

CHAPTER - ONE

INTRODUCTION

1.1 Background of the Study

Nepal is land locked by India in East, West & South and by People's Republic of China in the North. Nepal lies in the northern hemisphere of the earth and it is a Himalayan kingdom in the verge of being a republic. Geographically it is located in South Asia extending at the range of 26⁰22' to 30⁰27' east in latitude and 80⁰4'to 88⁰12' north in longitude. It has the area of 1, 47,181 sq km. The length and breadth roughly extends to be 885 km and 193 km in average. The geographical periphery of Nepal is confined by the hot and fertile terrain in the south and rugged mountains including the highest peak of the world in the north. History of Nepal is not that long when the development aspects are considered. Nepal has always been on the poorer side financially. From the inception of the National Development Plans in 1956, the plans have been directed towards social reforms and poverty alleviation. Nepal is still following a traditional mode of business, not being able to create professionalism in most of the productive sectors. Currently, Nepal is facing transitional phase in both political and industrial sector. But, this phase is looking to elongate than what it should ideally be. When speaking about a country, a couple of paragraphs or pages is never enough, but since, the area of concentration in this area is rather different than just about the country, there fore, this topic is cut short.

In the process of catching up the pace of the 21st Century, Nepal has been awarded with the membership of WTO by the Cancun Ministerial Conference (Mexico) on September, 2003 as the 147th member of WTO out of 148 member countries. Nepal holds its place among 29 least developed member countries of WTO. More than 85% people are still live in rural areas and most of them are not getting minimum physical facilities that are necessary for human being because of underdevelopment and their poverty. Being the economy still dependent on traditional agriculture, industrialism is way back comparatively. There is a growing concern for the business persons in Nepal, for Nepal being the member country of WTO and now, their organizations and products should face the challenges presented by the products from all over the world. But, there is a hope of optimism so that the organization can grow and spread through out the world and operate. But, the challenges imposed by the competitors are hard enough to be tackled by a single mind and just the quality of the product.

The product now needs serious implementation of marketing tools. Marketing of the products have stepped into a separate world of its own. In this modern marketing era, every marketer should understand the consumer's satisfaction. Companies are adopting many marketing policies and strategies to increase the sales. As the modern business world is highly competitive and complex, the successful marketers always think about how to win the market and make the buyers respond to its product. Through incorporation of such features that attracts customers, marketers add value and satisfaction through the product. Promotion, publicity, advertisement, personal selling etc. have all become so usual that, the consumer hardly gets excited by these techniques. In the meantime, sales activities come as a catalyst for the manufacturer, as the number of brand have increased in the market. Sales activities have received greater attention and efforts

are being made by the sales force to encourage sales of the product. The sales have direct impact on the market share. So, the sales activities are bound to play vital role in market share.

The use and practice of sales activity method in Nepal had started out relatively late. Every brand new day has been engulfed by business activities these days. Competition in each business sector is increasing rapidly. In this situation, companies, especially manufacturing companies find the situation very tough to sell their products in the market smoothly. So, companies are using various tools and techniques to sell their products effectively. Market share is directly affected by the sales and sales depend upon sales promotion directly or indirectly, so sales promotion refers the use of different promotional tools to stimulate or to create sales. Increasing market share of the product constitutes among the goals of the manufacturers. The concept of consumer promotion /sales is not new. This technique is being used by manufacturers as early as 19th century. John H. Patterson of United States, founder of the National Cash Register Company, used this technique for the first time. He thought that the sales of the product could be increased if monetary advantages are given to the customer. Since then companies are using this promotion technique. Each and every company's goal is to increase their market share. When they try to increase their market share they have to consider things like i.e. advertising, sales promotion, consumer behavior etc. advertising is also an integral part of business. Different forms of advertisements have been classified into two groups. The advertising agencies in Nepal have categorized these media's into two groups they are: -

I- Above the line activities and

II- Below the line activities

Above the line activities include –Television Channels, Cable Operators, Radio Stations, Newspapers and Various other publications etc.

Below the line activities includes – Hoarding boards, banners, pamphlets, posters billboards, neon signs etc. Every company spends significant amount of money in advertising to increase there sales which directly affects their market share. Naturally the company having the highest sales has also the highest market share. Hence, market share is always dependent upon sales, which in turn is affected by advertising. A review of sales promotion as implied here suggests that it is an important part of marketing activities. The amount of money allocated to sale promotion is hidden in advertising budgets. Whenever a company spends in advertising and sales promotion, it raises its market share because when a company spends on media it helps in increasing the sales of product, which directly affect market share.

In context of Particle Board, manufactured in 2055-56 by Shree Nepal Boards Ltd. is situated at Simra Bara, Nepal. Nepal Boards Ltd. is a joint venture company of the largest industrial conglomerate of Nepal, Golchha Organisation, the Dynamic, Continental Trading Enterprises (p) Ltd. and flatwood Limited British Virgin Islands. The Group's philosophy of superior technology promoted investment in a new state-of-the-art-technology to produce finest quality Plain and Pre-laminated Particle Boards.

The company invests heavily in people and quality and believes in building market strength through quality. An essential ingredient of the company's philosophy is its

total commitment to quality, achieved through stringent controls of raw materials, manufacturing process and finished products to ensure that its products conform to international quality standards.

Nepal Boards Ltd. has an installed capacity of 100 cubic meters per day. The company utilizes hardwood plantation resources grown in Nepal, with the state-of-the-art technology to produce the finest quality, Plain and Pre-laminated Particle Boards, representing value for money, to satisfy evolving market needs. Nepal Board Plain Boards conform to Nepal, German and Indian (ISI 3087, 1985) Standards, and are available in thicknesses of 09, 12, 18, 25, 30, 35 mm in both Interior and Exterior grades and sizes of 275 x 183, 275 x 122, 244 x 183, 244 x 122 cms. Other sizes can also be made available subject to economically viable order quantities.

The company (Neoluxe Nepal Ltd) was established in 2053-54 is technical collaboration with Neoluxe India Ltd. to manufacture laminates for supply is the local market. Because low demand in local market and high duty structure in India the company was not able to operate at optimum level and earn project, In order to turnaround the company and seeing the potential of using waste wood to manufacture Particle Board, the company with the finding of Banks installed the machinery for manufacturing Particle Boards.

1.1.1 Marketing Management

According to Philip Kotler Marketing management as the art and science of choosing target market and getting keeping and growing customers through creating, delivering and communicating superior customers value. “Marketing

management is the conscious effort to achieve desired exchange of outcome with target market.” (Kotler Philip, ”Marketing Management”, 2003, p.9) Coping with exchange process, it calls for a considerable amount of work and skill. Marketing management takes places when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer’s value.

According to Dr. G. R. Agrawal, “Marketing management is getting the marketing jobs done by working with and through people to achieve marketing objectives. It involves analyzing, planning, implementing and controlling the marketing efforts. It coordinates physical human, financial and information resources available to marketing.” (Agrawal, Dr G.R, “Marketing in Nepal” 1999, p.8)

1.1.2 Marketing Environment

A company’s marketing environment consists of the factors and force outside marketing that affect marketing management’s ability to develop and maintain successful relationship with its target customers. The marketing environment offers both opportunities and threats. Successful companies know its vitality and are at constant watch, adapting to the changing environment and coping with the threats offered to them. While, others fail either because they cannot sense the threat or they ignore or resist critical change until it is almost too late. Their strategies, structures, systems and culture rapidly grow out of date. The marketing environment is made up of micro environment and macro environment.

1. The Micro environment is the set of forces that affects the presence of the

company under consideration in the market. These elements are may not affect other companies of the same industry. The main elements of micro environment are the company itself, the suppliers, marketing intermediaries, customer markets competitor, public and other major stakeholders.

2. The Macro environment also affects the presence of the companies in the present market

but its effects are broad and these affect almost all the companies in an industry simultaneously. The macro environment is beyond the control of the company and has many strands like demographic, economic, technological, political as well as cultural environments. (Agrawal, Dr G.R, "Marketing in Nepal" 1999, p.8)

a. Market:

The Company has more then 90% of market is in all over India. Only 10% market is in Nepal (Kathmandu, Pokhara, Biratnagar, Butwal, Birgunj etc). Lack of knowledge and poor of purchasing capacity of Nepalese people share of market is very low then India. Particle Board is very expensive & finest then Ply wood. So that Nepalese people purchase a lot cheap Product.

The concept of exchange leads to the concept of a market. A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want. Thus the size of the market depends upon the number of persons who exhibit the need, have resources that interest others, and are willing to offer these resources in exchange what they want. Originally the term market stood for "The place where buyers and sellers gathered to exchange to exchange their goods, such as a village square". Economists use the

term market to refer to a collection of buyers and sellers who transact over a particular product or product class, hence the housing market, the steel market and so on. The sellers and the buyers are connected by four flows. The seller offers goods or services in the market through communications of various modes to the market and in return they receive information and value for the product. Similarly, a competitor is one who sells a product or service that in the view of the buyer is substitutable for some other brands; competitions operate at two level.

(i) Industry level and (ii) Market level.

(I) The Industry Level Competition: -At the industry level, competition is generic where several firms offer different product options that can satisfy diverse needs. Here, the products are not substitutable but the competition is with the priority of the consumer. Competition takes place between different industries of variety of products rather than some homogeneous products of the same industry.

(II) The Market Level Competition: - At the market level, competition is between product class and between brands. This is closer concept of competition where each firm has to closely watch the plan, programs, activities and action of competitors.

1.2 Objectives of the Study

The Nepalese market is very small with respect to the international market. However, in this small periphery, there seems to regular inflow and outflow of products in the dynamic environment. So competition is rising. Similarly, marketers are regularly interacting with the so-called targeted groups and trying to maintain their position. Due to the size of the market, being not too big or the area

coverage not too high, the case of brand loyalty is also vivid. This research proceeds with following objectives: -

- a) To identify the consumers' behaviors towards the purchase and use of Particle Board in Nepal.
- b) To ascertain the role and effectiveness of advertisement and promotion schemes on sales Particle Board.
- c) To analyze the reaction of consumers on product.
- d) To observe the brand awareness of consumers in Particle Board market.
- e) To identify and analyses the opportunities and challenges of the product in Nepalese market.

1.3 Significance of the Study

Today's marketing has been developed as an indispensable tool as the current business can be synonymous to marketing era. The business is being operated in 21st century even if the companies are lacking in innovative marketing policies, management and strategies. Nepal Boards Ltd. is one of leading company in Nepal. Primary objectives of the study is know marketing policies and structure of Nepal Boards Ltd. and is expected to find out the positive & negative aspects in the context of Plain and Pre-laminated Particle Board in Nepal. It can be important for all the people who are related with Particle Board. So that it will be helpful for them to plan effective marketing strategy/policy.

Significance of the study is as following:

- a) This will be very helpful for the further researcher to find more details on the same topic.
- b) It may useful to the concern people like customers, marketing manager, management and carpenter.

- c) It covers the partial fulfillment of MBS.
- d) This study finds out the positive and negative aspect in the context of Particle Board.
- e) This study concentrated on exploring and analyzing marketing promotion strategies of Particle Board in Nepal.

1.4 Statement of the Problem

Previously, market was not so competitive. There were only limited brands available in the market. In context of Particle Board also market was not this competitive few years ago. But today little competition has grown because some Persons are Importing Particle Board from India, China, Thailand and other countries. Monopolies of Nepalese brands are no more present in the market. So, without advertising, standardization, quality and other services, there are only possibilities to sell Particle Board. Specifically the major problems inside the study are as follow:

- a) Which brand of particle Boards are consumers purchasing?
- b) What are the consumer's open ions on quality, packaging, price, advertising and availability of different brands of Particle Board?
- c) What is the sales trend of different kinds of Particle Board?
- d) Which is the popular media for advertisement of Particle Board in Nepal?
- e) What is the market-share position of different brands of Particle Board?

1.5 Limitations of the Study

There are always many problems occur the way of any work. So this study also has limitations. This study is limited in Nepal only.

- a) The target consumers are from Nepal only.
- b) Most of the data used in this study has been is primary data and supported by secondary data.
- c) Most of the primary data are based on sample survey method.
- d) Lack of literature regarding the marketing promotion strategies for Nepalese market.
- e) The study is limited to urban area of Nepal.

1.6 Organization of the Study

This study is has been divided into **five** chapters-The **First Chapter** deals about the introduction that includes background of the study, significance of the study, statement of the problems, limitation of the study and organization of the study.

The **Second Chapter** deals with Review of literature. The chapter includes introduction of market share advertising sales promotion, buying behavior product attributes and prices. The researcher has concentrated only on literature available in Nepal.

The **Third Chapter** deals research methodology. The chapter includes introduction research design, nature and sources of data population and sampling, data collection procedure, and data processing and data analysis.

The **Fourth Chapter** deals about the presentation, tabulation, interpretation and analysis of data.

The **Fifth Chapter** is concerned with summary of the study & presented with key findings based on the finding recommendation are made which will be helpful to the company and the students of marketing.

CHAPTER - TWO

REVIEW OF LITERATURE

2. Introduction

This chapter reviews the concepts concerning the subject matter that are written on textbooks on one hand. On the other hand, this chapter reviews the previous studies which are related to the subject matter of this study. So, a brief review of some project works and some thesis is done. In addition to that review of articles that are published in magazines, newsletters etc. are also done.

According to Howard K. Wolf & Prem R. Pant, “The purpose of literature review is to find out what research studies have been conducted in one’s chosen field of study, and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing. The literature survey also minimized the risk of pursuing the dead - ends in research.” (Howard K.Wolf & Prem R.Pant, “A Hand Book for Social Science Research and Thesis writing”, 1999, p 30)

2.1 Market/Marketing: Meaning & concept

The market is the place where buyer and seller meet and function, goods & services offered, for sale and transfer for ownership of little occur. “A market consists of all the potential customers sharing a particular need or want that can be satisfied through the exchange and distribution. The market depends on the number of persons who exhibit the need have resources that interest others and are willing to offer these resources in exchange for what they want”. (Kotler Philip &

Armstrong Gary, “Principles of Marketing”, 1999, p. 215) “A market will be defined as people with needs to satisfy, the money to spend and the willingness to spend it. Thus, in the market demand for any given product or service the market three factors to consider-market = people with need or wants+ money to spend plus willingness to spend it.” (Stanton William, J., “Fundamentals of Marketing”, 1978, p. 72) Marketing is the management function, which organizes and directs all those business activities involved in an assessing and converting customer purchasing power in to effective demand for a specific customer. So product or service and in making the product or service to the final, as to achieve the particular or other objective set by the company.

According to Philip Kotler, “Marketing is a social process by which individuals and group obtain what they need and what though through cresting offering and freely exchanging products and services of value with others.” (Kotler Philip;” Marketing Management, Analysis, Planning, Implementation &Control”, 1997, p.9) “Marketing is typically seen as the task of creating, promotion delivery goods and services to consumer and business. In fact, marketing people are involved in marketing types of entities: - goods, services, experiences, events, person, places, properties, organizations, information, and ideas.” (Kotler Philip; “Marketing Management”, 1999, p.3)

According to American Marketing Association, “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas; good services to create exchange that satisfy individual and organizational goods”. (Koirala K.D, “Marketing Management”, 1999, p.1) Thus, through these definitions we can deduce that Marketing is a social process preformed by individuals and groups marketing are also concerned with creating offering and

exchanging products and services. Marketing has been developing together with development in human civilization. We trace three – four hundred years back to the history of human civilization; we find marketing of that time by modern standard was relatively uncultured. They did not need mechanism or tools or techniques of marketing as used today. But now all the situations have change the needs and wants have changed. Human aspiration for excellent and better status have given birth to thousands of discoveries, inventions and innovations and established thousand of units of different types of industry to fulfill that aspiration. These changes in turn not only indented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most competitive field. (Parajuli Sanjay, “A Study of Loyalty on Branding” Unpublished MBA Thesis, SDC, 2001, p.10)

In recent years some have questioned whether the marketing concept is an appropriate philosophy in a world faced with a major demographics and environmental challenges. The societal marketing concept holds that the organization’s task is to the determine the needs, wants and interest of target markets and deliver the desired satisfaction more effectively and efficiently than competition in a way that preserve or enhances the consumer’s and the society’s well beings. The concept calls upon marketers to balance three considerations. Namely Company profits, Consumer satisfaction and Public interest. (Kotler Philip, “Marketing Management”, 1999 p.29)

2.2 Marketing Mix: Concept

Marketing mix is one of the key concepts in modern marketing. It refers to set of variables that the business uses to satisfy consumer needs, namely product, price, promotion and place. Each company should deeply study the marketing mix to run the business. A successful company will have effective knowledge over the marketing.

“Marketing mix is the set of marketing tools that organizations use to pursue their marketing objective in the target market.” (Agrawal G.R, “Marketing in Nepal”, 1999, p.28)

The Components of Marketing Mix are Known as 4 Ps

The elements which can influence business activities of the firm as marketing strategy is known as marketing mix. They are product, price, place and promotion. The combinations of these elements are called 4ps. Product, price, place and promotion (4 Ps) contribute the components of the marketing mix. Each component has its own mix. Product mix, price mix, place mix, and promotion mix.

2.3 Product: Concept

A product is any thing that can be offered to the consumer satisfaction. Products can differ in size, quality, feature, brand, packing etc. this is the most important variable of **Product Price Promotion Place** marketing mix. A company should deeply think over the quality of the product before market penetration. (William

J/Michael J. and Bruce J, “Fundamental of Marketing”, 1994, p.211) In marketing we need a broader definition of product to indicate that consumers are not really buying a set of attributes, but rather benefits that satisfy their needs. A product is a set of tangible and intangible attributes, including packaging, color, price, quality, and brand, plus the seller’s services and reputation. A product may be a good, service, place, person, or idea. In essence, then consumers are buying much more than a set of physical attributes when they a product. They are buying want satisfaction in the form of the benefits they expect to receive from the product.

2.4 Products Quality: Concept

Quality is the improved from of product, to satisfy the needs of the consumers, improving product quality has become a top priority for marketing. There is an intimate connection among product quality, customer satisfaction and objective achievement. The dimensions of quality can be performance of the product, durability of the product, serviceability of the product & feature of the product etc. Quality is the “Totality of features and characteristics of a product that bear on its ability to satisfy stated or implied needs” (Agrawal G.R., “Marketing in Nepal”, 1999 p.161) While considering the physical product apart from the additional attributes, real or fancied, bestowed on it by an effective marketing program, the manufacturer’s attention is usually centered on product quality. In this context product quality is often measured in terms of the purity or grade of materials used the technical perfection of design, and exacting standards of production. The level of quality is usually set in terms of either meeting of beating competition. Once a level of product quality, in this sense, has been determined, most firms carry out rigorous programs of quality control and product testing to ensure that technical standards of product quality are upheld.

2.5 Brand & Branding: Meaning & Concept

Brand is the name of the product. Branding differentiates the products from marketers, sellers & consumers. They convey attributes, image, values & benefits. “A Brand is a name terms, signs, symbol, or design or a combination of the intended to identity the goods or service of one seller or group of seller and to differentiate from those competitors”. (Kotler Philip, “Marketing Management”, 1999, P. 404) It is clear from above definition that brand identifies the goods to market. It can be a name trade mark, logo or other symbol. It differs from other assets such as patents and copy rights; which have expire date. It trade mark is a legally protected brands which implies ownership of the users and exclusive right to use. Branding constitutes an important part of product mix. The word brand is comprehensive encompassing others narrower terms. A brand name consists of words, letters or number that can be vocalized. A brand mark is the part of the brand that appears in the form of a symbol, design or distinctive color or letter. A brand mark is recognized by sign and differentiates its product from competing products.

“Building brands require a great deal of time money promotion and packaging. Brands suggest product difference to costumers. They convey attributes, image value and benefits most of the products are branded.” (Agrawal G.R, “Marketing Management in Nepal, p. 287)

Now a days, market is being much more competitive is a subject of consideration. Every company should carry out a research before launching a new brand. But all Nepalese companies do not set budget aside for research and development. It is

always important to study the need, interest, taste, and purchasing power of the targeted costumers. As the costumer is the king of the market in today's liberal economy companies cannot afford to be product oriented only. There is no specific formula for success. Market is different from place to place, consumers need taste and interest may vary from one place to another. In many cases affordability geographical, location culture and religion also determine people's need. Therefore, success of brand largely depends on the different factors such as innovation, quality, attractive, packing reasonable price, availability, good publicity brand positioning, unique selling proposition, value addition relationship etc.

2.6 Brand Loyalty in the cases of Particle Board Industry

This first to recognize when we talk about brands is that they are not just names, terms, symbols, designs or combinations of these, although it is true to say that such things can and to differentiate certain products and companies from others. The additional ingredient that makes a successful brand is personality. Today leading brands are personalities in their own right and are well known in all societies and cultures as film heroes, cartoon characters, sports stars, or great leaders. Many of the people relate to brand personalities in the same ways as they do to Human personalities. There is of course, a psychological basis to this, and the psychology behind brands really stems from Carl Jung's work where he described the four functions so mind-thinking, sensation, feeling and institution. The secret to successful branding is the influence the ways in which people perceive the company or product, and brands can affect the minds of customers by appealing to these four mind functions, or combinations of them. Some brands appeal to the rational part of a person, to the elements of logic and good sense (the thinking

dimension) such as Particle Board, which prevents decay. Others appeal to the sense of quality, size, fineness, and durability such as decorative furniture products. Some brands attract the emotional part of people appealing to the feelings, dimension to which consumer react with feelings of warmth, affection, and belonging. Products such as Harley-Davidson motorcycles and companies like Benetton with its global village branding exemplify these. Brands influence consumer decisions to buy in any of the above ways, or through combination of them, sometimes with tremendous persuasive appeal. The Marlboro brand personality is a good example of how companies understand and combine the physical and emotional elements that appeal to certain customers who live or would love to live a certain lifestyle. Products such as reputed credit cards, watches or prestige items help people to express themselves to others by demonstrating that they are different and have the sense of achievement. They act as extensions of the personality, so it really is all in the mind.

The key to brand management and development is a clear understanding of what benefits the customer is looking for. Time and again, research shows that the real driving force behind market leadership is perceived value-not price or inherent product attributes. Brands are also successful because people prefer them to unbranded products. Today's world is characterized by more complex technology, and this can be extremely confusing to people who are not technology minded. Brands can play an important role here by providing simplicity and reassurance to the uninitiated, offering a quick, clear guide to a variety of competitive products and helping consumers reach better, quicker decisions. (Paul, Temporal, "The Boss" June, 2005, P. 44)

2.7 Price and Pricing: Meaning & Concept

Price is an important component of marketing mix. Price is the value of goods and services in terms of money. It depends upon the willingness and ability to pay of the customers, which in turn depends upon the value in use and value in exchange. Pricing is the process of determining the price of the product. The price determined by the company or the marketers should be responded by the consumers in the target market. It is another variable of marketing mix that creates revenue. Consumers pay price to buy products for their need satisfaction. It may be fixed on the basis of cost demand and competition. It may involve discount, allowances, credit facility etc. Price has become the important variable of marketing mix because a marketing manager always looks forward for the price of the product so that he can penetrate the market as their capacity to pay. Traditionally, price had operated as the major determinant of buyer choice. This is still the case in poorer nations, among poorer groups, and with commodity- type products. Although non price factors have become more important in buyer behavior in recent decades, price still remains one of the most important elements determining company market share and profitability. Consumers and purchasing agents have more access to price information and price discounters. Consumer shops therefore, carefully force retailers to lower their prices. Retailer put pressure on manufacturers to lower their price.

The result is a market place characterized by heavy discounting and sales promotion. Price is the marketing mix element that produces revenue, while the others produce costs. Price is also one of the most flexible elements. It can be changed quickly, unlike product features and channel commitments. At the same time, price competition is the number one problem facing companies. Yet many

companies do not handle pricing well. The most common inflexibilities in handling them are:

1. Pricing is cost-oriented.
2. Price is not revised often enough to capitalize on market changes.
3. Price is set independent of the rest of the marketing mix rather than as an intrinsic element of market positioning strategy, and
4. Price is not varied enough for different product items market segments, and purchase occasion. (Kotler Philip, "Marketing Management", 1999, p. 456)

In setting its pricing policy, a company usually follows the following six step procedure:-

- a. It selects its pricing objective survival, maximum current profit, maximum market share, maximum market skimming, or product quality leadership.
- b. Its estimates the demand curve, the probable quantities will select each possible price.
- c. It estimates how its cost varies at different levels of output, at different levels of accumulated production experience, and for differentiated marketing offers.
- d. It examines competitor's cost, price and offers.
- e. It selects a pricing method.
- f. Finally, it selects the final price, taking into account psychological pricing, and the influence of other marketing mix elements on price, company pricing policies, and the impact price on other parties. Company do not usually set a single price, but rather a pricing structure that reflects variations in geographical demand and cost, market segment requirements, purchase timing, order levels, and other factors.

Several price adaptation strategies are available: -

- (I) Geographical pricing.
- (II) Price discounts and allowances.
- (III) Promotional pricing.
- (IV) Discriminatory pricing.

Product-mix, pricing, which are included setting prices for product lines, optional features, captive products, two part items, by-products, and product bundles. (Kotler Philip, "Marketing Management, 1999, pp.482/83)

2.8 Promotion: Meaning & concept

"Promotion is the element of an organization's marketing mix that serves to inform, persuade, and remind the market of a product and for the organization selling it, in hopes of influencing the recipient feelings, beliefs, or behavior."

(William J/Michael J. and Bruce J, "Fundamental of Marketing", 1994, p. 456)

"Promotion is another variable of marketing mix which communicates to the ultimate consumer about goods and services. It involves those activities which inform, educate and stimulate the demand for the product. It consists of advertising, publicity, personal selling and sales promotion. Company should follow effective promotional Medias to inform the consumer about the product. A good marketing manager always looks towards effective promotional media to compete with other brands. This variable is very important to stimulate sales."

(Agrawal G.R, Marketing Management in Nepal, 2059, p. 47)

The marketing mix activities of product planning, pricing, and distribution are performed mainly within a business or between a business and the members of its distribution channels. However, through its promotional activities, a firm communicates directly with potential customers.

2.9 Place: Meaning & concept

Place is another variable of marketing mix which takes product to consumer. It is concerned with distribution, channels of distribution and physical distributions. It is also concerned with selecting channels of distribution and place for the physical movement of the product.

“A good marketing manager always thinks of an effective channel and physical distribution system for the smooth flow of the goods at the right time at the right place and to the right person or market.” (Agrawal G. R, “Marketing Management in Nepal”, 2059, p. 4)

Philip Kotler defines marketing mix as the set of marketing tools that the firm uses to pursue its marketing objectives in the target marketing. The popularized a four-factor classification of these tools called the four Ps (product, price, promotion, and place).

2.10 Advertising and Other Promotional Activities: Concept

The word advertising is derived from the Latin word Adverto. ‘Ad’ means towards and ‘verto’ means ‘turn’. So the meaning of advertising is to turn people to wards specific thing. In other words, advertising is to draw people’s attention to certain

goods. Advertising is one of the main tools in marketing used to influence the consumer's awareness, interest and response to the product in order to increase the firm's sales and profit. It is an important element in modern marketing process but it can produce consistently profitable result only when the entire structure is sound and coordinated. "Advertising is the most visible marketing tool, which seeks to transmit an effective message from the marketer to a group of individuals. The marketer pays for sponsoring the advertisement. Activity advertising unlike salesmanship, which interacts with the buyer face, is non-personnel.

Advertising is defined as a form of mass communication where message is through different sources and is acquired by the consumers. It is referred as non-personal, presentation because non-personal media are used to convey the message. Basically, media of mass communication are only two viz., publications and electronic media such as radio and television. The advertiser needs to have comprehension of psychology. The effective advertising needs to be familiar with certain effects that lead to certain response. Advertising is a method of communication, which is one of the most important aspects of human behavior.

Today business organization, social organization, political organization and governmental and non-governmental organizations are also using advertising as tools of promoting and services as well as political candidates for votes. Advertising can be understood as form of communication, which aims at bringing about some change in the behaviors of the target audience, particularly the potential buyers of non-buyers towards the product or service advertised. A generally theoretical model seeks to identify a step-wise behavioral progression of non-buyers towards buying action. Simply advertising stimulates the potential buyers to go to the store to buy actual advertised products. In general, advertising

is done in expectation of tangible gains such as favorable attitudes, better image of the firms, and increased sales. The techniques of advertising depending upon the situation however, it is the matter of decision of the marketing manager to blend all promotional tools advertising, personal selling, and sales promotion to arrive at a right mix. Each of the promotional tools has got unique characteristics and is complementary. (Shrestha R.K, “The Role of Advertise in Brand Choice and Product Positioning” MBA Thesis, T. U., 1997, p.1-2)

It should be made clear here that advertising and promotion though seems same are not exactly the same thing. Promotion is a broad term whereas advertising is just a part of promotion. When we talk of promotion it generally includes publicity, personal selling, public relation and advertising, but advertising comprises the most of the portions that comprises promotion. Advertising is considered to be one arm of promotion. Advertising promotion consists of other four element personal selling, sales promotion, public relation and publicity.

a. Personal selling

Personal selling consists of face to face communication between the sales persons to their prospects. Unlike advertising, it involves personal interactions between the source and the destination. The most effective method of promotion probably is to have sales persons call upon every target consumer. For many institutions, especially those that appeal to the mass market, this would be terribly inefficient. As a result, they employ mass marketing techniques, such as advertising. Personal selling is very important in industry.

b. Sales promotion

According to the American Marketing Association, sales promotion consists of those marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as display, shows, and expositions, demonstrations, and various non-recurrent selling efforts not in the ordinary routine. Sales promotion is one of the major promotional tools. It is used to coordinate and supplement the advertising and personal selling programmes. Sales promotion has increased considerably in importance in recent years as management has sought measurable, short term sales result. Sales promotion should receive the same strategic attention that a company gives to advertising and personal selling.

c. Public relation

Marketers engage in public relation in order to develop a favorable image of their organizations and product in the eyes of the public. They are: public at large, labor union, the press, and environmental groups. Public relation activities include sponsoring, lobbying, and using promotional messages to persuade members of the public to take up a desired position. The term public relation refers to a firm's communications and relationships with the various sections of the public. These sections include the organization customers, suppliers, shareholders, employees, the government, the general public and the society in which the organization operates.

d. Publicity

Publicity is a means of promoting the mass market, and is similar to advertising except that it free is found in the additional portion of the news media, and pertains to newsworthy events. The most common type of publicity is news releases, photographs and feature stories. Promotion can be directed towards final consumers, middlemen, or a company' own employees.

Public relations and publicity are the last two promotional methods. Public relations are the broad, overall promotional vehicle for improving or maintaining an organization's image and its favorable relationship with its public. Publicity is any promotional communication regarding an organization and its products that are not paid for by company benefiting from it. Typically these two activities are handled in a department separate from the marketing department is a firm.

2.11 A Review of Previous Research Work

There has been no research on the Particle Board marketing in Nepal. But some related review is in below. From the interpretation and analysis of the data and information collected from the consumer. It is found that brand awareness of the Nepalese consumers is high and most of them are brand loyal in each of the products selected for this study. Similarly, it is also found that the factors such as the consumer sex, age, marital status, income, family system etc. also affect brand loyalty. The consumers relate with brand loyalty but degree and directions of relationship varied across product.

2.11.1 A Study on Market Situation of Instant Noodles “Yum-Yum”

Thapaliya Arun Kumar “A Study on Market Situation of Instant Noodles Yum-Yum”, MBA Thesis, 1999.

The main objectives of the study were to analyze the Yum-Yum noodles’ market, its sales, its position, taste, price, quality and customers loyalty in compared with other brands of Noodles in Narayanghat. Arun Kumar Thapailaya conducted a study on “Market situation in instant Noodles Yum-Yum.” It also had objectives to suggest company for marketing activities for better distribution.

In his study he concluded that consumption of instant noodles is being increased in Narayanghat. There is high competition of different brands in terms of price, quality taste on the consumer’s side and incentives, profit margin etc. on the marketing side. The product of general food industry Yum-Yum brands ranked second in market on the basis of sales of volume. Thought, its price is reasonable, its taste and quality has dissatisfied consumers need. The factory has adopted multistage sales mechanism, the drawback of its marketing system is that it hasn’t devised attractive scheme to promote sales for wholesalers and consumers the company lacks feedback from wholesaler, distribution and consumers.

This study recommends to the general food industry to produce variety of brands with improvement in taste quality and price. It also suggested distributor for its sales promotion. The company must take marketing feedback from consumers, wholesaler and distributors.

2.11.2 The Role of Advertising in Brand Choice and Product Positioning, Especially in Case of Noodles and Soft Drinks.

Shrestha, Rajendra Krishna “The Role of Advertising in Brand Choice and Product Positioning” Case of Noodles and Soft Drinks, MBA Thesis, 1997.

The main objectives of the study are to analyze the effectiveness of advertising on brand choice of consumer product, evaluate the role of advertising in product positioning and the consumer perspective and consumer’s response to advertisement and other promotional tools.

This study has concluded that advertisements are the important means of sales promotion and consumers respond-well on these. Advertisements are the means that introduce the products among consumer and the advertisements are most effective. It has been recommended that especially in case of instant noodles and soft drinks advertisements through electronic media were found and the companies are required to make even more effective advertisements. This research would be helpful to Govt. companies, experts, planners and university students in future.

2.12 History of Particle Board in Nepal

Modern plywood, as an alternative to natural wood, was invented in the 19th century, but by the end of the 1940s there was not enough lumber around to manufacture plywood affordably. Particleboard was intended to be a replacement. The first commercial piece was produced during world war ii at a factory in Bremen, Germany. It used waste material such as planer shavings, offcuts or sawdust, hammer-milled into chips, and bound together with a phenolic resin. Hammer-milling involves smashing material into smaller and smaller pieces until

they pass out through a screen. Most other early particleboard manufacturers used similar process, through often with slightly different resin.

Particle Board is very new item of Nepalese wood market. Nepal Boards Ltd. is only one company who product Particle Board. The commercial production of Particle Board started in 2055-56. In Nepalese market mass number of peoples only know about ply wood, teak ply and sun mica. They use these types of wood product maximum. There are two types of Particle Board; Pre-laminated Particle Board and Plain Particle Board. Shortage of timber, it product by lops and tops from the cultivated woodlands and wastage wood of Nepal. Hardwood thinning are chipped and further reduced to fine flakes of the predetermined thickness and length. Particle Board use for Partitions, wall paneling/cladding, furniture, kitchen cabinets, wardrobes, cupboards, show cases, beds, door shutters, panel inserts, false ceiling, cavity floorings, work stations/tops like tables, desks, counters and host of other application in Homes, Hotels, Restaurants, Airports, Hospitals, Industries etc.

CHAPTER - THREE

RESEARCH METHODOLOGY

3.1 Introduction

Methodology is the research method used to test the hypothesis. Research methodology is a systematic way to solve the research problems. It describes the methods and process applied in the entire aspects of the study. It refers to the various sequential steps to be adopted by a researcher in studying a problem with certain objectives in view. (C.R. Kothari, “Research Methodology Methods and Techniques”, 1994, P.19) “Research Methodology is a way to solve the problem. Market research specifies the information requires addressing these issues, designs the methods of collecting information, manages and implements and data collection process analyzed the results, and communicate the findings and their implication” New Marketing Research Definition Approved, Marketing News, Jan 2 , p. 1)

In the context of view of marketing, “Marketing is the principle revenue generating activity while other is revenue consuming. Marketing research deals with production and distribution problems, marketing institutions marketing policies, and practices. It is better established than production research partly because of not closely interwoven with technology. It covers the issues like production, planning, development, pricing, promotion and distribution. (Joshi P.R., “Research Methodology”, 2002, p. 17)

3.2 Research Design

“Research design is the plan, structure, and strategy of investigation conceived so as to obtain answer to research questions and to control variance.” (F. N. Kerlinger, “Foundation of Behavioral Research”, 2002, p.300) It is the specification of methods and procedures for acquiring the information needed. In this study historical as well as descriptive research design is adopted. This study is an exploratory type of study. The main aim of this study is to find out the market situation of Particle Board marketing in Nepal. For the study the survey research design is adopted, on the basis of information analysis, this study suggests to the company of Nepal Boards Ltd. needs to strengthen the market in future seeing present scenario. To fulfill this purpose raw data related with different aspects are collected through the questionnaire method. Thus, to evaluate and analyze the market situation of Particle Board marketing analysis descriptive type of survey research design has been followed through the study.

3.3 Nature and Sources of Data

Similarly, two categories of data are used in this study primary and secondary. Most of the data used in this study are primary nature. Primary data are those data which were collected from wholesalers, retailers and consumers directly. Some secondary data have also been used for the purpose of study. The secondary data has been collected from the Nepal Boards Ltd. and research organizations. Most of the information is collected through sample therefore, from the different professions, age groups, areas, educational background are included to avoid any biasness in the data. The questionnaire was developed for the purpose of collecting data from the shops and real consumers.

3.4 Data Collection Procedure

The questionnaire was distributed through personal contact and the researcher also collected information through personal interview with the shopkeepers of Particle Board. Primary sources are through the questionnaire and oral conversation with the concerned distributors, wholesalers, retailers and consumers. The questionnaires were distributed to the consumers and business man of **Katmandu, Birgunj, Pokhara, Butwal and Itahari** for the collection of necessary information. Some business man and consumers have been orally interviewed.

3.5 Population and Sampling

The population of the study area was the residents of Katmandu, Birgunj, Pokhara, Butwal and Itahari. It was difficult for the researcher to cover all shops of above paces. So the researcher took only 5 places between 25 sample sizes on his research by random sampling, which is based on area wise sampling. In the above stated & places, population is very huge. It is almost impossible to include the total population in the study. The population included in the sample is 50 consumers from the different professions, age groups, income groups, educational background and equally of both sexes, i.e. male & female. In the survey, all respondents had to responds through filled up questionnaire.

The researcher covered the areas of his study are Katmandu, Birgunj, Pokhara, Butwal and Itahari. The sample size of consumers & sample size of shops are taken 5 for each area of the study.

3.6 Data Presentation

To answer the research questions and to achieve objectives information and data collected are systematically and properly analyzed. The collected information's are concerned with the objectives of the study. After its collection data are presented and interpreted in different headings. Purposes data has been presented clearly and vividly in table. The nature of the data which are either available in the secondary or in the primary form.

3.7 Data Processing and Analysis

All the questionnaires were distributed and collected by the researcher himself. So there was not any delay in collection of questionnaire, which was distributed among the respondents. Every questionnaire was thoroughly checked after the collection and was found correctly filled up. The same responses of the collected questionnaires were put into one place under the respective heading and the total responses were counted. The total responses were presented in one master table with the help of the data of the master table; necessary presentation have been made for attaining the objectives of the study. All the analysis is made on the basis of the data as presented in the master table. Data is analyzed both descriptively & statistically.

To find out the objective of the study, the researcher used some statistical tools. By the use of appropriate statistical tools, it has been attempted to find out the relation between advertising and consumer sales. The types of statistical tools use are:

i) Correlation Analysis:

Correlation is the statistical tools that we can use to describe the degree to which one variable is linearly related to another. The coefficient of correlation measures the degree of relationship between two set of figures. Among the various methods

of finding out coefficient of correlation, Karl Pearson's method is applied in the study. The result of coefficient of correlation is always between +1 and -1 when r is +1, it means there is perfect relationship between two variables and vice versa. When r is 0, it means there is no relationship between two variables.

The Karl Pearson's formula is:

$$\bar{X} = \frac{\sum X}{N} \quad (\text{Mean of X variable})$$

$$\bar{Y} = \frac{\sum Y}{N} \quad (\text{Mean of Y variable})$$

$$r_{xy} = \frac{\sum xy}{\sqrt{\sum x^2 \cdot \sum y^2}}$$

When, r = Karl Pearson's correlation coefficient.

1.0= Perfect

0.90= very strong

0.70-0.80= strong

0.56-.60= moderate

0.40 or less

ii) Probable Error:

$$PEr = 0.6745X \frac{1-r^2}{N}$$

PEr= Probable error of correlation coefficient

N= Number of pairs of observations.

When $r < \text{PEr}$ the value of r is not significant at all i.e. there is no evidence of correlation. $r > 6\text{PEr}$ the value of n is significant i.e. practically the correlation is certain.

CHAPTER - FOUR

DATA PRESENTATION AND ANALYSIS

In this chapter, the data which we got on the master table is analyzed descriptively as well as statistically with the help of necessary tools related with it and presented them in an accurate and clear manner.

4.1 Consumers' Behavior

This research is mainly an exploratory type; the researcher has tried to be representative of the whole population. So, two ways of collection and interpretation of data is considered and given in this study.

First types of data are those from the survey conducted by person who lives in **Katmandu, Birgunj, Pokhara, Butwal and Itahari** and the shops trade in Particle Board. Second type of data is based on secondary data, which was taken from Nepal Boards Ltd. Survey data was analyzed and interpreted from the response taken from the final consumers.

The researcher took 50 questionnaires from the final consumer, stockholder (wholesalers, agents, retailers) and target customers. So in this study, the researcher has shown the demographic profile of only 50 respondents who are considered as the final consumer and the other 50 questionnaire is based on the role and effectiveness of advertisement and promotion-schemes in Particle Board marketing.

4.2 Consumers' Profile

The researcher took only 5 places between 50 sample sizes on his research by random sampling. The researcher taken out of 50 questionnaires were distributed to the consumers who are from Katmandu, Birgunj, Pokhara, Butwal and Itahari. Out of 50 questionnaires distributed, we have received 100% response.

4.2.1 Analysis of Age of the Consumers Who Use Particle Board

Table No.1

Age Group	No. of Consumers	Percentage
Below 20	10	20%
20-40	20	40%
40 Above	20	40%
Total	50	100%

[Source: - Field survey]

This table shows the age wise preference of Particle Board user. The table shows that 20% consumers less than 20 years, 40% consumers 20-40 years and 40% consumer's 40-above years.

4.2.2 Occupational Wise Analysis of Particle Board Users

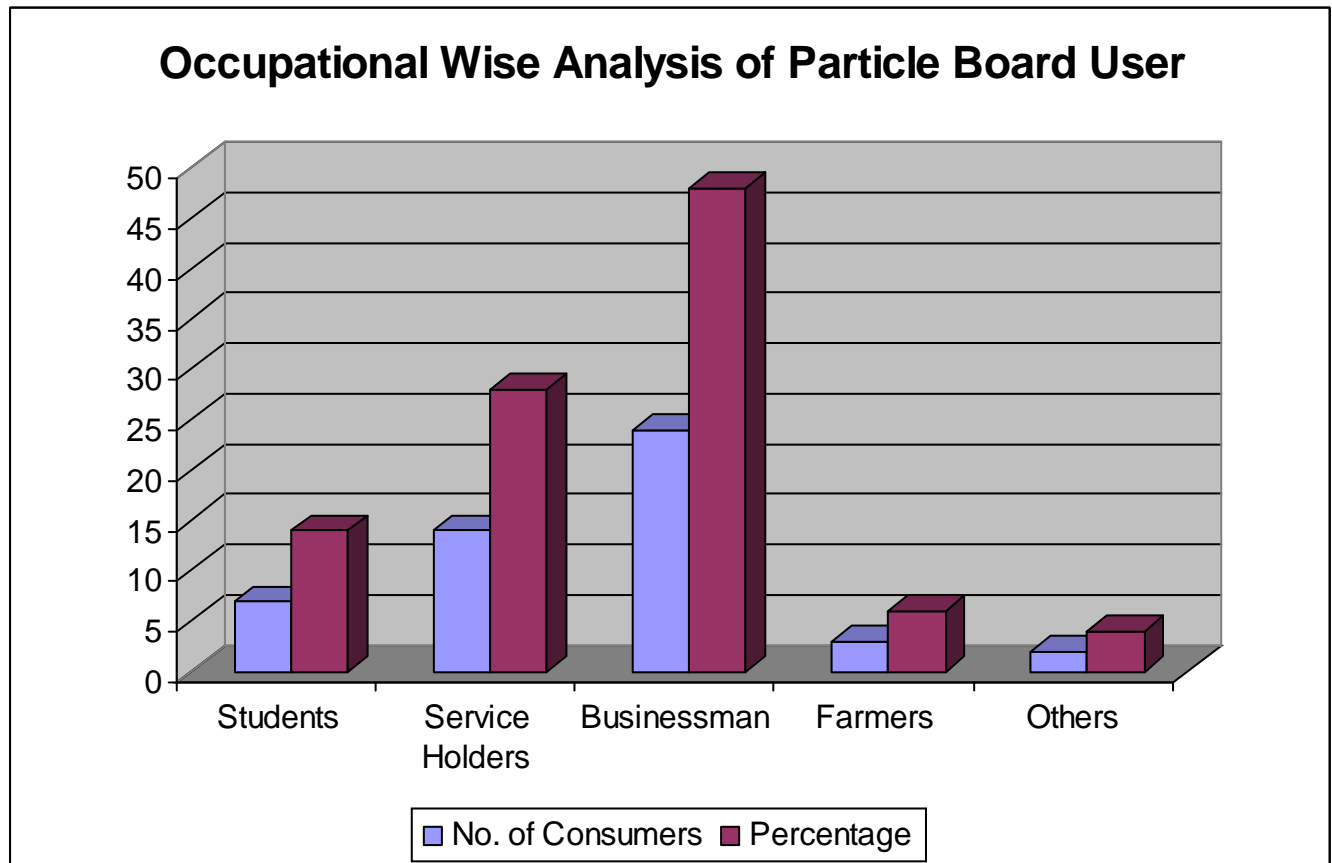
Table No.2

Occupation	No. of Consumers	Percentage
Students	7	14%
Service Holders	14	28%
Businessman	24	48%
Farmers	3	6%
Others	2	4%
Total	50	100%

[Source: - Field survey]

The above table shows that, there are 14% of students, 28% of Service Holders, 48% Businessman, 6% of Farmers and 2% of Others use Particle Board.

This table can be show the following Bar Diagram



4.2.3 Sex Wise Analysis of Consumers Who Use Particle Board.

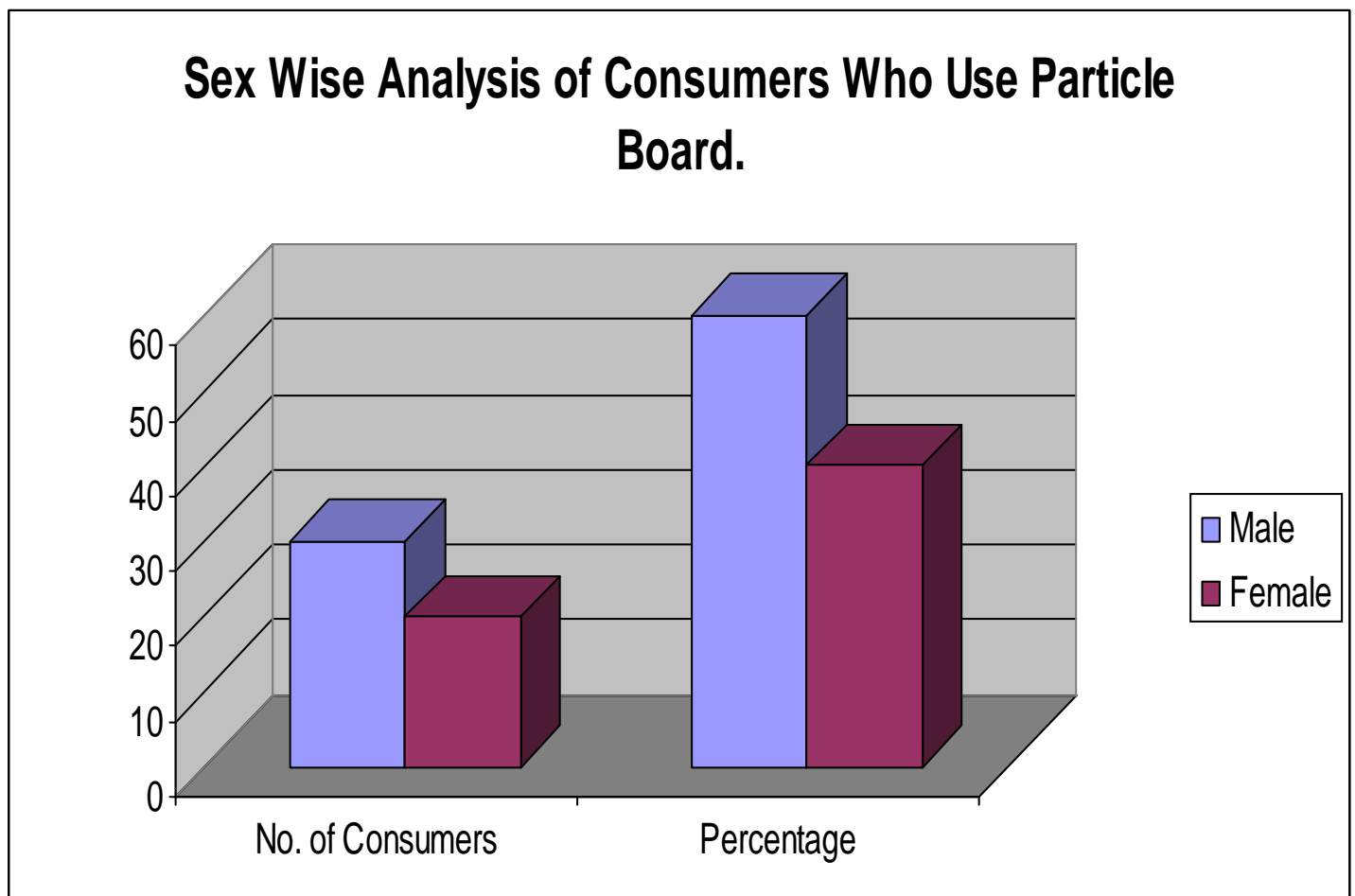
Table No. 3

Sex	No. of Consumers	Percentage
Male	30	60%
Female	20	40%
Total	50	100%

[Source: - Field survey]

In above table, 50 consumers are covered as 100%. Out of 50 consumers 60% are male and 40% are female. The table shows sex wise preference of Particle Board. It shows, 60% of male and 40% of female consumers who use Particle Board.

This table can be presented following Bar-Diagram



4.3 Consumers' Buying Habit

About the consumers' buying habit, the researcher started from very preliminary questionnaire like "Which of the following Thickness, Grade, Size and Decor of Particle Board do you usually buy?" to the very specific question like "Do you have any specific brand or not?" If yes give name the following series of the table presents the response acquired.

4.3.1 Which Brand Do You Usually Buy?

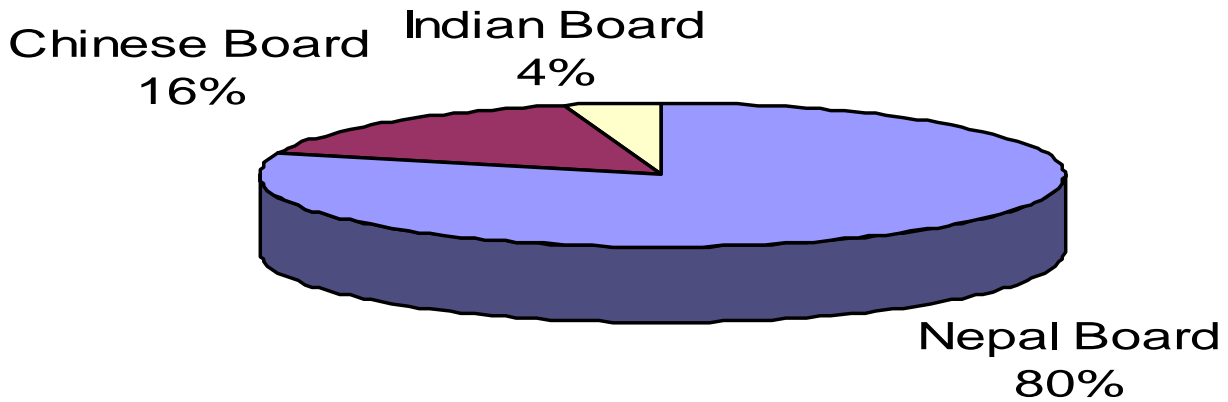
Table No.4
Brand Name Nos. Percentage (%)

Brand Name	No of Consumers	Percentage
Nepal Board	40	80%
Chinese Board	8	16%
Indian Board	2	4%
Total	50	100%

[Source: - Field survey]

Our tabulation shows that most of people i.e. 80% people use Nepal Board, 16% consumers use Chinese Board 4% of the consumers use Indian Board.

Brand Wise Consumer



4.3.2 Product Feature While Buying Particle Board.

Table No. 5
Considering Variables Nos. Percentage (%)

Considering Variables	No of Consumers	Percentage
Price	19	38%
Brand Name	11	22%
Flavor	5	10%
Offered Attributes	4	8%
Attractiveness	6	12%
Décor	5	10%
Total	50	100%

[Source: - Field survey]

The above table shows that the consumers consider the price factor, i.e. 38% while buying Particle Board. Consumers are also aware about the brand name, which according to our tabulation shows the value as 22%. Similarly a consumer considering flavor is 10% and consumers consider these things attractiveness 12%, Offered Attributes 8% and Decor which according to the table is 10%. Maximum consumers consider price while buying Particle Board.

4.3.3 Source of Particle Board Buying in Nepal

Table No. 6
Buying place Nos. Percentage (%)

Buying Place	No of Consumers	Percentage
Wholesalers	30	60%
Retailers	15	30%
Direct Company	5	10%
Total	50	100%

[Source: - Field survey]

In this table indicates that most of the consumers of Nepal purchase their Particle Board from Wholesalers i.e. 60%, 40% purchase from retailers and 10% purchase from direct factory. Maximum consumers purchase the Particle Board from Wholesales and minimum consumers purchase from factory.

4.4 Buying Decision of Consumers

About the consumers buying decision the researchers started from very grass root with the very specific questions like “Who make decisions to buy a Particular

brand? To which factor do you give more importance to buy Particle Board?” The following of table shows the respondents acquired.

4.4.1 Who Usually Make the Decision to Buy a Particular Brand?

Table No. 7
Decision Maker Nos. Percentage (%)

Factors	No. of Consumers	Percentage
Self	20	40%
Father	10	20%
Mother	7	14%
Brother	5	10%
Sister	5	10%
Others	3	6%
Total	50	100%

[Source: - Field survey]

Above table shows the decision maker among the respondent’s family who decide in buying Particle Board. It can be depicted by above tabulation that, self decision percentage is maximum than other i.e. 40%, as so father takes decision on buying particular brand i.e. 20%, Similarly, mother 14%, brother 10%, sister 10% and others 6% respectively decide on purchase of Particle Board in Nepal. Hence, according to the above table, Maximum people take self-decision and minimum people take decision according to others in buying Particle Board.

4.4.2 Factors Affecting the Buying Decision of Consumers in Nepal

Table No. 8
Affecting Factors Nos. Percentage (%)

Factors	No. of Consumers	Percentage
Family's Advice	25	50%
Carpenter's Advice	13	26%
Trial	7	14%
friend's Advice	3	6%
Others	2	4%
Total	50	100%

[Source: - Field survey]

Above table indicates that out of the total consumers has been taken into consideration, more important factor in buying decision is Family's Advice which is 50%. After then, Carpenter's advice and trial of new Board are also important factor for consumers which account to 26% and 14% respectively. Similarly, friends' advice and others are 6% and 4% are affecting factors for buying decision. Maximum consumers take importance to Family's Advice while buying Particle Board and some consumers give less importance to the other factors which according to above tabulation is only 4%.

4.5 Media Recognition of Particle Board

Media is the best method of identifying goods & services to the consumers. The products can be promoted by a company by means of effective media. Generally, media includes Radio Stations, Television Channels, Newspapers, Hording Board,

Wall Painting, Friends and Cinema etc. But in case of Particle Board the company doesn't have any promotional activities in Nepal because its maximum market is in India.

4.6 Quality Determination in Particle Board by Consumers

Table No. 9

Quality Nos. Percentage (%)

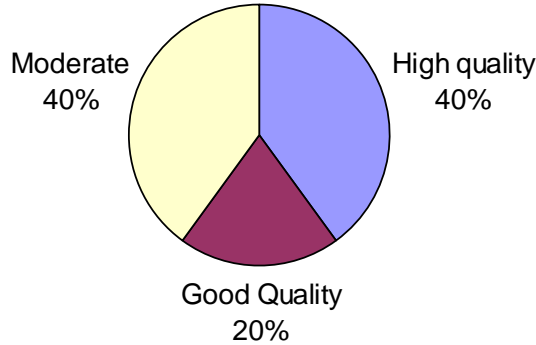
Quality	No. of Consumers	Percentage
High quality	20	40%
Good Quality	10	20%
Moderate	20	40%
Total	50	100%

(Source: field survey)

This table mainly concerns for what the consumers perceive about the Particle Board they are using. The above table shows that 40% of consumers think that Board is of high quality. 20% consumers say it is normal quality and also 40% consumers say that it is moderate quality.

This table can be shown in the following pie-chart

Quality Determination in Particle Board by Consumers



4.6.1 Ranking of Different Brands According to Quality

Table No.10

Brand	No. of Consumers	Percentage	Rank
Nepal Board	40	80%	1
Chinese Board	8	16%	2
Indian Board	2	4%	3
Total	50	100%	

(Source field survey)

The above table shows the rank of specific brands of Particle Board in market. According to the above table, it is found that 80% Consumers view showed the Nepal Board in the first ranking of the brand. Similarly, 16%, & 4% of the consumers prioritized the Chinese & Indian Particle Board as 2, & 3 brands ranking respectively.

4.6.2 Reaction of Consumers towards the Price of Particle Board

Table No. 11

Reaction Nos. Percentages (%)

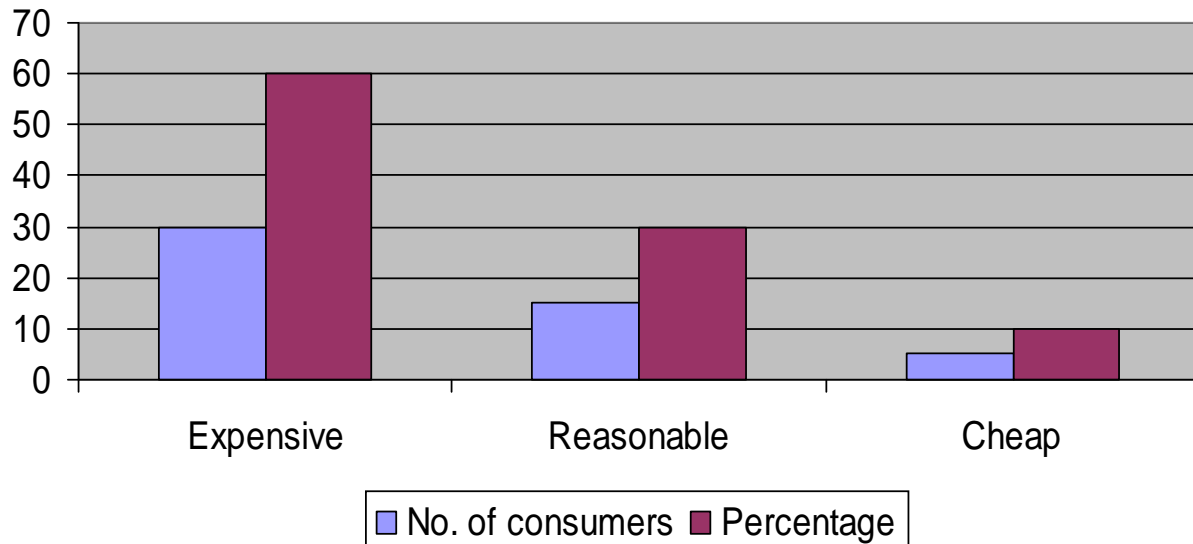
Reaction	No. of consumers	Percentage
Expensive	30	60%
Reasonable	15	30%
Cheap	5	10%
Total	50	100%

(Source: field survey)

In this table shows that price consideration, 40% of consumers think that Particle Board is expensive, and 30% of the consumers that the price is reasonable, remaining of the consumers think that it is cheap. Thus, we can conclude that the pricing of Particle Board is accepted as reasonable in the market.

This table can be presented in following diagram

Reaction of Consumers towards the Price of Particle Board



4.6.3 Use Preference of Consumers towards Particle Board.

Table No. 12

Use rank No. of consumers Percentage (%)

Use rank	No. of Consumers	Percentage
Very Good	24	48%
Good	12	24%
Normal	14	28%
Total	50	100%

(Source: field survey)

In the above table shows that the table of Particle Board, 48% consumers thinks that it is very good. As a 24% consumers said it is good and remaining 28% of them think it is normal.

4.7 Distribution of Particle Board

In Nepal, the business is being complex day by day. Several business companies are being established, producing similar products, with their own brand. For increasing their market share, these companies are also taking the advantages of sales promotion. They try to be strong in distribution system, which plays a vital role in raising sales. If distribution is good, the customers who have brand awareness will never shift to another brand because they will find their brand easily whenever they want. Hence, the distribution plays the vital role for each and every company in increasing their market share.

CHAPTER – FIVE

SUMMARY, CONCLUSION MAJOR FINDINGS AND RECOMMENDATIONS

5.1 Summary

Marketing has gained new dimensions in recent years and passed through different stages to reach at the present stage of societal marketing concept which aims at maximizing social welfare through delivering goods and services are produced to satisfy social wants and are produced according to consumer preferences. Marketing is a system which can be compared with human system, as it has its input output and process marketing environment is influenced by many factors and is broadly classify as external and internal factor. The firm should have thorough knowledge of these factors so that it can formulate plans and policies in order to achieve its objectives.

The importance of marketing is increasing day by day as the competition in the market has been increasing. The marketing concept seen in present world market has passed through different stage of development and finally involved as social concept of marketing. All the firms have to pass through various stages while delivering its product in market and it has to formulate its plans and policy and apply it with flexibility. The product passes through the various stages of life cycle like: development, introduction, growth, maturity and decline stage to the market.

In this study, an attempt is made to analyze the marketing strategy. Potential users, consumer preference (price, quality), popular media for the product in the market

of Katmandu, Birgunj, Pokhara, Butwal and Itahari based on the survey of the consumer, produces and dealers, opinion as well as the company strategies. After analyzing the information collected from primary data, a conclusion is to be made on the study of market situation of Particle Board marketing. The main objective of this study is to find out the consumers behavior toward Particle Board with reference to different brands available in the market. To find out these goals, the primary data was collected from consumers & shopkeepers with the help of questionnaire. These data were analyzed by mean, chi-square test, tabulation pie-chart & bar-diagram. It is found that the Nepal Board higher position in comparison to the other brands of Particle Board. The study has showed that Nepal Board was popular among the consumers. It has also quite good market share & has been able to make its own identity in the market. The quality and distribution of the Nepal Board was found good in comparison to other brands in the market.

In Nepal, the Particle Board company production and sales started in 2055 B.s. which the establishment of Particle Board Product. The company started its marketing activities with the product and sales of “Nepal Board” Brand Particle Board. Since its inception, it has been able to retain its top position in Nepalese market. From the study, it was found that the demand of Nepal Boards, Particle Board has been increasing in recent years among various brands. It should promote in Nepalese market use of media for advertisement as TV Channels, Radio, Wall painting, Cinema, Hoarding Board, Newspaper, etc. to inform about the product to consumers.

5.2 Conclusion:

On the basis of the study under taken in the area, the following conclusions can be made regarding market situation of Particle Board in Nepal.

1. It has good demand in Nepal.
2. Particle Board use is not so prevalent in Nepal.
3. Advertisement has high influence on the preference of the brand by consumers.
4. There are not various brands of Particle Board available and the market is not highly competitive in recent years.
5. All people do not know about Particle Board in Nepalese market.
6. The factors price, quality, availability in the market, incentives, profit margin, etc determines the portion occupied by the individual brand.
7. Consumers give more preference to quality rather than brand and price.
8. Various new brands are coming in the market but producers' aren't considering about improving and quality consumers are getting new brands with price competition and incentives.
9. The marketing mechanism, advertising and advertising activities have an important role in establishing a product in a market and sustaining it over time.
10. Particle Board is cheaper, denser and more uniform than conventional wood and plywood.
11. Particle Board can be made more attractive by painting or the use of wood veneers.
12. Particle Board is manufactured by mixing particles or flakes together with a resin and forming the mix into a sheet.

13. Katmandu is very good market for Particle Board marketing.

5.3 Findings:

The major findings of the study are as given below:

1. Nepal Boards share the highest share in Nepal.
2. Demand & supply of Nepal Boards is highly increasing in Nepal.
3. Consumers give more preference to the quality and less preference to the brand.
4. The distribution of different brands by their quality, the Nepal Boards is the best quality Particle Board.
5. There are large numbers of consumers who are not influenced by advertisement.
6. It has no advertisement in Nepalese market.
7. Consumers are brand loyal most of consumers suggest reducing price.
8. People staying in Nepal use a particular brand, if they can't get their used brand then only they purchase another brand.
9. Very few person use particle to their interior use.
10. Urban areas people have some knowledge for using Particle Board.

5.4 Recommendations

On the basis of analysis and conclusion, the following recommendations are made:

1. An improvement in the quality and fixing reasonable price can be helpful measures to increase the volume of the sales in the market.
2. The company should adopt effective marketing mechanism & activities.

3. The company should increase the incentive to the wholesalers/ distributors so as to motivate and encourage them to focus their transactions on specific brands.
4. The company should undertake frequent market studies and establish an information system to understand the brands loyalty and the preferences of the consumers and design the products and product qualities accordingly.
5. The government has to encourage the Particle Board industries and create suitable environment to the entrepreneurs by easing the availability of raw materials from Sagarnath forest development project.
6. The language and message used in advertisement should be easily understandable to all types of consumer groups.
7. A major disadvantage of Particle Board is that it is very prone to expansion and discoloration due to moisture. So that company should cover with paint or another sealer on the edge of the board.
8. Particle Board's selling points compared to solid timber are its low cost, its availability in large flat sheets.
9. Company manufacture all size, thickness decorated with melamine bases overlays Particle Board.
10. Company should train to the carpenters of various cities of our country to maximize the sale.

Suggestions from consumer's perspective

1. Increase the quality with the price remaining consistent.
2. Try decreasing the price if the quality remains same.
3. Attractive decor and increased attention in promotion.

Suggestions from shopkeeper perspective

1. The product should possess its own quality and identity and uniqueness.
2. Shopkeepers are middleman between companies and last users so company should provide benefit to them (shopkeepers) by the means of different facilities.
3. If any discount /special price scheme and facilities being initiated in near future should be inform timely.
4. Company should provide skilled person to train Nepalese carpenter.

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WEBSITE OF PARTICLE BOARD MANUFACTURERS

1. SHREE NEPAL BOARDS LTD.-www.golchha.com.np
2. NOVOPAN INDUSTRIES LTD. INDIA-www.novopan.in
3. ECOBOARD INDUSTRIES LTD. INDIA-www.ecoboardindia.com
4. GREENPLY,INDIA-www.greenply.com.in
5. CENTURY PLYBOARD,INDIA-www.indianmart.com
6. BHUTAN BOARD LTD.-BHUTN-www.manta.com
7. BAJAJ ECO-TEC PRODUCTS LTD.-www.bajajecotec.com

Appendix -1
Questionnaire

Survey of Consumer's Particle Board choice

Name:

Date:

District:

Education:

Metro/ Sub Metro/Municipal/VDC:

Profession:

Age:

1. Have You Used Particle Board?

Yes

No

2. If you have used when did you start to Use Particle Board?

(a) Two years ago

(b) Five years ago

(c) More than five years ago

3. How many types of Particle Board you have usually seen in Market? Which bases Do You Buy the Particle Board available at Market?

a) In the basis of brand

b) In the basis of personality

c) In the basis of investigation

4. Which Particle Board Do You Prefer the Most?

(a) Interior (b) Pre-laminated

(c) Exterior

(d) Plain

5. Which Priority do you give in Buying Particle Board?

- (a) Durable (b) Name
- (c) Quality (d) Brand
- (e) Others

6. In Which Category Do You Prefer the Most?

- (a) Vary good (b) Good
- (c) Moderate (d) Other

7. According to the Price now do you rate your Particle Board?

- (a) Cheap
- (b) Expensive
- (c) Reasonable

8. Through which media you came to know about the Particle Board you are using?

- a) From adv. of radio
- b) From adv. of TV
- c) From adv. of Newspaper
- d) From adv. of poster & pamphlets
- e) From friends
- f) From hoarding board
- g) From cinema
- h) From adv. of wall painting
- i) All of the above
- j) Don't know

9. When did you buy Particle Board?

- a) Recently
- b) After watching two – three times
- c) After more information

10. Are you fully satisfied with the use of this product?

I) Satisfied

ii) Dissatisfied

11. How did you happen to know first about the Particle ?

i) Neighbors

ii) friends

12. Who recognized the need for buying the Board?

i) Friend

ii) Relative

iii) Other