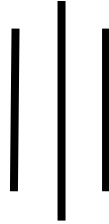


MANAGEMENT OF SALES VOLUME OF NEPALESE PASHMINA PRODUCTS

A Thesis



Submitted By

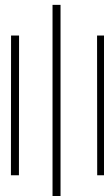
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Submitted To

Office of Dean

Faculty of Management

Tribhuvan University

**Submitted in partial fulfillment of the requirements for the degree of
Master of Business Studies (M.B.S)**

Kathmandu, Nepal

April, 2018

RECOMMENDATION

This is to certify that the thesis

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Entitled

Management of Sales Volume of Nepalese Pashmina Products

has been prepared as approved by this department in the prescribed format of the Faculty of Management. This thesis is forwarded for examination.

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Management of Sales Volume of Nepalese Pashmina Products

And found that the thesis to be the original work of the student and written according to prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for **Masters Degree in Business Studies (M.B.S)**

Viva-Voca Committee

Head of Research Department:

Member (Thesis Supervisor):

Member (External Expert):

Date:

DECLARATION

I hereby, declare that the work reported in this thesis entitled “**Management of Sales Volume of Nepalese Pashmina Products**” submitted to the People’s Campus, Faculty of Management, Tribhuvan University, is my original done in the form of partial fulfillment of the requirements for the Masters of Business Studies (M.B.S), under the supervision of Laxman Mohan Dhoj Joshi, for People’s Campus, Tribhuvan University.

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The thesis entitled on **Management of Sales Volume of Nepalese Pashmina Products** have been prepared in partially fulfillment for the Degree of Masters Degree of Business Studies (M.B.S) under the supervision of Laxman Mohan Dhoj Joshi .

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It was a novel experience of doing a thesis work, which certainly helped me to gain deep knowledge in the subject. But accomplishment of the objective was not easy. The foremost difficulty was the scarcity of adequate data and information, which I experienced as the most difficult work during any type of research study in Nepal. Nevertheless, it was pleasant feeling to accomplish the thesis finally.

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ABBREVIATIONS

Ads	: Advertisements
AMA	: American Marketing Association
ASTD	: American Society for Training and Development
B2B	: Business To Business
B2C	: Business To Consumer
CMO	: Chief Marketing Officer
CVP	: Cost Volume Profit
E U	: European Union
FHAN	: Federation Handicraft Association of Nepal
FMCG	: Fast Moving Consuming Goods
HAN	: Handicraft Association of Nepal
HR	: Human Resources
M.B.S	: Masters of Business Studies
No.	: Number
NRs.	: Nepalese Rupees
Mt.	: Mount
P	: Page
POP	: Point Of Purchase
PR	: Public Relation
Rs.	: Rupees
SKUs	: Stock Keeping Units
SMCSs	: Sales Management Control Systems
SPPs	: Sales Promotion Programmes

SPSS	: Statistical Product for Social Scientist
TPC	: Trade and export Promotion Center
TQM	: Total Quality Management
T.U	: Tribhuvan University
TV	: Television
UK	: United Kingdom
UPS	: Uninterruptible Power Supply
US	: United States
USA	: United States America
WTO	: World Trade Organization
WWW	: World Wide Web

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Sales is activity related to selling or the amount of goods or services sold in a given time period. The seller or the provider of the goods or services completes a sale in response to an acquisition, appropriation, requisition or a direct interaction with the buyer at the point of sale. There is a passing of title (property or ownership) of the item, and the settlement of a price, in which agreement is reached on a price for which transfer of ownership of the item will occur. The seller, not the purchaser generally executes the sale and it may be completed prior to the obligation of payment. In the case of indirect interaction, a person who sells goods or service on behalf of the owner is know a salesman or saleswoman or salesperson, but this often refers to someone selling goods in a store/shop, in which case other terms are also common, including salesclerk, shop assistant, and retail clerk. (Wikipedia)

The word ‘Management’ means organization and coordination of the activities of any business in order to achieve defined objectives. Management is often included as a factor of production along with machines, materials, and money.

According to the management guru Drucker (1909-2005), the basic task of management includes both marketing and innovation.

The quantity or number of goods or services sold in the normal operations of a company in a specified period of time is called sales volume. Low variance in sales volume defines the set target is met. Managing the sales volume is tough task. A lot of practical knowledge is required to have an effective management of sales volume. Sales management is the process of developing a sales force, coordinating sales operations, and implementing sales technique that allow a business to consistently hit, and even surpass, its sales targets. An effective marketing is needed to have an effective management of sales volume.

According to American Marketing Association (AMA) marketing is the activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. In simple words, marketing can

be described as one of the functional areas of a business, distinct from finance and operations. Marketing can also be thought of as one of the most important activities that, along with product design, manufacture and transportation logistics comprise a firm's value chain. An act of marketing is primarily related with creating value for customer and a return for the company in terms of cash. The main objectives of any marketing activities are to capture the attention of a target market, to facilitate the prospect's purchasing decision and to provide the customer with a specific, low-risk and easy-to-take action. The marketers always try to understand which factor motivates customers to buy more or pay more. The marketers should know why the customers might prefer the particular brands to those of competitor's brands.

Today, business is conducted in a dynamic environment where everything is changing and changing fast. A successful business is one which not only recognizes this fact and prepares to face the challenges posed by the change but influences the speed and direction of the change to make the conditions more conducive for its survival and growth.(Churchill,2003) stated that the highly dynamic and competitive environment of the 21st century demands a more responsive, flexible approach to sales management. Sales are becoming less hierarchical with fewer layers of management while more responsibility is being given to the sales person.

The major activities such as production, designing, packaging must be integrated with the rest of the firm's marketing and selling activities for the company to compete effectively (Churchill, 2003). The sales department of a company is responsible for the selling of products and its accompanying activities such as pricing, promotion, maintenance of customer satisfaction and related activities. If the performance of the sales department is not satisfactory to the expectation of customers, sales volume would decline. This reduction of sales would inevitably threaten the overall livelihood of the firm (Darsie, 2003). The sales (selling) concept holds that customers, if left alone, will not ordinarily buy enough of the organizations products. The organization must therefore undertake an aggressive selling and 4 promotion effort. This is to mean that under normal circumstance customers show inertia or resistance unless they are pushed to buy. So the company must use effective selling and promotion tools to stimulate more buying thereby increasing sales volume (Kotler, 1999). The ultimate goal of any business establishment is to remain in business profitably through production and sale of products or services. Without optimal profit, a business firm cannot survive, let alone achieve a sustainable growth.

One of the core activities in a business company is the marketing and sales activity. The ultimate success or failure of a company depends on its ability to sell what it produces and continues the production-sales cycle for relatively a longer period of time (Getinet, 2007).

As we know that every company or firm's main aim is to sale the product which they have made. The product may be sale inside the country or outside the country. The company or firm's main motto is to earn a profit but there are some companies which main motto is to introduce their country product to other country or to introduce them in international arena . The sending of goods or services produced in one country to another country is known export. The seller of such goods and services is referred to as an exporter; the foreign buyer is referred to as an importer. Export of goods often requires involvement of customs authorities. An export's counterpart is an import. An export is a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. The sale of such goods adds to the producing nation's gross output. If used for trade, exports are exchanged for other products or services in other countries. (Wikipedia)

1.1.1 Historical background of FHAN

Federation of Handicraft Associations of Nepal (FHAN) was established in 1972 to enhance and promote handicraft trade and industry. Originally, its name was Handicraft Association of Nepal (HAN). It is registered under Institution Registration Act of Nepal. It is a service oriented non-profit organization of private sector business and artisan community. It helps its members to improve their productivity, explore markets and introduce them to the international arena. It also works as liaison between its members and the Government and Non-Government Organizations. The main aims and objectives of Federation of Handicraft Associations of Nepal are:

- To work towards steady growth of handicraft trade and industry.
- To encourage Nepalese artisans to adopt handicraft production as their profession by preserving Nepalese cultural heritage and to popularize it in the World.
- To strive towards enhancing the quality of handicraft goods & its productivity.
- To provide pragmatic suggestions and advice to His Majesty's Government and its related agencies to formulate policy/programs for the betterment of handicraft trade & industry.
- To popularize & promote handicraft products.

There are many textile products and many non- textile products in Federation of Handicraft Associations of Nepal. In textile products, there are Pashmina products, Wollen goods, Felt products, Silk products, Cotton goods, Hemp goods, Allo goods, Dhaka products and Miscellaneous textile products where as In non textile products, there are Silver jewellerys, Metal crafts, Handme paper products, Wood crafts, Glass products, Leather goods, Incense, Paubha (Thanka), Bone and horn products, Ceramics products, Beads items, Bamboo products and Miscellaneous goods. They exports to many countries such as USA, China, Germany, Japan, UK, Denmark, France, Canada and India.

1.1.2 Nepalese Pashmina Products

Pashmina is the softest, exotically delicate, weightless and the finest natural insulating fiber of the world. It is extracted from the inner coats of the hardy little mountain goats(*capra hircus*) locally called “Chyangra”, which live at the altitude above 3000 meters in the Himalayas. Such wonderful and gossamer properties of “Pashmina” has popularized it as the “Diamond Fibre”.The outer layer fibres of “Chyangra” are discarded as they are comparatively thicker & coarser. Thus only the inner layer fibres measuring under 16.5 microns are specified for use as “Pashmina”. These extraordinary qualities of Pashmina fibres have encouraged weavers to produce various types of wraps of warmness. The fur combing process is performed every spring without harming the goats. Pashmina fibres thus obtained are spun into thin yarn which is woven to make different types of pashmina products likes blankets, shawls, stoles, scraves as well as pullovers, cardigans, etc. This exquisite craftsmanship of Nepalese weavers has established “Nepalese Pashmina” worldwide as the most precious possession.

In ancient times “Pashmina” was used in unblended form but later combinations with silk, cotton, etc, came in practice. In due course of time and after long years of experience and experiments, Pashmina yarn and silk yarn were combined to get better fibre- strength, durability, colour-pleasantness and finish which has now become most popular all over world and recognized as “Nepalese Pashmina”. The origin of Pashmina dates back to ancient civilization. Those days it was renowned as the “Fibre for royals & emperors.” In Nepal also it has been traced back to the prehistoric times (or the time of mahabharat).People living in the high Mountains discovered the unique and wonderful properties of “Pashmina”.

They developed a very delicate and skillful pashmina extraction method where the goats are not harmed and more fibres can be collected regularly every spring from the same goat for many years. They also learned to spun the fibres into fine yarn and then weaver it to get an extraordinary soft and warm fabric. This exquisite art of weaving was passed on from one generation to another and to the present times as well. The popularity of Pashmina encouraged entrepreneurs for product diversification and as such various kinds of pashmina products like shawls, stoles, blankets, scarves, sweaters, cardigans etc. are developed and marketed. Nepal is famous for hand woven Pashmina products all over the world. Nepalese Pashmina is exported in many countries such as USA, China, Germany, Japan, UK, Denmark, France, Canada and India.

1.2 Statement of the Problem

For all business organizations, profit is a determinant factor for their existence in the ever changing business environment. The primary objective of a business undertaking is to earn profit. A business organization needs profit not only for its existence but also for expansion and diversification. Keeping other things constant, the profitability of an organization depends on its sales volume. Pashmina Products being one of the most exportable products in Nepal. Nepal is leading in hand woven Pashmina Products all over the world. The study tries find the methods used by the company in effective management of sales volume and its productivity.

1.3 Objectives of the study

The main objective of this study is to examine the status of Sales Volume of Nepalese Pashmina Product.

The specific objectives are as follows:

- To assess the sales volume of the Pashmina Products export.
- To investigate the existing and the previous sales trends of Pashmina Products.

1.4 Literature Review:

Abiodun (2011) depicted an articles on the impact of advertising on sales volume on a product". The major aim of this thesis was to demonstrate the impact of advertising on the sales and profit of a business organization taking Starcomms Plc as a case. Longe (2001) defined advertising as any personal paid form of non-personal communication which is directed to the consumers or target audiences through various media in order to present and promote a product, services and

idea. Good advertising requires competent personnel including a number of specialists to enable it thrive in the ever dynamic and competitive business environment. The major findings were as follows:

- The role of advertising on the sales volume of a product is very important because oftentimes consumers' decisions as regards what to buy is motivated by what has been seen heard of or practically used.
- Advertising helps in that it carries the message far and wide to a scattered target audience that the advertiser or producer could not have reach it at once so easily.
- It was gathered from the responses of the respondents who filled the questionnaire that the organization is unrelenting in its efforts to ensure effective advertising programmes for their various services and products. In the mind of the consumers the company was also using advertising strategies suitable for the company as well as the market in which it exists.
- More so, the findings reveal that the advertising position of a product or service is strong in the mind of the consumer in order to encourage repeated purchase of the product, so that the competitors will not have an edge over them. This also creates brand loyalty and product differentiation.
- According to various sources, the past experience and state of mind of the person subjected to advertising may determine the impact that advertising has on him/her.
- In an effort to improve messaging and to gain the audience's attention, advertisers create branding and moments that will resonate with target markets and motivate the audience to purchase the advertised product and services.

Mania (2015) depicted an article on the impact of Market Segmentation on the Sales Volume of Company's Product and Services."The study investigated the impact of market on the sales volume of a company products or services. Market Segmentation is essential and necessary for any organization trying to survive in the global market. Consumer demands are diverse and all demands have to be met as effectively as possible.

Therefore organizations that sell a product or service has to know who their various target markets and segment their product in a way that suits each segment identified. This study looks at the segmentation process and how segmentation can be effectively utilized to improve the

sales volume of an organizations goods or services. Both primary and secondary sources of data collection were used and analyzed by trend analysis. The research revealed that once products or services were tailored to suit various types of consumer segments, then requirements will be met; thus satisfaction, therefore increasing the level of demand of that product or service.

The research concludes that effective consumer segmentation can increase the level of demand of a product or service, of an organization. It has also been recommended that profit making organization should always work around segmenting customers of their product or service if they want to increase sales in their organization. The major findings were as follows:

- Organization need to get professional marketers that can enlighten and train their organization as a whole on marketing segmentation, and marketing strategies as a whole.
- Secondly, organizations need to determine who their target customers are, and make sure that the organizations resources are focused on the most viable and profitable of the target customers from that segment.
- Finally organizations need to understand that once these customer segments are consistently satisfied; then demand will increase, which in turn means sales will increase, therefore an increase in revenue of that organization.

Khan (2013) depicted an article on the role Of Sales Promotion On Sales Volume In The Context Of Fast Moving Consuming Goods (FMCG) Industry In Dera". In this study we find out the role of sales promotion dimensions on sales volume in the context of Fast Moving Consuming Goods (FMCG) industry. Two numbers of research objectives are in that study and we have two numbers of hypotheses. Structure questionnaire is used to collect information from (120) respondents through simple random sampling method. Data is analyzed with the help of SPSS. There are the two dimensions of sales promotion which are bonus pack and premium. Results show there is the Positive relationship between bonus pack and sales volume and also there is the Positive relationship between premium and sales volume.

This research shows the effect of sales promotion dimensions on sales volume. The result shows that all sales promotion dimensions are independently and jointly predict sales volume. This implies that premiums, bonus, have significant effect on sales volume. The study finds that bonus pack and premium have strong influence on sales volume which means if Fast Moving

consuming Goods (FMCG) industry wants to achieve its objectives, they should take of bonus as well as other dimension premiums.

1.5 Significance of the Study

The fact that no studies have been conducted of the company regarding this issue particular issue makes worth conducting this study. The research outcome could be an important input to the company to make the necessary adjustments and improvements based on the recommendation of the study. The research could open the door for other researchers who want to study further on this area or other similar issues. Furthermore, the study can be used as a literature review.

Hence, this study aims to identify the factors that could affect the sales volume and will suggest suitable measures for improving the existing conditions of the company by answering the following research questions:

- What are the factors affecting sales volume of the company?
- How do these factors affect sales volume of the company?
- What does the past and current sales trend of the company seem?
- What promotion means are employed by the company?
- What must be done to increase or improve existing level of sales volume?

1.6 Limitation of the study

The major limitations of the study are as follows:

- The study is based on secondary data and it would be supported by primary data.
- The study covers only export and sales volume of Pashmina Products.
- The study covers data of actual sales exported for ten years respectively.
- The research is focused on quantitative research and based on exploratory research design.
- The research is based on data of nine countries like USA, China, Germany, Japan, UK, Denmark, France, Canada and India.
- The study is based on the exportable side of the Pashmina Products across the boundary only.

1.7 Organization of the Study

Basically, this study has been divided into five chapters.

Chapter-1 Introduction

The first chapter includes background of the study, statement of the problem, objective of the study, literature review (in brief), significance of the study, limitation of the study, and organization of the study.

Chapter-2 Review of Literature

The second chapter is the review of literature which includes theoretical concepts of sales, sales management, sales volume, marketing mix, promotional tools, export and overview of the previous thesis, etc.

Chapter-3 Research Methodology

The third chapter is the research methodology which includes research methodology, research design, nature and source of data, population and sampling and methods of analysis.

Chapter-4 Presentation and Analysis of Data

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

Chapter-5 Summary, Conclusions & Recommendations

This chapter summarizes the whole spectrum of the study. It also offers conclusions and recommendations for the improvement for the future.

CHAPTER 2

REVIEW OF LITERATURE

This chapter highlights the literature that is available in the concerned subject matter that are available from textbook, different related books, different websites which are the sources of literature review, research work and relevant study on this topic, review of journals / articles and review of thesis work performed previously. The review of literature has been divided into two categories namely conceptual review, theories related to the topics and review of articles, book, and Master's level thesis.

2.1 Conceptual Review

The fine wool comes from the undercoat of the Himalayan mountain goat, called Chyangra (*Capra Hircus*) which lives in the high Himalayan regions of Nepal. Pashmina wool, also known as cashmere wool world over is the softest, most luxurious and the best wool in the world comes from Himalayan region from a special Himalayan goat Chyangra (*Capra Hircus*) which lives at the altitude of 12000 feet where temperature drops below 40 degree centigrade. The goat is blessed by nature with a unique very thin short inner coat of hair which is the best insulation in the world and this inner coat of hair is Pashmina. The Himalayan goat is survived because of this nature gifted hair in the coolest weather. Pashmina fiber is 15 to 19 microns in diameter where as a human hair is 75 microns in diameter. One Himalayan goat produce s 3 to 8 ounce s of Pashmina per year.

Origin of Pashmina dates back to ancient civilization and has been traced back to the times of Mahabharata. Earlier in olden days pashmina shawls found favor with Emperors, Kings, Princes, Rullers and Nobles. This precious fabric was known as Fiber for Kings. Origin of pashmina in Nepal started long back, the mountain people of Nepal had to depend on the fabric they wove for warmth, for easy travel and for survival. In many high mountain areas and semi-tropical jungles, they continued to weave for their perfect protection and comfort wear. The art of wearing wool products by hand has been practiced throughout the country remains popular today as its rugged conditions have not changed. Due to gradual popularity and commercialization of pashmina there are variety of pashmina is being offerred in the market like: pashmina shawls, pashmina stoles, pashmina scarves, pashmina sweaters, pashmina mufflers, and variety of other pashmina

products. These luxurious pashmina shawls are hand woven by traditional weavers whose families have been in the occupation since ages they inherit this art from their ancestors, and tradition of pashmina weaving continues from one generation to another generation.

Pashmina is the most original and authentic fibers. Nepalese women have traditionally worn pashmina shawls. Our ancestors have described pashmina as sensual sublimity. It is they who perfected the skill to retrieve pashmina up to 95 percent purity and the skill as such got passed from generation to generation as a heritage of Nepalese craft. While shawls, stoles, mufflers, scarves and blankets woven from pashmina wool have been adored for centuries in the far East, the Western world has been slow to discover pashmina's unique qualities. Today most of the world's pashmina shawls are woven on hand looms in Nepal's Kathmandu valley. And most are woven on a warp of spun silk for increased suppleness and strength. In recent years this silk and pashmina blend has become the adoring of the western fashion world. Extraordinarily soft and light, yet exceptionally warm, be it pure pashmina or silk blended pashmina.

2.1.1 About Nepalese Pashmina Products

Pashmina is known as wool (Cashmere) but it grows on the underside of the Mountain Goats. Mountain Goats in Nepal known as Chyangra. Chyangra's are the inhabitant of the great Himalayan mountain range including Mt. Everest and Mt. Annapurna. It takes the entire annual growth of three of these three goats to make just one pashmina shawl. But the fur combing process is done every spring without harming the goat. Thus processed pashmina is found in different forms like shawls, blankets, sweaters, stoles, puncho, scarves as well as pullovers, cardigans, etc.

This exquisite "Pashmina" has been supplied by dexterity of Nepalese. In ancient times "Pashmina" was found in unblended form but it was advent with the combination of silk, cotton etc. In the long run with the varied experience and Pashmina yarn and silk yarn were combined. This result to produce better fibre-strength, durability, colour-pleasantness and well finishing touch which become most prevalent all over world and recognized as "**Nepalese Pashmina**".

Nepal is also known for the hand woven Pashminas. This Pashmina products has found to be third largest overseas export in the country along with readymade garment and hand knitted

woolen carpet. Nepali Pashmina is a form of handicraft which can be regarded as high quality handmade woolen product with multipurpose usage. The warmth, softness, durability, lightness, finess are the beautiful byproducts of any Pashmina products. The warmth and softness are the basic qualities on which the pashmina is judged.

Pashmina shawls are fashion in high income society in Nepal. Pure Pashmina Shawl are expensive, very light, attractive, warm and beautiful. The quality and varieties of Pashmina products have been improving every year. The best Pashmina product in the market are Shawls, Scarves and sweaters. Handicraft shop provide you very high quality Pashmina product with in very reasonable price. They export best and high quality Pashmina products through express delivery system of DHL, Fed Ex, and UPS. So, customer will get the product in right time with a great care. They sell three qualities of Pashmina products in worldwide market. The production process of pashmina product generally includes weaving, dyeing, processing, fringing, tassels, embroidery, beadwork, printing etc.

The Pashminas have very high demand in International market. The business of Pashminas are basically concentrated in Kathmandu. Export quality are produced here and among the produced approximately 5 percent consumed within the country and rest 95 percent are considered for exportation. Pashmina products account for more than 50 percent of the total export figure of the handicraft products. And also it is the major export component under the handicraft goods category. The Nepali Pashminas are exported via Tribhuvan International Airport by air cargo.

2.1.2 Meaning and Definition of Sales

Sales is a human activity which is concerned with transferring the ownership from the seller (i.e the marketer) to the target audience (i.e the market). In other words, it is an activity related to selling of goods or services in a given time and environment. The seller or the provider of the goods or services completes a sale in response to an acquisition, appropriation, requisition or a direct interaction with the buyer at the point of sale. There is a passing of title (property or ownership) of the item, and the settlement of a price, in which agreement is reached on a price for which transfer of ownership of the item will occur. The seller, not the purchaser generally executes the sale and it may be completed prior to the obligation of payment. In the case of indirect interaction, a person who sells goods or service on behalf of the owner is known as

a salesman or saleswoman or salesperson, but this often refers to someone selling goods in a store/shop, in which case other terms are also common, including salesclerk, shop assistant, and retail clerk.

The seller who involve in selling activities are the provider of value (i.e benefits, or satisfaction) incorporated in the product and the buyers are the seeker of the value. The sale of the product in the market can be effective when the seller or the marketer can deliver value or benefits as expected by the target audience or more than their expectation. The value or benefit can be in the form of physical benefit and the emotional benefits. A person or organization expressing an interest in acquiring the offered item of value is referred to as a potential buyer, prospective customer or prospect. Buying and selling are understood to be two sides of the same "coin" or transaction. Both seller and buyer engage in a process of negotiation to consummate the exchange of values. The exchange, or selling, process has implied rules and identifiable stages. It is implied that the selling process will proceed fairly and ethically so that the parties end up nearly equally rewarded. The stages of selling, and buying, involve getting acquainted, assessing each party's need for the other's item of value, and determining if the values to be exchanged are equivalent or nearly so, or, in buyer's terms, "worth the price". Sometimes, sellers have to use their own experiences when selling products with appropriate discounts.

From a management viewpoint it is thought of as a part of marketing, although the skills required are different. Sales often forms a separate grouping in a corporate structure, employing separate specialist operatives known as salespersons (singular: salesperson). Selling is considered by many to be a sort of persuading "art". Contrary to popular belief, the methodological approach of selling refers to a systematic process of repetitive and measurable milestones, by which a salesman relates his or her offering of a product or service in return enabling the buyer to achieve their goal in an economic way. While the sales process refers to a systematic process of repetitive and measurable milestones, the definition of the selling is somewhat ambiguous due to the close nature of advertising promotion, public relations, and direct marketing.

Selling is the profession-wide term, much like marketing defines a profession. Recently, attempts have been made to clearly understand who is in the sales profession, and who is not. There are many articles looking at marketing, advertising, promotions, and even public relations as ways to

create a unique transaction. Two common terms used to describe a salesperson are "Farmer" and "Hunter". The reality is that most professional sales people have a little of both. A hunter is often associated with aggressive personalities who use aggressive sales technique. In terms of sales methodology a hunter refers to a person whose focus is on bringing in and closing deals. This process is called "sales capturing". An example is a commodity sale such as a long distance sales person, shoe sales person and to a degree a car sales person. Their job is to find and convert buyers. A sales farmer is someone who creates sales demand by activities that directly influence and alter the buying process.

Many believe that the focus of selling is on the human agents involved in the exchange between buyer and seller. Effective selling also requires a systems approach, at minimum involving roles that sell, enable selling, and develop sales capabilities. Selling also involves salespeople who possess a specific set of sales skills and the knowledge required to facilitate the exchange of value between buyers and sellers that is unique from marketing, advertising, etc.

Within these three tenets, the following definition of professional selling is offered by the American Society for Training and Development (ASTD):

“The holistic business system required to effectively develop, manage, enable, and execute a mutually beneficial, interpersonal exchange of goods or services for equitable value.”

Team selling is one way to influence sales. Team selling is “a group of people representing the sales department and other functional areas in the firm, such as finance, production, and research and development.” (Spiro) Team selling came about in the 1990s through Total Quality Management (TQM). TQM occurs when companies work to improve their customer satisfaction by constantly improving all of their operations. (Wikipedia)

Selling is the heart of marketing task. Without selling activities, exchange process does not take place and the marketing goal is not fulfilled. Generally, selling is a process of transferring title and possession of goods or services to the buyer. It consists of personal selling. The main objective of selling is to persuade the prospective buyers to purchase a product or services and convert a prospect into a customer. There may be several types of products including the most essential goods, technical goods and professional services. Sellers may require different skills and various efforts to sell them effectively. However, the main goal of selling is not only to

satisfied but to satisfy own-self as well. Selling is performed for mutual benefits and continuous satisfaction to both the seller and the customer. Hence, the main task of selling is to create demand, locate the prospective buyer and transfer the title and possession of goods to the buyer.

In this particular scenario, selling can be defined as “The process whereby the seller ascertains, activities and satisfies the needs and wants of the buyers to the mutual, continuous benefit of both the seller and the buyer.”

According to Ferdinand E. Mauser “ The process and assisting a prospective customer to buy goods or services or to act favourably on an idea that has commercial significance for the seller.” (Shrestha 2005, P 1)

2.1.3 Sales and its relationships with Marketing

Marketing and sales differ greatly, but generally have the same goal. Selling is the final stage in marketing, which also includes pricing, promotion, place and product (the 4 P's). A marketing department in an organization has the goals of increasing the desirability and value to the customer and increasing the number and engagement of interactions between potential customers and the organization. Achieving this goal may involve the sales team using promotional techniques such as advertising, sales promotion, publicity, and public relations, creating new sales channels, or creating new products (new product development), among other things. It can also include bringing the potential customer to visit the organization's website(s) for more information, or to contact the organization for more information, or to interact with the organization via social media such as Twitter, Facebook and blogs. Social values also play a major role in consumer decision processes. Marketing is the whole of the work on persuasion made for the whole of the target people. Sales is the persuasion and effort that from one person to one person (B2C), one person makes to the corporation (B2B) in the face or in the phone or in the digital environment, to make a living resource enter the company.

The field of sales process engineering views "sales" as the output of a larger system, not just as the output of one department. The larger system includes many functional areas within an organization. From this perspective, "sales" and "marketing" (among others, such as "customer service") label for a number of processes whose inputs and outputs supply one another to varying degrees. In this context, improving an "output" (such as sales) involves studying and improving

the broader sales process, as in any system, since the component functional areas interact and are interdependent.

Many large corporations structure their marketing departments so they are directly integrated with all lines of business. They create multiple teams with a singular focus and the managers of these teams must coordinate efforts in order to drive profits and business success. For example, an "inbound" focused campaign seeks to drive more customers "through the door", giving the sales department a better chance of selling their product to the consumer. A good marketing program would address any potential downsides as well.

The sales department would aim to improve the interaction between the customer and the sales facility or mechanism (example, web site) or salesperson. As Sales is the forefront of any organization, this would always need to take place before any other business process may begin. Sales management would break down the selling process and then increase the effectiveness of the discrete processes as well as the interaction between processes. For example, in many out-bound sales environments, the typical process includes out-bound calling, the sales pitch, handling objections, opportunity identification, and the close. Each step of the process has sales-related issues, skills, and training needs, as well as marketing solutions to improve each discrete step, as well as the whole process. In many cases becoming a salesperson is a default career as not many people aspire to be a salesman but rather fall into the job due to circumstances. It can be highly rewarding as you receive remuneration in the form of a salary and also commission.

On further common complication of marketing involves the inability to measure results for a great deal of marketing initiatives. In essence, many marketing and advertising executives often lose sight of the objective of sales/revenue/profit, as they focus on establishing a creative/innovative program, without concern for the top or bottom lines – a fundamental pitfall of marketing for marketing's sake. Many companies find it challenging to get marketing and sales on the same page. The two departments, although different in nature, handle very similar concepts and have to work together for sales to be successful. Building a good relationship between the two that encourages communication can be the key to success even in a down economy. (Wikipedia)

2.1.4 Sales and marketing alignment and integration

Another area of discussion involves the need for alignment and integration of corporate sales and marketing functions. According to a report from the Chief Marketing Officer (CMO) Council, only 40 percent of companies have formal programs, systems or processes in place to align and integrate the two critical functions.

Traditionally, these two functions, as referenced above, have operated separately, left in siloed areas of tactical responsibility. Glen Petersen's book *The Profit Maximization Paradox* sees the changes in the competitive landscape between the 1950s and the time of writing as so dramatic that the complexity of choice, price and opportunities for the customer forced this seemingly simple and integrated relationship between sales and marketing to change forever. Petersen goes on to highlight that salespeople spend approximately 40 percent of their time preparing customer-facing deliverables while leveraging less than 50 percent of the materials created by marketing, adding to perceptions that marketing is out of touch with the customer and that sales is resistant to messaging and strategy. (Wikipedia)

2.1.5 Sales management

Sales management is the managerial process which is concerned with planning, executing, and controlling the sales effort of the marketing manager to affect more sales in the target market . Sales management is a business discipline which is focused on the practical application of sales techniques and the management of a firm's sales operations. It is an important business function as net sales through the sale of products and services and resulting profit drive most commercial business. These are also typically the goals and performance indicators of sales management. Sales manager is the typical title of someone whose role is sales management. Sales management is the process of developing a sales force, coordinating sales operations, and implementing sales techniques that allow a business to consistently hit, and even surpass, its sales targets. Sales management is the coordination of people and resources to effectively produce the desired goal. These long term goals can be wide ranging, however they are generally increased sales volume, contribution to profits, and continuous growth. To achieve these objectives, sales managers have vast responsibilities including, but not limited to: demand/sales forecasting, establishing quotas/objectives, budgeting, organization, recruitment, training,

compensation, and sales performance evaluation. In the end of the day, however, the most important role of sales management is not to manage sales, but to manage the people who make the sales.

The role typically involves talent development. The important task in sales management are:

➤ **Sales planning:**

Sales planning involves strategy, setting profit-based sales targets, quotas, sales forecasting, demand management and the execution of a sales plan. A sales plan is a strategic document that outlines the business targets, resources and sales activities. It typically follows the lead of the marketing plan, strategic planning and the business plan with more specific detail on how the objectives can be achieved through the actual sale of products and services.

➤ **Recruitment of sales staff:**

The three recruitment tasks used in sales management are Job analysis; Job description and Job qualifications. Job analysis is performed to specify the certain tasks that a salesperson would be responsible for on a daily basis. It should identify what activities are deemed as being vital to the success of the company. Any person associated with the sales organization or the human resources department could carry out the analysis as well as an outside specialist (Spiro, P 134).

The person that is responsible for completing a job analysis should have an in-depth comprehension of the daily activities of the salespeople. This job analysis is then written in an explicit manner as a job description. The general information consists of:

- Title of job
- Organizational relationship
- Types of products and services sold
- Type of customers called on
- Duties and responsibilities related to the job
- Job demands.

An effective job description will identify compensation plans, size of workload, and the salespeople's duties. It is also primarily responsible for hiring tools such as application forms and psychological tests.

The most difficult part of this process would be the determination of job qualifications. A reason for this difficulty is because hiring affects a company's competitive advantage in the market as well as the amount of revenue. Additionally, there should be a set of hiring attributes that is associated with each sales job that is within a company. If an individual does not excel in their assigned territory, it could be due to external factors relating to that person's environment.

Let it be noted that a company should be careful not to submit to discrimination in regards to employment. A number of qualifications (ethnic background, age, etc.) can not be used in the selection process of hiring.

➤ **Sales reporting:**

The sales reporting includes the key performance indicators of the sales force. The Key Performance Indicators indicate whether or not the sales process is being operated effectively and achieves the results as set forth in sales planning. It should enable the sales managers to take timely corrective action deviate from projected values. It also allows senior management to evaluate the sales manager. More "results related" than "process related" are information regarding the sales funnel and the hit rate. Sales reporting can provide metrics for sales management compensation. Rewarding the best managers without accurate and reliable sales reports is not objective. Also, sales reports are made for internal use for top management. If other divisions' compensation plan depends on final results, it is needed to present results of sales department's work to other departments. Finally, sales reports are required for investors, partners and government, so the sales management system should have advanced reporting capabilities to satisfy the needs of different stakeholders. (Wikipedia)

2.1.6 Objectives of sales management

Sales management entails numerous objectives which are executed by sales managers. The sales executives in this case are the ones who help implement these objectives. However it is the top management who has to outline the strategies to achieve these objectives of sales management. The top management should provide products which are socially responsible and are marketed in

a manner which meets customers expectations and does not break it. Thus sales management involves a strong interaction between Sales, marketing and Top management. There are mainly four types of objectives in sales management. They are:

- Sales volume
- Contribution to profit
- Continuous growth
- Sales Management and financial results.

Objectives of sales management

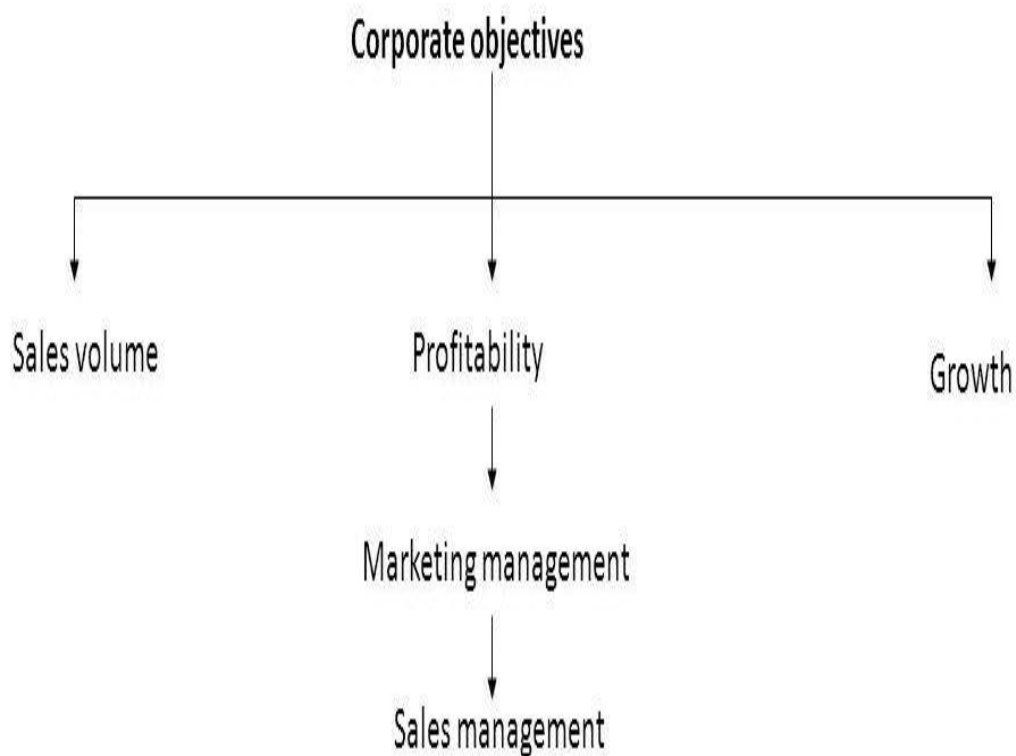


Figure 2.1 Objectives of Sales Management

➤ **Sales volume:**

Achieving sales volume is the first objective of Sales. The word “volume” is critical because whenever a product sales start, the market is supposed to be a virgin market. Thus there needs to be optimum penetration so that the product reaches all corners of the region targeted. Ultimately, penetration levels can be decided on the basis of sales volume achieved.

➤ **Contribution to profit:**

Sales brings turnover for the company and this turnover results in profits. Naturally, sales has a major contribution to profit and it is categorized as a profit function in several organizations. But there is one more aspect to the contribution of profit by sales. The objective of sales management is to sell the product at the optimum price. Some companies might target a premium pricing for a product to make it premium in the market. But if the sales team drops the price, then the objectives are not being met and the profit is dropping. This has to be kept in check by seniors as price drops directly affect the margin of the product.

➤ **Continuous growth:**

A company cannot remain stagnant. There are salaries to be paid, costs have been incurred and there are shareholders to be answered. So a company cannot survive without continuous growth. If there is no innovation at the product level or at the company level, then the company has to be blamed. But if the products are good, and still the penetration is not happening, then it is the fault of sales manager and sales executives. It is the job of marketing to take feedback and bring new products in the market. But if the sales team does not provide the appropriate feedback of “Why the product is not selling”, then growth becomes impossible. This is why, more penetration and more growth is in the hand of sales people

➤ **Sales Management and financial results:**

Financial Results are another objective of sales management and are closely related and therefore sales management has financial implications as well.

Sales – Cost of Sales = Gross Profit

Gross Margin – Expenses = Net profit.

Thus the variation in Sales will directly affect the Net profit of a company. Hence maintaining and managing sales is important to keep the product / service / organization financially viable.

The Objectives of sales are therefore decided on the basis of where the organization stands and where it wants to reach. It is a collaborated effort from the top management along with the marketing managers and sales managers to provide with a targeted estimate. (Bhasin, 2017)

2.1.7 Sales volume

Sales volume is the quantity or number of goods or services sold in the normal operations of a company in a specified period. Sales volume indicate the quantity of different stock keeping units (SKUs) sold or the number of customers who have sought for the services offered by a firm in a given time period such a year or a fiscal quarter. Sales volume measurement is a vital part of the performance evaluation of the sales force who are responsible for selling the products of the firm. Generally, Sales representatives are incentivised on the basis of their ability to meet their target. Since, a major part of the variable pay component depends on achieving the target, sales volume is an important metric in sales and marketing. Increased sales volume helps company to acquire a healthy top line (revenue). Increased quantity sales mean increased production hence that also helps in increased contribution margin. Moreover, increased sales volume helps to reach break-even earlier which helps the company gain profits from their operation as early as possible. The purpose of sales commissions is to align incentives by giving sales representatives a cut of each sale, it motivates them to make more sales, which increase sales volume by more than enough to cover the additional cost of the commission payments. The sales volume has been steadily increasing so we examined and analyzed where our increased demand was coming from exactly. We need to keep all our sales volume up, so we can stay competitive with all of our rival companies. (businessdictionary.com)

Sales volume equals the number of units a business sells during a given period, such as a year or fiscal quarter. Sales—or sales revenue—equals the dollar amount a company makes during the period under review. The concepts of sales and sales volume interconnect because total sales equal sales volume multiplied by the unit price. For example, if a company sold 1 million units of a product at \$2 apiece, the corporate sales volume would be 1 million, yielding periodic sales of \$2 million (1 million multiplied by \$2). Sales volume is the number of sold units of sales in a certain period of time. Sales units are usually physical case, or simply the case, which is basically product in shape of usual sales pack. Example, milk 12x11 tetra brick pack. In some

cases the sales volume can be represented in physical cases, but in some other units of measure, e.g. liters, hectoliters, kilograms, tons, or some other units that represent a certain weight or volume. Usually the companies own their own adopted system of volume measurement of the Sales Volume.

According to John Spacey “ Sales volume is a sales metric that counts or measures the products or services sold in a period.”

The following are common types of measures used for sales volume.

Units:

Counting product units such as the number of cars sold in a month.

Subscriptions:

The number of service subscriptions signed.

Weight:

Weight measures such as kilograms and tons are a common way to measure sales of a commodity such as bananas.

Hours:

Hours billed may be used to measure consulting and legal services.

Figure of Merit:

A figure of merit is an industry specific way to measure a product or service. For example, solar energy may be measured in megawatts.(Spacey, 2017)

Table 2.1
Overview of Sales volume

Overview: Sales Volume	
<u>Type</u>	<u>Sales Metrics</u>
Definition	A sales metric that counts or measures the products or services sold in a period.
Value	Measuring sales in a way that industry insiders intuitively understand.
Related Concepts	Sales Metrics Marketing Metrics

2.1.8 Different between sales and sales volume

A company's leadership knows that profitability prospects meaning, sales and sales volume generally hinge to a large degree on how customers perceive corporate products and services. Consequently, senior executives take concrete measures to lure customers from rivals, make money, instill in employees the notion of long-term revenue growth and report accurate performance data. Sales volume equals the quantity of items a business sells during a given period, such as a year or fiscal quarter. Sales or sales revenue equals the dollar amount a company makes during the period under review. The concepts of sales and sales volume interconnect because total sales equal sales volume multiplied by the unit price. For example, a company sold 1 million units of a product at \$2 apiece. As a result, the corporate sales volume is 1 million, yielding periodic sales of \$2 million, or 1 million multiplied by \$2.

➤ **Bookkeeper:**

To record a credit sale, a bookkeeper debits the customer receivables account and credits the sales revenue account. If the transaction is a cash-on-delivery sale, the debit entry goes into the

cash account. In accounting terminology, debiting the cash account means increasing funds in corporate vaults. When in-house credit managers believe a financially shaky customer is unsuccessfully grappling with bankruptcy, they may recommend a direct write-off meaning, taking the client's account receivable off the organization's books, a treatment that causes an operating loss. To charge off an account, a bookkeeper debits the bad debt expense account and credits the customer receivables account.

➤ **Data Reporting:**

Sales and sales volume lead to journal entries affecting a statement of profit and loss, also referred to as a statement of income or income report. This is the data synopsis in which you see a company's revenues and expenses, such as salaries, shipping, litigation and office supplies. For a business, investor pessimism typically is at its highest point when department heads can't deliver positive results or aren't managing company money adeptly. Negative results ultimately feed into the retained earnings account an equity item while inefficient cash administration affects the corporate cash flow statement.

➤ **Significance:**

Investors often judge the marketing prowess and managerial ability of a company's leadership through various metrics -- sales and sales volume being two of the most important. To ensure their approval rating doesn't fall to its lowest in the financier community, senior executives constantly delve into the company's sales data and product portfolio, heed what competitors are up to with respect to innovation, seize emerging market opportunities and attempt to expand market share. (Codjia,2018)

2.1.9 Marketing mix

The marketing mix is a crucial tool to help understand what the product or service can offer and how to plan for a successful product offering. The marketing mix is most commonly executed through the 4 P's of marketing: Price, Product, Promotion, and Place. The marketing mix (also known as the 4 Ps) is a foundation model in marketing. The marketing mix has been defined as

the "set of marketing tools that the firm uses to pursue its marketing objectives in the target".
(Wikipedia)

According to Philip Kotler "Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response".

A marketing firm designs a scheme to achieve its overall objectives selecting definite segments. But until it produces, fixes price for its products, distributes them to the target market, and persuades buyers for buying, the plan remains only a paper draft. Therefore, the firm strives to an integrated decision about the product to be offered, its price to be changed, its distribution system to be adopted, and its promotional activities to be undertaken. These four decision making aspects reinforce each other. Therefore, the perspectives of product, price, distribution and promotion need to be properly balanced against each other for meeting optional marketing objectives.

In a simple way, marketing mix can be understood as a set of product, price, place(distribution) and promotion which are used to pursue the firm's marketing objectives in the target markets.(Sharma, 2001, P 11)

2.1.10 4 P's of Marketing Mix



Figure 2.2 Marketing mix

➤ **Product:**

Product is the first element in the marketing mix. Product refers to the goods and services offered by the organization for sale. In marketing, a product is anything that can be offered to a market that might satisfy a want or need. In retailing, products are called merchandise. In manufacturing, products are bought as raw materials and sold as finished goods. A service is another common product type. (Wikipedia)

According to William J. Stanton “Product is a set of tangible and intangible attributes including packaging, colour, price, manufacturer’s prestige, retailer’s prestige and manufacturer’s and retailer’s services which buyer may accept as offering satisfaction of wants and services”.

➤ **Price:**

Price is the second element in the marketing mix. Price is the amount charged for a product or service. Fixing the price of the product is a tricky job. Pricing is a very crucial decision area as it has its effect on demand for the product and also on the profitability of the firm. Pricing is the process whereby a business sets the price at which it will sell its products and services, and may be part of the business's marketing plan. In setting prices, the business will take into account the price at which it could acquire the goods, the manufacturing cost, the market place, competition, market condition, brand, and quality of product. (Wikipedia)

Price has an important role in the marketing mix. It is the major determinant of customer choice. It is the only marketing mix element that produces revenue. It determines profit and losses. Price is what customers pay what they get. It is the amount of money that customers pay for product. It is the value of what is exchanged. Price has various names like interest, rent, commission, fee, taxes, salary and wages.

According to William Stanton “Price is the amount of money and/or other items with utility needed to acquire a product.” (Agrawal, 2010, P 273)

➤ **Promotion:**

Promotion is the third element in the marketing mix. Promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion. In marketing, promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue. Promotion covers the methods of communication that a marketer uses to provide information about its product. Information can be both verbal and visual. (Wikipedia)

➤ **Place:**

Place is also important element in the marketing mix. Under the place element of marketing mix, the question of physical distribution and channel distribution arises. Physical distribution consists of transportation, warehousing, inventory control, order processing and material channel distribution consists of trade channel like agents, wholesalers and retailers. Distribution is the process of making a product or service available for the consumer or business user that needs it. This can be done directly by the producer or service provider, or using indirect channels with distributors or intermediaries. Distribution is fundamentally concerned with ensuring that products reach target customers in the most direct and cost efficient manner. In the case of services, distribution is principally concerned with access. Although distribution, as a concept, is relatively simple, in practice distribution management may involve a diverse range of activities and disciplines including: detailed logistics, transportation, warehousing, storage, inventory management as well as channel management including selection of channel members and rewarding distributors. (Wikipedia)

2.1.11 Promotional Tools

Promotion is an important element of marketing mix. This element is concerned with stimulating, informing, reminding, and reassuring the customer to buy things. Without promotion, even the best product designed and developed by the company cannot be distributed in the target market. The promotional tools that are used in the target market can be advertising, personal selling, sales promotion, public relation and publicity. Promotion can be classified as consumer promotion and dealer promotion. In consumer promotion, the consumers are persuaded to buy the things in the target markets and in dealer promotion, the channel members like agents, wholesalers, retailers, etc are given primary importance to make sales of product. In consumer promotion, pull promotion strategy is used to have purchase action and in dealer promotion, push promotion strategy is used to purchase action in the target market. Several tools are used by companies to aid the delivery of both paid and unpaid promotional methods. Promotion is the aspect of marketing that involves delivery of company's, brand or product's messages to target customers. Several tools are used by companies to aid the delivery of both paid and unpaid promotional methods. Each tool contributes a different way to reach customers and achieve communication objectives.

Consumer sales promotion is a marketing technique that is used to entice customers to purchase a product. The promotions typically last for a set period of time and are used to achieve a specific purpose, such as increasing market share or unveiling a new product.

The four main tools of promotion are advertising, sales promotion, public relation and direct marketing. But a promotional mix is an allocation of resources among five primary elements. It is concerned with blending or mixing all the essential promotional tools that stimulates the target and that to buy things. It creates a demand of the goods. (Wikipedia)

2.1.12 Five primary elements of Promotional Tool

Building long term customer relationships is more important than just depending on developing products, good pricing and making it available to target customers. Communication is a powerful tool to build a good customer relationship. All of the communications should be well planned. Good communication is not just important for building any relationship it is also an important tool to maintain profitable customer relationships.

The marketing communications mix (also called **Promotion mix**) is the tool for communicating customers and other stakeholders. All of these should be carefully maintained under the concept of integrated marketing communications so that marketers can deliver a clear and compelling message. (Khan, 2015)

The five primary elements of promotional tools are as follows:

- Advertising.
- Personal selling
- Sales promotion.
- Publicity.
- Public relation.

PROMOTIONAL TOOLS



8

Figure 2.3 Promotional Tools

➤ **Advertising:**

Advertising is an important promotional tool which is concerned with communicating the message to the target audience through an indirect means of communication like radio, newspaper, magazine, journals, etc. It is paid form of communicating the message to the target

audience. Advertising is an audio or visual form of marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea. Sponsors of advertising are often businesses wishing to promote their products or services. Advertising is differentiated from public relations in that an advertiser pays for and has control over the message. It differs from personal selling in that the message is non-personal, i.e., not directed to a particular individual. Advertising is communicated through various mass media, including traditional media such as newspapers, magazines, television, radio, outdoor advertising or direct mail; and new media such as search results, blogs, social media, websites or text messages. The actual presentation of the message in a medium is referred to as an advertisement or "ad" for short. (Wikipedia)

According to The Advertising Association of The UK “ Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them.

Advertising is always present, though people may not be aware of it. In today's world, advertising uses every possible media to get its message through. It does this via television, print (newspapers, magazines, journals etc), radio, press, internet, direct selling, hoardings, mailers, contests, sponsorships, posters, clothes, events, colours, sounds, visuals and even people (endorsements).The advertising industry is made of companies that advertise, agencies that create the advertisements, media that carries the ads, and a host of people like copy editors, visualizers, brand managers, researchers, creative heads and designers who take it the last mile to the customer or receiver. A company that needs to advertise itself and/or its products hires an advertising agency. The company briefs the agency on the brand, its imagery, the ideals and values behind it, the target segments and so on. The agencies convert the ideas and concepts to create the visuals, text, layouts and themes to communicate with the user. After approval from the client, the ads go on air, as per the bookings done by the agency's media buying unit.

Advertising is defined as any paid form of non-personal presentation and promotion of ideas, goods, and services by an identified sponsor. It is a way of mass communication. It is the most popular and widely practiced tool of market promotion. Major part of promotional budget is

consumed for advertising alone. Various advertising media – television, radio, newspapers, magazines, outdoor means and so forth – are used for advertising the product..

Main characteristics of advertising includes:

- Advertising is non-personal or mass communication. Personal contact is not possible.
- It is a paid form of communication.
- It is a one-way communication.
- It is costly option to promote the sales.
- It is a widely used and highly popular tool of market promotion.

➤ **Personal selling:**

Personal selling is where businesses use people (the "sales force") to sell the product after meeting face-to-face with the customer. The sellers promote the product through their attitude, appearance and specialist product knowledge. They aim to inform and encourage the customer to buy, or at least trial the product. Personal selling occurs when a sales representative meets with a potential client for the purpose of transacting a sale. Many sales representatives rely on a sequential sales process that typically includes nine steps. Some sales representatives develop scripts for all or part of the sales process. The sales process can be used in face-to-face encounters and in telemarketing. Personal selling can be defined as "the process of person-to-person communication between a salesperson and a prospective customer, in which the former learns about the customer's needs and seeks to satisfy those needs by offering the customer the opportunity to buy something of value, such as a good or service." The term may also be used to describe a situation where a company uses a sales force as one of the main ways it communicates with customers. (Wikipedia)

Personal selling is one part of a company's promotion mix, along with advertising, sales promotion, and public relations. Personal selling offers entrepreneurs both advantages and disadvantages in comparison with the other elements of the promotion mix. On the positive side, personal selling allows the salesperson to target the message specifically to the audience and receive immediate feedback. In this way, it is more precise than other forms of promotion and

often has a greater persuasive impact. Conversely, personal selling cannot reach as many potential customers as advertising, plus the cost of each contact is much higher. Another advantage is that personal selling can be an important source of marketing information. Salespeople may learn about competitors' products, for example, or about emerging customer needs that may lead to the development of a new product. If the sales force is well trained acting as problem solvers and advisors for customers rather than using hard-sell tactics personal selling may help a small business build loyal, long-term relationships with customers. A small business may choose to use any or all of the promotion mix elements in selling its products. Deciding how to allocate resources for each component involves a number of factors. Some of the things entrepreneurs should consider when deciding on the ideal promotion mix include the type of product or service, the value of the product or service, and the budget allotted for marketing.

Personal selling includes face-to-face personal communication and presentation with prospects (potential and actual customers) for the purpose of selling the products. It involves personal conversation and presentation of products with customers. It is considered as a highly effective and costly tool of market promotion.

Main characteristics of personal selling includes:

- Personal selling is an oral, face-to-face, and personal presentation with consumers.
- It involves two-way communication.
- It is more flexible way of market communication.
- Per contact cost is higher than advertising.
- It involves teaching, educating, and assisting people to buy.

➤ **Sales promotion:**

Sales promotion is an important element of the promotional mix. Any promotional activities other than advertising and personal selling is known as sales promotion. It may consist of premium, coupon, lottery, exhibition, samples, gifts, discount, etc which help to make more sales of the product in the target market. Sales promotion uses both media and non-media marketing communications for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons, free gifts,

loss leaders, point of purchase displays, premiums, prizes, product samples, and rebates. Sales promotions can be directed at either the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions. Some sale promotions, particularly ones with unusual methods, are considered gimmicks by many. Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.

Sales promotion is implemented to attract new customers, to hold present customers, to counteract competition, and to take advantage of opportunities that are revealed by market research. It is made up of activities, both outside and inside activities, to enhance company sales. Outside sales promotion activities include advertising, publicity, public relations activities, and special sales events. Inside sales promotion activities include window displays, product and promotional material display and promotional programs such as premium awards and contests. Sale promotions often come in the form of discounts. Discounts impact the way consumers think and behave when shopping. The type of savings and its location can affect the way consumers view a product and affect their purchase decision. The two most common discounts are price discounts (“on sale items”) and bonus packs (“bulk items”). Price discounts are the reduction of an original sale by a certain percentage while bonus packs are deals in which the consumer receives more for the original price. Many companies present different forms of discounts in advertisements, hoping to convince consumers to buy their products.

Sales promotion covers those marketing activities other than advertising, publicity, and personal selling that stimulate consumer purchasing and dealer effectiveness. Sales promotion mainly involves short-term and non-routine incentives, offered to dealers as well consumers. The popular methods used for sales promotion are demonstration, trade show, exhibition, exchange offer, seasonal discount, free service, gifts, contests, etc. (Wikipedia)

Main characteristics of sales promotion includes:

- Sales promotion is non recurring nature of promotional activities.
- It involves non-routine selling efforts.
- It is taken as supplementary to advertising and personal selling efforts.
- It involves all the promotional efforts other than advertising, personal selling, and publicity.
- It consists of short-term incentives, schemes, or plans offered to buyers, salesmen, and/ or dealers.

➤ Publicity:

Publicity is also a way of mass communication. It is not a paid form of mass communication that involves getting favourable response of buyers by placing commercially significant news in mass media. It is the traditional form of public relations. Publicity is not paid for by the organisation. Publicity comes from reporters, columnists, and journalists. It can be considered as a part of public relations. Publicity involves giving public speeches, giving interviews, conducting seminars, charitable donations, inauguration by film actor, cricketer, politician or popular personalities, stage show, etc., that attract mass media to publish the news about them.

Publicity is the movement of information to the general public from the media. The subjects of publicity includes people (for example, politicians and performing artists), goods and services, organizations, and works of art or entertainment. Publicity is gaining public visibility or awareness for a product, service or your company via the media. It is the publicist that carries out publicity, while PR is the strategic management function that helps an organization communicate, establishing and maintaining communication with the public. This can be done internally, without the use of media. (Wikipedia)

William J. Stanton defines “Publicity is any promotional communication regarding an organisation and/or its products where the message is not paid for by the organisation benefiting from it.”

Main characteristic of publicity includes:

- Publicity is a non-paid form of market promotion. However, several indirect costs are involved in publicity.
- It is primarily concerns with publishing or highlighting company's activities and products. It is targeted to build company's image.
- It can be carried by newspapers, magazines, radio or television.
- It has a high degree of credibility. Publicity message is more likely to be read and reacted by audience.
- It can be done at a much lower cost than advertising.

➤ Public Relation:

Public relations (PR) is the practice of managing the spread of information between an individual or an organization (such as a business, government agency, or a nonprofit organization) and the public. Public relations may include an organization on of publicity.

Main characteristic of public relation includes:

- Public relations is a paid form of market promotion.
- It involves a number of interactions, such as contacting, inviting, informing, clarifying, responding, interpreting, dealing, transacting, and so forth.
- Public relations covers a number of publics – formal and informal groups.
- It is preformed from top level to supervisory level in the organizations.
- It is treated as the profession in relation to modern management practices.

2.1.13 Export

The term export means sending of goods or services produced in one country to another country. The seller of such goods and services is referred to as an exporter; the foreign buyer is referred to as an importer. Exports are the goods and services produced in one country and purchased by citizens of another country. It doesn't matter what the good or service is. It doesn't matter how it is sent. It can be shipped, sent by email, or carried in personal luggage on a plane. If it is produced domestically and sold to someone from a foreign country, it is an export.

Most countries want to increase their exports. Their companies want to sell more. If they've sold all they can to their own country's population, then they want to sell overseas as well. The more they export, the greater their competitive advantage. That's because they gain expertise in producing the goods and services. They also gain knowledge about how to sell to foreign markets. Governments encourage exports. That's because it increases jobs, brings in higher wages and raises the standard of living for residents. They become happier and more likely to support their national leaders. Exports also increase the foreign exchange reserves held in the nation's central bank. That's because foreigners pay for exports either in their own currency or the U.S. dollar. A country with large reserves can use it to manage their own currency's value. They have enough foreign currency to flood the market with their own currency. That lowers the cost of their exports in other countries. Countries also use currency reserves to manage liquidity. That means they can better control inflation, or too much money chasing too few goods. To control inflation, they use the foreign currency to purchase their own currency. That lowers the supply, making the local currency worth more.

Businesses are able to export goods and services where they have a competitive advantage. That means they are better than any other companies at providing that product. They also export things that reflect the country's comparative advantage. Countries have comparative advantages in the commodities they have a natural ability to produce. For example, Kenya, Jamaica and Colombia have the right climate to grow coffee. That makes them more likely to export coffee. India's population is its comparative advantage. They have a large population of people who speak English and are familiar with English laws. That gives them an advantage in skilled yet affordable call center workers. China has a similar advantage in manufacturing. That's because its population has a lower standard of living. They will work for lower wages than people in other countries.

There are several ways countries try to increase exports. First, they will use trade protectionism to give their industries an advantage. This usually consists of tariffs that raise the prices of imports. They also provide subsidies on their own industries to make prices lower. But, once they start doing this, other countries will retaliate with the same measures. This will lower

trade overall. In fact, this was one of the causes of the Great Depression. Once tariffs and subsidies have lowered trade, countries will negotiate trade agreements. This allows greater exports by reducing trade protectionism. The World Trade Organization (WTO) tried to negotiate an agreement between almost all the nations in the world. It almost succeeded, until the EU and the United States (US) refused to eliminate their farm subsidies. Now, most countries must rely on bilateral trade agreements or regional agreements. Countries will also try to lower the value of their currency. This increases exports by making their prices lower. They do this by lowering interest rates, printing more currency or buying up foreign currency to make its value higher. Countries that try to compete by devaluing their currencies are accused of being in currency wars. (Amadeo, 2018)

2.1.14 Advantages and challenges of exporting

Any company, before committing its resources to venture in the export business, must carefully assess the advantages and disadvantages of exporting into a new market. While some companies enter the export business unintentionally after receiving order to purchase from foreign buyer that found their product. Others make a deliberate move and conduct thorough research before entering new market. Whether it is unintentional or deliberate move companies need to evaluate and carefully assess the advantages and challenges of exporting before committing resources.

➤ Advantages of exporting

There are many advantages in exporting and some of them are :

- **Increased Sales and Profits:**

As we know that exporting means selling goods to foreign countries and if we can sell the goods to foreign countries then automatically there will be increase in sales and profit. Selling goods and services to a market the company never had before boost sales and increases revenues. Additional foreign sales over the long term, once export development costs have been covered, increase overall profitability.

- **Enhance Domestic Competitiveness:**

With the help of exporting, most companies become competitive in the domestic market before they venture in the international arena. Being competitive in the domestic market helps companies to acquire some strategies that can help them in the international arena.

- **Gain Global Market Shares:**

By exporting our goods to foreign countries, we can earn global market shares. By going international companies will participate in the global market and gain a piece of their share from the huge international marketplace.

- **Diversification:**

Diversification is the process of a company enlarging or varying its range of products or field of operation. Selling to multiple markets allows companies to diversify their business and spread their risk. Companies will not be tied to the changes of the business cycle of domestic market or of one specific country.

- **Lower Per Unit Costs:**

Capturing an additional foreign market will usually expand production to meet foreign demand. Increased production can often lower per unit costs and lead to greater use of existing capacities.

- **Compensate for Seasonal Demands:**

Companies whose products or services are only used at certain seasons domestically may be able to sell their products or services in foreign markets during different seasons.

- **Create Potential for Company Expansion:**

Exporting help the companies to expand their business to foreign countries. Companies who venture into the exporting business usually have to have a presence or representation in the foreign market. This might require additional personnel and thus lead to expansion.

- **Sell Excess Production Capacity:**

Exporting helps to sell unwanted production capacity to foreign market. Companies who have excess production for any reason can probably sell their products in a foreign market and not be forced to give deep discounts or even dispose of their excess production.

- **Gain New Knowledge and Experience:**

Companies can gain new knowledge and experience with the help of exporting. Going international can yield valuable ideas and information about new technologies, new marketing techniques and foreign competitors. The gains can help a companies domestic as well as foreign businesses.

- **Expand Life Cycle of Product:**

The product life cycle describes the period of time over which an item is developed, brought to market and eventually removed from the market. The cycle is broken into four stages: introduction, growth, maturity and decline. The idea of the product life cycle is used in marketing to decide when it is appropriate to advertise, reduce prices, explore new markets or create new packaging. Once the product reaches the final stage, maturity in a given market, the same product can be introduced in a different market where the product was never marketed before.

➤ **Exporting challenges**

There are many challenges in business while they export the goods to foreign countries and some of them are:

- **Extra Costs:**

Extra costs are come under exporting any product. Because it takes more time to develop extra markets, and the pay back periods are longer, the up-front costs for developing new promotional materials, allocating personnel to travel and other administrative costs associated to market the product can strain the meager financial resources of small size companies.

- **Product Modification:**

When exporting, companies may need to modify their products to meet foreign country safety and security codes, and other import restrictions. At a minimum, modification is often necessary to satisfy the importing country's labeling or packaging requirements.

- **Financial Risk:**

While exporting any products, there's comes financial risk. Collections of payments using the methods that are available (open-account, prepayment, consignment, documentary collection and letter of credit) are not only more time-consuming than for domestic sales, but also more complicated. Thus, companies must carefully weigh the financial risk involved in doing international transactions.

- **Export Licenses and Documentation:**

Exporting any product, export licenses and documentation are needed. Though the trend is toward less export licensing requirements, the fact that some companies have to obtain an export license to export their goods make them less competitive. In many instances, the documentation required to export is more involved than for domestic sales.

- **Market Information:**

When exporting any product, we should have knowledge about market information of foreign market. Finding information on foreign markets is unquestionably more difficult and time-consuming than finding information and analyzing domestic markets. In less developed countries, for example, reliable information on business practices, market characteristics, cultural barriers may be unavailable. Entering an export business requires careful planning, some capital, market know-how, access to quality product, competitive pricing strategy, management commitment and realizing the challenges and opportunities without them it is almost impossible to succeed in the export business. While there are no hard-and-fast rules that can help companies make decision to export and to become successful, understanding the advantages and disadvantages of exporting can help smooth entry into new markets, keep pace with competition and eventually realize profit. (Tekle, 2015)

2.2 Review of Previous Studies

2.2.1 Review of Journal / Articles

Sthapit and Bajracharya (2009) depicted a journal in the management of the sales promotion in Nepal: A Perspective on Construction-Material Market. In view of the rising market for construction materials fuelled by spiral growth of urbanization and resumption of infrastructure development works in the country; it is desirable to inquire into sales promotion strategies of the firms involved in manufacturing and marketing construction materials in general and reinforcement bars in particular. By researching into 232 buyers comprising construction contractors and individual builders, and another 150 retailers and dealers for two years (2006-2008), the study has sought to investigate into the current state of sales promotion programmes (SPPs) of construction material industries, which cater to the needs of a 30-billion rupees business of construction sector. The study has inferred that there is a noticeable influence of general SPPs, more specifically of money-based tools (cash rebates, discounts and cash coupons), on sales of reinforcement bars in the capital Valley's thriving market. The findings could prove instrumental to managers in formulating effective promotion strategies.

Amusat (2013) depicted a journal on sales promotion as an antecedent of sales volume. This research paper investigates the effect of sales promotion dimensions on sales volume with a special reference to the selected manufacturing industry in Ibadan, south western Nigeria. Structure questionnaire was used to collect data from eighty (80) respondents through simple random sampling method. Regression analysis was used to analyze the data with the aid of statistical package for social science (SPSS) version 20. Result shown that sales promotion dimensions such as bonus, coupons, free samples, price promotion and premiums were joint predictors of sales volume ($F(5, 74) = 2.261$; $R^2 = 0.13$; $P < 0.05$). The predictor variables jointly explained 13% of the variance of sales volume, while the remaining 87% could be due to the effect of extraneous variables such as advertising, publicity, pricing, brand name, product quality etc. It was concluded that management of Nigerian manufacturing industry should increase budget on sales promotion dimensions and also set up more and effective sales promotion department with experience staff.

This research work examined the effect of sales promotion dimensions on sales volume. The result shows that all sales promotion dimensions are independently and jointly predict sales volume. This implies that coupon, premiums, bonus, free samples and price promotion have significant effect on sales volume. On the basis of the findings of this study, it can be concluded that sales promotion dimensions have significant influence on sales volume.

The study found that bonus has strong influence on sales volume which means if manufacturing industry wants to achieve its stated objectives, they should take cognizant of bonus as well as other dimensions such as coupons, price promotion, free samples and premiums into consideration. Furthermore, management of Nigerian manufacturing industry should increase budget on sales promotion dimensions and also organization should set up more and effective sales promotion department with experience staff with the view of developing more promotional strategies in line with the company's objectives.

Oko and Nnanna (2014) depicted a journal on impact of packaging on sales volume. Good quality packaging is a contributory factor to sales volume enhancement. This is however a reverse in the rural areas of Nigeria with the South East geo-political zone as study area. Hence locally made products are higher demand even at better package offer of foreign products. The research is executed based on 25 rural communities of the five South Eastern states of Nigeria, to determine the reasons for poor demand for better packaged foreign products and data were analyzed using the Likert ranking scale and the 't' test statistics. These show that this reverse impact of packaging on sales volume is attributed to the high level of poverty in the rural area of Nigeria given low level of per capita income and high level of quantitative rather than qualitative education with attendant inability to read. Thus consumers are influenced by the affordability and availability of products in demand as such physical and aesthetic values as well as communication, functional and perceptual benefits and environmental, health and safety concerns of packaging are not much considered. This work recommends good consumer marketing research activities as aid to market segmentation and market offer positioning, based on the characteristics of Nigeria rural markets especially for the bridging of the gap in demand between made in Nigeria and foreign products; given the features and characteristics of package

(packaging), for the realization of expected return on investment based on target market satisfaction.

Olujobi (2016) depicted a journal on consumer personality and increase in sales volume. The concept of consumer personality is an important area of research for consideration because it brings to the fore, the thoughts and motives why customers make certain choice in their purchase decisions. Sales personnel have increasingly found it difficult to understand factors consumers put into consideration in their purchase decisions, hence, it is expedient to investigate this, because if salespeople are not able to connect with certain elite clientele due to personality conflicts, the resources invested in them will likely yield an undesirable return. Some studies found that consumer personality is an important factor to increase sales volume of firms. As a result of this, firms are able to attain set objectives in areas of profit maximization, employee welfare, social welfare of the community and efficiency in day to day operations. The main objective of this study is to find out how consumer personality result to increase in sales of blackberry brands in Nigeria. This study adopts a quantitative approach to data collection through a structured questionnaire design. The sample population used were 100 students randomly selected among the entire population in Covenant University. The data collected were subjected to the Statistical Product for Social Scientist (SPSS Version 16). Descriptive and Regression Analysis was carried out and Pearson's Product Correlation used to test the hypothesis. The result of the hypothesis shows that consumer personality is an attributing factor to increase in sales volume. This study finds that consumer personality has a positive impact on sales volume of blackberry brand. This study recommends that policy designers in the manufacturing and service sector could consider personality of consumers when determining their marketing mix elements.

The main objective of this study was to investigate the consumer personality as an attributing factor to increase in sales volume. The case study brand is the blackberry mobile phones which is widely perceived as a status symbol brand anywhere in the world. The study reported an increase growth of this brand across all strata of consumers. Another major findings reported in this study is that the personality of the consumer has a huge influence on the sales volume of the brand under investigation. And this increase is determined by the quality of the product, the price

affixed to a product, the sales promotion technique used or the promotion technique in general and the corporate brand. In addition, self-esteem of the consumer was also found to have an effect on their buying decision, hence, consumer motives, experience with the price, attitude towards a product could also influence the sales volume. The authors found that if a positive attitude is shown towards a product, the loyalty to that brand is increased and therefore increase in the purchase of the product will more likely occur. This study provides great potential for companies and consumers towards the adoption of a product. Consumer personality should be reviewed by the organisations in order to know or devise more ways by which they could reach out to the consumers. Since in the testing of variables the price suggests high quality which can create consumer loyalty, organisations should set their pricing objectives in consideration of the consumer's motive and personality. In production process of a brand, the manufacturing team should ensure that the quality of the product is high and meets the expectations of the consumer and this as an effect on the consumer attitude. The marketing department and the media sector of the company should set clear goals and plans on the branding of the product and the advertisement to be used to make the product known or introduced to the market. Organisations should develop customer service departments in order to be able to have easy access to the consumer so as to know what product matches their personality for increment in the sales volume.

Malek, Sarin and Jaworski (2018) depicted a journal on sales management control system: review, synthesis and directions for future exploration. Sales management control systems (SMCSs) are designed to align salespeople's activities and actions with organizational objectives. This article reviews and synthesizes over 50 SMCS articles published in sales, marketing, and management journals over the past 30 years. We begin by building a comprehensive framework that enables us to classify prior research into digestible categories (e.g., SMCSs as antecedents, SMCSs as consequences). Next, we present an analysis of gaps in the literature. Among other findings, our analysis reveals that there is an overwhelming focus on the use of formal (specifically behavior- and outcome-based) controls as compared to their informal control counterparts. Finally, we suggest avenues for future research: (1) mapping and understanding the full spectrum of control mechanisms, (2) developing a fuller understanding of the often-

overlooked forms of control (e.g., input and cultural controls), and (3) more thoroughly analyzing how controls operate (or do not operate) as an integrated system.

Gierl (2008) depicted an articles on scarcity effects on sales volume in retail. Prior research provides controversial findings as to whether products become more or less desirable when accompanied by product scarcity. As there are many options relevant for retailing to generate product scarcity, it seems beneficial to identify the conditions under which scarcity should be applied as an instrument for sales promotion. We differentiate our considerations by the type of scarcity, the product category and by the existence of other purchase arguments for the scarce product. The main result of our empirical investigations is that these three conditions are relevant factors which influence the direction of scarcity's effect on product desirability.

Abed (2013) depicted an articles on the effect of selling strategies on sales performances. The main purpose of this study is to investigate the effects of selling strategies on the sales performance of a company.

- Design/methodology/approach:

This paper briefly reviews selling strategies and the sales performance literature. It investigates how selling strategies impact sales performance in the literature and then presents statistical evidence via a case study.

- Findings:

The findings of this study clearly show that managers' perception of the adoption of strategies on the part of the selling firm is associated with the adoption of some specific classes of behaviors (i.e. customer-oriented selling, adaptive selling, relational strategy) which can contribute to the creation of strong and long-lasting positive relationships with customers.

- Research limitations/implications:

Based on the limitations of our study, future research could expand the generalizability of the model by conducting a much larger survey across a number of firms in different industries with a representation of different selling situations

- Practical implications:

The findings emphasize the role of developing effective selling strategies to improve sales performance. Thus, recognizing these factors and the rate of their influence will enable the top managers of companies to use effective and suitable strategies for preserving and retaining customers.

- Originality/value

This paper provides insights to different dimensions of selling strategies and the way they enhance sales performance. It further clarifies the relationship by statistical evidence with a case study.

Chinar (2015) has depicted an articles on Pashmina or Cashmere fibre. Cashmere is derived from the winter wool fur of a cashmere goat. Depending on the quality of the wool determines the quality of the cashmere which is reflected in the price of the article you purchase made from cashmere. Often a cashmere scarf that is a darker hue appears to be less soft than a lighter colored one. This is due in part to the dye used to color the cashmere. The darker coloring is harsher, therefore the softness diminishes with the darker color. Hence, the more it is washed the softer the article will feel. Cashmere should never be cleaned in a washing machine, although it does not require the expense of dry cleaning. You can hand wash any article of clothing that is made from cashmere. When drying the clothing you should roll it up in a towel and gently squeeze. Repeat several times with a dry towel until no water remains. Never hang cashmere until it is dry, as it will lose its shape. If your scarf needs to be pressed use a lighter cloth over top of your scarf for protected pressing. Suggestive storing would be to fold and place your cashmere scarf between soft tissue and add cedar chips for longer storage periods. Cashmere scarf compare to none other. If you own a cashmere scarf you have an investment. Proper care and storing of your scarf is important. Most people stay clear from purchasing cashmere because they have heard that it is hard to clean. Actually, cashmere is a very delicate wool and requires gentle handling but it cleans very easily. It goes without saying that we all need clothing, not just for looking good but for feeling warm and comfortable. Though most people tend to wear what they can afford, everyone allows themselves at least a few luxury items in their wardrobe. Whether it's a pair of designer shoes or a classically-cut suit, it always makes the wearer feel that little bit special. It's the softness of the fibres that gives Cashmere its distinctive feel. The

lightweight strands are easy to spin into thin or thick yarns, which adds to its versatility. Taking a little time to select the right scarf will ensure you locate the perfect one. The reward will be a warm and supremely soft garment that will last a lifetime. Cashmere scarves are beautiful, and extremely soft accessories that add a bit of color to any outfit. The warmth and style is absolutely gorgeous and makes any outfit complete. If you don't own a cashmere scarf get one. If you already own one wear it with the class and fashion it displays. Shopping on the Internet is so simple, and can be done from the comfort of one's own home. It's so easy to see the latest styles without having to barge through the crowds. Pictures of the garments, in each style and colour, can be viewed on the computer screen, making it easy to select the right item with confidence. The material, distinctively elegant, is also used to make jumpers and cardigans, and is mixed with other fabrics to make other items such as socks, tights and gloves. Cashmere is a beautiful and exceedingly versatile substance, and has been popular with people for centuries. It's the softness of the fibres that gives Cashmere its distinctive feel. The lightweight strands are easy to spin into thin or thick yarns, which adds to its versatility. Taking a little time to select the right scarves will ensure you locate the perfect one. The reward will be a warm and supremely soft garment that will last a lifetime.

Sherpa (2012) depicted an articles on weaving a brighter tomorrow. Pashmina has come a long way from being a simple hand woven fabric used for warmth by people living in high altitudes to one of the most fashionable apparels that has become an enduring trend internationally. Come winter and the best-dressed shoulders in the world are wearing Nepali pashmina. Nepal's rich geographical condition, with its Himalayan belt has resulted in the growth of the Nepalese pashmina industry, making it a vital part of the country's economy. With high potential for export to different regions in the world, the pashmina sector has grown at a remarkable pace, although in recent years there had been a huge decline in the export trend. In this context, we decided to meet the faces behind the scene. We were able to interview some of these workers who play a vital role in producing quality pashmina from the initial stage of weaving to finishing.

Over more than 15,000 people are directly employed in the pashmina industry in Nepal. Although the exact figure is not determinable, yet the majority of them are women. Most of these workers joined the industry when it was at its peak. "I had little education and no opportunity or

connection for other employment therefore I chose this field of work” says one of the workers at a factory. Familial issues also played a major role in having these people join this industry, such as death of the husband who was the sole bread earner in the family. Says Ishwari Lamichhane, “my husband, an exarmy man was working as a security guard for a reputed hotel. His untimely death had me join this industry”. Asked about how she came to know about the industry, she responds, “at that time I was working as a domestic helper at the factory owner’s house. I had to work harder to earn more to look after my children, who were very young then.” Another employee shared that she was told by her mother to join the industry, as her mother was already an employee and the option seemed best.

For most of these workers, working in this sector has been a great opportunity for them. In fact most of them have been working in the same factory for more than ten years. These years have seen them garner a lot of experience and knowledge of the industry. They are the important faces behind the scenes for producing some of the best pashmina products which ranges from a scarf, a wrap or stole to full sized shawl, cardigan sweaters, gloves and beanies. The most popular pashmina fabric is a 70% pashmina/30% silk blend, but 50/50 is also common. The 70/30 is tightly woven, has an elegant sheen and drapes nicely, but is still quite soft and lightweight. While these workers have their job description defined, yet each one of them has knowledge of the others’ work and they are adjustable to doing anything, ranging from making a cone to making a tuki to mending, washing, cleaning and finishing. Although they have not received any formal training yet, with the help and advice from their seniors, the newcomers have been able to learn on the job. They seem to be very comfortable in their workspace. “I have enjoyed my ten years of working in this factory. I wouldn’t want to leave because I am very comfortable here. I have made good friends through these years” says Prativa Shrestha, who apparently met her husband in the same factory. Twenty-six-yearold Maya Shrestha is proud of the fact that she is able to support her family with her income. “I have been able to look after my family’s needs and send my children to good schools. I have been appreciated by many and it makes me feel proud and makes me work harder” says Maya.

While working in the factory has been enjoyable for them, they do recall few instances that have been challenging to them. The years that led to the downfall of the pashmina industry due to imitated works, were difficult, especially with the continuous inflation. Also with the constant

load-shedding, the workers had to adjust as per the time schedule to meet the production demand, which meant they were working nights most of the times. However, although the workers have less knowledge about the registration of the trademark, yet they seem to be positive about the long term perspective. “Although I do not know in detail about the logo, yet it seems that it is good for the country, which means it is good for us,” opines Suden Maharjan. According to him, the registration of a trademark is a huge step for the pashmina industry as a whole.

Nielsen (2018) depicted an articles on the effect of sales promotion on sales volume. Sales promotions are marketing strategies companies use chiefly to increase sales temporarily to gain sales volume and market share. They are occasionally used to clear out year-end inventory before new models arrive in showrooms as is often done in the automobile industry. Sales promotions are also used as a competitive strategy to undercut competition by offering a lower price or other incentive. Although sales promotions usually produce sales volume over and above what is typically the case, they do not build brand identity and loyalty.

Types of Sales Promotions:

Many types of sales promotions can induce a consumer to buy your goods or services. A product sample delivered to the consumer's door is a good way to introduce a new product, but also one of the most expensive. Coupons offering a discount off the usual price, cash refunds or rebates redeemable after purchase, and prizes or sweepstakes are also ways of attracting consumer attention.

- Measuring Effect of Sales Promotion:

Measuring the effect of a sales promotion is relatively easy but requires careful analysis of sales data before and after the promotion. You will also need to keep track of what other marketing and communication efforts and dollars your firm is undertaking at the same time as the sales promotion. Because sales promotions deal in tangible things, such as redeemed coupons or cash refunds and rebates, you can count those and see how many sales were a result of those promotions. Next, compare those sales figures to those your company had before the promotion to see if the promotion resulted in increased sales. To understand the true effect of the promotion,

keep other media expenditures and types the same during the promotion as before. That way you are only measuring the effect of the sales promotion itself.

- Effectiveness Vs. Goals:

Deciding whether your promotional campaign was effective depends on what goals were established. This varies by the established strategy at the start of the campaign. For example, if the goal of the campaign was to garner an increase in market share of 2 percentage points and the campaign yielded 3, then the campaign was successful. But, this also has to be examined in light of cost. If the cost of the additional market share was well beyond the budget set aside for the promotional push, then the campaign's effectiveness is mixed.

- Short- Vs. Long-Term Impact:

Although an effective sales promotion will increase sales in the short-term, generally there no longer-term impact. For established brands, many customers will wait for the promotion to buy and to take advantage of the lower price. And, for many brands, most buyers were already familiar with the brand before the promotion. The promotion may have done little to attract new buyers or to encourage brand switching.

- Sales Promotions in Highly Competitive Markets:

Sales promotions have their place in marketing even though they tend to instill a higher degree of price sensitivity among consumers. For new product introductions in competitive markets where there is a need to familiarize a group of consumers with a new product, sales promotions are a highly effective tool. And, in established competitive markets where gains in market share count for the bragging rights the increased share might offer, sales promotions are also an effective method to increase sales volume.

Bass (2018) depicted an articles on the Marketing Relationship of Costs and Sales volumes as Profits. The marketing relationship of costs and sales volume as profits helps a business to examine selling prices, sales, production volumes, expenses, costs and profits. This analysis provides the business with useful information that the it can use for decision-making processes. Specifically regarding the pricing element in a marketing strategy, the business should look to find the right balance between costs, sales and profits.

- Pricing

When a business prices a product, it will need to incorporate how much the product costs to produce, the anticipated sales of the product and how much profit that business would like to make selling the product. Considering these factors allows the business to calculate a reasonable and realistic price for the product. Additionally, when considering the cost element of the pricing model, the business should always evaluate overhead costs. Overhead costs are a type of fixed cost and include costs such as rent of the warehouse space, the price of utilities and interest payments on loans.

- Sales Volume

The demand for a product will greatly influence the sales volume of the product. The basic pricing strategy for a product attempts to maximize sales volume and profit. This requires the business to find the right price that will allow the product to sell while allowing the business to adequately profit from the sale. Under a basic pricing strategy, if the sales volume of a product is too low, the business will generally lower the price point to increase sales. This will, however, also result in a reduced profit on the item for the business. In many cases, lowering the price of a product will result in a higher sales volume.

- Profits

When looking at the pricing element of the marketing strategy, the business should also carefully consider a realistic profit number that the business wants to make on the product. Generally, a higher profit point will mean a higher selling price for the product. However, by raising the selling price to increase profit, the business will generally adversely affect the demand for the product. On the other hand, lowering the price point of an item will generally lower the profit for the item but will increase the demand for the product.

- CVP-Model and Costs

The CVP-model is a mathematical model that allows a business to conduct a thorough cost-volume-profit analysis. Regarding costs, the CVP model helps the business to evaluate the

effects of cost on changes in volume. The purpose of this type of analysis is to evaluate the profits earned and the costs incurred. For example, if a business wants to buy new equipment to increase production levels, the new machine may increase the fixed costs. A business can use CVP analysis to calculate the reduction in variable costs necessary to maintain the same overall cost for a product.

Ashraf and Hafiz (2016) depicted on the journal on obstacles faced by craftsmen and traders in Pashmina sectors. The pashmina industry of Kashmir is a crucial economic contributor to the state and to the country as well. It is one of the largest economic activities providing direct employment to majority of artisans and traders. This sector also plays an important role in the development and welfare of artisans. The pashmina sector makes conspicuous contribution in sustaining export trade of the state. However, the industry has seen a decline during late 90's. The industry is facing lot of challenges due to intervention of modern machinery, lack of information regarding market trends and also due to increased competition from various countries. The industry requires feasible steps to be taken for the purpose of increasing the productivity, competitiveness and capacity of enterprises. This study seeks to identify the major obstacles faced by artisans and traders who are related with this trade. The study also focused on feasible steps to be taken for overall sustainable growth of the cluster.

2.2.2 Review of Thesis:

Berhe (2010) depicted on assessment of factors affecting sales volume has the following objectives:

- To describe the factors affecting sales of products of the company.
- To find out better ways of promoting sales of the company's product.
- To describe how the different factors affect sales volume of the company.
- To investigate the existing and the previous sales trend of the company.
- To examine the promotion tools employed by the company.

The major findings of this study are as follows:

- Sales promotion tool include people to play bowling game most. Due to cash price and price discount they are induce to play bowling game respectively.

- Price discount and cash price are two major sales promotion that attract the customers towards product and services.
- Advertising and sales promotion such as cash price and cash discount is mostly used by bowling center and cash price and cash discount type of promotional tool is most appreciated by Nepalese customers.
- Most of the customers have given first preference of the test of the product while the quality of the product is considered second important factors in case of soft drink.
- Most of the customers gives first priority to the previous sales trend of the product.

Abiodun (2011) depicted on the impact of advertising on sales volume of a product has the following objectives:

- To access the extent to which an advertising programme reflects on the sales volume of a product.
- To identify the major merits and demerits of advertising.
- To get to know the concepts of advertising and its various forms.

The major findings of this study are as follows:

- Advertising plays vital role in sales and also reflect the sales volume of the company.
- Advertising help to recall the brand or product name while buying.
- Advertising is important in business to increase sales volume of product.
- Most of the children and old people prefers musical advertisements where as other people prefer good wording advertising.
- Most of the people give first priority to advertisement so to increase sales volume of product, we need to give good advertisement through TV, Radio, Newspapers, etc.

Khan (2013) depicted on the role of sales promotion on sales volume in the context of Fast Moving Consuming Goods (FMCG) industry has the following objectives :

- To see the impact of bonus packs on the sales volume.
- To see the impact of premium on the sales volume.

The major finding of this study are as follows:

- To reward existing loyal customers.
- To off-load inventory at factory and distribution level (to attain push)
- Bonus pack schemes (Buy one get one free/more for the same price) is used to load the consumers so that they would not buy competitive brand at least for short period.
- To reward and retain existing loyal customers and to enhance brand image through interactions/associations.
- To act as a constant reminder of the brand.
- To encourage brand switching amongst deal prone consumers through innovative gifts.
- To induce trial of new products of the company by leveraging on the existing brand and its equity.

Sagal (2015) depicted on the impact of Advertisement on Sales has the following objectives are:

- To identify the extent of conflict on employees in selected telecom companies in Mogadishu-Somalia.
- To find level growth in terms of sales, market share, profits, quality products, sustained growth, consumer satisfaction, employee satisfaction and owner(s) satisfaction selected telecommunication companies in Mogadishu-Somalia.
- To determine a significant difference in the extent of conflict on employees and the level of firm growth of some selected telecommunication companies in Mogadishu-Somalia.

The major finding of this study are as follows:

- It affects the decisions of the consumers because it persuades and educates consumers' acceptability on the product offerings.
- It creates awareness for certain product and it must be paid for. Advertising informs and persuade people to buy the advertised goods or services. Advertising plays a vital role in consumers' purchasing decision.
- Advertising increases the sales volume of any product. It has contributed immensely to increasing growth of various industries.
- Increased business growth and increase in efficient, the absence of conflict helps the organization to take advantage of new and more efficient technologies and by training workers in how to use them through communication and cooperation.

- Improved in quality, organization need to communicate the meaning and importance of high quality and the routines to attaining it all members' subordinate need to communicate quality problems and suggestions for increasing quality to their superiors and members of self managed work teams need to share ideas for improving quality with each other, and this is possible only when people are open to each other, have good hearts to each and are not conflicting among themselves.

Mania (2015) depicted on the impact of market segmentation on the sales volume of a company's product or services has the following objectives are:

- Determine if segmenting the market of a product or service increases sales.
- Evaluate the elements necessary for effective segmentation to be effective.
- Know how to segment and select a potential segmented market that will increase sales of an organization

The major findings of this study are as follows:

- Organization need to get professional marketers that can enlighten and train their organization as a whole on marketing segmentation, and marketing strategies as a whole.
- Organizations need to determine who their target customers are, and make sure that the organizations resources are focused on the most viable and profitable of the target customers from that segment.
- Organizations need to understand that once these customer segments are consistently satisfied; then demand will increase, which intern means sales will increase therefore an increase in revenue of that organizations.

2.3 Research gap

The research gap is concerned with the finding out the differences in between the research conducted by the other researches and the present research conducted by me. In the process of conducting the research on the said topic have endeavored to fill up the gap. The present study focuses on the marketing strategies to be used in the sale of the Nepalese Pashmina in local market and in the global market.

CHAPTER 3

RESEARCH METHODOLOGY

Research means to search or study about a phenomenon. The word research is composed by 're' and 'search' where re means repeatedly or again and again, and search means to investigate or find. Thus, to search again and again is research. Generally, research is an effort to search new fact, knowledge, principle in scientific ways. Research is essentially a systematic inquiry seeking facts through objectives verifiable methods in order to discover the relationship among them and to deduce from them broad principles or laws. Research is a process of systemic and in depth study or search for any particular topics or subject or area of investigation on the basis of collection, presentation, analysis and interpretation of a relevant details or data. (Joshi 2010, p3-4)

Research methodology is a term that basically means the science of how research is done scientifically. It is a way to systematically and logically solve a problem, help us understand the process not just the product of research, and analyzes methods in addition to the information obtained by them. It is a science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. A key part of your dissertation or thesis is the methodology. This is not quite the same as 'methods'. The methodology describes the broad philosophical underpinning to our chosen research methods, including whether we are using qualitative or quantitative methods, or a mixture of both, and why. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

According to Red man and Mory : “A systematic effort to gain new knowledges.”

Advanced Learners Dictionary of current English : “A careful investigation or enquiry especially through reach for new facts in any branch of knowledge.”

This chapter deals about the research methodology by which collected data an analyzed to get the results. In this regards, this chapter is carried out to diagnose the management of sales volume of Nepalese Pashmina Products.

3.1 Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem, it constitutes the blueprint for the collection, measurement, and analysis of data. A research design is the set of methods and procedures used in collecting and analysing measures of the variables specified in the research problem. The design of a study defines the study type (descriptive, correlation, semi- experimental, experimental, review, meta-analytic) and sub-type (e.g., descriptive-longitudinal case study, research problem, Hypothesis, hypotheses independent and dependent variables, Design of experiments, experimental design, and, if applicable, data collection methods and a statistical analysis plan). Research design is the framework that has been created to find answers to research questions. The objective of this study is to examine the role of management of sales volume in Nepalese Pashmina Product under exporting. This is a quantitative research study and it is based on exploratory research design.

3.2 Nature and Source of Data

The sources of data may be classified into two types, they are primary data and secondary data. Primary data are the data which are originally collected by an investigation or an agent for the first time for their purpose of enquiry. Primary data can be collected by either through experiment or through survey where as secondary data are those data which are already collected by someone else or by some research organization or by some governmental or non-governmental organization for their specific purposes. Secondary data may be published or unpublished. Data were collected from only secondary sources. Secondary data are collected from Federation Handicraft Association of Nepal (FHAN) and collect from the published advertisement, general newspaper and through internet and websites.

3.3 Population and Sample

Under this study, population represent the total number of Pashmina Product users in different countries. Sample is the selection of certain number of respondents out of the population. The

population included in the sample were from nine countries. The countries covered in the study were USA, China, Germany, Japan, UK, Denmark, France, Canada and India.

3.4 Data Analysis Tools

Most of the data needed for the research have collected from secondary sources of data. From the association, newspaper, internet and websites are referred to obtain the related data. In order to accomplish the objectives of the study of various tools (percentage, diagram, and pie chart) have been applied for the purpose of analysis. The results of analysis has been properly tabulated, compared, analyzed and interpreted. The various tools are:

- **Percentage:**

Percentage is one of the most useful tool for the comparison of two quantities or variables. Simply, the word percentage means per hundred. In other words, the fraction which 100 as its denominator is known as percentage and the numerator of this fraction is known as rate of percentage. This tool also has been used here. In mathematics, a percentage is a number or ratio expressed as a fraction of 100. It is often denoted using the percent sign, "%". (Wikipedia)

- **Pie chart:**

Pie chart is a widely used aid that is generally used for diagrammatic presentation of the values differing widely in magnitude. In this method all the given data are converted into 360 degree as the angle of a circle is 360 degree and all component of the data are presented in terms of angles that total 360 degree for one set of data. A pie chart (or a circle chart) is a circular statistical graphic which is divided into slices to illustrate numerical proportion. In a pie chart, the arc length of each slice (and consequently its central angle and area), is proportional to the quantity it represents. (Wikipedia)

- **Bar diagram:**

Bar diagram is a method of presenting data in which frequencies are displayed along one axis and categories of the variable along the other, the frequencies being represented by the bar lengths. Bar diagram is also known as bar chart and bar graph. A bar diagram that

presents categorical data with rectangular bars with heights or lengths proportional to the values that they represent. The bar can be plotted vertically or horizontally. (Wikipedia)

CHAPTER 4

Presentation and Analysis of Data

Presentation and Analysis of Data is the main part of the study. The purpose of this chapter is to analyze and elucidate the collected data to achieve the objective of the study. In this part, the presentation and analysis of the export of Pashmina Products are done. The presentation and analysis of the data through help of the table, pie chart and bar diagram. The data from 2007-2008 to 2016-2017 are presented and analyzed. The data from past ten years are enough to show the export and sales volume of Pashmina Products of Nepal. The data contains the fiscal year information so it's easy to forecast the possible exports for coming year. The data and analysis are given below.

4.1 Tabulation and analysis of data

4.1.1 Countrywise Report of Sales Volume of Nepalese Pashmina Products.

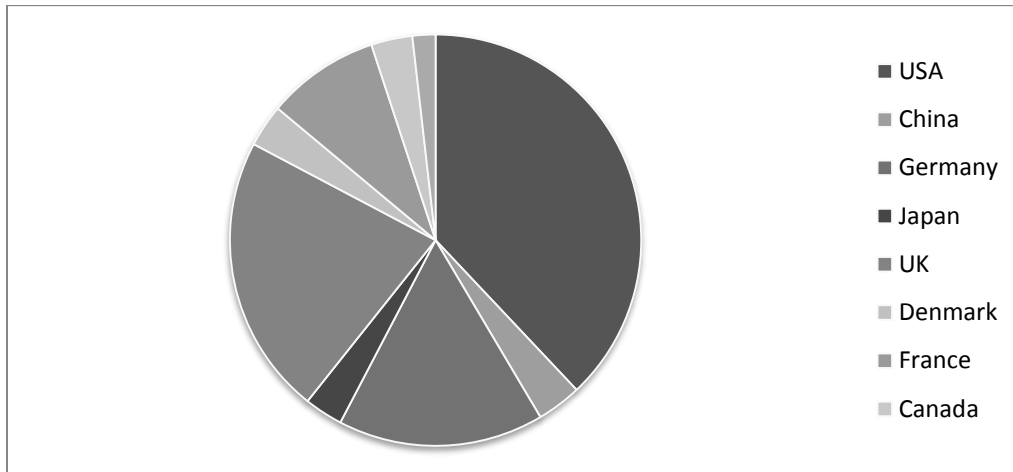
Table 4.1

Sales volume of Nepalese Pashmina Products

Countrywise Report	
Date from: 2016/07/16 To 2017/07/15	
<u>Countries</u>	<u>Amount in NRs.</u>
USA	39,812,441
China	3,682,894
Germany	16,959,510
Japan	3,178,790
UK	23,103,707
Denmark	3,497,406
France	9,309,457
Canada	3,400,680
India	1,894,491

Note: Appendices 5

Figure 4.1
Sales Volume of Nepalese Pashmina Products



According to above table and figure states about the sales volume of Nepalese Pashmina Products. Here, USA have more sales volume and India have less sales volume among nine countries. It shows the top nine importers of Nepalese Pashmina Products. USA have the first position with largest share and UK is leading second position. USA imports Rs.39,812,441 amount of Pashmina Products.

4.1.2 Total export of Pashmina Products comparing to previous year.

Table No. 4.2

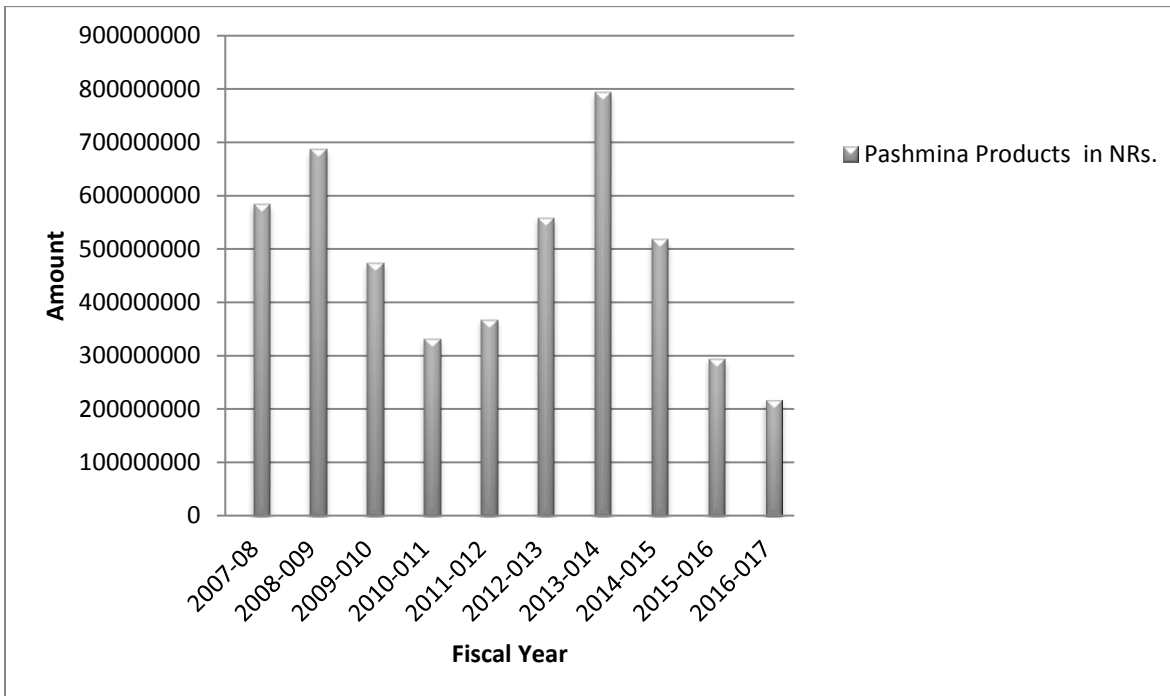
Total export of Pashmina Products

<u>Fiscal Year</u>	<u>Export amount in NRs.</u>
2007-08	584,265,083
2008-09	686,629,566
2009-010	473,602,373
2010-011	331,314,430
2011-012	367,387,649
2012-013	558,350,889
2013-014	793,632,764
2014-015	517,757,266
2015-016	294,290,534
2016-017	216,994,298

Note: Appendices 6

Figure 4.2

Total export of Pashmina Products



According to the above figure and diagram, total export of Pashmina Product comparing to previous year. We can clearly see that the export of Pashmina Products has increased in the fiscal year 2013-014 than that of the remaining nine years. The growth in the fiscal year 2013-014 shows the development of the Pashmina Products in Nepal. The decrement of the the export in the fiscal year 2016-017 shows the negative trend in the comparision to the fiscal year 2013-014.

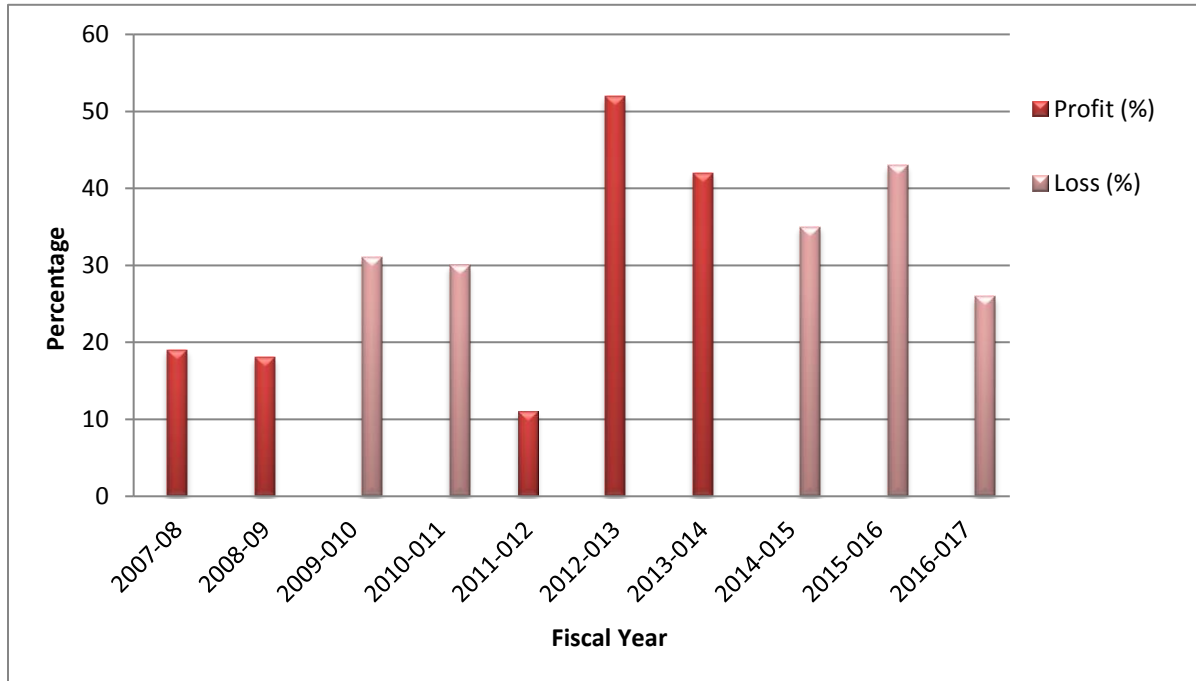
4.1.3 Fiscal yearwise Profit and loss percentage of Pashmina Products.

Table 4.3
Profit and loss percentage of Pashmina Products

<u>Fiscal Year</u>	<u>Profit (%)</u>	<u>Loss (%)</u>
2007-08	19	-
2008-09	18	-
2009-010	-	31
2010-011	-	30
2011-012	11	-
2012-013	52	-
2013-014	42	-
2014-015	-	35
2015-016	-	43
2016-017	-	26
Total	142	165

Note: Appendices 6

Figure 4.3
Profit and Loss percentage of Pashmina Products



According to above table and diagram, it shows the profit and loss percentage of Pashmina Products. The total profit is 142 percent and loss is 165 percent during fiscal year wise report in Pashmina Product. We can clearly see that the profit percent is more in the fiscal year 2012-013 and profit percent is less in the fiscal year 2011-012 likewise the loss percent is more in the fiscal year 2015-016 and loss percent is less in the fiscal year 2016-017.

4.2 Major Findings

- From the above table 4.1 shows that the sales volume of Nepalese Pashmina in Nepal. It is based on countrywise report date from (2016/07/16 to 2017/07/15). Here, USA have more sales volume and India have less sales volume among nine countries.
- USA imports Rs. 39,812,441 amount of Pashmina Product where as India imports Rs. 1,894,491 amount of Pashmina Products.

- The sales of Pashmina Product of Nepal in the neighbor country India and overseas country USA is remarkable. Although the Pashmina Products are exported in many countries.
- From the above table 4.2 shows that the total export of Pashmina Products comparing to previous year.
- Pashmina Product is a successful brand in Nepal as well as other countries. In the year 2012-013, 52 percent of Pashmina Products were exported and went to profit but slightly decreased in 42 percent in the fiscal year 2013-014 and it goes on decreasing in 35 percent loss due to natural calamities like earthquake.
- From the above table 4.3 shows that the total profit is 142 percentage and loss is 165 percentage during fiscal year wise report in Pashmina Product. We can clearly see that the profit percent is more in the fiscal year 2012-013 and profit percent is less in the fiscal year 2011-012 likewise the loss percent is more in the fiscal year 2015-016 and loss percent is less in the fiscal year 2016-017.
- The highest export of Pashmina Product was in the year 2070-071 which was Rs.793,632,764. It shows the increasing trend of Pashmina Product export.
- The market of Pashmina Product is becoming strong. It is successfully got the market inside and outside countries. But due to natural calamities like earthquake on 2072 it went on loss.
- The tourists are important for both local sales and export. The more tourists visited in Nepal, the more will be sales of Pashmina Product.
- All the different tourists of different countries should be encouraged to visit in Nepal.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

In this study an attempt is made to analyze the management of sales volume of Nepalese the history and background of the companies involving in the production and sales of Pashmina Product. Pashmina is the finest inner wool that grows as layer at the very bottom of thick and course fiber of Himalayan goat, locally known as chyangra (*Capra Hircus*), living above 2000 meter from the sea level. Each chyangra does produce 90 grams of pashmina once a year. It is extracted from its body either by combing or by cutting during January to February. Pashmina is one of the finest, softest, warmest and lightest wool found in nature. The production process of pashmina product generally includes weaving, dyeing, processing, fringing, tassels, embroidery, beadwork, printing etc. The number of international export markets of Nepali Pashmina products exceeds 40 out of which, USA, Italy, Canada, UK, France, Japan, Germany and India are the major ones.

In order to investigate and understand the research problem a literature review is considered from books, websites, thesis, articles and journals. This part of study contains the theoretical concepts of sales, sales management, sales volume, marketing mix, sales promotional tools and export. It states that sales promotional tools helps to increase the sales volume of the company. The main objectives of this is to examine sales promotional tools and investigates the existing and previous sales trend of the company. To find out these goals, secondary data are collected from association.

These data are analyzed by tabulated, pie chart and bar diagram form. It was found that the Pashmina Product is most popular among neighboring countries and overseas countries. With the help of tabulated and diagram, we come to know that overseas countries like USA have more sales volume than neighboring countries like India.

Finally, the study shows that the Pashmina Product is popular in many countries. One of the most effective factor contributing to its popularity is its most effective way of communication process which directly increased the sales volume.

5.2 Conclusion

Although Nepal is privileged with suitable geographical conditions and favorable environment for the farming of mountain goats and production of pashmina fiber, the use of pashmina in Nepal had been emerged century ago. Nepali Pashmina product is a kind of handicraft which can be regarded as a handmade high quality woolen product of multipurpose use. The production process of Pashmina Products generally includes weaving, dyeing, processing, fringing, tassels, embroidery, beadwork, printing etc. There is a good demand of various Pashmina-made readymade garments in the international market too. The price of Nepali Pashmina Products basically depends upon its quality, ordering size, colour, design and size. The number of international export markets of Nepali Pashmina Products exceeds 40 out of which, USA, Italy, Canada, UK, France, Japan, Germany and India are the major ones.

This study shows only the sales volume and export of the Pashmina Products. It also shows the sales volume of nine countries like USA, China, Germany, Japan, UK, Denmark, France, Canada and India. It is based on the exportable side of the Pashmina Products across the boundary only. It also investigate the existing and the previous sales trend of Pashmina Products. This study covers data of actual sales exported for ten years respectively.

The sales of Pashmina Product of Nepal in the neighbor country India and overseas country USA is remarkable. Although the Pashmina Product are exported in many countries. USA imports Rs. 39,812,441 amount of Pashmina Product where as India imports Rs. 1,894,491 amount of Pashmina Product. Pashmina Product is a successful brand in Nepal as well as other countries. In the year 2012-013, 52 percent of Pashmina Product were exported and went to profit but slightly decreased in 42 percent in the fiscal year 2013-014 and it goes on decreasing in 35 percent loss due to natural calamities like earthquake. The highest export of Pashmina Product was in the year 2013-014 which was Rs.793,632,764. It shows the increasing trend of Pashmina Product export.

There are few organizations, which are trying to promote the Pashmina Products export of Nepal to overseas countries. FHAN, TPC are the major organization among them. FHAN has so tried to promote Pashmina Products export by making different study on market potentially in some overseas countries. Publication of Pashmina Product magazines, trade directory, regular journals

and bulletins, collection of different trade information at hand for the interested, conducting workshop seminars, making arrangements trade fairs and exhibition are the major promotional activities conducted by FHAN.

5.3 Recommendations

Pashmina is the finest inner wool that grows as layer at the very bottom of thick and course fiber of Himalayan goat locally known as Chyangra. Pashmina Product has become the third largest overseas export item of the country after readymade garment and hand knotted woolen carpet. Nepal Pashmina Product is a kind of handicraft, which can be regarded as a handmade garment high quality woolen product of multipurpose use.

On the basis of findings of the present study the following recommendation are advised for the company:

- Export orders are to be completed in a specific period of time and the traders are looking to get orders of higher magnitude.
- The company should provide proper information to the distributors, wholesalers and retailers on how to handle the finished product before exporting the products. An attractive and effective packaging can be a very good way of gaining popularity and prestige.
- Nepal is a landlocked country, the choice of transit and means of transportation are limited. The government should come up with new arrangements to enhance the transportation and communication facilities.
- Pashmina Products should bring aggressive marketing scheme to increase the sales volume. So, Pashmina Products can increase the sales by providing various facilities and reducing the price as well.
- For getting successful market in the overseas countries, Pashmina Products should be attractive design and standard quality of the product should be maintained.

- Organized and attractive publicity and promotional measures of the pashmina product should be receive immediate attention in the foreign market and Pashmina Products market should be expanded in the other global markets. Product line expansion strategies should also be adopted to capture and control the market of Pashmina Products.

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Appendices 1



Appendices 2

100% Pashmina, Cashmere Pashmina, Silk Pashmina
Shawls, Stoles, Scarfs, Pullover, Clothing for Men & Women as well as kids



APPENDICES 3



APPENDICES 4

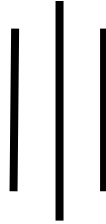


Nepalese Handicraft Zone



**MANAGEMENT OF SALES VOLUME OF NEPALESE PASHMINA
PRODUCTS**

PROPOSAL



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Submitted To

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INTRODUCTION

1.1 Background of the Study

Sales is activity related to selling or the amount of goods or services sold in a given time period. The seller or the provider of the goods or services completes a sale in response to an acquisition, appropriation, requisition or a direct interaction with the buyer at the point of sale. There is a passing of title (property or ownership) of the item, and the settlement of a price, in which agreement is reached on a price for which transfer of ownership of the item will occur. The seller, not the purchaser generally executes the sale and it may be completed prior to the obligation of payment. In the case of indirect interaction, a person who sells goods or service on behalf of the owner is known as a salesman or saleswoman or salesperson, but this often refers to someone selling goods in a store/shop, in which case other terms are also common, including salesclerk, shop assistant, and retail clerk. (Wikipedia)

The word 'Management' means organization and coordination of the activities of any business in order to achieve defined objectives. Management is often included as a factor of production along with machines, materials, and money.

According to the management guru Drucker (1909-2005), the basic task of management includes both marketing and innovation.

The quantity or number of goods or services sold in the normal operations of a company in a specified period of time is called sales volume. Low variance in sales volume defines the set target is met. Managing the sales volume is a tough task. A lot of practical knowledge is required to have an effective management of sales volume. Sales management is the process of developing a sales force, coordinating sales operations, and implementing sales techniques that allow a business to consistently hit, and even surpass, its sales targets. An effective marketing is needed to have an effective management of sales volume.

According to the American Marketing Association (AMA) marketing is the activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that

have value for customers, clients, partners, and society at large. In simple words, marketing can be described as one of the functional areas of a business, distinct from finance and operations. Marketing can also be thought of as one of the most important activities that, along with product design, manufacture and transportation logistics comprise a firm's value chain. An act of marketing is primarily related with creating value for customer and a return for the company in terms of cash. The main objectives of any marketing activities are to capture the attention of a target market, to facilitate the prospect's purchasing decision and to provide the customer with a specific, low-risk and easy-to-take action. The marketers always try to understand which factor motivates customers to buy more or pay more. The marketers should know why the customers might prefer the particular brands to those of competitor's brands.

Today, business is conducted in a dynamic environment where everything is changing and changing fast. A successful business is one which not only recognizes this fact and prepares to face the challenges posed by the change but influences the speed and direction of the change to make the conditions more conducive for its survival and growth.(Churchill,2003) stated that the highly dynamic and competitive environment of the 21st century demands a more responsive, flexible approach to sales management. Sales are becoming less hierarchical with fewer layers of management while more responsibility is being given to the sales person.

The major activities such as production, designing, packaging must be integrated with the rest of the firm's marketing and selling activities for the company to compete effectively (Churchill, 2003). The sales department of a company is responsible for the selling of products and its accompanying activities such as pricing, promotion, maintenance of customer satisfaction and related activities. If the performance of the sales department is not satisfactory to the expectation of customers, sales volume would decline. This reduction of sales would inevitably threaten the overall livelihood of the firm (Darsie, 2003). The sales (selling) concept holds that customers, if left alone, will not ordinarily buy enough of the organizations products. The organization must therefore undertake an aggressive selling and 4 promotion effort. This is to mean that under normal circumstance customers show inertia or resistance unless they are pushed to buy. So the company must use effective selling and promotion tools to stimulate more buying thereby increasing sales volume (Kotler, 1999). The ultimate goal of any business establishment is to

remain in business profitably through production and sale of products or services. Without optimal profit, a business firm cannot survive, let alone achieve a sustainable growth.

One of the core activities in a business company is the marketing and sales activity. The ultimate success or failure of a company depends on its ability to sell what it produces and continues the production-sales cycle for relatively a longer period of time (Getinet, 2007).

As we know that every company or firm's main aim is to sale the product which they have made. The product may be sale inside the country or outside the country. The company or firm's main motto is to earn a profit but there are some companies which main motto is to introduce their country product to other country or to introduce them in international arena . The sending of goods or services produced in one country to another country is known export. The seller of such goods and services is referred to as an exporter; the foreign buyer is referred to as an importer. *Export* of goods often requires involvement of customs authorities. An *export's* counterpart is an import. An export is a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. The sale of such goods adds to the producing nation's gross output. If used for trade, exports are exchanged for other products or services in other countries. (Wikipedia)

1.1.1 Historical background of FHAN

Federation of Handicraft Associations of Nepal (FHAN) was established in 1972 to enhance and promote handicraft trade and industry. Originally, its name was Handicraft Association of Nepal (HAN). It is registered under Institution Registration Act of Nepal. It is a service oriented non-profit organization of private sector business and artisan community. It helps its members to improve their productivity, explore markets and introduce them to the international arena. It also works as liaison between its members and the Government and Non-Government Organizations.

The main aims and objectives of Federation of Handicraft Associations of Nepal are:

- To work towards steady growth of handicraft trade and industry.
- To encourage Nepalese artisans to adopt handicraft production as their profession by preserving Nepalese cultural heritage and to popularize it in the World.
- To strive towards enhancing the quality of handicraft goods & its productivity.

- To provide pragmatic suggestions and advice to His Majesty's Government and its related agencies to formulate policy/programs for the betterment of handicraft trade & industry.
- To popularize & promote handicraft products.

There are many textile products and many non- textile products in Federation of Handicraft Associations of Nepal. In textile products, there are Pashmina products, Wollen goods, Felt products, Silk products, Cotton goods, Hemp goods, Allo goods, Dhaka products and Miscellaneous textile products where as In non textile products, there are Silver jewellerys, Metal crafts, Handme paper products, Wood crafts, Glass products, Leather goods, Incense, Paubha (Thanka), Bone and horn products, Ceramics products, Beads items, Bamboo products and Miscellaneous goods. They exports to many countries such as USA, China, Germany, Japan, UK, Denmark, France, Canada and India.

1.1.2 Nepalese Pashmina Products

Pashmina is the softest, exotically delicate, weightless and the finest natural insulating fiber of the world. It is extracted from the inner coats of the hardy little mountain goats(*capra hircus*) locally called "Chyangra", which live at the altitude above 3000 meters in the Himalayas. Such wonderful and gossamer properties of "Pashmina" has popularized it as the "Diamond Fibre".The outer layer fibres of "Chyangra" are discarded as they are comparatively thicker & coarser. Thus only the inner layer fibres measuring under 16.5 microns are specified for use as "Pashmina". These extraordinary qualities of Pashmina fibres have encouraged weavers to produce various types of wraps of warmness. The fur combing process is performed every spring without harming the goats. Pashmina fibres thus obtained are spun into thin yarn which is woven to make different types of pashmina products likes blankets, shawls, stoles, scraves as well as pullovers, cardigans, etc. This exquisite craftsmanship of Nepalese weavers has established "Nepalese Pashmina" worldwide as the most precious possession.

In ancient times "Pashmina" was used in unblended form but later combinations with silk, cotton, etc, came in practice. In due course of time and after long years of experience and experiments, Pashmina yarn and silk yarn were combined to get better fibre- strength, durability,

colour-pleasantness and finish which has now become most popular all over world and recognized as “Nepalese Pashmina”. The origin of Pashmina dates back to ancient civilization. Those days it was renowned as the “Fibre for royals & emperors.” In Nepal also it has been traced back to the prehistoric times (or the time of mahabharat). People living in the high Mountains discovered the unique and wonderful properties of “Pashmina”.

They developed a very delicate and skillful pashmina extraction method where the goats are not harmed and more fibres can be collected regularly every spring from the same goat for many years. They also learned to spun the fibres into fine yarn and then weaver it to get an extraordinary soft and warm fabric. This exquisite art of weaving was passed on from one generation to another and to the present times as well. The popularity of Pashmina encouraged entrepreneurs for product diversification and as such various kinds of pashmina products like shawls, stoles, blankets, scarves, sweaters, cardigans etc. are developed and marketed. Nepal is famous for hand woven Pashmina products all over the world. Nepalese Pashmina is exported in many countries such as USA, China, Germany, Japan, UK, Denmark, France, Canada and India.

1.2 Statement of the Problem

For all business organizations, profit is a determinant factor for their existence in the ever changing business environment. The primary objective of a business undertaking is to earn profit. A business organization needs profit not only for its existence but also for expansion and diversification. Keeping other things constant, the profitability of an organization depends on its sales volume. Pashmina Products being one of the most exportable products in Nepal. Nepal is leading in hand woven Pashmina Products all over the world. The study tries find the methods used by the company in effective management of sales volume and its productivity.

1.3 Objectives of the study

The main objective of this study is to examine the status of Sales Volume of Nepalese Pashmina Product.

The specific objectives are as follows:

- To assess the sales volume of the Pashmina Products export.
- To investigate the existing and the previous sales trends of Pashmina Products.

1.4 Literature Review:

Abiodun (2011) depicted an article on the impact of advertising on sales volume on a product". The major aim of this thesis was to demonstrate the impact of advertising on the sales and profit of a business organization taking Starcomms Plc as a case. Longe (2001) defined advertising as any personal paid form of non-personal communication which is directed to the consumers or target audiences through various media in order to present and promote a product, services and idea. Good advertising requires competent personnel including a number of specialists to enable it thrive in the ever dynamic and competitive business environment. The major findings were as follows:

- The role of advertising on the sales volume of a product is very important because oftentimes consumers' decisions as regards what to buy is motivated by what has been seen heard of or practically used.
- Advertising helps in that it carries the message far and wide to a scattered target audience that the advertiser or producer could not have reach it at once so easily.
- It was gathered from the responses of the respondents who filled the questionnaire that the organization is unrelenting in its efforts to ensure effective advertising programmes for their various services and products. In the mind of the consumers the company was also using advertising strategies suitable for the company as well as the market in which it exists.
- More so, the findings reveal that the advertising position of a product or service is strong in the mind of the consumer in order to encourage repeated purchase of the product, so that the competitors will not have an edge over them. This also creates brand loyalty and product differentiation.
- According to various sources, the past experience and state of mind of the person subjected to advertising may determine the impact that advertising has on him/her.
- In an effort to improve messaging and to gain the audience's attention, advertisers create branding and moments that will resonate with target markets and motivate the audience to purchase the advertised product and services.

Mania (2015) depicted an article on the impact of Market Segmentation on the Sales Volume of Company's Product and Services."The study investigated the impact of market on the sales

volume of a company products or services. Market Segmentation is essential and necessary for any organization trying to survive in the global market. Consumer demands are diverse and all demands have to be met as effectively as possible.

Therefore organizations that sell a product or service has to know who their various target markets and segment their product in a way that suits each segment identified. This study looks at the segmentation process and how segmentation can be effectively utilized to improve the sales volume of an organizations goods or services. Both primary and secondary sources of data collection were used and analyzed by trend analysis. The research revealed that once products or services were tailored to suit various types of consumer segments, then requirements will be met; thus satisfaction, therefore increasing the level of demand of that product or service.

The research concludes that effective consumer segmentation can increase the level of demand of a product or service, of an organization. It has also been recommended that profit making organization should always work around segmenting customers of their product or service if they want to increase sales in their organization. The major finding were as follows:

- Organization need to get professional marketers that can enlighten and train their organization as a whole on marketing segmentation, and marketing strategies as a whole.
- Secondly, organizations need to determine who their target customers are, and make sure that the organizations resources are focused on the most viable and profitable of the target customers from that segment.
- Finally organizations need to understand that once these customer segments are consistently satisfied; then demand will increase, which intern means sales will increase, therefore an increase in revenue of that organization.

Khan (2013) depicted an article on the role Of Sales Promotion On Sales Volume In The Context Of Fast Moving Consuming Goods (FMCG) Industry In Dera”. In this study we find out the role of sales promotion dimensions on sales volume in the context of Fast Moving Consuming Goods (FMCG) industry. Two numbers of research objectives are in that study and we have two numbers of hypotheses. Structure questionnaire is used to collect information from (120) respondents through simple random sampling method. Data is analyzed with the help of

SPSS. There are the two dimensions of sales promotion which are bonus pack and premium. Results show there is the Positive relationship between bonus pack and sales volume and also there is the Positive relationship between premium and sales volume.

This research shows the effect of sales promotion dimensions on sales volume. The result shows that all sales promotion dimensions are independently and jointly predict sales volume. This implies that premiums, bonus, have significant effect on sales volume. The study finds that bonus pack and premium have strong influence on sales volume which means if Fast Moving consuming Goods (FMCG) industry wants to achieve its objectives, they should take of bonus as well as other dimension premiums.

1.5 Significance of the Study

The fact that no studies have been conducted of the company regarding this issue particular issue makes worth conducting this study. The research outcome could be an important input to the company to make the necessary adjustments and improvements based on the recommendation of the study. The research could open the door for other researchers who want to study further on this area or other similar issues. Furthermore, the study can be used as a literature review.

Hence, this study aims to identify the factors that could affect the sales volume and will suggest suitable measures for improving the existing conditions of the company by answering the following research questions:

- What are the factors affecting sales volume of the company?
- How do these factors affect sales volume of the company?
- What does the past and current sales trend of the company seem?
- What promotion means are employed by the company?
- What must be done to increase or improve existing level of sales volume?

1.6 Limitation of the study

The major limitations of the study are as follows:

- The study is based on secondary data and it would be supposed by primary data.
- The study covers only export and sales volume of Pashmina Products.
- The study covers data of actual sales exported for ten years respectively.

- The research is focused on quantitative research and based on exploratory research design.
- The research is based on data of nine countries like USA, China, Germany, Japan, UK, Denmark, France, Canada and India.
- The study is based on the exportable side of the Pashmina Products across the boundary only.

1.7 Organization of the Study

Basically, this study has been divided into five chapters.

Chapter-1 Introduction

The first chapter includes background of the study, statement of the problem, objective of the study, literature review (in brief), significance of the study, limitation of the study, and organization of the study.

Chapter-2 Review of Literature

The second chapter is the review of literature which includes theoretical concepts of sales, sales management, sales volume, marketing mix, promotional tools, export and overview of the previous thesis, etc.

Chapter-3 Research Methodology

The third chapter is the research methodology which includes research methodology, research design, nature and source of data, population and sampling and methods of analysis.

Chapter-4 Presentation and Analysis of Data

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

Chapter-5 Summary, Conclusions & Recommendations

This chapter summarizes the whole spectrum of the study. It also offers conclusions and recommendations for the improvement for the future.

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