. Among the total 35 respondents, most of the respondents, 86% were found to be attracted by the repeated advertisements whereas 14% respondents were seemed to have no effect of the advertisement. It shows that most of the advertisements are proved to be fruitful to attract the consumers.

4.1.6 Factors Influence to Buy the Cement

Many factors influences to the consumer to buy the product and services. The results of the factors that affect the consumers to purchase the products are presented in table below.

Table: 4.6
Factors Influence to Buy the Cement

Options	No. of Respondents	Percentage
Quality/Brand	17	48
Price	8	23
Scheme	3	9
Advertisement	7	20
Total	35	100

Source: Field Survey

Figure: 4.6
Factors Influence to Buy the Cement

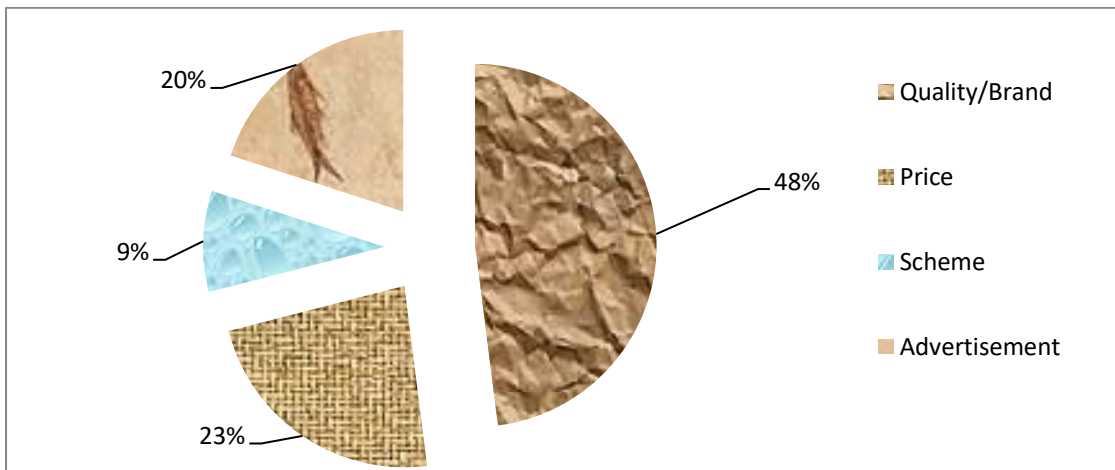


Table 4.6 & Figure 4.6 show the factors which influence customers to buy the Cement. From the table, majority of the respondents 48% responded that they are influenced by the quality and brand to purchase the Cement whereas 23% are influenced by price. 9% are influenced from the scheme attached in the Cement and rest 20% are influenced to buy from the advertisement of the Cement.

4.1.7 Consumers Preference to the Cement having same Quality and Price

Consumers may give different preference to the Cement having same price and quality due the effect of advertisement. The results of consumer’s preferences towards such Cement due the impact of advertisement can be presented as follows.

Table: 4.7

Consumers Preference to the Cement having same Quality and Price

Options	No. of Respondents	Percentage
Advertised Cement	31	89
Not Advertised Cement	4	11
Total	35	100

Source: Field Survey

Figure: 4.7

Consumers Preference to the Cement having same Quality and Price

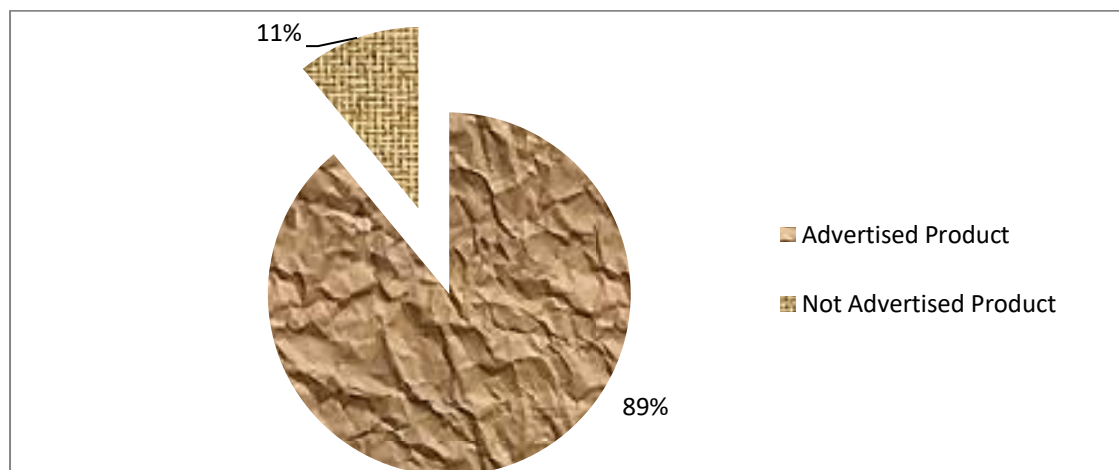


Table 4.7 & Figure 4.7 show the preference of consumers to the cement having same price and quality out of the total 35 respondents 89% respondents give preference to the advertised cement whereas 11% respondents give preference to not advertised cement. It proves that advertised cement gave good preference from the consumers.

4.1.8 Effect of Advertisement on Consumer’s Purchasing Decisions

The consumers buying decisions is depends upon various factors like advertisement influence them to buy that product by introducing that product or that product was needed for them etc. The result of consumer’s reaction in this regard is presented in table below.

Table: 4.8
Effect of Advertisement on Consumer’s Purchasing Decisions

Options	No. of Respondents	Percentage
Advertisement Influence to Buy	8	23
Needed	17	49
Both of Them	10	28
Total	35	100

Source: Field Survey

Figure: 4.8
Effect of Advertisement on Consumer’s Purchasing Decisions

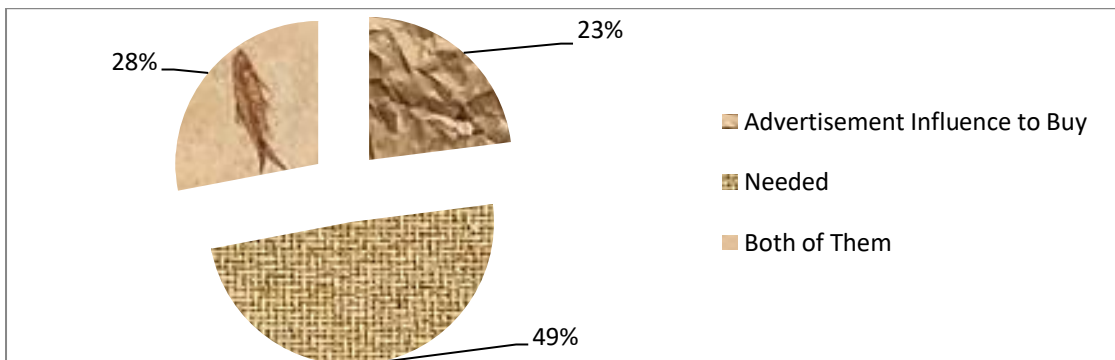


Table 4.8 & Figure 4.8 show that out of total respondents, 23% respondents were found to be the consumers of the product because they were influenced by the advertisement. 49% responded that they became customer of the product because of their need not due to the effect of advertisement whereas 28% customers were found to support both of the reasons. Thus, from this above result is can be concluded that majority of the respondents used the particular product to fulfill their needs.

4.2 Analysis of Data Relating to Consumers, Media & Distributors

4.2.1 Most Effective Promotional Activity

Questionnaire: In your opinion which is the most effective promotional activity for product?

Table: 4.9

Response Regarding the Most Effective Promotional Activity for Cement

Respondents Responses	Consumers No.	%	Media No.	%	Distributors No.	%	Total No.	Total %
Discount Offer	10	29	2	20	1	20	13	26
Advertisement	12	34	5	50	2	40	19	38
Low Price	8	23	2	20	1	20	11	22
High Quality	5	14	1	10	1	20	7	14
Total	35	100	10	100	5	100	50	100

Source: Field Survey

The respondents were asked to know the most effective promotional activity for cement. Table 4.9 presents that out of 35 respondents of consumers; 12 percent of them replied that the most effective promotional activity for cement is advertisement. Similarly, 50 percent advertising media out of 10 and 40 percent distributors out of 5 replied that the most effective promotional activity for cement is an advertisement.

Figure: 4.9

Pie Chart of Response Regarding the Most Effective Promotional Activity for Cement

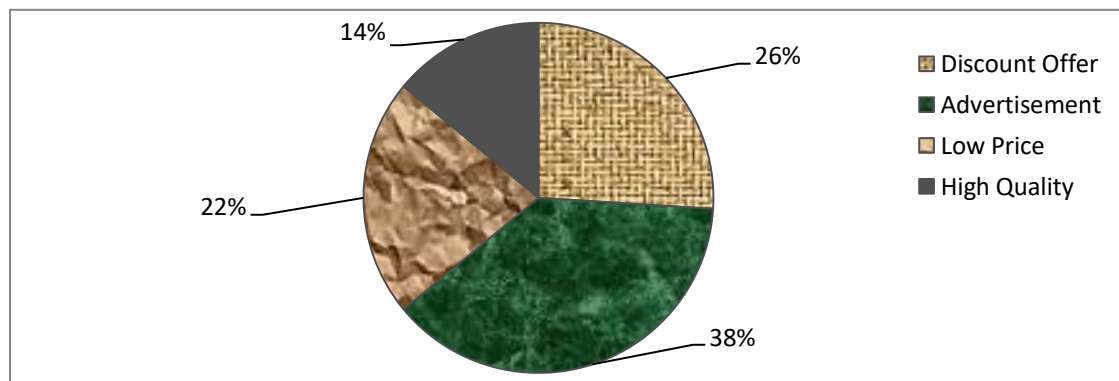


Figure 4.9 show that the out of total 50 respondents 38% of them replied that the most effective promotional activity for Cement is an advertisement, 26%

of them replied that the most effective promotional activity for Cement is discount offer. Similarly, 22% of them replied that the most effective promotional activity for Cement is low price and only 14% of them replied that the most effective promotional activity for Cement is high quality. The majority of respondents replied that the most effective promotional activity for Cement is an advertisement.

Table: 4.10

Chi Square Test for Response Regarding the Most Effective Promotional Activity for Cement

Calculated Value	Tabulated Value	Level of Significance	Degree of Freedom	Hypothesis
1.0918	12.59	5%	(3-1) (4-1) = 6	H ₀ Accepted

Source: Appendix II & III

The chi-square test is applied to check whether there are similar views among the different groups of respondents. The tabulated value of chi-square for 6 degree of freedom at 5 percent level of significance is 12.59 and the calculated value of chi-square is 1.0918, which indicates that the opinions of responding groups are similar. The result signifies that the most effective promotional activity for Cement is an advertisement.

4.2.2 Most Effective Advertisement Media

Questionnaire: In your view which advertisement media is most effective for advertise?

Table: 4.11

Response Regarding the Most Effective Advertisement Media for Cement

Respondents Responses	Consumers No.	%	Media No.	%	Distributors No.	%	Total No.	Total %
Television	15	43	4	40	2	40	21	42
Radio	10	29	3	30	2	40	15	30

Newspaper	5	14	2	20	1	20	8	16
Magazine	5	14	1	10	0	0	6	12
Total	35	100	10	100	5	100	50	100

Source: Field Survey

The respondents were asked to know the most effective advertisement media for Cement. Table 4.11 presents that out of 35 respondents of consumers; 43 percent of them replied that the most effective advertising media for Cement is Television. Similarly, 40 percent advertising media out of 10 and 40 percent distributors out of 5 replied that the most effective advertising media for Cement is television.

Figure: 4.10
Pie Chart of Response Regarding the Most Effective Advertisement Media for Cement

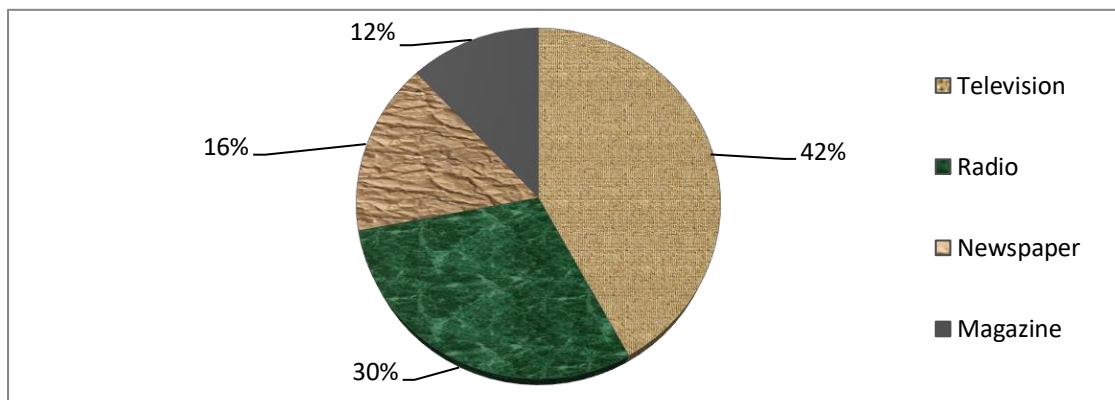


Figure 4.10 show that the out of total 50 respondents 42% of them replied that the most effective advertising media for Cement is a television, 30% of them replied that the most effective advertising media for Cement is radio. Similarly, 16% of them replied that the most effective advertising media for Cement is newspaper and only 12% of them replied that the most effective advertising media for Cement is magazine. The majority of respondents replied that the most effective advertising media for Cement is a television.

Table: 4.12

**Chi Square Test for Response Regarding the Most Effective
Advertisement Media for Cement**

Calculated Value	Tabulated Value	Level of Significance	Degree of Freedom	Hypothesis
1.2109	12.59	5%	(3-1) (4-1) = 6	H ₀ Accepted

Source: Appendix IV & V

The chi-square test is applied to check whether there are similar views among the different groups of respondents. The tabulated value of chi-square for 6 degree of freedom at 5 percent level of significance is 12.59 and the calculated value of chi-square is 1.2109, which indicates that the opinions of responding groups are similar. The result signifies that the most effective advertising media for Cement is a television.

4.2.3 Relationship between Advertisement and Consumer's Buying Behavior

Questionnaire: There is any relationship between advertisement and consumer's buying behavior?

Table: 4.13

**Response Regarding the Relationship between Advertisement and
Consumer's Buying Behavior**

Respondents Responses	Consumers No.	%	Media No.	%	Distributors No.	%	Total No.	Total %
Positive	20	57	7	70	3	60	30	60
Negative	12	34	3	30	2	40	17	34
Don't Know	3	9	0	0	0	0	3	6
Total	35	100	10	100	5	100	50	100

Source: Field Survey

The respondents were asked to know the relationship between advertisement and consumer's buying behavior. Table 4.13 presents that out of 35 respondents

of consumers; 57 percent of them replied that the relationship between advertisement and consumer's buying behavior is positive. Similarly, 70 percent advertising media out of 10 and 60 percent distributors out of 5 replied that the relationship between advertisement and consumer's buying behavior is positive.

Figure: 4.11

Pie Chart of Response Regarding the Relationship between Advertisement and Consumer's Buying Behavior

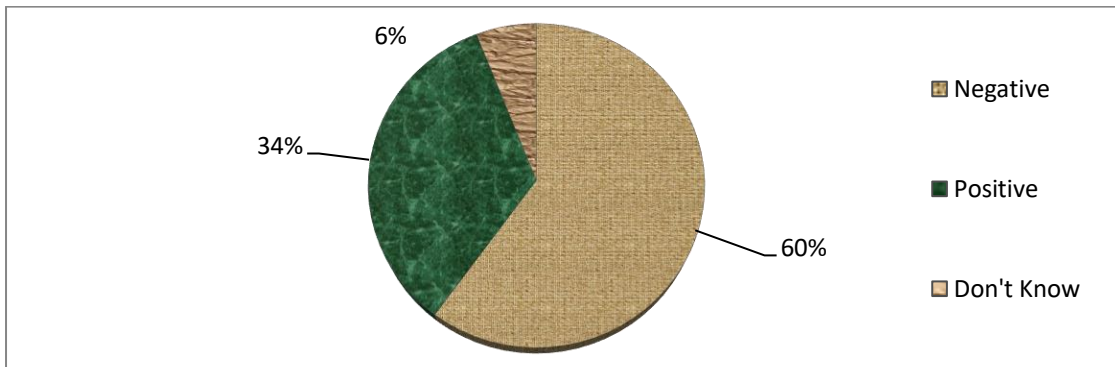


Figure 4.11 show that the out of total 50 respondents 60% of them replied that the relationship between advertisement and consumer's buying behavior is positive. Similarly, 34% of them replied that the relationship between advertisement and consumer's buying behavior is negative and only 6% of them replied that they don't know about the relationship between advertisement and consumer's buying behavior. The majority of respondents replied that the relationship between advertisement and consumer's buying behavior is positive.

Table: 4.14

Chi Square Test for Response Regarding the Relationship between Advertisement and Consumer's Buying Behavior

Calculated Value	Tabulated Value	Level of Significance	Degree of Freedom	Hypothesis
1.6008	9.49	5%	$(3-1)(3-1) = 4$	H_0 Accepted

Source: Appendix VI & VII

The chi-square test is applied to check whether there are similar views among the different groups of respondents. The tabulated value of chi-square for 4 degree of freedom at 5 percent level of significance is 9.49 and the calculated value of chi-square is 1.6008, which indicates that the opinions of responding groups are similar. The result signifies that the relationship between advertisement and consumer's buying behavior is positive.

4.2.4 Impact of Advertising on Sales of Cement and Total Revenue

Questionnaire: What is the impact of advertising on sales of Cement and total revenue?

Table: 4.15
Response Regarding the Impact of Advertising on Sales of Cement and Total Revenue

Respondents Responses	Consumers	%	Media	%	Distributors	%	Total	Total
	No.		No.		No.		No.	%
Increase Sales & TR	15	43	5	50	1	20	21	42
Decrease Sales & T R	7	20	1	10	1	20	9	18
Increase Sales but Decrease TR	10	29	3	30	3	60	16	32
No Impact	3	8	1	10	0	0	4	8
Total	35	100	10	100	5	100	50	100

Source: Field Survey

The respondents were asked to know the impact of advertising on sales of Cement and total revenue. Table 4.15 presents that out of 35 respondents of consumers; 43 percent of them replied that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue, 50 percent

advertising media out of 10 replied that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue. Similarly, 20 percent distributors out of 5 replied that the replied that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue.

Figure: 4.12

Pie Chart of Response Regarding the Impact of Advertising on Sales of Cement and Total Revenue

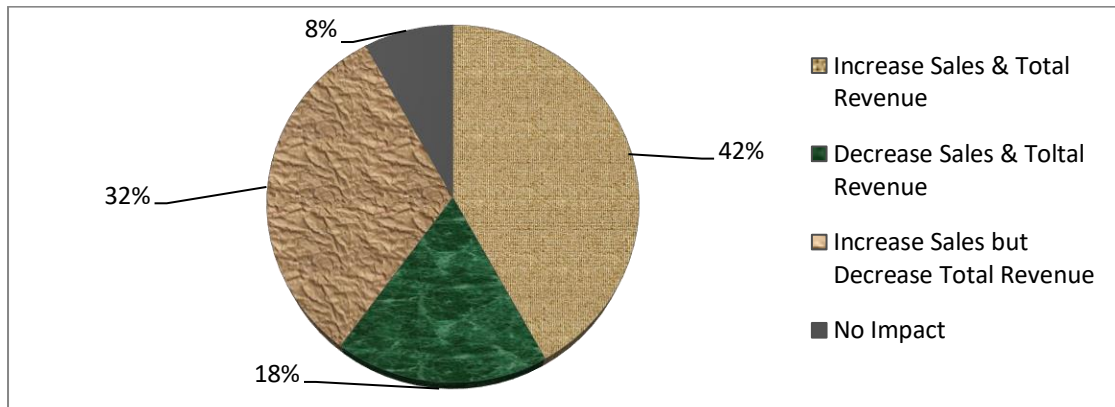


Figure 4.12 show that the out of total 50 respondents 42% of them replied that the replied that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue, 32% replied that the replied that the impact of advertising on sales of Cement and total revenue is increase sales but decrease total revenue. Similarly, 18% of them replied that the replied that the impact of advertising on sales of Cement and total revenue is decrease sales and total revenue and only 8% of them replied that there is no impact of advertising on sales and total revenue. The majority of respondents replied that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue.

Table: 4.16

Chi Square Test for Response Regarding Impact of Advertising on Sales of Cement and Total Revenue

Calculated Value	Tabulated Value	Level of Significance	Degree of Freedom	Hypothesis

3.0095	12.59	5%	(3-1) (4-1) = 6	H ₀ Accepted
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Source: Appendix VIII & IX

The chi-square test is applied to check whether there are similar views among the different groups of respondents. The tabulated value of chi-square for 6 degree of freedom at 5 percent level of significance is 12.59 and the calculated value of chi-square is 3.0095, which indicates that the opinions of responding groups are similar. The result signifies that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue.

4.2.5 Encouraging Factor to Make Purchase Decision

Questionnaire: Which may be the encouraging factor to make purchase decision of Cement?

Table: 4.17

Response Regarding the Encouraging Factor to Make Purchase Decision of Cement

Respondents Responses	Consumers No.	%	Media No.	%	Distributors No.	%	Total No.	Total %
Quality of Product	5	14	5	50	1	20	11	22
Price of Product	10	29	2	20	2	40	14	28
Advertisement of Product	15	43	2	20	1	20	18	36
Scheme	5	14	1	10	1	20	7	14
Total	35	100	10	100	5	100	50	100

Source: Field Survey

The respondents were asked to know the encouraging factor to make purchase decision. Table 4.17 presents that out of 35 respondents of consumers; 43 percent of them replied that the encouraging factor to make purchase decision

is advertising of Cement, 20 percent advertising media out of 10 replied the encouraging factor to make purchase decision is advertising of Cement. Similarly, 20 percent distributors out of 5 replied that the encouraging factor to make purchase decision is advertising of Cement.

Figure: 4.13

Pie Chart of Response Regarding the Encouraging Factor to Make Purchase Decision of Cement

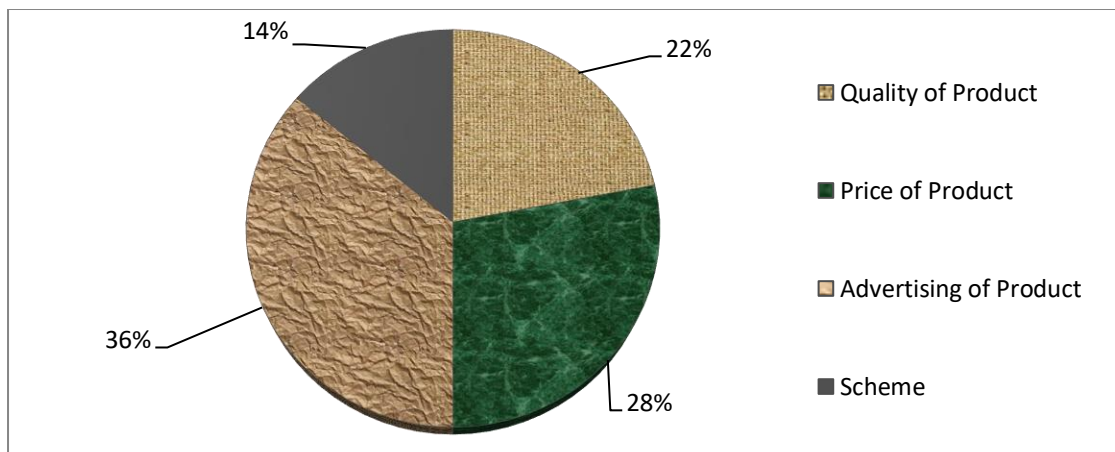


Figure 4.13 show that the out of total 50 respondents 36% of them replied that the encouraging factor to make purchase decision is advertising of Cement, 28% replied that the replied that the encouraging factor to make purchase decision is price of Cement. Similarly, 22% of them replied that the encouraging factor to make purchase decision is quality of Cement and only 14% of them replied that the encouraging factor to make purchase decision is scheme. The majority of respondents replied that the encouraging factor to make purchase decision is advertising of Cement.

Table: 4.18

Chi Square Test for Response Regarding the Encouraging Factor to Make Purchase Decision of Cement

Calculated Value	Tabulated Value	Level of Significance	Degree of Freedom	Hypothesis
6.7780	12.59	5%	$(3-1)(4-1) = 6$	H_0 Accepted

Source: Appendix X & XI

The chi-square test is applied to check whether there are similar views among the different groups of respondents. The tabulated value of chi-square for 6 degree of freedom at 5 percent level of significance is 12.59 and the calculated value of chi-square is 6.7780, which indicates that the opinions of responding groups are similar. The result signifies that the encouraging factor to make purchase decision is advertising of Cement.

4.3 Major Findings of the Study

- Total of 35 respondents, 71% of people are found to have the habit of watching/listening/reading advertisement.
- Among 35 respondents most of the respondents are found to be conscious only with the meaning to advertisement i.e. they try to know the meaning of advertisement (i.e. 43%).
- Out of total respondents, 86% respondents are influenced by the advertisement and only 14% respondents are not influence by advertisement of Cement.
- It is finding that the majority of the respondents are sensible and want to remain facility provide by Cement.
- Most of the respondents, 86% are finding to be attracted by the repeated advertisements.
- Majority of the respondents 48% responded that they are influenced by the quality and brand to purchase the Cement whereas 20% are influenced to buy from the advertisement of the Cement.
- Majority of the respondents 89% respondents give preference to the advertised Cement whereas 11% respondents give preference to not advertised Cement.
- Majority of the respondents used the particular Cement to fulfill their needs only 23% respondents are finding to be the consumers of the Cement because they are influenced by the advertisement.

- The majority of respondents i.e. 38% replied that the most effective promotional activity for Cement is an advertisement and the hypothesis result signifies that the most effective promotional activity for Cement is an advertisement.
- The majority of respondents i.e. 42% replied that the most effective advertising media for Cement is a television and the hypothesis result signifies that the most effective advertising media for Cement is a television.
- The majority of respondents i.e. 60% replied that the relationship between advertisement and consumer's buying behavior is positive and the hypothesis result signifies that the relationship between advertisement and consumer's buying behavior is positive.
- The majority of respondents i.e. 42% replied that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue and the hypothesis result signifies that the impact of advertising on sales of Cement and total revenue is increase sales and total revenue.
- The majority of respondents replied that the encouraging factor to make purchase decision is advertising of Cement and the hypothesis result signifies that the encouraging factor to make purchase decision is advertising of Cement.

CHAPTER - V

SUMMARY, CONCLUSION & RECOMMENDATIONS

5.1 Summary

As per the information and communication technology based changing situation, advertising approach is growing day by day in Nepal. Advertising is widely used by business, government and social organizations. The selection of appropriate advertising means and their effectiveness to create good impression of the various consumers is unknown. Thus, this study has attempted to assess the impact of advertising on consumer buying behavior of cement product. It is envisaged that the findings and recommendations of this study will be instrumental resource for the advertisers and advertising agencies working in the marketing sector in relation to improving their advertising policy and strategies.

The means of advertising presents the most persuasive possible selling messages to the right prospects for the products or services available in the market at the lowest possible cost. Thus the advertising should be planned and created to achieve the most results at the least cost. Since the main objective of advertising is to create demand and sell the products or services, it has to be appealing and attractive. But unlike the salesman who sells in a fact-to-face or even voice-to-voice situation, advertising sells in a broadcast fashion to numbers of prospects whose identity may or may not be known and who may be close at hand or at a distance. The message broadcasted through effective means reaches to the large number of potential buyers at a time. Advertising has remarkable flexibility and range of operation. It is not possible to use all these versatile and flexibility of the advertisement in most cases in Nepal due to the limited infrastructure and facility available throughout the country. This study will be a useful basis for the academicians and manufactures to know market situation and consumers behavior towards their products.

The main objective of this study is to assess the impact of advertising on consumer buying behavior of cement product and their response with reference to Kathmandu Valley. Advertisement help to sale more and more product, which leads the producer to mass production, which creates job opportunities to the unemployed population of the country and certainly increase the living standard of those people. Thus advertisement directly effect in develop the economy of the country. The study regarding the role of advertising and impact of advertising in consumer buying behavior would perhaps be an innovative step in the field marketing in Nepal. To achieve the objectives of the study required data are collected from primary sources through questionnaire. In total 50 responses covering the differing age groups, gender, educational background, different profession, income level etc. are collected by using various tools to analysis the data to achieve the objectives of the study.

5.2 Conclusion

Generally, people buy product after only knowing about it and advertisement plays vital role to provide information. A consumer may impress himself/herself by advertising and then motive himself/herself to purchase cement. In this way, there is direct relationship between advertising and consumer.

This study is focused in role of advertisement and its impact on consumer buying behavior. The findings of the hole study has been concluded that majority of the people have advertisement watching/listening/reading habits and majority of the people of different age group, different gender, different profession, having different level of income, education, attitudes and beliefs prefer to the informative advertisements as compared to others types of advertisements which indicates that informative advertisements are more popular among the people than other advertisements for cement. In addition to this, majority of the people prefer the product and services which is frequently advertised rather than not advertised cement but most of them purchase the cement due to their necessity not due the influence of advertisement.

Likewise, advertising media and advertising agencies play vital role in advertisement in this present context of Nepali market. Among several of advertising media television advertising is more popular means of advertisement than all others types of advertisement medias. This study find a positive relation between the advertising and sales of any cement, so it can be concluded that advertising has a prominent role over the sales of cement. Thus, in conclusion we can say that advertisement seems to be the most popular promotional tool for the cement which plays crucial role to attract the minds of people, influence their preference toward the products and services thereby enhances the market and possibility of greater sales for the cement manufactured.

5.3 Recommendations

On the basis of the findings of the study, following recommendations can be proposed for consideration.

- The study shows that majority of the respondents have advertisement watching/reading/listening habits is popular on consumers. So, the advertiser and producer should give preference to the advertisement.
- The study indicates that most of the consumers prefer advertised cement rather than not advertised cement and it also indicates that advertisement draws the attention of the consumers. Hence, all cement manufacturers should advertise their product to expand the market share.
- The study indicates that the advertisement of cement leaves a good impact with consumer behavior regarding the product but to some extent their purchase decision depends upon the need of the consumers. So, while advertising the product or service all manufacturers and advertisers should try to create the necessity of the product through effective presentation of product and product related information in advertisement.
- The advertisement is very much effective to leave a positive impact upon consumers regarding the cement and majority of the respondents prefer the quality and brand of the cement rather than other variables. So, all manufacturers of cement should produce a product having good quality and advertise their product effectively which helps to increase their market share rapidly.
- The study shows that among the different advertising media television advertising is the more effective medium than other medium. Thus advertisers should advertise their products through these media to enhance the market of their products.
- The advertising media and agencies have a very good role in advertisement. So, manufacturers cannot ignore the advertising media and agencies because without these medium and agencies they cannot be able to do advertise their product.

- The analysis shows that the advertisement is very much effective promotional tools for the cement. So, all manufacturers of cement should focus more on advertisement than other promotional activities of promotion.

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APPENDIX I

Questionnaire

In the process of preparing my thesis work I am collecting the data and information related to subject on "Impact of Advertisement on Consumer Buying Behavior (With Reference to Jagadamba Cement)" for the research work in partial fulfillment of the requirements for the degree of Master of Business Studies (M.B.S.) and it would be great value of your help in this research work, if you could help me by filling up the following questionnaires.

Name:

Address:

Age:

Sex: Male/Female

Occupation:

Please tick (✓) the answer.

1. Do you have advertisement watching/listening/reading habit?

a. Yes []

b. No []

3. How do you react when you see/listen the advertisement?

a. Ignore []

b. Try to know the message of the advertisement []

c. Curious about advertising than the product []

d. Just watch/listen/read the advertise []

4. Do you think that the advertisement of cement has positive impact on your buying decision?

- a. Yes []
- b. No []

5. What do you expect from advertisement of cement?

- a. Information about product []
- b. Information about consumption of product []
- c. Facilities offered by product []
- d. Others []

6. Does repetition of an advertisement of cement attract your attention?

- a. Yes []
- b. No []

7. You buy a cement as a result of

- a. Advertisement influence to buy []
- b. Need it []
- c. Both of them []

8. Which factor helps you to make purchase decision of cement?

- a. Quality/Brand []
- b. Price []
- c. Scheme []
- d. Advertisement []
- e. Others []

9. If there are same kinds of cement in the market in terms of quality and the price, which one would buy?

- a. Advertised []

- b. Not advertised []

10. Have you bought any cement after getting information from advertisement?

- a. Yes []
- b. No []

Questionnaire for Media and Advertising Agencies

Dear sir/madam,

I am student of MBS of Shanker Dev Campus, Putalisadak, Kathmandu. I am writing a thesis entitled "**Impact of Advertisement on Consumer Buying Behavior (With Reference to Jagadamba Cement)**". It is sure that my research work will not be completed without your kind co-operation. I would like to assure you that information obtained from your company will be used only for academic in this thesis. Therefore, I request you to answer the following question and tick (√) where necessary.

11. In your opinion which is the most effective promotional activity for cement?

- a. Discount offer []
- b. Advertisement []
- c. Low Price []
- d. High quality []

12. In your view which advertisement media is most effective for advertise of cement?

- a. Television []
- b. Radio/FM []
- c. Newspaper []
- d. Magazine []

13. There is any relationship between advertisement and consumer's buying behavior of cement?

- a. Positive []
- b. Negative []
- c. Don't know []

14. What is the impact of advertising on sales of cement and total revenue?

- a. Increase sales & Total Revenue []
- b. Decrease sales & Total Revenue []
- c. Increase Sales but Decrease Total Revenue []
- d. No Impact []

15. Which may be the encouraging factor to make purchase decision of cement?

- a. Quality of Product
- b. Price of Product
- c. Advertising of Product
- d. Scheme

APPENDIX II

Response Regarding the Most Effective Promotional Activity for Product

Response	C.	M.	D.	RT	D.F	Cal. 't'	Tab. 't'
Discount Offer	10	2	1	13	(3-1) (4-1) = 6	1.0918	12.59
Advertisement	12	5	2	19			
Low Price	8	2	1	11			
High Quality	5	1	1	7			
CT	35	10	5	N=50			

$$\text{Percentage} = \frac{\text{No. of Respondents on Each Response}}{\text{Total No. of Respondents}} \times 100$$

APPENDIX III

Calculation of Chi Square (χ^2)

O	$E = \frac{RT \times CT}{N}$	O - E	(O - E) ²	$\frac{(O - E)^2}{E}$
10	9.1	0.9	0.81	0.0890
12	13.3	-1.3	1.69	0.1271
8	7.7	0.3	0.09	0.0117
5	4.9	0.1	0.01	0.0020
2	2.6	-0.6	0.36	0.1385
5	3.8	1.2	1.44	0.3789
2	2.2	-0.2	0.04	0.0182
1	1.4	-0.4	0.16	0.1143
1	1.3	-0.3	0.09	0.0692
2	1.9	0.1	0.01	0.0053
1	1.1	-0.1	0.01	0.0091
1	0.7	0.3	0.09	0.1286
$\sum \frac{(O-E)^2}{E}$				1.0918

APPENDIX IV

Response Regarding the Most Effective Advertisement Media

Response	C.	M.	D.	RT	D.F	Cal. 't'	Tab. 't'
Television	15	4	2	21	(3-1) (4-1) = 6	1.2109	12.59
Radio	10	3	2	15			
Newspaper	5	2	1	8			
Magazine	5	1	0	6			
CT	35	10	5	N=50			

$$\text{Percentage} = \frac{\text{No. of Respondents on Each Response}}{\text{Total No. of Respondents}} \times 100$$

APPENDIX V

Calculation of Chi Square (χ^2)

O	$E = \frac{RT \times CT}{N}$	O - E	(O - E) ²	$\frac{(O - E)^2}{E}$
15	14.7	0.3	0.09	0.0061
10	10.5	-0.5	0.25	0.0238
5	5.6	-0.6	0.36	0.0643
5	4.2	0.8	0.64	0.1524
4	4.2	-0.2	0.04	0.0095
3	3	0	0	0.0000
2	1.6	0.4	0.16	0.1000
1	1.2	-0.2	0.04	0.0333
2	2.1	-0.1	0.01	0.0048
2	1.5	0.5	0.25	0.1667
1	0.8	0.2	0.04	0.0500
0	0.6	-0.6	0.36	0.6000
$\sum \frac{(O-E)^2}{E}$				1.2109

APPENDIX VI

Response Regarding the Relationship between Advertisement and Consumer's Buying Behavior

Response	C.	M.	D.	RT	D.F	Cal. 't'	Tab. 't'
Positive	20	7	3	30	(3-1) (3-1) = 4	1.6008	9.49
Negative	12	3	2	17			
Don't Know	3	0	0	3			
CT	35	10	5	N=50			

$$\text{Percentage} = \frac{\text{No. of Respondents on Each Response}}{\text{Total No. of Respondents}} \times 100$$

APPENDIX VII

Calculation of Chi Square (χ^2)

O	$E = \frac{RT \times CT}{N}$	O - E	(O - E) ²	$\frac{(O - E)^2}{E}$
20	21	-1	1	0.0476
12	11.9	0.1	0.01	0.0008
3	2.1	0.9	0.81	0.3857
7	6	1	1	0.1667
3	3.4	-0.4	0.16	0.0471
0	0.6	-0.6	0.36	0.6000
3	3	0	0	0.0000
2	1.7	0.3	0.09	0.0529
0	0.3	-0.3	0.09	0.3000
$\sum \frac{(O-E)^2}{E}$				1.6008

APPENDIX VIII

Response Regarding the Impact of Advertising on Sales of Product and Total Revenue

Response	C.	M.	D.	RT	D.F	Cal. 't'	Tab. 't'
Increase Sales & Total Revenue	15	5	1	21	(3-1) (4-1) = 6	3.0095	12.59
Decrease Sales & Total Revenue	7	1	1	9			
Increase Sales but Decrease Total Revenue	10	3	3	16			
No Impact	3	1	0	4			
CT	35	10	5	N=50			

$$\text{Percentage} = \frac{\text{No. of Respondents on Each Response}}{\text{Total No. of Respondents}} \times 100$$

APPENDIX IX

Calculation of Chi Square (χ^2)

O	$E = \frac{RT \times CT}{N}$	O - E	(O - E) ²	$\frac{(O - E)^2}{E}$
15	14.7	0.3	0.09	0.0061
7	6.3	0.7	0.49	0.0778
10	11.2	-1.2	1.44	0.1286
3	2.8	0.2	0.04	0.0143
5	4.2	0.8	0.64	0.1524
1	1.8	-0.8	0.64	0.3556
3	3.2	-0.2	0.04	0.0125
1	0.8	0.2	0.04	0.0500
1	2.1	-1.1	1.21	0.5762
1	0.9	0.1	0.01	0.0111
3	1.6	1.4	1.96	1.2250
0	0.4	-0.4	0.16	0.4000

$\sum \frac{(O-E)^2}{E}$	3.0095
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APPENDIX X

Response Regarding the Encouraging Factor to Make Purchase Decision

Response	C.	M.	D.	RT	D.F	Cal. 't'	Tab. 't'
Quality of Product	5	5	1	11	(3-1) (4-1) = 6	6.7780	12.59
Price of Product	10	2	2	14			
Advertisement of Product	15	2	1	18			
Scheme	5	1	1	7			
CT	35	10	5	N=50			

$$\text{Percentage} = \frac{\text{No. of Respondents on Each Response}}{\text{Total No. of Respondents}} \times 100$$

APPENDIX XI

Calculation of Chi Square (χ^2)

O	$E = \frac{RT \times CT}{N}$	O - E	(O - E) ²	$\frac{(O - E)^2}{E}$
5	7.7	-2.7	7.29	0.9468
10	9.8	0.2	0.04	0.0041
15	12.6	2.4	5.76	0.4571
5	4.9	0.1	0.01	0.0020
5	2.2	2.8	7.84	3.5636
2	2.8	-0.8	0.64	0.2286
2	3.6	-1.6	2.56	0.7111
1	1.4	-0.4	0.16	0.1143
1	1.1	-0.1	0.01	0.0091
2	1.4	0.6	0.36	0.2571
1	1.8	-0.8	0.64	0.3556
1	0.7	0.3	0.09	0.1286
$\sum \frac{(O - E)^2}{E}$				6.7780

