

**MARKET SITUATION OF INSTANT NOODLES
(A Case Study in Kathmandu Metropolitan town)**

A THESIS

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RECOMMENDATION

This is to certify that the thesis

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And found the thesis is to be the original work of the student and written according to the prescribed form. We recommend the thesis to be accepted as partial fulfillment of the requirements for Master's Degree in Business Studies (M.B.S.)

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DECLARATION

I hereby declare that this thesis entitled **Market Situation of Instant Noodles (A Case Study in Kathmandu Metropolitan)** submitted to Goldengate Int'l College, Old Baneshwor, Faculty of Management, Tribhuwan University, is my original work. This work has been carried out for the partial fulfillment of the requirement for the Master degree in Business Studies (M.B.S.) under the supervision of Dhurba Gautam of Goldengate Int'l College, Tribhuwan University.

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CHAPTER-I

INTRODUCTION

1.1 General Background:

Nepal is one of the smallest nations in Asian Continent and is situated in Northern rim of South Asia. The country has elongated rectangular shape with roughly northwest to southwest orientation. Nepal covers a total area of 147,181 Sq. Km. “It has population above 265 millions and 56.96% millions of them are the age group 15 to 59. More than 80% of the total population directly or indirectly depends on the agriculture for their livelihood. Nepal is one of the least developed country of the world. The per capita income of it is given as \$400(according to 2012). But the population growth rate around 1.60%. It shows economic performance during the past has not been very encouraging”. NPC(2009). In a developing country like Nepal many industries are being established. Industries provide employment to the people. Industries have become the main stream of contemporary economic life and business life. It is considered as the global symbol of economic growth and prosperity. Industries play a vital role for the economic development of a country. The history of industrial development in Nepal records that the process started with establishment of Biratnagar jute mill in 1936 B.S. Many Industries like cotton, wood, sugar food etc. were established later Noodles industries are also most popular among food industries. There are many noodles industries in Nepal. The popular Noodles industries are Gandaki Noodles, Chaudhary Group of Industries, Morong Noodles, and Mayos Noodles. Noodles were introduced in Nepalese market after 2017 B.S. but the instant noodles production in Nepal started in 1982 after the establishment of Gandaki noodles. Till today, there are around twenty-six big and small noodles factories have been established in Nepal.

The selected topic targets the market of Kathmandu metropolitan town because Kathmandu is the capital of Nepal. It is situated in the Central part of Nepal. Kathmandu city is very well known destination of the tourist, the demand for fast food is increasing day by day in Kathmandu District as well in Kathmandu Metropolitan City, Thus many noodles like Wai-Wai, Mayos, Ruchee, Nano, Rum-Pum, etc are available in this place.

Marketing is not a new-word to us. All of us use this word in our daily life Many theorists have defined marketing in different ways. In simple terms marketing means the activity of the company to deliver its products from the place of production to the place of consumption. It means that marketing is total systems of business activity designed to product, price, promotion and distribute the products to the target market in order to achieve organization objectives and satisfy the consumers' desire.

1.2 Noodles in Nepal:

Nepal is a small land-locked country with wide geographical, socio-cultural variations. Its economy chiefly depends on traditional agriculture. People residing in different parts are accustomed to varied feeding habits.

"Some people here have introduced new food habit during the 2nd half of the twentieth century as most urban people have been habituated to use a wide variety of new food or fast food. And also due to flourishing tourism consumption of fast food is increasing day by day. Many industries have been established in our country. Food industry plays important role in our economic sector. To promote nation's economy, noodles industries were also introduced. Noodles are one of the most popular varieties of food, which the people have been using since its production started. The consumption practice in Nepal is not very old. Before 2017 B.S only those people who had gone out of the country knew about noodles on business basis. Noodles were first introduced in the Nepalese market after 2017 B.S and it started supplying in market in full commercially in the market since 2032 B.S."(MOC, 1967)

Noodles is a thread like foodstuff takes very little time to prepare, and can be used as fried, boiled, or can be eaten raw. It is a long thin strip made of flour and water, or flour and egg paste, and it can be used in soup with sauces. In Nepal these are generally called "Chau-Chau", and taken as khaja. But it is consumed as a meal in China, Japan, Italy and other countries. It can be taken in

several ways such as Chawmein, fry Chawmein, Thukpa with caution of egg, chilly, meat, cauliflower, tomato, Venica, Onion, Garlic, etc. Pre cooked ready-made noodles can be consume straightly from the packet too.

Different noodles manufacturers use different material to make it, but in general are made out of wheat flour, vegetable, oil and ghee, egg, chicken, baking powder, garlic, salt, herds and chemicals.

In 2032 B.S, the National Trading Limited imported the equipment and machine required to produce noodles in Nepal and the production of plain noodles was started from that year after the establishment of Gandaki Noodles. After then gradually people started knowing about the commercial importance and the popularity of different taste of instant noodles thus gradually other manufacturers started rising. Presently various brands of instant noodles are manufactured by different factory with different taste. Instant noodles are very ready made food. It can also prepare in few minutes. So it is named as instant noodles. It is more expensive than plain noodles but it is easy to prepare. All types of instant noodles provide fast food to the people. They have additional bricks to the foundation for industrialization in Nepal. Other entrepreneurs are enthusiastic by these noodles factories. They have been helping the Nation as they pay large amount of excise duty to the government. The main ingredients are wheat, flour, garlic, powder, fresh eggs, vegetables oil, and salt, chilly, and chicken, other edible chemicals, herb and colour etc.

More than two dozens on instant noodles are presently in Nepalese market.

1.2.1 Brief Introduction of Sample Noodles of Nepal:

Wai-Wai

It is manufactured in different flavor by CG food industries by Thai Technology. The factory is located in Damkauli, Nawalparasi. The factory started producing production of this noodle from 2042 B.S. It is long time market survivor and till now it has got good reputation and own consumers in the market. This brand comes in an attractive packet with the net content of 75grams costing

Rs.15 per packet. The dealer cost price of this noodle is Rs.9.33 and dealers selling price is Rs. 9.50. The company produces its product in two varieties: Brown Noodles and Snacks. The product which comes in 75grams with necessary soups inside it is generally considered as Brown noodles and the snacks comes in 50grams packets for direct consumption without inside ingredients. The same company also produces noodles in other different name, the name of which are given below:

Wai-wai quick masala

Wai-wai chicken curry

Wai-Wai also has its market outside of the country. It exports its product to India, Bangladesh, Bhutan, and Pakistan from last 11 years. It gives different scheme for the dealer, wholesaler, retailer and consumers time to time. From the local market also the company has proof of providing to the consumers. Though it is the long time existing brand of instant noodles it is finding hard time these days to the increasing competition and political situation of the country. It has traditional channel of distribution through dealer, wholesaler, retailer and its main focus of advertisement is on FM radio and Television.

Mayos

Mayos is another popular brand of instant noodles, which is produced by Himalayan Snacks and Noodles (Pvt.) Ltd. The company has started producing the product since 2057 B.S. The factory is located in Kavrepalanchowk of Bagmati zone. It is produced in Vegetable, Hot and Sour taste. These days the Mayos noodles also started expanding its sales in another country. It has started exported the Noodles in India from last eleven years. The consumer packet contains 75grams and cost Rs 15 in the market. Himalayan Snacks and noodles produce the product in different names they are:

-) Ruchee
-) Ruchee x-tra Dum

The company also follow the traditional way of distribution i.e. it makes its product reaches to the consumers through dealer, wholesaler, retailer, and consumer. Mayos is the tough competitor to other instant noodles as it is also good doing product in the market. The company has made the advertisement on all the media viz. audio, audio-visual, and visual. The company keeps the scheme to the middleman and consumers, which is changed every year.

1.3 Production Process:

Each company has its own production process. But in general production process of noodles is same. Production processes of all instant noodles' companies are fully automatic. The noodle is manufactured through a series of connected processes.

Blending:

The various ingredients of the noodles including high quality wheat, flour, chicken, shrimp, eggs, sauce, salt, oil and spices are blended together to make homogeneous dough.

Rolling and Cutting:

After blending the mixed dough in then through a series of rollers, which spread the mix into, thin sheets ready for being cut. The sheets are passed through a screw machine which produces the familiar curly noodles shape. The noodles thus manufactured are cut into appropriate size, and placed in individual containers ready to be sent for steaming.

Steaming, Souping And Deep Frying:

The noodles are passed through an enclosed steaming chamber where they are steam cooked. There cooked noodles are then sprinkled with chicken soup, and are sent to the deep frying chamber to give it the crunchy taste, and golden brown look.

Cooling and Packing:

The fried noodles are cooled down by overhead fans, and after the noodles have cooled down, they are packed in plastic wrappers, and put into cartoons. The cartoons are sent to the warehouse after lapping from where it is dispatched to the market.

The entire process of noodles manufacturing is fully automatic where the various machineries are interconnected so that the finished process of one machine automatically is fed into the beginning process of the other machineries. All the Nepali companies have quite advanced technology with complete automatic machines. But there is a minor difference in the process of production.

1.4 Types of Noodles:

According to the process of preparation of noodles we can categorize it in two types.

I) Plain (Raw) noodles

II) Instant noodles.

I) Plain (Raw) Noodles:

This type of noodles is in unprepared condition. Thus it takes more time to prepare. These noodles are cheaper in comparison with instant noodles. Thus restaurants mostly use these noodles. Similarly, materials used in these noodles are varied. It requires curry, tomato, egg or meat to make tasteful.

There are more than six dozens of plain noodles produced in Nepal. And rarely foreign plain noodles are marketed in Nepal. Though these noodles take more time to make ready, they are preferable from the view of cheaper price. Some popular raw noodles in the Nepalese market are as Ganesh Chau Chau,

Sagarmatha, Ganesh Chau Chau, Kalain Ganesh Chau Chau, Sinke Ganesh Chau Chau etc.

II) Instant Noodles:

This is a variety of noodles, which is half readymade in its nature. It takes very little time to prepare, so it is called instant noodles. It can be used directly or boiled or fried. This noodle is more costly than noodles, but people prefer this noodle due to the time factor. We don't require more mixture to make it ready. To make ready noodles are boiled for two minutes and mixtures are added to make it tasty.

Instant noodle is common junk food, which can be eaten straight from the pocket any time anywhere. In Nepalese society it is taken as 'Khaja' although some time it is used in place of meal. Trekkers and mountaineers take it as meal while trekking or expedition. This type of noodle is more popular in Nepalese market because of its taste, easiness to prepare in short time available in Nepalese market like Wai-Wai, Mayos, Ruchee, Rum-Pum,, etc

1.5 Statement of the Problems:

Marketing is the backbone of economic growth because it increases one's economy, strengthens the firms. It creates more employment opportunities and more output. In other word the whole process the company does in achieving the target through customers satisfaction is called marketing.

Now a day, food industries are increasing rapidly in the world market, and in developing countries like Nepal demand for the fast food is increasing day to day.

Many new industries are engaged to fulfill this demand. There is high competition among instant noodles trying to make noodles tastier and qualitative. To reach in the market, they have to adopt product policy. To achieve the goals, they should increase market share.

Nepal is such a country, where we have to make sure that the product reaches to the extreme corner of the country, even the hilly areas, where there are no proper facilities of the road and airports. Unless the production is more, it is difficult to serve in market, because the cost becomes very high. And there is a general trend of strong dominance of traders in Nepal. It is very difficult from Indian market in terms of control over business. It is due to existence of more seller than buyer comparatively in the market. Here the traders have their own rules and regulations and buyers have to follow them. Now, these retailers and wholesalers have also started forming a union where they come up with rules stating that the companies would not be allowed to do retailing, which is very stupid. Retailing is a very important part of noodles business and it has to be ensured that product reaches every corner of the country. It is very rare that the wholesaler sells only the noodles of one company. That is the major problem of Noodles Company. In that situation company cannot make good strategy with competitors in the market.

Today, advertising plays a vital role in promotion of sales by informing and influencing the consumers. The noodle industries spend a lot in advertising their product but they cannot get the return of it. It is a major problem of the country. Now a day, instant noodles are very popular in the market. In the market different types of noodles are available as Wai-Wai, Mayos, Ruchee, Rum-Pum, bonus, Ruche x-tra dum, nano etc and they all have different taste and price. It creates big problems for the potential consumers to select the product.

Thus the problems existing in noodles market especially in Kathmandu Metropolitan town are:

-) What is the demand and supply of instant noodles in the market of Kathmandu Metropolitan town?
-) What are the consumer preference selecting the noodles?
-) What is the consumer's opinion in price, quality and taste?
-) What type of media do the consumers watch most?
-) What makes them most influence?

The above-mentioned problems are very important to be solved by the related industries. So, the researchers will try to find out better solution for these existing problems by the related industries. So, this study will try to find out better solution for this existing problem.

1.6 Objectives of the Study:

The specific objectives of the study are as follows:

1. To study the demand and supply in instant noodles in the market of Kathmandu metropolitan town.
2. To examine the potential consumers of instant noodles in Kathmandu town.
3. To obtain the consumers opinion on price, quality and tastes of instant noodles.
4. To examines the popular media of advertisement for the instant noodles.

1.7 Significance of the Study:

Market has a crucial role in the balance-of-payment of the country. Competition has been increasing day by day in the Nepalese market, where producer are not getting the target market share and faces the problem of over stocking and rough competition. Competitive market is preferred for best result. In marketing customer satisfaction is key point of success. Marketing may be defined as the process of planning and exacting the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual

and organizational objective. So, the marketing plays very important roles to individual business firms, consumers' society and nation.

The knowledge of the motives behind purchase behaviors of consumer on instant noodles believes to be especially helpful to the marketers who are related with noodles. There are a number of retailers, who sales in Kathmandu who sells different kinds of brands of instant noodles. The knowledge of marketing can also help to formulate and to find out the strength and weakness of its marketing which may serve to give an insight into their own policy and the appropriate marketing strategies. And such marketing strategy may relate to segmentation of markets based on motives of purchase behaviour on instant noodles.

So, The researcher have chosen the title "Market Situation Of Instant Noodles In Kathmandu metropolitan town " This study may be helpful to thesis writer, marketing author and other researchers who are related with instant noodles .The researcher think, it would be helpful to retailers, distributors, consumers, and marketers who buy and sell different types of instant noodles. And it may also be helpful to future researchers and students to know about market situation of instant noodles in Nepal. The findings of the study will be based on survey of market situation; consumers' need and wants, potential consumer, feeling about taste quality and price of instant noodles. It is important for the people who are related with instant noodles. So, it will be helpful for them to plan effective marketing policy.

1.8 Limitation of the Study:

This study has certain limitations, which are as follows:-

1. Most of the data used in this study have been obtained from primary sources through semi structured questionnaire method
2. Most of the sample data has been collected from town area of kathmandu and the dealers' report has been collected from limited dealers of the market.
3. Judgmental sampling has been done by the researcher thus the sample has been collected as per researchers' judgment and suitability
4. The data analysis is based on simple statistical tools.
5. All the brands have not been taken as sample for the study but selected brands and those which remains popular from past period has only taken as consideration for study.
6. The data has been taken for five years period only.

1.9 Organization of Study:

The study is divided into five chapters .The first chapter provides the general introduction about market potential of instant noodles. In This chapter the researcher studies about the general background of the noodles and its industry, the statements of the problems and the existing problems of the industry and the objectives of the study and limitation of the industry. The second chapter provides the review of literature. In this chapter review of the past conceptual concept, review of article and review of unpublished thesis is done. The third chapter covers research methodology where the researcher study the procedure of the whole study i.e. the process of data collection and the types of collected data, sources of data, data analysis method. Similarly, the forth chapter is the data analysis and presentation. In this chapter tabulation and the collected of the data is done and analyze it as per the requirement. Lastly, the fifth chapter presents summary, findings, conclusion, and recommendation where the researcher enlist

the summary of the whole thesis; its findings suitable conclusion and the necessary recommendation.

CHAPTER- II

REVIEW OF LITERATURE

While doing research, the previous study cannot be ignored because it provides the foundation of present study. In other words, there has to be continuous research. Review of literature provides the knowledge of the status of the field of research to the researchers.

“ The purpose of literature 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.”
(Wolf&Pant,1999)

This chapter mainly focuses on the literature and research finding, which are available to the topic. It is relevant to disclose here that no one has made study on the market situation of instant noodles in kathmandu till now. Therefore in the absence of such written articles of present market situation, it become necessary to review the literature, articles, books journals, related to field of market situation of instant noodles.

This chapter includes, market, marketing, marketing Environment, marketing system, marketing mix, and product life cycle. Advertising, Branding, previous research work and study of instant noodle.

2.1 Conceptual Review:

2.1.1 Market/Marketing:

The concept of a market is some time confusing. There is a stock market and an automobile market and retail and a wholesaler market for furniture. One person may be going to the market another may plan to go to market for his/her production. Clearly, there are many usage of this term in economic theory of business in general and also in marketing. The market is the place where buyer and seller meet and function goods and 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 might be willing and able to engage in exchange to satisfy that 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 willing to offer these resources in exchange for what they want.”(Wolf&Pant,1994)

“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 +willingness to spend it”(Stanton 1978) .Marketing is the management function, which organization 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 the company.

“American Marketing Association in 1995 defined marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services, to create exchange that satisfy individual and organization objective.”

“Marketing is a societal process by which individuals and groups obtain what they need and want through creating offering and freely exchanging. Product and services of value with others.”(Koirala, 1997)

Thus, this definition focuses these points. Marketing is a social process preformed by individuals and groups marketing are also concerned with creating offering and exchanging products and services.

“Their will always one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells it. Ideally, marketing should result in a customer who is ready to buy. All that should be needed them is to make to product or service available.”(Joel&Barry, 1990)

2.1.2 Growth of Marketing:

Marketing has been developing together with development in human civilization. If we turn three, four hundred years back to the history of human civilization, we find marketing of that time, by modern standard, relatively uncultured, craft men carried on their business face to face with consumers.

They did not need many mechanism or tools or technique of marketing as used today for propagation of qualities of their products and for successful marketing of these products.

But that stage could not last long. Human needs and wants changed. Human aspiration for excellence and better status gave birth to thousand of discoveries, inventions and innovations and established thousands of units of different types of industries to fulfill that aspiration. These changes in turn not only invented different sophisticated tool and techniques and effective strategies for successful marketing but also made the marketing a most competitive field. Today, the philosophy of marketing guiding the marketing activity of the organization has been changed drastically; originally, companies based their marketing decisions largely on immediate company profit calculations. Than, they began to recognize the long run importance of satisfying consumer want. And now they are beginning to factor society's interest in their decision-making. That is to say, companies have shifted their emphasis from production to product selling, consumer and society respectively.

Today, the marketing philosophy of the organization is the societal marketing concept .The societal marketing concept holds that “The organization tasks is to determine the needs wants and interest of target markets and to deliver to desired satisfaction more effectively and efficiently than competitors in away that pressures or enhances the consumers and society's well being.”(Joel&Barry,1990)

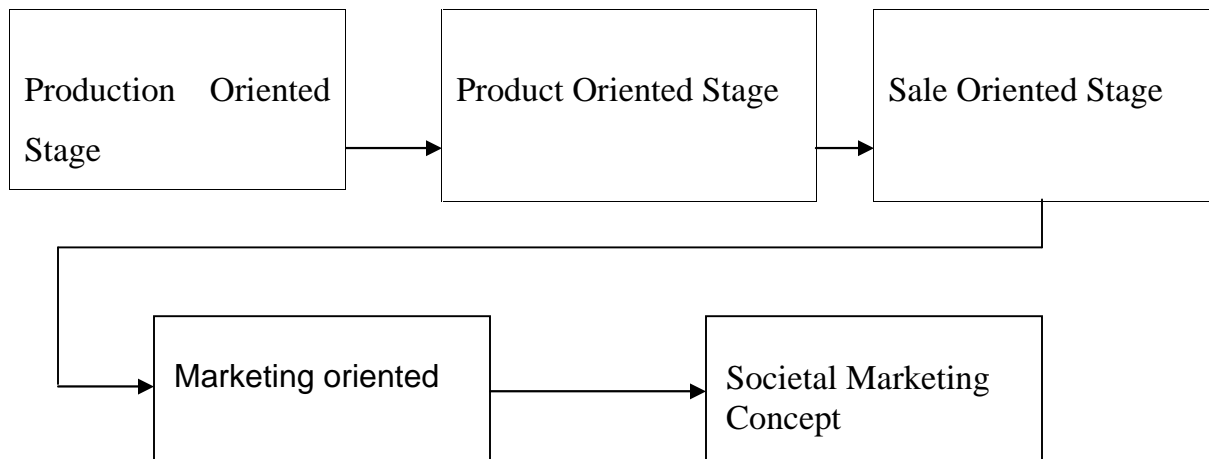
Thus, today the consumer and the society have been the center point (around), which all the marketing activities revolved. The various advancement make in marketing has been established the consumers at the sovereign power in the marketing world. So, in order to be successful, products must be produced

according to the need of the consumers and interest of the society. In the modern business world, understand of consumer choice, purchasing decision making process, brand preference, factor affecting decision making process etc or say understand of consumer behaviour is most necessary to become to successful marketer. Study of consumer behaviour has now been prevailing as an effective measure helping to develop the successful marketing strategy.

Thus, the growth of modern market can be seen from the following flow chart.

Fig No. 2.1

Growth of Marketing



Source: Stanton William J., 1978

2.1.3 Marketing System:

A system may be defined as a goal-oriented organism composed of parts that are interrelated in such a way that the total system is greater than the sum of its parts. Marketing is viewed as a system and approach can be effectively utilized in market.

“System defined to a marketing system. In marketing the interacting and interdependent groups of items forming a unified whole and it includes of:

- Target Market

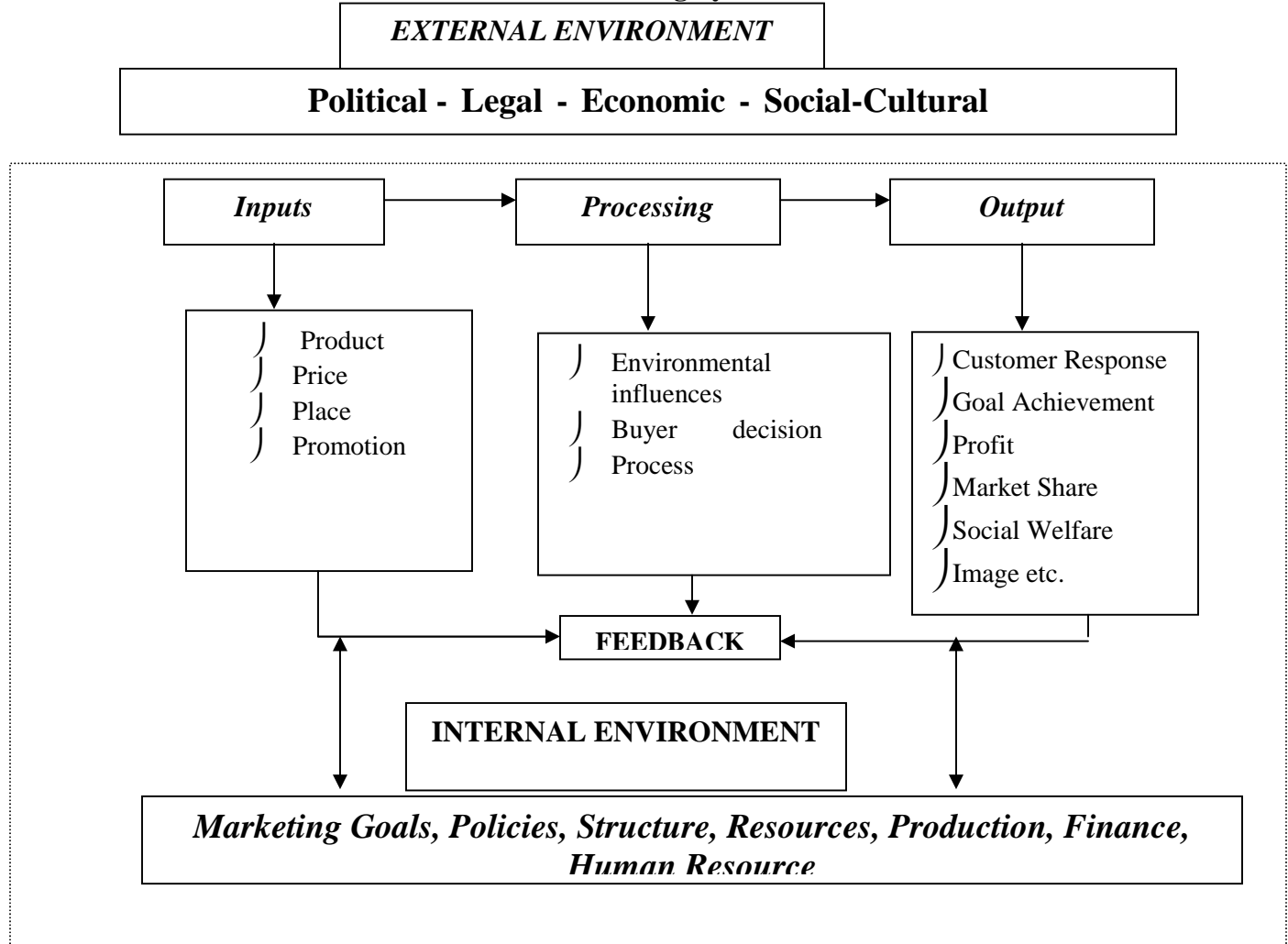
- Intermediaries helping in the exchange between the marketing organization and its market there are the retailers, wholesalers, transportation agencies, financial institution etc.
- Organization doing the marketing job
- Thing (product, service, idea, person) being market.
- Environment constraints, demographic factors, economic conditions, social and cultural forces, political and legal forces, technology and competition.

“Above these points further add that two interacting elements in a marketing system; Marketing organization and system of target market. Two elements are linked by transaction with something of value.”OP CIT,18

The system theory is based on the works of Bertalanffy who developed the general system theory: - Bertalanffy defined a system “a set of objective together with the relationship among them and their attributes. As the marketing system refers with a set of objective to the groups of individuals firms and relationship with them and their attributes.”OP CIT, 18

Marketing as a system is cleared by the following flow figure.

**Fig No. 2.2
Marketing System**



Source: Agrawal G. R., 1999p. - 28

2.1.4 Marketing and Marketing Environment:

Marketing Environment consists of the actors and forces outside marketing that affect marketing management’s ability to develop and maintain successful

relationship with its target customers. The marketing environment offers opportunities and threats, successful companies know the vital importance of constantly watching and adapting to the changing environment.

In general words, market means the place where goods and service are bought and sold. Actually, marketing is the whole package of production of goods and services, and after production sales to consumer satisfaction.

Different authorities define the marketing in different ways:

"Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating after and exchanging products of value with goods."(Kotler, 1997)

"The performance of business activities that direct flow of goods and service from producers to consumers or users."(AMA, 1995)

Only purchase and sale of goods and services is an old concept of marketing that is outdated. According to the new concept, marketing is a whole process of identifying the human needs and wants, supplying the goods and services and satisfying them. Before production of what to produce? When to produce? How to produce? How much to be priced? How to reach to the consumers is taken in to consideration and the decision regarding all these matters is the main subject of marketing. The marketing starts with the concept of producing goods and services according to the consumers' interest and ends with satisfaction of consumers but not the sales. So the activity of marketing is a continuous process.

Marketing environment refers to the various factors affecting the various factors affecting the marketing process. Those factors are generally divided into two broad categories: Microenvironment and Macro environment.

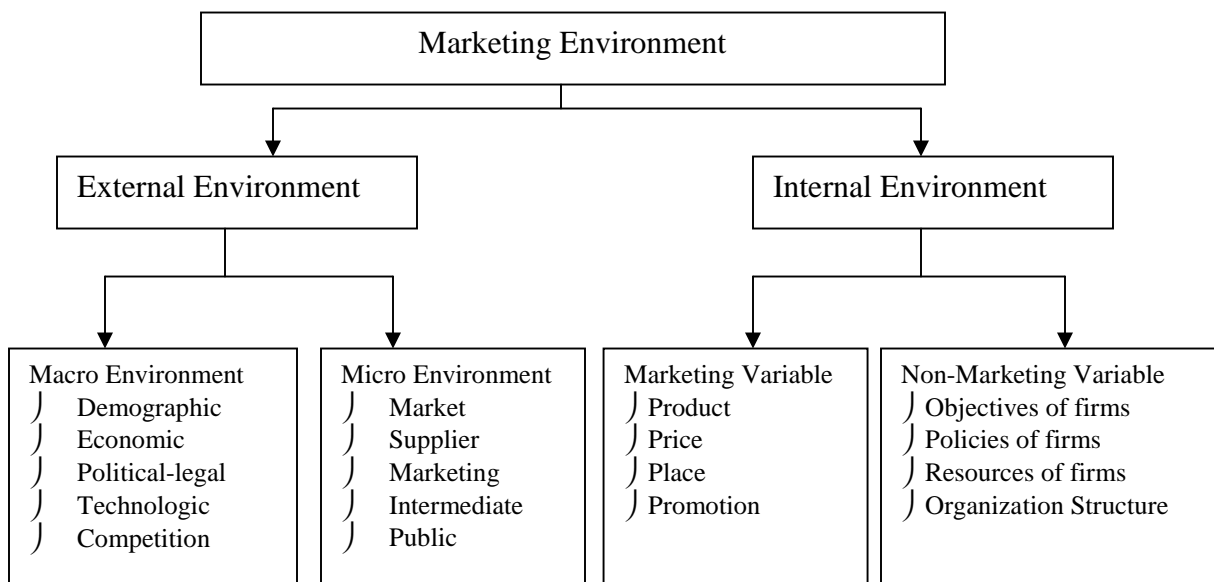
The micro environment is the set of forces that affects the presence of a company under consideration in the market. The main elements of micro environment are the company itself, suppliers, marketing intermediaries, customers, markets competitors and public. The macro environment also affects the presence of the company in the market, but their effects are broad, and these affect all the companies in the present market simultaneously. The macro environment is beyond the control of company, and has strand like demographic, economic, natural, technological, cultural environment.

“The marketing environment consists of two elements like the task environment and the broad environment. The task environment includes the immediate actors involved in producing distribution and promoting the offering. The major actors are the company suppliers, distributors, dealers, and the target customers. The broad environment consists of the demographic, environment, economic environment, natural environment, technological environment, political and legal environment, socio-cultural environment.”(AMA 1995)

The various elements in a marketing environment are shown in the following charts.

Fig No.2.3

Marketing Environment



2.1.5 Market Share:

Market share of different products (2013/2014)

Table No. 2.1

Market Share

Brand	Market Share in %
Wai-Wai	45%
Mayos	29%
Ruchee	12%
Rum-Pum	14%

Source: Business Age estimate (April 2002)

Wai-Wai has largest market share of 45%. It is the most popular among the consumers. Mayos has got 29% of market share. Ruchee, and Rum-Pum has almost sales percentage in the market. . Though Nepal is the main market, these noodles also occupy some market share in Southeast Asian Countries such as India, Bhutan, Pakistan, Bangladesh, and Tibet etc.

2.1.6 Noodles Industry In Nepal:

Gandaki Noodles was the first noodle industry in Nepal. Now a day, there are more than twenty-four noodles industries established with foreign and domestic brands.

Table No. 2.2

Noodles Industry In Nepal

1	Shaktishali Chauchau Udyog(Pvt) Ltd	Katmandu
2	Pokhara Noodles (Pvt) Ltd	Kaski
3	Deurali Noodles Udyog (Pvt) Ltd	Katmandu
4	Morang Noodles (Pvt) Ltd	Morang

5	Himalayan Agro Health Food (Pvt) Ltd.	Katmandu
6	National food and Allied Industries(Pvt) Ltd	Katmandu
7	Anupan Foods (Pvt) Ltd	Kaski
8	Mooyar Noodles (Pvt) Ltd	Morang
9	Himalayan Noodles (Pvt) Ltd	Lalitpur
10	Fresh Food Industries (Pvt) Ltd	Kathmandu
11	CG Fast Food Industries (Pvt) Ltd	Nawalparasi
12	Nippon Noodles (Pvt) Ltd	Hetauda
13	Multi Food (Pvt) Ltd	Katmandu
14	Dragon Noodles (Pvt) Ltd	Chitwan
15	Anoms Foods products (Pvt) Ltd	Biratnagar
16	Woodland Foods Products (Pvt) Ltd	Sunsari
17	Biddya International (Pvt) Ltd	Jhapa
18	Procerad Foods (Pvt) Ltd	Katmandu
19	Asian Thai Foods (Pvt) Ltd	Sunsari
20	Hum Shree Foods (Pvt) Ltd	Kaski
21	Himalayans Snacks And Noodles (Pvt) Ltd	Palanchowk
22	Kanchan Jangha Processing (Pvt) Ltd	Ithari
23	Gandaki Noodles (Pvt) Ltd	Kaski

Source: Dealers of Kathmandu

2.1.7 Marketing Mix:

In the modern world, marketing activities have covered the large sectors. In this customer choice, interest and preference are found out and after words accordingly the goods or service are product to fulfill the needs and want of target market as the major activity.

“Some of the elements of business activities that can be used by a firm to fulfill its marketing strategy are called the marketing mix. The marketing mix is

the set of marketing variable, which the organization blend's to achieve the marketing goal in a defined target market. The marketing mix consists of every thing the organization can do to influence the demand for its product in the target market.”(AMA, 1995)

“Albert Frey (1961) classified all marketing decision in two factors (1) The offering and (2) Methods of offering include product, packing brand price and service. Methods and tools include distribution channels, personnel selling, advertising, sales promotion and publicity.”(Frey, 1961)

Marketing mix may be considered as 4ps namely product, price, promotion, and place. The 4ps are described below

Product Mix

Includes decision on product line and mix product quality variety, design features, branding packaging labeling etc. It also includes important activities such as product planning and development.

Place Mix

Includes design of distribution channels distribution networks, dealer promotion and motivation system and physical distribution of product.

Price Mix

Includes activities such as analysis of competitor's prices formulation of pricing objectives, setting the price, determining terms and conditions of sales discount and commission etc.

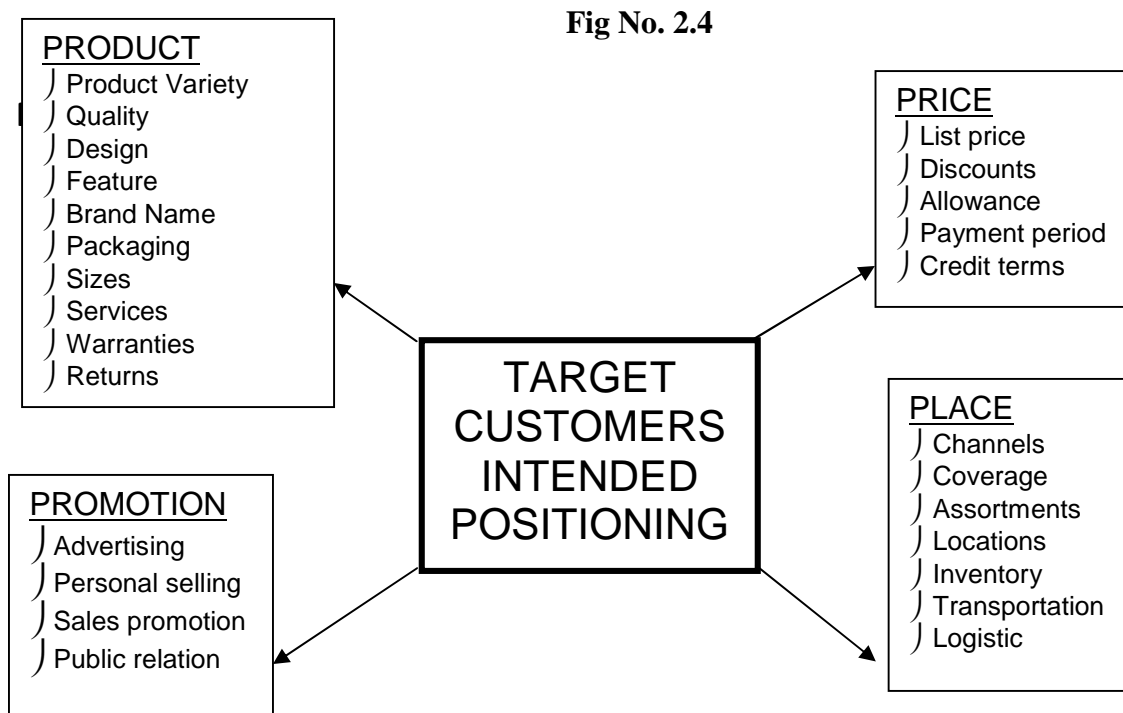
Promotion mix

Includes determining the promotional blend the mixture of advertising personnel selling sales promotion publicity and public relation to popularize the use of the product in the target market.

Thus, the organization adopts an adequate blend of 4ps in relation to a product in a defined target market. Each element of the marketing is perceived to be under the control of the marketing manager and can be changed to achieve the desired results in the target market.

“Marketing mix as the set of controlled tactical marketing tools product, price, place and promotion that the firm blends to produce the response it wants in target market. Market mix popularization 4ps of the variables known as the 4ps product, price, place and promotion.”(Joel&Barry,1990)

The particular marketing tools under each 4ps are shown in figure.



2.1.8 Product Life Cycle:

All products have a life cycle. They are born, they die. No product sales forever change in technology competition and buyer’s preference limit their life. Product sales also vary over the life cycle. Different types of consumers buy the product at different period of time. The product life cycle as the course of a product’s sales and profit over its life time. It involves five distinct stages, product development, introduction, growth, maturity, and decline.

The concepts of product life cycle are in some certain foundations which are based up on the assertions that

- Product has a limited life
- Product sales pass through distinct stages each posing different challenges, opportunities and problem to the seller.
- Products require different marketing financial manufacturing, purchasing and human resource strategies in each stage of their life cycle.

2.1.9 Product Development Stages:

The stage begins when the company finds and develops a new product idea. During the stage sales are zero and the company's investment costs much.

Introduction Stage

“In this stage a period of slow growth as the product is introduced. In the market profits are non-existent in this stage because of the heavy expenses incurred with product introduction. It is the stage where there are four major strategies, price and promotion available to the producer, rapid skimming strategy, slow skimming strategy, rapid penetration strategy, slow penetration strategy.”(Joel&Barry,1995)

Growth Stage

It is the stage in which a Product sales starts climbing quickly during the stage profit increases as promotion costs are spread over a large volume and as unit manufacturing costs falls.

The producers adopt various strategies of marketing in this stage. This strategy comes in the form of improvement in quality features and styling. It enters new market segments increasing distribution channel, shifts from building product

awareness to product preference advertising and lowers prices at the right time to attract more buyers.

Maturity Stage

“This is a period of slow down in sales growth because the product has achieved acceptance by most potential buyers. Profit decline because of increased marketing outlays to define the product against competition.”(Joel&Barry 1990)

This stage normally lasts longer than the previous stages, and it poses too fearful (formidable) challenges to management. This stage is accompanied by market modification through converting non users into users entering new market segments and winning competitors customers and old customers are encouraged to more frequent uses.

Decline Stage

This stage in which sales and profit to grow feeble(dwindle). Especially, in the case of old fashioned and low quality goods , the rate of decline is very high as in case of gramophone records, which disappeared from the market in less than half a decade.

“The major strategies of this stage are identification of weak products, increasing the firm's investment to dominate the market or to strengthen its competitive position. Maintaining the firms investment level until the uncertainties about the industry.”(Joel&Barry,1990)

2.1.10 Advertising:

The word advertising is derived from the two Latin words: ‘ad’ means towards and ‘verto’ means ‘turn’. So the meaning of advertising is to turn people’s attention to the specific thing. In other words advertng is to draw people 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 results only when the entire structure is sound and co-ordinate.

“Advertising consists of all the activities in valued in presenting to a group, a non-personal oral, or visual openly sponsored message regarding to a product service of idea. The message is collected an advertisement is disseminated through one or more media and is paid for the identified sponsor.” (OP CIT 18)

Advertising is defined as a firm of means communication where message is distributed by producer through different sources and 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 transmitter radio and television.

“Advertising includes the following forms of message the message carried in new paper and magazines, out door boards, street, car, buses, train, cards, poster in radio and television broad casts and in circulations of kinds whether distributed by mail, by person through trade or by inserts in packages; dealer help materials, windows display and country display materials and efforts, stone signs, houses organs when directed to dealers and consumers, nation pictures used for advertising message or signature of the advertiser.”(Barden/Marshall 1989)

Above all definitions expect last one tell that advertising is a method of mass communication which help to sell goods.

2.1.11 Branding:

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 colour or letter. A brand mark is recognized by sign and differentiates its product from competing

products. But it can not expresser when a person pronounces the brand name e.g. Gillets, Coors, etc are the brand name. “Marketers say that Branding is the art and corner stone of marketing.”(OP CIT, 3,)

“Building brands require a great deal of time money promotion and packaging. Brand suggests product difference to customers. They convey attributes, image, value and benefits most of the products are branded.”(Agrawal,2001)

“A brand is a name terms, signs, symbol, or design or a combination of the intended to identify the goods or service of one seller or group of seller and to differentiate from those competitors.”(Agrawal,2001)

It is clear from above definition that brand identifies the goods to market. It can be a name, trademark, logo or symbol. It differ from other assets such as patents and copyrights, which have expire dates. The trade mark is a legally protected brands which implies ownership of the users and exclusive right to use.

Now day, 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 don't set budget a side for research and development. It is always important to study the need, interest, taste, and purchasing power of the targeted consumers. As the consumer is the king of the marketing today's liberal economy, companies cannot afford to be product only. There is no specific formula for success. Market is different from place to place, consumer needs taste and interest may vary from one place to another. In many cases affordability geographical location culture and religion also determinate people need. “Therefore, success of a brand largely depends on different factors such as innovation, quality, attractive, packing reasonable price, availability, good publicity brand positioning, unique selling proposition, value addition relationship etc.”(Business age,2001)

2.2 A Review of Unpublished Thesis:

Though noodles have been a part of food habit of Nepalese People in recent years, there has been very little research on the noodles and noodles marketing. The available report/studies on noodles, and its production and marketing have been revised below.

2.2.3 “The Role of Advertising in Brand Choice and Product Positioning, Especially In Case of Noodles And Soft Drinks”(Shrestha 1997)

The main objectives of the study are to analyze the effectiveness 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 important means of sales promotion and consumer's responds-well on these. Advertisement is the mean that introduces the products among consumer and the advertisement are most effective. It is also stated that the advertisement aired through P.M. have been popular in recent years.

It has been recommended that especially in case of instant noodles and soft drinks advertisement through electronic media are effective and the companies are required to make even more affective advertisement.

None of the above studies have done such type of research previously. So that, this research would be helpful to government experts, planners and university student in future.

2.2.4 “A study on market potentiality on Gandaki noodles in Kathmandu valley.”(Basnet 2043)

N.B. Basnet undertook this study entitle, "A study on market potentiality of Gandaki noodles in Kathmandu Valley" which aimed at analyzing the production of noodles, marketing process, and marketing mechanism of the noodles industries in Nepal with special attention given to Gandaki Noodles.

The study starts with the theoretical consideration of marketing, and enters the empirical part of the study analyzing the various aspects of production, marketing, and the rate of promotional activities in sales/demand for the product in the market.

The study, on the basis of the information collected through questionnaire to the producers and consumers conclude that the noodles industries produce a limited variety of product, and therefore do not cover the consumers with wide range of tests and option. The incentives offered the marketing agents by the noodles manufactures are low and below the expectation of the consumers, and they deal wit the noodles just for expanding the volume of their turnover. Thus the promotional activities targeting to motivate the dealers, or retailers are insignificant.

The study has made a few recommendations also. If regards, that if commissions are paid as the expectations of dealers, or retailers a companies can increase its market share significantly the companies, which are lacking in a channel that flows information form consumers to producers are required to establish such channel.

Beside, the companies are required to adopt proper marketing channel, so as to lubricate the flow of goods towards the consumer after undertaking the studies on their own production capacity, capital structure financial status on their own production capacity capital structure financial status consumers' taste and preference etc.

2.2.5 Rajendra Giri, “A study on the communication effect of advertising and brand preference of instant noodles.”(Giri 2045)

The study was done by Mr Rajendra Giri about the marketing aspect of Gandaki Noodles Company's Rara with comparison to "Maggi" of Food Specializes effects of advertising on buying attitudes of consumers, and the change in brand preference brought about it. The objectives of that study was to analyze

the popular media of advertising in the case of instant noodles, the existing context of the Kathmandu city and to study the advertising appeals used by instant noodles advertisers. That study was based solely on primary data collected by means of questionnaire filled by 35 educated people of Katmandu.

Some of the major findings of this study are given below.

- i. Most of the educated people of Kathmandu are aware of both brands (Rara and Maggi) of instant noodles because of their advertisement.
- ii. Television, radio and Newspapers are proper media for advertisement chosen by the companies.
- iii. All of the advertising media available in Nepal, Radio has proved itself a leading one to create an awareness in customers about advertised product especially edible goods like instant noodles.
- iv. In the case of Radio advertisement 'Rara' has attracted its customers mainly with the help of vocals after then expression and music has played a leading role to attract the customers in the case of Maggi's Advertisement, after then set up expression and vocals came orderly.
- v. In the case of newspaper advertising "Rara" has attracted to many of its customers because of its style of photo presentation while "Maggi" has attracted its customers with the help of layout headlines.

2.3 Review of Report:

2.3.1 “Reports on Noodles, [Nepal government ministry of Industry and commerce, Industrial Feasibility Division, Department of Industries 1967]”(MOIC 2067)

A study on feasibility of noodles and Macorni plank was carried out by the HMG of Nepali 1967. The methodology adopted by the study used interviews as well as particularly developed questionnaire to give as idea about the prevailing market conditions. The study aims at finding whether the establishment of noodle plants was feasible. The study has conducted the following things.

I) Market

The local market of the noodles was 50 tons per annum, and possibility indicated to export in the other countries.

II) Production Scope

There were no organized noodles producing unit in Nepal. The local market condition permitted the installment of a single plant with a production capacity of 50,000 kg annually.

III) Raw Material

The main raw materials used for production of noodles were wheat flour, and eggs are available in the local market. Hence there would be no problem in installing in new plant in Nepal.

IV) Investment

The estimated capital investment would be Rs 150000 and out of this a sum equivalent to Rs 10,000 would be required in foreign exchange. The estimated working capital was Rs 206,000 per year. The estimated profit would lie between 25-30 percent if sold on the price lying in the range of Rs 5.12-5.045 per kg of noodles package.

After drawing above conclusions it was recommended that there was a need for promoting and installing a noodles plant in Nepal.

However, the report had shown has given no interest in giving insight into the marketing problems for Noodles.

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Introduction:

The basic study is to know market situation of instant noodles and to point out its efficiency and effectiveness in accomplishing marketing goals. To meet the objectives of study data has collected from consumers, retailers, dealers and producers. The research methodology employed has been as follows.

3.2 Research Design:

After exploring the sources of information about different aspects of marketing of instant noodles, primary information were collected through interview with consumers who uses instant noodles .Thus this study uses both descriptive and analytical research design. To collect primary data a survey research design has been applied in the study.

3.3 Populations and Sample:

All the people of kathmandu Metropolitan town are the potential consumer for this study so all are considered as the population for this study. It is difficult to line out who is the actual consumer of the Instant Noodles some of the consumers of the kathmandu metropolitan town has been taken as the sample and the distributors of market area are taken for the sources of various data.

3.4 Source of Data:

The information and data required for conducting study has been collected from both primary and secondary sources, primary sources have been used predominantly. Primary information and data has generated through questionnaire and interview with the costumers of Kathmandu town. Secondary information has obtained from dealers, producers through interview and their records.

3.5 Reasons for Selecting the Kathmandu Metropolitan town:

kathmandu is the capital and largest town for which has many attraction for the tourist. kathmandu lies in the central part of the country and some of the noodles factory are located in this area.

The majority of the people are engaged in agriculture sector, business sector, and service sector. Various ethnic groups of people are living in kathmandu metropolitan town such as Brahmin, Chhetri, Newar, Magar etc. It is also taken as a good tourist spot of Nepal as the popular Pashupatinath temple, swoyambhu temple, Hanuman Dhoka Mount Everest is situated in this region. Many tourist visits every year to enjoy and study the different naturies beauties situated inside the kathmandu. Kathmandu is gradually developing as a business center. Demands for different noodles are very prominent here and we can get the verity with different taste and in different price. Local people, tourists both domestic and foreigner are all consumers of noodles in this town.. So it the better place to the study.

3.6 Data Collection Procedure:

For data collection, different aspects of marketing practice and its impact on population will be considered while preparing the questionnaire. The researcher has personally visited the consumers to distribute the questionnaire form and to take interview. Consumers from different socio-economic background have been considered.

Similarly secondary data has been collected from reports, magazines and journals etc.

3.7 Method of Data Analysis:

The entire questionnaire distributed to the consumers were collected and checked thoroughly. Then, it was compiled and presented in appropriate tables to

facilities analysis and interpretation. Master table is then considered for all the analysis. Both descriptive and statistical analysis has done. Statistical tools that had used for this analysis are simple mean, pie chart, percentage, Venn-diagrams etc. Further the researcher has also used hypothesis test (X^2 test) to analysis the collected data. The following are the some of the tools and there applied formulae that the researcher has applied.

3.7.1 Respondents' Profile:

Data collection for the semi-structured question was administrated among 100 randomly selected respondents. Though the data have been collected through judgmental sampling all the category of person has been attempt to include. Therefore the data have been collected on the basis of profession, age, sex and so on.

While studying the age wise analysis, profession wise analysis and sex wise analysis, chi-square test have been done.

3.7.2 Test of Hypothesis

To test the dependency and independency between the different variables, the x^2 tests have been applied. The following are the null and alternative hypothesis done for the x^2 test.

While analyzing the consumers preference by age

H_0 - There is no significant difference between potential consumers by age.

H_1 - There is significant difference between potential consumers by age.

While analyzing the consumers preference by occupation

H_0 - There is no significant difference between potential consumers by occupation.

H_1 - There is significant difference between potential consumers by occupation.

While analyzing the consumers preference by sex

H_0 - There is no significant difference between potential consumers by sex.

H₁- There is significant difference between potential consumers by sex.

The formulae for finding the tabulated value of those analyses are:

E(expected value) = Row Total x Column Total / Grand Total

$$X^2 = (O-E)^2/E$$

Where as,

O= Observed value,

E= Expected value,

X²= Chi-square value

3.7.3 Formulae used for other Calculation:

While calculating the ranking mean of different brands the researchers has used the following formula for calculating mean.

Mean or Average = Total sum of the variables /Number of items.

Similarly in this study the tool for calculating percentage has also used.

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA

The previous chapter provided the concept of the study, the bases and plans of analysis. This chapter is the main heart of the study where the collected data are tabulated as per the necessary and analysis in different ways in order to get the final conclusion of whole study. The main objective of study is to analysis the market situation of instant noodles in Kathmandu order to get the best solution on the various problems in the supply and manufacturing sector we have collected the data from various suppliers and consumers through structured interview and questionnaire. Thus the collected data is analyzed in.

4.1 Secondary Data Analysis:

The information required to meet the objective of the study was supplemented by producer's and dealer's response. A different set of unstructured questionnaire was administered to them. It was found that producer produces one brands or multiple brands of instant noodles. The production of instant noodles at least 5 years or 3 years was taken

4.1.1 Supply Situation Of Instant Noodles Production In Nepal:

Table No. 4.1

Years	Production in Mt.	Percentage Increase
2008/009	11679	-

Supply '000

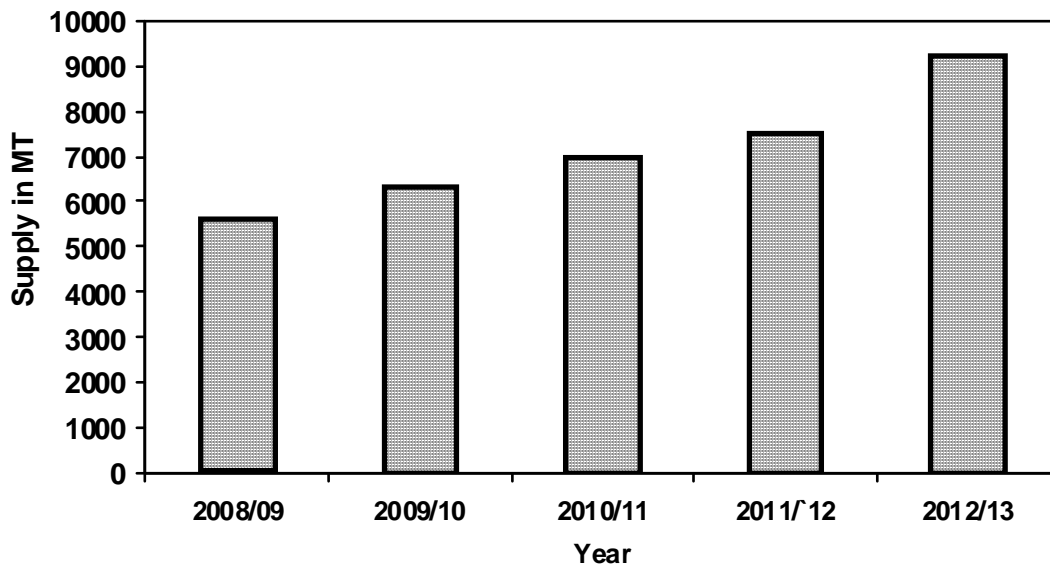
2009/010	12321	12.5
2010/11	13473	11.11
2011/12	14700	7.14
2012/13	17840	22.67
Total	56783	

Source: Field Survey

Above table shows five years production of instant noodles in Nepal. With the study of above table it can be described that the production of the instant noodles is gradually increasing exception of one year i.e. on 1999/00. The production of instant noodles in was Mt. The production kept on increasing by year by year and reaches up to the production increase in the year

Figure No. 4.1

Supply Situation of Instant Noodles in Nepal



Source: Table No.4.1

4.1.2 Supply Situation Of Instant Noodles In kathmandu Metropolitan town

Table No. 4.2

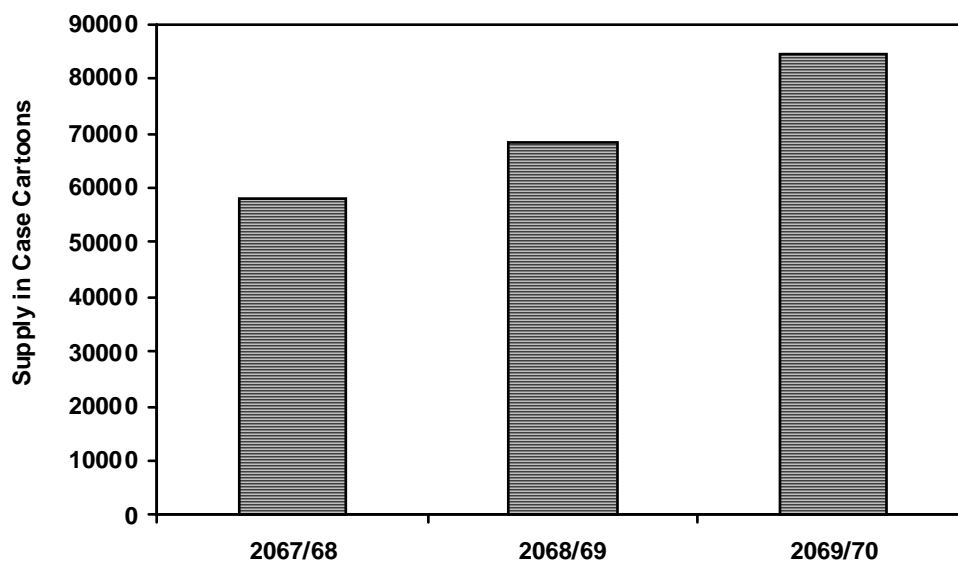
Supply Situation Of Instant Noodles In Kathmandu metropolitan city

Years	Supply situation (In case cartoons)	Growth Percentage
2067/68	57850	-
2068/69	68520	35.03
2069/70	84375	27.75
Total	210745	

Source: Field Survey

Figure No. 4.2

Supply Situation of Instant Noodles in Kathmandu town



Source: Table No.4.1

Above table shows the supply situation of instant noodles in Kathmandu for past 3 years. In 2067/68, the total supply was 57850 cartoons. Similarly, in 2068/69, the total supply in this area was 68520 cartoons, during this period the

growth rate of instant noodles was 35.03% Similarly the total supply of the Instant Noodles was 84375 cartoons in 2069/70 , maintaining the growth rate of 27.75% . In this way the market supply of the product (Instant Noodles) is gradually decreasing

4.1.3 Supply Situation of Instant Noodles Major Player Brands In kathmandu Metropolitan town:

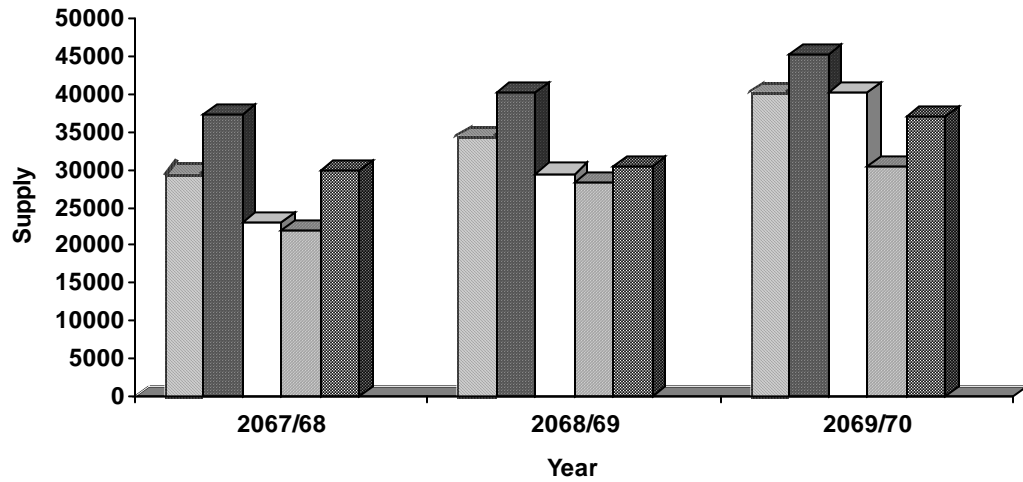
Table No. 4.3
Supply Situation of Instant Noodles
Major Player Brands In Kathmandu (in case cartoons)

Brand Name Years	Mayos	Wai-wai	Ruchee	Rum-Pum	Others	Total
2067/68	29500	37300	23000	22000	30,000	141800
2068/69	34350	40250	29500	28200	28000	160300
2069/70	40250	45300	40300	30500	37000	193350
Total	104100	122750	92800	60700	95000	495450

Source: Distributors of instant noodles in kathmandu Market

The above table shows the market supply of instant noodles by different brands from Fiscal Year 2067/68 to 2069/70 . From 2067/68 to 2069/70 the Mayos had supplied 104100 cartoons of instant noodles the break up for the three years is given as 29500, 34350, 40250 cartoons. Though the Wai-Wai brand is the most time sustainable brand its supply is not increasing as per its good will, regarding the Wai-Wai brands its total sales is 122750 for the last 3 years. The supply of brands Rum-Pum for the last 3 years is 60700 . The above table shows that the increment and decrement of different brands are in different percentage.

Figure No. 4.3
Supply Situation of Different Instant Noodles Major Player Brands
(In Kathmandu metropolitan town)



Source: Table No.4.3

4.1.4 Different Brands of Instant Noodles Supply Situation in Kathmandu town:

Table No. 4.4

Different Brands of Instant Noodles Supply Situation in Kathmandu town

(in case cartoons)

Brands Name	Supply	Percentages
Mayos	104100	21.89
Wai-Wai	122750	25.82
Ruchee	92800	19.52
Rum-pum	60700	12.76
Others	95000	19.98

Total		100

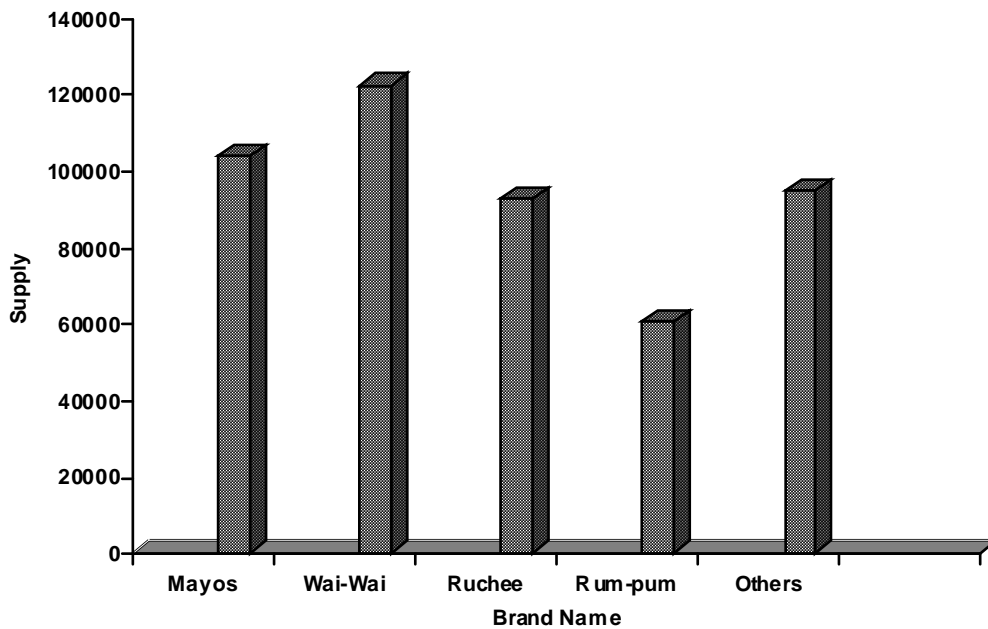
Source: Distributors of instant noodles in kathmandu Metropolitan town

The above table shows that the brand Wai-Wai has covered the maximum market share, which has 25.82% of total market share. It is followed by other different brands with 19.98% . Ruchee has 19.52% and Mayos has 21.89% and Rum-Pum 12.76% has of total market supply.

This table can be presented in the following bar diagram.

Figure No. 4.4

Supply of Different Brands of Instant Noodles in kathmandu Metropolitan town



Source: Table No.4.4

4.2 Respondents' Profile:

Data collection for the semi-structured question was administrated among 100 randomly selected respondents. It was conform that all of the respondents used instant noodles for last 3 years among which 75% of the respondents use as Tiffin and the rest use it at any time.

4.2.1 Analysis of Consumers Preference According to Age:

Analysis of Age Of The Consumers Who Use Instant Noodles

Table 4.5

Analysis of Consumers Preference According to Age

Brand/ Age	No. of Users of Wai-Wai and %		No. of Users of Mayos and %		No. of Users of Ruchee and %		No. of Users of Rum-Pum and %		No. of Users of Others and %		Total
	No	%	No	%	No	%	No	%	No	%	
Under 20	11	11	10	10	9	9	13	13	9	9	52
20-40	13	11	4	4	5	5	8	8	5	5	39
40 above	4	4	2	2	-	-	2	2	1	1	9
Total	28	28	18	18	16	16	23	23	15	15	100

Source: Field Survey

The above table shows the age wise preference of Instant noodles. The table shows that 10% of consumers fewer than 20 years prefer Wai-Wai. The consumer of under 20 years also prefer the product Rum-Pum ,Mayos too whose preferences percentage is 10% and 13% . It can also be said from the above table that the consumers are more in under 20 ages, i.e. 54% of total consumers group come under the age group under 20. The next group is the group of consumer who comes in the age group 20-40 age who prefer Wai-Wai most and after that Ruchee, Rum-Pum are preferred. This group consumes 37% of total consumption

of the market. The last group is above 40 groups; this group is not the good consumer of the instant noodles and only consumes 9% of total market of the product. Similarly from the above table it can be found out that most selling brand is Wai-Wai which has 24% of total selling which has followed by , Rum -Pum, Ruchee, Mayos with 23%,16%, 18% respectively.

We can use X^2 test for the above table

H_0 - There is no significant difference between potential consumers by age.

H_1 - There is significant difference between potential consumers by age.

Here,

$E(\text{expected value}) = \text{Row Total} \times \text{Column Total} / \text{Grand Total}$

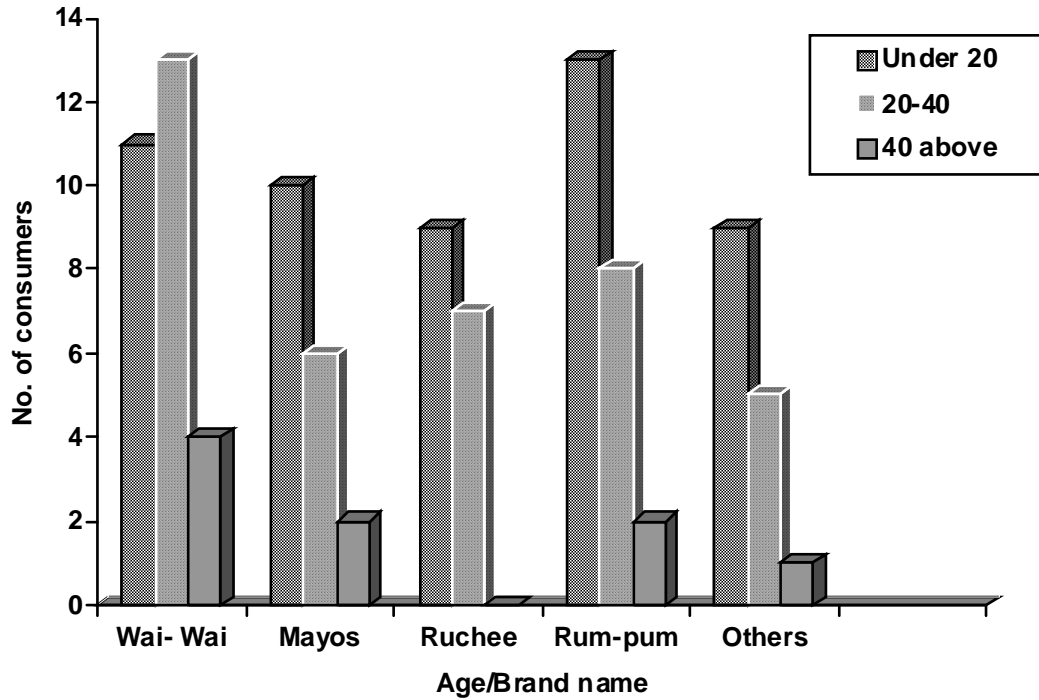
Degree of freedom = $n-1 = 15-1 = 14$

The tabulated value of X^2 of degree of freedom at 5% level of significant is 24 and the calculated value is 10.01. Hence, calculated value is lesser than tabulated value, the null hypothesis (H_0) is accepted at 5% level of significant. So, we conclude that there is no any significance difference between potential consumers by age.

This table can be presented in the following bar diagram

Figure No. 4.5

Age Wise Analysis of Instant Noodles



ource Table No.4.5

S

.2.2 Occupation wise Analysis of Instant Noodles:

Table No. 4.6

Occupation wise Analysis of Instant Noodles

Occupation	No. of Users of Wai-Wai in %		No. of Users of Mayos in %		No. of Users of Ruchee in %		No. of Users of Rum-Pum in %		No. of Users of Others in %		Total
	No	%	No	%	No	%	No	%	No	%	
Student	22	22	6	6	7	7	5	5	4	4	45
Service	9	9	3	3	3	3	1	1	2	2	19
Businessman	3	3	5	5	2	2	-	-	-	-	11
Farmers	6	6	3	3	3	3	-	-	1	1	13
Others	4	4	4	4	3	3	-	-	1	1	12

Total	44	44	21	21	21	21	6	6	8	8	100
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Source: Field Survey

The above table shows that there are 22%, 6%, 8%, 5%, 4%, and 4% are the students who use Wai-Wai, Mayos, Ruchee, Rum-Pum, and others respectively. In total 45% of the total consumes is done by the students. In the service the percentage is a bit low and the consumes percentage facts are 9%, 3%, 4%, 1%, and 2% who use Wai-Wai, Mayos, Ruchee, Rum-Pum, and others respectively by service person. Similarly 3% 5%, 3% 0% , 0% of consumers use instant noodles in above orders by the person who stay engage in business sector. In the same way farmers' share is 13% of total supply. The person who stay engage in other sector like Wai-Wai, Mayos, Ruchee, , Rum-Pum and others is 4%, 4%, 3%, 1% and 3% respectively.

We can use X^2 test for the above table

H_0 - There is no significant difference between potential consumers by occupation.

H_1 - There is significant difference between potential consumers by occupation.

Here,

$E(\text{expected value}) = \text{Row Total} \times \text{Column Total} / \text{Grand Total}$.

Degree of freedom = 25-1 =24

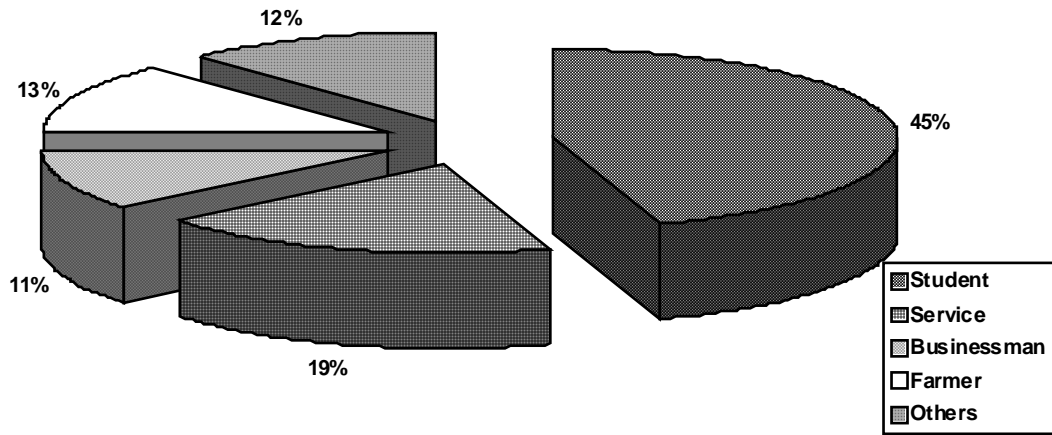
Therefore $X^2 = (O-E)^2/E = 17.59$

The tabulated value of X^2 of degree of freedom at 5% level of significant is 36.4 and the calculated value is 17.59. Hence, calculated value is lesser than tabulated value. So, the null hypothesis (H_0) is accepted and alternative hypothesis is rejected at 5% level of significant. So, we conclude that there is not any significance difference between potential consumers by profession.

The above Table can be presented in the following bar diagram.

Figure No. 4.6

Occupation Wise Analysis of Instant Noodles



Source: Table No. 4.6

4.2.3 Sex wise Analysis of noodles Preference Sex wise analysis of consumers who Use Instant Noodles:

Table No. 4.7

Sex wise Analysis of noodles Preference Sex wise analysis of Consumers who Use Instant Noodles

Brand Sex	No. of Users of Wai-Wai in %		No. of Users of Mayos in %		No. of Users of Ruchee in %		No. of Users of Rum- Pum in %		No. of Users of others in %		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
Male	24	24	9	9	7	7	6	6	3	3	49
Female	22	22	9	9	13	13	4	4	3	3	51
Total	43	43	15	15	20	20	8	8	7	7	100

Source: Field Survey

In the above table, 100 consumers are converted into 100%. The table shows sex wise preference of noodles. It shows 24%, 9%, 7%, 6%, 6% and 3% respondents are male who use instant noodles of Wai-Wai, Mayos, Ruchee, , Rum-Pum and others brand respectively. Similarly 20%,8%, 12%, 3% and 5% are female who use instant noodles of Wai-Wai, Mayos, Ruchee,, Rum-Pum and others brand respectively. Thus in total out of 100 respondents 49% respondents are male and 51% are female.

We can use X^2 test for the above table

H_0 - There is no significant difference between potential consumers by sex.

H_1 - There is significant difference between potential consumers by sex.

Here,

$E(\text{expected value}) = \text{Row Total} \times \text{Column Total} / \text{Grand Total}$.

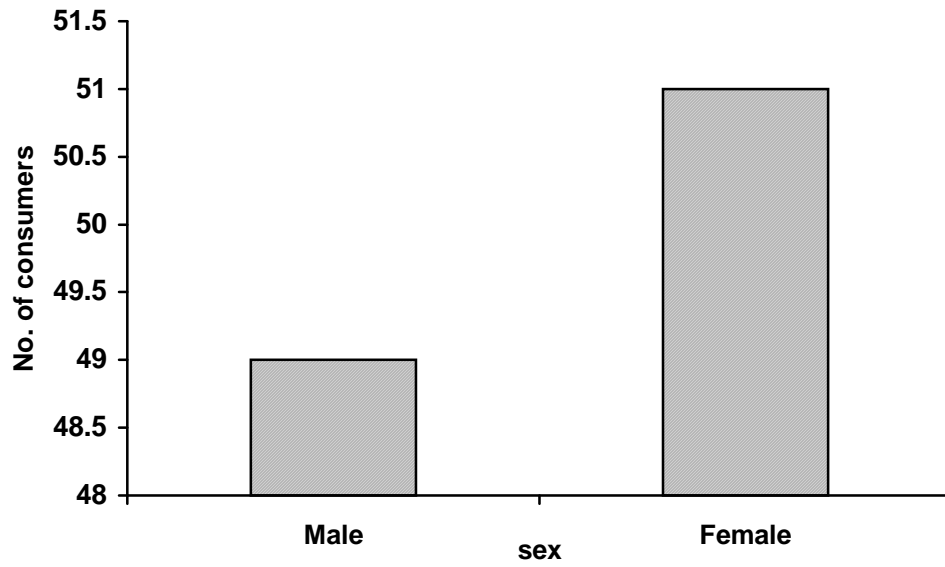
Degree of freedom = $n-1 = 10-1 = 9$

Therefore $X^2 = (O-E)^2/E = 8.31$

The tabulated value of X^2 of degree of freedom at 5% level of significant is 16.9 and the calculated value is 8.31. Hence, tabulated value is greater than calculated value. So, the null hypothesis (H_0) is accepted and alternative hypothesis is rejected at 5% level of significant. So, we conclude that there is significance difference between potential consumers by sex.

Figure No. 4.7

Sex Wise Distribution of Noodles



Source: Table No. 4.7

4.2.4 Distribution of Instant Noodles on the basis of Consumers Priority:

Table No. 4.8
Distribution of Instant Noodles on the basis of Consumers Priority

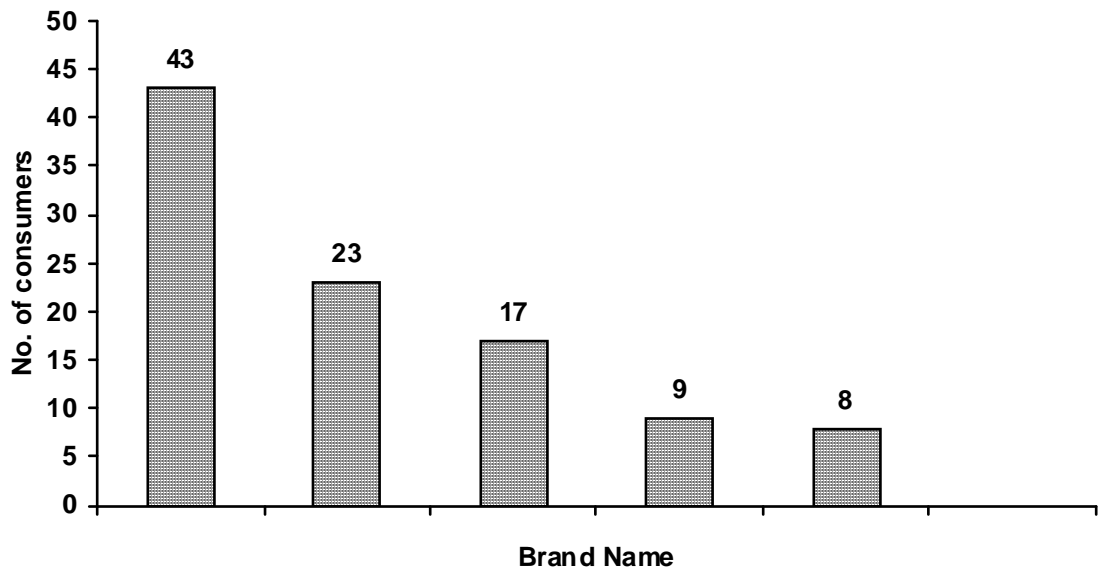
Brands Names	No. of consumers
Wai-Wai	43
Mayos	23
Ruchee	17
Rum-Pum	9
Others	8
Total	100

Source: Field survey

The table shows that the Wai-Wai brand has most popular in the market. The second popular brand is Mayos and they are followed by other brands that cover small area of preference.

Figure No. 4.8

Distribution of Instant Noodles on the Basis of Consumers Priority



Source: Table No.4.8

4.2.5 Price reaction of consumers over all Instant Noodles:

Table No.4.9

Price Reaction of consumers over all Instant Noodles

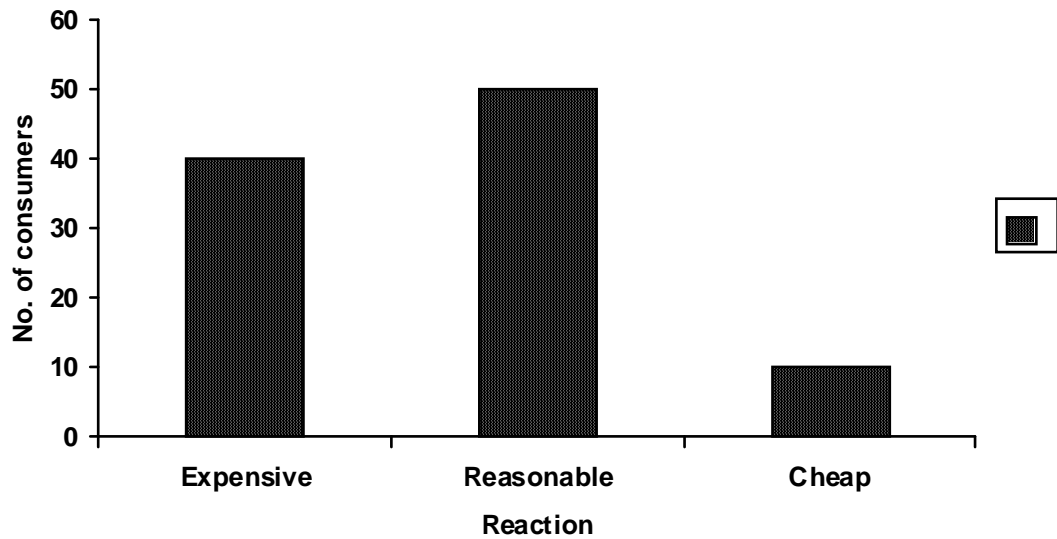
Reaction	No. of consumers
Expensive	40
Reasonable	50
Cheap	10
Total	100

Source: Field survey

Now in price consideration, 40% respondents think that instant noodle is expensive, 50% have the opinion that the price is reasonable, rest of the respondents think that it is cheap. Thus we can conclude that the price of instant noodles is reasonable in the market.

Figure No. 4.9

Price Reaction of Consumers



Source: Table No. 4.9

4.2.6 Consumers Reaction Over Price of Different Brands:

Table No.4.10

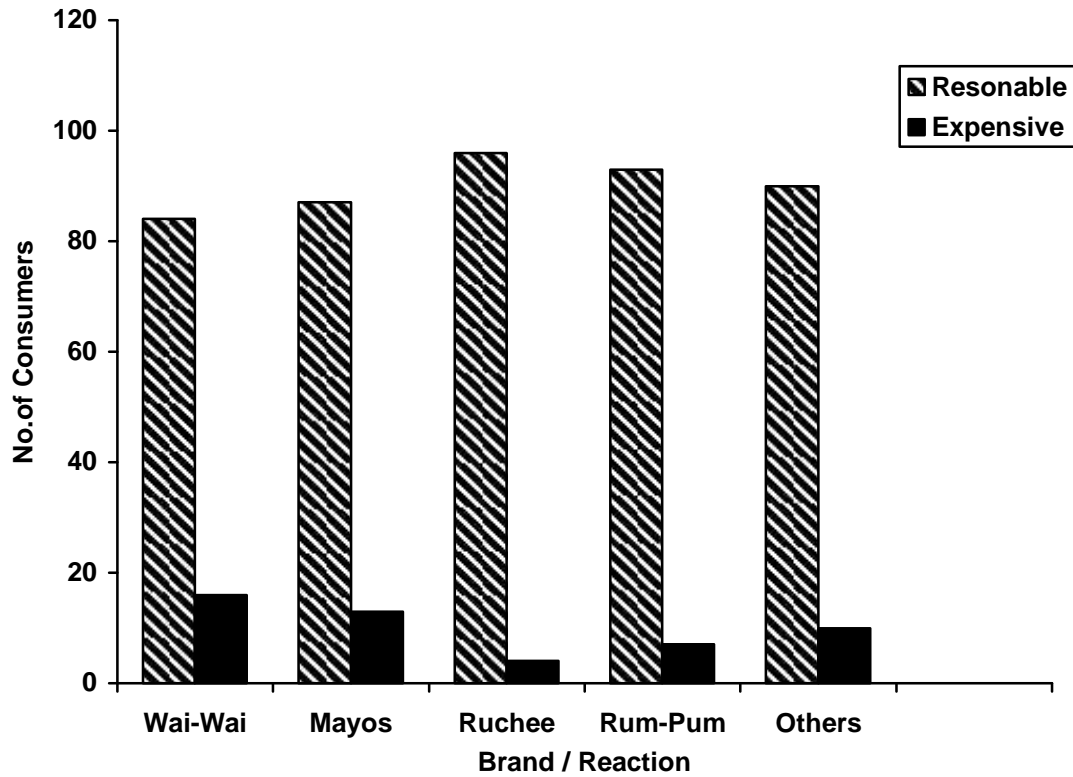
Consumers reaction Over Price of Different Brands

Brands Names	Wai-Wai	Mayos	Ruchee	Rum-Pum	Others
Reactions					
Reasonable	84	87	96	93	74
Expensive	16	13	4	7	26
Total	100	100	100	100	100

Source: Field Survey

The above table shows the rank of all instant noodles in terms of price the consumers in consuming noodles are influenced by the price. They rarely think of the price.

Figure No. 4.10
Price Reaction of Different Brands



Source Table No.4.10

4.2.7 Taste of the Instant Noodles:

Table No.4.11

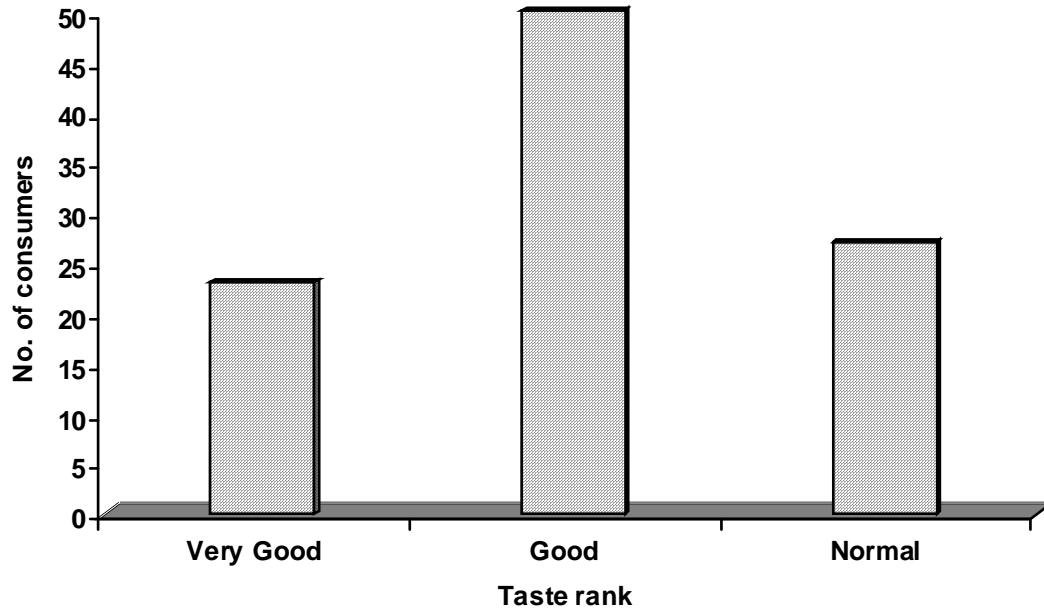
Taste of the Instant Noodles

Taste Rank	No. of consumers
Very Good	23
Good	50
Normal	27
Total	100

Source: Field Survey

The above table shows the taste of Instant Noodles. 50% consumers think that the taste of the product is good. As 23% think it is very good and rest of the consumers think it to be normal. The taste of instant noodles should be improved time and again to make it more popular to the consumer.

Figure No. 4.11



Taste of Instant Noodles

Source: Table No. 4.11

4.2.8 Distribution of Instant Noodles By the Quality in the Market:

Table No. 4.12

Distribution of Instant Noodles by the Quality in the Market

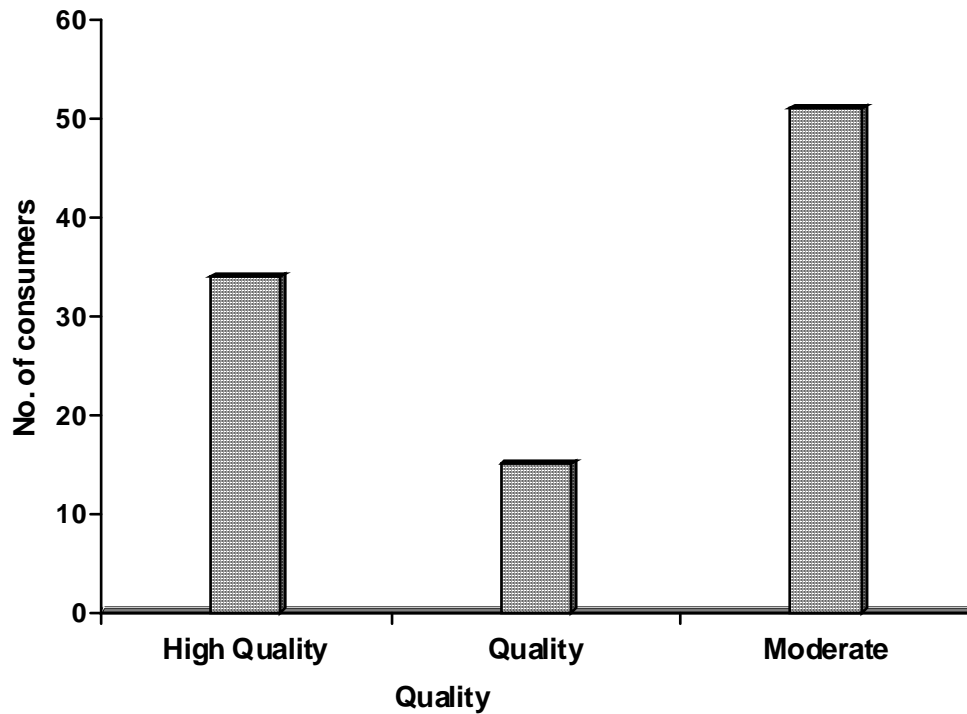
Quality	No. Of Consumers
High Quality	34
Quality	15
Moderate	51
Total	100

Source: Field Survey

The above table shows that 51% of consumers think that instant noodles is of moderate quality, 15% say it is of good quality remaining 34% say it has got better quality.

Figure No. 4.12

Quality Reaction of Instant Noodles



Source: Table No. 4.12

4.2.9 Distribution of different Brands by their Quality:

Table No.4.13

Distribution of different Brands by their Quality

Brands name Ranking	Wai-Wai	Mayos	Ruchee	Rum-Pum	Others
1	72	17	42	6	7
2	22	20	37	29	29
3	3	32	12	36	22
4	-	6	5	22	33
5	3	25	4	7	9
Total	100	100	100	100	100

Source: Field Survey

The above table is presented in order to show the ranking of different brands of Instant Noodles. Different consumers had replied ranking different brand in 1st to 5th position. Out of these Wai-Wai got most good ranking i.e. 70 consumers had put its name as 1st ranking. Regarding other brands they have got different ranking which varied from consumers to consumers.

Ranking Mean (Lower the value of rank indicates the better the quality)

Wai-Wai - 3.02

Mayos - 1.40

Ruchee - 1.92

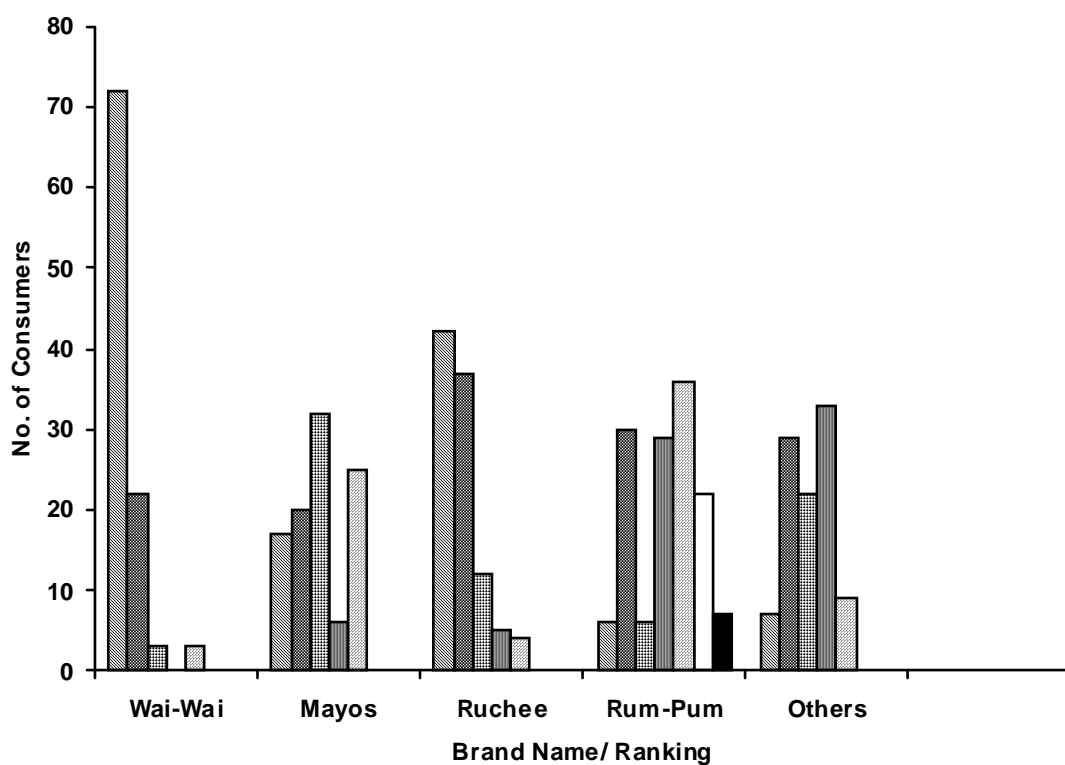
Rum-Pum -2.95

Others -3.08

The mean data ranking shows that the maximum number of people regarding Wai-Wai as the best quality followed by Ruchee.

Figure No. 4.13

Distribution of Different Brands by their Quality



So

urce: Table No.4.13

4.2.10 Media Recognition of Instant Noodles:

Table No.4.14

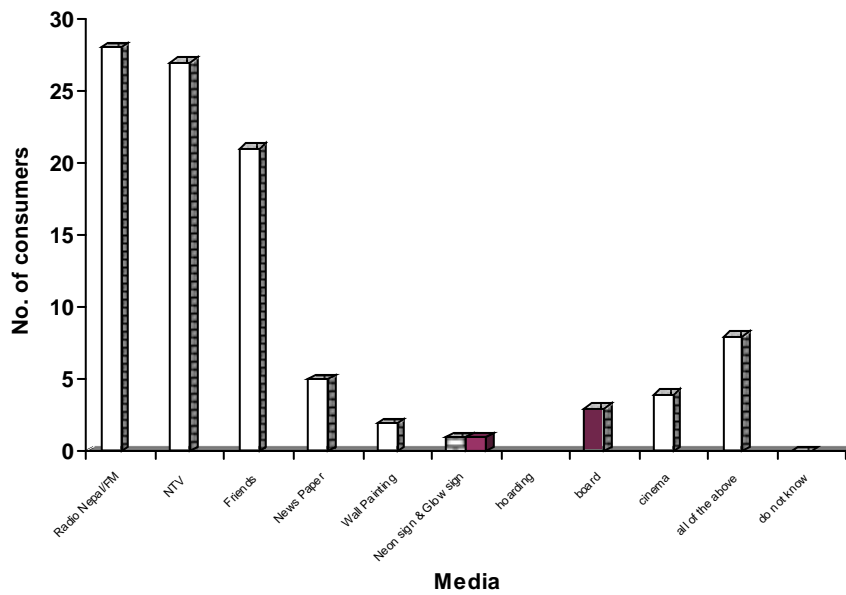
Media Recognition of Instant Noodles

Media	No. of Persons	Percentages
Radio Nepal and FM	28	28
NTV	27	27
Friends	21	21
Newspaper	5	5
Wall Painting	2	2
Neon Signs and Glow Signs	1	1
Hoarding board	3	3
Cinema	4	4
All of the above	9	9
Do not know	-	-
Total	100	100

Source: Field Survey

Above table shows the Radio Nepal and FM is the most popular media. 27 out of 100 or 28% respondents were made familiar to the Instant Noodles by the Audio Media and 27% were informed by the NTV. Similarly, 21% were familiar by their friends.

Figure No. 4.14



M

Media Recognition of Instant Noodles

Source: Table No.4.14

4.2.11 Response of Consumers towards Advertising:

Table No. 4.15

Response of Consumers towards Advertising

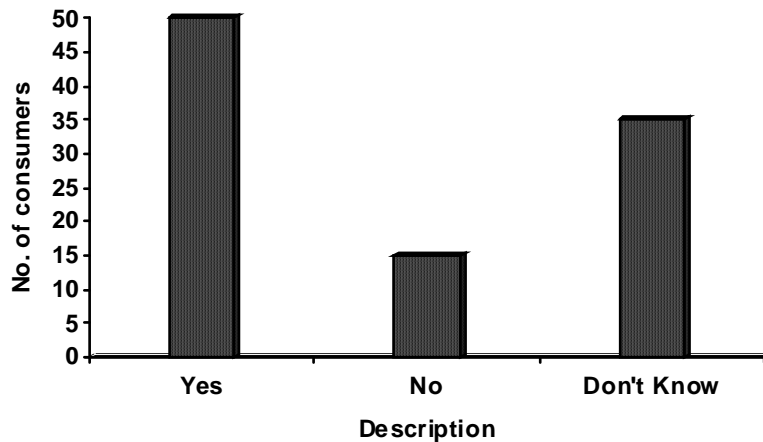
Description	Frequency	Percentages
Yes	50	50
No	15	15
Don't know	35	35
Total	100	100

Source: Field Survey

The table shows that out of 100 respondents 20 replied that they were not influenced by the advertisement, 60% don't know the factor influencing them to buy. While 20% replied that they were influenced by the advertisement therefore it can be conclude that less number of consumers gets influence by advertisement but the advertisement helps them to know the brand name and offer and scheme they provide to the consumers.

Figure No. 4.15

Response of Consumer Towards Advertising



Source: Table No.4.15

4.2.12 The Advertisement Attractiveness Test in Nepal Television (NTV)

Table No. 4.16
The Advertisement Attractiveness Test in Nepal Television (NTV)

Brands Names	Frequency	Percentage
Wai-Wai	37	37
Mayos	22	22
Ruchee	16	16
Rum-Pum	17	17
Others	8	8
Total	100	100

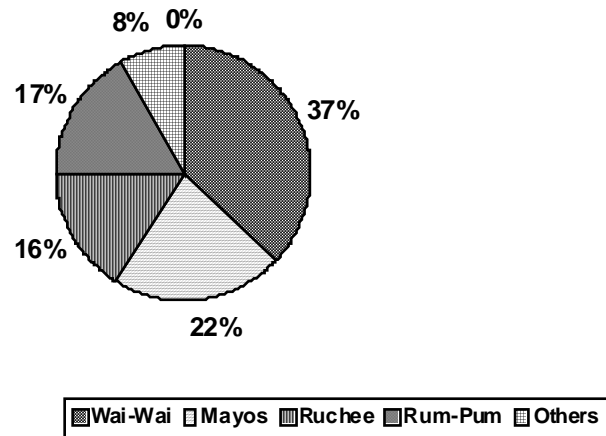
Source: Field Survey

The above table shows that the Wai-Wai brand holds the first position in NTV. Similarly, other brands i.e. Mayos, Rum-Pum hold the second and third position. Thus we can conclude that the Wai-Wai has the most attractive hold in NTV and most of the consumers were attracted by Wai-Wai advertisement from the vote they give to us.

Figure No. 4.16

Advertisement Attractiveness Test in Nepal

Figure 1



Source: Table No. 4.16

4.2.13 The Advertising Attractiveness Test in Radio Nepal:

Table No. 4.17

The Advertising Attractiveness Test in Radio Nepal

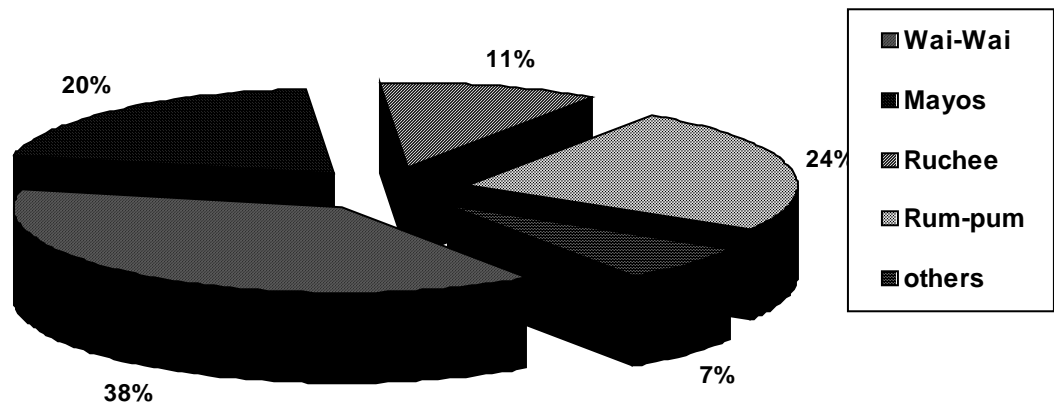
Description	Frequency	Percentages
Wai-Wai	38	38
Mayos	20	20
Ruchee	11	11
Rum-Pum	24	24
Others	7	7
Total	100	100

Source: Field Survey

From the above table it can be seen advertisement that Wai-Wai holds the first position in Radio Nepal and FM. Similarly, others brand Rum-Pum holds the second position and Mayos is in third position. Thus we can conclude that most respondents were influenced by Wai-Wai advertisement in audio media i.e. in Radio Nepal and FM and gave first preference on it.

Figure No. 4.17

Advertisement Attractiveness Test in Radio Nepal/FM



Source: Table No. 4.17

4.2.14 The Advertisement Attractiveness Tests In News Paper:

Table No. 4.18

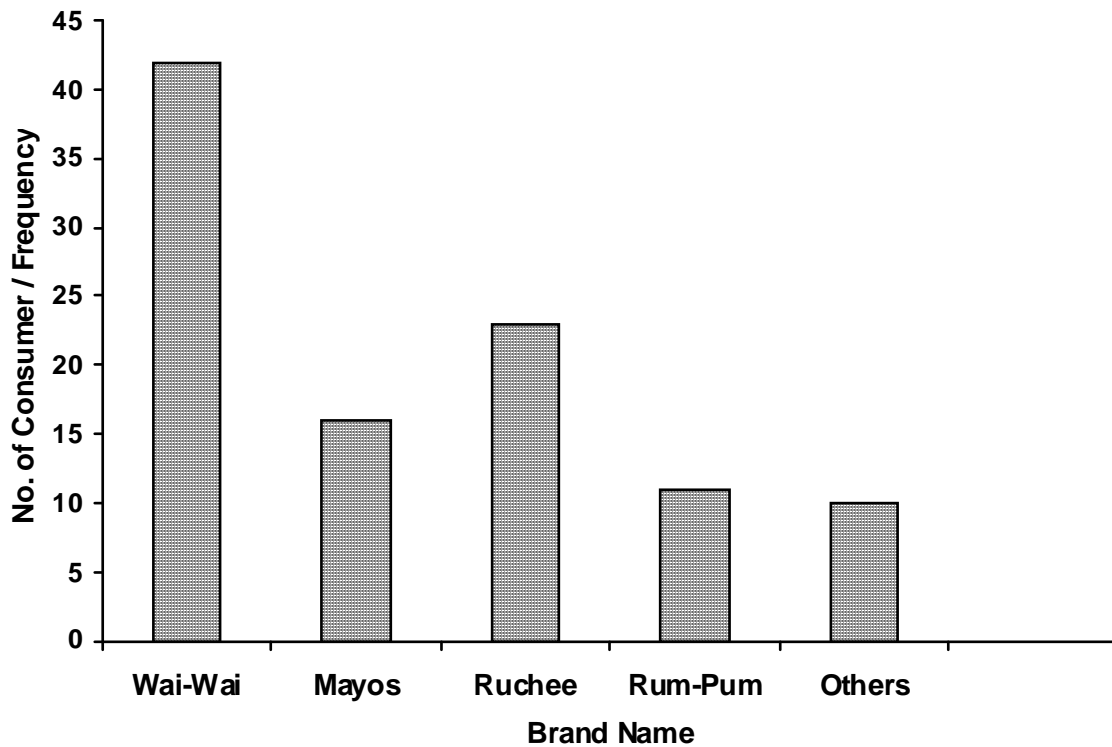
The Advertisement Attractiveness Tests In News Paper

Description	Frequency	Percentages
Wai-Wai	42	42
Mayos	16	16
Ruchee	23	23
Rum-Pum	11	11

The above table shows that 42% respondents know about the Wai-Wai from Newspaper. Similarly, 23% of the respondents were familiar of Ruchee brand through newspaper followed by Mayos, Rum-Pum, and others with 14%, 10%, and 6% respectively.

Figure No. 4.18

Advertisement Attractiveness Test in News Paper



Source

4.2.15 Distribution of strength of Audio, Visual, Audio-Visual Advertisement on Consumption:

Table No. 4.19

**Distribution of strength of Audio, Visual, Audio-Visual
Advertisement on Consumption**

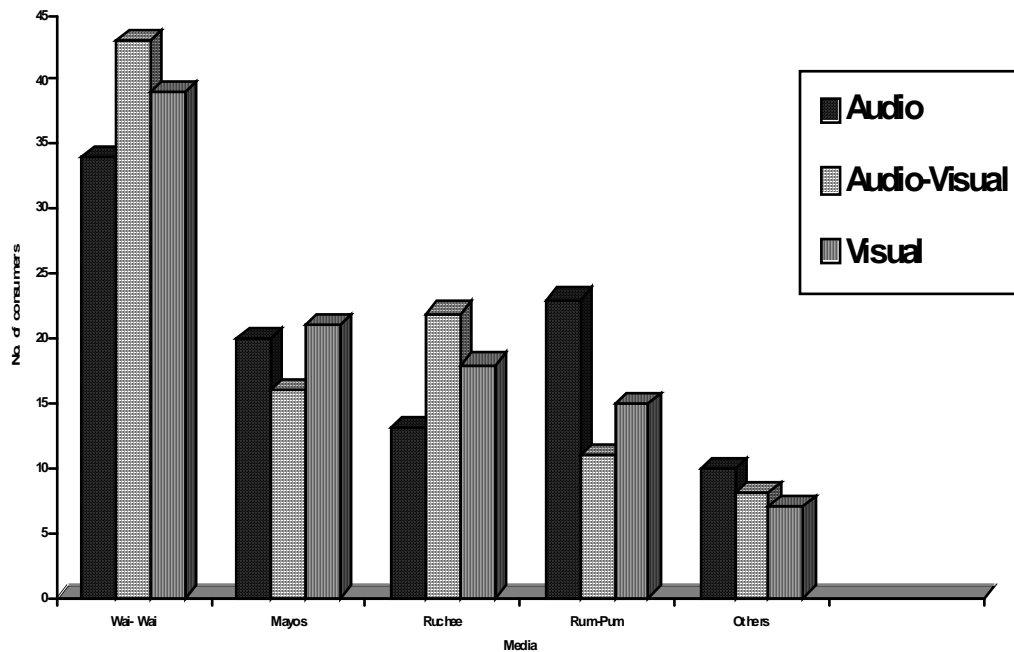
Description	Audio		Audio-Visual		Visual	
	Number	%	Number	%	Number	%
Wai-Wai	34	34	43	43	39	39
Mayos	20	20	16	16	21	21
Ruchee	13	13	22	22	18	18
Rum-Pum	23	23	11	11	15	15
Others	10	10	8	8	7	7
Total	100	100	100	100	100	100

Source: Field Survey

The above table shows that the strength of audio, audio-visual and visual advertisement on consumption of different brands is almost equal. The table shows 34% of Wai-Wai consumers were made familiar of this brand by audio advertisement. Similarly 43% and 39% of Wai-Wai consumers were made familiar by audio-visual and visual advertisement. 20%, 17% and 21% of Mayos consumers know the brand by audio, audio-visual and visual advertisement respectively. Also 13%, 22% and 18% of Ruchee consumers know the brand by audio, audio-visual and visual advertisement respectively. Thus, the above table shows that all three media viz. audio, audio-visual and visual play almost equal roles for the promotion of the different brands.

Figure No. 4.19

Media Strength (Audio, Audio-visual, Video)



Source: Table No. 4.19

4.3 Major Findings Of The Study:

From the above study the following are the major findings of the researchers.

- From to 2008 to 2013 , the production of instant noodles is increasing gradually, in the same time the fast food production is also coming in the market due to their different taste and reasonable price.
- Instant Noodles are popular in Kathmandu city and in whole Metropolitan area of Bagmati zone
- Demand of instant noodles is also highly increasing in Kathmandu-Metropolitan Area.

- Noodles Factory is also located in Kathmandu like Gandaki Noodles, Pokhara Noodles, and Anupam Foods etc which are creating feeling of home product to the general public of Kathmandu
- Regarding Instant Noodles, only 100 consumers of Kathmandu town are selected for the opinion. It was found that 100% of the respondents have been using noodles for last four years. 75% respondents have been using noodles as Tiffin and rest of 25% respondents use it any time.
- Most of the consumers who consume instant noodles are under 20 years of age.
- Female is slightly deviated more towards the use than their counter part.
- Most of the students have been using instant noodles as Tiffin in comparison to other professional area.
- The distribution of instant noodles by the consumer's preference. Wai-Wai brand has been most popular brand (40%) in the market and Mayos brand covers 20% it was followed by others different brands in this area.
- Considering the consumer's reaction over the price of different brands Ruchee, and Rum-Pum seems to be the most reasonable and Mayos, and Wai-Wai follow it.
- Consumers give most preference to the taste and less preference to the brand and quality.
- Most of the consumer thinks that the instant noodles are of moderate quality with reasonable price. Instant noodles have been taken as hygienic food compared with different taste of fast food.
- Consumers give most preference to the quality and less preference to the brand.
- The Wai-Wai brand is in first rank while giving its ranking with other brands. Wai-Wai is placed in 1st position by 70 consumers and Ruchee is placed in the 2nd position which is followed by Mayos, Rum-Pum and others.

- Most of the consumers are informed about different brands of instant noodles by the advertisement.
- There are a large number of consumers that have not been influenced by advertisement.
- Audio Media (Radio and FM) is the popular media of advertisement in kathmandu Area. Nepal television is the second and friends come at third position respectively
- The advertisement of Wai-Wai of the Nepal Television is much more attractive than that of other brands.
- The strong aspect about advertisement of instant noodles by the Visual Media is its sound express.
- The weak aspect of Nepal Television advertisement of instant noodle is its bad visualization.

CHAPTER-V

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Summary:

The importance of marketing is increasing day by day in competitive market. The marketing concept seen in the present world market has passed through different stage of development and finally evolved as social concept of marketing. This new concept aims at maximizing social welfare through delivering goods and services to satisfy social wants and is produced according to consumer preference.

Marketing is a system, which can be compared with human system, as it has input, output and process. Marketing environment is influenced by many factors and is broadly classify 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 present concept of marketing includes 4ps (product, place, promotion and price). All the marketing activities depend on these 4ps. Any firm has to pass through different stages while delivering its product in the market and it also has to formulate its plans and policies in that process. The product passes through the various stages of development, introduction, growth, maturity, and decline stage to the market.

In Nepal Noodles was introduced in 2017 B.S. but the actual production of Instant Noodles was started from 2039 B.S. Since then several industries were established in Nepal. In present there are around 28 factories were established. An effective marketing mechanism should be set up to exploit this heavily competitive market and the consumer has become rational so that their demand is highly affected by quality, price, taste of these product in their health etc.

In this study an attempt is made to analysis the marketing strategy, potential users, estimate demand, consumer preference (taste, price, quality) popular media of instant noodles in the market of Pokhara city based on the survey of consumer, product and dealers opinion as well as the all noodles company strategies.

From this study, it was found that the demand of instant noodles was increasing in resent year. Among various brands, Wai-Wai brand product of Chaudhary Group foods has covered large market. The consumer used noodles as Tiffin and their choice depends on the taste of noodles followed by brand and quality. The noodles industries are using many media of advertising as NTV, Radio Nepal, Fm, Wall Painting, Cinema, Newspaper etc to make their product familiar to the consumer. To cover wide range of consumer market, the industry should produce the noodles of different flavors such as chicken, vegetable, mushroom etc in order to fulfill the taste requirement of consumers

5.2 Recommendation:

- **Persuading Advertisement is Necessary**

Nepal is an agricultural country almost 80% of the people relied on agriculture. And most of them eat home made food items so they have not been habituated in taking instant noodles. Therefore noodles companies have to persuade them to use noodles as ready made fast food through various means of advertising.

- **Family Pack Noodles should be made for Family Consumption**

An average man uses instant noodles as Tiffin or lunch or Snack. Noodles currently available in the market are range from 75 to 80 grams. So, its pack would more than enough for a person at a lunch. If the noodles companies add little quantity in a pack that would be sufficient for two persona at a lunchtime, it can be used for family consumption.

- **Strong Government Support**

The government has to encourage the domestic industries and create suitable environment to the domestic entrepreneurs by making materials easily available. The government at the same time should bring forth the legal provision against unhealthy competition.

- **Organised Group of all Industries**

There is not any organized group of producers of instant noodles. So, the company has to jointly prepare market strategies to enlarge and strengthen the market for their product.

- **Effective Advertisement**

The language and message used in advertisement should be effective and easily understandable to all types of consumer groups.

- **Improvement in Taste and Quality**

An improvement of instant noodles in the taste and quality and fixing reasonable price can be helpful measure to increase the volume of sales in the market.

- **Different measures should be taken to motivate the Mediator**

Noodles companies should increase the incentive to the wholesaler or distributors so as to motivate and encourage them to focus their transaction on instant noodles.

- **Correct and suitable Consumers' information should be collected**

Also it is suggested that the producers of instant noodles should try to fulfill consumers demand on instant noodles of their choice. For this, they should find the consumers purchase behavior with the help of better techniques of data collection. They should also collect correct and suitable information about it along with its advantage and disadvantage from the consumers, dealers, and distributors.

- **Suitable Promotional measures should imply to influence Village people**

Nepal is a hilly country. Large Number of people lives in villages. They don't usually use noodles. Therefore to get maximum benefit, the company should induce village people to use instant noodles.

5.3 Conclusion:

From the above study, we have arrived in the following conclusion..

- ❖ Instant Noodles use is prevalent in Bagmati Zone . It has high demand in Kathmandu Metropolitan town.
- ❖ Various brands of instant noodles available are made well known to the consumers by advertising media, Radio Nepal, FM, Nepal Television, News paper, posters etc. Among all media audio media(Radio Nepal and FM) is most popular in kathmandu Metropolitan town .
- ❖ Advertisement quality is directly proportional to the influence of the consumers.
- ❖ There is high competition among different brands. The products' taste, price, quality, availability in the market on the consumer side and the incentives, profit margin etc on the marketing side determines the portion occupied by the individual brand.
- ❖ Consumers give more preference on taste and quality.
- ❖ Availability of fast food with different taste and reasonable price is having negative effect on consumption and production of instant noodles in the recent years.
- ❖ Various new brands are coming in the market but producers aren't considering about improving the taste and quality.
- ❖ Consumers are getting new brands with price competition and incentives but no improvement in quality and taste.

- ❖ Government should discourage the unhealthy competitions and give emphasis on taste and quality for the consumers.

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APPENDIXES
APPENDIX-I (QUESTIONNAIRE)

To Valued Respondents:

Thank you for accepting to complete questionnaires. Your opinion and suggestion are precious to my research. I would like to ensure that all your answers and suggestions would be kept confidential.

Please provide your view on:

Name:

Education:

District:

Profession:

Town/Village/town:

Age:

1. Have you ever eaten instant noodles?
 - a) Yes ()
 - b) No ()
2. If you have eaten when did you start to eat instant noodles?
 - a) One years before. ()
 - b) Two years before. ()
 - c) More than two years before. ()
3. How many types of noodles you have seen in the market? In what basis do you buy the instant noodles available at market?
 - a) In the basis of brand. ()
 - b) In the basis of personality. ()
 - c) In the basis of investigation ()
- 4) Which instant noodles do you prefer most?
 - a) Wai-Wai ()
 - b) Ruchee ()

- c) Rum-Pum () d) Mayos ()
- e) Others
- 5) For what thing do you give priority in buying noodles?
- a) Taste () b) Quality ()
- b) Name () d) Others ()
- 6) Normally, what type of food do you take noodles as?
- a) Break fast ()
- b) Morning meal ()
- c) Lunch ()
- d) Dinner ()
- 7) In which category do you put the noodle that you prefer the most?
- a) Very good ()
- b) Good ()
- c) Moderate ()
- d) Others ()
- 8) How do you judge instant noodles on the basis of taste?
- a) Very good Taste ()
- b) Good taste ()
- c) Normal Taste ()
- 9) According to the price, how do you judge instant noodles?
- a) Cheap ()
- b) Expensive ()
- c) Reasonable ()
- 10) Give your view in price for the following brands of instant noodles.

S.N	Brands	Cheap	Expensive	Reasonable
a)	Wai-Wai			
b)	Rum-Pum			

c)	Ruchee			
d)	Mayos			
e)	Others			

- 11) Give your view in the quality of the following brands of noodles with priority in the position.

Brand	Position				
	1	2	3	4	5
a. Wai-Wai					
b. Rum-Rum					
c. Ruchee					
d. Mayos					
e. Others					

- 12) From which media you know about the noodles you have told about?

- a) From Advertisement of Radio Nepal. ()
- b) From Advertisement of Nepal Television. ()
- c) From Advertisement of Newspaper. ()
- d) From Advertisement of posters and pamphlets. ()
- e) From Friends. ()
- f) From Cinema. ()
- g) From Advertisement of Wall painting. ()
- h) From Advertisement of Neon-sign and Glow sign. ()
- i) All of the above. ()
- j) Don't know. ()

- 13) The noodles which you buy is mainly inspired by advertise or not

- a) Yes ()
- b) No ()
- c) Don't know ()

- 14) Which of the following brand noodle has made the most attractive advertisement?
- a) Wai-Wai () b) Ruchee ()
c) Rum-Pum () d) Mayos ()
e) Others ()
- 15) Which noodles advertise have you heard most?
- a) Wai-Wai () b) Ruchee ()
c) Rum-Pum () d) Mayos ()
e) Others ()
- 16) Which noodles advertise have you seen the most?
- a) Wai-Wai () b) Ruchee ()
c) Rum-Pum () d) Mayos ()
e) Others ()
- 17) Which of the noodles' advertisement you read most?
- a) Wai-Wai () b) Ruchee ()
c) Rum-Pum () d) Mayos ()
e) Others ()
- 18) What types of advertise you like most?
- a) Similar type ()
b) Different type ()
c) Not so much different ()
- 19) Do you remember the advertise?
- a) Yes ()
b) No ()
- 20) When do you buy noodles after watching its advertise?
- a) Recently ()
b) After watching ad 2-3 times. ()
c) After more information ()
d) Not so different ()

21) How much do you believe in advertisement?

a) Do not believe ()

b) Believe in some extent ()

c) Believe fully ()

APPENDIX- II

Analysis Of Age Of The Consumers Who Use Instant Noodles

	No. of Users of Wai-Wai in %		No. of Users of Mayos in %		No. of Users of Ruchee in %		No. of Users of Rum-Pum in %		No. of Users of Others in %		Total
	No	%	No	%	No	%	No	%	No	%	
Under 20	11	11	10	10	9	9	13	13	9	9	54
20-40	13	13	6	6	7	7	8	8	5	5	39
40 above	4	4	2	2	-	-	2	H	1	1	9
Total	24	24	12	12	14	14	18	18	13	13	100

We can use X^2 test for the above table

H_0 - There is no significant difference between potential consumers by age.

H_1 - There is significant difference between potential consumers by age.

Age	O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
Under 20	11	14.56	-3.56	12.67	0.87
	10	9.36	0.64	0.40	0.04
	9	8.32	0.68	0.46	0.05
	13	11.96	-1.04	1.08	0.09
	9	7.8	1.2	1.2	0.18
20-40	13	10.9	2.08	4.32	0.39
	6	7.02	-1.02	1.04	0.14

	7	6.24	0.76	0.57	0.09
	8	8.97	-0.97	0.94	0.10
	5	5.85	-0.85	0.72	0.12
40 above	4	2.52	1.48	2.19	0.86
	2	1.62	0.38	0.14	0.08
	-	1.44	-1.44	2.07	1.44
	2	8.97	-6.97	48.58	5.41
	1	1.35	-0.35	0.12	0.090
		1.35	0.83	0.6889	0.589
Total					10.01

Here,

$$E(\text{expected value}) = \text{Row Total} \times \text{Column Total} / \text{Grand Total}$$

$$\text{Degree of freedom} = n-1 = 15-1 = 14$$

The tabulated value of X^2 of degree of freedom at 5% level of significant is 23.0 and the calculated value is 10.01. Hence, calculated value is lesser than tabulated value, the null hypothesis (H_0) is accepted at 5% level of significant. So, we conclude that there is no any significance difference between potential consumers by age.

APPENDIX-III

Occupation Wise Analysis of Instant Noodles Users

Occupation	No. of Users of Wai-Wai in %		No. of Users of Mayos in %		No. of Users of Ruchee in %		No. of Users of Rum-Pum in %		No. of Users of Others in %		Total
	No	%	No	%	No.	%	No	%	No.	%	
Student	22	22	6	6	8	8	5	5	4	4	45
Service	9	9	3	3	4	4	1	1	2	2	19
Businessman	3	3	5	5	3	3	-	-	-	-	11
Farmers	6	6	3	3	3	3	-	-	1	1	13
Others	4	4	4	4	3	3	-	-	1	1	12
Total	44	44	21	21	21	21	6	6	8	8	100

We can use X^2 test for the above table

H_0 - There is no significant difference between potential consumers by occupation.

H_1 - There is significant difference between potential consumers by occupation.

Occupation	O	E	(O-E)	(O-E) ²	(O-E) ² /E
Students	22	19.8	2.2	4.84	0.24
	6	9.45	-3.45	11.90	1.25
	8	9.45	-1.45	2.10	24.42

	5	2.7	2.3	5.29	1.95
	4	3.6	0.4	0.16	0.04
Service	9	8.36	0.64	0.40	0.048
	3	3.99	-0.99	0.9801	0.24
	4	3.99	0.01	0.9801	0.2456
	1	1.14	0.14	0.0196	0.01719
	2	1.52	0.48	0.230	0.151
Businessman	3	4.84	-1.84	3.3856	0.699
	5	2.31	2.69	7.23	3.13
	3	2.31	0.69	0.47	0.20
	-	0.66	-0.66	0.43	0.66
	-	0.88	-0.88	0.7744	0.88
Farmers	6	5.72	0.28	0.078	0.013
	3	2.73	0.27	0.007	0.026
	3	2.73	0.27	0.07	0.026
	-	0.78	0.78	0.608	0.78
	1	1.04	0.27	0.072	1.04
Others	4	5.28	-1.28	1.63	0.310
	4	2.52	1.48	2.19	0.86
	3	2.52	0.48	0.230	0.091
	-	0.72	-0.72	0.518	0.72

	1	0.96	0.04	0.0016	0.0016
Total	100				17.59

Here,

E (expected value) = Row Total x Column Total / Grand Total.

Degree of freedom = $25 - 1 = 24$

Therefore $X^2 = (O - E)^2 / E = 17.59$

The tabulated value of X^2 of degree of freedom at 5% level of significant is 36.4 and the calculated value is 17.59. hence, calculated value is lesser than tabulated value. So, the null hypothesis (H_0) is accepted and alternative hypothesis is rejected at 5% level of significant. So, we conclude that there is not any significance difference between potential consumers by profession.

APPENDIX-IV

Sex wise analysis of consumers who use Instant Noodles.

→ Brand ↓ Sex	No. of Users of Wai-Wai in %		No. of Users of Mayos in %		No. of Users of Ruchee in %		No. of Users of Rum-pum in%		No. of Users of others in %		Total
	No	%	No	%	No.	%	No	%	No	%	
Male	24	24	9	9	7	7	6	6	3	3	49
Female	22	22	9	9	13	13	4	4	3	3	51
Total	46	46	18	18	20	20			8	8	100

We can use X^2 test for the above table

Ho- There is no significant difference between potential consumers by sex.

H1- There is significant difference between potential consumers by sex.

Sex	O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
Male	24	22.54	1.46	2.1316	0.094
	9	8.82	0.18	0.324	0.003
	7	9.31	-2.31	5.3361	0.57
	6	2.94	3.06	9.36	3.18
	3	1.47	1.53	2.34	1.59
Female	22	23.4	-1.46	2.13	0.0908
	9	9.18	-0.18	0.03	0.003
	13	9.69	3.31	10.95	1.13
	4	5.1	-1.1	1.21	0.237

	3	1.53	1.47	2.16	1.41
Total	100				8.31

Here,

$E(\text{expected value}) = \text{Row Total} \times \text{Column Total} / \text{Grand Total}$.

Degree of freedom = $n-1 = 10-1 = 9$

Therefore $X^2 = (O-E)^2/E = 8.31$

The tabulated value of X^2 of degree of freedom at 5% level of significant is 16.9 and the calculated value is 8.31 Hence, tabulated value is greater than calculated value. So, the null hypothesis (H_0) is accepted and alternative hypothesis is rejected at 5% level of significant. So, we conclude that there is significance difference between potential consumers by sex.

APPENDIX-V

Distribution of different Brands by their Quality.

Brands Name Ranking	Wai-Wai	Mayos	Ruchee	Rum- pum	Others
1	72	17	42	6	7
2	22	20	37	29	29
3	3	32	12	36	36
4	-	6	5	22	22
5	3	25	4	7	7
Total	100	100	100	100	100

Calculation Of Individual Mean Of Different Brands

Mayos

Ranking	No. of consumers	fx
1	17	17
2	20	40
3	32	96
4	6	24
5	25	125
Total	N = 100	fx = 302

$$\text{Mean (x)} = \frac{fx}{N} = \frac{302}{100} = 3.02$$

Wai-Wai

Ranking	No. of consumers	fx
1	72	72
2	22	44
3	3	9

4	-	0
5	3	15
Total	N = 100	fx = 140

$$\text{Mean } (x) = \text{fx}/N = 140/100 = 1.4$$

Ruchee

Ranking	No. of consumers	fx
1	42	42
2	37	74
3	12	36
4	5	20
5	4	20
Total	N = 100	fx = 192

$$\text{Mean } (x) = \text{fx}/N = 192/100 = 1.92$$

Rum- Pum

Ranking	No. of consumers	fx
1	6	6
2	29	58
3	36	108
4	22	88
5	7	35
Total	N = 100	fx = 295

$$\text{Mean } (x) = \text{fx}/N = 295/100 = 2.95$$

Others

Ranking	No. of consumers	fx
---------	------------------	----

1	7	7
2	29	58
3	22	66
4	33	132
5	19	45
Total	N = 100	$f_x = 308$

Mean (x) = $f_x/N = 308/100 = 3.08$