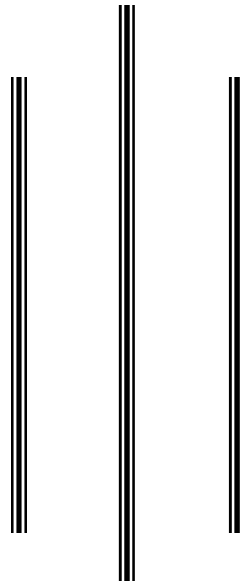


**A Study on Impact of Advertising Through Electronic  
Media (TV) on Consumer Buying Behaviour  
(With special reference to Wai-Wai noodles)**



**A Thesis**

**Submitted By:**

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**Submitted to:**

Office of the Dean

Faculty of Management

Tribhuvan University

In Partial Fulfillment of the Requirement of the Degree of

**Master of Business Studies (MBS)**

Kathmandu, Nepal

July, 2010

## **RECOMMENDATION**

This is to certify that the thesis

Submitted by  
Dipesh Tuladhar  
Entitled

### **A study on Impact of Advertising through Electronic Media (TV) on Consumer Buying Behaviour**

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

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Date:

# VIVA-VOCE SHEET

We have conducted the Viva-Voce Examination of the

Thesis Presented by

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## **A study on Impact of Advertising through Electronic Media (TV) on Consumer Buying Behaviour**

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

### **Viva-Voce Committee**

Chairman, Research Committee : .....

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Date:

## **DECLARATION**

I hereby declare that the work reported in this thesis entitled " A study on Impact of Advertising through Electronic Media (TV) on Consumer Buying Behaviour" submitted to Shanker Dev Campus, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master in Business Studies under the supervision of Mr. Iswor R. Lohani, Associate Professor of Shanker Dev Campus, Tribhuvan University.

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## List of Abbreviation

A.D.	Anno Domini
Ads	Advertisement
Big OB Van	Outside Broadcasting Van (with six camera)
CG	Chaudhary Group
DSNG	Digital Satellite News Gathering
E-mail	Electronic Mail
NTV	Nepal Television
Small OB Van	Outside Broadcasting Van (with three camera)
TV	Television
VAT	Value added tax

# CHAPTER - I

## Introduction

### 1.7 Background of the Study

Advertising is a part of sound marketing plan. A well-planned advertising program is continuous and has a cumulative effect. Advertising campaign is the creation and execution of a series of advertisements to communicate with a particular target audience and in this regard understanding specific problems of a consumer is often the key to developing an appropriate advertising campaign.

Advertising is one of the ways of promoting products, services and ideas among various ways. Advertising influences consumer attitude and purchase behaviour in a variety of consolidated manner. It has multiple objective and roles in persuading the consumers. Advertising is essential to manufacturers, whole-seller, and even to the retailer and it assist to excel the sale of products and services. Many specific communication and sales objects can be assigned to advertising. The degree of effectiveness of advertising is determined by the satisfaction of consumer. The objective of advertising can be classified with respect to its aim as informing, persuading and remanding.

Advertising is made according to the product life cycle, if the product is in introduction phase, optimal advertising is to inform and if the product is in maturity phase then persuading advertisement is optimal.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, and services by an identified sponsor. Kotler and Armstrong, 1998: 450.

Starting in the early 1970s, the, "Accountability Era" began. Clients wanted advertise that produced sales and implemented technology, so they hired experts that could produce such

results. In the early 1990s, the advertising industry recognized that its fate was linked to the global business environment.

The history of advertising in Nepal is recent one but even in this short span of time, it has remarkably grown up where the first newspaper of the country was started on 1958 B.S. Jyestha prior to this only the medium of advertising was of the month. Now different daily, weekly, monthly and other so many periodically have given significant contribution for its brightness to coming marketing process. So advertising can be divided into two parts as electronic and non-electronic advertising. Many Organizations use electronic as well as non-electronic advertising depending upon the prospective consumers and the nature of market segment. Electronic advertising as Radio, TV, E-mail and internet and non-electronic advertising as paper advertising, pamphleting, wall painting, hoarding board, banners can be taken for sending the message.

Basically this study relates with electronic and non-electronic media and its effect on consumer buying behaviours. Among the electronic media this research focuses on the advertising of Wai Wai noodles through Nepal Television and among non-electronic media this research focuses on advertising of Wai Wai noodles through Kantipur daily Newspaper (Paper advertising).

In the context of Nepal, Nepal television (NTV) is perhaps one of the youngest television in Asia, it started as a project in January 1985 under sixth development plan (1980-1985) in which a provision was made "To undertake feasibility study of the establishment of television in the country and to bring TV transmission service at selected places if found from economic and technical standpoints." In February of 1986 it became a full fledged corporation under the communication Act of His Majesty's Government (Nepal). Currently it covers around 41 percent of the country's geographic area and 62 percent of the population. NTV is offering diversified programmes from entertainment to information news to current affairs catering all strata of the society.

Wai Wai noodle is the product of this research. It is one of the reputed products in case of noodles in Nepal produced by Chaudhary Group (CG). CG is conducting so many programs to advertise the product or to launch and re-launch the product in the market as Kantipur FM . The product quality and price has been managed by CG group in accordance with consumer wants and need.

Consumers are the King in marketing; he/she is the decision making to buy or not to buy the products and services. Consumer behaviour indicates the consumer response of any particular brand from and makers and services. Consumer behaviour can be defined as the process where the individuals decide whether, what, when, where, how and from whom to purchase goods and services. Consumer behaviour reflect the totality of consumer's decision with respect to the acquisition of goods, consumptions and disposition of goods, services, time and ideas by human decision making units. A consumer buying behaviour is influenced by cultural, economical, social, personal and psychological factors.

## **1.8 Statement of the Problem**

Nowadays, the significance of the advertising media is multiplying day by day. The company should analyze which kinds of advertising media are useful to influence the consumers' buying behaviour in the target market because only understanding of the consumer's views, attitude, test towards the products and services do not assist to increase the sales. If the advertising does not access to the product coverage market and does not solve the consumer's problem, it will be ineffective.

Here, the focus of the study is to look after the effects on sales by advertisement. So, the prime concern of this study would be to find out the effectiveness of the advertisement through electronic and non-electronic media to influence consumers' buying habits and how they perceive to the advertising media. This study is made to find the following questions:

- a. What advertising impact may have on consumer buying behaviour?
- b. How advertisers select media?
- c. What are consumer's perceptions of Wai-Wai advertisement?
- d. What impact on sales ad makes?

## **1.9 Objective of the study**

The main objective of this study is to identify effective media among electronic and non-electronic, depending on consumer' preference and media habit. However, broader objectives such as below,

- To evaluate the impact of electronic media on consumer buying behaviour.
- To find out the appropriate media preferred by consumer among electronic media.
- To know the impact of advertising on sales.
- To ascertain various considerations for selecting media for advertise.

## **1.10 Limitation of the Study**

Although the pious efforts have been made to reach the objectives of the study, the following limitations can not be ignored.

- The field of the survey is confined to the Kathmandu valley so it may not be reflecting the exact case of whole Nepalese population.
- Since a single product wai-wai has been taken as sample, its findings cannot be applied in any other brands of product.
- Although there are many electronic media available for advertisement in Nepal, the study is confined only to NTV.

## **1.11 Significance of the Study**

Advertising is the most popular promotion tool to create need and wants of consumers. Now it is widely used by social business Government organization. The growth of advertising in Nepal is phenomenal considering the fact that a few decades back, only a few products reached out to consumers through limited media like national daily or the state owned radio stations. Nowadays advertising is growing with leaps and bound. For making consumers well informed, persuade and remind to the consumer, various media are used by the company. Among these various media Television media is the most popular media. So this study is valuable to the Marketing Manager to improve their advertising policy. This study helps to understand the various aspects of consumer behaviour.

Finally it is also aimed at exploring the feasibility and the suitability of the advertising about the products and providing necessary recommendation to the related departments of the company.

On the other hand this study will be helpful for those who will conduct the research work in future in this sector. This study will try to find out the consumers behaviour and their thoughts regarding the TV advertising.

## **1.12 Organization of the Study**

This study has been divided into five chapters. The title of each those chapters are follows:

The first chapter is introductory in nature and it includes background of the study, statement of the problem, objective of the study, significance of the study, limitation of the study and organization of the study.

The second chapter is the review of literature which includes conceptual review and review of previous studies. Meaning of advertising, purpose of advertising, advertising media and method of measuring advertising effectiveness has been included in conceptual review.

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

The fourth chapter of this study is presentation, Analysis and interpretation of data which includes consumer's opinion about Wai Wai noodles, consumers' watching/listening/reading habit of advertisement consumers' behaviour when advertisement of Wai Wai noodles appear on NTV, , media used by Chaudhary Group and cost structure of advertising to advertise Wai Wai noodles, total sales of Wai Wai noodles for recent six years, electronic media ranked by CG and television's channel used by CG.



The last chapter is consists of summary, findings and recommendation. Besides these chapters, bibliography and appendices have also been affixed at the end.

## CHAPTER - II

### Review of Literature

#### Background

Review of literature is an essential part of any study. It is a way to discover what other researchers have conducted in the area selected by the present researcher. It is also a way to avoid investigating problems that have already been definitely answered. Review of literature means to keep in view the relevant literature available so that it will help the analytical part of the study in one hand and will determine the depth of concepts needed for interpretation of the data obtained. Review of literature give the frame work of the research process. In this regard, it can be said that review of literature is useful in research because it provides the insight and general knowledge about the subject matter of the research. The review of literature accomplishes the following functions.

- i. It establishes a point of departure for future research.
- ii. It avoids needless duplication of costly research effort.
- iii. It reveals areas of needed research.

Scientific research must be based on past knowledge. The previous studies cannot be ignored because they provide the foundation to the present study. In other words, there has to be continuity in research. This continuity in research is ensured by linking the present study with the past research studies.

The primary purpose of literature review is to learn, not to accumulate. It enables the researcher to know:

1. What research has been done in the subject?
2. What others have written about the topic?
3. What theories have written about the topic?
4. What approach has been taken by other researchers?
5. What are the areas of agreement or disagreement?
6. Whether there are gaps that have been filled through the proposed research.

The purpose of literature review is to find out what research studies have been conducted in one's chosen field of study, and what remains to be done. It provides framework from which hypothesis can be developed for testing. Wolf and Pant, 2003: 204.

For this study purpose, the review of the literature has been categorized into two groups.

- Conceptual Review
- Review of Previous Related Studies

## **2.1 Conceptual Review**

Conceptual review is basically the review of books and other magazines, journals, articles etc, for developing conceptual aspects of the researcher. Conceptual review assists to know the theories of the study area. Therefore, the researcher has reviewed the following conceptual aspects.

- Meaning of Advertising
- Purpose of Advertising
- Advertising Media
- Method of measuring advertising effectiveness

### **2.1.1 Meaning of Advertising**

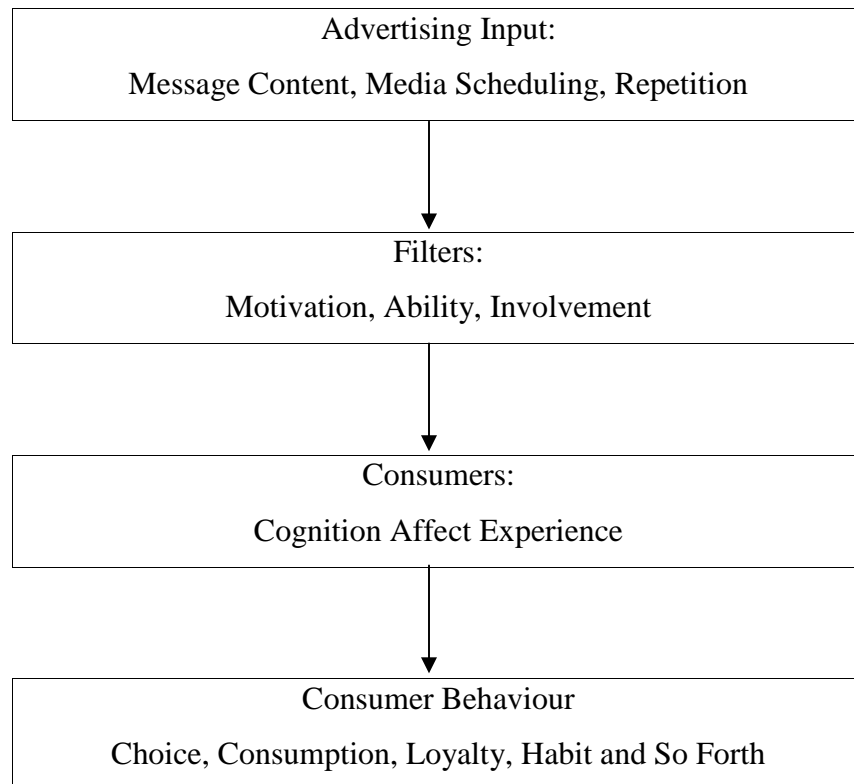
The word advertising is derived from the two Latin words 'ad' means towards and 'vertio' means I turn. So the meaning of advertising is to turn people's attention to the specific things. Earliest form of advertising is to draw the people's attention towards the specific things. In other words advertising is to draw people's attention to the certain goods.

Advertising is non-personal in nature and is used to promote ideas, goods and services. Advertising is further defined as "a paid non-personal communication through various media and by business firms, non-profit organization and individuals who are in same way identified in the advertising message and hope to inform or persuade members of a

particular audience. Boone and Kurtz, 1992: 556. Advertising thus contributes in informing as well as persuading consumers towards a particular good, service or a media.

Advertising multiplies selling messages and appeals. Hence advertising has the greatest opportunity and the greatest responsibility for moving goods fast enough and in large enough quantities to keep the factories running. One of the greatest uses of advertising is 'pre-selling' i.e. preparing the customers for the personal salesman, providing materials for aiding sales, promotion or leading up to the point of purchase display.

Given below is a framework of studying how advertisement works.



*(Source: Demetrios Vakratsas, Tim Amber, How Advertisement Works, Journal of Marketing, 1993)*

Some definitions of advertising have been given below so as to make clear meaning of advertising.

The American Marketing Association defines advertising as “any paid form of non-personal presentation of goods, services or ideas for action, openly paid for by an identified sponsor”. Koirela, 1991: 259 – 260.

“It is micro managerial function of any organization to send the information to the members of the society”. Sontakki, 1996: 1.

Advertising is a form of communication intended to promote the sale of a product or service, to influence a particular cause to gain political support, to advance a particular cause or to elicit some other response desire by the advertiser”. New Encyclopedia, Britanica, Macropedia, 1979: 103.

“Advertising that induces a change in sale or perception of the product is a milestone for brand”. The Kathmandu Post, 2004: 1.

There is no doubt saying the fact that advertising is a tremendous force in modern marketing. Realistically the effect of the marketing process is directly proportional to the efficiency of the advertisements. So this study concludes that advertising should have such power as attention, communication, readability, exorability and selling.

### **2.1.2 Purpose of Advertising**

Advertising is used for business as well as non business purposes. Non business purposes of advertising mostly include disseminating government information of promoting political and social causes etc. However, advertising is widely used for business purposes.

“The end purpose of business product advertising is to create sales. Yet, because advertising is only one of the marketing forces that influence purchase, it often is assigned a more limited role in the sales creation process. This role may be different at different times. Victor P.Buell, 1984: 585.

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

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

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

Advertising is important to retailer, for the retailer it quickens the turnover, as well as reduces degree of remaining dead stock and result in proportionate reduction of overhead expenses. It informs the fluctuated price of the product so the retailer can avoid the losses by the price change.

Similarly, it provides benefits to the buyers. The manufacturers are compelled to maintain the quality of the goods advertised. Money spend on advertising that is a kind of investment and manufacturer wants to return from the consumer so that he has to fix the quality of the product advertised on the media and then the consumer gets the qualitative goods and services.

Likewise, by the advertising, public know about the various goods and services previously unknown to them so it educates the public and enable them to select the most suitable goods and services by comparing goods and services lunched by the various manufacturers. It creates curiosity and interest of people. After interest is aroused advertising also makes people acquire after, and seek further information about goods

and services advertised. So we can say that advertising is such thing which makes networks among various parties as consumers, public, manufacturers, retailer and so on.

In other hand, consumer behavior is a function of a complex process so it is difficult to say that advertising is only one variable that influences the behavior of the consumer. Advertising objectives can also be classified as per their objective in terms of informing, persuading or reminding. Example of information type objective includes making prospective consumer aware of a new product, announcing a new price, and explaining how a product works. Persuading objectives include attempting to build brand preference and loyalty and changing a consumers' attitude about particular brand characteristics. Objective having to do with reminding includes communications telling consumers where and when to buy the product. Boyd, Westfall and Stasch, 2002: 731.

### **2.1.3 Advertising Media**

Now a day's various advertising media are available in the Nepalese market. The individual advertising situation largely determines the complexity of media selection. The advertising media can be group into four different catagories.

#### 1. Indoor Advertising Media

- a) Press Media      b) Film Media      c) Radio
- d) Video Media      e) Television

#### 2. Outdoor Advertising Media

- a) Poster      b) Hoarding Board      c) Sky writing
- d) Travelling Displays      e) electric-electronic signs
- f) Sandwich man

#### 3. Direct Media

- a) Envelope Enclosures      b) Sales Letters      c) Book-lets
- d) Packaging Inserts      e) Gift Novelties

#### 4. Display Media

- a) Window Displays                      b) Counter Display      c) Mobiles
- d) Exhibitions and Trade Fairs

As given above, there are many media available for advertising. Manufacturers use different types of advertising media to communicate information about their product and services. Among these, the most commonly used media are:

- Press Media
- Posters
- Direct Media
- Traveling Display
- Electronic Media

##### **2.1.3.1 Press Media**

The press media, newspapers and magazines usually referred to as "the press" offers a very wide range of publications of different character aimed at different audiences. Among the printed media, newspaper is considered as the most effective one.

As defined by a writer "one of the most important aspects of the press as a whole for the media planner, in his ability to choose widely constrating vehicles for the advertising message". John Wilmshurst, 1994: 141.

Newspaper has become an integral part of the life of almost every community. It is really hard to imagine life without newspapers. Newspapers have made its place in offices, schools, campus, stores etc. and almost everywhere. It is considered as a necessary adjunct to living. It is thus considered as the backbone of advertising programme as it has continued to remain the most powerful message carrier.

The newspaper in particular provides a unique, flexible medium for advertisers to express their creativity. It is a mass medium that is read by almost



everybody and every day. Newspaper is a major community serving medium today for both news and advertising.

Newspapers are excellent for new-product introduction. People read newspapers to find out what's news. Marketwise advertisers often make use of newspapers in new product introduction to take advantage of this news aura. Newspaper, however have some drawbacks like the life of newspaper is very short and sometimes display possibilities are limited because of the rough paper. Further, newspapers particularly like daily papers are read very hurriedly which reduces the possibility of the advertisements being seen. Beside this, lack of guidance in selectivity, poor production quality; heavy advertising competition also can be considered as major disadvantages of newspapers.

Another popular print media are magazines. Magazines are especially suited to new products and services that require educational campaigns. It is because longer copy can be used in magazines than in newspapers because magazine readers spend much more time with their magazine than with their newspaper. In addition, magazines are often kept for a long period of time and thus advertisements can be read and re-read.

It has also some disadvantages. Magazines are less flexible than newspapers. Advertisement materials must be prepared long in advance of publications so it is difficult to change the advertisement materials. However, magazines are printed in better paper enabling more artistic and colorful production of the advertising copy to attract the readers.

Similarly, other forms of printed media include periodicals like household magazines, women's magazines, trade magazines, technical and professional journals, industrial and business to business journal, special interest consumer magazines etc.

### **2.1.3.2 Posters**

The term posters normally refer to pre-printed sheets which are pasted up onto boards on a variety of sites which can be hired. Sites are available in large numbers in most of the towns. It is an effective outdoor advertising media.

Outdoor posters are a mass audience medium rather than a selective medium. A group of posters, located in high traffic areas and distributed throughout the market area will reach nearly every adult in the market.

Although outdoor advertising media like posters is not highly selective medium, there are certain groups who are more likely to be exposed to it than others. So not only can an outdoor program reach nearly everyone, it also builds up great frequency of exposure. A man going to and from work may pass two or three of an advertiser's poster or over a months' time the number of exposures may increase twenty times. It can be purchased on a market by market basis so that coverage fits the advertiser's distribution area. In addition, the location of individual posters can sometimes be specified, permitting the advertiser to emphasize certain neighborhoods in a market for example, an outdoor advertisers particularly interested in reaching blue collar workers might concentrate on poster location near access roads to local factories or an advertiser of a grocery product might attempt to rent posters located near shopping centers to give a last minute reminder to shoppers.

Thus the advantages of posters are that they can be used very selectively to display messages in particular towns. It also provides a large colorful and dramatic reminder of the campaign theme. Usually they are seen by a passing audience and so the copy has to be extremely short, which can be a limitation. On the other hand they may active a high level of repetition.

It is therefore, important to remember that the audience is exposed to an outdoor advertisement for only a brief span of time, so the message must be very short and clear. Much of the communication in outdoor advertising is though use of symbols

rather than words; outdoor is definitely not an appropriate medium for long or complex messages.

The disadvantage of outdoor advertising is the environmental quality that the medium lends to the message. The outdoor medium does not lend prestige to the product as does for example a quality magazine. The association may be a negative one among those people who feel that outdoor advertising spoils the natural beauty of the environment.

Despite the great frequency with which people pass by an outdoor bulletin, they may not perceive it. Unless the outdoor message is provocative and changed regularly, it has a tendency to become a part of the background. This is a particular problem for the more permanent forms of outdoor such as painted bulletins and signs.

### **2.1.3.3 Direct Media**

It includes medium like direct mail, booklets etc. Direct mail is the utilization of postal agency to distribute advertising material and sales literature to customers and prospective buyers. The message is planned to go directly from the advertiser to the customer. The advertiser's opportunity to expand or contract, the number of names to be used, to stop and start his programme at will, makes direct mail advertising very flexible.

This is the best medium for targeting specific audiences. It is flexible, measurable and advertisement can be saved. Similarly, longer message can also be sent at relatively lower cost. Confidential message can also be sent through this media which is not appropriate in other advertising media. It is also helpful in the case of distributing free samples to the selected few customers.

But its appeal is restricted to those, to whom the materials is send and wide coverage is not possible except at a huge cost. Postal delays in delivery can also hurt the timing of the message. Also there is a high possibility of the media being thrown away without being read.

### **2.1.3.4 Traveling Display**

Traveling display is used to make the attention to the customer towards products and services. Traveling display means it is a travel with the advertisement of products and services which is displayed by banner, large poster and so on. Similarly, various programs are also organized to make the product popular among the people in such a way that consumer can understand about products and services easily.

In the Nepalese context market, some small as well as large companies use this type of advertisement for consumer products. However, this type of advertisement is not so popular in our country although sometime traveling display can be seen in the market.

### **2.1.3.5 Electronic Media**

The most common electronic media are television.

#### **Television:**

This is the new and fast growing media of developing countries. Its appeal is directly reaches into the ear and eyes of the viewer. Hence this medium of advertising is considered as most effective. Most of the advertisers use this medium in these days because it combines the merits of both radio and cinema. Consumers can see and hear the advertisement message in their homes. It gives information to a large number of people through sound and visual pictures. It has two major assets; the ability to demonstrate products in their home to all the family in a relaxed environment and a high degree of regional flexibility for the advertiser.

So, television has the advantage of reaching extremely large audience. It is highly flexible and selective media which can be used locally, regionally, nationally and internationally. It uses picture, point, sound and motion for effective result and can target specific audiences. It is considering as a best advertising media ever invented, because it is a means of actual demonstration into the house of the prospect.

It has also some disadvantages. It is costly to prepare and run ads, so small advertisers cannot afford to advertise their product and services in this media. It is difficult to convey the complex information and perishable message in short exposure time. The audience is low because of low range of telecasting. Since the commercial message has very short life, once it is viewed and heard it is gone. Besides all these disadvantages television are the most effective media of this generation.

In Nepal as of today, many channels come into existence. Such as Nepal Television, Kantipur television, Image Channel, Avenues television, Sagarmatha TV, ABC television, Terai TV, Channel Nepal etc. Among these channels NTV is the first television broadcaster in Nepal.

### **NTV Broadcasting:**

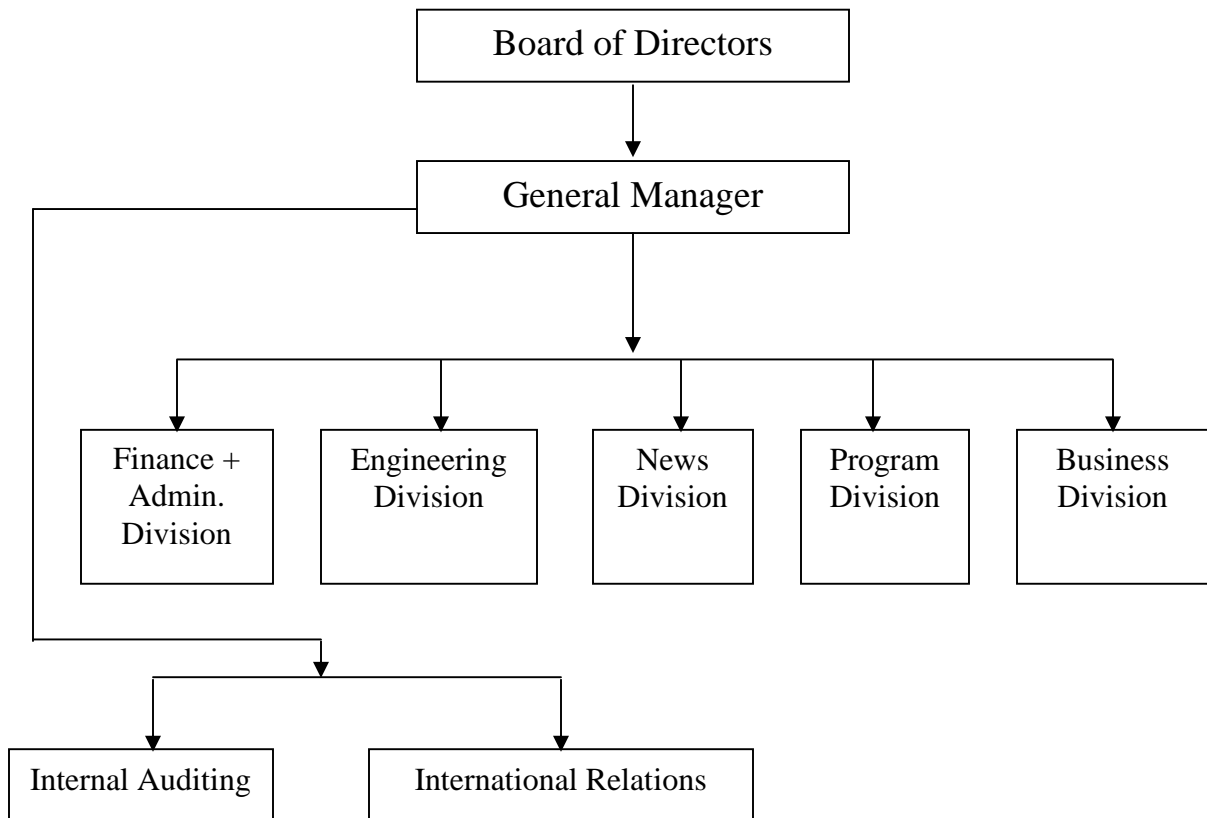
Nepal Television (NTV) is perhaps one of the youngest television stations in Asia. It started as a project in January 1985 under the sixth development plan (1980 - 1985) in which a provision was made "to undertake feasibility study of the establishment of television in the country and to begin TV transmission service at selected places if found feasible from economic and technical standpoints". Nepal Television is the oldest and most watched television channel in Nepal. Despite doubts felt by many, it began its experimental transmission for Kathmandu Valley in a very modest manner with VHF equipment and in the UHF band, in those days there were only about 400 TV sets, the majority of which were used basically for video purposes. Some of these receivers were also used for receiving Doordarshan signals. The thirst for TV programmes was growing. When Nepal TV went on air with its thirty minutes transmission, the number of TV sets increased dramatically. A 100 watt transmitter was then set up to cover Kathmandu valley during this experimental transmission, Regular transmission of two hours commenced by the end of 1985. In February of 1986, it became a fully fledged corporation under the Communication Act of His Majesty's Government.

NTV is a full member of the Asia Pacific Broadcasting Union whose headquarter is located in Kuala Lumpur, Malaysia. It obtained this membership in 1987. It is also an associate member of the Geneva based European Broadcasting Union.

Established as an electronic medium to enhance the country's socio-economic development, Nepal Television currently covers 42% of the country's population and 32% of the land area. Programmes are thus mostly geared to inform and educate the general mass. With the extension of the network transmission hours have also increased 61 hours per week.

NTV is owned by the Nepalese government and is supervised by a Board of Directors who is appointed by the Ministry of Information and Communication. The board headed by the chairman, consists of six members including the General Manager. One membership is exclusively set aside to represent the staff. Now, Nepal television has following organizational structure. NTV has been broadcasting both terrestrially and through satellite and has earned both credibility and fame in the arena of broadcasting media. It has been maintaining a steady growth and expansion in the transmission network, coverage expansion and capacity development from the time of its establishment. NTV has been using **Thai Com 5, 78.5'** E for satellite transmission. Terrestrially, it is accessible in about 47% of total geographic area and 70% of the total population in the country.

## Organization Structure



## Present Status of NTV

Nepal Television was for many years the only television channel native to Nepal, but several others have begun operation in recent years. Its picture format is 4:3 SDTV. NTV broadcast area is in Nepal and its headquarter is at Singha Durbar, Kathmandu. A recent survey showed that *The News* (broadcast at 8:00 p.m.) was the channel's most popular show, followed by comedy program *Tito Satya*.

In the media history of Nepal, NTV has maintained a steady pace in its network development, Since the last twelve years its audience has grown from 2000 viewers in the capital, Kathmandu, to approximately 2,5 million viewers across the country spread mostly in the southern plains and the urban areas. The biggest drawback for NTV to have its signals reach to as many people as possible has been the difficult

terrain of the country, 75% of whose land area consists of hills and mountains extending from east to west, The remaining 25 % of the land area in the south bordering India is the only stretch which is easily accessible to all kinds of communication.

Now, twenty five years later, NTV now have two channels. They are National TV and NTV-2. The National TV channel of NTV telecast the news to current affairs catering all strata of the society 24 hours daily and NTV 2 telecast the information and entertainment programs eighteen hours a day, daily from 2066 Ashoj. NTV and NTV-2 can be watched worldwide through broadband IPTV.

NTV; land coverage is more than 65% and NTV-2; land is more than 40% out of total land of Nepal. NTV have DSNG equipment which is used for worldwide news Live telecasting. NTV also have Outside Broadcasting Van (OB) with 6 cameras and 3 cameras, big OB Van and small OB Van respectively. OB Van is used for Kathmandu's news live telecasting. NTV now a day is top channel in Nepal. In the fiscal year 2065/066 total income of NTV is Rs.24,01,36,924.66 where as it target is 25,50,00,000, which is nearly range of the target (Ghimire Ashok, Smarika Journal, 2066: p. 55 - 57) This data shows that NTV is most popular in Nepal. NTV is the member of The Neilson Company Nepal Pvt. Ltd. (Research Company in Nepal). The Neilson has research the popularity and most viewers of television channels in Nepal, May 2010 reported that NTV has more viewers 79% population Nepal. Its data is as follows:

	<u>(%)</u>
Nepal Television	79
Kantipur	50.4
Image Channel	33.8
Avenue Television	28.7
Sagarmatha TV	14.5
ABC Television	13.5
Nepal 1	10.5
Terai TV	6.4



NTV 2	5.1
News 24	2.9
National TV	3.3
Channel Nepal	0.6

NTV has 10 transmitting stations and sub-stations linked by off air reception at different strategic points on top of hills and mountains in different parts of the country, The central transmitter in Kathmandu is located atop the highest mountain, Phulchoki (9,075 feet), It is linked to the master control room via micro-wave, The transmitting tower is further 300 feet in height. The signals from this transmitter is then picked by off air antennas of different rebroadcasting stations at different parts of the country, In this way, NTV's transmission which was available only to the capital in the beginning now reaches 42% of the total population, However the total number of viewers is far less due to the unavailability of electricity.

Currently there are three studios. Two of them are located at the central station in Kathmandu; one is the transmission studio, and located next to it is the production studio for the central region, The third one, which is located in the western region at Kohalpur, is used for producing programmes which reflect the society, culture and tradition of that region, Similar production studio is to be set up in the eastern region with the same objective in the near future.

### **Future Plans of NTV**

Considering the difficult terrain of the country' it is almost impossible for NTV to reach the entire population without the use of satellite, Therefore, as the 21 st century approaches and in keeping pace with development efforts, NTV looks ahead into transmitting its programmes via satellite within the next three years. This would not only cover the entire country, it would also make its signals available to Nepalese living abroad and to others who would be interested in knowing more about Nepal.

Satellite transmission has been incorporated in the Ninth Five Year Plan (1998-2002) of His Majesty's Government. As per the Ninth Plan the first two years will concentrate on the preparation, i.e., network planning, studio design, maintenance centre and calibration lab, a research on the possibility of participation from the private sector, equipment purchase etc. Transmission, programme production, updating, evaluation etc. will be carried out in the following three years. A channel will be dedicated solely for Distance Education.

The Organization is now gearing up for this preparation. Programmes have been accordingly planned and a training Centre is soon to be established. It is from this time onwards that Nepal TV will be operating with state of the art equipment.

### **Rate Structure for Advertisement**

NTV has published a rate card for the rate of advertisement. The current Rate Card is effective from 2067, Baisakh 1 (14th April, 2010)

### **Rate for Documentary Transmission**

<b>Time Category</b>	<b>Time slot</b>	<b>Rate per min.</b>
<b>Prime Time</b>	7:00PM – 10:30PM	1500/-
<b>Fixed Time</b>	6:00PM – 7:00PM	1000/-
<b>Early Morning time</b>	5:30AM – 7:00AM	300/-
<b>Morning Time</b>	7:00AM – 10:00AM	800/-
<b>Day Time</b>	10:00AM – 4:00PM	500/-
<b>Evening Time</b>	4:00PM – 6:00PM	700/-
<b>Night Time</b>	10:30PM – 5:30AM	250/-

*(Source: Rate Card, Nepal Television, 2010)*

## Channel NTV 2

### Classification of Transmission Time

S.No.	Time Caegory	Time Slots
1	Day Time	From 9:00 AM – 5:00 PM
2	Ordinary Time	From 6:00 AM – 9:00 AM, 5:00 PM – 6:00 PM, 10:00 PM
3	Fixed Time	From 6:00PM – 7:30 PM and 9:30 PM to 10:00 PM onwards
4	Prime Time	From 7:30 PM – 9:30 PM

## NTV 2

### TVC Tariff

According to NTV Rate card the advertisement rate in NTV 2 channel for different time for different spot (sec) are as follows.

Prime Time		Fixed Time	
Spot (Sec)	Rate (NRS)	Spot (Sec)	Rate (NRS)
10	1050/-	10	800/-
15	1300/-	15	1000/-
20	1600/-	20	1150/-
25	1850/-	25	1400/-
30	2100/-	30	1600/-
35	2400/-	35	1800/-
40	2650/-	40	2050/-
45	3000/-	45	2300/-
50	3300/-	50	2550/-
55	3750/-	55	2800/-
60	4000/-	60	3000/-
Live notice up 20 words	950/-	Live notice up 20 words	650/-
Extra per word	45/-	Extra per word	28/-

(Source: Rate Card, Nepal Television, 2010)

Ordinary Time		DayTime	
Spot (Sec)	Rate (NRS)	Spot (Sec)	Rate (NRS)
10	550/-	10	300/-
15	650/-	15	350/-
20	800/-	20	400/-
25	900/-	25	450/-
30	1050/-	30	500/-
35	1200/-	35	600/-
40	1350/-	40	700/-
45	1500/-	45	750/-
50	1700/-	50	850/-
55	1800/-	55	950/-
60	2000/-	60	1000/-
Live notice up 20 words	500/-	Live notice up 20 words	200/-
Extra per word	20/-	Extra per word	10/-

(Source: Rate Card, Nepal Television, 2010)

**Greetings: (Two times)**

All kinds of greetings for two slot – Before 7:00 AM and 7:00 PM program (New Year, Republic Day, Festivals, Anniversary of Intuition and other Occassions)	Rs. 1200/-
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(Source: Rate Card, Nepal Television, 2010)

## Live Transmission Rate

Live transmission rate by using Big OB Van technology are in the given table.

Time Slot	First Hour	Additional 30 minute
6:00 AM – 4:00 PM	44000/-	11000/-
4:00 PM – 6:00 PM	60500/-	16500/-
6:00 PM – 7:30 PM	77000/-	22000/-
After 7:30 PM	88000/-	27500/-

(Source: Rate Card, Nepal Television, 2010)

## Channel NTV National

### Classification of Transmission Time

S.No.	Time Caegory	ProgrammeTime Slots Transmission
1	Special Event Program	In-between specified programs and Live Telecast
2	Super Prime Time	In-between 8:00PM news, before specified programs and live telecast.
3	Prime Time	Before 8:00PM news, in-between regular live telecast.
4	Fixed Time	In-between 7:00AM, 7:00PM, 10:30PM news, before regular live telecast, before programs during 7:30 – 10:30PM, Saturday before “feature films”.
5	Ordinary Time	In-between 8:00 AM, 11:00AM, 2:00PM, 4:00PM news, before programs during 5:00PM – 7:00PM, before 7:00AM, 6:00PM, 7:00PM news.
6	Day/Night Time	Before 8:00AM, 11:00AM, 2:00PM, 4:00PM news, before programs during 6:00AM – 4:30PM, 11:00PM – 5:00AM.

(Source: Rate Card, Nepal Television, 2010)

## NTV National

### TVC Tariff

According to NTV Rate card the advertisement rate in NTV National channel for different time for different spot (sec) are as follows.

Special Event Program		Super Prime Time	
Spot(Sec)	Rate (NRs.)	Spot(Sec)	Rate (NRs.)
10	7350/-	10	6200/-
15	8590/-	15	7580/-
20	10620/-	20	8970/-
25	12530/-	25	10580/-
30	14440/-	30	12190/-
35	16350/-	35	13800/-
40	15530/-	40	15640/-
45	20710/-	45	17480/-
50	23160/-	50	19550/-
55	25600/-	55	21620/-
60	27250/-	60	23000/-

(Source: Rate Card, Nepal Television, 2010)

Prime Time		Fixed Time	
Spot (Sec)	Rate (NRS)	Spot (Sec)	Rate (NRS)
10	4860/-	10	3240/-
15	5940/-	15	3960/-
20	7020/-	20	4680/-
25	8280/-	25	5520/-
30	9540/-	30	6360/-
35	10800/-	35	7200/-
40	12240/-	40	8160/-
45	13680/-	45	9120/-

50	15300/-	50	10200/-
55	16920/-	55	11280/-
60	18000/-	60	12000/-
Live notice up 20 words	3800/-	Live notice up 20 words	2600/-
Extra per word	198/-	Extra per word	113/-

(Source: Rate Card, Nepal Television, 2010)

Ordinary Time		Day/NightTime	
Spot (Sec)	Rate (NRS)	Spot (Sec)	Rate (NRS)
10	2160/-	10	1080/-
15	2640/-	15	1320/-
20	3120/-	20	1560/-
25	3680/-	25	1840/-
30	4240/-	30	2120/-
35	4800/-	35	2400/-
40	5440/-	40	2720/-
45	6080/-	45	3040/-
50	6800/-	50	3040/-
55	7520/-	55	3760/-
60	8000/-	60	4000/-
Live notice up 20 words	1900/-	Live notice up 20 words	900/-
Extra per word	86/-	Extra per word	43/-

(Source: Rate Card, Nepal Television, 2010)

### Greetings: (Two times)

Before 7:00 AM and 7:00 PM news (New Year, Republic Day, Festivals, Anniversary of Intuition and other Occassions)	NRs. 4000/-
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(Source: Rate Card, Nepal Television, 2010)

## Live Transmission Rate

Big OB Van (Features): Broadcast cameras, Graphic facility, Slow Motion, Special Effects, Digital Audio Effects, Digital Video Effects, Double VTR with additional facilities, Audio Video mix, A free copy of recorded event Live Telecast.

Time Slot	First Hour (NRS.)	Additional 30 minute (NRS.)
10:00AM – 4:00PM	80,000/-	20,000/-
4:00PM – 5:30PM	10,0000/-	25,000/-
5:30PM – 7:30PM	1,30,000/-	35,000/-
After 7:30PM	1,70,000/-	40,000/-
FCT 5 minutes for each hour.		

(Source: Rate Card, Nepal Television, 2010)

Small OB Van (Features): Broadcast cameras, Editing facility, Audio Video mix, A free copy of recorded event Live Telecast.

Time Slot	First Hour (NRS.)	Additional 30 minute (NRS.)
10:00AM – 4:00PM	50000/-	16000/-
4:00PM – 5:30PM	60000/-	20000/-
5:30PM – 7:30PM	85000/-	28000/-
After 7:30PM	95000/-	30000/-
FCT 3 minutes for each hour.		

(Source: Rate Card, Nepal Television, 2010)

### Note:

- Additional 25% on above charge for outside the Kathmandu Valley except transportation and insurance.
- Additional 25% on Saturday.
- Additional 50% for foreign clients.



## Rate for Other Technical Services

### 1. Rate for recording (One shift is four hours)

	Rate per shift	Additional Hours
Small O.B. Van	NRs. 30,000/-	NRs. 10,000/-
Big O.B. Van	NRs. 50,000/-	NRs. 15,000/-

### 2. Satellite Feed Service Rate Via Nepal Telecom

	Rate in US\$
For initial 10 mins	300.00
For additional 10 mins	200.00
For long Transmission (more than 30 mins.) Additional 10 mins. block	100.00

(Source: Rate Card, Nepal Television, 2010)

### 3. DSNG Service Rate

DSNG live service charge (used per day)	NRs. 1,15,000/-
DSNG equipment hold charge (not used per day)	NRs. 60,000/-

(Source: Rate Card, Nepal Television, 2010)

### 4. Micro Wave Link

	Rate in US\$
For initial 10 mins. block	200.00
For additional 10 mins. block	100.00
For long Transmission (more than 30 mins.) Additional 10 mins. block	50.00

(Source: Rate Card, Nepal Television, 2010)

Note: Charge will be effective in the interval of each 10 mins.

## 5. Transfer Charge (without contents charge)

One format to another format	NRs. 100/- per min.
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(Source: Rate Card, Nepal Television, 2010)

Note: Contents must be at least 10 mins.

## 6. Footage Charge

	Per Min. in NRs.
Ordinary/Non commercial use	500/-
Ordinary/Commerical use	2000/-
Special Visual commercial use	5000/-
<b>For expatriate (Foreign clients)</b>	<b>Per Min. in US\$</b>
Ordinary visual commercial	100.00
Special visual commercial use	200.00
News visual	50.00

(Source: Rate Card, Nepal Television, 2010)

## 7. Rate for Studio and other services

Beta Cam Camera per shift (Four hours)	NRs. 6000/-
Per shift per light (Four hours)	NRs. 150/-
Beta Cam editing per hour	NRs. 1500/-

(Source: Rate Card, Nepal Television, 2010)

## 8. Studio Rate For One Hour (Program)

A. 80Sq. mt.	NRs. 10,000/-
B. 300Sq. mt.	NRs. 15,000/-

(Source: Rate Card, Nepal Television, 2010)

## 9. Audio Dubbing Facility Charge

Per hour	NRs. 5000/-
Additional 30 mins.	NRs. 2000/-

(Source: Rate Card, Nepal Television, 2010)

## 10. Rate for the Worldwide Delivery of IPTV

For NTV and NTV 2

Annual service charge	US \$ 7700.00
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(Source: Rate Card, Nepal Television, 2010)

## 11. Others

a) Earth station up-link service.	b) Tower sharing on partnership basis.
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(Source: Rate Card, Nepal Television, 2010)

## Terms & Conditions

- a) Advertisements are accepted in Nepali & English languages only.
- b) Full payment must be made in advance for advertisement order.
- c) All broadcasting materials must meet the requirements of the broadcasting policy of Nepal.
- d) The decision of NTV for approval of materials will be final and shall not be contested by the agencies or advertisers. NTV holds right to refuse to transmit any advertisement materials or programs with assigning suitable reason. NTV will refund the money paid for the order in such case.
- e) NTV reserves the right to change the rate and conditions without any prior notice. However, NTV will allow advertisers 10 days from the date of announcement of changes in rates and conditions to cancel or amend their order.
- f) Advertisement order in written form should reach at NTV's Business Division one day before the transmission date.
- g) VAT will be charged on above rates.

- h) Agency commission will be as per NTV's rules.
- i) Apart from above conditions, NTV's business directory will govern all the business dealings.

#### **2.1.4 Method of Measuring Advertising Effectiveness**

To get most of advertising resources, management must evaluate the ability of advertisements to achieve a campaign's objective. Marketing research is needed to study the effect that advertisements are having on target audiences.

“If advertising is to be effective and handled with the maximum efficiency it is necessary to know what it is intended to achieve”. David Corindale, Thensil Kennedy, 1975: 128.

However, advertising ultimately leads to increase the sales of the products and services. Advertisement can be developed and launched to meet any of the following objectives.

#### **Brand Recognition and Acceptance**

Most of the advertisements are targeted at achieving recognition and acceptance of the brand name by the buyers. This is the basic objective of advertising. All marketing firms would like the potential buyers in the least to recognize its products available in the market. This objective of advertising does not call for consumer action resulting in sales.

#### **Trial Purchases**

Many advertising campaigns during the introduction stage of the product life cycle are targeted at achieving the trial purchase of the product. Such advertising induce the general buyers to try the product at least once.

#### **Influence at Sight of Buying Decision**

Some advertising is strategically placed in the retail outlets seek to influence the buyers to buy the firms's brand if he/she has not made prior brand purchase decision.

## **Value Addition**

Some firms seek to add value to its product through a image enhancement exercise launched through special advertising campaigns. This is targeted to achieve higher price level for its products.

## **Aid in Personal Selling and Sales Promotion**

Some advertisements are built to make the job of the door to door salesperson convenient by informing the potential buyers about the visit by the salesperson. Many advertisements are launched to inform the buyers about the sales promotion campaigns.

## **Evaluating Advertising Effectiveness**

Evaluating advertising effectiveness is not easy task for the company. According to Jerome McCarthy if 'Sales Vs Communication' is the objective of advertising and sales is the main objective, measurement of advertising results has to pinpoint the increase in sales that has occurred on account of advertising. Exact measurements become difficult because 'sales' is the result of so many factors in addition to advertising. Even when communication is the goal, measurement of effectiveness becomes difficult; it can be measured around an audience's ability to recognize and recall the message.

In spite of above limitations, firms resort to evaluation of advertising results. They try to assess how far the sales task and the communication task have been accomplished by advertising.

## **Evaluating the Communication Tasks**

The methods used for this evaluation are the same as those employed in 'copy testing'. In this test the effectiveness of advertising is evaluated in three phases.

- Pre-Test or Before Test
- Test During the Campaign

- Post Test or After Tests

#### **2.1.4.1 Pr-Test or Before Test**

Advertisers often prepare several copies and test their effectiveness in order to select and launch the most effective copy through the campaign. The copy test is executed by using consumer Jury, Rating scales, portfolio test, physiological test methods.

##### **a) Physiological Tests**

Physiological tests of advertising effectiveness are used routinely and as a pre-test. These tests measure bodily reactions (eye movements, pupil dilation, brain waves, and electrical resistance of the skin) in response to advertisements. Since people have much less control over such reactions than they have over what they say, some advertisers believe that physiological data are more reliable indicators of an advertisement's impact than verbal responses.

Eye tracking studies are commonly used to measure how consumers react to print advertisements. Tracking equipment accurately records eye movement. Data indicate an advertisement's ability to attract a person's attention (stopping power) who read the advertisement being tested, and which parts of the advertisement were seen/read and in what order. But these tests are very costly and thus small advertisers cannot afford these tools as a measurement of advertising effectiveness.

#### **2.1.4.2 Test during the campaign**

Effectiveness test during the campaign is conducted usually one or two weeks after the launch. Some firms often launch two or three advertisement on the same product

and like to find out which is most effective. The most effective and is continued for the rest of the campaign period while ineffective ones are withdrawn.

Advertisement effectiveness is also conducted during the campaign period. They are known as tracking studies. Advertising packing studies are conducted through inquiry and sales test method.

### **2.1.4.3 Post Test or After Test**

Post tests are conducted to measure the total effectiveness of the advertisement after the campaigns over. Post test are organized to measure the recall and recognition value of the advertisement. Two types of test as recall test and recognition test are performed to measure the advertising effectiveness.

#### **a) Recall Tests**

These tests require respondents to prove that they saw and read an advertisement. Those who say they saw an advertisement are asked to recall its copy and layout. Recall can be unaided (no help is given by the interviewer) or aided (the interviewer gives such clues as a product name or a key word or phrase from the copy). In the case of unaided recall, sometimes the respondent may not remember the advertisement he/she had seen due to the pressure they undergo while interviewing them. Therefore aided recall is used to reduce such possibilities.

#### **b) Recognition Test**

These tests estimate the percentage of people aiming to have read a magazine who recognize the advertisement when it is shown to them. The degree of attention given to the advertisement can then be examined among those who remember it.

## **Measurement Tools for Advertising Effectiveness on Sales**

Companies that set sales objectives for advertising should measure the impact of advertising expenditure on sales. In general, sales effectiveness measures are difficult to obtain because there are so many possible influences on a company's sales.

Advertising managers cannot merely look at the current period's sales compared to the last period's sales to determine the impact of current period's advertising because the observed change in sales could have been caused by changes in competition, consumer needs, price, distribution, state of the economy and even post advertising. Nonetheless, two approaches to the measurement of sales effectiveness are used in practice.

- Analysis of historical sales-advertising relationships
- Experimental studies

### **a) Analysis of Historical Sales-Advertising Relationships**

Most companies have data on sales for their brands and on advertising expenditures over several historical periods-quarters, six-month period, years. Advertising effectiveness is analyzed by searching for the relationship between changes in advertising and corresponding changes in sales. Correlation techniques are used to estimate the contribution of advertising to variations in sales for the time period covered by the data.

### **b) Experimental Studies**

Experimental studies can be used to gain a better understanding of the cause and effect influence of advertising on sales. Such studies can be used to pre-test presentation alternatives, medial scheduling or budget or to post test the effectiveness of advertising companies.



“In addition to these effectiveness measuring tools, there are different views given by different parties regarding the effectiveness of advertising. One of such views is given by the employees. Employees are also consumers in their daily life. Their belief about advertising effectiveness is that an effective advertisement increases short-term sales. Most employees believe that the sole purpose of advertising is short-term sales. Similarly, another characteristic of effective advertising is that effective advertisements appeal to target audience. Employees who did not like their company’s current advertisements sometimes accepted them on the basis that they personally were not in the target audience” (Mary C. Gilly, Mary Wolfinbargar, Journal of Marketing, 1998).

Another feature of an effective advertisement is that effective advertisements get attention. If consumers pay attention to a certain advertisement then it can be concluded that the advertisement is effective. Advertisements are also considered effective if they have easily understandable messages.

In this way advertising effectiveness can be measured.

## **2.2 Review of Previous Related Studies**

**2.2.1** The related literatures which are similar to advertising have been reviewed. (Giri, 2001), has done a study on “The Communication Effect of Advertising and Brand Preference of Instant Noodles” which have the following objectives.

- To analyze the popular media of advertising, its strength and weakness.
- To analyze the advertising appeal and relation between brand preference and advertising qualities of instant noodles.

The major findings of the studies were as:

- Most of the educated people of Kathmandu are aware of brands (The Rara and the Maggi) of instant noodles because of their advertisement.
- Most of the uneducated people in Kathmandu would not say anything about the advertisements.
- In the case of electronic media radio, the Rara has attracted its consumers mainly with the help of vocals. After then comes expressions and music while music has played a leading role to attract the customers in case of Maggi's advertisement. After the setup expression and vocals come orderly.
- Of all advertising media available in Nepal, Electronic media radio has proved itself a leading one to create awareness in customers about the advertised product, especially edible goods like instant noodles. After that the film.cine slide comes orderly.
- Advertising qualities of instant noodles have made no change in brand preference.

**2.2.2** (Ghimire, 2000), in this study on “Advertisement Through Television: Impact of Consumer Behaviour” had the following objectives.

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

Major findings of this study were

- Advertisement help to recall the brand or product name while buying.
- Mostly children, young and old age people prefer musical advertisements where as others prefer good wording advertising.
- Considering sex, female consumer prefers musical advertisement rather than advertisements with good wording and vice-versa, while considering the education factor people below SLC and uneducated people prefer musical advertisement.

- Repetition of advertisement attracts people's attention and people prefer to choose advertised product, if the price and quality of both product are same.
- Most of people gave first preference to advertisements from TV followed by newspaper, radio, magazine, cinema respectively and many people watch NTV advertisement.

**2.2.3** (Shrestha, 1998), in this study on "The Marketing of Cold Drink in Narayangarch" with the following objectives.

- To find out the popular media of advertising for the cold drinks which can easily attract the potential consumers on each company's branded cold drink..
- To find out the relationship between the brand preference and advertising.
- To find out the best choice of consumers on cold drinks on the basis of selecting brands, advertising, habitual, testing and asking question and personal inspection.

Major findings of this study were

- NTV is the most popular media in the Narayanghat city, while the radio Nepal holds the second position and wall painting the third.
- The advertisement of the Coca-Cola of the NTV is much more attractive than that of the Pepsi-cola.
- The advertisement about Coca-Cola is getting much more attractive with cinema house which are established an important parts of the Narayanghat city.

**2.2.4** Another study by (Mool, 2003), on the topic "A Comparative Study on the Effectiveness of Promotional Tools on Sales" had the following objectives.

- To find out what promotional tools is more acceptable by the Nepalese customers.
- To find out what mode is more wisely used by the marketers as sales promotional tools.
- To find out which promotional tools are best to attract the customers.

- To find out whether the sales promotion does impact on the sales of bowling.

Major findings of this study were

- People are aware of advertising as a promotional tool rather than other promotional tool and the people watch/listen/read advertisement to get information and entertainment.
- The person gets information or knows about bowling game from advertisement more than from their friends.
- Price discount and cash price are two major sales promotions that attract the customer towards products or services.
- Advertising and sales promotion such as cash prize, price discount is most widely used by bowling center and cash prize and price discount type of promotional tool is most appreciated by Nepalese customers.
- Advertising helps to aware the customers and induces them to play bowling game where as sales promotion induces them to play bowling game repeatedly

**2.2.5** Finally, another study by (Thakur, 2001), on the topic "The Role of Advertising Brand Loyalty" (with special reference to soft drink) had the following objectives.

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

Major findings of this study were

- Advertising is the main source of information about particular brand as well as sensitive subject in the country in the course of promotion.
- Most of the consumers like entertaining advertisement than other types of advertisement.

- It is found that advertisement has a great contribution for purchase of soft drink.
- Most of the consumers have given first preference to the test of the product while the quality of the product is considered second important factor in case of soft drink.
- The effective advertising in time is regarded as the best tool for brand loyalty.

### **2.2.6 Research Gap**

All of the researchers reviewed above have focused on some major point. All of them have studied about advertisement and sales on past period of times. All of the previous researchers have not pointed out to ascertain various consideration for selecting media for advertise but this study has been conducted mainly to find out to ascertain various consideration for selecting electronic media and its impact on consumer buying behaviour and impact of advertising on sales.

All of the researchers reviewed above have used the old data and selecting process of advertisement electronic media and advertising rate which was effective from 1998 but this study has used the latest and modern consideration for selecting electronic media and latest advertising rate of electronic media, television (NTV) which was effective from April 14, 2010 (Silver Jubilee Year of NTV). This study has also analyzed the most popular television channel in Nepal which was not studied by any researchers before.

The study is attempts to analyze the sales impact of private company. It would be significant step on knowing about the selecting the advertisement media and business of CG and it contributes for the other manufacturing enterprises and Nepalese economy.

## CHAPTER - III

### **Research Methodology**

Research methodology is the combination of two words like research and methodology. Research means to search again to find out something new and more about a phenomenon. It is a systematic and organized effort to inquire about a specific problem that needs an answer. This process of gathering, recording, analyzing and interpreting data with the purpose of finding solution to the problem is called research.

Research may be defined as the systematic and objective analysis and recording of controlled observations that may lead to the development of organizations, principles, or theories, resulting in prediction and possibility ultimate control of events. Methodology is a systematic rule and procedure upon which research is based. It is the science of method or rules of the game. Methodology is a systematic rules and procedure upon which research is based. It is the science of method or rules of the game.

A research methodology is the plan if action that is carried out in systematic manner. Research and methodology are the two sides of the same coin. To search again various tools, technique and methods are used systematically that is called research methodology in simple way. Research methodology assists to formulate the way to get the predetermined objective so it is the strategic formula, which helps to study a problem smoothly and scientifically closer to truth. Research methodology is format or a set of methods that has to be followed as guiding principles in a scientific study.

In the research methodology it includes:

- Research Design
- Population and Sampling
- Nature and Sources of Data
- Data Collection Procedure
- Analytical tools
- Data processing
- Research Hypotheses

### **3.1 Research Design**

Research design is the specification of methods and procedures for acquiring the information needed. It deals with what information is to be collected from which sources by what procedures. Research design is the plan, structure and strategy of investigation conceived so as to obtain answer to research questions and to control variance. According to Pauline Y. Young, research design is "The logical and systematic planning and directing a piece of research". Thapa and Basnet, 2002: 61.

In this study the most media of advertising and impact of television have been evaluated. The opinions of the people about television advertising have been gathered. The questionnaire has been prepared in such a way that helps to find the role of media in public opinion, impact of media on human minds, advertising expenses spent by Chaudhary Group, media focus by Chaudhary Group to promote Wai-Wai noodles. Hence for this; both questionnaire and published data are used. Thus in this study the survey research design is used.

### **3.2 Population and Sampling**

The term population refers to the number of consumers who lie in the specific area. It is difficult to collect information from all consumers so that sample has been taken by using random sampling method. However, this study has taken the consumers of 17-48 years of age as its population. The respondents are different in terms of age, sex and occupation. The consumers who have been living Kathmandu have been chosen as the respondents of this study.

Sample was classified on the basis of gender (male and female). There were altogether 50 males and 50 females in a sample. The sample was further classified age-wise into four different groups. The total population was further classified on the basis of occupation. The total population was further classified on the basis of occupation. There were altogether four categories considered for our study purpose.

Occupation	Age Group								Total
	17-24		25-32		33-40		41-48		
	Male	Female	Male	Female	Male	Female	Male	Female	
Student	25	25	-	-	-	-	-	-	50
Teacher	-	-	25	25	-	-	-	-	50
Farmer	-	-	-	-	50	-	-	-	50
Housewife	-	-	-	-	-	-	-	50	50
Total	25	25	25	25	50	-	-	50	200

### 3.3 Nature and Sources of Data

The research work is based on primary and secondary data. The collection of data is done on the basis of different factors found common in most of the samples of the population. Total sample were classified on the basis of different characteristics of the consumers. The secondary data is collected from the NTV and Chaudhary Group in Wai Wai product.

### 3.4 Data Collection Procedure

In order to obtain the required data for the study, two sets of questionnaire were prepared – one for the consumers and the next for the sampled company. The former questionnaire contained seven questions where as the latter only ten questions.

Before distributing the questionnaires, prior approach was made to the respondents and their approval was got by convincing the purpose of the research. In the second attempt, the questionnaires were distributed and difficulties felt by the respondents relating to some quarries were overcome by clarifying the sense of the questions.

In the third round, the researcher got the questionnaires filled. Except these data, some other data were collected by visiting Nepal Television (Business Promotion Section) and Chaudhary Group and convincing the authorize about the purpose of research. These sources' data were secondary in nature.



### 3.5 Analytical Tools

There are so many tools used to get the result of the research work. Normally average, percentage, ratio, correlation, regression analysis and chi-square test are used for the analysis of data collected from the field.

Among these analytical tools, this research work uses correlation, percentage and chi-square test.

#### Correlation

Correlation means relation between two variables or more than two variables. Relation between or among the variables may be positive and negative, linear and non linear, and simple, multiple and partial.

Two variables are said to have “Correlation”, when they are so related that change in the value of one variable is accompanied by the change in the value of other. For example, increase in advertisement expenditure is accompanied by increase in sales. Correlation analysis only helps in determining the extent to which the two variables are correlated but does not tell about cause and effect relationship. The following methods can be used to study the correlation between two variables.

- Scatter Diagram
- Karl Pearson’s Correlation Coefficient
- Spearman’s Rank Correlation

- a) Scatter diagram method is a graphical method of studying correlation. The simplest method of ascertaining the correlation between two variables is the scatter diagram.
- b) Karl Pearson’s correlation coefficient is one of the widely used mathematical methods of calculating the correlation coefficient between two variables. It is denoted by  $r_{xy}$  or simply  $r$  is defined by:

$$r = \frac{Cov(X, Y)}{\sqrt{X - \bar{X}} \sqrt{Y - \bar{Y}}} \dots\dots\dots (i)$$

where,

$$Cov(X, Y) = \frac{1}{n} \sum (X - \bar{X})(Y - \bar{Y})$$

$\bar{X}$ ,  $\bar{Y}$  being the arithmetic average of x series and y series respectively. The formula can be put in the following forms.

$$r = \frac{\sum xy}{\sqrt{x^2} \sqrt{y^2}} \dots\dots\dots(ii)$$

where,

$$x = X - \bar{X}, y = Y - \bar{Y}$$

### Properties of Correlation Coefficient

- i) Correlation coefficient lies between -1 and +1.
- ii) The formula for correlation is symmetrical i.e.  $r_{xy} = r_{yx}$
- iii) Correlation coefficient is the geometric mean between two regression coefficients.
- iv) The correlation coefficient is independent of change of origin and scale i.e  $r_{xy} = r_{uv}$  where,  $U = \frac{x-a}{h}$ ,  $V = \frac{y-b}{K}$  a, b are assumed means and h, K common factors for X series and Y series respectively.  
Bajracharya, 2053: 250, 255.

## Chi-square ( $\chi^2$ ) Test

The  $\chi^2$  test is one of the simplest and most widely used non-parametric tests in statistical work. The symbol  $\chi^2$  is the Greek letter chi. The chi-square test was first used by Karl Pearson in the year 1990. The quantity  $\chi^2$  describes the magnitude of the discrepancy between theory and observation. It is defined as:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where, O refers to the observation and E refers to the expected frequencies. Gupta, 1997: A-4.2 and 4.3. In this study,  $\chi^2$  test has been applied to find out the effectiveness of media.  $\chi^2$  test has been used as a test of goodness of fit and test of independence.

### 3.6 Data Processing

Both the primary and secondary data have been collected according to need of the research. The information collected from field survey and Chaudhary Group has been used to prepare tables, figures by sorting and grouping in accordance with their homogeneous nature. The statistical tools like chi-square test, correlation coefficient have been incorporated in the research to test the hypothesis set. Besides these tools, this thesis has adjusted the use of the mathematical tool like percentage. Recommendations and suggestions have been added after the analysis and interpretation completed.

### 3.7 Research Hypotheses

Hypotheses are tentative propositions relating to the phenomenon under study. They have to be tested empirically before we can accept or reject them. This research has set the following null and assumed hypotheses:

H<sub>01</sub> : There is no significant difference between the views expressed by the respondents relating to the source used for information.

- H<sub>A1</sub> : There is significant difference between the views expressed by the respondents relating to the source used for information.
- H<sub>02</sub> : There is no significant difference between the views expressed by consumers to use different electronic media.
- H<sub>A2</sub> : There is significant difference between the views expressed by consumers to use different electronic media.
- H<sub>03</sub> : There is no significant difference between the views expressed towards electronic Media regarding the source of information.
- H<sub>A3</sub> : There is significant difference between the views expressed towards electronic Media regarding the source of information.
- H<sub>04</sub> : There is no significant difference between consumers' behavior when advertisement of Wai – Wai appears on NTV.
- H<sub>A4</sub> : There is significant difference between consumers' behavior when advertisement of Wai – Wai appears on NTV.
- H<sub>05</sub> : There is no significant relationship between advertising cost and sales revenue.
- H<sub>A5</sub> : There is significant relationship between advertising cost and sales revenue.

## CHAPTER - IV

### Presentation, Interpretation and Analysis of Data

This chapter deals with the analysis and interpretation of data obtained by using the research methodology dealt in the third chapter. In the course of analysis, data gathered from various sources have been inserted in the tabular form according to their homogenous nature. The various tables prepared for the analysis purpose have been shown. Using statistical tools, the data have been analyzed. The result of the analysis has been interpreted keeping in the mind the conventional standard with respect to factors while using tools. Bar diagram, Pie chart and other charts have been presented so as to clarify the actual data. Specifically, this chapter includes analysis and interpretation of data.

#### 4.1 Consumers' Opinion about Wai –Wai Noodle

Different age group respondents expressed different opinions about the causes for what they select Wai-Wai noodle such as taste, price, hygienic etc. Their response have been shown in Table 4.1

**Table 4.1**  
**Causes for selecting Wai-Wai (According to age)**

Age Group	Causes								
	Sample	Taste	%	Hygienic	%	Price	%	Combination of all	%
17-24	50	14	28	12	24	10	20	14	28
25-32	50	12	24	14	28	8	16	16	32
33-40	50	8	16	11	22	11	22	20	40
41-48	50	13	26	16	32	6	12	15	30

<b>Total</b>	<b>200</b>	<b>47</b>	<b>23.5</b>	<b>53</b>	<b>26.5</b>	<b>35</b>	<b>17.5</b>	<b>65</b>	<b>32.5</b>
<b>Response</b>									

(Source: Field Survey, 2010)

Table 4.1 indicates the age level of respondents and causes for using Wai-Wai. All the respondents have been categorized into four groups. Under 17-24 age group, 28 percent use Wai-Wai noodle for taste, 24 percent use it as hygienic and 20 percent use for price respectively. But in totality 28 percent use it for all these purposes.

Among 25-32 age group, 24 percent use Wai-Wai noodle for taste, 28 percent use it as hygienic and 16 percent use for price respectively. But 32 percent use it for all these purposes.

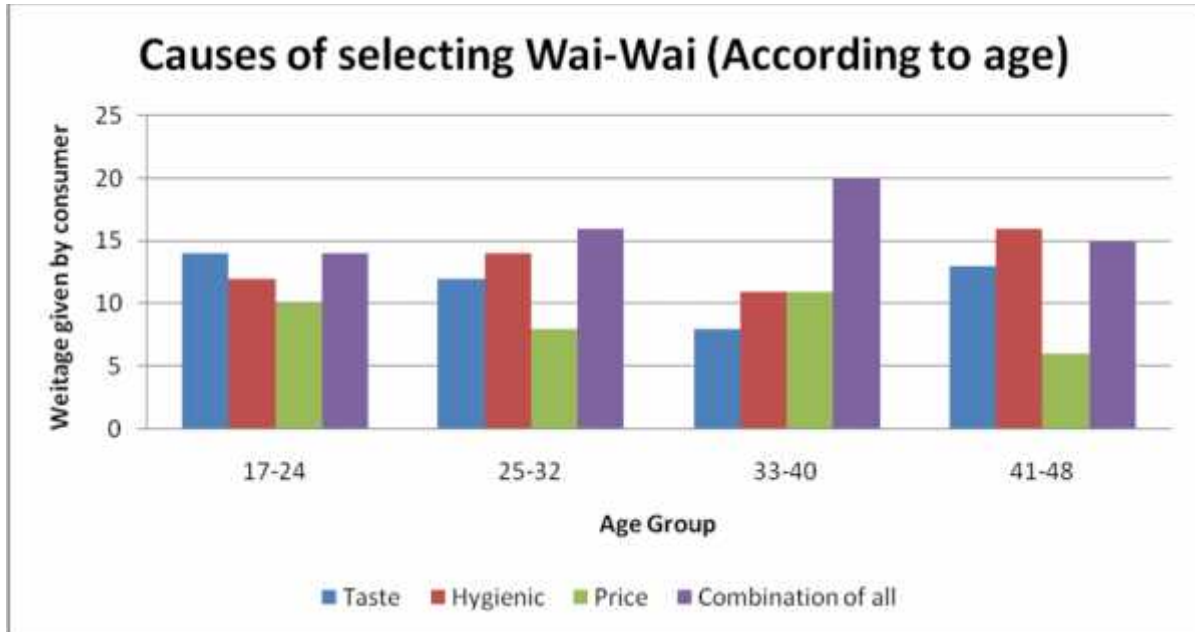
Under 33-40 age group, 16 percent use Wai-Wai noodle for taste, 22 percent use it as hygienic and 22 percent use for price respectively. But 40 percent use it for all these purposes.

Similarly, 41-48 age group, 26 percent use Wai-Wai noodle for taste, 32 percent use it as hygienic and 12 percent use for price respectively. But 30 percent use it for all these purposes.

Among the total responses (i.e. 200), 23.5 percent use Wai-Wai for taste, 26.5 percent use it for hygienic, 17.5 percent use it for price and 32.5 percent consumer use it due to all the reasons and qualities.

These above responses can also be presented in a bar-diagram so that reader can understand it easily.

**Fig. 4.1**



The respondent between age 33-40 are dominant so far as the use of Wai-Wai is concerned because these consumers might be educated and aware of the product.

When opinions were collected on the basis of gender, the responses appeared slightly variant (See Table 4.2)

**Table 4.2**

**Causes for selecting Wai-Wai (According to Gender)**

Gender	Causes								
	Sample	Taste	%	Hygienic	%	Price	%	Combination of all	%
Male	100	20	20	29	29	16	16	35	36
Female	100	27	27	24	24	19	19	30	29

<b>Total</b>	<b>200</b>	<b>47</b>		<b>53</b>		<b>35</b>		<b>65</b>	
<b>Response</b>									

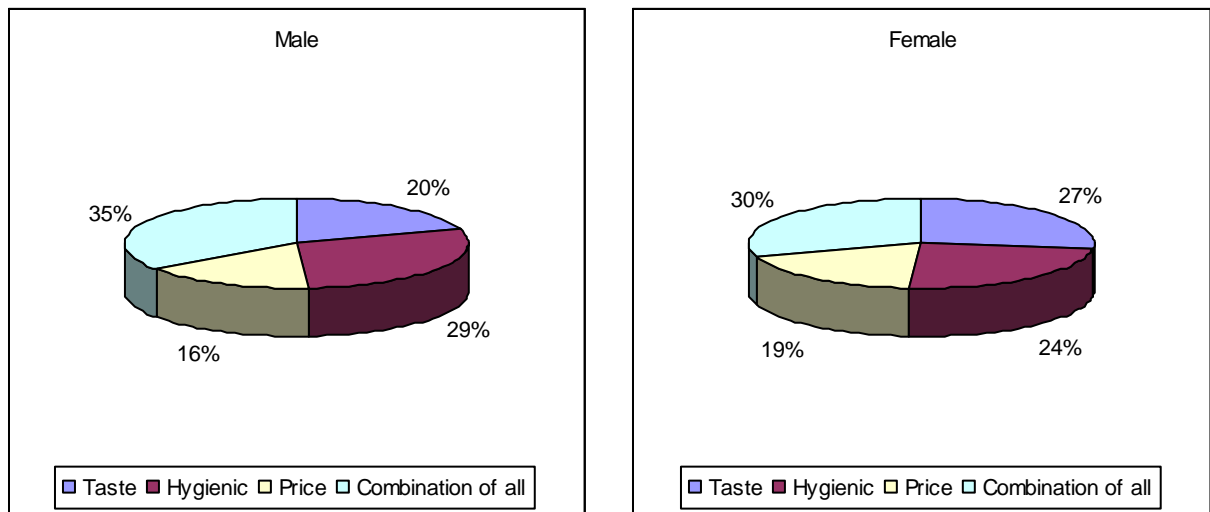
(Source: Field Survey, 2010)

The above table 4.2 shows that out of total male respondents, 20 percent use Wai-Wai for taste, 29 percent use for Hygienic and 16 percent for price respectively. But 36 percent use it for all these purposes.

Similarly, among total female respondents, 27 percent use Wai-Wai for taste, 24 percent use for Hygienic and 19 percent for price respectively. But 29 percent use it for all these purposes. These responses have also been presented in a pie-chart so that one can know the fact of data quickly.

**Fig. 4.2**

**Causes for selecting Wai-Wai (According to Gender)**



Out of total respondents, male consumers are dominant in using Wai-Wai they might be conscious about their health. This study shows that the female consumers are not more than male. It might be the causes of lack of education.



Opinion collected on the basis of occupation, the responses appeared slightly different (See table 4.3).

**Table 4.3**  
**Causes for selecting Wai-Wai (According to Occupation)**

Occupation Group	Responses								
	Sample	Taste	%	Hygienic	%	Price	%	Combination of all	%
Student	50	15	30	13	26	8	16	14	28
Teacher	50	12	24	11	22	7	14	20	40
Farmer	50	8	16	16	32	10	20	16	32
Housewife	50	12	24	13	26	10	20	15	30
<b>Total Response</b>	<b>200</b>	<b>47</b>		<b>53</b>		<b>35</b>		<b>65</b>	

*(Source: Field Survey, 2010)*

Table 4.3 shows that under student group, 30 percent use Wai-Wai for taste, 26 percent for hygienic and 16 percent for price respectively. But 28 percent use Wai-Wai for all these purposes.

Among teacher group, 24 percent use Wai-Wai noodle for taste, 22 percent use it as hygienic and 14 percent use for price respectively. But 40 percent use it for all these purposes.

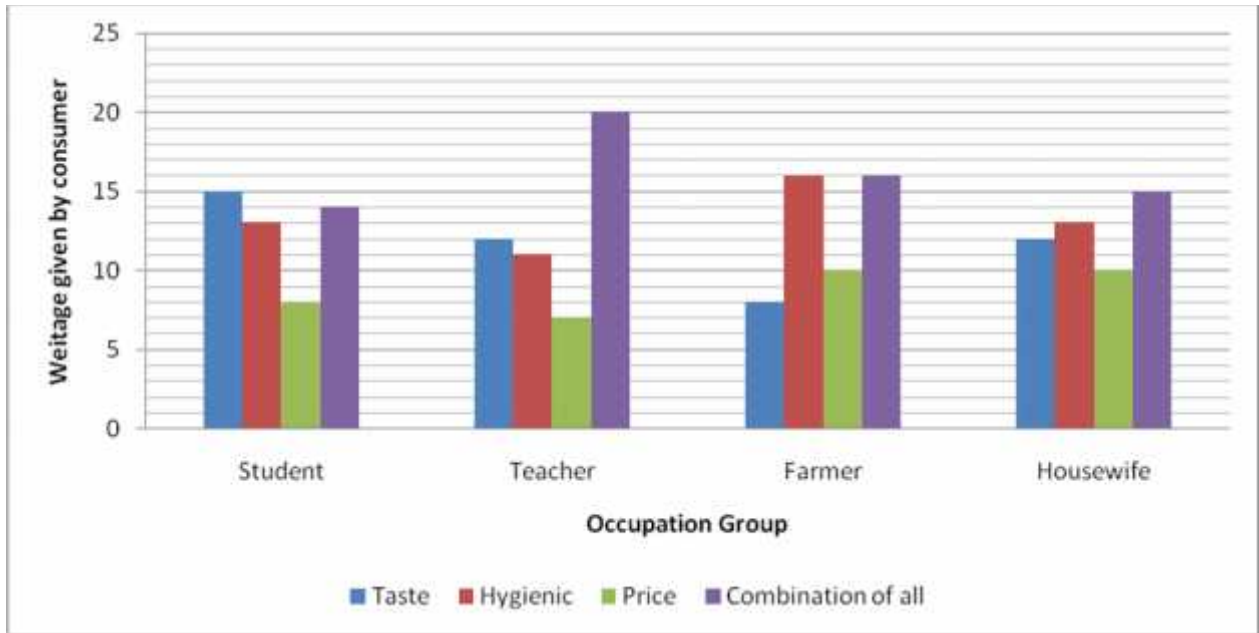
Under farmer group, 16 percent use Wai-Wai noodle for taste, 32 percent use it as hygienic and 20 percent use for price respectively. But 32 percent use it for all these purposes.

Similarly, housewife groups, 24 percent use Wai-Wai noodle for taste, 26 percent use it as hygienic and 20 percent use for price respectively. But 30 percent use it for all these purposes.

These response have also been shown in a bar diagram to know the responses.

**Fig. 4.3**

**Causes for selecting Wai-Wai (According to occupation)**



Out of total consumers' 40 percent of teachers respondents use Wai-Wai due to its combination features such as taste, hygienic and price etc. because they might be more aware than other groups.

To find out the sources used by consumers', (i.e. friends, family member, advertisement, and salesmen) the researcher got quite different responses. (See table 4.4)

**Table 4.4**  
**Sources used for information (According to age)**

Age Group	Sources								
	Sample	By Friend	%	By family member	%	By Ads	%	By salesman	%
17-24	50	12	24	3	6	32	64	3	6
25-32	50	10	20	8	16	23	46	9	18
33-40	50	7	14	13	26	25	50	5	10
41-48	50	5	10	15	30	17	34	13	26
<b>Total Response</b>	<b>200</b>	<b>34</b>	<b>17</b>	<b>39</b>	<b>19.5</b>	<b>97</b>	<b>48.5</b>	<b>30</b>	<b>15</b>

*(Source: Field Survey, 2010)*

This table shows that among 17-24 age group, 24 percent got the information about wai-wai at the first time by their friends, 6 percent got the information from family members, 64 percent got the information from advertisement and 6 percent got the information from salesman respectively.

Under 25-32 age group, 20 percent got the information about wai-wai at the first time by their friends, 16 percent got the information from family members, 46 percent got the information from advertisement and 18 percent got the information from salesman respectively.

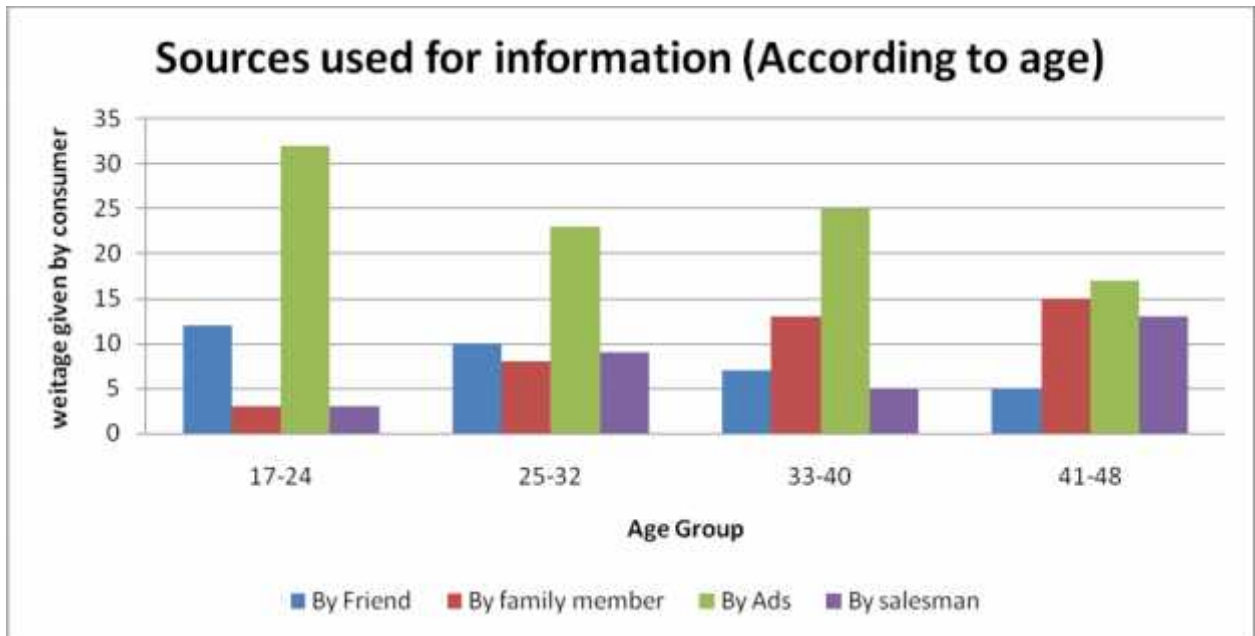
Among 33-40 age group, 14 percent got the information about wai-wai at the first time by their friends, 26 percent got the information from family members, 50 percent got the information from advertisement and 18 percent got the information from salesman respectively.

Similarly under 41-48 age group, 10 percent got the information about wai-wai at the first time by their friends, 30 percent got the information from family members, 34 percent got the information from advertisement and 26 percent got the information from salesman respectively.

Among the total response, 17 percent consumers got the information from their friends, 19.5 percent got the information from the family member and 15 percent got the information from salesman respectively. But 48.5 percent consumers got the information about Wai-Wai at the first time from the advertisement.

These above responses have also been presented in a bar-diagram below.

**Fig. 4.4**



The research reveals that among the various sources, information advertisement has great role to flow the information about product. Under 17-24 age groups 64 percent expressed their views that they got information about products and services by advertisement. This age group dominant the others that might be the causes of new

generation. When views were collected on the basis of gender, the responses appeared differently (Table 4.5).

**Table 4.5**  
**Sources used for information (According to gender)**

Gender	Sources								
	Sample	By Friend	%	By family member	%	By Ads	%	By salesman	%
Male	100	19	19	18	18	51	51	12	12
Female	100	15	15	21	21	46	46	18	18
<b>Total Response</b>	<b>200</b>	<b>34</b>		<b>39</b>		<b>97</b>		<b>30</b>	

*(Source: Field Survey, 2010)*

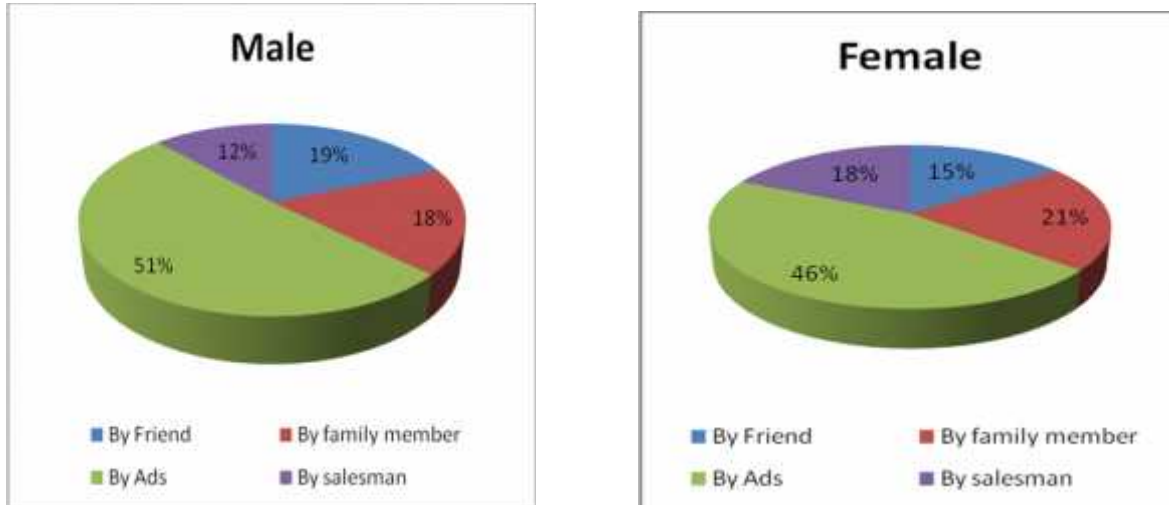
The above table reflects that out of total male consumers, 19 percent got the information about Wai-Wai noodles first time by their friends, 18 percent got the information from the family members, 51 percent got the information from the advertisement and lastly 12 percent got the information at the first time from the salesman respectively.

Under female consumers, 15 percent got the information from their friends, 21 percent got the information from family members, 46 percent from the advertisement and 18 percent got the information from the salesman.

These above responses have been presented in a pie-chart below to reflect the fact of data easily.

**Fig. 4.5**

**Sources used for information (According to gender)**



These above responses conclude that out of total male respondents 51 percent use advertisement as a source for getting the information about Wai-Wai while under female respondents, only 46 percent use advertisement. It might be the causes of greater involvement of male on buying goods then female.

Consumers’ opinions were collected on the basis of occupation and the given responses appeared differently (Table 4.6).

**Table 4.6**

**Sources used for information (According to Occupation)**

Occupation Group	Sources									
	Sample	By Friend	%	By family member	%	By Ads	%	By salesman	%	
Student	50	11	22	7	14	28	56	4	8	
Teacher	50	10	20	11	22	24	48	5	10	
Farmer	50	6	12	12	24	19	38	13	26	
Housewife	50	7	14	9	18	26	52	8	16	

<b>Total</b>	<b>200</b>	<b>34</b>		<b>39</b>		<b>97</b>		<b>30</b>	
<b>Response</b>									

(Source: Field Survey, 2010)

The given table indicates the occupation level of respondents and their behavior to know the first time about Wai-Wai noodle. Under the student group, 23 percent got the information from friends, 14 percent got the information from their family member, 56 percent got the information from the advertisement and remaining 8 percent got the information from the salesman.

Among the teacher group, 20 percent got the information at the first time about Wai-Wai from friends, 22 percent got the information from family member and 10 percent got the information from salesman. But 56 percent got the information from the advertisement.

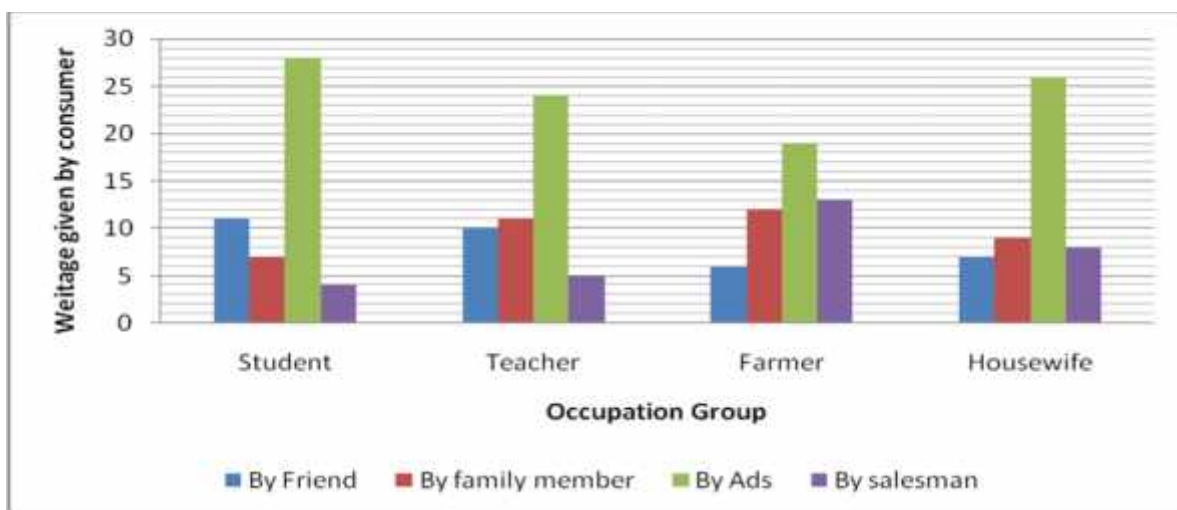
Under the farmer group, 12 percent got the information at the first time about Wai-Wai from friends, 24 percent got the information from family member and 26 percent got the information from salesman. But 38 percent got the information from the advertisement.

Similarly, among housewife group, 14 percent got the information at the first time about Wai-Wai from friends, 18 percent got the information from family member and 16 percent got the information from salesman. But 52 percent got the information from the advertisement.

These responses have been given in a bar-diagram.

**Fig. 4.6**

**Sources used for information (According to Occupation)**



The above responses reflect that out of total respondents students have been influenced by the advertisement of Wai-Wai (i.e. 56 percent of total student). But the advertisement has not touch significantly to the farmer because only 38 percent of farmers are in Wai-Wai advertisement this might be the lack of understanding of advertisement.

To test the hypotheses regarding to sources used by consumers, following hypotheses has been set by the researcher and tested.

### Hypotheses 1

H<sub>01</sub> : There is no significant difference between the views expressed by the respondents relating to the source used for information.

H<sub>A1</sub> : There is significant difference between the views expressed by the respondents relating to the source used for information.

**Decision:** Since the calculated value of  $\chi^2$  (See Appendix – I) is greater than tabulated value (i.e.  $59.72 > 7.81$ ). So null hypotheses (H<sub>0</sub>) is rejected. Hence it concludes that the views of consumer towards the information sources are different.

### 4.2 Consumers' Habit and Media Choice with Respect to Advertisement

To find out consumers' habit of watching, listening and reading advertisement and to ascertain various consideration for selecting electronic media for advertise, along with the causes of such choices, the researcher obtained quite different responses (Table 4.7)

**Table 4.7**

#### **Watching/ Listening/Reading Habit of Advertisement**

Particular	Number	Percent
Yes	200	86.95
No	30	13.05
Total	230	100

(Source: Field Survey, 2010)



As on table 7, out of total respondents, 86.95 percent consumers' watch/listen/read advertisement and remaining 13.05 percent consumers expressed their views that they do not. So, this study has avoided such respondents due to the response out of this research work.

Relating to choices that consumers made of media to watch, listen and read, dominant media remained TV and other media (Table 4.8)

**Table 4.8**  
**Media Choice**

<b>Electronic Media</b>	<b>Number</b>	<b>Percent</b>
Television	110	55
Radio	56	28
Film	14	7
E-mail & Internet	20	10
<b>Total Response</b>	<b>200</b>	<b>100</b>

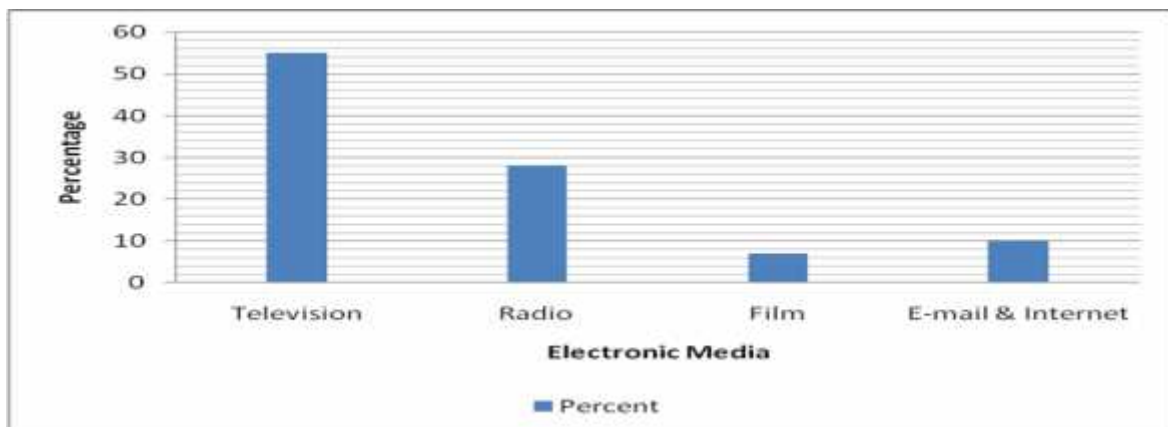
*(Source: Field Survey, 2010)*

The above table shows that out of total respondent, 55 percent use television, 28 percent use radio, 7 percent use film and 10 percent use e-mail and internet respectively.

These response can be presented in a bar diagram so that reader can know it easily.

**Fig. 4.7**

**Media choice by consumer**



## Hypotheses 2

H<sub>02</sub> : There is no significant difference between the views expressed by consumers to use different electronic media.

H<sub>A2</sub> : There is significant difference between the views expressed by consumers to use different electronic media.

**Decision:** Since the calculated value of  $\chi^2$  (See Appendix – II) is greater than tabulated value (i.e. 116.64 > 7.81). So null hypotheses (H<sub>0</sub>) is rejected. Hence it concludes that there is significant difference in the views of consumers to use different electronic media that means television, radio, film, e-mail and internet influence to the consumers differently.

### 4.3 Electronic Media as the Information Source for Consumers

To find out the consumers who use electronic media as information source to know about product through advertisement (Table 4.9).

**Table 4.9**

#### **Media as the Information Source for Consumer**

<b>Electronic Media</b>	<b>Number</b>	<b>Percent</b>
Television	92	46
Radio	66	33
Film	24	12
E-mail & Internet	18	9
<b>Total Response</b>	<b>200</b>	<b>100</b>

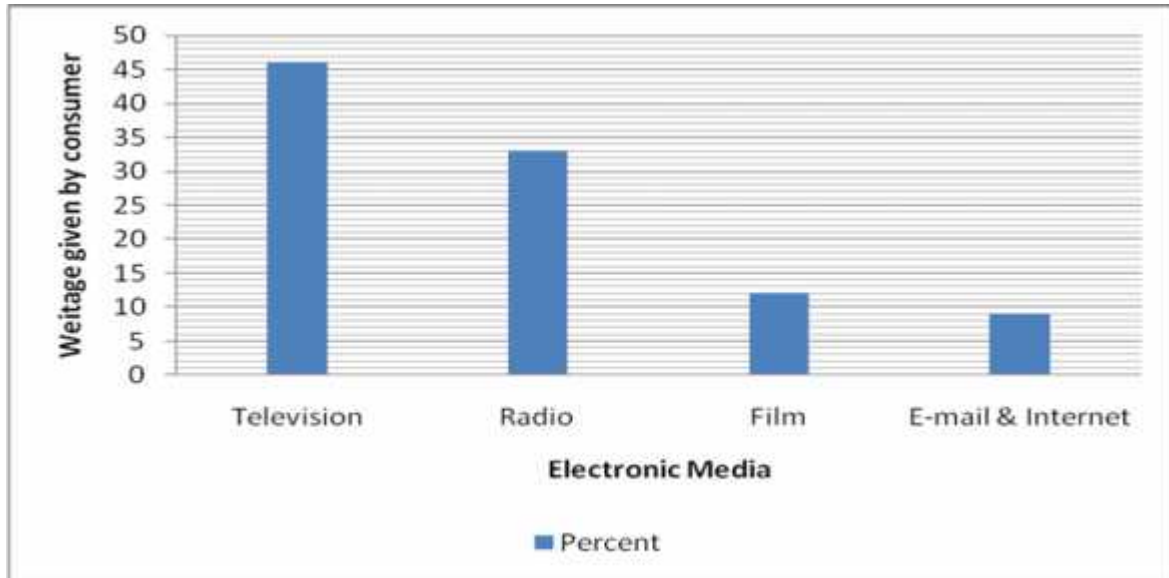
*(Source: Sample Survey, 2010)*

The above table shows that out of total respondent, 46 percent got the full information of products and services from television, 33 percent got the full information of products and services from radio, 12 percent got the full information of products and services from film and 9 percent got the full information of products and services from e-mail and internet respectively.

These response can be presented in a bar-diagram so that reader can know it easily.

**Fig. 4.8**

**Media as the Information Sources for Consumers**



This study reveals that out of electronic media television and radio has vital role to communicate exact message of products and services.

**Hypotheses 3**

H<sub>03</sub> : There is no significant difference between the views expressed towards electronic media regarding the source of information.

H<sub>A3</sub> : There is significant difference between the views expressed towards electronic media regarding the source of information.

**Decision:** Since the calculated value of  $\chi^2$  (See Appendix – III) is greater than tabulated value (i.e. 74.4 > 7.81). So null hypotheses (H<sub>0</sub>) is rejected. Hence it concludes that consumers use different media, out of electronic media, to know information about product.

**4.4 Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal Television**

In order to find out consumer behavior when they watch advertisement on television, the researcher got various responses (Table 4.10).

**Table 4.10**  
**Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal**  
**Television (According to age)**

Age Group	Responses								
	Sample	Try to know what it wants to say	%	Change the channel	%	Just watch Ads	%	Any others	%
17-24	50	18	36	7	14	15	30	10	20
25-32	50	16	32	6	12	13	26	15	30
33-40	50	16	32	8	16	12	24	14	28
41-48	50	12	24	10	20	9	18	19	38
<b>Total Response</b>	<b>200</b>	<b>62</b>		<b>31</b>		<b>49</b>		<b>58</b>	

(Source: Field Survey, 2010)

The above table indicates the consumers' behavior when advertisement about Wai-Wai appears on NTV. Among 17-24 age group, 30 percent can do any other just like switch off, go to refresh or bathroom etc, 36 percent can try to know what the advertisement wants to say, 14 percent can change the channel and remaining 30 percent can just watch advertisement.

Under 25-32 age group, 30 percent can do any other just like switch off, go to refresh or bathroom etc, 32 percent can try to know what the advertisement wants to say, 12 percent can change the channel and remaining 26 percent can just watch advertisement.

Likewise 33-40 age group, 28percent can do any other just like switch off, go to refresh or bathroom etc, 32 percent can try to know what the advertisement wants to say, 16 percent can change the channel and remaining 24 percent can just watch advertisement.

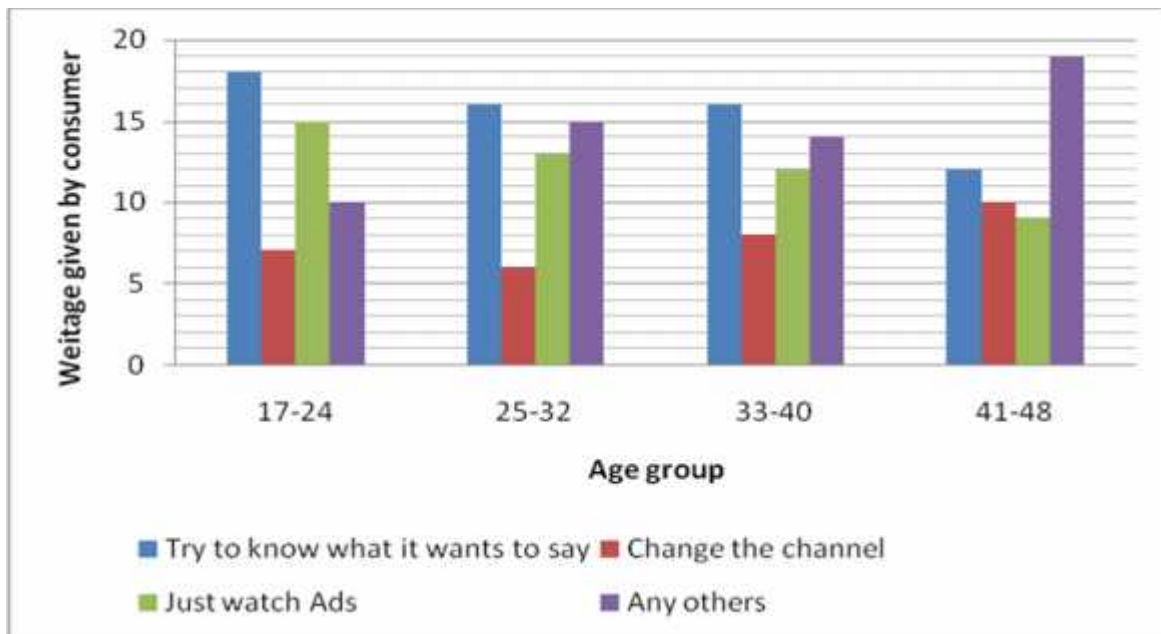
Similarly, among 41-48 age group, 38 percent can do any other just like switch off, go to refresh or bathroom etc, 24 percent can try to know what the advertisement wants to say, 20 percent can change the channel and remaining 18 percent can just watch advertisement of wai-wai on NTV.

Among total responses, 31 percent consumer try to know what it wants to say, 15.5 percent can change the channel, 24.5 percent consumer just watch the advertisement of Wai-Wai on NTV and 29 percent can do any other just like switch off, go to refresh or bathroom etc.

These above responses have also been present in a bar-diagram so that it can be understand easily.

**Fig. 4.9**

**Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal Televison (According to age)**



This above table reveals that the advertisement of Wai-Wai on NTV is effective because most of the consumer watch advertisement and among the various age group, 17-24

age groups has been influenced by the advertisement. This might be happened due to attractive preparation of advertisement on NTV.

In order to find out the responses of consumers' when they watch TV advertisement, the researcher got the responses slightly different on the basis of gender (Table 4.11).

**Table 4.11**  
**Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal**  
**Television (According to Gender)**

Gender	Responses								
	Sample	Try to know what it wants to say	%	Change the channel	%	Just watch Ads	%	Any others	%
Male	100	33	33	14	14	23	23	30	30
Female	100	29	29	17	17	26	26	28	28
<b>Total Response</b>	<b>200</b>	<b>62</b>		<b>31</b>		<b>49</b>		<b>58</b>	

(Source: Field Survey, 2010)

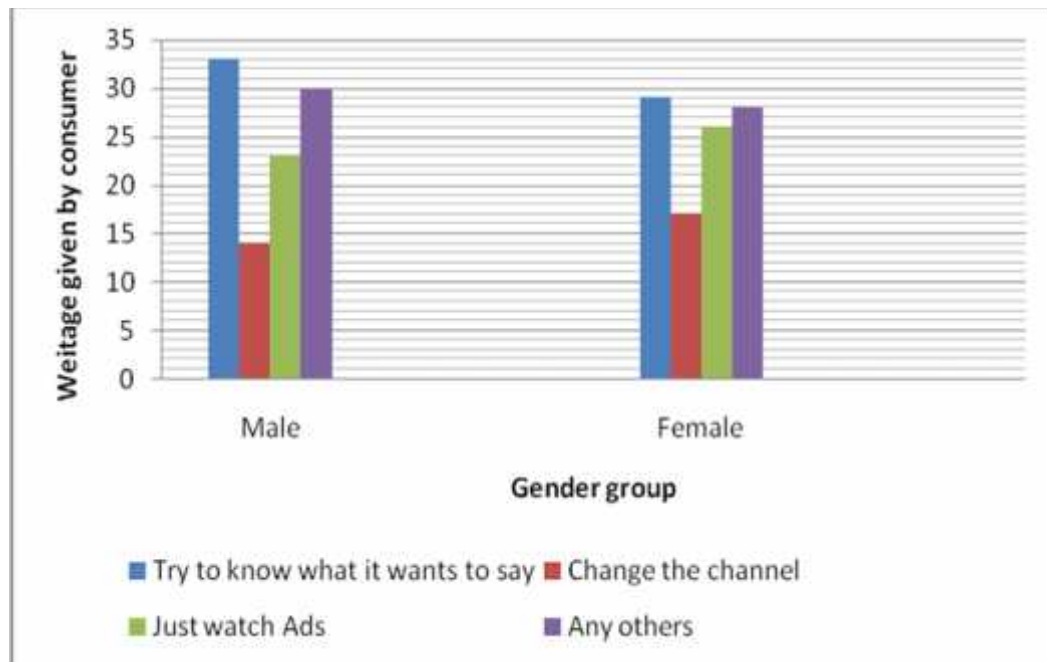
The above table reflects the level of the respondents and their behavior when advertisement about Wai-Wai appears on NTV. Out of total male consumers, 30 percent try to know what the advertisement says, 14 percent can change the channel, 23 percent can just watched advertisement and remaining 33 percent can do another just like switch off, go to refresh or bathroom etc.

Similarly, among female consumer 28 percent tried to know what the advertisement says, 17 percent can change the channel, 26 percent can just watched advertisement and remaining 29 percent can do another just like switch off, go to refresh or bathroom etc.

These above responses can also be present in bar-diagram.

**Fig. 4.10**

**Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal Television (According to Gender)**



The above responses indicate that out of male and female consumers, male are more conscious than female to watch advertisement of Wai-Wai on NTV because it might be the causes of using female actress on an advertisement of Wai-Wai.

The researcher collected responses from the sample consumers according to occupation to know the consumer's behavior with respect to Wai-Wai advertisement, which have been presented in Table 4.12.

**Table 4.12**  
**Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal**  
**Television (According to Occupation)**

Occupation Group	Responses								
	Sample	Try to know what it wants to say	%	Change the channel	%	Just watch Ads	%	Any others	%
Student	50	24	48	7	14	12	24	8	16
Teacher	50	17	34	6	12	15	30	13	26
Farmer	50	11	22	9	18	11	22	17	34
Housewife	50	10	20	9	18	11	22	20	40
<b>Total Response</b>	<b>200</b>	<b>62</b>		<b>31</b>		<b>49</b>		<b>58</b>	

*(Source: Field Survey, 2010)*

The above table indicates the behavior of different occupational consumers when advertisement about Wai-Wai appears on NTV. Under student consumers 48 percent try to know what it wants to say, 14 percent can change the channel, 24 percent can just watch advertisement and remaining 16 percent can do other just like switch off, go to refresh or bathroom etc.

Similarly in teacher group 34 percent try to know what it wants to say, 12 percent can change the channel, 30 percent can just watch advertisement and remaining 26 percent can do other just like switch off, go to refresh or bathroom etc.

Likewise, in farmer group 22 percent try to know what it wants to say, 18 percent can change the channel, 22 percent can just watch advertisement and remaining 34 percent can do other just like switch off, go to refresh or bathroom etc.

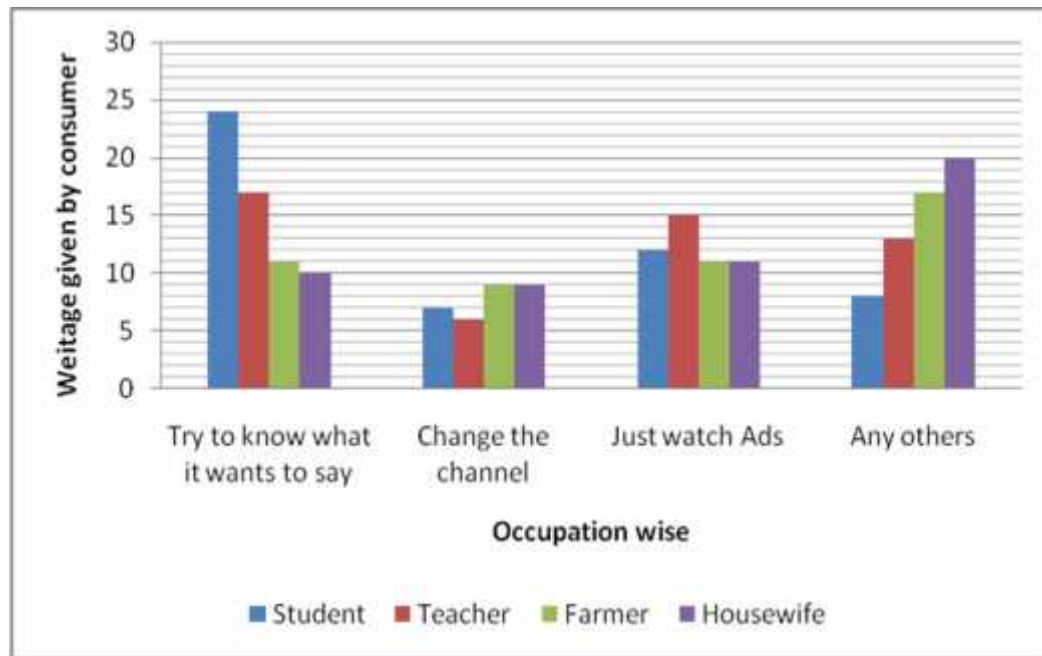
Finally, in housewife group 20 percent try to know what it wants to say, 18 percent can change the channel, 22 percent can just watch advertisement and remaining 40 percent can do other just like switch off, go to refresh or bathroom etc.



These above responses are also present in bar-diagram.

**Fig. 4.11**

**Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal Television (According to Occupation)**



This study gives an idea that out of four occupational groups students can try to know what it want to say in order case they are more curious than others (i.e. 48% of total respondents).

#### **Hypotheses 4**

$H_{04}$  : There is no significant difference between consumers' behavior when advertisement of Wai – Wai appears on NTV.

$H_{A4}$  : There is significant difference between consumers' behavior when advertisement of Wai – Wai appears on NTV.

**Decision:** Since the calculated value of  $\chi^2$  (See Appendix – IV) is greater than tabulated value (i.e.  $11.58 > 7.81$ ). So null hypotheses ( $H_0$ ) is rejected. Hence it concludes that there is difference between the consumers' behavior when advertisement appears on NTV.

**Table 4.13**

**Opinions of consumers about advertisement that appeared on NTV  
(According to age)**

Age Group	Opinions								
	Sample	Attractive	%	Quite Good	%	Neutral	%	Boring	%
17-24	50	10	20	18	36	15	30	7	14
25-32	50	15	30	16	32	13	26	6	12
33-40	50	14	28	16	32	12	24	8	16
41-48	50	19	38	12	24	9	18	10	20
<b>Total Response</b>	<b>200</b>	<b>58</b>		<b>62</b>		<b>49</b>		<b>31</b>	

*(Source: Field Survey, 2010)*

The above table shows the consumers response when advertisement of Wai-Wai appears on NTV. Out of total 17-24 age group, 36 percent consumers expressed their views that the advertisement of wai-wai attractive, 20 percent expressed quite good, 30 percent expressed neutral (i.e. no attractive and no boring), and remaining 14 percent expressed that the advertisement of wai-wai on NTV is boring.

Out of total 25-32 age group, 32 percent consumers expressed their views that the advertisement of wai-wai attractive, 30 percent expressed quite good, 26 percent expressed neutral (i.e. no attractive and no boring), and remaining 12 percent expressed that the advertisement of wai-wai on NTV is boring.

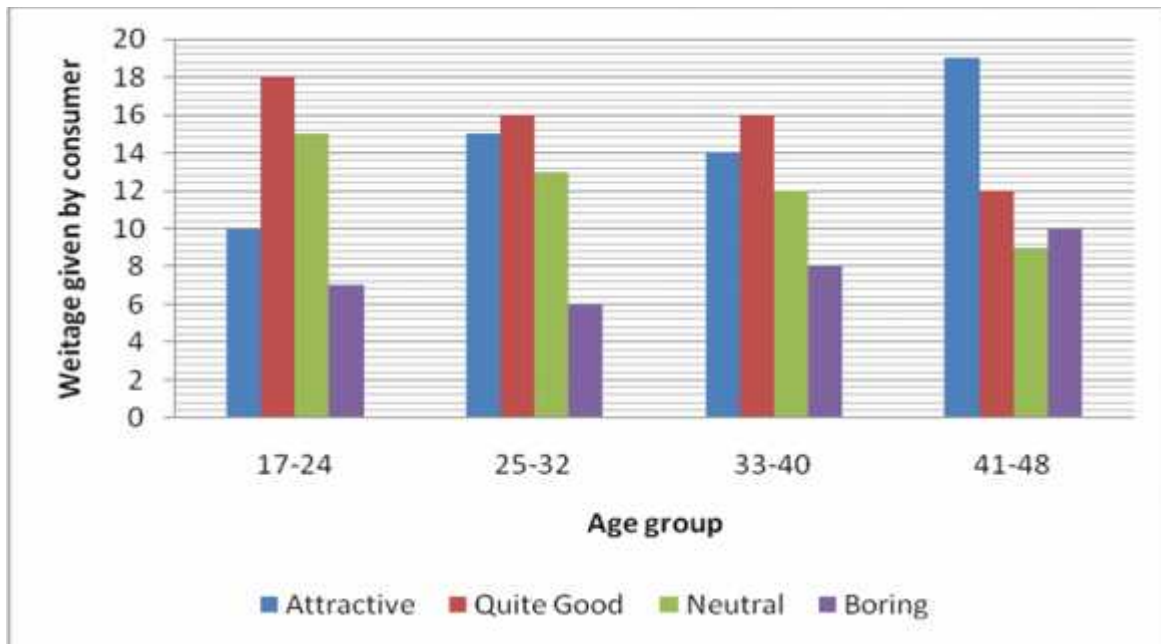
Under 33-40 age group, 32 percent consumers expressed their views that the advertisement of wai-wai attractive, 28 percent expressed quite good, 24 percent expressed neutral (i.e. no attractive and no boring), and remaining 16 percent expressed that the advertisement of wai-wai on NTV is boring.

Finally, under 41-48 age group, 24 percent consumers expressed their views that the advertisement of wai-wai attractive, 38 percent expressed quite good, 18 percent expressed neutral (i.e. no attractive and no boring), and remaining 20 percent expressed that the advertisement of wai-wai on NTV is boring.

These above opinion have been shown in bar diagram.

**Fig. 4.12**

**Opinions of consumers about advertisement that appeared on NTV  
(According to age)**



The above bar diagram shows that out of total opinions most of the consumer in 41-48 age groups are attractive by the advertisement of wai-wai because it might be the causes of unique features of wai-wai advertisement than other advertisement.

**Table 4.14**

**Opinions of consumers about advertisement that appeared on NTV  
(According to Gender)**

Gender	Responses								
	Sample	Attractive	%	Quite Good	%	Neutral	%	Boring	%
Male	100	32	32	27	27	25	25	16	16
Female	100	26	26	35	35	24	24	15	15
<b>Total Response</b>	<b>200</b>	<b>58</b>		<b>62</b>		<b>49</b>		<b>31</b>	

*(Source: Field Survey, 2010)*

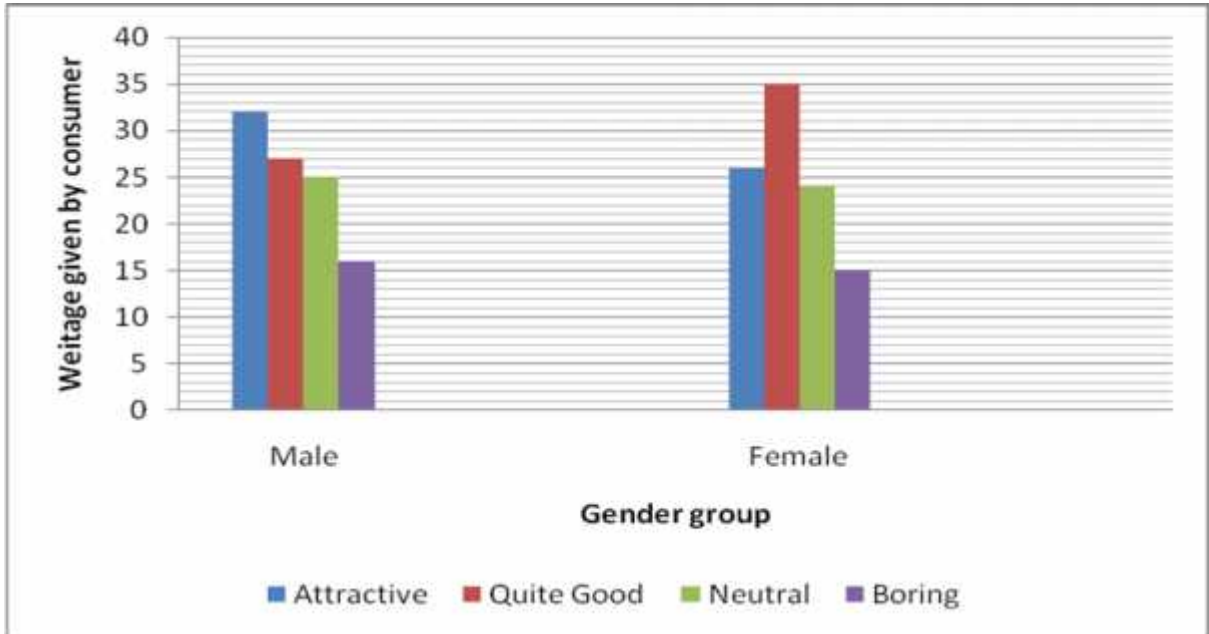
As per table 4.14, total respondents, out of total male consumers, 32 percent consumers expressed their views that the advertisement of wai-wai attractive, 27 percent expressed quite good, 25 percent expressed neutral (i.e. no attractive and no boring), and remaining 16 percent expressed that the advertisement of wai-wai on NTV is boring.

Similarly, out of total female consumers, 26 percent consumers expressed their views that the advertisement of wai-wai attractive, 35 percent expressed quite good, 24 percent expressed neutral (i.e. no attractive and no boring), and remaining 15 percent expressed that the advertisement of wai-wai on NTV is boring.

These above opinion have been shown in bar diagram.

**Fig. 4.13**

**Opinions of consumers about advertisement that appeared on NTV  
(According to Gender)**



This study concludes that out of total male and female respondent there is not significant different behavior towards the wai-wai advertisement on NTV.

**Table 4.15**

**Opinions of consumers about advertisement that appeared on NTV  
(According to Occupation)**

Occupation Group	Responses									
	Sample	Attractive	%	Quite Good	%	Neutral	%	Boring	%	
Student	50	8	16	24	48	12	24	8	16	
Teacher	50	13	26	17	34	15	30	5	10	
Farmer	50	17	34	12	24	12	24	9	18	
Housewife	50	20	40	10	20	11	22	9	18	
<b>Total Response</b>	<b>200</b>	<b>58</b>		<b>63</b>		<b>50</b>		<b>31</b>		

(Source: Field Survey, 2010)

As on table 4.15, out of total student respondents 16 percent consumers expressed their views that the advertisement of wai-wai attractive, 48 percent expressed quite good, 24 percent expressed neutral (i.e. no attractive and no boring), and remaining 16 percent expressed that the advertisement of wai-wai on NTV is boring.

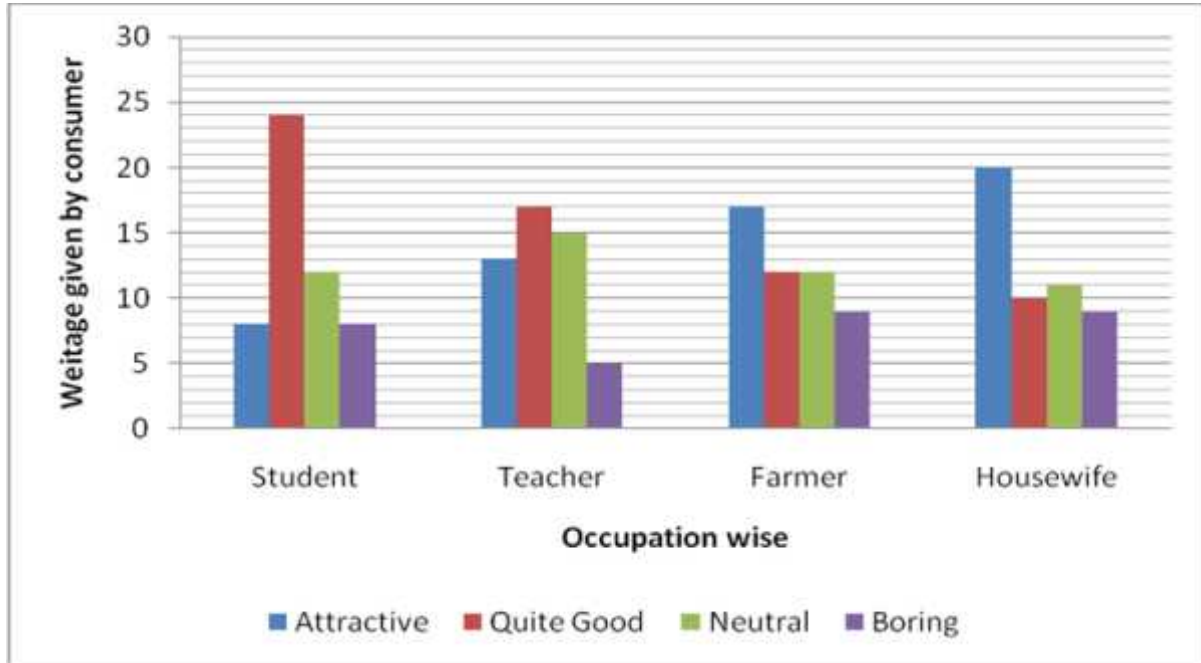
Out of total teacher respondents 26 percent consumers expressed their views that the advertisement of wai-wai attractive, 34 percent expressed quite good, 30 percent expressed neutral (i.e. no attractive and no boring), and remaining 10 percent expressed that the advertisement of wai-wai on NTV is boring.

Similarly, out of total farmer respondents 34 percent consumers expressed their views that the advertisement of wai-wai attractive, 24 percent expressed quite good, 24 percent expressed neutral (i.e. no attractive and no boring), and remaining 18 percent expressed that the advertisement of wai-wai on NTV is boring.

Finally, out of total housewife respondents 40 percent consumers expressed their views that the advertisement of wai-wai attractive, 20 percent expressed quite good, 22 percent expressed neutral (i.e. no attractive and no boring), and remaining 18 percent expressed that the advertisement of wai-wai on NTV is boring.

**Fig. 4.14**

**Opinions of consumers about advertisement that appeared on NTV  
(According to Occupation)**



This research depicts that student and teacher group of respondents are in favour of wai-wai advertisement but the farmers and housewives are not in favour of the wai-wai advertisement because it might be the lack of the awareness of health.

**4.5 Media used by Chaudhary Group**

To know the electronic media availability for CG to advertise wai-wai noodle the researcher took an opinion survey. The obtained information have been shown in table 4.16.

**Table 4.16**

**Electronic Media used by Chaudhary Group**

<b>Television</b>	<b>Radio</b>
<b>E-mail &amp; Internet</b>	<b>Cinema</b>

*(Source: Official record of CG)*

Among the various media Chaudhary Group has preferred only some of them to advertise wai-wai such as, television, radio, e-mail & internet and cinema etc.

#### **4.6 Cost structure of advertisement to advertise Wai-Wai noodle**

The researcher collected information relating the cost of wai-wai of advertising within six years, which have been presented in table 4.17.

**Table 4.17**

**Advertisement cost born by Chaudhary Group for recent six years**

<b>Years</b>	<b>Cost (Rs.)</b>	<b>Diff. (Rs.)</b>
2004	2,05,64,000	
2005	2,25,89,000	20,25,000
2006	2,42,31,000	16,42,000
2007	2,55,78,000	13,47,000
2008	2,65,90,000	10,12,000
2009	2,73,50,000	7,60,000

*(Source: Human Resource Manager of Chaudhary Group)*

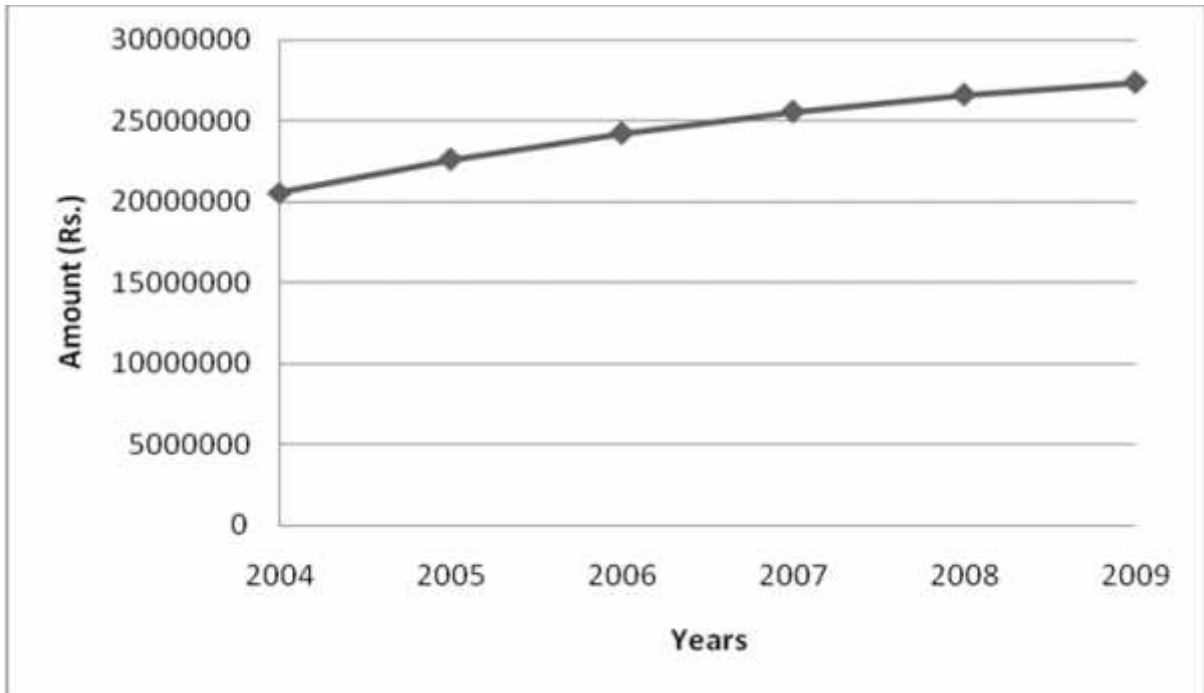
Table 4.17 depicts the advertising cost and its differences within six years. In 2004 the advertising cost was Rs. 2,05,64,000 and in 2009 it came to be Rs. 2,97,50,000 which indicates the increasing trends in advertising cost but the cost increasing trend is slower.

Above responses have also been shown on the following figure so that one can know the fact of data easily.



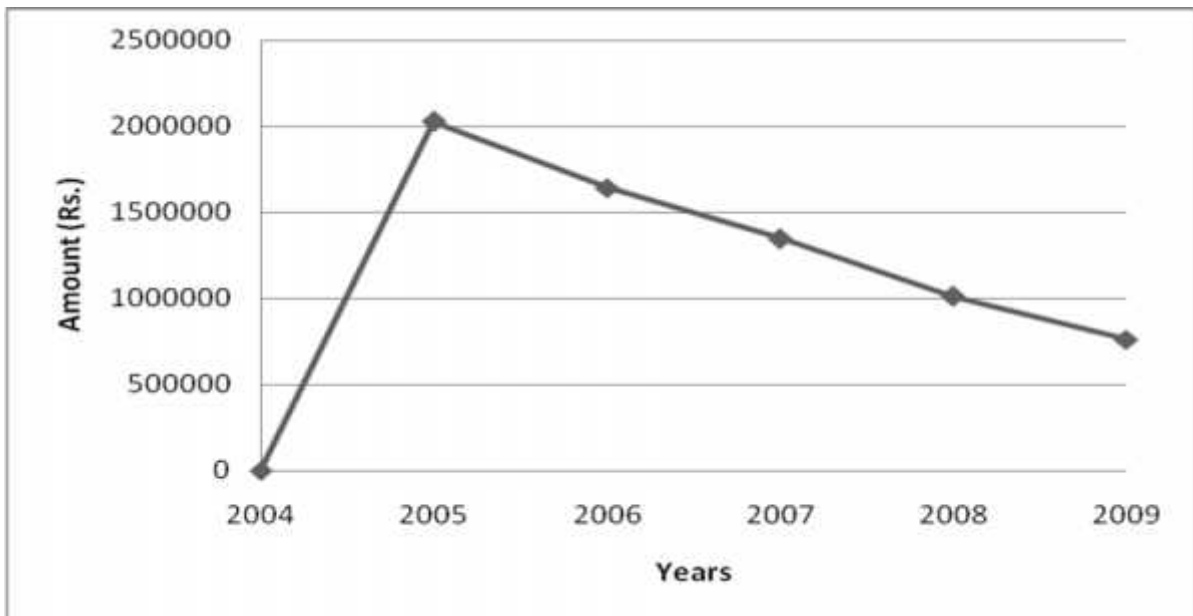
**Fig. 4.15**

**Advertising Cost Trend for recent six years**



**Fig. 4.16**

**Incremental cost of advertisement for recent six years**



## 4.7 Total sales of Wai-Wai for Recent six years

Sales and advertising are related with each other. So to analyze the impact of advertising on sales, data have been presented for recent six years.

**Table 4.18**

### **Total sales of Chaudhary Group for recent six years**

<b>Years</b>	<b>Sales (Rs. 000)</b>	<b>Diff. (Rs. 000)</b>
2004	455478	
2005	595745	140267
2006	717594	121849
2007	837487	119893
2008	934795	97308
2009	1019667	84872

*(Source: Human Resource Manager of Chaudhary Group)*

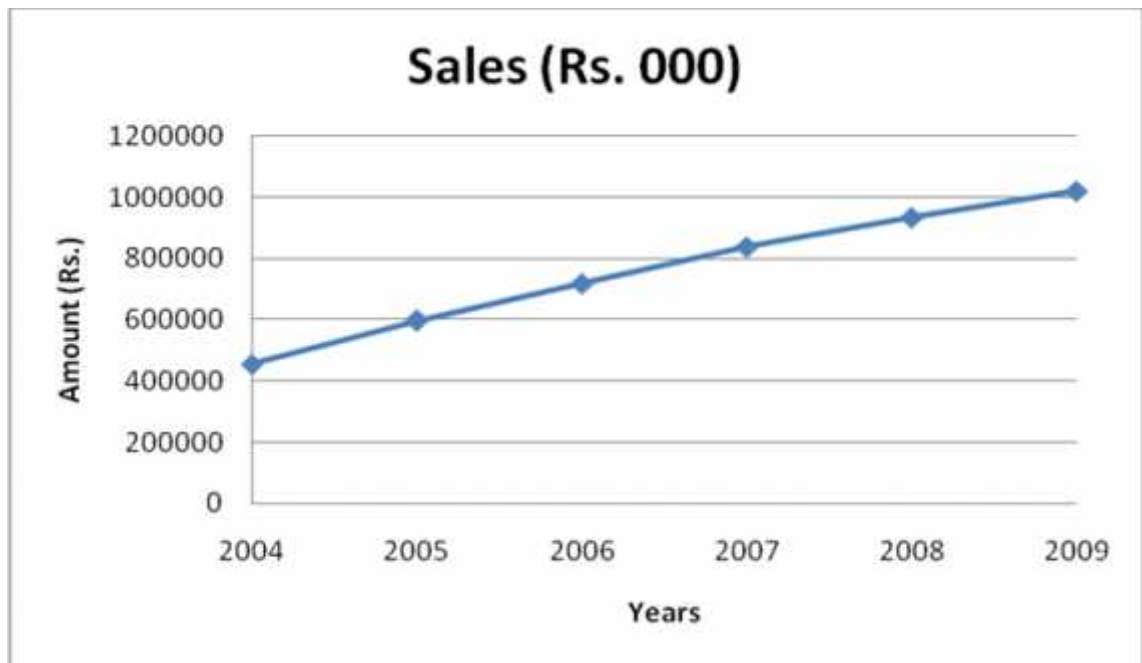
The above table indicates the sales and the incremental sales of wai-wai for recent six years. In 2004, the sales was Rs. 455478000 and it came to Rs 1019667000 in 2009, which is in increasing trends but the trend is slower.

According to table 4.18, the sale of wai-wai is favourable for four years but the sales of wai-wai in 2008 and 2009 decreased suddenly.

This information can be presented on the following figure so that reader can identify the fact of information easily.

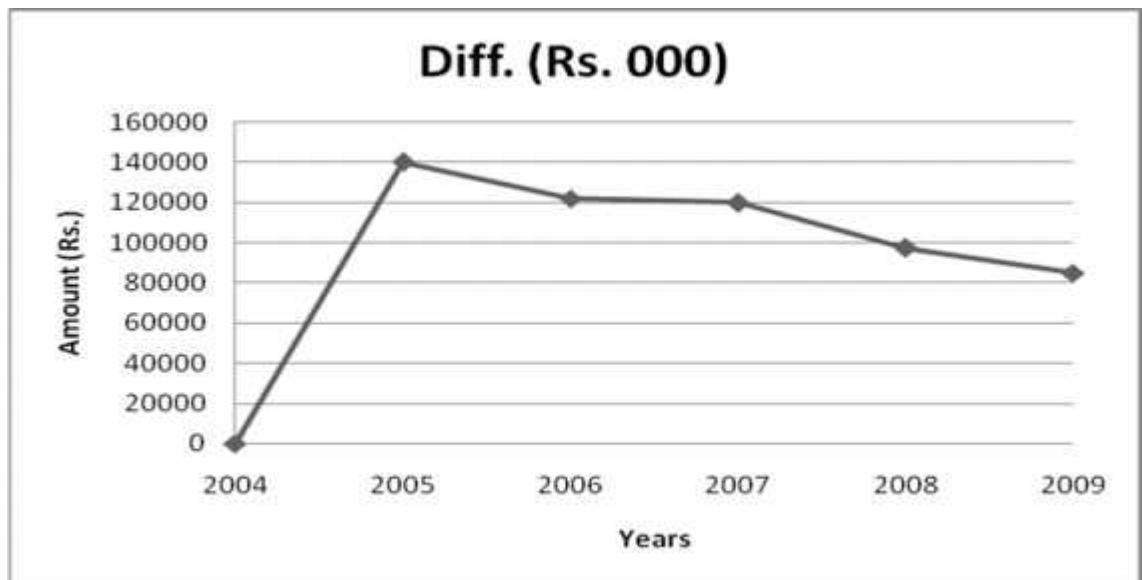
**Fig. 4.17**

**Total Sales of Wai-Wai for recent six years**



**Fig. 4.18**

**Incremental Sale on Advertisement for recent six years**



To identify the relationship between sales and cost of advertisement of wai-wai, the researcher set the following hypotheses and tested.

## Hypotheses 5

$H_{05}$  : There is no significant relationship between advertising cost and sales revenue.

$H_{A5}$  : There is significant relationship between advertising cost and sales revenue.

**Decision:** Here, the correlation equation has proved that the sales of wai-wai have been fluctuated as compared to advertising cost so the null hypothesis is rejected. It concludes that there is the positive relationship between the sales and advertising cost (According to Appendix V and VI)

## 4.8 Media Preference by Chaudhary Group

The researcher collected information relating to the electronic media from Chaudhary Group to know the preference of media given by CG to advertise wai-wai, the researcher conducted opinion survey and collected information have been shown in figure 4.19

**Fig. 4.19**

### **Electronic Media Ranked by CG**

1. Television
2. Radio
3. E-mail and Internet
4. Film

*(Source: Official record of CG)*

According to figure 4.18, television got first preferences to advertise the wai-wai and then radio, email & internet and Film got second, third and fourth preference respectively.

The above figure concludes that CG mostly use television and radio media to advertise wai-wai noodle.

## **4.9 Television Channels used by Chaudhary Group**

Under electronic media, there are various media for producer to advertise products and services. With respect to television some questions were asked to know the media used by CG, such as, which television channel do you mostly use and why?

In case of television channel, CG selected Nepal Television (NTV). The reason of choosing NTV was its wide coverage of audience and TV watching habit of consumers.

# CHAPTER - V

## Summary, Finding and Recommendations

### 5.1 Summary

Advertising is one of the ways of promoting products, services and ideas among various ways. Advertising has got popularity due to the drastic change in communication sector. Advertising is used to inform, persuade and remind about products and services and it influences consumers attitude and purchase behavior. Advertising is essential to manufacturers, whole-sellers, retailers and even to general people.

In case of advertising of products and services following critical decisions have to be made.

- Setting objective
- Selecting the message
- Choosing appropriate electronic media vehicles

Basically, this research aims to study about advertising through electronic media. This study has been divided into two parts. Conceptual review of advertising and Review of previous related studies. Television, Radio, Film, E-mail & Internet have been taken as the electronic media. This study focuses on advertising of wai-wai noodle through Nepal Television to find out appropriate media. Moreover, this study has tried to know effective electronic media in terms of consumers' preference.

Various tools, techniques and methods have been used systematically to achieve the objective of research. Percentage, chi-square test, correlation and regression analysis have been used. Kathmandu has been chosen as a market segment of this study and to get the opinion of consumers, 115 respondents have been selected a sample of this research but only

100 respondents have given the responses required for this research and 100 respondents have been made 200 by multiplying by 2. All the respondents have been divided into three groups. Age group, Gender group and Occupation group. Structure questionnaire method have been used to get the responses of consumers. Secondary data has been collected from Nepal Television, Singa Durbar and Chaudhary Group, Sainbu, Kathmandu. The collected data have been analyzed and interpreted by preparing tables, figures and drawing trend lines.

In this research, select of wai-wai noodle, sources of information used by consumers, watching, listening habits of consumer, electronic media and its coverage of required information ranked by consumer, popular media in consumers' mind, Consumers' behavior when advertisement about wai-wai appears on NTV etc. have been studied and analyzed during the research works. Each and every aspect was dealt carefully and solutions for each have been reached as much as possible. On the other hand, different media used by CG, advertising cost ratio, sales of the company, ranking for electronic media, preference given for NTV to advertise wai-wai noodle etc. have also been studied and analyzed chronologically.

However, advertising is a component of promotion mix and it is widely used for brand recognition and acceptance, trial purchase, influence at the sight of buying decision, value addition, and aid in personal selling and sales promotion, and reminding the buyers about firm and its products. Besides these things, products quality, consumerisms have also been taken into consideration that is required for the survival of the company in the competitive market.

## 5.2 Findings

From the analysis and interpretation of the responses given by prospective consumers and Chaudhary Group, the following conclusions have been derived.

1. Most of the respondents select Wai-Wai for its features i.e. for taste, hygienic and price. Among the various age groups, the respondents under 25-32 prefer Wai-Wai the most. On the basis gender, it was found that females like wai-wai most than male. Similarly, among the occupational ground, the extensive use of wai-wai is by teachers' (Table 4.1, 4.2 and 4.3).
2. Out of 200 respondents, 48.5 percent (97) respondents use advertisement as sources of the information while 19.5 percent (39) respondents get information by the family members. Similarly, friends have vital role to flow the information (i.e. 34 out of 200) (Table 4.4, 4.5 and 4.6).
3. Out of 230 respondents, only 86.95 percent are in the habit of watching/listening/reading advertisement (Table 4.7).
4. Among the different electronic media like television, radio, film, e-mail & internet, the most popular medium for promoting sales is television which is favoured by 55 percent. The second popular medium is radio with 28 percent. The third popular medium is e-mail & internet and film is favoured by 7 percent population (Table 4.8).
5. Out of 200 respondents, only 79 percent (158) respondents agreed to get exact message about products and services by the advertisement. Television and radio have vital role to communicate exact message required by the consumer among the electronic media (Table 4.9)
6. This study reveals that the advertisement of Wai-Wai on NTV is effective than other media because out of 200, 31 percent (62) were found curious about the advertisement. They try to know what advertisement want to say (Table 4.10).



7. Male are more conscious about advertisement than female (i.e 33 percent) male respondents try what advertise want to say than female respondents (i.e. 29 percent). Among occupational groups, students are more curious and want to know what advertisement wants to say than other occupational groups (i.e. 48 percent) (Table 4.11 and 4.12).
8. Out of total respondents, 31 percent (62) respondents used to watch advertisement of wai-wai on NTV due to the quite good advertisement and 29 percent (58) respondents watched it due to the attractive advertisement and remaining respondent do not like the advertisement (Table 4.13).
9. Chaudhary Group has preferred electronic media as television, radio, e-mail & internet and cinema to advertise products and services (Table 4.16). Similarly according to table 4.17, advertising cost of wai-wai is in increasing trend but in diminishing way. Sales of wai-wai has been in fluctuating trend as compared to advertising cost (Table 4.18)
10. Chaudhary Group has given more preference to television among electronic medias. In case of advertising through television channels, CG give first priority to Nepal Television (NTV) to advertise wai-wai.
11. Some commercials are more appreciated and others lesser appreciated by the consumers that appreciation indicates that all media are not effective to boost up sales of the product advertised.
12. Finally, this study concludes that among electronic media, television is more popular among consumers and among television channels Nepal Television (NTV) is more popular among consumers.

### 5.3 Recommendations

Although a lot of efforts have been made by Chaudhary Group to boost up its sales and constitute its image by surviving in the competitive market. It seems lagging behind some attentions. Therefore, the researcher has made the following recommendations:

1. It is difficult process to select only one media to advertise products and services because of the various target groups of consumers having different attitudes towards advertising media. Advertising media should be selected according to the target consumers group.
2. Advertising is not enough to persuade consumers, rather, it should be well organized with consumers' preferences, taste, attitudes, price and quality of products.
3. Nepal Television (NTV) is more popular among the people due to its area coverage and easy availability. So, Chaudhary Group has to give continuity to advertise Wai-Wai through these media.
4. Consumer get the information first from advertisement and second from family member so CG should place the advertisement in such a way that give more importance to head of family members.
5. Now a days, peoples have no more time or more people have busy life so advertisement should be made understandable, easy, quick and be made in accordance with consumer preference.
6. Sales of the company (CG) are fluctuating as compared to advertisement cost. Nevertheless, the company should consider other factors such as product price, quality and other marketing strategies to excel the sales winning the competitive business game.

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## Appendices

### Appendix - I

#### $\chi^2$ Test for Sources under for Information

$H_{01}$  : There is no significant difference between the views expressed by the respondents relating to the source used for information.

$H_{A1}$  : There is significant difference between the views expressed by the respondents relating to the source used for information.

Sources of Information	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Friends	34	50	-16	256	5.12
Family Member	39	50	-11	121	2.42
Advertisement	97	50	47	2209	44.18
Salesmen	30	50	-20	400	8.00
Total:	200				$\sum(O-E)^2/E = 59.72$

Where,

O = Means observed frequencies

E = Means expected frequencies

$$\chi^2 = \sum(O-E)^2/E = 59.72$$

Here,

Degree of freedom (d.f)  $(n - 1) = (4 - 1) = 3$

Generally, level of significance is 5%

The tabulated value of  $\chi^2$  for 3 d.f. at 5% level of significance is 7.81.

## Appendix - II

### <sup>2</sup> Test for Electronic Media Choice

$H_{02}$  : There is no significant difference between the views expressed by consumers to use different electronic media.

$H_{A2}$  : There is significant difference between the views expressed by consumers to use different electronic media.

Media	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Television	110	50	60	3600	72.00
Radio	56	50	6	36	0.72
Film	14	50	-36	1296	25.92
E-mail & Internet	20	50	-30	900	18.00
Total:	200				$\sum (O - E)^2 / E = 116.64$

Where,

O = Means observed frequencies

E = Means expected frequencies

$$\chi^2 = \sum (O - E)^2 / E = 116.64$$

Here,

Degree of freedom (d.f)  $(n - 1) = (4 - 1) = 3$

Generally, level of significance is 5%

The tabulated value of  $\chi^2$  for 3 d.f. at 5% level of significance is 7.81.



## Appendix - III

### <sup>2</sup> Test for Electronic Media as the Information Source for Consumers

H<sub>03</sub> : There is no significant difference between the views expressed towards electronic media regarding the source of information.

H<sub>A3</sub> : There is significant difference between the views expressed towards electronic media regarding the source of information.

Media	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Television	92	50	42	1764	35.28
Radio	66	50	16	256	5.12
Film	24	50	-26	676	13.52
E-mail & Internet	18	50	-32	1024	20.48
Total:	200				$\sum (O - E)^2 / E = 74.4$

Where,

O = Means observed frequencies

E = Means expected frequencies

$$\chi^2 = \sum (O - E)^2 / E = 74.4$$

Here,

Degree of freedom (d.f) (n - 1) = (4 - 1) = 3

Generally, level of significance is 5%

The tabulated value of  $\chi^2$  for 3 d.f. at 5% level of significance is 7.81.

## Appendix - IV

### <sup>2</sup> Test for Consumers' Behaviour when Advertisement of Wai-Wai Appear on Nepal Television

$H_{04}$  : There is no significant difference between consumers' behavior when advertisement of Wai – Wai appears on NTV.

$H_{A4}$  : There is significant difference between consumers' behavior when advertisement of Wai – Wai appears on NTV.

Media	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Try to know what it want to say	62	50	12	144	2.88
Change the channel	31	50	-19	361	7.22
Just watch ads	49	50	-1	1	0.2
Any Others	58	50	8	64	1.28
Total:	200				$\sum (O - E)^2 / E = 11.58$

Where,

O = Means observed frequencies

E = Means expected frequencies

$$\chi^2 = \sum (O - E)^2 / E = 11.58$$

Here,

Degree of freedom (d.f)  $(n - 1) = (4 - 1) = 3$

Generally, level of significance is 5%

The tabulated value of  $\chi^2$  for 3 d.f. at 5% level of significance is 7.81.

## Appendix - V

### <sup>2</sup> Test for Relationship between Advertising Cost and Sales of the Company

H<sub>05</sub> : There is no significant relationship between advertising cost and sales revenue.

H<sub>A5</sub> : There is significant relationship between advertising cost and sales revenue.

Let X = Sales Promotion Expenses

Y = Sales

#### Calculation of Regression Equations

(Rs. '000000)

X	Y	XY	X <sup>2</sup>	Y <sup>2</sup>
21	455	9555	441	207025
23	596	13708	529	355216
24	718	17232	576	515524
26	837	21762	676	700569
27	935	25245	729	874225
28	1020	28560	784	1040400
$\sum X = 149$	$\sum Y = 4561$	$\sum XY = 116062$	$\sum X^2 = 3735$	$\sum Y^2 = 3692959$

Required equation is  $y - \bar{y} = byx(x - \bar{x})$

Calculating mean of y series

$$\bar{y} = \frac{\sum y}{N} = \frac{4561}{6} = 760.16$$

Calculating mean of x series

$$\bar{x} = \frac{\sum x}{N} = \frac{149}{6} = 24.83$$

Calculating regression coefficient byx

$$b_{yx} = \frac{\sum xy}{\sum x^2} = \frac{116062}{3735} = 31.07$$

Now substituting the value in the equation

$$y - \bar{y} = b_{yx}(x - \bar{x})$$

or,  $y - 760.16 = 31.07(x - 24.83)$

or,  $y - 760.16 = 31.07x - 771.46$

or,  $y = 31.07x - 771.46 + 760.16$

$$\therefore y = 31.07x - 11.3$$

Thus, when  $x = 37$

$$\begin{aligned} y &= 31.07(37) - 11.3 \\ &= 1149.59 - 11.3 \\ &= 1138.29 \end{aligned}$$

and when,

$$\begin{aligned} x &= 47 \\ y &= 31.07(47) - 11.3 \\ &= 1460.29 - 11.3 \\ &= 1448.99 \end{aligned}$$

Hence, the sales would increase when advertising cost will be increased in this calculation.

When advertising cost = 37

Sales = 1138.29

When advertising cost = 47

Sales = 1448.99

(i.e.  $1448.99 > 1138.29$ )

## Appendix – VI

### Calculation of Correlation between Sales and Advertising Cost of Wai-Wai

		Sales (Rs.)	Advertising Cost (Rs.)
Sales (Rs.)	Pearson Correlation	1.000	.285
	Sig. (2 tailed)	.	.584
	N	6	6
Advertising Cost (Rs.)	Pearson Correlation	.285	1.000
	Sig. (2 tailed)	.584	.
	N	6	6









## Questionnaire to Chaudhary Group

Dear Sir/Madam,

I am student of MBS of Shanker Dev Campus, Putalisadak, Kathmandu. I am writing a thesis entitled "A study on Impact of Advertising through Electric Media (TV) on Consumer Buying Behaviour" I have taken your company's product Wai-Wai noodle as a sample so it is sure that my research work will not be completed without your kind co-operation. I would like to assure you that information obtained from your company will be used only for academic in this thesis.

I, therefore, request you to answer the following question and tick ( ) where necessary.

1. What are the electronic media used by the company to advertise Wai-Wai?

.....  
.....

2. How you consider selecting electronic media for advertisement of your product?

.....  
.....

3. With respect to television, which television channel do you mostly use and why?

.....  
.....  
.....

4. How do you allocate advertising cost?

- a) On the basis of sales [ ]
- b) On the basis of yearly lumsum amount [ ]
- c) On the basis of production ratio [ ]
- d) On the basis of percentage of profit [ ]
- e) Any others ..... [ ]

5. If you advertise Wai-Wai through Nepal Television, how much amount do you spend within a year?

.....  
.....

6. Please specify price changes of Wai-Wai that occurred during the six year.

Base year 2004	Weight	Price
Price change year 2004	.....	.....
Price change year 2005	.....	.....
Price change year 2006	.....	.....
Price change year 2007	.....	.....
Price change year 2008	.....	.....
Price change year 2009	.....	.....

7. Please mention the causes of such changes.

.....  
.....  
.....

8. Did you get any reaction from consumers when prices were changed?

a) Yes [ ]                      b) No [ ]

If yes, what are these reactions?

.....  
.....

9. Kindly, help with sales data for recent six years.

Years	Amount (in Rs.)	Years	Amount (in Rs.)
2004	.....	2007	.....
2005	.....	2008	.....
2006	.....	2009	.....

10. Advertisement cost born by Chaudhary Group for recent six years

<b>Years</b>	<b>Cost (Rs.)</b>
2004	
2005	
2006	
2007	
2008	
2009	

(Source:)

### **WAI WAI CHICKEN**

Net Weight **75 gms**

Packets/carton **75 gms x 30**

Seasonings 3 seasonings -Onion Oil -Chili -  
Taste Enhancer

(Mostly Export in India, Australia, America,  
Canada and many other countries) available  
in Nepal Also.



### **WAI WAI VEG**

Net Weight **75 gms**

Packets/carton **75 gms x 30**

(Mostly Export in India, Australia, America,  
Canada and many other countries) available  
in Nepal Also.



### **WAI WAI SPINACH**

Net Weight **75 gm**

Packets/carton **75 gms x 30**

Available in Local Market of Nepal



### **WAI WAI QUICK SCHEZWAN (CHICKEN)**

Net Weight **75 gms**

Packets/carton **75 gms x 30**

Mostly Export in China.



### **WAI WAI QUICK MANCHURIAN (VEG)**

Net Weight **75 gms**

Packets/carton **75 gms x 30**

Mostly Export in China.



### **WAI WAI QUICK (CHICKEN CURRY)**

Net Weight **75 gms**

Packets/carton **75 gms x 30**

Mostly Export in Golf Countries



### **WAI WAI QUICK (VEG CURRY)**

Net Weight Per Packet **75 gms**

Packets / Carton **75 gms x 30**

Mostly Export in Golf Countries



### **WAI WAI QUICK (CHICKEN PIZZA)**

Net Weight Per Packet **75 gms**

Packets / Carton **75 gms x 30**

Mostly Export in Golf Countries



### **WAI WAI TENZ (CHICKEN)**

Net Weight Per Packet **65 gms**

Packets / Carton **65 gms x 30**

Available in Local Market of Nepal





**WAI WAI TENZ (MEXICAN MASALA)**

Net Weight Per Packet **65 gms**

Packets / Carton **65 gms x 30**

**Available in Local Market of Nepal**



**WAIWAI TOMYAM**

Net Weight Per Packet **75gms**

Packets / Carton **30x75gms**

**Available in Local Market of Nepal**



**WAIWAI CUP NOODLES (CHICKEN)**

Net Weight Per Packet **65 gms**

Packets / Carton **65 gmsx12 Cups,65 gmsx24**

**Cups**

**(Mostly Export in India)**



**WAIWAI CUP NOODLES (VEG)**

Net Weight Per Packet **65 gms**

Packets / Carton **65 gmsx12 Cups,65 gmsx24**

**Cups**

**(Mostly Export in India)**

(Source: Quality Control Executive, Chaudhary Group)

