

**The Effect of Advertisement and Sales Promotion on Sales Revenue of
Telecommunication Industry-“Nepal Doorsanchar Company Limited
(Nepal Telecom)**

A Thesis

Submitted to

Central Department of Management Faculty
Tribhuvan University

By

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In the Partial Fulfillment of the Requirements for the Degree of Masters in Business
Studies (MBS)

Patan Multiple Campus

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RECOMMENDATION

This is to certify that the thesis

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Entitled

**The Effect of Advertisement and Sales Promotion on Sales Revenue of
Telecommunication Industry-“Nepal Doorsanchar Company Limited
(Nepal Telecom)**

Has been prepared as approved by this campus in the prescribed format of the faculty of management. This thesis is forwarded for examination.

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VIVA-VOCE SHEET

We have conducted the VIVA – VOCE SHEET examination of the thesis

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(Nepal Telecom)**

And found the thesis to be original work of the student and written according to the prescribed format. We recommended the thesis to be accepted as partial fulfillment of the requirement for the degree of

Master of Business Studies (M.B.S)

VIVA – VOCE Committee

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DECLARATION

I hereby declare that this MBS thesis entitled “The Effect of Advertisement and Sales Promotion on Sales Revenue of Telecommunication Industry - Nepal Doorsanchar Company Limited (Nepal Telecom)” submitted to the Central Department of Management, Tribhuwan University is entirely my original work prepared under the guidance and supervision of Ms. Sapna Baidhya. I have made due acknowledgements to all ideas and information borrowed from different sources in course of preparing this thesis.

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ABBREVIATIONS

%	Percentage
ADSL	Asymmetric digital subscriber line (ADSL)
AMA	American Marketing Associations
ASA	Advertising Standard Authority's
B.S	Bikram Sambat
CAN	Computer Association of Nepal
FTTH	Fibre to the Home
FY	Fiscal Year
GPRS	General Packet Radio Service
GSM	Global System for Mobile communications
GT	Ghana Telecom
MPS	Market price per share
N	Number of observation
NDCL	Nepal Doorsanchar Company Limited
No.	Number
NT	Nepal Telecom
NTC	Nepal Telecommunication Corporations
PIN	Personal Identification number
POP	Point of Purchase
PSTN	Public Switched Telephone Network
SIM	Subscriber Identification Module
TU	Tribhuvan University
TV	Television
UTL	United Telecom Limited

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Globally, business environments always witness change in various forms with competition being a pivotal element in the change forces. From the 1850s, the focus on production business orientation changed to sales orientation in the early 1990s because of increasing competition and from that time, companies persuaded customers to purchase their products. By the 1950s, companies recognized that pushing products which they design for customers was not effective enough. Instead they develop products according to their customers' needs. Hence a new business orientation was built with the focus on the markets demands called marketing orientation. The advent of globalization has helped the telecommunication industry to gain more popularity while its service patronage is growing rapidly among citizens. This has prompted telecommunications marketers to develop new strategies aimed at increasing their customer's size. Mobile phones are a more promising and high growth area of telecommunication, with more than 1.7 billion global subscribers and about 80% of the world's population covered by mobile networks. Mobile phones are becoming so popular that people are leaving landlines to rely completely on mobile phones primarily because of mobility, safety, price and privacy.

Furthermore, one of its benefits is international Roaming service capability, which gives consumers the ability to use the same mobile number to carry with them abroad with active service and can contact their family members from abroad foreign land and also provides the facility to call many countries anytime anywhere. At present Customers gain advanced technological knowledge. The usage of mobile phone has now extended from voice communication to the internet; on the other hand, phones serve as personal organizers, with built-in cameras, camcorders, games, music playback radio, push-to-talk, infrared and Bluetooth connectivity, and ability to watch video and TV services. Although it could be indicated that mobile phone devices can now provide users with many facilities to ensure customer enjoyment, satisfaction and loyalty.

The objectives of service companies that offer communication services are to develop services to satisfy the customer. In due time, satisfied customers will be those that will be loyal and help the company to sustain business. It should be observed that retention of existing customers is much cheaper than acquiring a new customer; therefore, companies including communications companies are putting much more emphasis on promotions as a marketing management tool to manage customer relationships and to increase customer satisfaction and loyalty.

At present due to environmental dynamism and competitiveness, the struggle for survival and success in the business has become more difficult and challenging. The growth trend and nature of the service industry with the competitive environment brought several and special problems for service marketing. Since service encounters are complex and multiple factors affect interactions, organizations have to adopt a holistic marketing approach to deal with those problems. In line with the above identified peculiar problems with the service industry, this study seeks to assess the effectiveness of promotion, especially advertising and sales promotion, to enhance the sales performance of the telecommunication Industry, mainly Nepal Doorsanchar Company Limited.

1.1.1 Brief Introduction of Nepal Doorsanchar Company Limited (NDCL)

History of Telecommunication in Nepal dates back to 1913 when the first telephone line was introduced in Kathmandu with an open-wire trunk between Kathmandu and Raxaul (Indian border town) in 1914. Evolving from such primitive practice to the present day telecom scenario, Nepal has become a progressive and competitive Telecom market.

The company's history dates back to when the first telecom service started in 1973 B.S and Mohan Akashwani established in 2005 B.S. Then the Telecommunication Department established as a Nation Five year plan was converted into a Telecommunication Development board for the modernization and expansion. Later they changed the same as a Nepal Telecommunication Corporation (NTC) in 2032 B.S. Lastly; the corporation was changed to a company called Nepal Doorsanchar Company Ltd. (NDCL) or Nepal Telecom (NT), under the Company Act 2063 and Communication Act 2053 in the 01 Baisakh 2061 B.S. However, the company is known to the general public by the brand name Nepal Telecom "NT" as its registered

trademark. However the company is known to the general public by the Brand name Nepal Telecom (NT) as a registered trademark. Converting Nepal Telecommunication Corporations (NTC) from government owned Monopoly Company to private owned, business oriented, customer focused company in a competitive environment, invites all the shareholders in the sacred work of nation building.

The government owns a 91.5% stake in the company while others are with the public and its employees. Although the Government has decided to sell some stake (~30%) of the company to a Telecom giant as a strategic partner, significant results or development has not yet achieved till date.

NT has always put its endeavors in providing its valued customers a quality service since its inception. To achieve this goal, technologies best meeting the interest of its customers have always been selected. The nationwide reach of the organization, from urban areas to the economically nonviable most remote locations, is the result of all these efforts that makes this organization different from others.

Definitely NT's widespread reach will assist in the socio-economic development of the urban as well as rural areas, as telecommunications is one of the most important infrastructures required for development. Accordingly, in the era of globalization, it is felt that milestones and achievements of the past are not adequate enough to catch up with the global trend in the development of telecommunication sector and the growth of telecommunication services in the country will be guided by technology, declining equipment prices, market growth due to increase in standard of life and finally by healthy competition.

1.2 Statement of Problem

Many firms today operate and compete on a global scale, and various forces are at work to increase the competitiveness of other nations in high-tech sectors such as telecommunications. Although almost all telecommunications markets are now global, the degree of openness and true competitiveness varies. Competition is a critical factor in marketing management which includes all possible actual and potential rival offerings and substitutes that a buyer might consider. In the telecommunication industry of Nepal, competition is intense and several factors are forcing major changes. Mergers and consolidation have already completely altered the industry's landscape and cross-border ownership of telecom businesses is making this a

globalized industry. Deregulation and privatization will have a continual effect worldwide. Internet and wireless technologies are continuing to advance rapidly quickly changing customer preferences, disrupting traditional communication methods and forcing prices downward. The telecommunication industry encompasses many technology-related business sectors including: local and long distance telephone services, wireless communications, Internet, Fiber-optics, Satellite, Cable TV systems, etc. Cable companies are now aggressively offering internet service. Telecommunications service providers are now selling internet protocol services, competing directly against cable for consumers' entertainment rupees and making the relationship between the telecom and cable sectors more and more complex. Ingenuity, innovation, insight and a reasonable approach to spending and investment can help to move the industry ahead. To drive these, telecommunications service providers will need to employ cost-effective business intelligence (BI) solutions and design the appropriate promotion techniques; mainly sales promotion and advertising, to achieve their organizational objectives. NT for one has witnessed significant rise in competition in recent years due largely to the deregulation policy of the government and the advent of mobile telecommunication companies. Though NT has persistently used its promotional weapons for pushing its products and services and to accept the competition forwarded by its rivals, the effectiveness of such promotional tools is needed to be meticulously evaluated. Thus, for the study following research questions has been chosen:

- a. Do the employees of NT really think that the advertising and sales promotion campaigns of companies have optimally worked out?
- b. How far has been the advertisement and sales promotion successful in influencing the feelings of customers?
- c. What proportion of sales has been represented by advertising and sales promotion?

1.3 Objectives of Study

The main objective of the study is to measure the effectiveness of advertising and sales promotion in drawing the attention of customers towards NT. To achieve this objective, the other specific objective has been set out:

- a. To evaluate the effect of advertisement and sales promotion with the employees of NT.
- b. To measure the impact of advertisement and sales promotion on the customers.
- c. To determine percentage of sales budget allocated for advertisement and sales promotion by NT.

1.4 Significance of the Study

The subject matter of this study is related to measuring the effectiveness of advertising and sales promotion to increase the sales volume of products and services of NT. Thus the findings and conclusions drawn in the recommendations provided in this study will, definitely, be much beneficial to the decision makers of NT. Further, the study will be equally important to the rivals of the examined companies to determine the practices adopted by NT for the proximity to the customers. Not only the rival companies and the NT itself can be benefited from the study, but also the Nepal Communication Authority, monitoring and regulating body for Telecommunications Services, can also take the suggestions provided by this study for creating the policies that can serve the customers much efficiently. Finally, the study would be a landmark for novice researchers as well.

1.5 Limitations of the Study

The study has following major limitations:

- a. The primary data is mainly based on the opinions of the different parties and thus the interpretations and conclusions derived on the study totally rely on the mood and intellectuality of these people.
- b. The study only evaluates the two elements of the promotion; sales promotion and advertising, and thus leaves no enlightenment of the contribution of the other promotional elements in promoting the goods and services of NT.
- c. Thus, the conclusions and recommendations presented may be not applicable to the whole industry.
- d. The secondary data evaluates the twelve years performances only.

1.6 Organization of the Study

The whole study has been broadly classified in five major chapters:

First chapter forms the basis for the study. In other words, this chapter clarifies on the reason behind conducting this study, and the objectives to be met out. It consists of the background of the study, brief introduction of the chosen organization, statement of problem, objectives of the study, significance of the study and the limitation of the study. The second chapter presents the concept related to the subject matter. Under this chapter, the concepts of sales promotion and advertising have been mainly reviewed. Besides these, the revival of journals and the articles, and thesis related to the subject matter has been presented. And at last, the research gap has been traced out. Chapter third can be considered as the arsenal for the research. In other words, this chapter states what sorts of research tools are going to be employed. Also this chapter clarifies the research design, population and samples and sources of data. Under chapter fourth, it is considered as the main chapter of study, as the objectives set out in the first chapter are attained on this fourth chapter. Under this chapter the data obtained by the researcher through various sources are tabulated and interpreted. Finally at the end of this chapter, major findings have been drawn. The study ends in this chapter. The whole study is summarized and conclusion is drawn from the interpretation and the recommendation is provided for the enhancement of the performance in the organization.

CHAPTER II

LITERATURE REVIEW

2.1 Conceptual Review

Zallocco and Kincaid (2008) explained that promotion is the deliberate attempt on the part of the individual business or other institution to communicate the appropriate information in a manner persuasive enough to include the kind of acceptable response desired. Thus, promotion is communication by the firm to other various audiences with a view of forming them and influencing their attitude and behaviors towards the firm's product. When any company uses different advertising and communication channels in a coordinated way to run an effective marketing campaign, it is called to be a promotion mix. According to (Kotler & William, 2014), the mix consists of five major elements which are advertising, personal selling, sales promotion, publicity and public relation.

In general, the relative importance of advertising, personal selling, sales promotion, public relation and publicity in specific marketing programmers will vary with the nature of the product, the buying behavior of customers, the competitor practices in industry and the manner in which marketing managers choose to apply resources. Each type of promotional activity will attain maximum effectiveness, if only coordinated with others (Kotler, 2004).

Kotler and Armstrong (2010) explained that all functions in the satisfaction systems are equally important, if any one system is missing, the system breaks down. The same can be said about the ingredients in the promotional mix, those activities that go together to make the bundle of utility and promotion is an important element of the mix. According to Donnelly promotion makes the largest part of the marketing expenses. Most organizations regard promotion expenses as secret and therefore information about such expenditure are difficult to determine. Berkowitz (1982) estimated that promotion quota to be 25% of the total marketing costs of the firm.

A successful promotion is one where a company sells a lot of products to the customers, and a promotion for an established brand can be used to attract and retain new users to the brand. Promotion has become popular because it accounts for more than 65% of typical marketing budgets. However, promotion alone cannot increase

sales volume, some facilities such as provision of credit and others contribute to the increase of sales volume on pot of promotional activities.

Promotion Mix

A promotion mix is a set of different marketing approaches that marketers develop to optimize promotional efforts and reach a broader audience. The marketer's task is to find the right promotion mix for a particular brand. These coordinated campaigns are part of an effective integrated marketing communications plan. The five main methods of promotion within the mix are advertising, publicity, sales promotion, personal selling, and public relations. The most important factor in determining the optimal mix is identifying the target market. This can be determined through extensive market research. Once a company knows its target market, it can then research its use of various media outlets in order to come up with the best combination of marketing materials to reach the defined target. For example, if the target market is stay-at-home moms, an organization might find that television advertisements during certain daytime television shows are most effective for reaching them. If the target market is a young professional, the marketer might find that using billboards in a downtown commercial district and morning drive time radio advertisements are effective for getting the message to this target market.

The size of the promotional budget will greatly influence the chosen mix as well. Television advertising can be very costly and, therefore, may not be a feasible option for a company with a smaller marketing budget, at least not during prime viewing hours on major networks. Often the amount of money a firm spends on promotional activities will be affected by the product life cycle, general economic conditions, and the competition. The promotional mix may involve a company coordinating its loyalty program with advertising campaigns and a promotional deal. For example, an airline may send out a mailer to its frequent fliers advertising 5,000 free bonus miles for booking a ticket in the next month. In this instance, the airline is coordinating a direct mailing with loyalty program membership and a promotional campaign.

2.1.1 Elements of the promotion mix (Activities)

Kotler and William, (2014), elaborates the mix consists of five major elements which are advertising, personal selling, sales promotion, publicity and public relation.

Advertising

The advertising is any paid form of non-personal presentation and promotion of goods and services by the identified sponsor in the exchange of a fee. Through advertising, the marketer tries to build a pull strategy; wherein the customer is instigated to try the product at least once. The complete information along with the attractive graphics of the product or service can be shown to the customers that grab their attention and influences the purchase decision.

Generally, companies advertise through different forms of media such as television, radio, newspapers, magazines, and billboards. A company uses advertising to inform, persuade, or remind its target market of its products or services. Comparative products, for example, McDonald's and Burger King used to run comparative advertising, comparing their cooking methods for hamburgers. The "Pepsi Challenge" campaign was another form of comparative advertising in which consumers were asked to take blind taste tests to see if they could tell the difference between the products. Reminder advertising is used once a product has matured in the marketplace- that is, once a product has been around for a while. Credit card companies use a lot of reminder advertising, such as American Express "Don't leave home without it" or Visa "It's everywhere you want to be" campaigns. Coca-Cola uses reminder ads to show how refreshing the beverage can be on a hot day, and Budweiser wants to remain the consumer to "Make it a Bud night." Some ads use nostalgia to remind us of how much as children we enjoyed a product such as Oreo cookies. Institutional advertising promotes the company, organization, government agency, or a concept or philosophy, but not a specific product. For example, ads for BASF, one of the world's largest manufacturers of chemicals and chemical-related products, states, "We don't make a lot of the products you buy. We make a lot of the products you buy better." Industry advertising promotes a whole industry and not just one company or product. The most popular example of this is the "Goat milk?" Ad campaigns sponsored by the California Milk Processing Board.

Theories of advertising

Broadly, advertising is categorized into two; corporate and comparative advertising. Comparative advertising is a marketing strategy in which a company's product or service is presented as superior when compared to a competitor's. A comparative advertising campaign may involve printing a side-by-side comparison of the features

of a company's products next to those of its competitor. However, Corporate Advertising is defined as going beyond relations and product or brand advertising and creating a lasting and favorable impression of a company and establishing corporate dignity. Gambetta (1982) discussed three major areas where corporate advertising is used and they are:

- a. Issue advertising: Companies conduct this and in response to what they consider to be threatening legislative or social activity.
- b. Financial relation advertising: this can stimulate the interest of potential buyers.
- c. Image building: This is due to establish an identity or get some erroneous view about the firms. Large corporations use it to simplify and clarify public image. Comparative advertising on the other hand is the way advertising of the company's product in relation to its competitors. (Buchanan & Goldman, 1985) said that comparative advertising is hard, bitter, attention to rubbing a way of saying "we are better than the competitors". However, this advertising can lead a firm to a legal suit, where rivals can sue it claiming it distorted the facts or even invented them.

Roles and functions of advertising

Kotler (2004), describes the role of advertising in the marketing world is growing and it is simplifying informing, persuading and reminding consumers about product attributes. While, according to William & Ferrell, advertising is to communicate with individuals, groups or organizations to directly or indirectly facilitate exchange by informing and persuading one or more of the audiences to accept an organization product. Advertising is used to effectively create a unique salient product identity by adding emotional value to it, thus discriminating it from competition. Kotler, (2004) grouped advertising into several categories and he identified six functions of advertising namely;

- Awareness
- Comprehensive building
- Head generations
- Legitimizations
- Reassurance

All these are aimed at accelerating the process of communications to create demand by building up repeat sales and improving the market share. Hence it would be guided by the marketing concepts; advertising will have the central role of satisfying the customers.

Objectives of Advertising

The long term objectives of advertising are broad and general, and concern the contribution advertising should make to the achievement of overall company objectives. Most companies regard advertising's main objective as that of providing support to personal selling and other forms of promotion. But advertising is a highly versatile communications tool and may therefore be used for achieving various short and long term objectives. However, the major objective of advertising is "to increase sales" and should be backed by a reference point of say by 5%. It should contain a benchmark giving the current condition of the firm together with major sponsor's goals. However, the advertising objectives are stated in terms of either sales or communication.

Some of the basic objectives of advertising are:

- Preparing Ground for New Product
- Creation of Demand
- Facing the Competition
- Creating or Enhancing Goodwill
- Informing the Changes to the Customers
- Neutralizing Competitor's Advertising
- Barring New Entrants

Advantages of advertising

1. Advertising and Manufacturers

- Increased Sales
- Steady Demand
- Quick Turnover and Smaller Inventories
- Lower Costs v. Creation of Goodwill
- Controls Product Prices
- Greater Dealer Interest

2. Advertising and Consumers

- A Guiding Force in Making Purchase Decisions
- Improvement in Quality
- Elimination of Unnecessary Intermediaries
- Education of consumers
- Better quality goods at cheaper prices
- Consumers' surplus

Drawbacks of advertising

- a) Partial disclosure; that is stating what a product can do but not what it cannot do.
- b) Visual distortions; making the product look larger than it really is.
- c) Misleading comparisons; this involves making misleading comparisons like genuine antique reproduction.

Advertising Mediums

Marketers must be able to divide their budgets among the various advertising mediums in order to stretch them the farthest to reach the most customers.

Television

Television advertising is the leading medium for reaching audiences. Although a very expensive form of advertising, television ads reach the largest percentage of the population at once and can be very appealing due to their visual nature as well as their sound.

TV ads can be classified into national, local, and cable advertisements. The type of net work chosen will depend on which audience the marketer is trying to reach. The time an advertisement is shown is also an important decision that companies must make in order to reach the target audience. Budgetary constraints will also be a factor in choosing time slots for advertisements.

Print Advertisements

Advertising in newspapers and magazines is another way of reaching customers with a company's message. Print ads are effective because of their visual quality and can be run in many different types of publications. Marketers selling products or services to consumers may choose national newspapers such as the Kantipur. Businesses trying to sell products or services to other businesses will often advertise in trade

publications of the industries they are trying to reach. Companies may also target specialized publications; for example, a new computer product may be advertised in PC World or another specialty technology publication. Print ads have a longer life than electronic media ads and are good for telling a story about the value of a product or Service.

Radio

Radio is an effective medium for reaching target consumers. The average radio listener tunes in for three hours a day, and often on a regular basis. When using radio advertisements in your marketing mix, it is necessary to make sure that the company and product or service is clearly identified. As with television, it is also necessary to find the right station for advertising to the target consumer. If your service is a bar for college students, you may choose to advertise in the evenings on a college station or an alternative rock station; if your target audience is senior citizens, you may advertise on news stations or a talk show.

Internet

The Internet has become an important electronic medium, and its interactive quality is unique. It permits immediacy of purchase and a high level of convenience. It can be personalized and individualized. The Internet and the World Wide Web are becoming essential tools in an integrated marketing plan and effective tools in sustaining customer loyalty and satisfaction.

Direct Mail

Mailing advertisements or promotions directly to people's homes is another commonly used method of reaching consumers. Direct mail campaigns can be expensive, due to printing and postage costs, but these campaigns can be effective if the mailings reach the right consumers. Often companies will purchase lists of consumers or collect data themselves to build a mailing list. The people on these lists will then be sent targeted mailings.

Telemarketing

The utilization of telemarketing has been greatly affected in the United States by the recent implementation of the national "Do Not Call" registry, where millions of Americans signed up to have their telephone numbers removed from telemarketer lists. Internationally, however, regulation regarding telemarketing varies, and it may

still be a very effective method of reaching consumers. The downside of telemarketing is that most people do not like the invasiveness of being called at home, though unfortunately many mass marketers find the risk of offending non-receptive households is offset by the effective results and benefits from these marketing methods.

Outdoor and "Out of Home"

The majority of outdoor advertising dollars is spent on billboards. Billboards are a popular way of reaching commuters and consumers in a single geographic location. Other forms of outdoor advertising (known as "out of home") include sports stadium ads, bus shelter posters, or signage on buses and taxis.

Advertising Trends

A very popular way of getting a message across is using celebrity endorsements. Advertising companies are willing to pay top dollar in order to hire celebrities to represent their brands. For instance, the mega star, "Rajesh Hamal" playing ad for "Jagadamba Steel Rod" can be taken as a good example of celebrity advertisement. Of course, using a celebrity spokesperson can be a risk.

While choosing a celebrity to endorse products, it is important to find an appropriate match with the product or service. The relationship should be believable. It is also important that the celebrities endorsing the product be credible; they should either have expertise in the field or be trustworthy characters.

Sponsorships

Sponsorship is a medium that is a well-used form of promotion and advertising that allows the company to buy into a sporting event or activity. The amount of investment in a sponsorship can range from an athletic company supporting a sports team by providing them with brand-name uniforms in order to promote the brand to a company sponsoring a football game such as the Nepal Investment Friends Club.

Infomercials

Another trend in advertising is the infomercial. It is an extended television advertisement and usually runs at off-peak hours or on lower-budget television or cable networks. Infomercials are usually at least a half hour long. Some of the most popular items that are sold through infomercials are fitness videos, skin care products,

and kitchenware. Often they will feature celebrity endorsements and offer products that cannot be purchased in stores. Their low-budget appearance and late-night showing often characterize infomercials.

2.1.2 Personal selling

Personal selling is also known as face-to-face selling in which one person who is the salesman tries to convince the customer in buying a product. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale. Basically, it is informing customers and persuading them to purchase products through personal communication in an exchange situation. When compared to advertising, personal selling has three distinctive qualities.

- a) Personal confrontation: As it involves a direct relationship between two or more people. Each party is able to observe each other's needs and characteristics at close range and make immediate adjustments.
- b) Cultivation: Personal selling permits all kinds of relationships to deep personal friendship. Effective sales representatives will normally keep their customers' interest at least if they wish to cultivate long term relationships.
- c) Response: Kotler, (2004) observe that personal selling makes the buyer feel under obligation to buy, having listened to sales talk.

The buyer has a greater need to attend and respond, even if the response is a polite "NO" thank you.

When to Use Personal Selling

In general, if a product has a high unit value and requires a demonstration of its benefits, it is well suited for personal sales. For example, an encyclopedia is a high-priced item and most people do not feel they need one. After a demonstration, however, most people agree it would be a useful item to have. Therefore, encyclopedias are well suited to a promotion mix that emphasizes personal selling. Highly technical products, such as computers and copiers, are also primarily sold through personal sales methods. Products that involve a trade-in, like automobiles, are usually handled through personal selling to help facilitate the trade-in process. Finally, a company that cannot afford a mass-advertising campaign might consider personal selling as an alternative to advertising. Since sales force compensation is largely based

on actual sales, personal selling may require less money up front than other parts of the promotion mix.

Advantages of personal selling

- a) It is a two-way communication. So the selling agent can get instant feedback from the prospective buyer. If it is not according to plan he can even adjust his approach accordingly.
- b) Since it is an interactive form of selling, it helps build trust with the customer. When you are selling high-value products like cars, it is important that the customer trusts not only the product but the seller also. This is possible in personal selling.
- c) It also is a more persuasive form of marketing. Since the customer is face to face with the salesperson it is not easy to dismiss them. The customer at least makes an effort to listen.
- d) Finally, direct selling helps reach the audience that we cannot reach in any other form. There are sometimes customers that cannot be reached by any other method.

Drawbacks of personal selling

- a) It is a relatively expensive method of selling. High capital costs are required.
- b) Also, it is an extremely labor intensive method. A large sales force is required to carry out personal selling successfully.
- c) The training of the salesperson is also very time consuming and costly.
- d) And the method can only reach a limited number of people. Unlike TV or Radio ads it does not cover a huge demographic.

2.1.3 Sales Promotion

Sales promotion is a short-term marketing strategy designed to achieve a specific purpose. Sales promotion differs from advertising in that its intent is to create a sense of urgency to encourage immediate action as opposed to building sales or a brand over a long period of time. Sales promotion may take the form of a temporary price reduction or a campaign to introduce an item.

Sales promotion consists of many activities used to sell products. They are activities that give consumers a short-term incentive to make a purchase. Sales promotions are also activities that change the price and value relationship of a product as perceived by the target audience with the possible effect of generating immediate sales. It is possible that a sales promotion can also alter the long term value of the brand by making what might be a premium product more affordable. Sales promotions are generally time-bound programs that require participation on the part of the consumer through either immediate purchase or some other action. The fundamental goals of sales promotion are tactical, strategic, and ultimate. The tactical goals are to combat a competitor's increase in market share, to combat other competitors' promotional efforts, and to move brands that are either declining, overstocked, damaged, or not selling fast enough. The strategic goals are to motivate consumers to switch from arrival brand, to increase product consumption, to reinforce the marketing communications efforts for the brand, and to motivate brand loyalty.

Brussel (1991), sale promotion consists of those marketing activities other than advertising publicity and personal selling that stimulate customer purchasing, but for (William & Ferrell, 1987), sales promotion is an activity that act as a direct inducement, offering added value or incentive for a product to resellers, salesperson or customers. Frequently marketers use sale promotion to improve the effectiveness of other promotion mix ingredients, especially advertisement and personal selling. Sales promotion method falls into one of two groups depending on the intended audiences consumers. Sale promotion methods are directed towards customers.

Measuring of sales promotion

Asael, (1987), says that a company can use four methods to measure sales promotion effectiveness, these are:

- a. Sale data should be examined before, during and after promotion
- b. Consumer panel data would reveal the kind of people who responded to the promotion and what they did after the promotion.
- c. Consumer surveys can be conducted to learn how many recall the promotion, what they thought of it, how many took advantage of it.

- d. Experiments that vary such attribute as incentives values, duration and distribution media.

Advantages of sales promotion

- a. It stimulates in the consumers an attitude towards the product.
- b. It creates a better incentive in the consumers to make a purchase. It is a demand creator.
- c. It gives direct inducement to the consumers to take immediate action.
- d. It is flexible. It can be used at any stage of a new product introduction.
- e. Sales promotion leads to low unit-cost, due to large-scale production and large-scale selling.
- f. It is an effective supporter of sales. It helps the salesman and makes his effort more productive.
- g. The promotional tools are the most effective to be used in increasing the sales volume.

Limitations of sales promotion

- a. Short-term sales peak caused by sales promotions may be followed by a trough as the consumers go on using the stocks, over-purchased during the offer period
- b. Customers expect promotions all the time
- c. Moderately high probability of return of unsold stock from retailers and distributors at the end of promotion
- d. Ineffective promotion may cause the extra stock to stay too long on the shelves, so that they could be in poor condition at the time of purchase, leading to consumer dissatisfaction
- e. Bring about a competitive response leading to more promotional activity
- f. Wholesalers and retailers do not always deliver their promises when given incentives such as extra discounts
- g. Difficulty in exciting consumers with clichéd promotional offers

Sales Promotion Channels

When a brand wants to increase the sales of its products, it uses Sales promotion. The brand can increase the sales by attracting new customers to their products or by

retaining the old customers by various means. The company can also motivate the dealers and distributors of their channel to perform better for their brand, and to get their stock moving. Thus, there are different channels for sales promotions, which include consumer promotions and trade promotions.

Consumer Promotions

Any sales promotion activity that you do keeping the end consumer in mind is known as consumer sales promotions. Consumer promotions are geared toward getting consumers to try a company's products. Some examples of consumer promotion activities include coupons, rebates, sampling, sweepstakes, point-of-purchase displays, and special packs.

- **Coupons**

Quite commonly used to motivate people to purchase when they think the price is high or it can be an incentive to buy your product above the competitors. Whether we're cutting them from newspapers and magazines or getting them in the mail, coupons are a very popular form of sales promotion. They are very effective, especially in economic downturns, for luring people into restaurants or causing them to make repeat purchases of products. E-coupons are another popular form of sales promotion; they are extremely effective for luring in customers and are redeemed by 57 percent of the people who click on them. The most popular uses of e-coupons are for sales of groceries, books, and health and music products. The disadvantage of coupons is that they do not encourage brand loyalty; most consumers who use coupons regularly are willing to switch brands if there is a better discount available.

- **Rebates**

Rebates are partial refunds that are offered by the manufacturers. Often manufacturers will use mail-in rebates as incentives for purchasing. The consumer must purchase the product at full price and then fill out paperwork and mail in the receipt in order to receive some money back. Rebate programs allow marketers to promote a company's product at a reduced post rebate price, offering substantial savings to its customers, but also requiring that a set of conditions be met to qualify.

- **Sampling**

In order to attract customers companies will often send or hand out samples of products to the customers who may or may not have purchased the company's product. Beverage companies may target college students and hand out soft drinks on campuses, or a food company may set up a stand in a grocery store so that consumers can sample their new chips. You may even receive a trial bottle of shampoo in the mail. These are all examples of sampling, and the intention of these promotions is to introduce a new product or service to a consumer in order to generate brand loyalty. Sampling can be a costly method of attracting customers, and it often results in wasted distribution; however, it can be a very effective method for getting consumers to switch brands.

- **Sweepstakes and Contests**

There are different forms of contests which can be run to gather more customer information or to motivate the customer to try the product or to create awareness about the new retail place. Sweepstakes and contests are another strategy of sales promotion. Data will be collected from consumers, and they will be entered to win a prize. Companies can use the information that they collect from entrants in order to develop a mailing list for future promotional campaigns. Organizations must be sure to print all the guidelines for their sweepstakes or contests in order to avoid legal entanglements. Some of the guidelines companies should follow in order to put on a successful sweepstakes promotion include the following: clarify who is eligible; indicate states where the promotion is not valid; declare the termination date of the promotion; and clarify random drawing procedures. Companies should also detail the prizes, disclose the odds of winning, declare a deadline for entry, and reserve the right to use winners' names and photographs for publicity.

- **Point-of-Purchase Displays**

Point-of-purchase (POP) promotional materials are displays that are set up in stores in order to prominently display products. At a grocery store a POP is usually placed in the front of the store, at the end of an aisle, in the aisle, or on the shelf. POP displays are very successful due to the fact that many people make last-minute purchasing Decisions.

- **Bundling**

In order to promote a new product or to encourage consumers to try a complementary product, sometimes companies bundle products together such as a free small conditioner bundled with a shampoo purchase, or a free disposable razor with a shaving cream purchase. A company may also offer a bonus pack or a special pack with 20 percent more in order to encourage a customer to purchase a product.

- **Giveaways**

Another strategy used by companies is that of special promotional items to be given away. These may be hats or T-shirts advertising the company or brand. For example, many times credit card companies will offer T-shirts if you sign up for a new credit card, or a beer company may be giving away pint glasses to customers who purchase that brand of beer on certain nights. Alcoholic beverage companies often hire young men and women who will go to concerts, bars, and clubs and promote their products by giving away promotional items.

Trade Promotions

If the promotional activities are focused on Dealers, distributors or agents, then it is known as trade promotions. There is a lot of competition in any field. And in channel sales, to get the products moving and to motivate the dealer to perform better, trade discounts are given. A snack food manufacturer, for example, may offer a discounted price to a retailer who buys a large quantity of a product. These types of promotions are most successful when they offer financial incentives and serve to effectively reduce the cost of the product. Another form of trade promotion is paying for shelf space. On the shelf of the grocery store, product placement is very important. Items placed at eye level on higher shelves have proven to sell much better than products placed on lower shelves. Knowing this, manufacturers often pay a "slotting fee" in order to have their products prominently displayed on the desired shelf or in a preferred position within a retail store.

2.1.4 Publicity and public relations

Public relations (PR) help improve and promote an organization's image and products by putting a positive spin on news stories. Public relations materials include press releases, publicity, product placement, and sponsorships.

Publicity and public relations are also presented as elements of a promotion mix by the researcher Kotler, & Louise (2006) stated that marketers tend to use public relations as an offer thought, yet a well thoroughly y public relations programmer coordinated with promotion elements can be extremely effective. The appeal of public relations may be based on three distinctions.

- a) High credibility: New stories and features seem more authentic and credible to readers than advertising do.
- b) Off-guard: Public relations can reach those prospects that can avoid sales persons and adverts.
- c) Dramatization: Public relations, like advertising has a potential for advertising a company's product.

Developing the appropriate promotional mix is one of the most daunting tasks confronting marketers. For instance, Kotler and Armstrong (2006), say that one of the hardest Marketing decisions facing a company is how much to spend on promotion. The following question provides some general guidelines for allocating promotional effort and expenditure among personal selling ,advertising, sale promotion and public relations advanced by Boone and Kurt's (1993).

- a) What is the value of your product?
- b) What is your target market?
- c) Should you spend your promotional budget on personal selling?
- d) What time frame of your work is involved?

The answers to the above questions are provided by use of appropriate strategies. For instance the push and pull strategy so as to increase the sales, Kotler, (2004).

Pull Vs Push strategy

A pull strategy involves marketing activities like primary advertising and consumer promotion directed to the users to induce them to request the product from intermediaries. On the other hand, a push strategy involves firms' activities like primary sales force and trade promotions directed at channels intermediaries to induce them carry the product and promote it to the end users.

The nature of promotional activities

Even in situations where there are products which may sell themselves, such as those that may be in short supply, a small budget promotion is still necessary. It is

necessary to inform the customers of the market situation on how best to make use of the united products, because later on when the shortages are over, the goodwill is necessary for the firm's survival. This is what has even compelled larger companies in Uganda like British American Tobacco to appreciate the reality of having active promotion campaigns in search of customers.

When it comes to high involvement products, where the consumers go through the intensive search for information and evaluation of alternatives, promotion carries heavy importance. By high involvement we mean those products where the buyer may have to think hard and sometimes consult others before he/she decides to buy or not to buy, Shift man and Kamuk (2011), such products like cars, computers and other electronic equipment are regarded as greater value products. In this therefore, Engel, Schewe & Smith, (1991), argue that promotion is the most effective way to sell the people in the market. Kotler, (2014) summarizes up the importance of promotion by saying that "the marketer's main question should not be whether or not to promote but whom and how often to promote".

2.2 Sales Volume

Sales volume is the number of units sold within a reporting period. Basically, it is the sum of a number of factors including gross sales returns and delayed billing. Sales volume is the core interest of every organization that is based on Sale and profit. When the volume goes up everything is manageable (margin, profit, numerical distribution). But when the volume goes down it is difficult to manage the business parameters. The sales do not go up or down without a force behind it. The company is managing and directing its sale volume through the portfolio and channel.

2.2.1 Measures of sale volume

An enhanced sales volume can be expected in business when effective control mechanism are in place for service firms because such firms will be able to minimize the cost of implementing and coordinating promotional activities and making necessary changes more effectively in the business, Kirca, (2010).

However, in review of practice in the Telecom industry, Haines, (2010) points out that companies are not carefully considering metrics that are best for establishing a foundation for sales success of the firm. Managers and executives, in this industry at least, need to ensure that sales activities and results are captured and measured to

align with company objectives and strategy. This may well be the case in a number of industries, where doing a good job with sales volume measurement is the exception rather than the rule. There is a significant body of sales research that measures sale volume in term of behaviors. This literature suggests that certain selling behaviors are effective and others are not for example, White, (2012) operationalizes effectiveness as the reward satisfaction outcomes that result from customer interactions with firm's sales. Some of more recent research trends have explored the adoption and use of technology in mediating sales volume efficiency. Morgan, Blackwell and Ainiard, (2008) found that post sale business services are a critical element in building a firm's brand name and equity. Since information, knowledge, strategies, tactics and organizational processes used in promotion are externally oriented; a final component is that selling also be externally oriented and sales volume be evaluated base on their contribution to the external perspective. In support of this notion, Haines (2015), found external measures (customer oriented) to be positively related to salesperson job satisfaction, while internal dimensions such as skills were not. One set of overall sales volume measures was provided in 1997, and includes market share, relative price, relative quality, customer preference, relative new product sales and response time to customer problems. Many of these measures can be used directly to assess Sale volume. Zallocco, Perrault and Kincard, (2018), they felt that a critical measure of sales volume is the quality of personal relationships salespersons develop with buyers, although they clearly noted challenges in this particular area.

2.2.2 Factors that affect sales volume

Organization job descriptions and specifications would be different depending on the orientation. Furthermore, customer-orientated selling requires better training, more sophisticated salespeople with the capacities of being flexible, being customer problem solvers, and having the financial and analytic tools to be truly externally focused. Brat, (2015) says, flexibility in decision making and implementing would positively affect the sales volume of the firm. But Jensen argued that decision making is major factor that affects firm's sales because all activities rotate around decision that management implements. The sales person's perceived interpersonal skills have a positive influence on volume. Johlke, (2016) in his study found that manager's and salespeople understand the overall purpose of sales volume outcomes are inconsistent. A summary of respondents overall attitudes towards sales volume

shows that sales managers are more concerned with the ability to measure sales volume precisely than sales persons. The sales volume is an integrative component of an organization's promotional activities. Sales volume measures should be consistent with organizational mission objectives, encouraging salesperson behaviors that support desired outcomes.

Management control and training are important potential contributors to a salesperson's long-term performance. By designing and implementing appropriate training programs, sales managers may increase the performance of their sales force, thus increasing sales volume. However, if management control and training is poor, sales force performance is also poor, which affects sales volume.

2.3 Relationship between promotion and sales volume

Theoretically, there should be a direct relationship between promotion and sales volume. Some studies have shown that this is not always true (Engle et al., 1991). A firm may increase promotional activities in anticipation of an increase in sales volume, market share, and profits, but customers may not want to buy for one reason or another, such as perception of the product, place, and price. Hence, promotional activities themselves are not good enough and successful (Weigand, 2010) and Kotler (2014). The cause could be that promotional activities form an important part of the marketing mix, though the other elements of the mix also communicate. The product communicates something to the customers for it to be bought; customers must see it as the right one to satisfy their needs and wants.

Promotion does not have the magic of selling a product that a customer may perceive to be wrong due to wrong pricing. The same goes for place; if a firm promotes a product very aggressively without making it accessible to the customers, it will be a wasted effort and money.

Therefore, for promotion to have a direct relationship with sales volume, the entire marketing mix must be seen by the customers as the right one (McCarthy and Jerome E., 2019). Thus, Kotler (2014) emphasized a strong relationship between promotional activities and sales volume. He observed that for there to be perfect performance of the product, then a combination of two or more promotional activities have to be performed and their performance should be done, putting into consideration the

marketing mix element so as to aid the consumer make a decision to buy or not to buy the product.

2.4 Relationship between Sales, Sales promotion and Advertisement

With companies investing millions of naira or dollars in marketing communication including advertising, it is but natural to examine its impact on the bottom line of the firm. With markets becoming powerful, practitioners and researchers have turned their attention towards examining the impact of communication activities like advertising on firm valuations. Moreover, interest is rising in quantifying the impact of marketing activities on firm's profitability and value providing the framework for linkages between marketing, finance and strategy. This study focuses on studying these relationships by seeking to measure the impact of advertisement spending by a firm on the firm's sales and profitability. In today's competitive era one is constantly bombarded with advertisements. Empirical studies show that advertisements have an influence on the purchase behavior of consumers. Consumers purchase decision is also influenced by the "value" they feel they would derive from purchasing that particular product or service. Consumers expect a return on investment (price Vis a Vis value). In other words, consumers expect value for each kobo they spend. At the other end of the spectrum the marketers expect a return on the investment they make on advertising. This is natural given the fact that promotion activities do cost the firms a lot. The return may be in the form of increased profitability and an increase in firm's turnover. Every year companies invest millions of naira or dollars in marketing communication. A bulk of this obviously goes into advertising expenditure. Naturally, marketers expect a return on investment (ROI) on this. Their expectation stems from the likely impact, marketing investments have on the market performance and thus the profitability of the firm. Raymond (1995) argues that the effectiveness of advertising conveys different meanings to different meanings to different groups. To a manager, it would obviously mean the impact the advertising strategy has on the firm's profitability. With marketing communication used for creating awareness and building a long lasting relationship, many studies have focused on copy and media effects and awareness building about the product. A metrics have been developed to assess and measure consumer awareness and loyalty. Besides many studies use the AIDA or its adaptations that has been around from the early 20th century. Few research studies concentrate on measuring the sales and profit effects Gottingen (2013), Montreal

(2014); Nail et al (2010). A cursory glance at this suggests that these effects have been studied on the US consumers and markets. It therefore is imperative to study the impact of spending on advertisements on the sales and profitability of the firm.

2.5 Review of Related Studies

A well planned and organized advertising scheme has the potential of increasing awareness of a business products or brands in the environment in which the business operates, *ceteris paribus*, Agbeja, O.Johnson and Daramola, (2019). Kotler (2014) sees advertising as one of the four major tools companies use to direct persuasive communications to target buyers and public noting that “it consists of non-personal forms of communication conducted through paid media under clear sponsorship”.

Omotayo, (2018), in her article, "Sales Promotion and Consumer Loyalty: A Study of Nigerian Telecommunication Industry", investigates the relationship and effect of promotion and customer loyalty. This was confirmed that there are positive relations between sales promotion and customer loyalty. The study concluded that as Sales promotion expenditure increases so does the customer loyalty. The results of the study enable to make a number of conclusions. Most respondents are reluctant to provide personal information as such their evaluation of sales promotion is negative. Age and income are discovered to have separate impact on consumers' evaluation of sales promotion. Consumers of different age categories are influenced by sales promotions while different levels of income are equally affected. A major reason for the heavy influence of sales promotion on loyalty can be explained with the dwindling consumer income of an average Nigerian. The Nigerian economy has been going through series of economic reforms including Structural Adjustment Programmer Part or the cumulative effect of these reforms is the devaluation of currency with it attendance effect on inflation and consumer purchasing power. The implication of this to Telecom companies is the development of sales promotion programmers to regularly attract and retain customers. In practical terms consumers switch from one network to another or in most case make use of two or more SIM (telecom contract) so as to switch between networks during promotion and take advantage of reduced or discount tariffs. However, the high tendency to switch or being loyal does not account for quality of service during promotion.

Okyere, Agyapong, and Nyarku, 2019), in their article, "The Effect of Marketing Communications on the Sales Performance of Ghana Telecom (Vodafone, Ghana)", have stated that GT Vodafone failed to institute the necessary structures to periodically measure, evaluate and review their marketing communications activities. They appear to be simply unaware of the relative effectiveness of each of elements and how best to integrate them together across the firm to help make better decisions. This is probably the most complicated challenge for GT Vodafone. For instance, how much relative effect does each campaign have on sales volume as compared to the effect on the other elements of marketing communications? It is obvious that of all the decisions marketing managers make, those concerning promotional allocations are considered to be the most difficult and troublesome to measure. Several reasons account for this complexity. These reasons include: obstacles in identifying an appropriate measure, or metric of effectiveness, challenge with getting people throughout the organization to agree that a particular measure is the most appropriate, difficulties encountered with gathering and assessing data impede the effective evaluation of marketing communications activities, and difficulties involved in determining the exact effect that each specific marketing communication element has on the measure selected to indicate effectiveness.

Apparently, GT (Vodafone) has no laid down policies culminating into factors strictly adhered to in the selection of marketing communications tools and its supporting budgets. Their choices are based on previous practices backed by the prevailing market conditions together with management discretion. It is evident too that the roles and responsibilities of the marketing communications, corporate communications and marketing overlap posing challenges to issues such as who does what and where does the role end. This could cause conflicts among the managers, giving rise to territorial divisions and culminating into power struggle that could trickle down to their subordinates. Besides, getting all managers in separate units to agree on a budget can become a big challenge to management. In addition, GT (Vodafone) has no significant commitment to Research and Development (RandD) as far as its communications campaigns are concerned. From the interactions, there was no indication that the selections of GT's (Vodafone) marketing communications tools were based on any scientific considerations and procedures.

Obasan and Soyabo (2018), in their article, "Assessing the Effectiveness of Promotion as a Marketing Management Tool in the Swedish Telecommunication Industry", have revealed that promotion has a significant effect on marketing management in telecommunication industry and sales promotions are not only effective in attaining short term sales as they are also more cost-effective compared to other integrated marketing communications tools such as advertising. Moreover, the study also supported that by offering the right promotional tools, it can help organization carefully plan their promotional strategies by giving preference to the more effective tools. It is vital because a specific marketing strategies decision assists the company to minimize cost and maximize their profit. Hence, this study revealed that promotion is a good marketing tool for survival, sustenance and expansion of business in the Swedish Telecommunication Industry.

It is a veritable which must be reviewed regularly in order to meets customer's needs and satisfaction. It must focus explicitly on the firm long run competitive advantage by serving as a link between a firm, clients, competitors and other stakeholders. To this end, telecommunication Industry in Sweden should appreciate and exploit the opportunities offered by promotion and learn how to modify promotional techniques to meet the needs to diverse target market like Sweden. Also, they should recruit professional s into the industry because a good promotion requires a professional touch and design to stand as a marketing tool for organizational survival and growth.

Sunuwar (2007), in his study, "Vegetable Marketing in Bhaktapur ", has the main objective to measure the impact of marketing in the sales growth of vegetables. The other objective of the study was to find out the distribution strategy adopted, and to measure the facilities of business persons and effort of the government to upgrade the marketing. The study has found that the production was lower than the demand of vegetable. Hence, there was no equilibrium between demand and supply. In addition, the price of vegetables used to vary from one place to another. Farmers were facing many problems for producing and selling of the product. Likewise, attention of government officer was no sufficient to meet the expectation of the farmers. Eventually, the distribution channel was very poor and the strategy implied was not so effective to meet the consumers demand as well as the instability in price was making consumer worry.

Tandukar, (2018), in his thesis, "The role of Advertising in Brand Choice and Product Positioning", has the main objective to analyze the effectiveness of advertising on brand of consumer product. The other specific objectives was to evaluate the role of adverting in product positioning from the consumers perspective, and to find out do consumers give more importance to advertisement rather than any other promotional tools while making selection decision or not.

The study is based mainly on primary data filed by respondents of Kathmandu valley. The major findings of the study are: Nepal Television is the most popular media within Kathmandu valley and Radio Nepal holds the second position along with among the youth generation FM broadcasting is also being popular. Most of the respondents are in favor of entertaining types of television advertisement. Most of the marketers are using electronic media to advertise their product such as radio, TV are supposed to be the effective media while considering the present situation of Nepalese market. Advertising is the main sources of information about particular brand as well as mostly y sensitive subject in the country in course of promotion.

Mainali, (2019), in her thesis, "A study on Brand Loyalty on Nondurable Product", has the main objective to measure the loyalty on brand in non durable product. The other specific objectives were to know the consumer behavior on Non durable product, and to make the guideline for making marketing strategies.

The study has found that the Nepalese consumers give high importance to Brand in the consumer non-durable goods. The weighted mean of the various important points given (i.e. from 01 to 05) by the respondent is 3.94. Moreover, most of the consumers are found buying the products selected for this study by brand rather than by inspection or influences. The percentage of consumers who buy by brand is 70% in Col d Drink, 74% in instant noodles, 52 % in Hair Oil and 60% in Shampoo. In each product selected for the study, at least 64% of the consumer is found to have knowledge of maximum alternative brands available in the market. This shows the high brand awareness in Nepalese Urban consumers. Finally, majority of the Nepalese urban consumers are found brand loyal.

Nakarmi (2015), in his study, "*Advertising as a tool of Marketing*", has the main objective of identifying the existing position of advertising practices in Nepal. The

other objectives of this study is to find out the existing pattern and blends of advertising and the constraints prevailing advertising practices in Nepal. His study was confined to the descriptive analysis of the then situation of advertising business. It was natural to undertake such research on advertising field at that time as the advertising was still on infant stage of development. Thus, his study did not touch the creative aspect of advertising.

The major findings of the study state that the advertising is the main method of promotion practiced in the country. Advertising in the company is handled by persons at the senior level, when there is a separate advertising department in the company. Regarding to the services rendered by the advertising agencies, none can offer full services properly. A few agencies concentrating on producing interesting advertisement from the advertisers and other specialists service such as block makers, printers, artists' etc. publication media, radio and cinema are the most used media for commercial advertising. But there are few alternatives. The Gorkhapatra is the only medium with any significant circulation. The advertising programs are not well coordinated with the other elements of marketing and promotional strategy. The effects of advertising are generally not evaluated.

Deuja, (2018), in his study, "A Study on Brand Preference of Instant Noodles in Nepal", has the main objective to analyze the consumers' brand preference on Instant Noodles. The specific objectives of the study are to examine the consumers' brand preference and brand switching on the basis demographic variables, to evaluate the driving force and significance of consumers' brand preference on instant noodles, and to the tools used by the consumers for identifying the brand of instant noodles. The study found that in Noodles brand, the consumers below the age of below the age of 30 years have shown hard core brand preference, while the consumers above the 30 years have depicted brand switching preference. Similarly, female consumers shown strong brand preference than male, and male consumers shown shifting brand preference. Likewise, the brand preference of the consumers has shown positive relationship with the income level, which means the consumers having greater income favor the usage of single brand. However, the education level of the consumers shown positive relationship with brand shifts, and the bachelors' degree holding consumers have shown most strong brand preference.

2.6 Research Gap

All of the above reviewed theses are indeed great stuffs for conducting the study. These theses have played a rudimentary role, and thus are highly valuable and important to a novice researcher. However, all these theses are concentrated either on showing the impact of advertisement, or the impact of marketing as a whole. None of the theses have put effort to determine the joint effect of advertising and sales promotion, two major elements of promotion mix, on the consumers buying pattern. Further, none of the reviewed theses have been conducted taking NT, the leading telecommunication organization, as a sample. Thus, the present study will try to fulfill all these aforementioned gaps, and applies all sorts of marketing tools for achieving the objectives specified in previous section.

CHAPTER - III

RESEARCH METHODOLOGY

Research methodology sets the sketch of the study. It defines what activity is to be done, how it would be done, and what data will be followed. A researcher can get data from both primary and secondary sources. The secondary sources are the ones that have been already available or published, for instance the annual reports, brochures, magazines, journals and others. However, the primary sources demand the collection of the data by the researcher himself. A questionnaire can be a good source of primary data. The researcher has collected data from both the secondary sources and the primary sources.

3.1 Research Design

The research design is the outline of a plan to test the hypothesis and should include all the procedures that follow. The study aims to portray on the effectiveness of the advertising and sales promotion on the consumers of NT. The research is based on recent empirical and historical data. It deals with the examining the advertising and sales promotion of communication services in Nepal on the basis of available information. As the study aims to draw inferences from the observed evidences, it can be categorically said that the study follows deductive reasoning method in lieu of inductive reasoning. Thus in this study descriptive and casual comparative research design has been used.

3.2 Sources of Data

The study is based on secondary data as well as primary data. Secondary data have been collected by using the annual reports of NT, brochures and websites of concerned sampled organization and so on. Further, primary data have been collected through two different sets of questionnaire one for the employees and one for the consumers.

3.3 Data Collection Procedure

The data are collected from secondary sources as well as primary sources. To collect secondary data, the researcher visited Whitehouse Library, Library of NT, and official websites of NT. For the collection of the primary data, the questionnaire approach was adopted. The questionnaire was carried out with different employees and

consumers of NT. For the study, two set of questionnaires have been prepared. The first set of questionnaires contains 9 questions to the employees of NT in the overall sector of advertisement and sales. The second set of questionnaires contains 16 questions to the consumers.

3.4 Population and Sample

After the enforcement of Telecommunication Act, numerous communication service providers exist in Nepal. However, the analysis of all these service providers on the basis of advertising and sales promotion is somewhat impossible. Thus for the study, only one company, NT, the leading communication organization, has been selected, from where 130 responses were collected; 62 from the consumers and 68 from the employees respectively.

3.5 Period Covered

The necessary data and information have been collected from various sources covering a period of sixteen years.

3.6 Tools for Analysis

Basically, MS- Excel has been used to calculate the statistical data's. To be particular, marketing and statistical tools are the main tools to be used in the analysis of the data, which are enumerated separately.

3.6.1 Marketing Tools

The major marketing tools that have been utilized to meet the objectives of the study are;

- A) Questionnaire
- B) Sales and Advertising Promotion Expenses to Sales Revenue of NT.

3.6.2 Statistical Tools

In this study, the following statistical tools have been extensively used;

- A) Arithmetic Mean

Arithmetic mean is the number which is obtained by adding the various numbers of all the items as a series and dividing the total by the number of items.

Formula,

$$\text{Arithmetic Mean} = \frac{\sum X}{N}$$

Where,

X =Arithmetic Mean,

N =Number of observation

B) Standard Deviation

C) Kurtosis

D) Skewness

E) Range

Statistical Data is calculated using Excel 2007.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

4.1 Primary Data Analysis

This section of the study has been further divided in two sub-sections. The first sub-section analyzes the responses of employees of NT in relation to the sales promotion and advertisement and the second sub-section analyzes the responses of consumers of NT.

4.1.1 Analysis of the Responses of Employees of NT

Under this section, the responses achieved from the 5 high level employees, 54 middle level employees and 9 low level employees of NT through the conduction of questionnaire that is related to sales promotion and advertising campaign of NT has been analyzed.

4.1.1.1 Effect of Advertising and Sales Promotion on Sales

Generally, it is accepted that the promotional campaign, especially the advertising and sales promotion, has a significant impact on increasing the sales of the company. To test whether such accepted axioms apply in NT, the employees are asked on this matter.

Table 4.1

Effect of Advertising and Sales Promotion on Sales

Details	Total	
	%	Respondent (No.)
Weak	7.4	5
Moderate	41.2	28
Strong	51.5	35
Total	100%	68

(Source: Google Form Survey)

The Table 4.1 reveals that the majority of the employees of NT believe that the advertising and sales promotion effort of NT has a strong effect on enhancing the sales of the company. Out of 68, 35 (which is 51.5%) employees believe that advertisement has a strong and direct impact on the sales of the company services. However, 41.2%

of them believe that advertising has a moderate impact on sales and rest 7.4% believe; there is almost no impact on the sales.

To what extent have you found the effect of advertising and sales promotion to increase sales?
68 responses

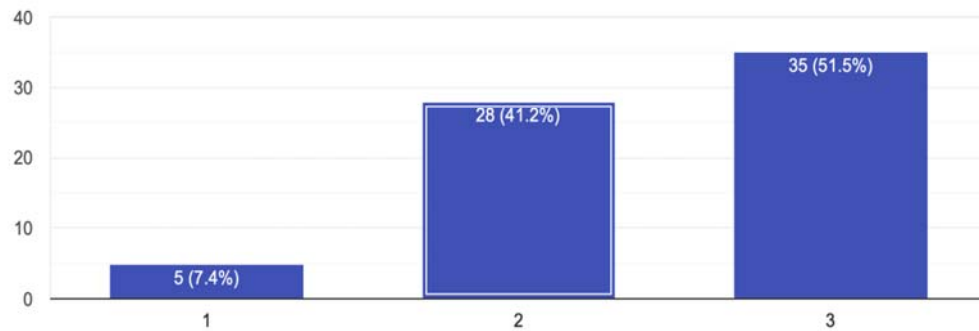


Figure 4.1 Effect of Advertising and Sales Promotion on Sales

4.1.1.2 Crucial Element in Advertising

Not the same element of advertising is crucial for each company; rather it varies on the nature of the company. To examine what sort of element is much crucial while making advertisement of the NT, the employees are asked on this matter.

Table 4.2

Crucial Element in Advertising

Details	Respondents	
	No.	%
Slogan	36	52.9
Trademark	51	75
Color	22	32.4
Total	109	

(Source: Google Form Survey)

Observing the respondents obtained from the employees, it can be said that the company should put much emphasis on the trademark of the company while making advertisements, as the majority of the employees have sought that the trademark is a much crucial element of advertising. Currently, the Namaste sign in the middle of the

bottom of the conch shell is the trademark of NT, and it is unique for the consumers to recognize the symbol.

About, 75% of the total employees surveyed have stated that the trademark should be given much emphasis. Besides trademark, the slogan of the company is given more importance as per the opinion of the employees, for making advertisement much attentive. The slogan of NT is... On the other hand, colors have been least preferred (32.4%) by the employees and have said that the color of the company should be focused much while creating advertisement. Currently the company is using 'Azure' color to represent the company. Nonetheless, it can be said that among the different elements of advertisement, the trademark of the company should be made much more unique than that of others.

What criteria should Nepal Telecom focus on while creating advertising? (You can choose more than one option)
68 responses

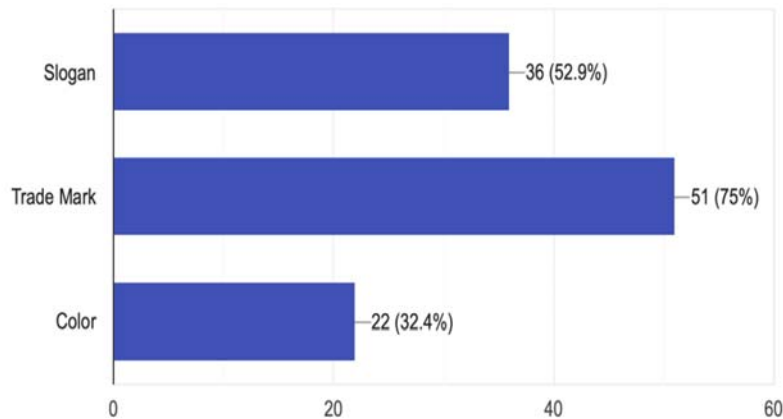


Figure 4.2 Crucial Elements in Advertising

4.1.1.3 Strength of the company to its Rivals

To measure the strength of the company behind the success, it is necessary to ascertain the reasons, for this purpose the employees are asked on this issue, and the results are tabulated in the following table.

Table 4.3

Strength of the company to its Rivals

Details	Respondents	
	No.	%
Promotional Mixes	3	4.4
Good Management	6	8.8
Consumers' Confidence	27	39.7
All of the above	32	47.1
Total	68	100

(Source: Google Form Survey)

No doubt, the NT has been achieving extreme profit in each year, and has captured the market of the company the most. In other words, NT is the most leading communicative organization in the industry. When asked about the main reason behind the success of the company in comparison with its rivals, the high level employees have pointed out the combination of promotional mixes, good management of the company and consumers' confidence on the organization. About, 47% of the employees have admitted this combination to be the main reason behind the success. Additionally, 39.7% of the employees have stated that the consumers' confidence is another major cause behind the success of the company. In contrast, only 8.8% and 4.4% of total employees have opined that the good management and promotional mixes in the company is also the main reason behind the achieved result, respectively. Nonetheless, on the basis of the majority it can be deduced that the perfect combination of promotional mixes, management and consumers' confidence is the major reason behind the success of the organization in comparison with its rivals.

What strength do you see behind the success of the company in comparison with the rivals ?
68 responses

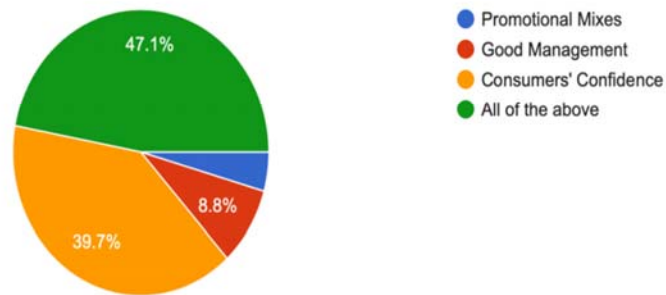


Figure 4.3 Strength of the Company to its Rivals

4.1.1.4 Method to Enhance the Sales Promotion and Advertising

The sales promotion and advertisement made at once does not last forever, instead the company should adopt new methods to make its sales promotion and advertising tackle the new threats of the market and reap the opportunity. To know what sort of methods can enhance the sales promotion and advertising of NT, the respondents are asked.

Table 4.4

Method to Enhance the Sales Promotion and Advertising

Details	Respondents	
	No.	%
Celebrity endorsement	1	1.5
Opening Outlets	3	4.4
Good Commission for Recharge Seller and Agents	7	10.3
Offering Beneficial value to Customers	57	83.8
Total	68	100

(Source: Google Form Survey)

According to the majority of the employees of NT, it can be said that by offering beneficial value to the customers, who can either be in the form of bonus at recharge card, free SMS and other, the sales promotion and the advertising of the company could be enhanced. Supporting the same, 83.8% of the employees preferred offering

worthy value to the consumers. As per these employees, the consumers are the ultimate target of the company, and hence the advertising and sales promotion of the company should be directly directed to these people.

On the other side, 10.3% of the total employees have said that the company should extremely make use of the recharge seller and other agents by paying the good commission to enhance the advertising and sales promotion of the company. However, only 4.4% of the total surveyed employees have said that the sales promotion of the company could be improvised by opening outlets at different corners of the city, just as Ncell does by opening outlets even at pedestrian paths or through the support of dealers. Further only 1.5% of the employees are forced on celebrity endorsement. Thus, it can be said that the company can focus on offering worthy benefits to the consumers of NT to enhance the advertising and promotion of the company.

How could the promotion, especially sales promotion and advertising, of Nepal Telecom be enhanced?

68 responses

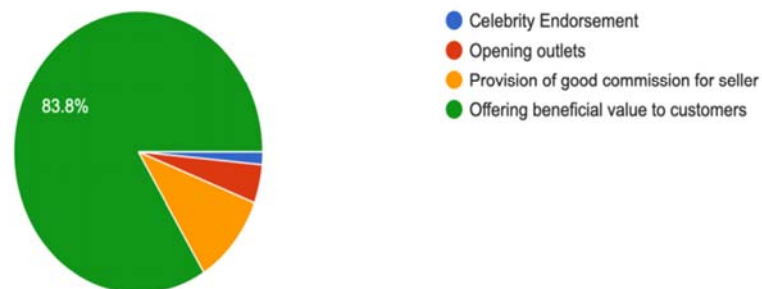


Figure 4.4 Method to Enhance the Sales Promotion and Advertising

4.1.1.5 Responses on CAN Festival

Recently, NT participated in the CAN Info Festival. To know whether such sales promotion activity has been able to draw the attention of the visitors, and if yes, then to what extent the visitors have shown their enthusiasm in buying the services, the employees are asked on this matter.

Table 4.5

Responses on CAN Festival

Details	Respondents	
	No.	%
High	17	25
Medium	46	67.6
Low	5	7.4
Total	68	100

(Source: Google Form Survey)

The majority of the employees of the NT have experienced medium or satisfactory responses from the visitors in CAN festival toward the company. As per these employees, the sales of the services, Mobile Services, Internet Services, Landline Services and other, have surprisingly increased after and during the festival period. About 67.6% of the total employees experienced positive or satisfactory feedback due to the CAN festival. Further, it was seen that 25% of the employees received very positive and high responses from the visitor at the CAN festival.

However, the other 7.4% of the total surveyed employees have said that the curiosity and the excitement shown by the visitors of CAN on NT stall is not so high, rather it was low in comparison to what their expectation level at CAN festival. Nonetheless, excluding some exceptions, it can be inferred that such sales promotion campaigns enhance the sales volume of the company.

Thus the company needs to do such campaigns frequently to make aware to the consumers about the improvisation of the existing services and the introduction of new services.

What kind of response did you experience on the recent sales promotion at CAN festival?

68 responses

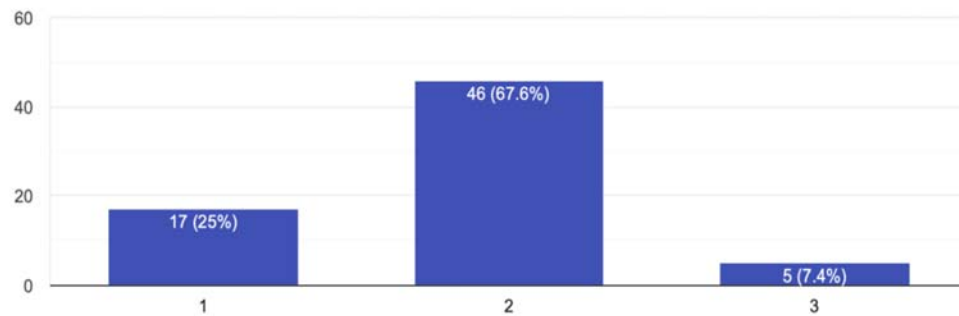


Figure 4.5 Responses on CAN Festival

4.1.1.6 Major Competitor of NT

After the enforcement of Telecommunication Act (2002), various telecommunication service providers have emerged in the nation. To know which service provider is presenting tough competition to NT, the respondents are asked.

Table 4.6

Major Competitor of NT

Details	High Level Employee		Middle Level Employee		Total	
	No.	%	No.	%	No.	%
Ncell	5	100	54	100	8	98.5
UTL	-	-	-	-	-	-
Other Service Provider	-	-	-	-	1	1.5
Total	5	100	54	100	10	100

(Source: Google Form Survey)

From the analysis of the responses obtained from the majority of each group of the employees categorized for the survey, it can be categorically inferred that Ncell is the major competitor of the NT. The 100% of the high level employees, 100% of the total middle level employees and in total 98.5% of the total surveyed employees

have pointed that Ncell is the major rival of the company, and such company is adopting all sorts of promoting tools to capture the large section of the market. Nevertheless, NT has its own large market, and as per these employees NT would be the leading Telecommunication business, as it is now, in the forthcoming periods as well, since NT has its own different strength which is impossible to debilitate by the rival company. The employees of NT have not considered UTL as the negligible rival, as none of the employees have experienced tough competition from this organization. Nonetheless, the potentiality of this company to capture the market should never be minimized as per the opinions of the employees. Similarly, only 1.5% of the total employees, have stated the other service providers such as world link, broad link, Subisu etc. are competing toughly in internet services to NT. Considering the opinions of the respondents quantitatively, it can be said that Ncell, indeed, is the major rival of NT.

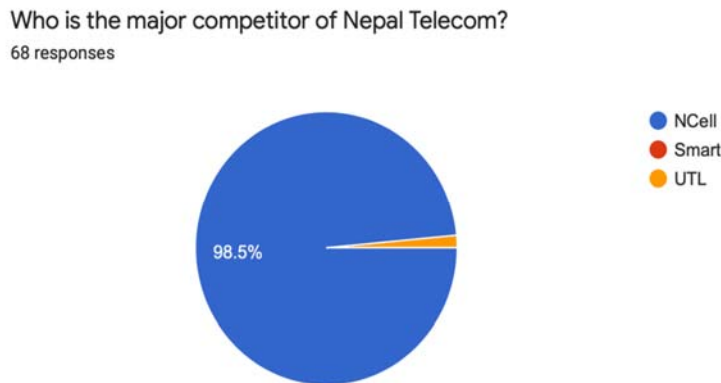


Figure 4.6 Major Competitor of NT

4. 1.1.7 Best Method for Allocating Budget to Advertising and Sales Promotion

In the present context, it has been ascertained through the personal interviews that the company is following a judgment approach for allocating budget to advertising and sales promotion. To determine whether such an approach is appropriate, if not what could be the best approach, the employees are asked on this matter.

Table 4.7

Best Method for allocating Budget to Advertising and Sales Promotion

Details	Respondents	
	No.	%
Percentage of Sales Approach	7	10.3
Judgment Approach	21	30.9
Profit Maximization Approach	12	17.6
Competitive Parity Approach	11	16.2
Objective and Task Approach	12	25
Total	68	100

(Source: Google Form Survey)

As per the opinion of the majority of the respondents from the employees group, the employees are quite unsure if the existing method prevailing in NT is the best approach for allocating the budget for advertising and sales promotion purposes. However, about 30.9% of the total employees have stated that the company practices the judgment approach, under which the advertising share and the events.

Likewise, 16.2% of the total surveyed employees believed that the company follows a competitive parity approach, under which the company calculates its market share and the advertising and sales promotion expenses incurred by its competitor such as Ncell, to allocate the budget for advertising and sales promotion. Further, only 10.3% of the employees have stated that the company allocates a certain determined percentage of the projected sales to advertising and sales promotion and have preferred a percentage sales method. Additionally, on the other part, all these approaches have, however, been rejected by 25% of the total employees, who in lieu favored objective and task approach, under which the NT agrees on a set of marketing objectives after intensive market research and the costs of advertising are then calculated. Likewise, the other 17.6% of the total employees have considered a profit maximization approach, under which the NT should determine the relationship between the advertising and sales promotion expenses and the targeted profits, for allocating the budget.

Which method do you think has been used in Nepal Telecom while allocating budget for advertising and sales Promotion?

68 responses

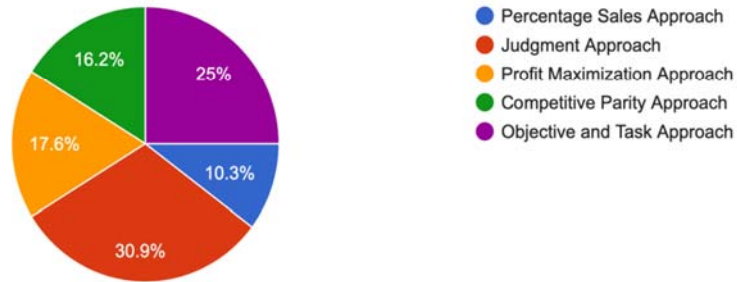


Figure 4.7 Method used for Allocating Budget to Advertising and Sales promotion and satisfaction

4.1.1.8 Emphasis of the Sales Promotion and Advertising

Not all the services of the NT require strong sales promotion and advertisement, Since it has earned strong belief of the consumers in some of the services. So to examine which services the sale promotion and advertisement should give more emphasis, the employees are asked on this matter.

Table 4.8

Emphasis of the Sales Promotion and Advertising

Details	Respondents	
	No.	%
PSTN Services	9	13.2
Mobile Services	38	55.9
Internet Services	57	83.8

(Source: Google Form Survey)

The table reveals that, as per the opinion of the employees, the sales promotion and advertising of NT should give less emphasis on the PSTN services provided by the company. Only 13.2% of the total employees has stated this view. In other words, the consumers of the country has already extensively preferred NT to other companies, while installing the telephone services, and thus the promotional mix should less focus on these services. However, 55.9% of the total employees have stated that the studied promotional mixes should focus mainly on the Mobile service of the

company. As per them, the company should focus on the recent technological improvement, if it has made, in mobile services while making sales promotion and advertising strategy, since many consumers have grievances on the network of the mobile services of NT. Although ADSL of NT has covered a wide market, the employees have stated that the promotional tools of the company should emphasize the most on the internet packages that have been provided. About 83.8% of the total employees have stated this view. Eventually, it can be concluded, on the basis of the majority, that NT should be more focused on the recent enhancement in the internet services while making the sales promotion and advertising strategy.

Finally to enhance the company's capability for capturing more market, in which product the advertising and sales promotion should be focused?(You can choose multiple options)

68 responses

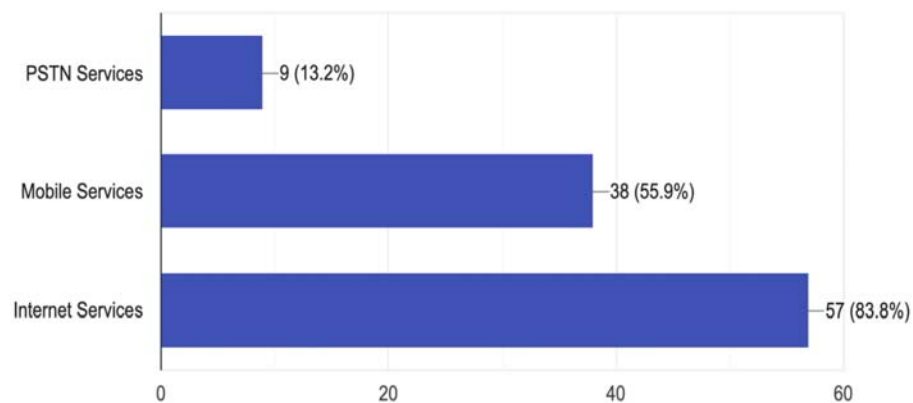


Figure 4.8 Enhancing capability to capture market through Sales Promotion and Advertising

4.1.2 Analysis of the Responses of Consumers of

Under this section, the responses are received from 62 customers of NT through questionnaires using Google forms that are related to sales promotion and advertising campaigns of NT have been analyzed.

4.1.2.1 Preference of NT to Other

At present, three companies including NT are providing communication services to the consumers of the country. To examine why the NT consumers have preferred NT to NCell and UTL, the respondents are asked on this issue.

Table 4.9

Preference of NT to Other

Details	Respondents	
	No.	%
Effective Sales Promotion	11	17.7
Effective Advertising	10	16.1
Quality	19	30.6
Credibility	22	35.5
Total	62	100

(Source: Google Form Survey)

The Table 4.9 emblazons that a large section of the surveyed PSTN/Mobile/Other users and Internet users of NT have been highly positively influenced by the credibility of NT for their predilection toward it.

About 35.5% of the surveyed consumers have stated that the credibility of NT is the main determinant for their preference for NT to Ncell and its other competitors. However, 30.6% of the consumers have said that the quality of NT services has influenced their preference. Similarly, 17.7% of total consumers have said that the effective sales promotion of NT has enticed them to be the consumer of it. Unfortunately, only 16.1% of total consumers have avowed that the effective advertising of NT is the main factor for their preference.

This signifies that NT needs to enhance and make its advertisement more effective without any procrastination to retain the existing consumers and other potential consumers.

Why have you preferred Nepal Telecom's product/services besides the availability of the products/services companies such as Smart and N-Cell?
62 responses



Figure 4.9 Preference of NT to Other

4.1.2.2 Preference of NT's SIM to Others'

Not only NT is providing the mobile services, but also the companies like Ncell are also providing the same services. So to examine the reason behind the preference of surveyed SIM users of NT to other companies, the question has been raised.

Table 4.10

Preference of NT's SIM to Others'

Details	Respondents(SIM Card Users)	
	No.	%
Good Network	22	35.5
Most Call Receiver Has NT's SIM card	31	50
Persuading Promotion by NT	6	9.7
Reference group's suggestion	3	4.8
Total	62	100

(Source: Google Form Survey)

As per the surveyed SIM Users of NT, it has been found that the most of the SIM Users of this company have preferred NT' SIM to Others' SIM, especially Ncell and UTL, due to the call receivers, as these receivers are using NT's SIM. Among the surveyed users of NT, 50% of this group, which is 31 out of 62, has stated this reason behind their preference. Next to this group, the other factor, representing 35.5% of the surveyed users, has stated that they have given preference to NT, due to the good network available by the company. Besides these, just 9.7% of the surveyed SIM users have stated that their first choice is NT only due to persuading promotions by NT through effective sales promotion and advertising. The suggestion of a reference group; family, friends or others, has lost work out to some extent behind the preference. The role of these reference groups seems very small, as only 4.8% of the users have stated this fact. However, on the basis of the majority of the respondents, it can be said that the promotional activities of NT is not the most crucial element in causing the consumers to use NT's SIM, rather it is because of the call receivers that are using NT's SIM. Nonetheless, the role of sales promotion and advertising of NT would not be minimized.

Why have you preferred Nepal Telecom's SIM than other telecommunications operators?
62 responses

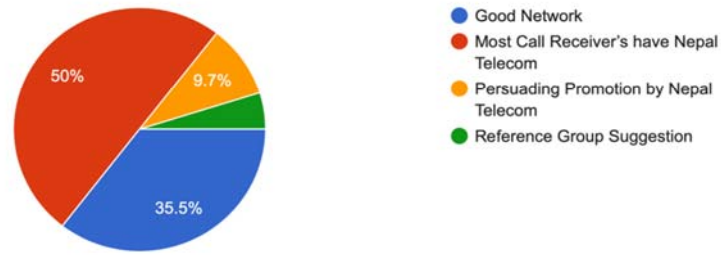


Figure 4.10 Preference of NT's SIM to Others'

4.1.2.3 Sales Promotion Related to Mobile Services

To promote the mobile services, the NT has been using the sales promotion weapon at a regular time interval. Thus, under this section, the study tries to detect the most influencing sales promotional tool used by the company to promote mobile services.

Table 4.11

Sales Promotion Related to Mobile Services

Details	Respondent (SIM Card User)	
	No.	%
Bonus Call	19	30.6
Free SMS	6	9.7
Outlet Promotion	7	11.3
Easy Paying Mode	30	48.4
Total	62	100

(Source: Google Form Survey)

What sort of sales promotion related to mobile services has enticed you much?

62 responses

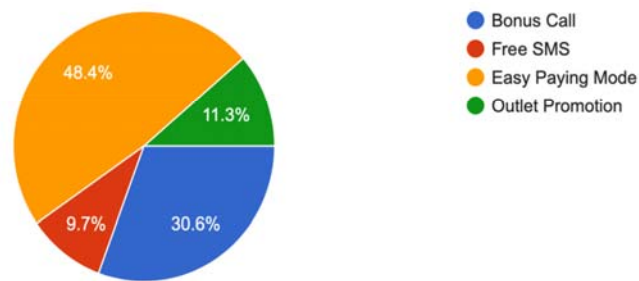


Figure 4.11 Sales Promotion Related to Mobile Services

Most of the surveyed SIM Users of NT have high affection for the company, due to the easy paying mode provided by NT to its consumers on a regular basis. This sort of sales promotion to enhance the mobile services has really worked out, as most of the SIM users, 48.4% of the respondent group, has stated that this type of promotion has caused them to use the product much frequently, by recharging their account as a result of availability of the recharge cards.

Beside this sale promotion, the Bonus Call provided by the company has also enticed the consumers. About 30.6% of the total SIM users have stated that they use the call service more during this sort of sales promotional offer. However, free SMS and outlet promotion made by NT as a part of sales promotion is considered to be a less effective sales promotion technique as only 9.7% and 11.4% of total consumers responded to these to be effective.

Thus, among the various types of sales promotional tools of NT, the offering of easy paying mode and Bonus Call offered occasionally can be considered as a very effective tool.

4.1.2.4 Preference of NT's Internet to Others'

The internet services providers are numerous in the country. Despite this reality, the majority of the internet users subscribing to the internet services of NT are tremendous. To know their affection toward the NT for internet services, the internet users are asked on this issue.

Table 4.12

Preference of NT's Internet to Others'

Details	Respondents (SIM Card Users)	
	No.	%
High Speed	13	24.5
Cheaper Kbps	28	52.8
Reference Group's suggestions	8	15.1
Persuading Marketing by NT	4	7.6
Total	53	100

(Source: Google Form Survey)

Among the 53 surveyed internet users of the sampled company, the majority of the internet users gave more predilections to the cheaper Kbps in the entire unlimited package, the volume based package, dial up mode, leased connectivity, mobile internet, and others. Exactly, 52.8% of the total internet users, 28 out of 53, have revealed this reason behind the preference of NT's internet to that of other service Providers.

In addition, 24.5% of the surveyed internet users, 13 out of 53, have said that the high speed as promised by the NT in its promotional campaign can be one of the effective causes for the users' preference. Further, 15.1% of the surveyed internet users, 8 out of 53, have said that the suggestion of the reference groups have caused them to prefer the internet of NT to that of other service providers. Thus, the role of the reference group in affecting the preference of the consumers cannot be absolutely ignored as well. However, the other 7.6% of the internet users, 4 out of 53, have said that the encouraging marketing promotion in the form of sales promotion and advertising has led them to prefer NT's internet to other service providers', such as Ncell's, Worldlink's, Broadlink's etc., internet.

Summing up the received responses, it can be said that the cheaper kbps of NT is the most crucial element behind the preference of the internet users. However, the high speed internet can also be considered as one of the most important elements affecting the users' preference.

Why have you chosen Nepal Telecom's Internet Services? (ADSL or Data) (If you do not use any of those, you can leave this section)

53 responses

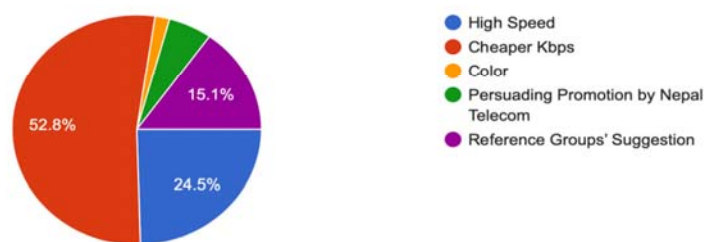


Figure 4.12 Preference of NT's Internet to Others'

4.1.2.5 Sales Promotion Related to Internet Services

NT not only practices sales promotion tools for mobile services, but also for internet services. To examine what sort of sales promotion related to internet services is much effective, the respondents are asked on this matter.

Table 4.13

Sales Promotion Related to Internet Services

Details	Internet Users	
	No.	%
Increased Kbps at the same price	18	29
Low Tariff Rate on Unlimited Packages	34	54.8
Free Maintenance Service at NT's premise	10	16.1
Total	62	100

(Source: Google Form Survey)

Analyzing the responses obtained from the opinion survey, the study has found that the sales promotion in the form of low tariff rate on unlimited packages is the most effective sales promotion of the company. Among the surveyed internet users, the 54.8% of them have been positively much influenced by this promotional tool and further revealed that this sales promotion tool is one of the main reasons behind connecting the internet of NT besides having lots of alternatives. Besides, increased kbps at same price is considered as another effective sales promotion of the company; for instance the NT has increased its internet speed from 128 kbps to 192 kbps at same price of Rs. 800, including VAT as well, for the unlimited monthly package. Among

the surveyed internet users, 29 % of them have considered it as a major sales promotion tool. However, the other 16.1% of the un eyed internet users have stated that the provision of free maintenance of the general problem on router setting and other software problems through the repair and maintenance department of the nearest NT branch is the best sales promotion tool of the company. Considering the majority of the responses, it can, however, categorically conclude that low tariff rate on unlimited packages is the best sales promotion tactic adopted by NT on internet services.

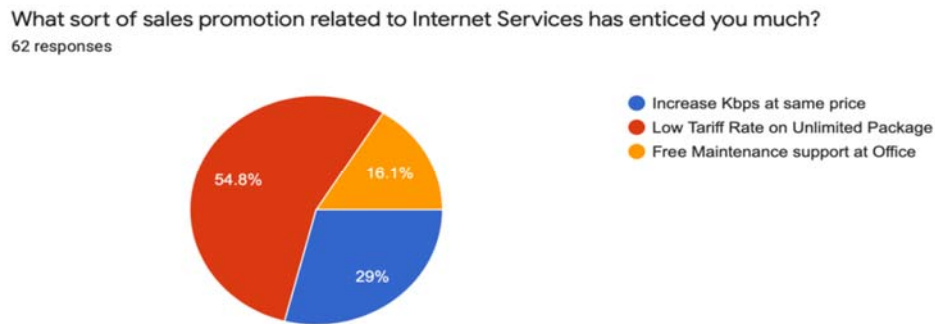


Figure 4.13 Sales Promotion Related to Internet Services

4.1.2.6 Sales Promotion Related to Landline Services

Under this section, the study finds out the best sales promotion exercised by the company relating to the PSTN services by asking the question to the Landline users.

Table 4.14

Sales Promotion Related to Landline Services

Details	Respondents (PSTN Users)	
	No.	%
Low call Rate	31	50
No Tariff for STD Services	14	22.6
Bonus Payment on Deposit	4	6.5
Free Maintenance	6	9.7
Easy Complaining process	7	11.3
Total	62	100

(Source: Google Form Survey)

Among the 62 Landline Users, the majority of the respondents, 50%, have said that the landline users have stated that the low call rate, such as the offer of 225 local free calls out of minimum PSTN monthly charge (Rs. 200) at the 12th anniversary of NT, could be proved as the most effective promotional tools. Further, the removal of tariff rate on STD services has been proved to be a much effective sales promotion campaign of NT.

However, the other 22.6% of this group shared different opinion; as per this group, the low call rate, such as the offer of 225 local free calls out of minimum PSTN monthly charge (Rs. 200) at the 12th anniversary of NT, could be proved as the most effective promotional tools. On the other side, the other 11.3% of the users have stated that the easy complaining process of NT about the Landline problems by dialing 198 either through the Mobile using the SIM of Nepal Telecom or from the other Landline Line phone of the same company, is the much effective sales promotion tool of NT. Similarly, 9.7% of the landline users have said that the free maintenance service of NT on landline by sending its employees either to the users' home or other else is the most effective sales promotion tool of the company. And only 6.5% of the users have considered bonus payment on deposit to be an effective promotional tool.

What sort of sales promotion related to Landline Services has enticed you much?

62 responses

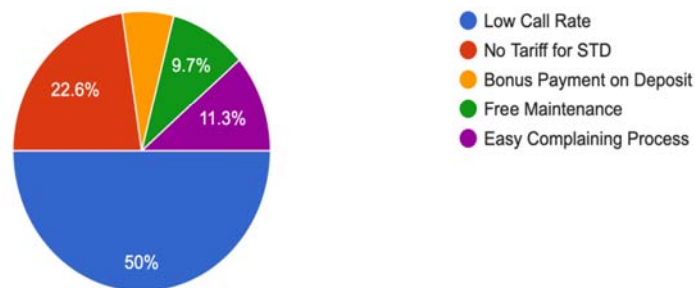


Figure 4.14 Sales Promotion Related to Landline Services

4.1.2.7 Perceptions on Bonus on Recharge Card during festivals

The consumers of prepaid mobile users of NT have generally noticed that the NT provides bonuses during festivals and even on New Year. To know how the consumers have perceived such proffer is substantial for the NT.

Table 4.15

Perceptions on Bonus on Recharge Card during festivals

Details	Total Users	
	No.	%
Motivation for multiple purchase	16	25.8
Promotional Strategy	22	35.5
Consumer Retention Strategy	12	19.4
Do not Know	12	19.4
Total	62	100

(Source: Google Form Survey)

The table depicts that 35.5% of the surveyed consumers have perceived bonus as a mere promotional strategy rather than any other purpose. In contrast, 25.8% of the surveyed consumers have analyzed the bonus on the recharge card for prepaid Mobile as true motivation for making multiple usages.

Further, 19.4% of the respondents have perceived it as the consumer retaining strategy of NT. And the other 19.4% of the respondents have shown no idea on this issue. Paraphrasing the surveyed data it can be assumed that the bonus on recharge cards has been used by NT for the purpose of mainly promotional strategy and not for the consumer's benefit is what the consumers perceive.

How have you perceived the bonus offer in the recharge card of Nepal Telecom during the festival occasion?
62 responses

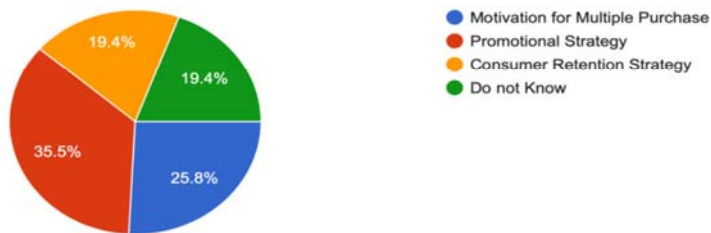


Figure 4.15 Perceptions on Bonus on Recharge Card during festivals

4.1.2.8 Experience after Sales Promotion in ADSL

In the current year, NT has made some enhancement in the ADSL services by adding the band width and practiced sales promotion by increasing the bandwidth of the internet users. To examine whether such techniques have truly been beneficial for the consumers, only the internet users of NT have been questioned for this issue.

Table 4.16

Experience after Sales Promotion in ADSL

Details	Respondents (Internet Users)	
	No.	%
High Speed	18	29
No change	34	54.8
Disconnection Frequently	5	8.1
More Slow	5	8.1
Total	62	100

(Source: Google Form Survey)

The table shows that majority of the internet users have experienced no change in the internet speed and downloading speed even after the purchase of 3Gbps by NT from Indian Internet Service Providers in this year and the sales promotion by increasing the bandwidth of the internet, for instance increasing 128 Kbps to 192 Kbps, for the same amount. About 54.8% of the internet users have stated that they have experienced no change in the speed after the sales promotion of the NT as well. However, 29% of the surveyed internet users have stated that sales promotion of NT and pragmatic services has truly matched and are satisfied with such promotion strategies.

In addition, 8.1% of the internet users have experienced frequent disconnection in the internet after the increment in bandwidth. Similarly, 8.1% of the internet users have experienced even slower speed after the promotion.. Thus, it can be concluded that the majority of the internet users have been neutral despite the sales promotion of NT in internet services within the recent periods.

How have you experienced the ADSL service in the recent periods after the up gradation to 5 Mbps increment in the existing rates?
62 responses

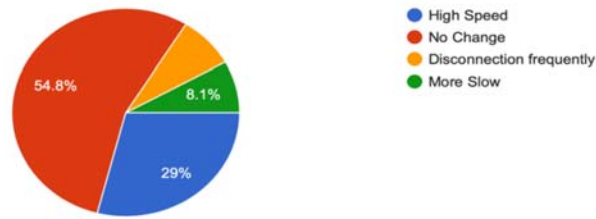


Figure 4.16 Experience after Sales Promotion in ADSL

4.1.2.9 Source of Information Conveyed through advertisement

There are various sources for conveying the information through advertisement. And NT has been also using these various sources. However, to determine the best source of information, the respondents are asked about the source of information conveyed through advertisement.

Table 4.17

Source of Information Conveyed through Advertisement

Details	Respondents (Customers)	
	No.	%
Daily Newspaper	4	6.5
Radio and Television	24	38.7
SMS	16	25.8
Hoarding Board	2	3.2
Internet and Others	16	25.8
Total	62	100

(Source: Google Form Survey)

As per the majority of the PSTN/Mobile/Other users of the company, the advertisement through the medium of the Radio and Television at consumers Mobile is the major source of information for them about the activities of the NT, and the new offerings proffered by the company to its customers. About 38.7% of the total users have relied on this mode that the company uses for advertisement considering it to be the most effective attentive and reliable source of information. Similarly, 25.8% of the users rely on the internet such as youtube.com, NT.net.np,

facebook.com, and other sources, such as reference groups, as the major source for getting information about the message conveyed by the NT through advertisement. Likewise, 25.8% of the users rely on SMS for the information receiving purpose. Further, for only 6.5% of the internet users, the daily newspapers have remained the major sources of information for them. Remaining 3.2% of the surveyed users have said that the hoarding board used by the NT to advertise its product and services is the most effective source of information. However, considering the overall majority, it can be concluded that the message sent by the company via radio and television about its recent activities is the most fast and reliable mode for advertisement.

Through which mode of advertisement do you get the update information of Nepal Telecom?
62 responses

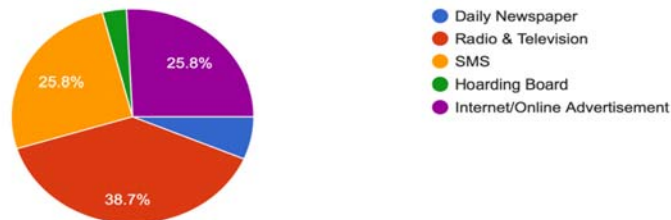


Figure 4.17 Source of Information Conveyed through Advertisement

4.1.2.10 Prompt Enhancement in the Services

At the end of the questionnaire, the consumers are asked that, besides sales promotion and advertising agency, on which services do they expect prompt enhancement for gaining credibility. The obtained suggestions are presented in the table.

Table 4.18

Prompt Enhancement in the Services

Details	Respondents (Customers)	
	No.	%
PSTN Services	2	3.2
Mobile Services	32	51.6
ADSL/Internet	28	45.2
Total	62	100

(Source: Google Form Survey)

The table reveals that most of the consumers of the NT have expected prompt enhancement in the network of mobile services. About 51.6% of the total surveyed consumers have suggested this option.

Next to it, it can be assumed that the ADSL/Internet services of the NT have some problems, such as slow connectivity, disconnection, low downloading rate etc. As a result, 45.2% of the total surveyed consumers have pointed out this opinion. And only 4.2% of the total surveyed consumers have stated that the PSTN problems such as interconnection disturbances should be promptly solved by the NT.

Besides promotional strategy, on which services do you expect from the company to make prompt enhancement for consumers benefit?
62 responses

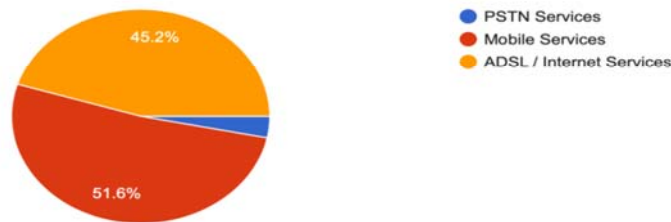


Figure 4.18 Prompt Enhancement in the Services

4.1.2.11 Quality of Advertising

The advertising should be such that it will impact on the consumers' mind in buying the product. Thus, the advertiser should analyze each quality while building the advertisement. To explore which quality is most crucial in making the advertisement, the respondents are asked on this issue.

Table 4.19

Quality of Advertisement

Details	No.	%
Memorable	44	16.1
Meaningful	10	71
Likeability	8	12.9
Total	62	100

(Source: Google Form Survey)

The table depicts that the majority of the respondents have stated that the advertising should be meaningful than memorable or likeable. 71% of the total respondents have opined that the advertising should be meaningful, whereas 16.1% have affirmed that the advertising should be easily memorable so that it stays at the time of purchase by the consumers and only 12.9% of the respondents have stated the advertisement should be likeable.

Considering the overall majority, and the majority of each category, it can be assumed that the advertiser should concentrate most in making meaningful advertising to affectionate the consumers toward the services of NT.

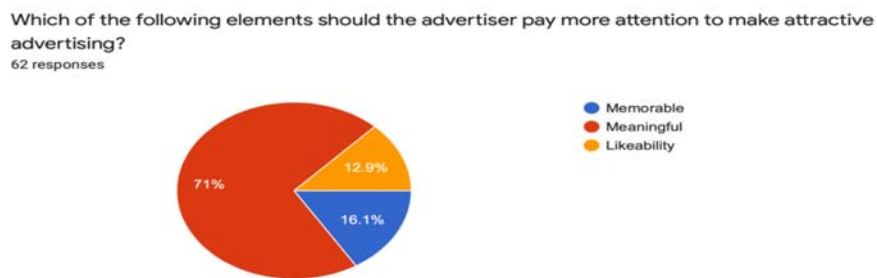


Figure 4.19 Quality of Advertisement

4.1.2.12 Criteria for Choosing Media

Before choosing the appropriate media for the advertising efficiently, the marketing department of the NT needs to consider some of the criteria of the proposed media types. To analyze on which criteria, the emphasis should be placed, the respondents are asked on this matter.

Table 4.20

Criteria for Choosing Media

Details	Respondents	
	No.	%
Reach	19	30.6
Frequency	18	29
Impact	25	40.3
Media Timing	7	11.3
Total	62	100

(Source: Google Form Survey)

As per the suggestion of the majority of the respondents (40.3%), the marketing department of NT should give more emphasis on the impact of the Media that has to be chosen. For instance, how much impact do the media make while making promotional campaigns? Further, 30.6% of the respondents suggest that NT should give emphasis on the reach of the media to be chosen, that is, in case of Television, NTV, Kantipur etc. are free channels and broadcasted throughout the nation, while Avenues and others are payable channels and do not reach all the population. Likewise, other 29% of the total employees have focused that the Marketing Department of NT should focus on the frequency of the advertisement; no. Of times a person is exposed to Ad that would be broadcasted. Finally, 11.3% of the total respondents opined that the Media Timing, in case of Television and Radio, should be considered most by NT. As per the opinions of the majority, it can be inferred that impact and coverage of the media should be given more preference by the NT for making the promotional strategy more efficient.

What factors or criteria should Nepal Telecom focus while choosing the media for advertisement?

62 responses

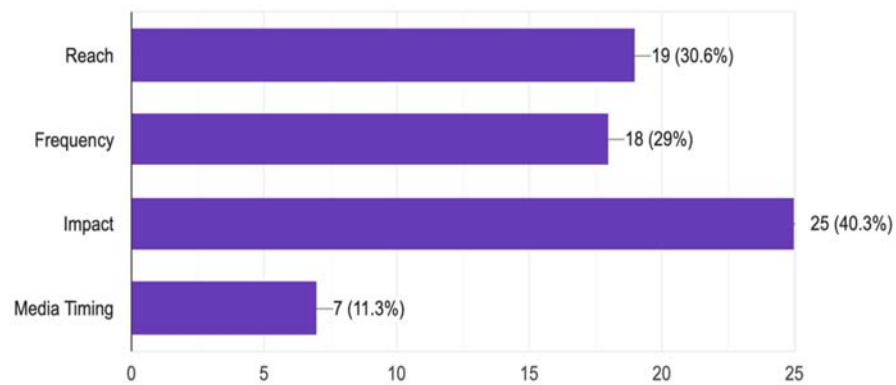


Figure 4.20 Criteria for Choosing Media

4.1.2.13 Factors to be considered Before Choosing Media Types

The company should be cautious enough while making decisions for the selection of media types. The company should have a clear view on the targeted consumers, messages to be conveyed and of course the cost associated with each media type.

Table 4.21

Factors to be considered before Choosing Media Types

Details	Respondents (Customers)	
	No.	%
Media Habits of Target Customer	28	45.2
Nature of Product	20	32.3
Type of the Message	8	12.9
Cost	6	9.7
Total	62	100

(Source: Google Form Survey)

The table depicts that 45.2% of the respondents have stated that NT should make thorough investigation of the media habits of the targeted consumers before choosing the types of media for promotion.

Similarly, 32.3% of the total respondents have stated that the nature of the services should be considered for choosing the right media for promotional efficiency.

Also, 12.9% the total respondents have stated that the types of the messages that are going to be conveyed should be given more preponderance while choosing the media.

And of course, 9.7% of the total respondents have stated that the cost should be considered while choosing the media types.

Among the various discussed factors, it can be concluded, on the basis of the Majority, that NT should focus mainly on the media habits of targeted consumers before choosing the media types.

What factors should be considered the most by Nepal Telecom before choosing Media Type?
62 responses

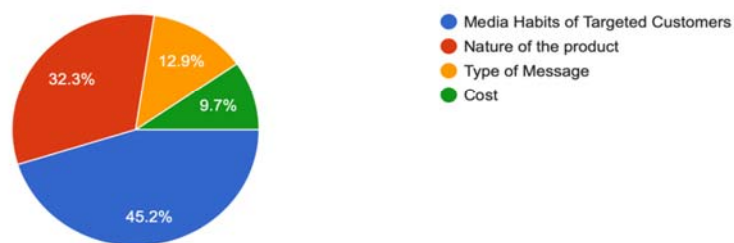


Figure 4.21 Factors to be considered before Choosing Media Types

4.1.2.14 Decision on Media Timing

Each company has each strategy for the timing of the advertisement. Some companies follow seasonal, while some follow constant advertisement. Whatever, the advertisement should be memorable and alluring to the consumers.

Table 4.22

Decision on Media Timing

Details	Respondents (Customers)	
	No.	%
Follow Seasonal Pattern	23	37.1
Same Coverage all the year	22	35.5
Do not know	17	27.4
Total	62	100

(Source: Google Form Survey)

The table shows that 37.1 % total respondents have stated that following the seasonal pattern advertising is sufficient for the promotion of NT services. In contrast, 35.5% of the total respondents have stated that NT should have the same coverage all year for promotion of the services.

However, 27.4% of the total respondents have stated that they have no idea on this issue. Considering the overall majority, it can be stated that NT should follow the recent strategy that is promoting the services throughout the year, for capturing the market.

What time would be appropriate for advertising the services of Nepal Telecom to capture the higher attention of consumers?
62 responses



Figure 4.22 Decisions on Media Timing

4.1.2.15 Impact of Celebrity Advertising

Although the audience is getting smarter and smarter and the modern day consumer is getting immune to the exaggerated claims made in a majority of advertisements, there exist a section of advertisers that still bank upon celebrities and their popularity for advertising their products.

Table 4.23

Impact of Celebrity Advertising

Details	Respondents (Customers)	
	No.	%
Yes	34	54.8
No	15	24.2
Do not Know	13	21
Total	62	100

(Source: Google Form Survey)

The trend of celebrities endorsing brands has been steadily increasing over the past years. Marketers acknowledge the power of celebrities in influencing consumer purchasing decisions. Celebrity endorsement can bestow special attributes upon a product that it may have lacked otherwise. However, if a celebrity can aggrandize the merits of a brand, he or she can also exacerbate the image of a brand.

Today in Nepal, the popular brand ambassadors are Maha Jodi, Rajesh Hamal, Achal Sharma and others. Celebrity endorsements have several benefits, like building credibility and getting attention of the public, which can translate into higher sales.

Most of the big companies have developed a new strategy to enroll celebrities and make them brand ambassadors of their products to increase the product sale. When asked to the respondents, the majority of them have stated that the endorsement of celebrities in advertising could have a great impact on the promotion of the NT services.

About 54.8% of the total respondents have the perceptions that the impact of celebrity advertising can enhance the promotion of NT services. However, 24.2% of the total respondents have stated that celebrity advertising can't enhance the

promotion. Finally, 21% of the total respondents have stated that they can't state precisely what impact will be in promotion, if NT uses celebrity advertising.

Finally should NTC adopt Celebrity Advertising for making the advertisement more efficient?
62 responses

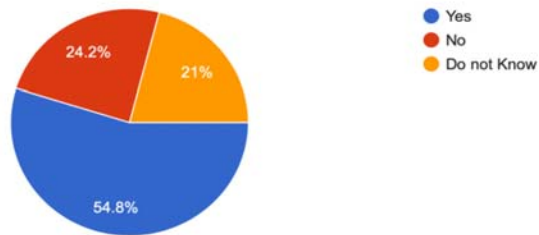


Figure 4.23 Impact of Celebrity Advertising

4.2 Secondary Data Analysis

Under this section, the data that are related to sales and the promotional mixes, mainly sales promotion and advertisement, extracted from the reports of NT have been analyzed.

4.2.1 Selling and Advertising Expenses to Sales of NT

Under this part of the study, the selling and advertising expenses incurred by Nepal Telecom has been analyzed in order to stimulate the sales growth. Further the proportion of selling and advertising expenses to sales of Nepal Telecom has also been analyzed to ascertain the representation of observed promotional expenses on total sales.

Table 4.24

Sales Revenue, Net Profit and Sales Promotion & Advertising Expenses of Nepal Telecom

Year	Net Sales Revenue	Net Profit After Tax	Total Sales Promotion & Advertising Expenses
2060/61	2,448,110,871.00	1,042,815,662.00	3,447,773.00
2061/62	9,194,297,192.00	3,542,461,326.00	13,728,601.00
2062/63	11,058,914,824.00	4,936,647,252.00	23,583,227.00
2063/64	14,751,623,805.00	5,652,688,491.00	29,463,508.00
2064/65	17,889,310,266.00	7,942,901,598.00	39,429,636.00
2065/66	22,147,582,000.00	10,178,025,000.00	41,127,348.00
2066/67	27,221,068,000.00	10,775,154,000.00	69,916,799.00
2067/68	29,849,161,000.00	12,120,299,000.00	83,848,754.00
2068/69	37,283,776,008.00	11,658,851,018.00	105,288,688.00
2069/70	38,858,260,979.00	11,299,175,997.00	100,718,272.00
2070/71	39,671,121,000.00	11,568,495,691.00	124,500,913.00
2071/72	42,638,371,000.00	14,556,338,378.00	122,840,805.00
2072/73	44,227,356,864.00	18,234,359,433.00	122,826,765.00
2073/74	44,588,989,122.00	20,575,855,348.00	163,171,219.00
2074/75	45,269,484,957.00	17,483,801,827.00	167,177,443.00
2075/76	43,839,038,016.00	9,757,575,839.00	169,149,456.00
Mean	27,202,028,562.75	10,707,840,366.25	86,263,700.44
Standard Deviation	15669443761	5361531995	56461346.81
Kurtosis	-1.533202556	-0.3076540679	-1.350613801
Skewness	-0.2698375405	0.07200239054	0.05904572822
Range	42,821,374,086.00	19,533,039,686.00	165,701,683.00
Minimum	2,448,110,871.00	1,042,815,662.00	3,447,773.00
Maximum	45,269,484,957.00	20,575,855,348.00	169,149,456.00

(Source: Annual Report of NT and Data are analyzed using excel-2007)

The descriptive statistical analysis describes the variable used in the study. It describes the mean, standard deviation, Kurtosis, Skewness of data, data range (minimum and maximum) of the variable. The table no. 4.24 shows that the mean value of sales revenue for the given respective years is 27,202,028,562.75 whereas the mean value of

the net profit after tax is 10,707,840,366.25 and for total sales promotion and advertising are 86,263,700.44.

Further from the above given table, it can be analyzed that the net sales revenue has been increasing for the past 12 years and decreases during the year 75/76, which is similar to net profit after tax. However, for the past two years it can be analyzed that the total sales and advertising expenditure has increased with a huge amount.

Standard deviation measures total risk and from the above table, standard deviation of Net Sales Revenue, Net Profit after tax and total Sales Promotion and advertising expenses is 15669443761, 5361531995 and 56461346.81 respectively.

The skewness for a normal distribution is zero, and any symmetric data should have skewness near zero. Negative values for the skewness indicate data that are skewed left and positive values for the skewness indicate data that are skewed right. In the above given table, Net Sales revenue is skewed left with the value -0.2698375405 which indicates the left tail is long relative to the right tail, as the shape of distribution in a graph. However, Net Profit after Tax and total Sales and Advertising expenses are right skewed, meaning the right tail is long relative to the left tail, with the value 0.07200239054 and 0.05904572822 respectively.

Kurtosis is a measure of the combined sizes of the two tails. If a distribution has negative kurtosis, there is a flatter peak and thinner tails compared to a normal distribution. Here, Net Sales Revenue, Net Profit after Tax and total Sales and Advertisement expenses, all of the three have a negative kurtosis the value being -1.533202556, -0.3.76540679 and -1.350613801 respectively. This simply means that more data values are located near the mean and less data values are located on the tails.

4.2.2 Trend of Sales Revenue, Net Profit and Sales Promotion and Advertising Expenses of NT

In the given figure X-axis shows the year and Y-axis shows Net Sales Revenue, Net Profit after Tax and Total Sales and Advertisement expenses for the given period. The figure shows that the sales revenue of NT had been increasing rapidly for past 12 years however has slightly declined in the last year i.e. year 2075/76. However, Net Profit after tax has comparatively risen in the year 2075/76 in comparison to 2074/75 year,

but when analyzed the data, it can be visibly noticed that Net profit had also been increasing rapidly for the past 11 years. Further, it can be analyzed that Total Sales and Advertisement expenditure is on a continuous verge of increasing even during the last two years i.e. 2074/75 and 2075/76 irrespective of the net profit and sales revenue trend.

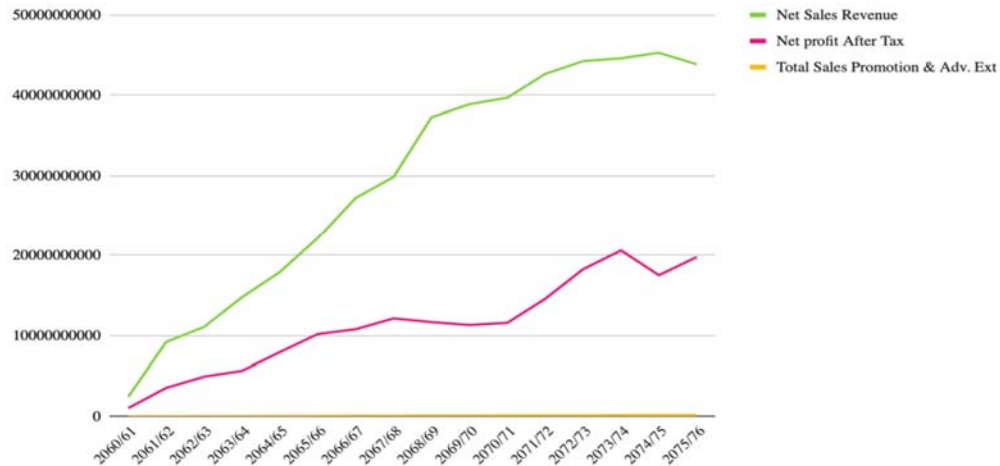


Figure 4.24 Trend of Sales Revenue, Net Profit and Sales Promotion and Advertising Expenses of NT

4.2.3 Sales Revenue

The given figure shows that sales revenue of NT is increasing at increasing rate until year 2071/72, onwards that year the sales revenue is increasing at a decreasing rate. However, in the year 2075/76, the sales revenue has declined. Further, in the given set of data, sales revenue is maximum in the year 2074/75 being 45,269,484,957.00.

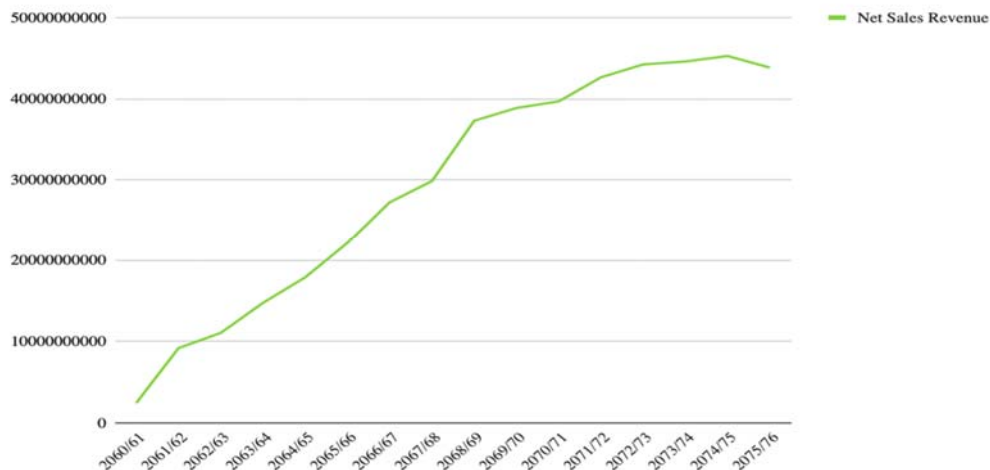


Figure 4.25 Trend of Sales Revenue

4.2.4 Net Income

Net income or Net Profit after Tax of NT has an increasing trend. It has been increasing at an increasing rate until year 2073/74, when it reaches maximum and then slightly declines in the year 2074/75. However, it again increased in the last year, i.e. 2075/76. The figure shows that the net income of the company either increases or decreases sharply and seems to be fluctuating more in the recent years.

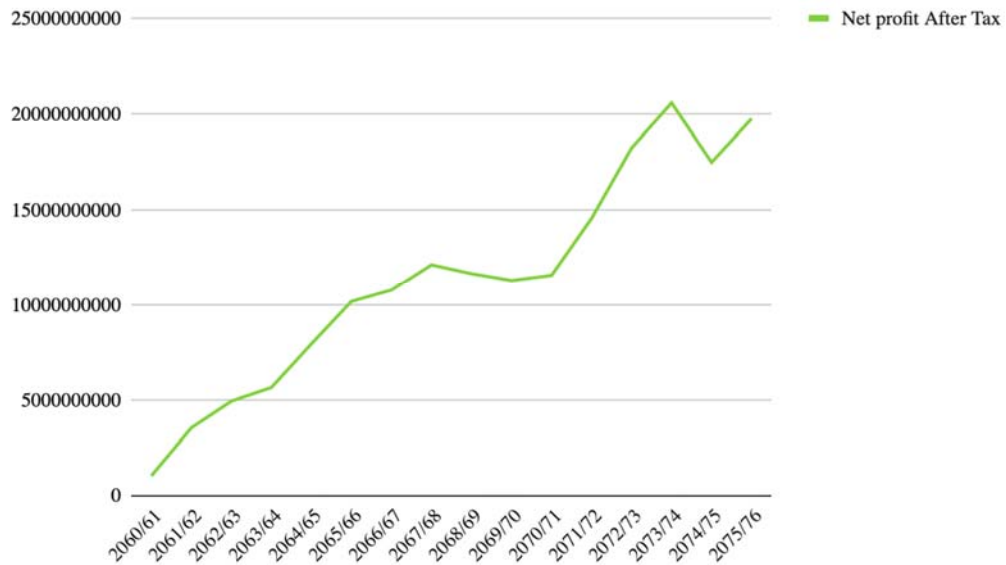


Figure 4.26 Trend of Net Income

4.2.5 Advertisement Expenditure

The figure presented below shows the cost of expenditure made by the company in sales promotion and advertisement. It can be analyzed that the company's expenses are increasing up to 2069/70 and then slightly declines in the following year and stays constant until 2072/2073. After which, there's a rapid rise in the expenses in the year 2073/74 and gradually increases for the last two years.

On comparison between three taken variables we see that there is not uniformity in the sale revenue, net income and advertisement cost.

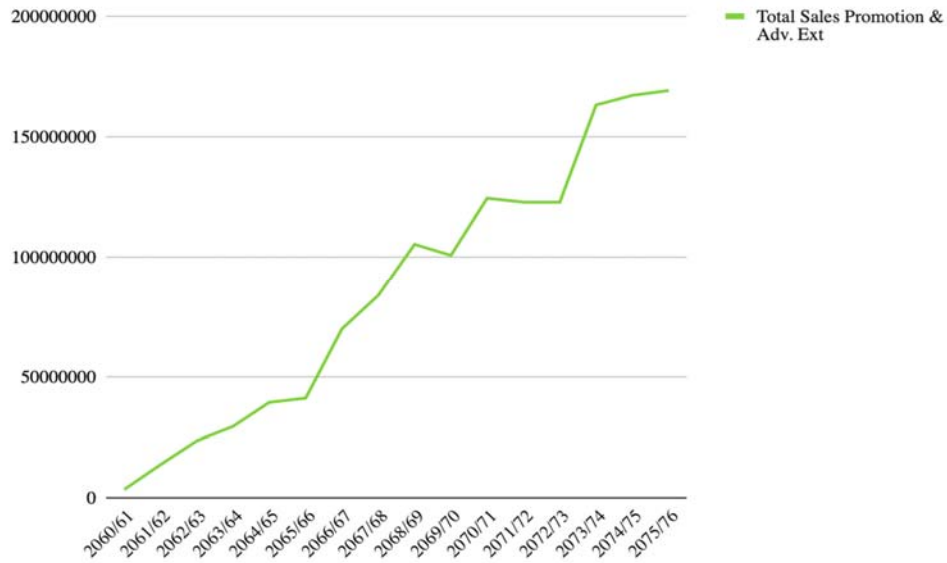


Figure 4.27 Trend of Advertisement Expenditure

4.2.2 Correlations Analysis

Table 4.25

Pearson Correlations Coefficient of Variables (n=16)

Variables	Sales Revenue	Net Profit	Sales Promotion and Advertising Expenses
Sales Revenue	1	-	-
Net Profit	0.8084312215	1	-
Sales Promotion and Advertising Expenses	0.7964779496	0.8416748748	1

Source: Annual Report of NT and data analyzed using excel 2007 version

Table 4.26 shows the Correlation Analysis of Sales Revenue, Net Profit and Sales Promotion & Advertisement Expenses. The above given analysis shows that there's a positive correlation between Net Profit and Sales Revenue. This means the two variables have a direct impact on each other. Further, Sales promotion and Advertising expenses also have positive correlation with Net Profit and Sales Revenue. Looking into detail, Sales and Advertising expenses has more impact on net profit as the value results in 0.8416748748 than with sales revenue being 0.7964779496.

4.3 Major Findings of the Study

From the analysis of the data obtained through various sources, the following major finding has been drawn;

A) Findings from Primary Data Analysis

a) Employees' Survey

- 51.5% of the employees have stated that the advertising and sales promotion have a strong effect in order to increase sales.
- 75% of the employees have thought that the trademark is the most crucial element of advertising than the slogan and the color do.
- 47.1% of the employees have stated that the combination of promotional mixes, good governance of the company and the consumers' confidence toward the company is the strength of NT.
- The majority of the employees, 83.8%, have said that the sales promotion and advertising of NT could be much enhanced by offering beneficial values to customers rather than by just opening an outlet or celebrity endorsement in advertisement.
- 67.6% of the employees have experienced that the visitors at CAN festival showed moderate enthusiasm toward the products and services of NT kept at a stall.
- Among various service providers, the Ncell is the major competitor of NT, as per the opinion of the 98.5% of the employees.
- The 35.3% of the employees are not satisfied with the applied judgment approach for allocating budget to advertising and sales promotion. Only 20.6% have voiced a judgment approach, and the rest are unsure about the method used.
- 55.9% of the employees have said that the company should focus much on uplifting the sales of mobile services while practicing sales promotion and advertising.

b) Consumers' Survey

- As per the opinions of the majority of the customers, 35.5%, the consumers prefer NT to other service providers due to its credibility among the consumers.
- 50% of the SIM users of NT have said that they prefer the SIM of NT to other Service Providers, mainly because the call receivers of these users are using NT's SIM, and thus it would be less costly for them to make calls.
- Among the various sales promotions practiced by NT, the majority, 48.4% of the SIM cards users have experienced easy paying mode as the most effective promotional tool.
- 52.8% of the internet users of NT have said that due to the cheaper kbps of this company, these internet users prefer the internet services of NT to Others. Further, 48% of the internet users have stated that the low tariff rate on unlimited packages is the most effective sales promotion they have experienced.
- The 50% of the landline users have said that the low call rates of NT is the most effective sales promotion on landline services.
- 35.5% of the customers of NT perceived the bonus offer in the recharge card of NT during the festival occasion as promotional strategy.
- After the enhancement in the ADSL services; part of sales promotional activities, the majority of the internet users, 54.8%, have experienced no change in the speed of services.
- The 38.7% of the surveyed customers have said that the most important source of information through advertisement of NT to the customers is via radio and television.
- 51.6% of the surveyed customers have stated that the company needs to take prompt action for ameliorating the Mobile Network, as the reputation of the company is defaming due to the poor network.
- Majority of the surveyed customers, 71%, believe that the advertisers need to pay attention to make meaningful advertisements to make it more attractive.
- 40.3% of the customers believe that NT should focus on making an impact while choosing the media for advertisement.
- NT should consider media habits of the targeted customers before choosing Media

Type as per the 45.2% of the surveyed customers.

- 37.1% of the surveyed customers believe that following the seasonal pattern of advertising the services would be more appropriate for NT to capture the higher attention of customers.
- Finally, 54.8% of the customers surveyed have responded that NT should adopt celebrity advertising for making the advertisement more efficient.

B) Findings from Secondary Data Analysis

- Net sales revenue of NT is increasing at increasing rate until year 2071/72, onwards that year the sales revenue is increasing at a decreasing rate. Likewise, it has been increasing at an increasing rate until year 2073/74, when it reaches maximum and then slightly declines in the year 2074/75, followed by increase in the next year. However, the total sales promotion and advertisement has more rapid fluctuation with a rapid rise or decline than that of the other two.
- Mean Calculated for Net Sales Revenue, Net Income and Total sales promotion and advertising is 27,202,028,562.75, 10,707,840,366.25 and 86,263,700.44
- Standard deviation measures total risk and the standard deviation of Net Sales Revenue, Net Profit after tax and total Sales Promotion and advertising expenses is 15669443761, 5361531995 and 56461346.81 respectively.
- Net Sales revenue is skewed left with the value -0.2698375405 which indicates the left tail is long relative to the right tail, as the shape of distribution in a graph. However, Net Profit after Tax and total Sales and Advertising expenses are right skewed with the value 0.07200239054 and 0.05904572822 respectively.
- Net Sales Revenue, Net Profit after Tax and total Sales and Advertisement expenses, all of the three have a negative kurtosis the value being -1.533202556, -0.3.76540679 and -1.350613801 respectively. This simply means that more data values are located near the mean and less data values are located on the tails.
- Net Profit and Sales Revenue have a direct impact on each other being positively correlated with the value 0.8084312215. Further, Sales promotion and Advertising expenses also have positive correlation with Net Profit and Sales Revenue. Looking into detail, Sales and Advertising expenses have more impact on net

profit as the value results in 0.8416748748 than with sales revenue being 0.7964779496.

As a promotional strategy, advertising serve as a major tool in creating product awareness in the mind of a potential consumer to take eventual purchase decision. Advertising through all mediums influence audiences, but television is one of the strongest medium of advertising and due to its mass reach, it can influence not only individual's attitude, behavior, life style , exposure and in the long run, even the culture of the country (Latif & Abideen, 2015).

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The development of a nation, strengthening of the national economy, is almost impossible without the utilization of telecommunication services. From economic perspectives, beads and capital and labor, the need of telecommunication is equally important. Can someone imagine the avoidance of mobile/landline services and instead favor the usage of postal services? However, the study does not intend to undermine the significance of the postal services. Obviously not! This would be just like a retrospective movement toward the Stone Age. Not only the telecommunication services are just facilitating the landline and mobile services as the mode of information transferring, but also the other services like the internet is also equally important. In fact, it is the fastest mode ever to transfer the message to a large population through just on clicks. For this, the social internet sites like facebook.com, linkedin.com, twitter.com etc. can be the best illustrations. Thus, it can be said that nobody can remain incommunicado, and the essence of telecommunication services preliminary crux for development.

Although the evolution of telecommunication services in Nepal dates back to the Rana Regime, the actual revolutionary effect of telecommunication services can be seen after the enactment of Telecommunication Act (2002). After the effect of this act the former Nepal Telecommunication Corporation has been transformed to NT with the participation of the public. Also, the other Telecommunication Service providers like Spice Nepal; NCell, UTL, and others have been established. Nevertheless, the weight of NT has not been significantly blurred among the public. As a result, NT is one of the leading Service Providers of Nepal and encompasses a larger population of the country. However, the company is still producing products and services through various promotional mixes. The sales promotion aids to get the effect soon and for a short period, however, the advertisement is considered to have long term effect. The NT is using both tools for promoting its products, and thus the measurement of the effect of such tools for increasing the sales volume of the company is important. Considering this necessity, the present study has been done

meaning the effect of sales promotion and advertising in promoting products and services of NT as the subject matter.

5.2 Conclusion

It can be concluded that the NT needs to do additional exercise to get much positive influencing impact of the advertising and sales promotion on increasing sales volume. Further it can be said that while creating advertisements, the marketing department should focus much on the Trademark, despite the trademark is unique it should be much more memorable, than the slogan and color of the company. The promotional mixes, the better management of the company, and the consumers' confidence are the three strongest pillars of the company, and thus these pillars should be supportive of each. From the analysis, it can also be concluded that by celebrity endorsement besides using opening outlet, paying good commission to mediators, and offering beneficial value to customers, the advertising and sales promotion could be improvised. The company has considered Ncell as the major competitor and the competition given by such companies could be weakened by practicing the sales promotion like promoting the services at CAN festival and others. Further, it can be said that the judgment approach for allocating the budget to sales promotion and advertising is just not the best approach for NT as many of the respondents are not even sure of the method to be used. Although the sales promotion and advertising should go to all the services, 'the importance of this promotional mix should be much on mobile Services.

In additional to the meaningful and likeability quality of the advertisement, the memorable quality of this promotional element is rather highly important. From the survey it can be further concluded that the company should focus much on impact ability of the media than on the frequency, reach and timing of the media. Also, the company should consider much on the media habits of the targeted customers before choosing the types of media for promotion. It can be inferred that the same coverage throughout the year is much better promotional timing impact of celebrity advertising on drawing the attention of the large population toward the promoted services is great.

Further, it is not only the effectiveness of sales promotion and advertising that the majority of the consumers prefer NT to others, but the credibility of the company.

Further there all receivers' usage of SIM cards is one that affects the decision of the callers to choose the company. The greater population of the company could be much influenced by the bonus call, and then the seasonal pattern by other promotional practices like free SMS, outlet promotion etc. The decision of the internet users to prefer a company to others is much affected by the speed rather than by the cost, suggestions and the marketing. And this fact has been strengthened by a large proportion of the internet users considering that low tariff rate on unlimited packages rather than increased kbps at the same price enticed the customers more. Further, the low call rate is the better sales promotional activities of NT than the other activities like free maintenance, removal of the Tariff on the STD services etc. The impact of sales promotion and advertising to make the consumers loyal is not so strong in NT, rather it is moderate. It can be further inferred that the infrequent bonus payment by the company on the recharge of the mobile services is just not more than the promotional strategy. However, the consumer has shown no reaction on the sales promotion of ADSL activities, as the majority has experienced any change in the speed of the internet. Also, it can be said that the promotional elements like advertisements displayed on Television and Radio, as a part of sales promotion practice, has been the prominent source of information regarding the activities of the company'. Further, with the aid of sales promotion and advertisement, NT has been able to increase the sales growth in each fiscal year. However, the representation of sales promotion and advertisement on total sales of NT Nepal has been very low. Similarly, in each year the cost of advertisement has increased, while the cost of sales promotion of NT Nepal has decreased in most of the years. Nevertheless, it cannot be denied that the success behind NT has been facilitated by the advertising and sales promotion strategy it has adopted.

5.3 Recommendations

On the basis of major findings and conclusions drawn, the following recommendations have been provided for the enhancement of the promotional mix of NT;

- NT should use sales promotion for the immediate achievement in sales acceleration, while the company should use advertisement for the long term capture of the market.

- NT should use the effective tool for the ease identification of brands. Since not all consumers are literate, the organization should consider these consumers while making an effective advertisement. For this, color of the brand, symbol and logo and cartoon and animation can be an easy tool for brand recognition.
- Though the company has practiced a judgment method for allocation budget for advertisement, yet the employees aren't sure if it is the most effective method for allocation of budget. Thus, NT should, as per the implications of the majority of respondents, apply the methods whichever is best in various market situations and make it transparent showing the pros and cons of the method applied.
- Both the modes of advertising, digital advertising and physical advertising, are equally effective in their scope to convince the consumers about the products. Thus, NT should have good harmony between these two modes for achieving the optimum promotional mix.
- The sales promotion tool of NT should use market penetration, which embraces a quest of more people to buy, encouraging brand switching of product and trail product, for seizing the communicative market.
- Although the sales promotion of NT is consumer oriented, the company should persistently practice consumer-oriented sales promotion in future as well. NT should examine and modify, if necessary, the management processes for establishing strategic promotional objectives and for seeing that specific promotion plans have both objectives and plans to ensure that the strategic objectives are met.
- NT should more effectively integrate sales and marketing operations, utilizing both organizational structures to facilitate integration and operating procedures to enforce/encourage the kind of consultation that would lead to better integration.

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