

CHAPTER-1

INTRODUCTION

1.1 Background of the study

A product, service and idea can be presented and promoted in a different ways and advertising is one of them. Advertising influences consumer attitudes and purchase behaviour in a different ways. It has multiple objectives and roles in persuading the consumers. The techniques of advertising may be directed more by objectives of advertising depending upon the situation. "Many people use advertising at some time in their life. Some may use it privately while others may use in business. And many people respond to advertisements, they enjoy the choices available to them in every sphere of life" (Kotler, 1994).

Advertising is the main tool of informing, convincing, influencing and persuading the targeted consumers. It plays significant role on brand choice of consumer products. The effective advertising needs to be familiar with certain effects that lead to certain responses. Advertising is a method of communication which is one of the most important aspects of human behaviour that directly influenced in consumers preferences.

Advertising is a major form of promotion in international as well as domestic marketing. People generally buy a product only after knowing about it. That is why, advertising plays a vital role in marketing especially in purchasing and providing information to a large number of consumers in different places. Advertising as a tool of the mass selling is an indispensable medium. It may convey the message to millions of people at the same time, while it is not so in case of personal selling, stored displays etc.

Today's business organization, non-business social organization, political organization and governmental and non-governmental organizations are also using advertising as a tool of promoting and presenting goods and services.

Advertising can be understood as a form of communication, which aims are to carry the desire change in behaviour of the target audience, particularly the potential buyers.

Generally, theoretical models seek to identify step-wise behavioral progression of non-buyers towards buying action.

It is true that sometimes the effect of advertising cannot be measured directly in terms of sales. Therefore, advertising objectives could be stated in terms of communication goals, such as awareness of the product or favorability of attitudes it. Based upon this assumption some way communication relates to sales stated in terms of communication, measurement against such goals can always be possible.

A company may create effective stimuli through advertising. A consumer may be impressed by advertisement and then get motivated towards purchased goods. Advertising is one of the most important tools of selling which businessmen have been practicing since centuries to relay their products into the hands of consumers. Its early use was distinctly a minor supplement to other forms of selling. Perhaps, some forms of advertising have existed as long as we have had buying and selling.

Marketing is "The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, services to create exchange that satisfy individual and organizational goal."(AMA, 1985)

Marketing is a combination of 4ps namely Price, place, product and promotion. Among these 4p's promotion holds important place. Promotion is the company's attempt to influence buyers by creating persuasive communication.

There are various promotional tools available for influencing buyers. The tools are namely advertising, sales promotion, direct marketing, sales force and public relations. Advertising is one of the most common tools, companies' use of direct persuasive communication to target buyer and public.

The word advertising is derived from the two Latin word 'ad' and 'verto' ad means toward and verto means turn, thus the meaning of advertising is turn people's attention toward a special things. In other word, advertising is to draw attention of people to certain goods or services.

According to American Marketing Association, “Advertising is any paid form of non personal presentation and promotion of ideas, goods, and services by an identified sponsor”.

Same way, Bovee and William(1986) defined “Advertising is printed, written, spoken or pictured representation of a person, product, services or movement openly sponsored by the advertiser and at his expose for the purpose of influencing sales, uses, votes or endorsement”(Thapa, N, 2058)

Advertising is therefore a form of communication intended to promote the role of a product or service to influence a particular cause or to elicit some other response desired by the advertiser.

"Advertising is the non personal communication of information usually paid form and usually persuasive in nature about products, services or ideas by identified sponsors through the various media."(Bovee, 1992) cited on webpage definition of advertising)

To sum up the advertising can be referred as any form of communication that aim at bringing about some change in the behavior of the target market audience particularly the potential buyer towards the product or service advertised. (Thapa, N, 2058)

Advertising play important roles to create demand, increase in sale and to make brand loyalty to customer and ultimate objective of advertising is sales and profit of a business.

In developing an advertising program, marketing manager must always start by identifying the target market and buyer motive. Then they can make the five major decisions in developing an advertising program known as ' the five Ms"

Mission: what is the advertising objective?

Money: how much can be spent?

Message: what message should be spread?

Media: what media should be used?

Measurement: how should the result is evaluated.

So business man always aware that what kinds of impact give the advertising. Share of expenditure, share of voice of the company advertising in whole advertising of that product, earning of product image in consumers mind and heart and market share are major issue of study of advertising impact. Positive impact of advertising makes brand loyal consumer which is a great asset of a company.

“A brand is a name, term, sign, symbol or design or a combination of them, which is intended to identify the goods or services of one seller or a group of seller and to differentiate them from those of competitors;” (Kotler,P,1994)

From a consumer's viewpoint, a brand can add value to a product, and is therefore an important part of the product. State that from a corporate perspective, a brand is a more enduring asset than specific products and facilities.

According to Delgado - Ballester & Munuera - Aleman (2005) creating a strong brand is often a goal for many organizations since it provides several advantages. They state that it helps organizations to be less vulnerable to competitive marketing action, gain larger margins, as well as create brand extension opportunities, in consumer marketing, brands can provide differentiation among competitors and because of this brand have become more important in corporate marketing strategies.

Every brand therefore, has a certain image in the market and is known for its own feature and quality. So the consumers according to their faith or trust on quality or influenced by various other factors prefer one brand to others. If they think a brand is good in terms of quality or price or social status or any other, they develop a positive attitude towards that brand and make a repeat purchase of the same. When this happens, brand loyalty of the consumers is said to have occurred. (Thapa, N, 2058)

Brand loyalty is something more than repeat purchase. To be truly brand loyal, the consumer must hold a favorable attitude toward the brand in addition to purchasing it repeatedly. Merely repeating purchase of a brand does not necessarily mean brand loyalty. A consumer may repeat purchase of the brand due to unavailability of other

alternative brand or due to his ignorance about the availability of other alternative brands or the fact that the brand is more contrastively displayed in the store than other alternative brand.

Brand loyal consumers reduce the marketing cost and raise the profit and sales which is ultimate objective of any business.

Noodles are a one of the common and popular fast food in the world. It holds a major share of khaja in Nepalese society and being wide too. So noodles company also establishing with high advertising campaign. There are many brands of noodles in Nepalese market. Among them the Wai Wai and Mayos are popular brand in the Nepalese market as well as are heavily advertised.

CG Foods (Nepal) Pvt. Ltd.

CG Foods (Nepal) Pvt. Ltd is Nepal's first and only ultramodern, private industrial park, which is situated in Nawalparasi. It houses various units equipped with latest technology, R & D and laboratories for manufacturing snacks, food, beverages and cigarette. There are also ancillary units producing specialty food items to suit different lifestyles. CG Foods (Nepal) Pvt. Ltd. (CGFN) houses a total of 3 production units, the main being noodles production facility which has 3 plants operating under the same roof with a combined capacity of producing 615 packets of noodles per minute, the largest in the South East Asia. Others plants are Potato Chips, Wafer and Bhujiya.

CG Foods (Nepal) Pvt. Ltd. has been servicing the nation producing noodles. It is a reputed noodles company, to produce instant noodles in Nepal. Among the noodles available in the market the wai wai instant noodles is the most popular noodles in Nepal. Most of the people in Nepal starting from school children to housewife like the wai wai noodles. It is also a favorite food of foreign tourists in Nepali restaurants, bars and hotels.

Himalayan Snacks and Noodles Pvt. Ltd.:

The Himalayan Snacks and noodles P. Ltd. has been serving the market by producing the Mayos noodles. It is situated in Uratara Janagal VDC - 1, Kavrepalanchowk. It produces highly qualitative noodles which has received a Nepal standard mark. The Mayos Instant noodles have become more popular in school period, it also expanding to Indian cities. Being a manufacturing company, it spends a lot of time, money and efforts on advertising. By producing the noodles the fast foods Nepal Pvt. Ltd and the Himalayan snacks and noodles Pvt. Ltd serve the nation multilaterally. They provide fast foods to the people. They have added additional bricks to the foundation for Industrialization in Nepal. Other entrepreneurs are enthused by these noodles factories. They have been useful to the nation as they pay large amounts of excise duty to the government. In view of this, present study makes an attempt to explore the nature of advertising in Nepal and its effectiveness.

Thus, this study attempts to evaluate the influence of advertising on brand loyalty of the consumer on above mention product.

1.2 Statement of the Problem:

It is already been mentioned advertising plays a vital role in the promotional effort of a familiarizing and persuading the consumers by manufacturer product. Brand loyalty of consumers nowadays it is highly influenced by various advertisements through different media that carry both product and company message to target market. However, it is not certain that the advertising media reflects the same effect on all the consumers. Similarly the consumers may or may not develop brand loyalty through these media. Above mention two company invested huge amount on advertising. This study is concerning in what's strength position on their advertising and what is their weaknesses. Therefore this research proceeds on with the following problem:

- a) Why consumers choose a specific brand of noodles?
- b) Do advertisement create brand loyal consumer of the selected products?
- c) What is the effect of advertisement in brand preference?

d) Which age segment is brand loyal?

1.3 Objective of the study:

The Major objective of this study is to find out the effect of advertisement on noodles product brand loyalty. This main objective has been subdivided in to different specific objective which are as follows:

- a) To identify the consumer's brand loyalty towards noodles.
- b) To identify the relation between advertisement and brand preference.
- c) To find out the popular media of advertising in chitwan district in the case of noodles products.
- d) To identify the most brand loyal age segment of noodles in chitwan district.

1.4 Importance of the Study:

Knowledge of brand loyalty helps understand consumers' attitude towards the brand and this understanding in turns sheds light on different aspects such as effectiveness of branding policy, advertisement policy, and consumer response to the price and available of the product and consumer perception of the total image of the manufacturer.

Brand loyalty is one way of segmenting a market .if the consumer are identified as loyal and non loyal, market any accordingly be segmented as loyal consumer market and non loyal consumer market . In short this study will be focus mainly on finding out brand loyalty of the chitwan's consumer with special reference to the product of noodles; Wai Wai and Mayos and effect of advertisement in brand preference.

Until now there is no any books and publication or research conducted that tells the brand loyalty of chitwan's consumers. Thus this study is significant to the manufacturer, policy makers, Academician who wants to know the impact of advertising in the territory of east chitwan. This study will also explore for the possibility of better brand loyalty and will represent the current status. So it will be useful to planner, potential customer, Marketing manager and also these person who will be interested in the field of marketing area.

This study can also be a secondary source of information for other related studies and thus is helpful for other researchers. Along with this, the research can also be of use in the library for the readers who are interested in such subject.

Similarly various trade associations and organizations can also benefit from this research as they can have data regarding loyal consumers.

1.5 Limitations of the Study

Every study has some assumption and limitations. It is not possible to cover all aspects in a single study so the following limitations have in this study:

- ⇒ This study was done only in east chitwan.
- ⇒ The sample chosen for this study were much smaller in size than the total population.
- ⇒ Time and cost also limited during this study.
- ⇒ The study of noodles products were only Mayos & Wai Wai.
- ⇒ Primary & secondary data were taken for the study but the study was mainly prepared in the base of primary data.
- ⇒ Only the age between 15 – 45 years consumer were considered as respondents

1.6 Organization of the study:

The study has organized in to five chapters that are introduction, review of literature, Research Methodology, Data Analysis and Interpretation, and Summary, Finding and Conclusion.

The introduction chapter deals with some concepts of advertising and functions and importance of advertising management briefly. This chapter mainly gives a brief picture of what is going to be studied, why the study is important and what the study is going to seek.

The Second chapter, review of literature provides the insight and general knowledge about the subject matter of the research. It includes review of conceptual text and also review of other related studies. It gives an idea about what other researches have been already conducted in this particular field and what more needs to be done.

In the research methodology chapter, this chapter describes the method and design that is used to conduct this study. It also includes the population, sampling size for sampling procedure and the source of data along with the method for data collection required for this research.

The chapter analysis and interpretation of data deals with the issues identified in the introduction. What has been analyzed, and what have been found are the concerns of this chapter. This chapter deals mainly with the issues in the light of the theoretical perspective.

The last chapter is summary, conclusions and recommendations. In the summary, this present study is discussed briefly. Conclusions are derived from analysis of the data on the basis of the study suggestions will also be made in this chapter.

CHAPTER -2

REVIEW OF LITERATURE

The process of studying different educational material is known as review of literature. It is useful in research because it provides the insight and general knowledge about subject matter of the research.

Hence the major purpose of review of literature is to find out what research studies have been conducted in one's chosen field of study and what remains to be done.

In review of literature the researcher has gone through two types of review namely.

- ⇒ Review of conceptual text.
- ⇒ Review of previous studies.

2.1 Review of conceptual text:

Review of conceptual text is basically the review of books and other magazines, journals, articles etc. for developing conceptual aspects of the researcher. Therefore the available relevant literature has been reviewed in these areas:

- ❖ Historical background of advertising.
- ❖ Meaning of advertising.
- ❖ Brand loyalty
- ❖ Purpose of advertising
- ❖ Relation with advertising and consumers
- ❖ Advertising Medias
- ❖ Media use in Nepal
- ❖ Tools for measuring advertising effectiveness
- ❖ Effect of advertising on brand loyalty

2.1.1 History

Egyptians used papyrus to make sales messages and wall posters. Commercial messages and political campaign displays have been found in the ruins of Pompei and ancient Arabia. Lost and found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifestation

of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. The tradition of wall painting can be traced back to Indian rock art paintings that date back to 4000 BC.

As the towns and cities of the Middle Ages began to grow, and the general populace was unable to read, signs that today would say cobbler, miller, tailor or blacksmith would use an image associated with their trade such as a boot, a suit, a hat, a clock, a diamond, a horse shoe, a candle or even a bag of flour.

Fruits and vegetables were sold in the city square from the backs of carts and wagons and their proprietors used street callers or town criers to announce their whereabouts for the convenience of the customers.

As education became an apparent need and reading, as well printing developed, advertising expanded to include handbills. In the 17th century advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote books and newspapers, which became increasingly affordable with advances in the printing press; and medicines, which were increasingly sought after as disease ravaged Europe. However, false advertising and so-called "quack" advertisements became a problem, which ushered in the regulation of advertising content.

Edo period advertising flyer from 1806 for a traditional medicine called Kinseitani. As the economy expanded during the 19th century, advertising grew alongside. In the United States, the success of this advertising format eventually led to the growth of mail-order advertising. In June 1836, French newspaper *La Presse* is the first to include paid advertising in its pages, allowing it to lower its price, extend its readership and increase its profitability and the formula was soon copied by all titles. Around 1840, Volney Palmer established a predecessor to advertising agencies in Boston. Around the same time, in France, Charles-Louis Havas extended the services of his news agency, Havas to include advertisement brokerage, making it the first French group to organize. At first, agencies were brokers for advertisement space in newspapers. At the turn of the century, there were few career choices for women in business; however, advertising was one of the few. Since women were responsible for most of the purchasing done in their household, advertisers and agencies recognized the value of women's insight during the

creative process. In fact, the first American advertising to use a sexual sell was created by a woman – for a soap product. Although tame by today's standards, the advertisement featured a couple with the message "The skin you love to touch".

A print advertisement for the 1913 issue of the Encyclopedia Britannica, in the early 1920s, the first radio stations were established by radio equipment manufacturers and retailers who offered programs in order to sell more radios to consumers. As time passed, many non-profit organizations followed suit in setting up their own radio stations, and included: schools, clubs and civic groups. When the practice of sponsoring programs was popularized, each individual radio program was usually sponsored by a single business in exchange for a brief mention of the business' name at the beginning and end of the sponsored shows. However, radio station owners soon realized they could earn more money by selling sponsorship rights in small time allocations to multiple businesses throughout their radio station's broadcasts, rather than selling the sponsorship rights to single businesses per show.

This practice was carried over to television in the late 1940s and early 1950s. A fierce battle was fought between those seeking to commercialize the radio and people who argued that the radio spectrum should be considered a part of the commons – to be used only non-commercially and for the public good. The United Kingdom pursued a public funding model for the BBC, originally a private company, the British Broadcasting Company, but incorporated as a public body by Royal Charter in 1927. In Canada, advocates like Graham Spry were likewise able to persuade the federal government to adopt a public funding model, creating the Canadian Broadcasting Corporation. However, in the United States, the capitalist model prevailed with the passage of the Communications Act of 1934 which created the Federal Communications Commission. To placate the socialists, the U.S. Congress did require commercial broadcasters to operate in the "public interest, convenience, and necessity". Public broadcasting now exists in the United States due to the 1967 Public Broadcasting Act which led to the Public Broadcasting Service and National Public Radio.

In the early 1950s, the DuMont Television Network began the modern trend of selling advertisement time to multiple sponsors. Previously, DuMont had trouble finding sponsors for many of their programs and compensated by selling smaller blocks of advertising time to several businesses. This eventually became the standard for the commercial television industry in the United States. However, it was still a common practice to have single sponsor shows, such as *The United States Steel Hour*. In some instances the sponsors exercised great control over the content of the show - up to and including having one's advertising agency actually writing the show. The single sponsor model is much less prevalent now, a notable exception being the Hallmark Hall of Fame. The 1960s saw advertising transform into a modern approach in which creativity was allowed to shine, producing unexpected messages that made advertisements more tempting to consumers' eyes. The Volkswagen ad campaign—featuring such headlines as "Think Small" and "Lemon" (which were used to describe the appearance of the car)—ushered in the era of modern advertising by promoting a "position" or "unique selling proposition" designed to associate each brand with a specific idea in the reader or viewer's mind. This period of American advertising is called the Creative Revolution and its archetype was William Bernbach who helped create the revolutionary Volkswagen ads among others. Some of the most creative and long-standing American advertising dates to this period Public advertising on Times Square, New York City. The late 1980s and early 1990s saw the introduction of cable television and particularly MTV. Pioneering the concept of the music video, MTV ushered in a new type of advertising: the consumer tunes in for the advertising message, rather than it being a by-product or afterthought. As cable and satellite television became increasingly prevalent, specialty channels emerged, including channels entirely devoted to advertising.

Marketing through the Internet opened new frontiers for advertisers and contributed to the "dot-com" boom of the 1990s. Entire corporations operated solely on advertising revenue, offering everything from coupons to free Internet access. At the turn of the 21st century, a number of websites including the search engine Google, started a change in online advertising by emphasizing contextually relevant, unobtrusive ads intended to

help, rather than inundate, users. This has led to a plethora of similar efforts and an increasing trend of interactive advertising.

A recent advertising innovation is "guerrilla marketing", which involve unusual approaches such as staged encounters in public places, giveaways of products such as cars that are covered with brand messages, and interactive advertising where the viewer can respond to become part of the advertising message. This reflects an increasing trend of interactive and "embedded" ads, such as via product placement, having consumers vote through text messages, and various innovations utilizing social network services such as My Space.

Advertising has developed into a billion-dollar business on which many depend. In 2006 391 billion US dollars were spent worldwide for advertising. In Germany, for example, the advertising industry contributes 1.5% of the gross national income; the figures for other developed countries are similar. Thus, advertising and growth are directly and causally linked. As far as a growth based economy can be blamed for the harmful human lifestyle (affluent society) advertising has to be considered in this aspect concerning its negative impact, because its main purpose is to raise consumption. "The industry is accused of being one of the engines powering a convoluted economic mass production system which promotes consumption."

Attention and attentiveness has become a new commodity for which a market developed. "The amount of attention that is absorbed by the media and redistributed in the competition for quotas and reach is not identical with the amount of attention that is available in society. The total amount circulating in society is made up of the attention exchanged among the people themselves and the attention given to media information. Only the latter is homogenised by quantitative measuring and only the latter takes on the character of an anonymous currency." According to Franck, any surface of presentation that can guarantee a certain degree of attentiveness works as magnet for attention, e. g. media which are actually meant for information and entertainment, culture and the arts, public space etc. It is this attraction which is sold to the advertising business. The German Advertising Association stated that in 2007 30.78 billion Euros were spent on

advertising in Germany, 26% in newspapers, 21% on television, 15% by mail and 15% in magazines. In 2002 there were 360.000 people employed in the advertising business. The internet revenues for advertising doubled to almost 1 billion Euros from 2006 to 2007, giving it the highest growth rates.

Spiegel-Online reported that in the USA in 2008 for the first time more money was spent for advertising on internet (105.3 billion US dollars) than on television (98.5 billion US dollars). The largest amount in 2008 was still spent in the print media (147 billion US dollars). For that same year, Welt-Online reported that the US pharmaceutical industry spent almost double the amount on advertising (57.7 billion dollars) than it did on research (31.5 billion dollars). But Marc-André Gagnon und Joel Lexchin of York University, Toronto, estimate that the actual expenses for advertising are higher yet, because not all entries are recorded by the research institutions. Not included are indirect advertising campaigns such as sales, rebates and price reductions. Few consumers are aware of the fact that they are the ones paying for every cent spent for public relations, advertisements, rebates, packaging etc. since they ordinarily get included in the price calculation.

2.1.1.1 Global advertising

Advertising has gone through five major stages of development: domestic, export, international, multi-national, and global. For global advertisers, there are four, potentially competing, business objectives that must be balanced when developing worldwide advertising: building a brand while speaking with one voice, developing economies of scale in the creative process, maximizing local effectiveness of ads, and increasing the company's speed of implementation. Born from the evolutionary stages of global marketing are the three primary and fundamentally different approaches to the development of global advertising executions: exporting executions, producing local executions, and importing ideas that travel.

Advertising research is a key to determining the success of an ad in any country or region. The ability to identify which elements and/or moments of an ad that contributes to its success is how economies of scale are maximized. Once one knows what works in an

ad, that idea or ideas can be imported by any other market. Market research measures, such as Flow of Attention, Flow of Emotion and branding moments provide insight into what is working in an ad in any country or region because the measures are based on the visual, not verbal, elements of the Ad.

2.1.1.2Trends

With the dawn of the Internet came many new advertising opportunities. Popup, Flash, banner, Pop under, averaging, and email advertisements (the last often being a form of spam) are now commonplace. The ability to record shows on digital video recorders allow users to record the programs for later viewing, enabling them to fast forward through commercials. Additionally, as more seasons of pre-recorded box sets are offered for sale of television programs; fewer people watch the shows on TV.

However, the fact that these sets are sold, means the company will receive additional profits from the sales of these sets. To counter this effect, many advertisers have opted for product placement on TV shows like Survivor.

Particularly since the rise of "entertaining" advertising, some people may like an advertisement enough to wish to watch it later or show a friend. In general, the advertising community has not yet made this easy, although some have used the Internet to widely distribute their ads to anyone willing to see or hear them.

Another significant trend regarding future of advertising is the growing importance of the niche market using niche or targeted ads. Also brought about by the Internet and the theory of The Long Tail, advertisers will have an increasing ability to reach specific audiences. In the past, the most efficient way to deliver a message was to blanket the largest mass market audience possible. However, usage tracking, customer profiles and the growing popularity of niche content brought about by everything from blogs to social networking sites, provide advertisers with audiences that are smaller but much better defined, leading to ads that are more relevant to viewers and more effective for companies' marketing products. Among others, Comcast Spotlight is one such advertiser employing this method in their video on demand menus. These advertisements are

targeted to a specific group and can be viewed by anyone wishing to find out more about a particular business or practice at any time, right from their home. This causes the viewer to become proactive and actually choose what advertisements they want to view.

In freelance advertising, companies hold public competitions to create ads for their product, the best one of which is chosen for widespread distribution with a prize given to the winner(s). During the 2007 Super Bowl, PepsiCo held such a contest for the creation of a 30-second television ad for the Doritos brand of chips, offering a cash prize to the winner. Chevrolet held a similar competition for their Tahoe line of SUVs. This type of advertising, however, is still in its infancy. It may ultimately decrease the importance of advertising agencies by creating a niche for independent freelancers.

(google.com – definition of advertising – wikipedia the free encyclopedia – for content guidelines on the use of advertising in wikipedia articles, see wikipedia spam for a proposal on advertising about wikipedia)

2.1.2 Advertising in this era

Advertising, sales promotion and public relations are mass-communication tools available to marketers. As its name suggests, mass communication uses the same message for everyone in an audience. The mass communication tools tradeoff the advantage of personal selling, the opportunity to tailor a message to each prospect for the advantage of reaching many people at a lower cost per person.

“Advertising is a form of communication intended to promote the role 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 desired by the advertiser”. (New encyclopedia, Britannica, Macromedia, 15th 1979)

“Advertising includes these activities by which visual or oral message are addresses to the public for the purpose of information them and influencing them either to buy

merchandise or services or to act or be inclined favorably toward ideas, institutions, or persons featured.” (Ahuja and Chhabra, 1995)

Today, definitions of advertising abound. We might define it as communication process, a marketing process, an economic and social process, a public relations process or information and persuasion process (Arens, 1996).

Dunn et al. (1978) viewed advertising from its functional perspectives; hence they define it as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience. Morden (1991) is of the opinion that advertising is used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it. Kotler (1988) sees advertising as one of the four major tools companies use to direct persuasive communications to target buyers and public noting that “it consists of non-personal forms of communication conducted through paid media under clear sponsorship”. According to him, the purpose of advertising is to enhance potential buyers’ responses to the organization and its offering, emphasizing that “it seeks to do this providing information, by channeling desire, and by supplying reasons for preferring a particular organization’s offer.

While writing on advertising nature and scope, succinctly capture all advertising as having four features:

- (i) A verbal and or visual message
- (ii) A sponsor who is identified
- (iii) Delivery through one or more media
- (iv) Payment by the sponsor to the media carrying the message.

Summarizing the above, they conclude that “advertising then consist of all the activities involved in presenting to an audience a non personal, sponsor-identified, paid-for message about a product or organization”. Those views of Etzel et al. (1997) coincide with the simple but all-embracing definitions of Davies (1998) and Arens (1996). For instance, while Davies states that “advertising is any paid form of non-personal media

presentation promoting ideas/concepts, goods or services by an identified sponsor. Arens expressing almost the same view describes advertising as “the personal communication of information usually paid for and usually persuasive in nature about products (goods and services) or ideas by identified sponsors through various media”.

From the foregoing, it could be concluded that the purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but to continue to repurchase and eventually develop-brand loyalty. Consequently, many organizations expend a huge amount of money on advertising and brand management.

A brand is a name given by a manufacturer to one (or a number) of its products or services. Brands are used to differentiate products from their competitors. They facilitate recognition and where customers have built up favorable attitude towards the product, may speed the individual buyers through the purchase decision process. Individual purchasers will filter out unfavorable or un-known brands and the continued purchase of the branded product will reinforce the brand loyal behaviour. Without brands, consumer couldn't tell one product from another and advertising then would be nearly impossible.

2.1.3 Brand loyalty

It is widely considered that loyalty is one of the ways with which the consumer expresses his/her satisfaction with the performance of the product or service received (Bloemer & Kasper, 1995). The loyalty that consumers show to a given brand is, in part, constructed from consistent satisfaction with the performance of the brand.

The concept of loyalty has not been uniquely defined. In marketing literature the term loyalty has often been used interchangeably with its operational (measurement) definition to refer to: repeat purchase (Ehrenberg, 1988); preference (Guest, 1944); commitment (Hawkes, 1994).

In addition, loyalty has been referred to in a variety of market-specific contexts, for example, service, store and vendor loyalty and contexts that reflect the nature of the measure used: customer and brand loyalty. In fact, the terms, brand loyalty and service loyalty have been used to refer to the same concept. According to Jacoby and Chestnut (1978) the majority of brand loyalty measures can be categorized as either behavioral or attitudinal. For instance, Behavioral loyalty measures define brand loyalty in terms of the actual purchases observed over a time period. And attitudinal loyalty measures are based on stated preferences, commitment or purchase intentions.

Brand affect is defined as the potential in a brand to elicit a positive emotional Response in the average consumer as a result of its usage (Chaudhuri & Holbrook, 2002; Morgan & Hunt (1994). In another study, brand affect is defined as a brand's potential to elicit a positive emotional response in the average consumer as a result of its usage (Moorman, Zaltman, & Deshpande, 1992).

2.1.4 Purpose of advertising

Advertising is used for business as well as non business purpose. Non business purpose of advertising mostly includes disseminating government information or 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.”(Buell, P.V., 1984)

Advertising can be targeted in different ways. Campaigns may be aimed at ultimate consumers, retailers or wholesalers or organizational markets. Message can be designed to stimulate immediate purchase or to attract attention, create awareness or develop favorable impressions. But mostly there are three common purpose of business advertising. They are informative purpose, which aims to create awareness and knowledge of new products or new feature of existing product. The second purpose is

persuasive purpose, which aim to create liking, preference, conviction, and purchase of a product or service. Third is reminder purpose, which aims to stimulate repeat purchase of products and services. We can split these three purposes in following points.

1. To challenge competition:
2. to maintain sales:
3. to educate customers
4. to attract investors:
5. to export:
6. To announce trading results:
7. To remind:
8. To test medium:
9. To sale direct:
10. To invite enquires:
11. To announce a price change:
12. To make a special offer:
13. To solicit the customer:
14. To expand the market to new buyers
15. To announce modification
16. to boost-up the sales:
17. To announce a new product of service;

2.1.5 Relation with advertising and consumers

Advertiser's primary mission is to reach prospective customers and influence their awareness, attitudes and buying behavior. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do. The advertisers goals is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communications this involves the study of consumers behavior: the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants (Arens, 1996). It is noted that the principal aim of consumer behavior analysis is to explain why consumers act in

particular ways under certain circumstances. It tries to determine the factors that influence consumer behavior, especially the economic, social and psychological aspects which can indicate the most favored marketing mix that management should select. Consumer behavior analysis helps to determine the direction that consumer behavior is likely to make and to give preferred trends in product development, attributes of the alternative communication method etc. consumer behaviors analysis views the consumer as another variable in the marketing sequence, a variable that cannot be controlled and that will interpret the product or service not only in terms of the physical characteristics, but in the context of this image according to the social and psychological makeup of that individual consumer (or group of consumers).

Economic theory has sought to establish relationships between selling prices, sales achieved and consumers' income; similarly, advertising expenditure is frequently compared with sales. On other occasion's financial accounting principles maybe applied to analyze profit and losses. Management ratios, net profit before tax, liquidity and solvency ratios can all be investigated. Under the situations the importance of the consumer's motivations, perceptions, attitudes and beliefs are largely ignored. The consumer is assumed to be "rational" that is, to react in the direction that would be suggested by economic theory and financial principles. However, it is often apparent that consumer behaviors do not fall neatly into these expected patterns. It is for these reasons that consumer behavior analysis is conducted as yet another tool to assess the complexities of marketing operations.

The proliferation of assorted brands of fast food in the country has led to the cut-throat competition for increased market share being witnessed currently among the operations in the fast food industry. Today, in Nepal, there exist more than fifty brands of fast food both local and foreign, out of which two, namely Mayos and Wai Wai keenly compete for market leadership. Existing and popular brands, therefore, face intense competition with the "affordable" localized" targeted at the low-income groups. It is, therefore, imperative for the more established brands like Mayos and Wai Wai to employ brilliant advertising and branding strategies to influence consumers' behaviors in order to continue to enjoy and maintain market leadership.

Given the competitive environment in the fast food sector of the economy and the high potential of advertising in helping companies realize and retain their position this paper examine the influence of advertising on a leading company in the fast food sector as a case study.

2.1.6 Advertising Media:

There are various media options available to the advertisers. The advertising media can be grouped into different categories:

1. Indoor advertising media

- (a) Press Media. (b) Film. (c) Radio. (d) Video media. (e) Television.
- (f) Yellow page

2. Outdoor advertising media

- (a) Poster. (b) Painted bulletins. (c) Hoarding boards. (d) Traveling displays. (e) Electric- electronic signs (f) Sky- writing.

3. Direct media

- (a) Envelope enclosures. (b) Sales letters. (c) Lift novelties. (d) Package inserts. (e) Television.

4. Display media

- (a) Windows displays. (b) Counter displays. (c) 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:

- ❖ Print media/ Press media
- ❖ Electronic media
- ❖ Posters

❖ Direct media

2.1.6.1 Print media

The print 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 constructing vehicles for the advertising message.”(Wilmshurst, J., 1994)

Newspapers have 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. Newspapers have become essential as a good cup of tea in the morning to start a day. 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 advertiser 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 advantages of this news aura. Newspaper, however has some drawback 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.

2.1.6.2 Electronic media

Some of the common electronic media are radio and television.

Radio

When advertising a message need to be broadcasted in and extremely low cost per thousand, radio is an excellent media choice. This low cost allows for repetition of the message with a high rate of frequency, which may be desirable when a manufacturer try to increase awareness of brand name or other such uses. Radio has an advantage of extreme flexibility in regard to both message and geography. Thus it can easily reach the areas where sales potential is the greatest or where the dealers need the most support. It can take message to millions of people through sound which makes it more personal than the printed word.

Radio is also well suited for advertising automobile related products, such as gasoline, tires, batteries, motels, restaurants and the like since travelers often depend upon their car radios for helpful information. At times, other specialized audiences can be reached, such as teenagers, young housewives or special markets for whom some radio stations are primarily programmed.

Radio broadcasting also has proved a very effective and efficient medium in disseminating information, educating people and delivering messages in the developing countries since it is one of the cheapest, quickest and widely covering means of mass communication. It is also the best media to deliver the advertising message to the illiterate people.

The major disadvantage of this media is that it has no visual excitement, it has a short exposure and includes perishable message. It is also impossible to illustrate the products. Another limitation is that advertising message can be carried only to those people who have a radio set.

Television:

“When advertising messages need to be presented visually, with action, oral persuasion and demonstration, television should be carefully considered. Its combination of sound, picture and motion is the next best thing to sending a sales representative into the home on a personal call. If an advertiser needs to reach a high percentage of the viewing public quickly, such as when introducing a new product; television can prove indispensable.”
(Wilmshurst, J., 1994)

Television is the newest and fastest growing media in the developed countries and becoming popular day by day even in the developing countries. Its appeal 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 these days. Television advertising combines the merits of both radio and cinema: people can see and hear the advertisement message in their home. Television advertising has grown chiefly at the expenses of the press. 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 and nationally. It uses picture, point, sound and motion for effective result and can target specific audiences. It

is considered as a best advertising media ever invented, because it is a means of actual demonstration into the house of the prospect.

But television is costly to prepare and run ads so small advertisers cannot afford to advertise their product and services in this media. It has a short exposure time and thus it is difficult to convey complex message through this media. Similarly, the audience is low because of low range of telecasting. Since the commercial message has a very short life, once it is viewed and heard, it is gone.

Besides all these disadvantages radio and television are the most effective media of this generation.

2.1.6.3 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. People who drive automobiles are more often placed along roadsides.

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 posters or over a month 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 advertiser 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 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 through use of symbols rather than words; outdoor is definitely not an appropriate medium for long or complex messages. Outdoor advertising serves as a magazines or television than can provide a more detailed message.

Another unfavorable characteristic 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.

The advertiser should also recognize that outdoor is a non- intrusive medium. 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 particular problem for the more permanent forms of outdoor such as painted bulletins and signs.

2.1.6.4 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 advertisers have opportunity to expand or contract the number of names to be used, access 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.

2.1.7 Advertising Media use in Nepal

The Radio Nepal was established on the 20th of Chaitra, 2007 B.S. (1 April, 1951). Initially the transmission covered duration of 4.5 hours through 250 watt transmitter. Over the years, the Radio Nepal has strengthened its institutional capacity and diversified itself in terms of programmed format, technical efficiency and nationwide coverage. The radio Nepal Now has programmers on the short wave as well as on the medium wave frequencies and most recent development is the launching of FM- channel covering the Kathmandu Valley and city areas of Nepal. (Thakurathi, K.B, 2005)

2.1.7.1 The Role of Radio Broadcasting In Nepal:

The Radio broadcasting is the cheapest and quickest means of mass communications in Nepal. In a mountainous country like Nepal, Radio broadcasting has proved a very effective medium in disseminating information, educating people and entertaining the

message. It has been providing various programs aimed at creating mass awareness. The people in the hilly areas and many of the remote villages have no access to motor able roads, communication and entertainment facilities. Literacy being a common feature among the people, little use is made of the newspaper, which has very limited and delayed circulation. Therefore, the radio has been the most suitable means of dissemination information and providing entertainment to the masses in Nepal.

The radio Nepal uses a wide range of formats including features, documentaries, dramas talk shows, interviews, music shows, live commentaries etc. Recognizing the citizen's Right to be informed under a multiparty, the radio Nepal attempts to provide informative. Educational as well as entertainment oriented programmers. The programs on information and educational constitute 40% of the total programming and entertainment programmer covers the remaining 60% which also includes commercials.

2.1.7.2 The FM, Program

In consonance with the policy of forgoing ahead in tune with the changing broadcasting scenario, the radio Nepal lunched the test transmission of the first ever FM channel in Nepal on the 30th of kartik 2052 (16th Nov.1995). The FM channel airs programmes on 100 MHZ on the FM band through a 1 KW transmitter installed at Kathmandu. A set of the art studio with stereo facilities has been established at Singh Durbar with sufficient facilities to broadcast programmes live.

Now a day, FM is popular advertising media for local market and easy media for different territories. Due to the limited time, people use the FM for news and entertainment; it is easy to reach of people. In the context of chitwan, FM established its own identity in advertising field. There are 6 FM channel in chitwan. They are:

1. Synergy FM, 96.1, Bharatpur
2. Kalika FM, 95.2 , Bharatpur
3. Tribeni FM, Bharatpur
4. Hamro FM, Bharatpur
5. Chitwan Samudaek FM, Ratnanagar, Tandi
6. Narayani FM, Gitanagar

2.1.7.3 Local Cable:

In the context of chitwan, local cable also one of advertising media. Now a day it does not make important place of advertising media but it is being popular in local market of chitwan. There are two local television channels in chitwan. They are Beso and unique cable.

2.1.7.4 The Nepal Television:

With the decision to use television as a media of telecommunication on 2041 B.S. Magh, 17th “Nepal Television Pariyojana” was formed. With this basic infrastructure, NTV started its testing phase within 6 months. NTV could transmit its first successful starting modest manner with VHS equipment and in the UHF band. In those days there were only about for receiving Doordarshan singles. During the phase of development of television in Nepal the thirst for TV programs was also growing fast. When Nepal TV went on air with its thirty minute transmission, the number of TV set up to cover Kathmandu valley during this experimental transmission of two hours was commenced by the end of 1985.

In February of 1986 (Paush 12, 2042 B.S.), “Nepal Television pariyोजना” become a full-fudged corporation under the communication act of Government. From 1st July 2001 Nepal Television’s can be watched in all the south Asia concerns. As far as NTV Transmission in Europe is concerned, it has reached only in some parts of Russia. (Thakurathi, K.B, 2005)

In the media history of Nepal, NTV has maintained a steady pace in this network development. Since approximately 2.5 million viewers across the country spread mostly in the southern plains and urban areas, the biggest drawback for NTV to have its signals research to as many people as possible has been hills and mountains extending from east to west. The remaining 25% of the land area in the south ordering, idea is the only stretch, which is easily accessible to all kinds of communication. (Thakurathi, K.B, 2005)

Now, NTV has established transmitting station and barb-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 a top the high mountain. Phulchoki (9075 feet) .It is linked to the master control room via micro wave. The transmitting tower is further 300 feet in height. The signal form this transmitter is then picked by off air antennas of deferent parts of the country. In this way NTV 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 clue to the unavailability of viewers is far less clue to the unavailability of electricity. Only 17% of the total population of the country has access to electricity. (Thakurathi, K.B, 2005)

Considering the difficult terrain of the country, it is almost impossible for NTV to reach the entr e population without the use of satellite. Therefore, form 3rd July 2001 NTV started its satellite transmission. This has not only covered the entire country; but also cake its signals avails to Nepalese living abroad and to others interested in knowing more about Nepal.

The provision of satellite transmission was made in the ninth five year plan (1998 -2002) of Government as per the ninth Plan the first two years concentrate on the preparation i.e. network planning ‘ studio design. Maintenance center and calibration lab, a research on the possibility of participation from the private sector, equipment purchase act, transmission, program production, pupation evaluation etc, are carried out in these years. A channel is dedicated solely for distance education. (Thakurathi, K.B, 2005)

Although some private companies have been transmitted several programs on time slots bought from Nepal Television, is still under government ownership.

Before establishment of NTV, the Nepalese audience did not have opportunity to watch television advertisement. After the establishment of NTV, television based advertisement started to play important role in influencing consumer’s purchase decision.

In the beginning the advertisement of daily consumption goods like shop, noodles, and biscuits were telecasted. These advertisements were telecasted only after the request and effort of Nepal Television. The main obstacle in the field of advertisement is considered to be the absence of advertising agency and institutions. At the same time to insufficiency of required machinery Nepal television could not make television advertisement attractive. However, few private companies have been seen in the field of advertisement but these companies have been seen in the field of advertisement but these companies couldn't take the commercial track. Therefore, it was essential to go to India or any other country to prepare advertisement during that time. So, significant amount of money was necessary to take the advertisement of 30 seconds to 1 minute. As a result this sector could not develop and grow as expected.

Most of the industries of Nepal thought that it is not necessary to make advertisement. Either the companies' products are sufficiently sold in the market or the companies that could not increase their production as per the demand are also not interested to make advertisement, but within 10/15 years after the establishment of Nepal Television the trend of advertisement had increased significantly. Now many companies who have understood the importance of advertisement are interested to make advertisement are regularly telecasting advertisement in Nepal television and also sponsoring some good programs of Nepal Television.

In this context of our country the expensive of advertisement production is the greatest problem. However the large companies who can make enough expenditure prepare advertisement in foreign countries. Due to high cost of advertisement production, Small firms are handicapped in the use of television advertisement. Beside, the lack of knowledge of making advertisement is another major problem relating to advertisement.

The disability of advertisement agency of Nepal to forecast advertisement by companies is another problem in advertisement in Nepal on the other hand the unavailability of credit services for advertisement agency is another problem of advertisement in Nepal.

There is a lack of viewer's survey on popularity of television or radio media due to which there is a difficult to advertisers to advertise their product in right tie and media. As survey of media is not made in these media there is lack of essential information about time and program the viewers watch most due to which the flow of advertisement is not increase.

2.1.7.5 The Newspapers

It is really hard to imagine life without newspapers. It is as essential as a good cup of tea in the morning or even more important than tea to start the day. Newspaper is one that gives news, views ideas, interpretations, opinions, comments and explanations regarding the social, economic, political education coral, cultural, ecological, methodological developments and the like. It entertains and enlightens of all the media newspaper is considered as the backbone of advertising program 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. News papers are excellent for new-product introduction. Newspaper is a major community serving medium today for both news and advertising. The newspapers are classified in terms the bases of coverage, frequency and language. Here coverage means geographical and subject coverage. On the basis of the area a newspaper can be national, regional and local. In Nepal, National and daily newspaper are the Gorkhaptra, the Kantipur, Annapurna Post, Rajdhani and weekly national Newspaper are Bimarsha and Dristi, Punarjagaran and Chhalphal. From chitwan dristrict, four daily newspapers are publishing, they are Chitwan Post, Pardarshi, Kayakairan and Loktantra Sandesh etc.

2.1.8 Tools for measuring advertising effectiveness

To get most of advertising resources, management must evaluate the ability of advertisement s to achieve a campaign's objective. Marketing research is needed to study the effect that advertisement 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, Managing Advertising Effectively, MCB Books, 1975,1st Edition, P.128)

Advertising is all about communication. So to be effective it must be based on:

- ⇒ A precise definition of whom we are trying to communicate.
- ⇒ A clear understanding of what we need to communicate.
- ⇒ Some understanding of what effect we expect the communication to have.
- ⇒ An understanding of how the communication process works.

“ Given the four things, we can then define what we expect to happen as a result of the advertising and can set out to measure whether it has been achieved or not .”
(Wilmshurst, J., 1994)

Alternative tests of advertising effectiveness have been developed because different types of objective are set for advertising communication objectives and sales objectives.

Management often spends substantial sums apart from buying time or space in media, in testing advertisements to help determine their effectiveness. This testing may occur at different stages. These stages are pre-test stage and post test stage.

“Pre-testing is assessment of advertising effectiveness before it is actually used. It includes variety of evaluative methods. Similarly post testing is the assessment of advertising copy after it has been used. Pre testing generally is a more desirable testing method than post testing because of its potential cost saving. However, post testing can be helpful in planning future advertisements and adjusting current advertising programs.”
(Boon and Kurtz, 1992)

Tests are thus conducted to evaluate specific advertisements, to evaluate success in attaining specific advertising objectives or to evaluate the motivational impact of a campaign. The different tests to measure advertising effectiveness are

- ⇒ Communication test

⇒ Measurement tools for advertising effectiveness on sales.

2.1.8.1 Communication test

To measure the effectiveness of advertising in achieving communication objectives, measurement of customer awareness, attitude change or degree of persuasiveness can be used.

a) Awareness Tests

Awareness objectives state what percentage of a target audience should be aware of the advertisements and selling points. Consistent with this objective, effectiveness tests have been developed that measure the awareness of audience members. Common awareness measurement techniques are recognition test, recall tests and physiological tests.

⇒ **Recognition Tests**

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 be examined among those who remember it.

⇒ **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 cues 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.

⇒ **Physiological Tests**

Some advertisers worry about the validity and reliability of recognition and recall data. It is because several problems may occur during those tests. People who have been exposed to an advertisement may remember what they have seen at the time they are interviewed. Some people may not want to tell the interviewer what they saw in an advertisement. Sometimes people may even reconstruct what they have seen so that it is consistent with

three ways they see the world. One solution to those problems is to use nonverbal awareness measure.

Physiological tests of advertising effectiveness are used routinely and as a pre-test. These tests measure bodily reactions (eye movement, 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.

⇒ **Opinion Tests**

This is one of the common methods of measuring advertisement's effectiveness. In this method, potential audience members are asked to rank alternative advertisements as most interesting, best liked etc.

Reliance on awareness measures assumes that gaining exposure and attention leads to higher probability of future purchase. Many marketing managers challenge this assumption on intuitive grounds. People may remember an advertisement that was unpleasant but not change their intention to purchase the advertised product. It is also argued that if an advertisement is not seen by a target audience, it cannot influence buying. It is true that awareness measures are necessary to see whether target audience are being reached but that by themselves these measures do not sufficiently indicate how effective an advertisement is.

B) Measuring Attitude Change

In assessing advertising effectiveness, management can go beyond awareness tools to measure the persuasiveness of its advertisements. Persuasiveness is the ability of an advertisement to create or change attitude towards the company and its services. Attitudes of customers towards a product are a step closer to influencing purchase than is awareness.

Measuring attitude change effectiveness is more complicated than testing for awareness. Except in new product situation, research, must contend with the fact that people already have attitudes towards a company's product before advertisements are run. Thus marketing research must measure the change in attitudes from before to after the running of the advertisements. An effectiveness score is the difference between a measure of attitude obtained before an advertisement has been run and a corresponding measure taken after it has been run. Multiple exposures to the same advertisement or to different individual advertisements can also be tested for attitude change effectiveness.

c) Change in predisposition

Predisposition refers to customer's preference for a product over others or their intentions to buy that product. Measuring advertising's ability to influence predispositions requires essentially the same procedure as those required for measurement of attitude change. Effectiveness is determined by changes in predisposition traced to advertising.

2.1.8.2 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.

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 change in sales. Correlation techniques are used to estimate the contribution of advertising to variations in sales for the time period covered by the data.

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, media scheduling or budget and 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 lives. 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 advertisement 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.”(Gilly, Wolfinbagar, 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.

2.1.9 Effect of advertising on brand loyalty

A brand is a name, symbol or other distinguishing feature that serves to identify the goods or services of an organization and to set them apart from those of competitors. Most goods and services were unbranded until after the civil war. Today almost all goods and services are branded. Brand decisions are a critical dimension of product management strategy and overall marketing strategy.

From the view point of manufacturer, middleman or retailer who is considering using a brand might also be defined as a device designed to aid in the process of creating, stimulating, strengthening or maintaining demand. Brands are most commonly used with consumer goods, but are also used for industrial goods.

As defined by American Marketing Association, “A brand is a name, term, sign, symbol, design or some combination used to identify the products of one firm and differentiate them from competitive offerings .Similarly, a brand name is the part of the brand consisting of words or letters that comprise a name used to identify and distinguish the firm’s offerings from competitors. It is therefore the part of the brand that can be vocalized. A brand mark on the other hand, is a symbol or a pictorial design. It is the part of the brand that cannot be vocalized.”(Boone and Kurtz, 1992)

A well Known brand name is considered as an important asset of the firm “Many companies register the brand names legally so that it is exclusively theirs. This has not prevented many brand names becoming household words i.e. they have made their way into everyday language and are used generally. If brand names are promoted well, then they can serve to promote the product alone. A name can become associated with quality or prestige of goods and service. Consumer may buy a certain brand because of its reputation and their ongoing satisfaction. If that name is associated with a new product then the loyal customer is more likely to purchase it. Likewise a brand can develop bad reputation.” (Taylor, M, 1991)

Therefore every manufacturers or marketers try their best to develop a positive attitude in the consumer's mind towards their brand. Their ultimate goal is to obtain loyalty of the consumers. A brand loyal consumer is that who not only purchases the same brand overtime or repeat purchase but also has a favorable attitude toward it.

But loyalty of consumers is not an easy task to achieve. The consumers must have to be aware of the brand in order to develop loyalty towards it. Brand awareness is thus very necessary as it is a first step to developing attitude toward it.

Every brand has certain image in the market. Every brand is known for its own feature and quality. So the consumers according to their faith, trust on quality or impression of promotional campaign, experiences or due to any other psychological element prefer one brand to others. Thus there may be various sources through which consumers know about a brand. One of such sources is advertising. Advertising acts as an effective tool in making consumers aware of the existing brand or introducing a new brand.

“To increase brand loyalty, many marketers are spending more money on advertising that strengthens the image of their brand.”(Alsop, R., 1989)

The main objectives of advertising are to remind, inform and persuade. Advertisements in this way play an effective role in inducing consumers to purchase a particular band and also repeat purchase.

Eventually, advertising leads the consumer towards developing positive attitudes towards a brand by communicating the qualities, features and other messages to them. Since brand loyalty results from an initial product trial that is reinforced through satisfaction leading to repeat purchase, advertising considered important and effective as it is responsible for influencing consumers to try a product and develop an attitude towards it.

2.2 Some Important Studies

Marian Friestad & Peter Wright studied persuasion Knowledge: Lay People's and Researchers beliefs about the psychology of advertising and their finding indicated that researchers do not collectively demonstrate more highly integrated persuasion beliefs than do lay people (Friested and Wright, 1995). Folk knowledge strongly influences people's conceptions of ambiguous complex phenomena such as intelligence, creativity, of physics, and persuasion is also an ambiguous and complex phenomenon.

Robert j. Kent & Chris J. Allen studied brand familiarity's rose in increasing ad memorability and moderating commutative interference. Researchers found that the main effect of familiarity suggests that well known brands have important advantages in market place advertising. Independent of differences in ad execution, processing objectives, exposure time, and period exposure to the tested ad, consumers appears to better remember new product information for familiar brands. Moreover, the moderation of competitive interference suggests that consumers' memory for familiar brands is less affected by exposure to competitive advertising (Kent and Allen, 1994)

Researchers also suggest that it will be difficult for consumers to remember product information from ads for new brands in heavily advertised categories. This difficulty may play a role in the high failure rate of new products.

Kusum L. Ailawaid, Paul W. Farris, & Mark E Parry have tried for several years to explain variations in advertising and promotion / sales ratios (A& P/S ratios) across brands, product market categories, farms, And industries. Market share and market growth have been included as explanatory variables in almost ass of these studies. A recent article by Bala Subramainian and Kumar presents a parsimonious yet powerful model explaining advertising promotion /sales ratios causing these two variables and their interaction. But, researchers concluded given the amount of money that companies spend on advertising and promotion every year and the effectiveness of this expenditure any research that provides the means for developing a good benchmark for the A& P/S ratios would be very useful (Thakurathi, K.B, 2005)

Music is an increasingly prominent and expensive feature of broadcast ads, yet its effect on message reception is controversial. James J. Kellairs, Anthony K. Iox & Dena Cox studied, the Effect of clack ground music on ad processing: A contingency Explanation. They recruited 231 young adults from upper level business classes at an Urban University to participate in the main experiment. Researchers found that partially by the relative difficulty of the measures of and memo ability, brand name recognition was probably of the measures of and memo ability, brand name recognition was probably the earliest task amongst memo ability measures. Most of the subjects (More than 83%) regardless of the treatment group had no friable recognizing the advertised variation in the measure (Thakurathi, K.B, 2005)

Researchers also suggest that music message congruency can moderate the influence of music attention gaining value on at least some aspects of ad recall and recognition. When congruency is high, attention – gaining music seems to contribute positively to these outcomes. When congruency is low, attention gunning music seems to serve more as a more as a distraction from ad processing.

Related studies in Nepal

This is not a first study about the communication effects of advertising. A study had been done by Rajendra Giri about the communication effect of advertising & brand preference of instant noodles, the Rara and the Maggi the objectives of that study were to analyze the popular media of advertisement, strength and weaknesses of advertisement qualities of instant noodles. The study was based on primary data collection by means of questionnaires filled out by 35 educated people of Kathmandu.

The study has the following important findings:

- ⇒ Most of the educated people of Kathmandu are aware of both brands (The Rara & the Maggi) of instant noodles because of their advertisement.
- ⇒ Most of the uneducated people of Kathmandu could not say anything about the advertisements.

- ⇒ Of all the advertising media available in Nepal, the Radio has proved itself a leading one to create awareness in customers about the advertised product, especially edible goods like instant noodles.
- ⇒ In case of the news paper advertisement, the Rara has attracted many of customers because of its style of photo presentation while the Maggi has attracted to its customers with the help of layout and headlines.
- ⇒ The weak side of the newspaper advertisement of the Rara has been headline and typography in the case of advertisement of Maggi.
- ⇒ In the case of Radio advertisement the Rara has attracted its customers mainly with the help of vocals. After then, comes expression and music while music has played a pleasing role to attract the customers in case of Maggie's advertisement. After the set up, expression and vocals come orderly
- ⇒ The newspaper advertisement of the Rara has created more of it again than in case of the advertisement of the Maggi.
- ⇒ Advertisement qualities of instant noodles have made no change in brand preference.

Similarly, Mr. Yogesh Pant has done a study on Brand-Loyalty which has the following objectives.

- ⇒ To examine brand awareness of the Nepalese consumers.
- ⇒ To find out whether Nepalese consumers are brand loyal or not.
- ⇒ To identify the correlation of brand loyalty.
- ⇒ To recommend measures helpful or important for developing marketing strategies and for conducting further researches on brand- loyalty.

The conclusions found by the researcher are:

- ⇒ Nepalese consumers give high importance to brand in both the consumer durable goods.
- ⇒ Most of the consumers are found buying the products by brand rather than by inspection.
- ⇒ Brand awareness of the Nepalese consumers is found to be high.
- ⇒ Brand –Loyalty is independent of the consumer's store loyalty.

- ⇒ Brand-loyal consumers are not to be influenced by special deals such as coupons, free samples, discount etc.
- ⇒ The brand loyal consumers are found to be least influenced by price activity and advertisement.”

Rajendra Krishna Shrestha did a study, entitled “The role of Advertising in Brand Choice and Product Positioning”, with these objectives:

- ⇒ To analyze the effectiveness of advertising on brand of consumer product.
- ⇒ To evaluate the role of advertising in product positioning from the consumers perspective, and
- ⇒ Do consumers give more importance to advertisement rather than any other promotional tools while making selection decision?

The study was based mainly on primary data filed by respondents of Kathmandu valley and his findings after doing study was:

- ⇒ Nepal television is the most popular media with in Kathmandu valley and radio Nepal holds the second position along with among the youth generation FM broadcasting is also being popular.
- ⇒ Most of the respondents are in favor of entertaining types of television advertisement.
- ⇒ Most of marketers are using electronic media to advertise their product such as radio, televisions are supposed to be the effective media while considering the present situation of Nepalese market.
- ⇒ Advertising is the main sources of information about particular brand as well as mostly sensitive subject in the country in course of promotion.
- ⇒ Consideration to different variables while purchasing is of significantly different due to the age, sex and family size.

In the same way, Binaya Kumar Thakur conducted a study on “The Role of Advertising in Brand Loyalty” with the following objectives:

- ⇒ To analyze the effectiveness of advertising on brand loyalty of consumer product.

- ⇒ To evaluate the role of advertising for brand loyalty in Nepalese market.
- ⇒ To find out whether consumers give more importance to advertising rather than any other promotional tool while making selection decision.

The researcher's findings appeared as:

- ⇒ Advertising is the main source of information about particular brand as well as most sensitive subject in the country in the course of promotion.
- ⇒ Soft drink holds the second position in consumption after tea among drinks in the Nepalese market.
- ⇒ Brand awareness of Nepalese consumers is found to be high.
- ⇒ Majority of Nepalese consumers are found brand loyal.
- ⇒ Most of the consumers brand choice decision about mentioned products depends on themselves.
- ⇒ Most of the consumers have given first preferences to the taste of the product while the quality of the product is considered second important factor in case of soft drinks.
- ⇒ Most of the consumers prepare the advertisement of coke than Pepsi.
- ⇒ Repeating the advertisement frequently than the competitor affects brand loyalty.
- ⇒ Advertising plays an important role in brand loyal behaviour of consumers in case of soft drinks.
- ⇒ The effective advertisement in time is regarded as the best tools for brand loyalty.
- ⇒ The role of advertisement is regarded important for brand loyalty in the course of soft drink.
- ⇒ Most of the consumer first choice of soft drinks is coke than others.

Another research done by P.R. Pandey entitled "A Study of Advertising in Nepal" has the following objectives:

- ⇒ To identify the present position of advertising in Nepal.
- ⇒ To find out the existing patterns and brands.
- ⇒ To identify the constraints hindering the use of advertising as an effective method of promotion, and
- ⇒ To suggest measure to enable advertising to play its role effectively.

His major findings from this study were:

- ⇒ Advertising is the main method of promotion practiced in the country.
- ⇒ Effects of advertising are generally not evaluated.
- ⇒ Advertising in the company is handled by persons in the senior position, when there is a separate advertising section in the company.
- ⇒ The advertising programs are not well coordinated with other elements of marketing and promotional strategy.
- ⇒ In regard to the services rendered by the advertising agencies none are full service agencies and except a few agencies concentrating on inserting the advertisements prepared by the advertisers and specialists service groups such as block makers, printers, artists etc.
- ⇒ Publication media, radio and cinema are the most used media for commercial advertising. But there are few alternatives. The Gorkhapatra is the only medium with any significant circulation.
- ⇒ Advertisements related to business are presented in simple language and are found to be more effective.
- ⇒ Both the advertisers and the advertising agencies recognized the need for advertising in the present context of their markets in Nepal.
- ⇒ The advertisers, advertising agencies and the mass media are yet to create an environment of mutual understanding and helps.
- ⇒ Advertisers think that advertising has favorable impact on their customers, sales and profits. Customers responds are favorable to advertising through most of them are economically backward and uneducated.

2.3 The Research Gap of the Study

Review of above mention related literature reveled that comprehensive studies of the relation between the communication effects of advertising and brand loyalty but it had not done in the whole context of Nepal. Those were related either only to certain sectors or few numbers of year's observations. Appropriate media of advertising, perception impact of advertising in society may be different in chitwan district. So this study was trying the advertising effect on consumer's brand loyalty in noodles product in the

context of east chitwan. This study expected to provide the useful information for all the interested people, scholars, planners and managers of instant noodles.

CHAPTER -3

Research Methodology

Research is a process of investigation. It is the creation of new knowledge. It can be categorized into three distinct types: basic, strategic and applied. Basic, or blue sky research, is the pursuit of new knowledge without any assumptions about what it might lead to essentially knowledge for its own sake. Strategic research is the pursuit of new knowledge which might, in principle, have a practical application but without a precise view of the timescale or nature of the application. Applied research is knowledge which is developed with a specific objective in mind, particularly, the conversion of existing knowledge into products, processes and technologies.

Advertising is indispensable in modern marketing. Advertising needs in every stage of product life cycle depending upon the nature of the product. In Nepal the importance of advertising has increased with the development of business activities. Hence, to study the effect of advertising on brand loyalty, descriptive research design followed here.

3.1 Research design:

Research design is a conceptual structure with in which research is performed. It is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and control variance.

This study examines the impact of advertising on brand loyalty of the consumers. It is a fact finding study involving collection of data directly from the samples chosen. So, descriptive research design is used in this research as it seeks response directly from the respondents.

3.2 Sources of Data

The sources of data were primary and secondary. Primary sources are the original sources from which the researcher directly collects data that have not been previously collected. On the other hand, secondary sources of data consist of data which have been already collected and compiled for another purpose.

Data used in this study were mostly primary in nature. However, secondary data had been also used. For the primary sources of data, a survey was done among the noodles consumers and responses were acquired directly from them while secondary data for this study is collected from the selected companies as well as a regards supporting literature, relevant books, journals, bulletins, magazines, newspapers etc., have been studied.

3.3 Data collection procedure

Data collection procedure comprises of the methods to collect the data required for the research. The study was conducted using interviews as the main data collection method. In order to collect the primary data for this study, a set of questionnaire was developed and served by the researcher to the people residing in different places of the east chitwan on the basis of personal contact. For this, the researcher visited the places of east chitwan several times. It took almost two months for the researcher to collect the questionnaires from the respondents.

3.3.1 Population

The population of this study consisted of audiences exposed to different audio and visual advertisements of the mentioned products. The consumers between 15-45 years of age were specially selected as the population of this research. The respondents were from different professions. The respondents represent were the residents of the east chitwan who have been residing for a period of more than one year.

3.3.2 The sampling procedure for sample size

This section explains how the respondents to the interviews were chosen and which company the study focuses on. According to Miles and Huberman (1994) sampling in qualitative research involves setting boundaries in order to find aspects which can be directly connected to the research. There are two major categories of sampling technique namely probability sampling and non- probability sampling.

The sampling method used in this study is convenience sampling method. Since the population for the study is not listed or defined, convenience sampling method is most appropriate for this study.

For the research process the respondents were selected from different place of the east chitwan on the basis of judgmental sampling. Selection also has been done from different professions, age, sex and places.

3.3.3 Sample respondents profile

Sample by age and sex

Age	15-30	31-45	Total
Male	19	19	38
Female	19	18	37
total	38	37	75

Sample by age and place

Age →	15-30	31-45	Total
Place ↓			
Ratnanagar	10	10	20
Khairahani	10	10	20
Bhandara	10	10	20
Piple	8	7	15
Total	38	37	75

Sample by age and profession

Age →	15-30	31-45	Total
Profession ↓			
Student	20	10	30
Businessman	10	20	30
Job holder	8	7	15
Total	38	37	75

3.4 Use of Analytical Tools

Analytical study is a system of procedures and techniques of analysis applied to quantitative data. Hence it is also known as statistical method. Analytical study with the use of various analytical tools aims at testing hypothesis and specifying and interpreting relationship.

Various analytical tools have been used in this study as required. The statistical tools used are.

- ⇒ Percentage
- ⇒ Weighted arithmetic mean
- ⇒ Chi-square test

3.4.1 Percentage:

The purpose of using percentage is to simplify the problem of comparison. They serve to put qualitative characteristics into numerical form. It represents the proportion of any variable in terms of its total. In the present study, percentage has been used to obtain the actual no. of brand loyal consumers.

3.4.2 Weighted arithmetic mean:

Simple average method assumes that all the items under consideration are of equal importance in the distribution. But in many cases, the relative importance of the items in the distribution is not same. In such a situation, the relative importances are considered as weights of the variable and the weighted average is to be computed.

Weighted Arithmetic Mean is given by:

$$\text{Mean } (\bar{X}_w) \equiv \frac{W_1X_1 + W_2X_2 + \dots + W_nX_n}{W_1 + W_2 + \dots + W_n}$$

$$\chi^2 = \frac{\sum WX}{\sum W}$$

3.4.3 Chi-Square Test

Chi-Square test is the most popular non-parametric test of significance in social science research. It is used to make comparisons between two or more nominal variables. The test evaluates whether the difference between the observed frequencies and the expected frequencies under the null hypothesis can be attributed to chance or actual population differences. A chi-square value is obtained by the formula:

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

3.5 Hypothesis

Hypotheses are tentative propositions relating to the phenomenon under study. They have to be tested empirically before we can accept or reject them. Hypothesis testing means subjecting a hypothesis to an appropriate empirical scrutiny and statistical test to determine its validity.

Hypothesis that are for this research are:

Ho1: There is no significant difference between the opinions expressed by the consumers belonging to 15 – 30 years of age and 31 – 45 years of age regarding brand knowledge for the first time.

Ha1: The consumers belonging to age group 15 – 30 and 31 – 45 differ in their opinions regarding brand information for the first time.

Null hypothesis (Ho2): values have equal influence on the consumers while making their brand choice.

Alternative hypothesis (Ha2): All the variables do not have equal influence on the consumers while they make their brand choice.

Null hypothesis (H03): There is no significant difference between the behavior of the consumers of wai wai & Mayos toward advertisement.

Alternative hypothesis (Ha3): The behavior of consumers of wai wai and mayos differ toward advertisement

Chapter – 4

Analysis and interpretation of data

4.1 Data Analysis and Interpretation of Data

The analysis of data is the most skilled task in the research process. Analysis means a critical examination of the assembled and grouped data for studying the characteristics of the object under study and for determining the patterns of relationship among the variables relating to it. Both quantitative and non quantitative methods are used in the analysis of data. (Krishansawami, 2000)

In this Chapter, the primary data and information collected from the consumers and the secondary data collected from various sources are presented, tabulated, analyzed and interpreted for attaining the stated objectives of the study. Both the primary and secondary data relevant to the objective set before have been analyzed and interpreted in accordance to the areas covered in the statement of problems. In particular, this section includes the analysis and interpretation of the following.

- ❖ Market growing of noodles.
- ❖ Consuming Style of noodles.
- ❖ Brand Preference of consumers.
- ❖ Brand use of Noodles in east chitwan market.
- ❖ Priority of reason for buying the Wai Wai and Mayos Noodles.
- ❖ Consumer's brand knowledge for the first time
- ❖ Brand information of consumers through different advertising media.
- ❖ Factor affecting consumer's Brand Choice.
- ❖ Consumer's behavior after they watched or listened advertisements.
- ❖ Purposes for noodles consume.
- ❖ Past used brand of consumers.
- ❖ Brand loyal consumers of noodles.
- ❖ Brand Advocacy behavior of consumers of wai wai and Mayos.

- ❖ Opinion test on advertisement influence in brand preference.
- ❖ Advertising impact on individual level brand preference of consumers.
- ❖ Advertisement memorability of consumers.
- ❖ Advertising style and attractiveness.
- ❖ Opinion test on effective media.

All the responses are presented in the below mention table.

Table 1

4.1.1 Market growing of noodles

Response	No. of Response	Percentage
Yes	69	92
No	6	8
	75	100

Table no. 1, show the 69 response out of 75 sampled consumers or 92 percent consumer like the noodles. And 6 respondent or 8 percent of consumer were not preferred the noodles. From this table, the market of noodles is growing now a day while it has not long history in Nepalese society.

Figure 1- market growing of noodles

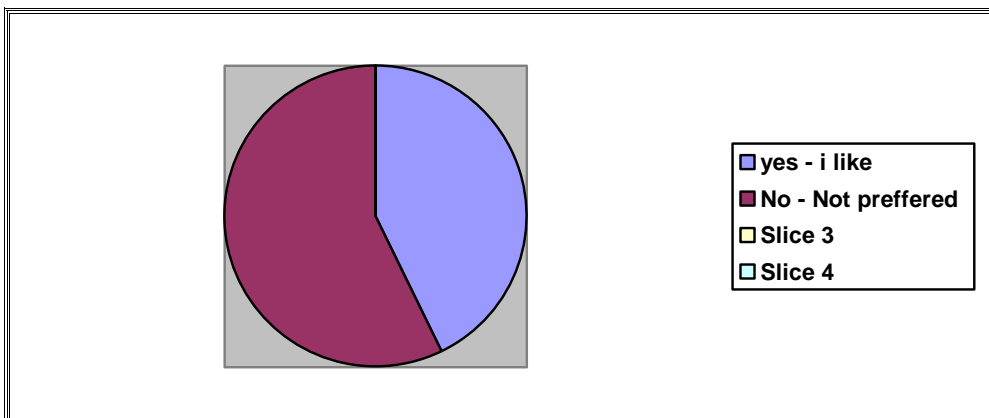


Table – 2

4.1.2 Consuming Style of noodles:

Response	15 to 30 age group	31 to 45 age group	Total No. of Response	Percentage
Instant	25	11	36	48
2 minute	11	22	33	44
Stick	2	4	6	8
Total	38	37	75	100

Table no. 2, show the favorite consuming style of noodles, 36 respondent or 48 percent of consumer were like to consume instant noodles, 33 or 44 percent respondent of sampled consumers like 2 minute cooking noodles and only 6 respondent or 8 percent of consumer like stick noodles. From this table it is cleared that, consumer like the fast food nature of noodles.

After analyzing the data, out of 38 respondents of 15 to 30 age group, 25 like instant noodles, 11 like 2minute noodles and 2 respondents like stick noodles. Same way, out of 37 respondents of 31 to 45 age group, 11 respondents like instant noodles, 22 respondents like 2 minute noodles and only 4 respondents like stick noodles.

Figure 2 –consuming style of noodles

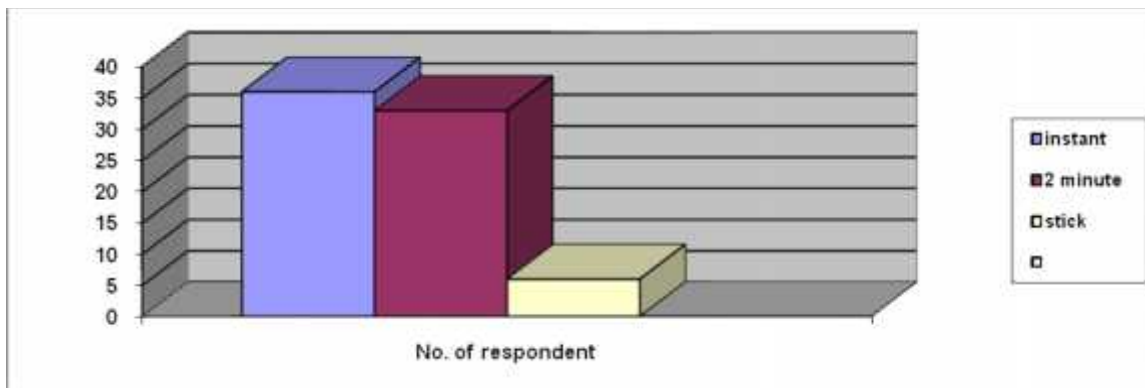


Table - 3

4.1.3 Brand Preference

Response	No. of Response	Percentage
Wai Wai	33	44
Mayos	39	52
Rumpum	3	4
Aaha	0	0
2 pm	0	0
	75	100

The table shows the preferences of consumers regarding various brands of noodles available in east chitwan market. On the basis of table, it can say that of 44 percentages of consumers used the brand wai wai. Where as 52 percentage of consumers used Mayos. Similarly, the 4 percentage of consumer use the Rumpum noodles and nobody used the Aaha & 2pm noodles among 75 sampled consumers. According the table, the highest percentage of consumers i.e. 52 percentages used the Mayos. Therefore, mayos is the most used brand of noodles in the east chitwan market which is followed by Wai Wai by 44 percentages. So, we can conclude that Mayos and Wai Wai is recent competitor of noodles industries.

Figure 1- Brand use of Noodles in east chitwan from sample of 75 respondents

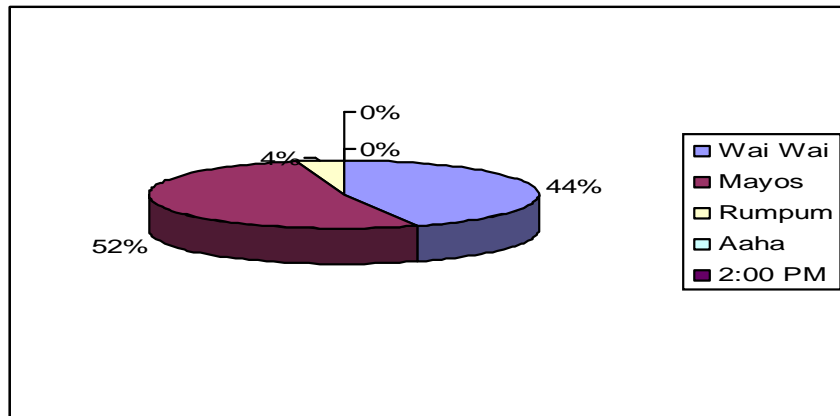


Table – 4

4.1.4 First priority for buying the wai wai Noodles:

Response	No. of Response	Percentage
Product quality (Product Mix)	18	54.55
Price (Price Mix)	1	3.03
Availability (Place Mix)	4	12.12
Brand image (Promotion Mix)	10	30.30
Total	33	100

Above table shows reasons for buying the wai wai noodles, 18 or 54.55 percent respondents of wai wai consumers consumed because of good quality, one respondent or 3.03 percent of consumers made their choice because of price. Same way, 4 respondent or 12.12 percent consumers make their choice because of availability and respondents consuming the wai wai because of brand image are 10 or 30.30 percent. From the side of consumer, they believe quality of wai wai is best and major reason of consuming is its product quality.

Figure 3- first priority for buying Wai Wai Noodles

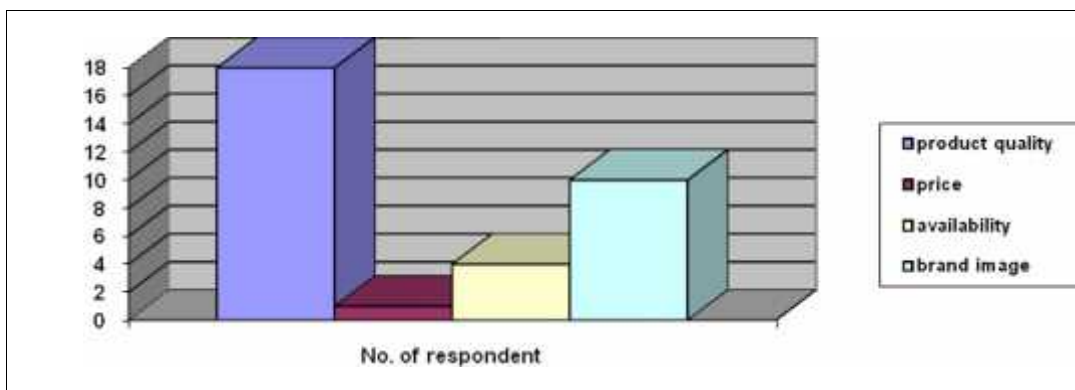


Table - 5

4.1.5 Reason for consumes Wai Wai (Priorities rating)

Factors	Rating Criteria								Total respond ent	Weight Average
	4 (I)	%	3 (ii)	%	2 (iii)	%	1 (iv)	%		
Product quality	18	54.55	2	6.06	4	12.12	9	27.27	33	2.88
Price	1	3.03	12	36.36	9	27.27	11	33.34	33	2.09
Availability	4	12.12	10	30.31	11	33.34	8	24.24	33	2.30
Brand image	10	30.30	9	27.27	9	27.27	5	15.15	33	2.73
	33	100	33	100	33	100	33	100		10

The above table shows the reasons for which consumers use the brand wai wai. Each factor is rated by the consumers according to its importance. Priority numbers have been assigned to each reason or factors.

As shown in the table, 54.55 percent of consumers, considered product quality are most important reason for using the wai wai brand. 6.06 percent of consumers rated quality as the second important factor. In the same way, 12.12 percent of consumers rated quality in the third place and the remaining 27.27 percent rated the fourth priority.

Similarly, 3.03 percent of consumers have considered price as a most important reason for using brand wai wai.36.36 percent of consumers have rated price as the second important reason. 27.27 percent of consumers rated price as the third important reason. Likewise, 33.34 percent of consumers have rated price in the fourth place.

On the other hand, 12.12 percent of consumers have rated availability to be most important factor for them to use the brand wai wai. Similarly, 30.31 percent of consumers considered it to be the second important reason. 33.34 percent of consumers rated availability as the third important factor and the remaining 24.24 percent of consumers have rated it in the fourth and fifth place respectively.

In the case of brand image, 30.30 percent of the consumers rated it as the most important factor. 27.27 percent of consumers have considered it as the second important factor. 27.27 percent of consumers have considered it to be the third important factor and remaining 15.15 percent of consumers have considered price as fourth important reason.

Table – 6

4.1.6 First priority for buying Mayos Noodles:

Response	No. of Response	Percentage
Product quality	26	66.67
Price	2	5.13
Availability	6	15.38
Brand image	5	12.82
Total	39	100

The table show reasons for buying the Mayos noodles, 26 among 39 or 66.67 percent respondents of Mayos consumers are use the brand because of good quality, 2 respondent or 3.03 percent of consumers make their choice because of price. Same way, 4 respondent or 12.12 percent consumers make their choice because of availability and respondents consuming the Mayos because of brand image are 10 or 30.30 percent.

Figure 4- first priority for buying Mayos Noodles

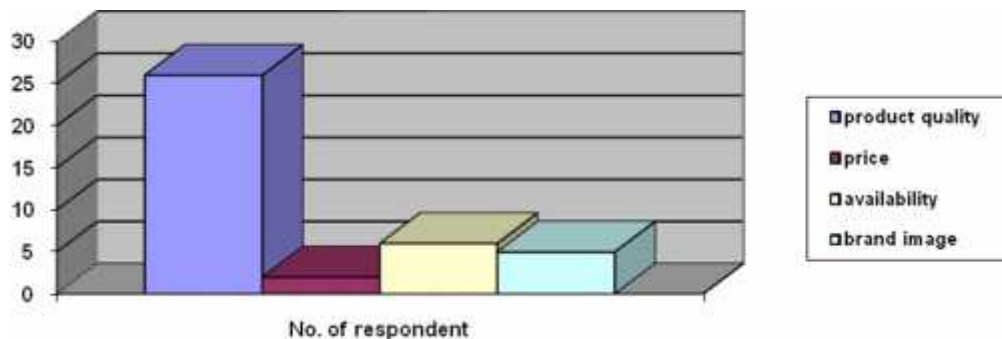


Table - 7

4.1.7 Reason for consume Mayos (Priorities rating)

Factors	Rating Criteria								Total respondent	Weight Average
	4	%	3	%	2	%	1	%		
Product quality	26	67	5	13	5	13	3	8	39	3.38
Price	2	5	11	28	12	31	14	36	39	2.03
Availability	6	15	10	26	11	28	12	31	39	2.26
Brand image	5	13	13	33	11	28	10	25	39	2.33
	39	100	39	100	39	100	39	100		10

The above table shows the reasons for which consumers use the brand Mayos. Each factor is rated by the consumers according to its importance. Priority numbers have been assigned to each reason or factors.

As shown in the table, 67 percent of consumers, considered product quality are most important reason for using the Mayos brand. 13 percent of consumers rated quality as the second important factor. In the same way, 13 percent of consumers rated quality in the third place and the remaining 8 percent rated the fourth priority.

Similarly, 5 percent of consumers have considered price as a most important reason for using brand Mayos. 28 percent of consumers have rated price as the second important reason. 31 percent of consumers rated price as the third important reason. Likewise, 36 percent of consumers have rated price in the fourth place.

On the other hand, 15 percent of consumers have rated availability to be most important factor for them to use the brand Mayos. Similarly, 26 percent of consumers considered it to be the second important reason. 28 percent of consumers rated availability as the third important factor and the remaining 31 percent of consumers have rated it in the fourth and fifth place respectively.

In the case of brand image, 13 percent of the consumers rated it as the most important factor. 33 percent of consumers have considered it as the second important factor. 28 percent of consumers have considered it to be the third important factor and remaining 25 percent of consumers have considered price as fourth important reason.

Here this study wanted to know which factor is most important factor through the weighted average method. On both brands, product quality is major factor for buying the noodles. And brand image is second reason for buying the product by the analysis of weighted average method, whether respondents of mayos brand give third priority in simple rating but from the calculation of weighted average method brand image also came in second position.

Table - 8

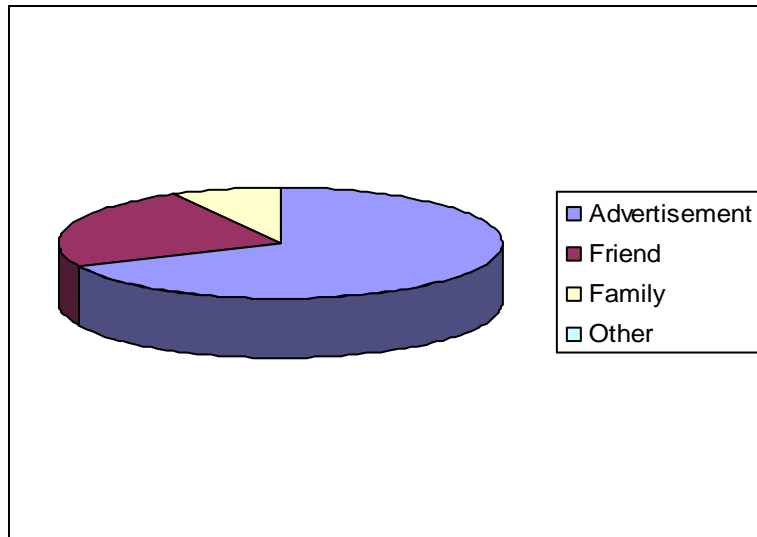
4.1.8 Consumer’s brand knowledge for the first time

There are different sources of information through which consumers acquire knowledge about their brands. The responses given by the consumers about the sources of their brand knowledge for the first time are presented in the table.

Response	No. of Response	Percentage
Advertisement	51	68
Friend	18	24
Family	6	8
Other	0	0
Total	75	100

The table presents the sources through which the consumers acquired knowledge regarding different brands of noodles for the first time. As shown in the table, a total of 68 percentages of consumers acquired knowledge about their brand through for the first time through advertisement. Similarly, 24 percentages of consumers got information about their brand through their friend. And 8 percentages of consumers came to know about their brand through their family.

This table shows that most of the sampled respondents have acquired information about their brand for the first time through advertisements. Friend came in the second place where as family was the third one to inform them of their brands.



This study also attempted to find out the consumer's brand knowledge for the first time according to their age group. The responses given by consumers of age

Table - 9

4.1.9 Consumer's Brand knowledge for the first time by age

S.No.	Source of information	Age Group of 15-30		Age Group of 31-45		Total	
		NO. of respondent	Percent	No. of respondent	Percent	No. of respondent	percent
1	Advertisements	30	79	20	54	50	67
2	Friends	6	16	11	30	17	23
3	Family	2	5	6	16	8	10
4	Others	0	0	0	0	0	0
	Total	38	100	37	100	75	100

The above table shows the brand knowledge of the consumers for the first time through different sources according to their age. According to this table,79 percent of consumers belonging to 15-30 years of age got information about their brand for the first time through advertisements.54 percent of consumers belonging to 31-45 age group also got the brand information for the first time through advertisements. 16 percent of consumers

of 15 – 30 age group and 30 percent of consumer’s age group 31-45 got information about their brand from their friends. Similarly, 5 percent of consumers of age group 15-30 and 16 percent of age group 31-45 were informed about their brand from their families. It is shown by this table that most of the consumers of both age groups have acquired brand knowledge for the first time through advertisements.

Chi- square test is used to test the hypothesis developed in this study regarding the consumers’ brand knowledge for the first time by age. The tabulated value of chi- square is found to be 5.99 at 5 percent level of significant for d.f.2 since the calculated value is 5.462; the null hypothesis in this case is accepted. Therefore, it can be concluded that most of the consumers of both the age group i.e. 15-3 and 31-45 acquired information about their brand for the first time through advertisements. (Appendix – 3)

There are different media used for advertisements. It has also been conducted to determine the media that reaches larger number of consumers and informs them about the brand available. The responses given by consumers regarding the source of advertisement for their brand knowledge are presented in the table.

Table -10

4.1.10 Brand Information of Consumers through Advertisement media

Response	No. of Response	Percentage
Advertisement through television	48	64
Advertisement through Radio	15	20
Advertisement through hoarding board	0	0
Advertisement through poster	3	4
Advertisement through newspaper	6	8
Other (Shop)	3	4
Total	75	100

The above table shows the brand information of consumers through different sources of advertisements. According to the table, 64 percent of consumers got information about their brand through television. Likewise, 20 percent of consumers were informed about

their brand through radio. Similarly, 4 percent of consumers acquired knowledge about their brand through poster, 8 percent of consumers through newspaper and the remaining 4 percent of consumer have acquired knowledge about their brand through other sources. (Shop).

Therefore, it is clear from the above table that the highest percentage of consumers i.e. 60 percent has acquired knowledge about their brand through television. Radio came in the second place with 20 percent of the sampled respondents getting information about their brand through it.

There are different factors that affects or influence consumer's brand choice. The responses given by consumers regarding the factor that influence them while making a brand choice are presented in the table.

Table -11

4.1.11 Factor affecting consumer's brand choice

Response	No. of Response	Percentage
Availability	14	18.67
Sales Scheme	1	1.33
Price	6	8
Taste & Quality	33	44
Advertisement	18	24
Brand image	3	4
Total	75	100

The above table presents the factors that influenced the brand choice of consumers. It is shown in the table that 18.67 percent of consumers considered availability to be the most influencing or important factor while choosing their brand noodles. The sampled consumers give only 1.33 percent emphases to the sales scheme. In the same way, 8 percent of consumers have chosen their brand on the basis of price of the products, where as 44 percent of consumers considered taste & quality. Similarly 24 percent of consumers considered advertisement plays vital role while choosing among different brands of

noodles. Likewise, Brand image affected 4 percent of consumers while making their brand choice.

Chi- square test was used to test the hypothesis developed for this research regarding the influence of various sources on the consumers while making their brand choice. In this case, the tabulated value of χ^2 at 5 percent level of significance for d.f. 5 is found to be 11.07. The calculated value of χ^2 is 184.226 (Appendix - 4). Since the calculated value of χ^2 is more than the tabulated value, the null hypothesis is rejected. Therefore, it can be concluded that the influence of all the factors is not same or equal on the consumers while they choose their brand of noodles. The consumers give more importance to taste and quality or find it more appealing while selecting their brand.

Table - 12

4.1.12 Consumer’s Behavior after they watched or listened advertisements.

Response	No. of Response	Percentage
View or listen carefully	42	56
Inspired to purchase	18	24
Interest increase towards the brand	9	12
Change the channel	6	8
Turn off the television \ radio	0	0
Total	75	100

The above table shows the behavior of the consumers of noodles after they were exposed to advertisements. According to the table, 56 percent of consumers viewed or listened carefully to the advertisements. In the same way, 24 percent of consumers were inspired to make purchase when they were exposed to the advertisements. Similarly, 12 percent of consumers increased towards the advertised brand. 8 percent of consumers have negative impact of advertisements, they change the channel. Nobody of the sampled consumers of noodles turn off the television and radio after listen or watched the advertisements.

After sorting, tabling and analyzing the data, consumer’s behavior of Wai Wai and Mayos brands, they exposed to advertisement are mentioned below. This study is

attempted to test the hypothesis whether the consumer behavior towards the advertisement is same or not.

Table – 13

4.1.13 Behavior of Wai Wai & Mayos’s consumers after they watched or listened advertisements

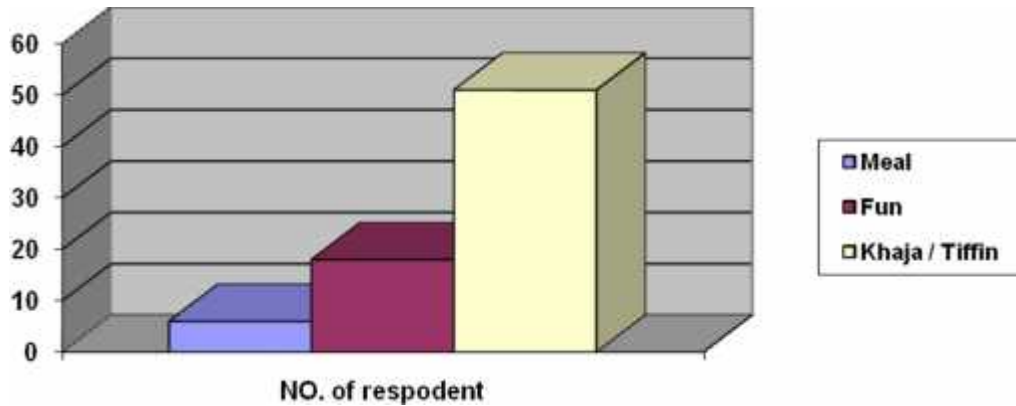
Response	Wai Wai		Mayos	
	No. of Response	Percentage	No. of Response	Percentage
View or listen carefully	18	54.54	21	53.85
Inspired to purchase	8	24.24	10	25.64
Interest increase towards the brand	4	12.12	5	12.82
Change the channel	3	9.10	3	7.69
Turn off the television \ radio	0	0	0	0
Total	33	100	39	100

Chi square test is used to test the hypothesis developed for this research to find out the behavior of the consumers regarding advertisement. After testing the hypothesis, the tabulated value of χ^2 at 5 percent of level of significance for d.f.1 is found to be 3.84. The calculated value of χ^2 is 0.04566. (Appendix-5). Since the tabulated value of χ^2 is greater than calculated value, the null hypothesis is accepted i.e. there is no significant difference in the behavior shown by the consumers

Table - 14

4.1.14 Purpose for noodles

Description	No. of Response	Percentage
Meal	6	8
Fun	18	24
Khaja / Tiffin	51	68
Total	75	100



In the above table, it can be seen that respondents preferred noodles for meal is 6 or 8 percent out of 75 sampled respondents. Similarly 18 or 24 percent consumer preferred in fun and 51 or 68 percent of consumers used noodles for khaja or Tiffin purpose.

From this table it is cleared that most of consumer preferred noodles for khaja purpose. So, before starting the advertising campaign and other promotional tools, it should be considered.

Table - 15

4.1.15 Past used brand

Description	No. of Response	Percentage
Wai Wai	24	32
Mayos	0	0
Rumpum	9	12
Aaha	3	4
2 Pm	0	0
Rara	30	40
Stick	3	4
Non user	6	8
Total	75	100

This shows, Rara lost 30 or 48 percent of sampled consumers. 24 or 35 percent of consumer of wai wai change the brand, similarly 9 or 13 percent left the rumpum brand, likewise, 3 or 4.34 percent of Aaha and stick noodles change their brand.

This table, in the case of mayos and wai wai noodles, wai wai is losing their consumer while mayos were retaining their consumers.

Table - 16

4.1.16 Brand loyal consumer

Behavior of consumer	Wai Wai		Mayos		Total	
	Respondent	Percent	Respondent	Percent	Respondent	Percent
Purchase another brand	12	36.36	18	46.15	30	41.67
Use other brand till you get it	0	0	9	23.07	9	12.5
Develop a taste for new brand	0	0	6	15.39	6	8.33
Search in other place for that brand	21	63.64	6	15.39	27	37.5
Total	33	100	39	100	72	100

The above table shows the brand loyal behavior of the consumers of the selected brands i.e. Wai Wai and Mayos. According to the table, 36.36 percent of wai wai and 46.15 percent of the consumers of mayos purchased another brand if they did not get the brand of their choice. Neither of the sampled consumers of wai wai uses other brand till they get wai wai nor develop a taste for new brand, whether 23.07 percent of mayos consumer use other brand till they get mayos and 15.39 percent of sampled consumer develop a taste for new brand. Similarly, 63.64 percent of the consumers of wai wai and 27 percent of the consumers of mayos searched for their brand in other places if they did not get their brand of noodles. None of the sampled consumers of both brand wait till they get the brand of their choice.

As a whole, 63.64 percent of wai wai consumers are brand loyal towards their brand, while those who often switched the brands are 36.36 percent. On other hand, only 15.39 percent of the consumers of mayos have shown loyalty to their brand while the remaining 84.61 percent often switched the brand if unavailable.

From the table, most of consumer of wai wai is brand loyal in the compare of mayos noodles.

In total, only 37.5 percent of consumers are brand loyal and 62.5 percent of noodles consumers have brand switching behavior.

This study also wanted to know the brand loyal age segment of consumers. After filtering the data, the age behavior of consumers toward brand loyalty is mention on table.

Table - 17

4.1.17 Brand loyal consumer by age group

Behavior of consumer	Age Group of 15-30		Age Group of 31-45		Total	
	Respondent	Percent	Respondent	Percent	Respondent	Percent
Purchase another brand	12	31.58	16	43.24	28	37
Use other brand till you get it	2	5.26	9	24.32	11	15
Develop a taste for new brand	1	2.63	7	18.92	8	11
Search in other place for that brand	23	60.53	5	13.52	28	37
Total	38	100	37	100	75	100

The above table shows, 60.53 percent of 15 – 30 age group and 13.52 percent of 31 – 45 age group are brand loyal. On the basis of this table, it can be conclude that 15 – 30

age segments of sampled consumers are brand loyal in the compare of 15 – 30 age groups.

Table - 18

4.1.18 Brand Advocacy behavior of consumer of Wai Wai & Mayos

Brand advocacy behavior	Wai Wai		Mayos		Total	
	Respondent	Percent	Respondent	Percent	Respondent	Percent
Yes	25	76	32	82	57	79
No	8	24	7	18	15	21
	33	100	39	100	72	100

The above table shows the percentage of consumers of the selected brands showing brand referring behavior. It is shown in the table that 76 percent of wai wai consumers and 82 percent consumers of mayos recommended their brand to other people where as 24 percent of wai wai and 18 percent of mayos consumers did not made brand recommendation or referred their brand of noodles to other people. On the basis of this table, it can be concluded that the consumers of mayos have high brand referring behavior than the consumer of wai wai.

This study wants to know the consumer’s opinion about impact of advertisement in their brand preference.

Table - 19

4.1.19 Opinion test on Advertisement influence in brand preference

Advertisement influence	Respondent	Percent
Yes	51	68
No	24	32
Total	75	100

Table no.19 shows the influenced respondent from the advertisement. 51 respondents out of 75 sampled consumers fill the yes or positive impact of advertisement in their brand preference which is 68 percent of total. While 24 respondents or 32 percent replied that they were not influenced by advertisement.

From this table that it can be concluded that most of consumers are influenced by advertisement to choose their brand.

Table - 20

4.1.20 Advertising impact on individual level brand preference of consumers

Impact	Respondent	Percent
1 to 25	12	16
26 to 50	23	31
51 to 75	39	52
More than 75	1	1
Total	75	100

Table no. 20 shows the impact rate of advertisement toward brand preference of consumers. 16 percent respondent replied less than 25 percent impact, 31 percent respondent found that they give 26 to 50 percent impact; similarly 52 percent replied 51 to 75 percent impact and one respondent or near about 1 percent of respondent replied advertisement makes more than 75 percent impact on brand preference.

From the above table it is proved that advertising play vital role to make good impact on brand preference.

Table – 21

4.1.21 Advertisement remember of consumer

Advertisement Remember ness	Respondent	Percent
Yes	45	60
No	30	40
Total	75	100

The table shows about the memory of advertisement. Among 75 respondents 45 or 60 percent were found keeping advertisement on their minds while 30 or 40 percent just ignore it. Clearly, it can be said that most of consumers keep advertisement fresh in their memory.

Table - 22

4.1.22 Advertising style attractiveness

Advertising style	Respondent	Percent
Musical	18	24
Good wording	24	32
Simple	21	28
All of above	12	16
Total	75	100

In the above table, it can be seen that respondents attracted by musical advertisement is 24 percent. The consumer attracted by good wording is 32 percent. Likewise, 28 percent replied they are attracted by simple advertisement and 16 percent of respondents replied all of above means combination of musical, good wording and simple advertisement attract them.

From this it is found that most strong aspects of advertisement were respectively good wording, simple and musical.

Table – 23

4.1.23 Opinion test on effective media

Effective media	Respondent	Percent
Newspaper	6	8
Television	51	68
Radio/FM	18	24
Wall painting	0	0
Total	75	100

Table no. 23 is related to the effective media from the sight of consumers. Respondents are emphasis on television media. 51 or 68 percent respondent out of 75 sampled consumers replied television media is most effective media. Radio/FM is in second priority of effective media from the sight of consumers with 24 percent. Same way Newspaper media is third priority; only 8 percent choose the newspaper is an effective media for noodles advertisement.

From the analysis, it is found that television media is effective advertising media in the case of east chitwan. It may be approach of NTV and cable network .or television can give express the sound, picture and expression in same time.

4.2 Major findings

The major findings of this study are:

- ❖ The market of noodles is growing now a day while it has not long history in Nepalese society.
- ❖ Consumer like the fast food nature of noodles.
- ❖ 48 percent of consumers like the instant noodles and 44 percentages of consumers like the 2 minute noodles.
- ❖ Mayos is most used brand of noodles with 52 percent of consumers in the east chitwan market which is followed by Wai Wai.
- ❖ Mayos and Wai Wai is recent competitor of noodles industries from the opinion of east chitwans' consumers.
- ❖ Quality is best and major reason of consuming the noodles. Consumer of both brands gave first priority to the product quality.
- ❖ Brand image is second important reason for buying the noodles.
- ❖ Advertisements are the most important source of brand information for the first time of noodles consumers.
- ❖ 68 percent of consumer got first information through advertisement.
- ❖ Most of the respondents of 15 – 30 Age group got information from advertisement for first time in the comparison of 31 – 45 age groups.

- ❖ Most of respondent got information about the brand of their choice from the television media of advertisement.
- ❖ The influence of all the factors is not same or equal on the consumers while they choose their brand of noodles. The consumers give more importance to taste and quality.
- ❖ Advertisement creates the interest toward brand.
- ❖ The behavior of consumer of wai wai & mayos is not differing in the case of interest creation toward the brand.
- ❖ Consumers preferred noodles for khaja purpose.
- ❖ In comparison of mayos, wai wai is losing their consumer while mayos were retaining their consumers.
- ❖ 37.5 percent of consumers were brand loyal in east chitwan.
- ❖ Wai Wai consumers were brand loyal in the compare of mayos noodles.
- ❖ 15 – 30 age segment of consumers are brand loyal in the compare of 31 – 45 age segments.
- ❖ 79 percent of noodles consumers have brand referring behavior.
- ❖ Mayos consumers have high brand referring behavior in the comparison of wai wai.
- ❖ From the opinion test, most of consumers of noodles products were influenced by advertisement.
- ❖ 52 percent of consumers have 51 to 75 percent of good impact to make brand preference.
- ❖ 60 percent of consumers remember the advertisement while 40 percent did not keep advertisement fresh in their memory.
- ❖ Most of consumers attracted by the good wording advertisement.
- ❖ From the opinion test television media is effective media in the case of east chitwan and Radio/ FM is second priority of effective media.

Chapter – 5

Summary and Conclusions

5.1 Summary,

Advertising is defined as non personal communication usually paid for and usually persuasive in nature about products, services, or ideas by identified sponsors through various media. It began in early times when most people could not read or write. The past World War II era has been marked by the growth of television advertising intense marketing competition, and increased attempts to differentiate products through positioning and occur strategies or other techniques.

This study has been divided into five chapters, the introduction the literature review, research methodology, analysis and interpretation and summary, finding and conclusions. Here is a brief summary of the above chapters.

The major objective of this study is, to find out the effect of advertising on noodles product brand loyalty. The Fast Food Nepal Pvt. Ltd. and the Himalyan Snacks and Noodles Pvt. Ltd. Being productive factories have invested large amounts of capital in the form of advertisement. Advertising is a powerful technique for sales promotion. So, an attempt has been made to assess the advertising effect on consumers. So, the objective of this study has been find out its, effect and effectiveness choice of popular media and most used media in Nepal. To achieve these objectives the researcher administered questionnaires and conducted interviews.

The available information has been analyzed critically with the help of statistical tools. Data used in this study are mostly primary in nature. The primary sources of information are taken different sex, age, profession and different place of east chitwan. Data collection procedures are the questionnaire and questionnaire cum interview.

It was found from the analysis that there are various advertising media like radio, television, newspapers and wall painting etc. that are used for advertising of noodles product. Television was most effective advertising media in east chitwan market. Advertising was found to be the main source of brand information for the consumers and the most influencing factor while making the brand choice and an important factor in building the brand loyal consumers. The age group of 15 to 30 was brand loyal age group. The details of major findings and conclusions have been presented below the other heading findings and conclusions.

5.2 Conclusion

To conclude, the business organizations in Nepalese market, nowadays, are well aware of the importance of an effective promotional tool in their success. Along with the changes in the marketing scenario and the concept of globalization, the business organizations have also understood quite well the significance of a good brand name and the way to create loyalty of consumers towards their brand. Even in the case of low involvement purchase or daily used good brand like noodles. Advertising has become the most important source of brand information regarding noodles products with television and radio/ FM as the most popular media. Also most of the consumers of the selected brands were preferred for Khaja purpose. So, it should be considered the timing setting of advertising. From the consumer's opinion, consumers were influenced by advertisement and it also creates the sensation towards the brand after watched or listened the advertisements. This study found that, the young consumers (i.e.15-30 age group) were brand loyal.

Appendix - 1

Weight arithmetic average method to find out the most important factor considered by consumers the brand Wai Wai

Factors	Rating Criteria				Weighted Average
	4 (I)	3 (ii)	2 (iii)	1 (iv)	
Product quality	18	2	4	9	2.88
Price	1	12	9	11	2.09
Availability	4	10	11	8	2.30
Brand image	10	9	9	5	2.73
Total	33	33	33	33	10

Now,

$$\text{Weighted Average} = \frac{W_1X_1 + W_2X_2 + \dots + W_nX_n}{W_1 + W_2 + \dots + W_n}$$

$$\begin{aligned} \text{Product Quality} &= \frac{18*4+2*3+4*2+9*1}{33} \\ &= \frac{72+6+8+9}{33} \\ &= 2.88 \end{aligned}$$

$$\begin{aligned} \text{Price} &= \frac{1*4+12*3+9*2+11*1}{33} \\ &= \frac{4+36+18+11}{33} \end{aligned}$$

$$=2.09$$

Availability $= 4*4+10*3+11*2+8*1/33$

$$=16+30+22+8/33$$

$$=2.30$$

Brand Image $= 10*4+9*3+9*2+5*1/33$

$$=40+27+18+5/33$$

$$=2.73$$

Appendix - 2

Weight arithmetic average method to find out the most important factor considered by consumers the brand Mayos

Factors	Rating Criteria				Weighted Average
	4 (I)	3 (ii)	2 (iii)	1 (iv)	
Product quality	26	5	5	3	3.38
Price	2	11	12	14	2.03
Availability	6	10	11	12	2.26
Brand image	5	13	11	10	2.33
Total	39	39	39	39	10

Now,

$$\text{Weighted Average} = \frac{W_1X_1 + W_2X_2 + \dots + W_nX_n}{W_1 + W_2 + \dots + W_n}$$

$$\begin{aligned} \text{Product quality} &= \frac{26*4+5*3+5*2+3*1}{39} \\ &= \frac{104+15+10+3}{39} \\ &= 3.38 \end{aligned}$$

$$\begin{aligned} \text{Price} &= \frac{2*4+11*3+12*2+14*1}{39} \end{aligned}$$

$$= \frac{8+33+24+14}{39}$$

$$= 79/39$$

$$= 2.03$$

$$\text{Availability} = \frac{6*4+10*3+11*2+12*1}{39}$$

$$= \frac{24+30+22+12}{39}$$

$$= 88/39$$

$$= 2.26$$

$$\text{Brand Image} = \frac{5*4+13*3+11*2+10*1}{39}$$

$$= \frac{20+39+22+10}{39}$$

$$= 91/39$$

$$= 2.33$$

Appendix: 3

H₀: There is no significant difference between the opinions expressed by the consumers belonging to 15 – 30 years of age and 31 – 45 years of age regarding brand knowledge for the first time.

H₁: The consumers belonging to age group 15 – 30 and 31 – 45 differ in their opinions regarding brand information for the first time.

Collected sampled,

Age group	Advertisement	Friend	Family	Total
15 – 30	30	6	2	38
31 – 45	20	11	6	37
Total	50	17	8	75

Applying the χ^2 test:

S.No.	Observed Frequency (o)	Expected Frequency (E)	(O – E)	(O – E) ²	(O – E) ² / E
1	30	25.33	4.67	21.80	.861
2	20	24.67	-4.67	21.80	.884
3	6	8.61	-2.61	6.81	.791
4	11	8.39	2.61	6.81	.812
5	2	4.05	-2.05	4.20	1.037
6	6	3.94	2.06	4.24	1.077
					5.462

Row Total × Column total

Expected Frequency (E) = $\frac{\text{Total number}}{\text{Total number}}$

$$E_{30} = 38 \times 50 / 75 = 25.33, E_{20} = 37 \times 50 / 75 = 24.67$$

$$E_6 = 38 \times 17 / 75 = 8.61, E_{11} = 37 \times 17 / 75 = 8.39$$

$$E2 = 38*8/75 = 4.05 \quad , \quad E6 = 37*8/75 = 3.94$$

$$\begin{aligned} \text{Now, D.F.} &= (r - 1) (C - 1) \\ &= (2 - 1) (3 - 1) \\ &= 1*2 \\ &= 2 \end{aligned}$$

m The tabulated value of χ^2 at 5 % significance level for d.f. 2 is 5.99. The calculated value of $\chi^2 = 5.462$. hence calculated value of χ^2 is less than the tabulated value, H_0 is accepted.

Decision: there is no significant different between the opinions expressed by the consumers belonging to the age 15 – 30 and 31 – 45 regarding brand knowledge for the first time i.e. the highest percentage consumers of both the age group acquired brand information from advertisement than from other sources.

Appendix - 4

Null hypothesis (Ho): valuables have equal influence on the consumers while making their rand choice.

Alternative hypothesis (H1): All the valuables do not have equal influence on the consumers while they make their brand choice.

S. N.	Response	No. of Response
	Availability	14
	Sales Scheme	1
	Price	6
	Taste & Quality	33
	Advertisement	18
	Brand image	3
	Total	75

Applying the χ^2 test:

S. N.	Response	No. of Response (O)	Expected frequency (E) = N/n	(O - E)	$\frac{(O - E)^2}{E}$	$\frac{(O - E)^2}{E}$
	Availability	14	$75/6 = 12.5$	2.5	6.25	0.446
	Sales Scheme	1	$75/6 = 12.5$	- 11.5	132.25	132.25
	Price	6	$75/6 = 12.5$	- 6.5	42.25	7.04
	Taste & Quality	33	$75/6 = 12.5$	20.5	420.25	12.73
	Advertisement	18	$75/6 = 12.5$	5.5	30.25	1.68
	Brand image	3	$75/6 = 12.5$	- 9.5	90.25	30.08
	Total	75				184.226

Decision: In the given χ^2 test, the tabulated value of χ^2 at 5% significant level for d.f. 5 is 11.07. Since, the calculated value of χ^2 is 184.226 while is more than the tabulated value, the null hypothesis is rejected, therefore, it can be concluded that all the variable don't have equal influence on consumers while they make their brand choice.

Appendix - 5

Null hypothesis (H₀): There is no significant difference between the behavior of the consumers of wai wai & Mayos toward advertisement.

Alternative hypothesis (H₁): The behavior of consumers of wai wai and mayos differ toward advertisement.

Given,

S. No.	Response	Wai Wai	Mayos	Total
1	Interest toward advertisement	30	36	66
2	No interest in advertisement	3	3	6
	Total	33	39	72

Applying the χ^2 test:

Row Total \times Column total

Expected Frequency (E) = $\frac{\text{Total number}}{\text{Total number}}$

$$E_{30} = 66 \cdot 33 / 72 = 30.25, \quad E_3 = 6 \cdot 33 / 72 = 2.75$$

$$E_{36} = 66 \cdot 39 / 72 = 35.75, \quad E_3 = 6 \cdot 39 / 72 = 3.25$$

S.No.	Oserved Frequency (O)	Expected Frequency (E)	(O – E)	(O – E) ²	(O – E) ² / E
1	30	30.25	- 0.25	0.0625	0.00206
2	3	2.75	0.25	0.0625	0.0227
3	36	35.75	0.25	0.0625	0.0017

4	3	3.25	-0.25	0.0625	0.0192
					0.04566

$$\chi^2 = \sum(O - E)^2 / E = 0.04566$$

$$\begin{aligned} \text{d.f.} &= (r - 1) (c - 1) \\ &= (2 - 1) (2 - 1) \\ &= 1 \end{aligned}$$

Decision: Here, the tabulated value of χ^2 at 5% significance level for d.f.1 is 3.84. Since the calculated value of χ^2 is 0.04566, the null hypothesis is accepted. Therefore, it can be concluded that there is no significant difference between the behavior of wai wai and mayos toward advertisement.

Questionnaire

Demographic Profile of respondents:

Name: _____ **Age:** _____
Address: _____ **Occupation:** _____
Sex: **Male:** _____ **Female:** _____
Marital Status: **Married:** _____ **Unmarried:** _____
Education:

1. Do you like / prefer noodles?

a) Yes { } b) No { }

2. Normally, what type of noodles do you prefer?

a) Instant { } b) Stick { } c) 2 minute { }

3. Which brand of noodles do you prefer?

a) Wai Wai B) Mayos c) Rumpum D) Aaha E) 2 Pm

4. What is reason to choose your brand?

Reason	Response
Product quality	
Price	
Availability	
Brand image	

5. Please assign priority number like 4,3,2,1 where you stands for most important and so on.

Factor	Priority (4,3,2,1)
Product quality	
Price	
Availability	
Brand image	

6. How did you get the information first time about the brand of noodles of your chosen?

a) Advertisement { }
 b) Friend { }

- c) Family { }
- d) Others { }

7. From which media you got information about your preferred noodles, please tick the source of advertisement given below:

- a) Advertising through television { }
- b) Advertisement through radio { }
- c) Advertisement through hoarding boards { }
- d) Advertisement through posters { }
- e) Advertisement through newspaper { }
- f) Others. { }

8. What appeals or influence you on your choice of brands?

- a) Availability { }
- b) Sales scheme { }
- c) Price { }
- d) Taste { }
- e) Quality { }
- f) Advertisement { }
- g) Brand image { }
- g) Others { }

9. For what purpose do you prefer noodles?

- a) Meal
- b) Tiffin
- c) Fun

10. How long have you been using the current brand?

- a) Three month { }
- b) Six month { }
- c) One year { }
- d) Since its launching { }

11. Before that what brand had you been using?

- a) Wai Wai { }
- b) Mayos { }
- c) Rumpum { }
- d) Aaha { }
- e) 2pm { }
- e) RaRa { }
- f) Stick { }

12. What do you do when you watch / see the advertisement?
- a) View or listen carefully { }
 - b) Inspired to purchase { }
 - c) Interest increases towards the brand { }
 - d) Change the channel { }
 - e) Turn off the television / radio { }
13. What do you do if sometimes you don't get the brand of your choice?
- a) Purchase another brand. { }
 - b) Search in other place for that brand { }
 - c) Wait till you get the brand of your choice { }
 - d) Use other brand till you get it. { }
 - e) Develop a taste for a new brand { }
14. Do you recommend the brand of your choice to other people?
- a) Yes { } b) No: { }
15. Do you remember the noodle's advertisement? If remember say once?
- a) Yes { } b) No: { }
16. What kind of advertising do you prefer?
- a) Musical { } b) Good wording { }
 - c) Simple { } d) All of above { }
17. Does advertisement inspire you to buy the product?
- a) Yes { } b) No: { }
18. Which media is more effective for advertisement?
- a) Newspaper { } b) Television: { }
 - c) Wall painting { } d) Radio: { }
19. In your opinion does advertisement rule on brand preference?
- a) Yes { } b) No: { }
20. How many percentage of impact of advertising on your brand preference?
- a) 1 to 25 { }
 - b) 26 to 50 { }
 - c) 51 to 75 { }
 - d) Above 75 { }

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