

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Marketing is the process of meeting customers needs profitably. It is the bridge between producers and customers. It involves flow of goods and services from producers to consumers. American marketing association (1985) defines, “Marketing is the process of planning and executing the conception, price, promotion and distribution of ideas goods and services to create exchange than satisfy individuals and organizational goals”.

Philip Kotler states (1999), “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products value with others”.

Every business organization depends upon customers. Thus, marketing is key at attract and retain customers. Marketing begins with identifying needs and wants of customers and ends with satisfying the customers wants efficiently than competitors. Therefore, marketing has a great importance in survival smooth operation of an organization between no businesses can flourishes without marketing. It plays a vital role to promote the sales and revenue of the organization. The use and importance of the marketing in all sorts of the organizations is increasing day by day. To outperform the competitors and to win the business, marketers needs to develop effective marketing programs.

According to modem marketing concept, marketing is an integrative function that all marketing activities should be integrated toward determining and satisfying customer needs and wants of target

market to achieve organizational goals. Various marketing functions such as product development, marketing research, pricing, distributors, sales-forces management, advertising and customer relation must be implemented in a coordinated way. Marketing department must be well integrated with other department namely finance, purchasing, production, personnel and research and development.

Product, price, place and promotion constitute the components of the marketing mix. The marketing mix is the process of choosing markets to be in, products to offer price to change, distributors to use, and communication to send. Therefore, organizations must create and manage an effective marketing mix that satisfies customer needs and wants.

Nepal has a system of joint family structure and the family and friends greatly influence marketing activities. Cultural diversities of different races and their ethics, norms and traditions have great effect on Nepalese marketing. However, due to development of education, communication and transportation there have been a great change even in cultural sectors too.

Socio-political and legal environment in Nepal has witnessed a tremendous change over the year. The frequent change of government has been adversely affecting the marketing activities in Nepal. Foreign investments are also distracted when government and their policies are not stable. The country has been suffering a chronic problem to political instability. The legal framework for protecting intellectual property rights is weak and does not protect organization in Nepal. Thus, political and legal environment in Nepal has not contributed positively for the development of marketing system. However the government has following liberal economic policy and there is excised by different groups for consumer benefit, women right, and environment conservation in

Nepal. Marketing in Nepal has very little allocation of budget in research and development. Therefore, there is a no innovation in the market.

The total population of Nepal is more than 23.5 million and the number of men and women are almost equal. The trend of urbanization is also increasing due to migration of people from village to cities consequently the size of Nepalese cities are also growing.

Nepalese markets have been extended with changing business environment process. Consumers are very sensitive in Nepal. Their needs, wants and preference have been changed over the year consumer's awareness has gone up out. Consumers don't accept any product very easily. Marketers have to work hard to get consumers' favour in the market.

In context of cold drinks, Nepalese people have been using cold drinks (e.g. coke, pepsi) is increasing in Nepal as in other countries. Its one reason is that the density of population has been creating hot and the other is that different types of advertisements have been published by the companies of each related cold drinks day by day which can easily attract the consumer. There are so many companies coming into Nepalese market like Bottlers Nepal Terai Ltd., (e.g. coke, fanta, sprite), Barun Beverage Ltd (e.g. pespi, mirinda, Mt. Dew, 7 up), frooti, juice and other companies. Especially present researcher is going to be done the research of current market situation of coca cola and pepsi cola brand in the context of Kirtipur municipality. This study is carried on the find out consumer's purchase behaviour with reference to cold drinks on the basis of brand preference in the title of "Market Situation of coca cola and Pepsi cola brand in Kirtipur Municipality".

## **1.2 Focus of the Study**

The present study tries to focus on the current market position of coca cola and pepsi cola brand in Kirtipur, Kathmandu. Generally cold drinks stands for alcoholless drinks. Cold drinks are sold in bottles, plastic, containers or currs. Most people in Nepal, contrary to the people of developed countries, perceive cold drink as a drink to be used in the hot season only. That's why demand of cold drink in Nepal goes comparatively high in the hot summer season.

Marketing in its true sense helps to increase effective demand for a product through the reeducation of distribution cost and also help to explore markets for new products. The role of marketing with regard to dissemination of information is very important for consumer as well as producers to bug and produce goods. It helps in ringing markets competitive thus increasing efficiency of resources use. Likewise, its role with regard to satisfying consumers and making inputs available at reasonable price as services has its own importance. Therefore, the impact of marketing is deep and far reaching. A national development programme that concentrates only on production will be less effective than a programme that recognizes the contribution of marketing.

This study will examine the market situation of coca cola and Pepsi cola brand in Kirtipur and try to find out the marketing variables affecting the cold drinks. The research also focuses on the role played by attitude, image and usage pattern of the cold drinks.

## **1.3 Statement of the Problem**

The use of cold drinks (e.g. Coke, Pepsi and Frooti etc.) is increasing in Nepal as in other countries. Its one reason is that the density of population has been creating hot and the other is that different types of advertismments have been published by the companies of each related cold

drink day by day which can easily attract the consumers. On the other hand, we see different types of cold drinks (e.g. Coca-Cola, Pepsi-Cola, Frooti and Juice) in the market. Similarly new-ism "consumptionsm" has also been increasing in consumers. From those cold drinks which one brand is fulfilling the demand of consumers? And are the cold drinks equally demanded by the consumers?

For the result of the above questions, it is really great problem so say any one without study about cold drinks. It creates problems for the potential consumers to choose cold drink of each favourite brand. It is also difficult for the researchers to identify the estimate sales in the target market. Thus, although the markets of cold drinks are increasing and also one of the important sources to increase the national Income, there has not been made yet the specific study of cold drink. So, with the lack of the study of cold drinks, It is very diffult to MBS students and also who are interested to know the results of the following problems:

- a. What are the sales position of coca cola and pepsi cola brand in Kirtipur ?
- b. What are the consumers' view about the coca cola and pepsi cola brand in-terms of packaging price, accessibility, benefits and quality etc.
- c. What are the consumers' view of advertising of coca cola and pepsi cola other brands ?
- d. What are the distribution channel of coca cola and pepsi cola brand?
- e. What are the selling growth trend of coca cola and pepsi cola brand?
- f. What are the overall marketing situation of coca cola and pepsi cola brand ?

## **1.4 Objectives of the Study**

To face the above problems, this study is conducted with the following objectives.

- a. To examine the sales position of coca cola comparison to pepsi cola brand.
- b. To analyze consumers' view about the coke and pepsi brands compare in-terms of price, packaging, accessibility, benefits and quality etc.
- c. To compare consumers' view about advertising effectiveness of coca cola and pepsi cola brands.

## **1.5 Focus and Significance of the Study**

This study is to attract new consumers' view on coke and pepsi for marketing strategies, management, policies and decision making proceeding. Social relation with marketing of coke and pepsi is also the significant cause of this study because these days every marketing entrepreneur has to tie the bond with social aspect. Now a days drinking habit of soft drinks are rising up to day by day specially in the urban areas of Nepal so I wish to prefer to analyze two product coke and Pepsi in Kirtipur Municipality which has significant population to have a study.

## **1.6 Limitations of the Study**

All the studies have their own limitations. No studies can be free from constraints such as of resources time and money etc. This study is done for the partial fulfillment for masters of business studies. This is not far from several limitations, which weaken the heart of the study, e.g. inadequate coverage of time periods taken, reliability of financial and statistical tools used and other variations. The study is conducted within certain limitations and constraints.

The major limitations of the study are as follows:

- a. Most of data could be used in this study might be obtained through questionnaire and interview.
- b. Most of data would be classified as primary and secondary.
- c. This study will be worked out in Kirtipur municipality word no. 17.
- d. Time will be a limited factor in this study.
- e. This data analysis will be based on simple statistical tools.

## **1.7 Organization of the Study**

The whole study is divided into 5 chapters. The titles of the each chapter are as follows:

Chapter-1: Introduction: - The first introduction chapter deals with the introductory framework of the study. It includes background, focus of the study, statements of the problems, objectives of the study, significance of the study, limitation of the study and organization of the study itself.

Chapter-2: Review of literature: - This chapter includes the review of related literature available on this topic. It includes theoretical/ conceptual Review, Review of journals & articles, previous thesis if available and websites.

Chapter-3: Research methodology:- Third chapter explains the research methodology used for the purpose of the study, which includes research design, sources of data, data collection procedure, population and sample size of the study, data processing procedure and financial as well as statistical tools will be used for the analysis of data as per the need, possible and implications.

Chapter-4: Presentation & Analysis of data:- This chapter includes data presentation & analysis and major findings of the study etc.

Chapter-5: Summary, conclusions & Recommendations:- In this chapter, summary, conclusions & recommendations are shown separately.

A Bibliography & appendices are attached at the end of the study and lists of tables, list of diagrams, abbreviations used are included in separate pages as well.



# **CHAPTER TWO**

## **REVIEW OF LITERATURE**

The researcher studies different educational materials i.e., journals, magazines, periodicals, newspapers, books, websites etc., after selecting the topic of the research is known as review of literature. During this research, the researcher has done literature review.

### **2.1 Introduction**

The meaning and practices of marketing is modifying day to day. New and novel practices are practicing in the field for marketing with several tools and tactics. It is not sufficient that what is producing with the view to sell in current situation. Rather a clear understanding of the social aspects, market place and more specifically the consumer behaviour is significant very much. Due to changing behaviour of consumer and competition, a company has to pay attention not only in the sale and adornment but also at the consumer attribute, buying behaviour, packaging, and pricing policy. So it is clearly seeing that marketing in today's business is facing much more complexity.

If we talk about market position there is something come in our mind that effectiveness of sales promotion, advertisement, pricing, product attribute/features are persuading to buy a specific product to the buyer and to sale the seller or the percentage occupied by a product in the occupied by a product in the overall market. So the market position deals the overall effort and achievement in the field of marketing.

## **2.2 Conceptual Review**

### **2.2.1 Meaning**

There may be a number of products in the market to sale for the same purpose such products consumed by consumers may give priority to a specific product among the crowd of products due to several reasons. To keep first priority in mind of consumer, companies make effort in different way. Market position of the cold drinks in which market position of the coke and pepsi are deal the major marketing components such as promotion, price, product and distribution as well as advertisement and buying behaviour of consumers. These major factors are influencing how much in total consumption of "Coke and Pepsi" in the market.

Influence of the major marketing factors help directly or indirectly to increase or decrease the sales. To some extent, personal selling and publicity also one of the helpful components to increase sales but it is not possible for all kinds of products due to cost and time. Advertisement helps to personal sales. Sales promotion is a short term strategy which encourages to consumer for use once or tries once the product by offering different prices or something extra incentives. It makes change the mind of potential consumers and come to try the product. Due to this, sales promotion helps to maintain a sound market position of the product. Price is one of the most important factors in marketing and to increase/decrease sales volume. Price must be affordable by various categories consumer. Product differentiation and product line can help to charge price discrimination. placement of product at right time in right place is one of the most important components of marketing. It helps to consume the product regular so frequent distribution channels must be maintain to achieve sound market position. To make regular brand awareness in

consumer's mind. Publicity and advertising is most important part of the marketing. Advertisement is making significant role to market a product.

Advertising is not only one that makes to aware consumers. There are so many other tools but it is more costly as well as more effective and it pushes to buy the product to consumers while they are not conformed or in confusion. Sales promotion seeks to show or once by consumer where advertising is indirectly hitting to potential consumer through public media regularly in mind. It is a long-term strategy of creating brand awareness whereas promotional campaigns boost up sale of a product. Combine efforts of sales promotion and advertising well increase sales in present as well as future. Now a day's sales promotion campaign and advertising is going on which combining. There are many components which directly affect the market position and sales such as product, price, promotion, distribution, advertising etc.

### **2.2.2 Marketing**

We can distinguish between a social and a managerial definition of marketing. A social definition shows the role marketing plays in society. One marketer said that marketing role is to "deliver a higher standard of living". Here is a social definition that serves our purpose: marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. For a managerial definition, marketing has often been described as "the art of selling products", but people are surprised when they hear that the most important part of marketing is not selling! selling is only the tip of the marketing iceberg, a leading management theorist, plus if this way:

There will always, one can assume, be need for some selling. But aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

When Sony designed its Walkman, when Nintendo designed a Superior Video game, and when Toyota introduced its Lexus automobile, these manufacturers were swamped with orders because they had designed the "right" product based on careful marketing homework.

The American Marketing Association Offers the following definition. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Coping with exchange processes calls for a considerable amount of work and skill. Marketing management takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering, and communicating superior customer value (Kotler, 1999; 8).

### **2.2.3 Marketing Concepts**

"Marketing has been developing together with development in human civilization. If we trace three-four hundred years back to the history of human civilization, we find marketing of that time, by modern standard was relatively uncultured. They did not need mechanism or tools or techniques of marketing as used today. But now all the situations have

changed the need and want have changed. Human aspiration for excellent and better status have given birth to thousand of discoveries, inventions and innovations and established thousand of units of different types of industry to fulfill that aspiration. These changes in turn not only invented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most competitive field" (Parajuli, 2001, 15).

There are five completing concepts under which organizations can choose to conduct their business. The production concept, the product concept, the selling concept, the marketing concept and the societal marketing concept. The first three concepts are of limited usefulness today. The marketing concepts hold that the key to achieving organizational goals consists of determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors.

It starts with a well defined market, focuses on consumer needs, coordinates all the activities that will affects customers, and produces profits by satisfying customers.

In recent years, some have questioned whether the marketing concept is an appropriate philosophy in a world faced with major demographics and environmental challenges. The societal marketing concept holds that the organization's task is the determine the needs, wants and interest of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserve or enhance the consumer's and the society's well beings. The concept calls upon marketers to balance three considerations (Kotler, 1999; 25).

- \* Company profits
- \* Consumer satisfaction and
- \* Public Interest

#### **2.2.4 Evolution of Marketing**

The evolution of marketing has been analyzed in similar way by various authors in their independent works. Some of the authors were Stanton, Kotler, Armstrong etc. The different stages in the process of evolution of marketing area as follows.

##### **a. Production Oriented Stage**

The production concept lies in the philosophy that consumers will favor products that are available and highly affordable and that management should therefore focus on improving production and distribution efficiency (Kotler and Armstrong, 2007; 9).

Kotler and Armstrong think that it is still a useful philosophy in two types of situations:

- \* When the demand of a product exceeds the supply, management should look for ways to increase production.
- \* When cost of production is high and is required to decrease to expand market (Kotler and Armstrong, 2007; 9).

##### **b. The Product Orientation Stage**

The idea that the consumer will favor products that offer the most quality, performance and features and that the organization should therefore, devote its energy to making continuous product improvements (Kotler and Armstrong, 2007: 10).

##### **c. The Sales Oriented Stage**

This stage emerged with the philosophy that consumers would not buy enough of the organizations' products unless the organization undertakes a large - scale selling and promotion effort (Kotler, 2007; 10).

**d. Marketing Orientation Stage**

The basic target of this stage is that the achievements of organizations goals depend on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than do competitors (Kotler and Armstrong, 2007;10).

**e. Societal - Marketing Orientation Stage**

This is the least development in the field of marketing. The stage is based upon the fact that the organization should determine the needs /wants and interests of the target markets and deliver the desired satisfactions more effectively than do competitors in a way that maintains or improves the consumer's and society's well being (Kotler and Armstrong, 2007;11)

**Comparative Features of Marketing Concepts**

Concept	Starting Point	Focus	Means	Ends
1. Production concepts (Aims at selling what can be produced)	Factory	Production orientation	* Mass production * Low price * Wide availability	Profit through production efficiency
2. Product concept (Aims at improving the product)	Factory	Product Quality Orientation	* High quality * Innovation * Performance * Guarantee	Profit through well-made products
3. Selling concept	Factory	Sellers needs orientation	* Aggressive Selling * Heavy Promotion	Profit through high sales volume
4. Marketing concept	Market	Customer needs orientation	* Integrate marketing	Profit through Customers satisfaction
5. Societal Marketing (Aims at promoting Social welfare)	Market	Social Responsibility orientation	* Integrate marketing * Concern for social welfare	Profit through customer and social well beings

*Source: Agrawal, 2005;17*

**2.2.5 The Marketing Concept in Nepal**

i. The economy of Nepal is characterized by excessive dependence on agriculture. The industrial sector is in a developing stage. The

- role of services has been growing in the recent years. Due to the topographic diversity of the country coupled with poor transport and communication facilities, marketing has remained fragmented.
- ii. The public sector remains dominant in the Nepalese economy. The private sector is developing and dominated by the family owned and managed business. The advent of global companies, especially in tourism and finance sectors, has resulted in the transfer of new marketing skills along with capital and technology.
  - iii. Marketing has traditionally remained a neglected aspects in Nepal. Enterprises tend to concentrate on production and selling rather than marketing. The selling concept has been serving as the marketing philosophy of Nepalese managers. The public sector has generally remained indifferent to the marketing concept.
  - iv. The marketing concept has not embraced by most Nepalese organizations. This is clear from the following points.
    - a. Management philosophy's most organizations of Nepal does not emphasize customer orientation.
    - b. Target markets have not been clearly defined by most Nepalese organizations.
    - c. Marketing information system has remained very weak in most organizations.
    - d. Marketing activities has remained fragmented in the organization structures. They have not been organizationally coordinated. Marketing department has not become a part of the top management team.
    - e. Organizations tend to be more interested in producing products and making profit through selling and production. The seem least concerned about satisfying the needs of the customers.

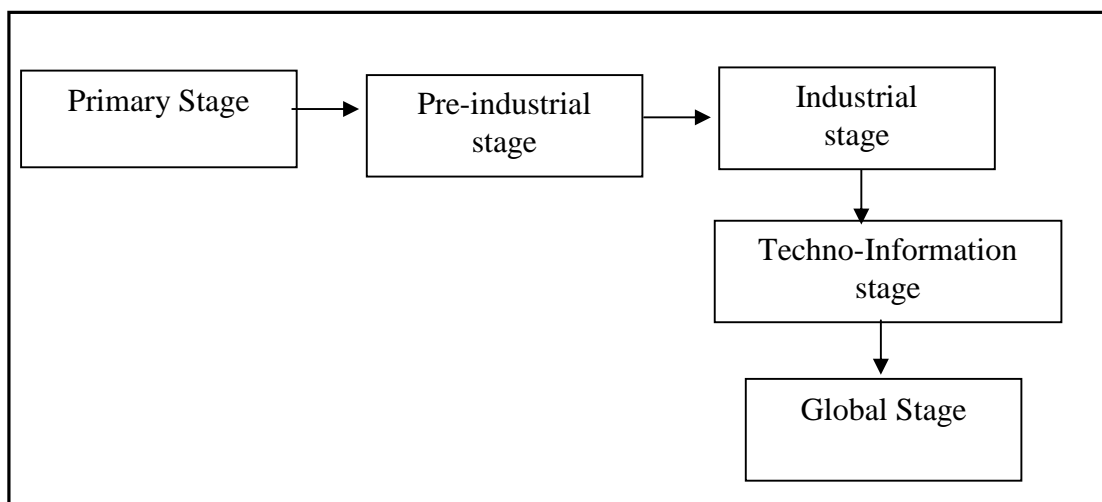


- v. Prosepects for the Marketing concept: Nepal has experienced significant socio-economic changes over the last 25 years. The supply - driven marketing where organizations could sell everything the produced, is increasingly giving way to demand driven marketing. The realization is gradually coming that customers and their needs are important in marketing. The increasing intensity of competition in the Nepalese market has also helped in this regards (Agrawal, 2001; 15).

### 2.2.6 Development of Marketing

Marketing has developed in an evolutionary rather than revolution fashion. Its development has been influenced by the progress of civilization and economic development of nations.

**Figure 1**  
**Stages of Marketing Development**



*Source: Agrawal, 2001.*

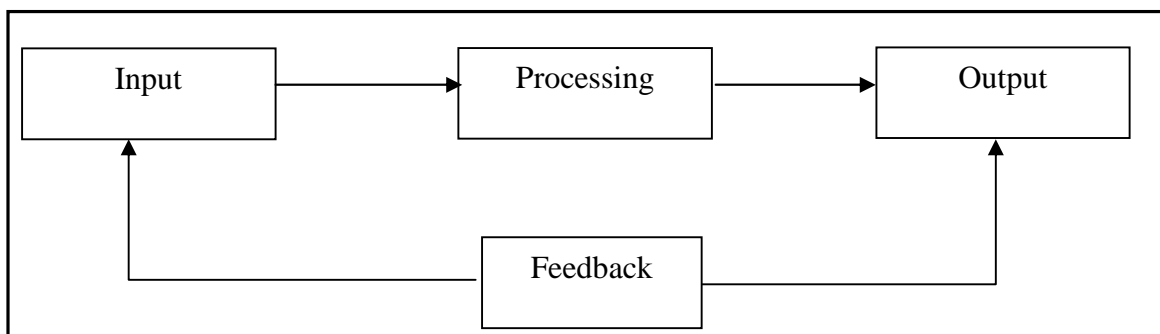
### 2.2.7 Basic Principle of Marketing Concept

- a. Target markets should be defined carefully. No organization can operate in every market and satisfy every need.
- b. Customer orientation is the key to organization success. Organizational activities should be focused on determining and satisfying customer needs.
- c. Integrate marketing action is the essence of customer need satisfaction. All departments in the organization should work together to serve the customers interest.
- d. The ultimate purpose of marketing concept is to help organizations achieve their objectives. Organizations can best achieve objectives by providing customer need satisfaction.

### 2.2.8 Marketing System

A marketing system is a unified whole composed of interrelated and interacting subsystem (parts) to achieve desired objectives. Marketing is a dynamic system consisting of input - processing-output - feedback showing in figure.

**Figure 2**  
**Marketing System**



*Source: Agrawal, 2005;28.*

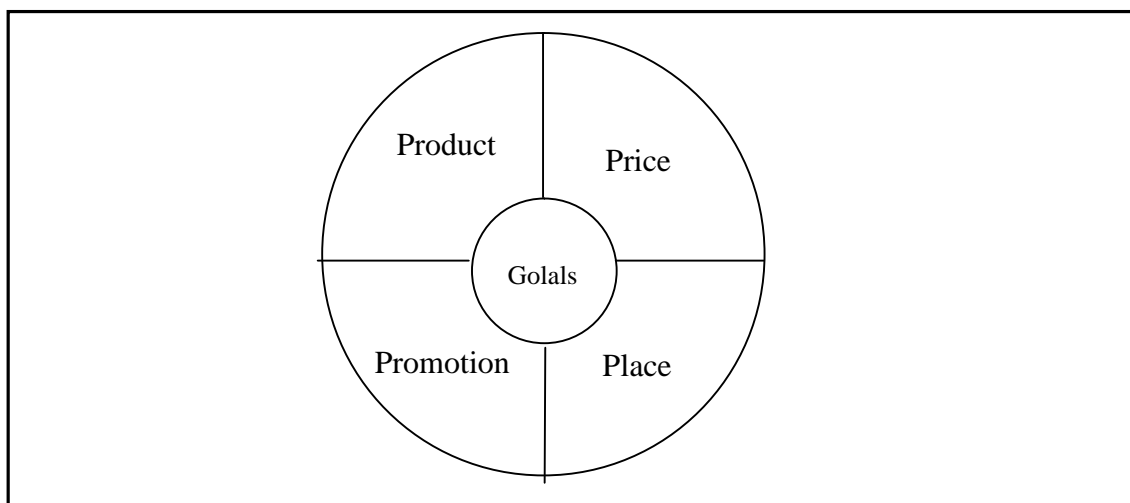
- i. Input of the marketing system consists of the marketing mix elements product, price, promotion and price.
- ii. Processing of the marketing system consists of environmental influences and buyer decision processes.
- iii. Output of the marketing system consists of customer response reflected by profit, market share, social welfare, and organizational image.
- iv. Feedback provides information to design input (Agrawal, 2005; 28).

### 2.2.9 Marketing Mix

Marketing is the process of choosing markets to be in, products to offer, prices to change, distributors to use, and message to send. Organization must create and maintain an effective marketing mix that satisfied customer needs. "Marketing mix is the set of marketing tools that organizations use to purpose their marketing objective in the target market".

**Figure 3**

**The tools of Marketing Mix are Known as 4 Ps.**



*Source: Agrawal, 2005; 24.*

- i. The four elements of marketing mix are interrelated. Decision is one element usually affect actions in others.
- ii. The design, implementation and evaluation of the marketing mix constitute important aspects of the total marketing effort. Organizations should offer different marketing mix for different marketing mix for different segments of the target market.

Now, it is necessary to go in brief of tools of marketing mix. Always market situation is measure with the help of tools of marketing mix i.e. 4ps. If we neglect one from other the effectiveness of market situation is not measured by better way. Now, respectively we discuss about: promotion, product, price and distribution channel.

## **2.3 Review of Books**

### **2.3.1 Products**

In a narrow sense, a product is a set of attributes assembled in an identifiable form. Each product is identified by a commonly understood descriptive (or generic) name, such as steel, insurance, iron, entertainment and so on. Product attributes such as brand name and postsale service that appeal to consumer motivation or buying patterns play no part in this narrow interpretation.

In marketing we need a broader definition of product to indicate that consumers are not really buying a set of attributes, but rather benefits that satisfy their needs. A product is a set of tangible and intangible attributed, including packaging, color, price, quality, and brand, plus the seller's services and reputation. A product may be a goods, service, place, person, or idea. In essence, then, consumers are buying much more than a set of physical attributes when they buy a product.

They are buying want satisfaction in the form of the benefits they expect to receive from the product. We divided all products into two categories:

- a. Consumer Products
- b. Business Products

This research is concerning with consumer product so, go ahead with consumer products.

Consumer products are intended for use by household consumer for non business purpose.

### **2.3.2 Pricing**

Price is also one of the major parts of marketing mix. While the marketing manager is developing the right product and promotion, he also must decide on the right place. Once that will round out his marketing mixes and makes it as attractive as possible. In setting the price, he must consider the nature of competition in his target market as well as the existing practices on markets, discounts and terms of sale. He also must consider legal restrictions affecting prices.

"Price mix includes such as analysis of competitors' prices, formulation of pricing objectives, setting the price, determining terms and conditions of sales, discounts and commission etc". "In pricing management must determine the right base price for its products. It must then decide on strategies concerning discounts, freight payments, and many other price related variables" (Stanton and Futrull, 1987; 293).

"In economic theory, we learn that price, value and utility are related concepts. Utility is the attribute of an item that makes it capable of satisfying human wants. Value is the quantitative measure of the worth of

a product to attract other products in exchange. Price is value expressed in terms of dollars and cents, or any other monetary medium of exchange. In pricing we must consider more than the physical product alone. A seller usually is pricing a combination of physical product and several services and want satisfying benefits. Price is the value placed on goods and services. Price is tile amount of many and/or product that are needed to acquire some combination of another product and its accompanying services (Stanton and Futrull, 1994;316).

"It is variable that creates sales revenue. Consumers pay price to buy products for their need satisfaction. It may be fixed on the basis of cost, demand or competition. It may involve discounts, allowances, credit facilities etc. Price has become the second most important variable of marketing mix because of inflationary pressures in recent years" (Agrawal, 2057; 29).

### **2.3.3 Promotion**

Promotion includes all the activities undertaken to communicate and promote products to the target market. The components of promotion mix consist of advertising, sales promotion, personal selling, publicity and public relation. All the promotion activities have been conducted to communicate with the firm's audiences to achieve certain goals. The situation of the company, product nature, consumer behaviour etc. may play role to pay priority for a company's which element of promotion is most important. It is difficult to substantially change the product mix in the short run. However, organizations can control and change price mix and promotion mix in the short run to meet the challenges of the changing environment.

**a. Advertising**

Advertisement is directed at cognitive and emotional responses: building brand awareness and brand attitude over time. Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor targeted at mass community at a single effort. Advertising is one of the most important promotional tools that companies see to direct persuasive communications to target buyers and publics. Advertising is used to achieve various marketing goals of the firm. Some of these objectives include such as,

- To improve brand image or brand awareness;
- To inform and persuade the target audience;
- To achieve a desired sales level and improve company's profitability;
- To successfully launch the new product to the market;
- To support the personal selling;
- To win the competition;

Advertising may be done through various means or media such as ; print media; audio advertising (Radios); visual advertising (Film Slides); audio visuals (Film, television, etc.); displays (Window displays, Sky displays, hoarding boards, electric neon's, etc.)

However, an effective advertisement is one, which can change the target audiences' attitudes in favor of the firm's offer. To achieve any attitudinal change, advertisement should possess several requirements; such as attract attention of target customers towards the company offer, understand the target audience properly and convince the target customers effectively (Shrestha, 2005; 163).

In reality, consumers do not believe to a product, which is not seen in advertisement and cannot make decision to buy. Advertising becomes life partner of a product for marketing. Advertising cost is higher than production cost of some product. It seems that advertising is being strong components in promotion very much.

Now a day, stars from different field such as sports, music, movies etc. are using in advertising to attract consumer. However, there is controversial analysis whether it is effective or not but most of companies has been introducing them as a brand ambassador also.

**b. Personal Selling**

Personal selling consists of person communication between the sales persons and their prospects. Unlike advertising, it involves personal interactions between the source and the destination. The most effective method of promotion probably is to have sales persons call upon every target consumer. For many institutions, especially those that appeal to the mass market, this would be terribly inefficient. As a result, they employ mass marketing techniques, such as advertising. Personal selling is very important in industry.

**c. Sales Promotion**

According to the American marketing Association, sales promotion consist of those marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as display, shows and expositions, demonstrations and various non-recurrent selling efforts not is the ordinary routine. Sales promotion is the third major promotional tool. It is used to coordinate and supplement the advertising and personal selling programmes. Sales promotion has increased considerably in importance in recent years as



management has sought measurable short-term sales result. Sales promotion should receive the same strategic attention that a company gives to advertising and personal selling. This means establishing objectives and appropriate strategies. Separate budget should be set for sales promotion. Sales promotion can be directed towards final consumers, middle men, or a company's own employee.

**d. Public Relation**

Marketers engage in public relation in order to develop a favorable image of their organizations and products in the eyes of the public. These activities to parties other than target consumer. They are; public at large, labor union, the press, and environmental groups. Public relation activities include sponsoring, lobbying, and using promotional messages to persuade members of the public to take up a desired position. The term public relation refers to a firm's communications and relationships with the he various section of the public. These sections include the organization customers, suppliers, shareholders, employee, the government, the general public and the society in which the organization operates.

**e. Publicity**

Publicity is a means of promoting the mass market, and is similar to advertising except that it free, is found in the additional portion of the news media, and pertains to newsworthy events. The common type of publicity is news releases (also know as press release), photographs and feature stories. Promotion can be directed towards final consumers, middlemen, or a company' own employees.

Public relations and publicity are the last two promotional methods. Public relations are the brand, overall promotional vehicle for improving or maintaining an organization's image and its favorable

relationship with its publics. Publicity, a part of public relations is any promotional communication regarding an organization and/or its products that are not paid for by company benefiting from it. Typically there two activities are handled in a department separate from the marketing department is a firm.

#### **2.3.4 Distribution**

"Distribution is concerned with all business activities revolving around the problem of getting the product from the place of manufacturing to the final consumer. Distribution deals with two aspects of product movement: marketing channels and distribution logistics. Marketing channels or channels of distribution is the system of relationship among the various persons and institutions involved in the process of movement and ownership of products and facilitating exchanges. Distribution logistic concerned with the physical movement of products" (Koirala, 2057 B.S.; 205).

Most producers do not sell their goods directly to final users. Between producers and final users stands one or more marketing channels, a host of marketing intermediaries performing a variety of functions. Marketing channel decisions are among the most critical decision facing management. The company's chosen channel(s) profoundly affect all other marketing decision.

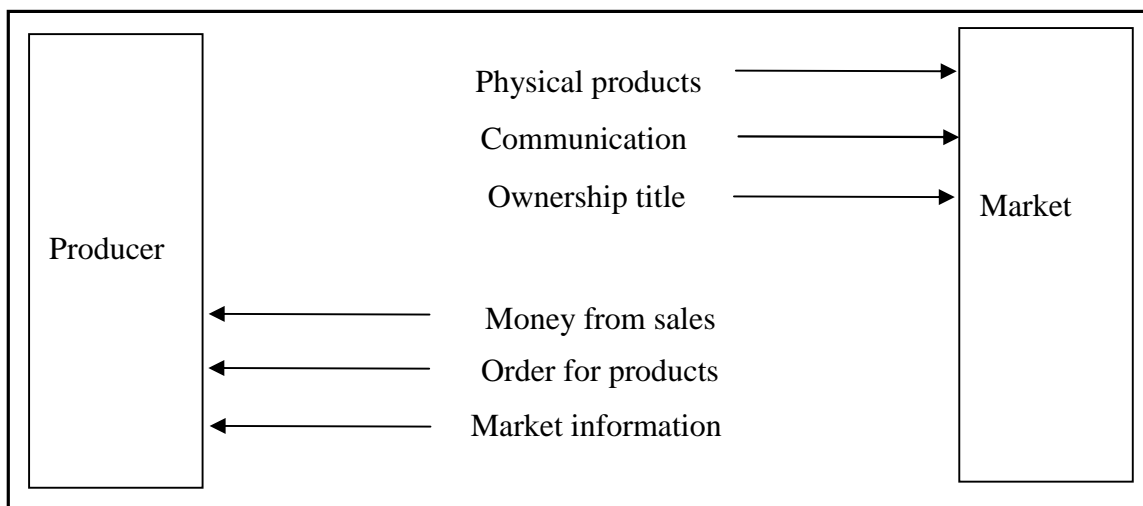
##### **a. Channels of Distribution**

##### **Meaning of Marketing Channels**

According to William J. Stanton, "a distribution channel consists of the set of people and firms involved in the transfer of title to a product as the product moves from producer to ultimate consumer or business user". The channel of distribution involves several individuals and institutions

such as producer, suppliers, industrial users, brokers, agents, wholesalers, retailers and consumers. It also includes several flows in the system. It consists of forward flows and backward flows. The forward flows move from producers to the market. There are three forward flows: product flow, communication flow and ownership flow. The backward flows move from the market to the producers. The backward flows are: money from sales, orders for products, and market information (Stanton, 1994; 363).

**Figure 4**  
**Channel Structure For Consumer and Industrial products**



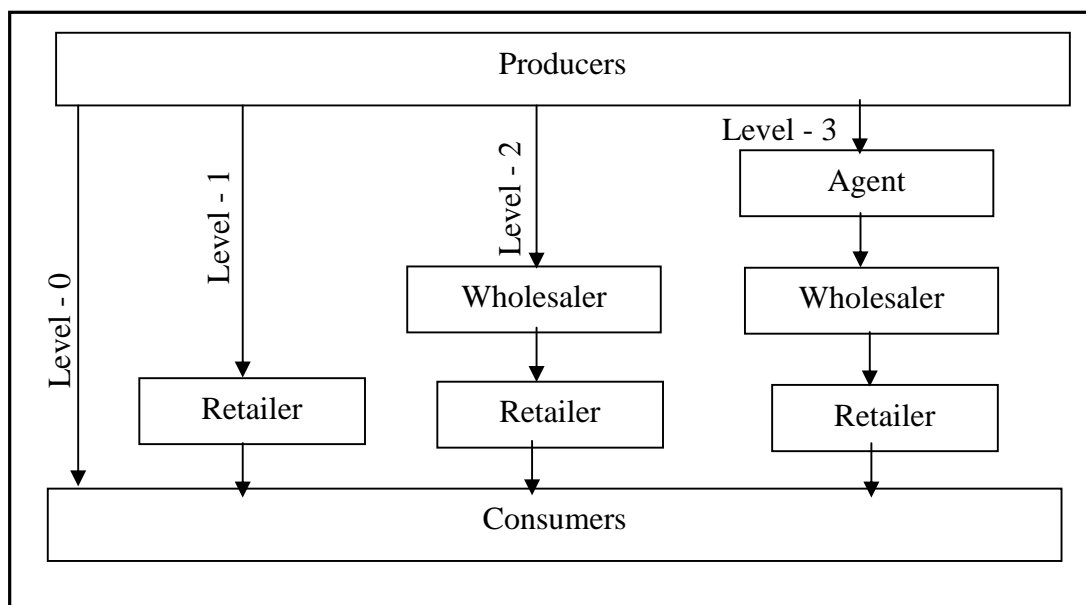
*Source: Koirala, 1997.*

The channel structure is a combination of channel components and channel levels. The channel components are the type of channel participants involved in the channel system. The channel levels are the number of channel components in the channel system. The channel structure of consumer products and industrial products are different. Similarly, the type of channel components also differs between the two type of products.

## b. Channel Designs for Consumer Products

There are four design alternatives for the distribution of consumer goods, ranging from a zero level to level three. Under zero level design, the producer may distribute the merchandise directly to consumers by passing all marketing intermediaries. Under level one channel design, the producer may use retailers to reach consumers. In level two designs, the product may reach consumers through wholesalers and retailers. In level three designs, the producer may use the agents to connect and execute.

**Figure 5**  
**Channel Design for Consumer Products**



*Source: Koirala, 1997.*

The sales transaction to different categories of buyers. The four design have been presented in the diagram above.

### **c. Physical Distribution**

In the marketing channels the products must be moved in the right quantity at the right time to the right place in order to deliver desired satisfactions to the end users or consumers. Physical distribution or marketing logistic is concerned with them management of flow of goods from the point of origin to the point of consumption. Marketing organizations must manage the flow of goods and services from their production locations to the market, and also make arrangement for a flow of information between the two points.

## **2.4 Review of Related Literatures**

### **2.4.1 What is Product Quality?**

When considering the physical product apart from the additional attributes, real or fancied, bestowed on it by an effective marketing program, the manufacturer's attention is usually centered on "Product quality". In this context product quality is often measured in terms of the purity of grade of materials used, the technical perfection of design, and exacting standards of production. The level of quality is usually set in terms of either meeting or beating competition. Once a level of product quality, in this sense, has been determined, most firms carry out rigorous programs of quality control and product testing to ensure that technical standards of product quality are upheld.

### **2.4.2 Brand Flexibility**

Many marketers face, at one time or another, a decision involving brand flexibility: should a new product be placed under an existing brand's umbrella, or should its own stand - alone brand ? For example,

should coca-cola used to brand pair of jeans ? Would Nike be a good brand name for a sports drink ?

A few weeks ago, I visited a medium sized food company X. company X's sales are centered around one product line and include several preparations of the same ingredient. It uses the company name as its brand name. The company is successful and appears very profitable and has ambitious growth plans based on the introduction of several new products. But company X is not sure about whether it should market its new products under its current brand name or a new one, yet to be created.

Using the current name has some advantages. The brand enjoys good level of awareness and a positive image. Its product distribution is good. Using the existing brand name would reinforce self impact for the entire line. On the other hand, the current brand's equity may not translate to new product not based on the ingredient for which the brand is known. Some fear that using the brand as an umbrella covering an expanded product line could dilute the brand. Both sides have a well rationalized set of arguments. Those with a restrictive interpretation say that because the brand's equity has been built over 50 years around product based on the one ingredient, using the same brand name for product made without ingredient would only confuse the consumer about what the brand is for. This confusion could weaken the established brand. Furthermore, the brand equity may not translate well to products without the ingredient so that there could be little benefit to using it. Those with a flexible view of brand equity find comfort in consumer research where they see proof of their brand's flexibility. The issue isn't new. It's faced by all those who have to introduce new products and by those who have acquired a company with branded products. Does the new product need a new brand name or should it be placed under the umbrella of an existing product ?

should the acquired product line stand on its own brand or should it be using and endorsement from the new corporations is that the issue should not be viewed in the sole contexts of the new brand or new products but also in the context of the existing brand. How will it be affected? Will it suffer dilution?

When faced with this situation it may help to keep in mind the following.

Brands are associated with a set of values, seldom with a specific ingredient. There are a few exceptions but, generally, values are what define a brand. A brand like Starbucks for instance is associated with coffee. But, more than just the ingredient, it stands for expertise in bean selection and roasting, high quality, competent staff, young professional crowd, a pause during a busy day, etc. If there was another product that could benefit from the same values, it could fit right in Cigars or Cognac could come close but have their own set of problems.

Umbrella branding is a very efficient brand scheme. A paper published in McKinsey Quarterly under the title "Brand Leverage" concludes that strong brands that are used across product categories produce shareholder return on equity that is five percent above the average for their industry. A strong umbrella brand can help a new product generate faster distribution and trail. On the other hand, umbrella brands are weakened when they are used for sub-par products or products that fail - an unavoidable risk with new product introductions. They also make consumer research more difficult, in part because of the high level of false awareness they generate. The effect of advertising copy on consumer behaviour is thus more difficult to evaluate because it tends to benefit the entire brand as opposed to the one new product is advertised.

The best and possibly the only tool you need is a very clear idea of what values the brands involved stand for. In fact, if this is the only thing you do, you should write a brand strategy for your own brands and for the brands and for the brands you wish to acquire before you make any branding decision and preferably before an acquisition takes place.

### **2.4.3 How Brands Influence People?**

This first thing to recognize when we talk about brands is that they are not just names, symbols, terms, designs or combinations of these, although it is true to say that such things can and do differentiate certain products and companies from others. The additional ingredient that makes a successful brand is personality.

Today leading brands are personalities in their own right and are well known in all societies and cultures as film heroes, cartoon characters, sports stars, or great leaders.

Thousands of people relate to brand personalities in the same ways as they do to human personalities. There is of course, a psychological basis to this, and the psychology behind brands really stems from Carl Jung's work where he described the four functions of mind - thinking, sensation, feeling and intuition. The secret to successful branding is the influence the way in which people perceive the company or product, and brands can affect the minds of customers by appealing to these four mind functions, or combinations of them.

Some brands appeal to the rational part of a person, to the elements of logic and good sense (the thinking dimension) such as toothpaste, which prevents decay and cholesterol-free foods. Others appeal to the sense of smell, taste, sight and sound such as fashion and cosmetic



products. Some brand attract the emotional part of people appealing to the feelings, dimension to which consumer react with feelings of warmth, affection and belonging. Products such as Harley Davidson motorcycles and companies like Benetton with its global village branding exemplify these.

Then there is the strange phenomenon of intuition. Some of companies and products are affricative to people who intuitively feel comfortable with them, because they see these brands as extensions of themselves, a good fit to their personality, lifestyle, aspiration and behaviour - companies like the body soap, with the environmental approach.

Brands influence consumer decisions to buy in any of the above ways, or through combination of them, sometimes with tremendous persuasive appeal.

The Marlboro brand personality is a good example of how a company understands and combines the physical and emotional elements that appeal to certain customers who live or would love to live a certain lifestyle. Products such as good credit cards, watches or prestige items help people to express themselves to others by demonstrating that they are different and have achieved something they act as extension of the personally, so it really is all in the mind. The key to brand management and development is a clear understanding of what benefits a customer is looking for. Time and again, research shows that the real driving force behind market leadership is perceived value - not price or inherent product attributes.

#### **2.4.4 People Prefer to buy Brands**

Brands are also successful because people prefer them to ordinary products. Today's world is characterized by more complex technology, and this can be extremely confusing to people who are not technology minded. Brands can play an important role here by providing simplicity and reassurance to the uninitiated; offering a quick, clear guide to a variety of competitive products and helping consumers reach better quicker decisions.

#### **2.4.5 How to convert Customer desire into a Sale ?**

Consumer always want more. It does not matter what is being offered. If it is there, they have at least a twinge of desire for it. But how do you take that desire and convert it into a sale ? To push a sale across the finish line you need buying stimulators. The stimulators are:

##### **a. Appeal to the Emotions**

People buy a product or use a service because they expect to feel a certain way after ward. We buy vitamin supplements because they will make us feel stylish and affluent.

So think about the benefits of your product and convert those benefits into feelings. If you are selling a business opportunity, emphasize on how great people will feel when they work for themselves with no boss and no set schedule. I you sell sports equipment, focus on how your quality goods will improve technique and make your customers winners.

Use vivid, picturesque words to dramatize the feelings your customers will experience after they buy your product or service.

**b. Fear of Loss**

One of the best stimulants for buying is not only to say how the customer will benefit from your product, but to mention how they will use it if they do not buy your product. The fear of loss drives a sale as much as the customer's desire for the product or service remind the customer that they can either use your product or service, or they can live with the consequences, you could say something like, "The choice is yours. You can live the life you have always dreamed of, or you can stick with your dead-end job for the next thirty years."

**c. So many Choice, So Much Indecision**

The most successful advertisement focus on one product or service. Do not make the mistake of trying to list all your products and services in one advertisement. Do not give the customer a choice. If they have to deal with more than one product, you will have mass indecision on your hands. Make the choice as easy as possible, or you will lose the sale.

**d. Increase Buying Options**

A wide variety of buying methods exist for one reason not everyone likes to buy the same way. Some people like to order over the phone, some online, some through mail, some through fax. And not everyone likes to use credit cards, some people like to use checks or cash. The point is, when you increase your buying options, your appeal to more people. Give your customers what they want, and they will give you what you want the sale.

**e. Simplify the Process**

The easier something is, the more people want to do it your customers do not want to deal with a difficult ordering or purchasing process, so make the procedure as simple, quick and pleasant as possible.

## **2.5 A Revive of Previous Research Work**

Lamichhane, (1998) concluded that advertising is considered as the primary source of information. The advertisement of Coke, Pepsi and branded cold drinks are found in Kathmandu. Coca-cola brand is more popular than other brand. Consumer gives more preference to the brand but less preference to quality and test. Television is the mostly favorite media for advertisement. The major reasons of brand switching are the taste of the product. Most of consumers are found brand loyal. If they don't get the desired brand, they use the alternative brand. So the marketers are suggested to give proper attention on their distribution system.

Thapaliya, (1999) concluded that the use of instant noodles has become a general consumption phenomenon in Kathmandu. There are various brands of instant noodles available in the market and market of noodles has turned to be competitive in recent years. The company does not have effective and reliable channel to collect information from wholesalers, distributors and consumers.

Parajuli, (2001) from the interpretation and analysis of the data and information collected from the consumer it is found that brand awareness of Nepalese consumers are high and most of them are brand loyal in each of the product selected for this study. Similarly, it is also found that the factors such as the consumer's sex, age, marital status, income, family system etc. also affect brand loyalty.

Khanal, (2004) in conclusion this study shows that the major competitor companies in Nepalese toothpaste market are Nepal Level Ltd. and Colgate Palmolive Nepal Ltd. any time one of this company can set access its market quickly it is because, most of consumers are using both company's brand. Most of consumers are loyal toward both

company's brand. Market situation of toothpaste is in liquid position in nature. So pricing, quality, packing, promotion etc. are the tactics and strategy to achieve large market size.

Bhandari (2007) conducted a research work on "Impact of Sales Promotion Tools on Sales of Cold Drinks: A Case Study of Cold Drinks in Chitwan". This study shows that coca-cola brand is much dominant over other cold drinks brands in Chitwan districts. It found that sales promotion activities has positive impact upon sales and cash prize is the most effective and widely used mode of concluded that increasing sales of one brand does not affect negatively to the sales of other brands.

## **2.6 Research Gap**

Till the date, a lot of researchers have researched on market situation of different brands in different regions. Market situation of cold drinks in Kathmandu valley has been researched by many researchers. In the other side, market situation of other products like noodles, tooth paste etc. have been carried out in Kathmandu valley. But no attempt is made to analyze the market situation of cold drinks in focusing Kirtipur municipality. The main purpose of this study is to fulfill this research gap.

In this way, this study will be fruitful to those interested persons, parties, students, scholars, businessmen, teachers civil societies and government for academically as well as policy perspectives.

# **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

A research methodology is the plan of action that is carried out in systematic manner. Research methodology refers to the various sequential steps to be adopted by researcher in studying with certain objective/objectives in view. Therefore, this chapter deals with the following aspects of methodology.

- \* Research design
- \* Population and sampling
- \* Source of Data
- \* Data Collection Procedures
- \* Data processing and Tabulation
- \* Analytical tool
- \* Hypothesis

### **3.1 Research Design**

General objectives of the research study are to examine and evaluate the Market situation of cold drinks i.e. Coca Cola brand and Pepsi Cola brand, mainly of Kirtipur Municipality. In order to achieve the objective, both descriptive and analytical research design has been followed.

### **3.2 Population and Sample**

The population of this study consists of all the buyers and consumers above 15 years age group of cold drinks and also consists of audiences exposed to different audio and video advertisement of

concerned or mentioned products. Numbers of consumers selected from different age groups are as follows:

Number of Samples	Age Groups
45	15-24
93	25-34
35	35-44
20	45-54
7	Above 55

The sample consists of the respondents from the different sectors such as students, private service holder, government service holder, teacher and businessman. For the study purpose 200 consumers have been surveyed in Kirtipur Municipality.

### **3.3 Source of Data**

The present study is basically conducted on primary data and there is less use of secondary data. Depending on the nature of data and information, following sources have been utilized.

#### **3.3.1 Primary Sources**

Primary data was been collected through questionnaire for different levels of consumers i.e. high school level consumers, higher secondary level consumers, graduate education holder, masters level consumers and Ph. D. holder consumers likewise, some necessary information was been taken from distributors and retailers.

#### **3.3.2 Secondary Sources**

As a regards supporting literature, relevant books, journals, bulletins, magazines, newspapers etc., have been studies.

### **3.4 Data Collection Procedures**

The problem of the study lies on the issues to the situation of market. Hence, various data are required. With the view of obtaining data, a questionnaire was designed which contained twenty-nine questions. The different levels or types of consumers/buyers have filled up the questionnaires. For the collection, in the first the researcher visited the market and the questionnaires were distributed to the consumers. In the second round, the questionnaires were got filled.

From the reference materials, the researcher visited Central Department of Management, Kirtipur, various sections of Central library; T.U. led the researcher to be successful in conducting this study.

### **3.5 Data Processing and Tabulation**

Data obtained from the various sources cannot be directly used in their original form. Further, they need to be verified for the purpose of analysis. Data, information, figures and facts so obtained are checked, rechecked, edited and tabulated for computation.

According to the nature of data, they were inserted in meaningful tables, which have been shown. Considering homogeneous nature of data put sorted in one table and odd data were excluded. Various tables have been prepared in understandable manner.

### **3.6 Analytical Tool**

In course of analyzing and interpreting the data, various statistical tools have been used in the research in order to draw out the reliable conclusion. They are:

- \* Percentage analysis



- \* Rank correlation analysis
- \* Chi-square test analysis

### 3.6.1 Percentage Analysis

Sampling statistics are used to test whether the observed difference between two numbers is large enough to be considered statistically significant. probably the most common situation to which sampling statistics tests are applied are those where researcher have selected samples from two spare groups and have observed two difference percentage on a question that was asked of both group.

### 3.6.2 Rank Correlation Analysis

Rank correlation coefficient is a measure of association between the two variables on the basis of their ranks. It is also called spearman's rank correlation coefficient and is defined (Gupta, 2002; 81).

$$r_s = 1 - \frac{6\sum D^2}{N(N^2 - 1)}$$

Where,

$r_s$  = Rank correlation coefficient between two variables

D = Different between the ranks of the corresponding values of both variables.

N = Number of pairs of ranks.

#### Procedures

- \* Take difference of each pair of ranks of the given two series.
- \* Square each difference and get sum of the square values.
- \* Finally, apply the formula given above.

Rank correlation is a measure of the correlation that exists between the two sets of ranks, a measure of the degree of association between the variables that we would not have been able to calculate otherwise.

### 3.6.3 Chi-Square Test Analysis

It is measure of squared deviations between observed and theoretical numbers in terms of frequencies in categories or cells of table, determining whether such deviations are due to sampling error or some interdependence or correlation among the frequencies. It involves a comparison of frequencies involving frequencies of yes-no questions (Panta, 2000). And it is defined by (Gupta, 2002; 150).

$$\chi^2 = \frac{\Sigma(f_0 - f_e)^2}{f_e}$$

Where,  $f_0$  and  $f_e$  are the observed and corresponding expected frequencies respectively.

When Chi-square equal to zero, observed and expected frequencies agree exactly. It is clear that the greater the value of Chi-square, the greater the discrepancy between observed and expected frequencies.

Steps

Step 1 : Formulate the null and alternative hypothesis.

Step 2 : Compute the expected cell frequencies by using the relation.

$$f_e = \frac{\text{Row total} \times \text{column total}}{\text{Total number of observations}}$$

Step 3 : Compute the test statistics

$$\chi^2 = \frac{\Sigma(f_0 - f_e)^2}{f_e}$$

Step 4 : Write down the tabulated value of chi-square at certain level of significance alpha (usually alpha = 5%) for (r-1) (c-1) degree of freedom.

Step 5 : Make decision if the computed value of chi-square is less than tabulated value,  $H_0$  is accepted at the level of significance alpha. If the computed value of chi-square is greater than its tabulated value,  $H_0$  is rejected.

After analysis, facts have also been presented in diagrammatic and graphic form. Diagrams and graphs are visual aids that give the clear vision of a given set of numerical data. Present the data in simple and readily comprehensive form.

### **3.7 Hypotheses**

In the light of the objectives of the study, following null and alternative hypotheses have been developed for this research.

$H_0$  : There is no significant difference between the views expressed by coca cola and Pepsi cola consumers.

$H_1$  : There is significant difference between the views expressed by coca cola and Pepsi cola consumers.

$H_0$  : The attitude towards coca cola and Pepsi cola is not guided by the image of cold drinks.

$H_1$  : The attitude towards coca cola and Pepsi cola is guided by the image of cold drinks.

$H_0$  : The rating scale of advertising of coca cola and Pepsi cola by consumers are independent.

$H_1$  : The rating scale of advertising of coca cola and Pepsi cola by consumers are dependent.

$H_0$  : There is no correlation in the ranked data.

$H_1$  : There is correlation in the ranked data.

# **CHAPTER FOUR**

## **PRESENTATION AND ANALYSIS OF DATA**

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

In course of conducting this research, the researcher selected 200 consumers are respondents from Kirtipur Municipality and tried to find-out views of consumers. It was found that all of respondents or consumers have the drinking habit of cold drinks. Obtaining responses, various tables are prepared. Homogenous natures of data have been put into the same table. In that order, difference tables represent different virtual facts.

### **4.1 Drinking Habit of Different Age Groups**

When the researcher tried to find out drinking habit of different age group, he noticed that age group 25-34 have domination over other groups. Table 4.1 makes it clear.

**Table 4.1**  
**Drinking Habit of Different Age Groups**

Age	Cocoa Cola		Pepsi Cola		Others		Total	
	No.	%	No.	%	No.	%	No.	%
15-24	22	48.89	17	37.78	6	13.33	45	22.5
25-34	50	53.76	40	43.01	3	3.23	93	46.5
35-44	19	54.29	14	40	2	5.71	35	17.5
45-54	8	40	11	55	1	5	20	10
Above 55	2	28.57	5	71.43	0	0	7	3.5
Total	101	50.5	87	43.5	12	6	200	100

*Source: Field Survey, 2009.*

Table 4.1 shows that among 200 respondents, 45 belong to age group 15-24. Among them, 48.89 percent Coca cola brand, 37.78 percent preferred Pepsi cola brand and the rest preferred other brands. It is obvious that coca cola brand has its domination over Pepsi cola brand and other brands. Similarly, 93 respondents belong to age group 25-34. Among them, 53.76 percent are in favor of coca cola brand, 43.01 percent are in favor of Pepsi cola brand and only 3.23 percent are in favor of other brands. Here, coca cola is the dominator over other brands. Age groups 35-44 represent 35 respondents. Among which 54.29 percent preferred Coca cola brand, 40.00 percent Pepsi cola brand and only 5.71 percent other brands. Like above here also coca cola is the dominator. Similarly, 20 respondents belong to age group 45-54, in this group 40.00 percent preferred coca cola, 55.00 percent preferred Pepsi cola brand and rest preferred other brands. It is obvious that Pepsi cola brand has its domination over coca cola brand and other brands. Age group above 55 has 7 respondents. Among them 28.57 percent preferred coca-cola brand, 71.43 percent preferred Pepsi cola brand and there is no any respondents on the favor of other brands. It recommended that Pepsi cola is dominator.

The computed value of Chi-square is 3.245 (Annex 1), which is lesser than the table value 9.49 at 5 percent level of significance, therefore, null hypothesis is accepted at this level. Hence, we conclude that there is no significant difference between the views expressed by Coca cola consumers and Pepsi cola consumers. The different age groups of consumers or respondents show the same type of behavior on both brands. It can be concluded that the respondents ranging from 25-34 have been consuming coca cola more than pepsi cola and any others.

## 4.2 Drinking habit of Sex Groups

The researcher analyzed the responses on the basis of sex to show domination of a particular brand over other brands. These responses are shown in Table 4.2.

Table 4.2 shows that among 200 respondents, 140 respondents belong to male. Among them, 46.43 percent preferred coca cola brand, 47.86 percent preferred Pepsi cola brand and 5.71 percent preferred other brands. Similarly, 60 respondents belong to female among them, 60.00 percent are in favor of Coca cola brand, 33.33 percent are in favor of Pepsi cola brand and only 6.67 percent are in favor of other brands. Coca cola is more popular than Pepsi cola and other brands.

**Table 4.2**  
**Drinking Habit of Sex Groups**

Age	Cocoa Cola		Pepsi Cola		Others		Total	
	No.	%	No.	%	No.	%	No.	%
Male	65	46.43	67	47.86	8	5.71	140	70
Female	36	60.00	20	33.33	4	6.67	60	30
Total	101	50.5	87	43.5	12	6	200	100

*Source: Field Survey, 2009.*

After the chi square test (Annex 2) the computed value is 3.58, which is lesser than the table value 3.84 at the 5 percent level of significance. Therefore, null hypothesis is accepted and i.e. alternative hypothesis is rejected at this level. Hence, we conclude that there is no significant difference between the views expressed by Coca cola consumers and Pepsi cola consumers. It can be concluded from the above illustrated chart that female are consuming coca cola more than pepsi cola likewise male and consuming pepsi cola more than coca cola.

### 4.3 Drinking Habit of Education Groups

While analyzing the responses on the basis of education group, the researcher tried to show which particular brand has its domination over other brand. Preparing Table 4.3 has made the interpretation of the analyzed data.

**Table 4.3**  
**Drinking Habit of Education Groups**

Education	Cocoa Cola		Pepsi Cola		Others		Total	
	No.	%	No.	%	No.	%	No.	%
High School	16	45.71	15	42.86	4	11.43	35	17.5
Higher Secondary	17	44.74	17	44.74	4	10.53	38	19
Graduate	38	52.05	32	43.84	3	4.10	73	36.5
Masters	26	53.06	22	44.90	1	2.04	49	24.5
Ph.D	4	80.00	1	20.00	0	0	5	2.5
Total	101	50.50	87	43.50	12	6	200	100

*Source: Field Survey, 2009.*

The above table shows that among 200 respondents, 35 respondents belong to high school education. Among them, 45.71 percent preferred coca cola brand, 42.86 percent preferred Pepsi cola brand and rest preferred other brands. It is obvious that coca cola brand has its domination over Pepsi cola brand and other brands. Similarly, 38 respondents belong to higher secondary education level. Among them 44.74 percent are in favor of Coca cola brand, 44.74 percent are in favor of Pepsi cola brand and only 10.53 percent are in favor of other brands. Here, coca cola and Pepsi cola both are dominator over other brands. The education group graduate represents 73 respondents. Among them, 52.05 percent preferred Coca cola brand, 43.84 percent preferred Pepsi cola brand and only 4.10 percent preferred other brands. From these the researcher recommended that coca cola brand have its domination over Pepsi cola and other brands. Similarly, 49 respondents belong to master level. In this level 53.06 percent preferred coca cola brands, 44.90 percent preferred pepsi cola brand and rest preferred other brands. From these the researcher recommended that coca cola brand have its domination over Pepsi cola and other brands. Five respondents have Ph. D. level of education. Among them 80.00 percent preferred coca cola brand, 20.00 percent preferred Pepsi cola brand and there is no any respondents on the favor of other brands. Here also coca cola is the dominator.

When chi-square is used, (Annex 3) the computed value is 1.6369, which is lesser than the table value 9.49 at 5 percent level of significance. Therefore null hypothesis is accepted i.e. alternative hypothesis is rejected at this level. Hence we conclude that there is no significant difference between the views expressed by Coca cola consumers and Pepsi cola consumers.



#### 4.4 Drinking Habit of Occupation Groups

The analysis of the responses on the basis of occupation groups, attempts to show a particular brand's domination over other brands. Table 4.4 has made for interpretation.

**Table 4.4 (i)**

#### **Drinking Habit of Occupation Groups**

Occupation	Coca Cola		Pepsi Cola		Others		Total	
	No.	%	No.	%	No.	%	No.	%
Govt. Service	11	52.38	8	38.09	2	9.52	21	10.5
Pvt. Service	19	38.78	22	44.97	8	16.32	49	24.5
Teacher	18	51.42	16	45.71	1	2.86	35	17.5
Business	20	68.97	9	31.03	0	0	29	14.5
Student	33	50.00	32	48.54	1	1.52	66	33
Total	101	50.5	87	43.5	12	6	200	100

*Source: Field Survey, 2009.*

Table 4.4 shows that among 200 respondents, 21 respondents belong government service employee. Among them 52.38 percent preferred coca cola brand, 38.09 percent preferred Pepsi cola brand and only 9.52 percent preferred other brands. It is obvious that coca cola brand has its domination over Pepsi cola brand and other brands. Similarly, 49 respondents belong to private service employee. Among them 38.78 percent in favor of Coca cola brand, 44.97 percent are in favor of Pepsi cola brand and 16.32 percent are in favor of other brands. It is obvious that Pepsi cola brand has its domination over coca cola brand and other brands. Occupation group teacher represent 35 respondents. Among them 51.42 percent preferred Coca cola brand, 45.71 percent preferred Pepsi cola brand and rest preferred other brands. Here coca cola is the dominator. Similarly, 29 respondents belong to

occupation group business. In this group 68.97 percent preferred coca cola, 31.03 percent preferred Pepsi cola brand and there are no any respondents of preferring other brands. From these data the researcher knew that, more people of this group preferred coca cola brand. The occupation group education levels have 66 respondents. Among them 50.00 percent preferred coca cola brand, 48.54 percent preferred Pepsi cola brand and only 1.52 percent respondent on the favor of other brands. Here also more respondents preferred brand is coca cola.

**Table 4.4 (ii)**

**Drinking Habit of Occupation Group**

Age	Brand		Total
	Coca Cola	Pepsi Cola	
Govt. Service	11	8	19
Pvt. Service	19	22	41
Teacher	18	16	34
Businessman	20	9	29
Students	33	32	65
Total	101	87	188

$H_0$  : There is no significant different between the views expressed by coca cola and Pepsi cola consumers.

$H_1$  : There is significant different between the views expressed by coca cola and Pepsi cola consumers.

Now, for expected frequency computation.

$$E(11) = \frac{19 \times 101}{188} = 10.20$$

$$E(8) = \frac{19 \times 87}{188} = 8.79$$

$$E(19) = \frac{41 \times 101}{188} = 22.03$$

$$E(22) = \frac{41 \times 87}{188} = 18.97$$

$$E(18) = \frac{34 \times 101}{188} = 18.27$$

$$E(16) = \frac{34 \times 87}{188} = 15.73$$

$$E(20) = \frac{23 \times 101}{188} = 15.58$$

$$E(9) = \frac{29 \times 87}{188} = 13.42$$

$$E(33) = \frac{65 \times 101}{188} = 34.92$$

$$E(32) = \frac{65 \times 87}{188} = 30.08$$

$f_0$	$f_e$	$(f_0-f_e)$	$(f_0-f_e)^2$	$X^2=(f_0-f_e)^2$
11	10.2	0.8	0.64	0.0627
19	22.03	-3.03	9.1809	0.4167
18	18.27	-0.27	0.0729	0.0040
20	15.58	4.42	19.5364	1.2539
33	34.92	-1.92	3.6864	0.1056
8	8.79	-0.79	0.6241	0.0710
22	18.97	3.03	9.1809	0.4840
16	15.73	0.27	0.729	0.0046
9	13.42	-4.42	19.5364	1.4558
32	30.08	1.92	3.6864	0.1226
$\Sigma\chi^2$				3.9809

$$\text{d.f} = (c - 1) (r - 1)$$

$$= (2 - 1) (5 - 1)$$

$$= 1 \times 4$$

$$= 4 \text{ d.f.}$$

$$\text{d.f. at 5 \% level of significance} = 9.49$$

$$3.9809 < 9.49$$

The computed value is 3.981 which is lesser than the table value 9.49 at 5 percent level of significance. Therefore, null hypothesis is accepted i.e. alternative hypothesis is rejected at this level. Hence we concluded that there is no significant difference between the views expressed by Coca Cola consumers and Pepsi cola consumers.

#### 4.5 Overall Brand Preference of Consumer

In order to find out cold drink brand preferences of consumers in totality, the researcher had prepared separate questions obtained differential responses. These responses are shown in Table 4.5.

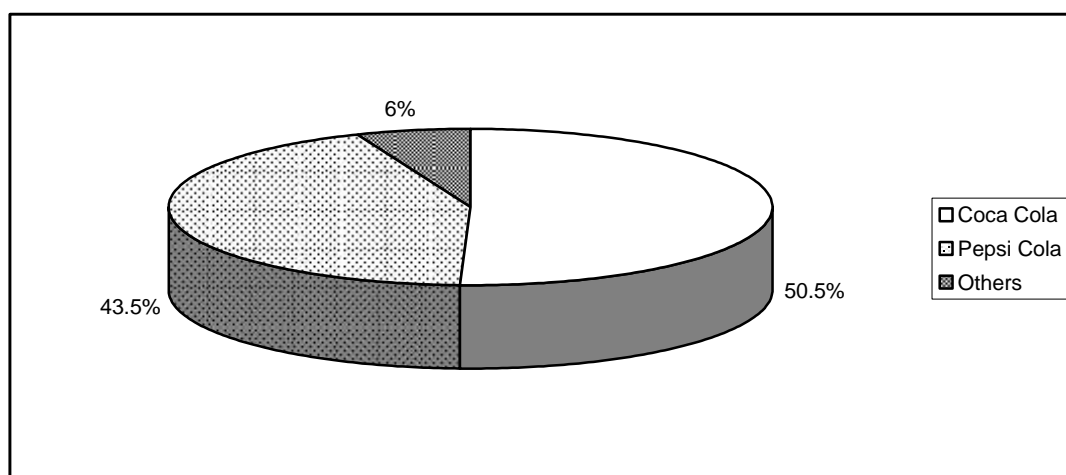
**Table 4.5**  
**Consumer's Brands Preference of Cold Drinks**

Brands	Number of Respondents	Percentage
Coca Cola	101	50.50
Pepsi Cola	87	43.50
Others	12	6.00
Total	200	100

*Source: Field Survey, 2009.*

The above table shows that among 200 respondents, 50.50 percent preferred coca cola brand, 43.50 percent preferred Pepsi cola brand and only 6.00 percent preferred other brands. From above table we conclude that the most preferred brand of cold drinks in Kirtipur Municipality is coca cola brand. When the data were presented in the form of pie-chart (fig. 4.1), the explained vision appeared clear.

**Figure 6**  
**Consumer's Brands Preference of Cold Drinks**



*Source: Field Survey, 2009.*

#### 4.6 Priority Based Preference

For the purpose of finding out the product preference of male and female consumers. the researcher asked the questions to the consumers. The responses obtained from the consumers has been ranked and shown in table 4.6.

**Table 4.6(i)**  
**Brand Preference in Accordance with Priority**

Products	Ranks by Products			
	Male		Female	
	Number	Percentage	Number	Percentage
Coca cola	1 (41)	20.5	3 (9)	4.5
Pepsi cola	2 (39)	19.5	4 (8)	4
Fanta	5 (12)	6	1 (17)	8.5
Sprite	3 (19)	9.5	6 (4)	2
Mirinda	6 (7)	3.5	2 (13)	6.5
Mt. Dew	4 (13)	6.5	7 (3)	1.5
7 up	7 (6)	3	8 (1)	0.5
Other	8 (3)	1.5	5 (5)	2.5

*Source: Field Survey, 2009.*

The above table shows that among 200 respondents, all the respondents both male and female ranked the different product according to their thinking towards different products. Male respondents ranked old drinks coca cola (1), Pepsi cola (2), Sprite (3), Mount dew (4), Fanta (5), Mirinda (6), 7 up (7) and other products are on (8). Female respondents ranked Fanta (1), Mirinda (2), Coca cola (3), Pepsi cola (4), other products (5), sprite (6) Mt. Dew (7) and 7 up (8). Ranking of the product are done according to number of consumers and their preference. Higher number of consumers who preferred the product is ranked 1, and others are respectively ranked as 2, 3, and so on.

**Table 4.6 (ii)****Product Preference accordance with Priority**

Products	Male	Female	Difference	D <sup>2</sup>
Coca coal	1	3	-2	4
Pepsi cola	2	4	-2	4
Fanta	5	1	4	16
Sprite	3	6	-3	9
Mirinda	6	2	4	16
Mound Dew	4	7	-3	9
7 Up	7	8	-1	1
Others	8	5	3	9
$\Sigma D^2$				68

$$\begin{aligned}
 r_s &= 1 - \frac{6\Sigma D^2}{N(N^2 - 1)} \\
 &= 1 - \frac{6 \times 68}{8(8^2 - 1)} \\
 &= 1 - \frac{408}{504} \\
 &= \frac{96}{504} = 0.1904761
 \end{aligned}$$

For interpretation

$H_0$  : There is no correlation in ranked data.

$H_1$  : There is correlation in ranked data.

At 5 percent level of significance, the table value is  $\pm 0.7143$  that is the upper limit of the acceptance region is 0.7143 and the lower limit of the acceptance region is -0.7143. The rank correlation coefficient lies between acceptance region. Therefore, we would accept the null hypothesis, i.e. that is no correlation in the ranked data.

The calculated value of rank correlation coefficient is 0.1904 and the table value at 5 percent level of significance is  $\pm 0.7143$  i.e. the upper limit of acceptance region is 0.7143 and the lower limit of the acceptance region is -0.7143. The rank correlation coefficient lies between acceptance region. Therefore, null hypothesis is acceptance, i.e. there is no correlation in the ranked data. It can be concluded from the above citation that male have been offering preference to coca cola but female have been offering preference to fanta than any other products.

#### 4.7 Consumption Pattern of Cold Drinks

The researcher tried to find out consumption pattern of cold drinks analyzing the respective responses. Preparing Table 4.7 has made the interpretation of the analyzed data.

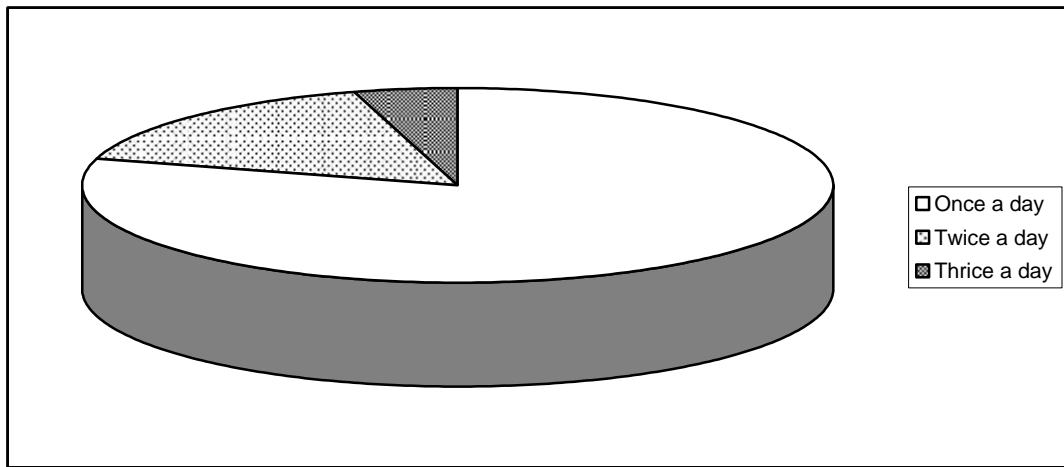
**Table 4.7**  
**Consumption Pattern of Cold Drinks**

Pattern	Number of Respondents	Percentage
Once a day	159	79.50
Twice a day	32	16.00
Thrice a day	9	4.50
Total	200	100.00

*Source: Field Survey, 2009.*

The above table shows that among 200 respondents, 79.5 percent wanted to drink cold drinks once a day, 16.00 percent wanted to drink cold drinks twice a day and only 4.50 percent wanted to darink thrice a day. From these data we knew that most of consumer of drink cold drinks once a day. These data are presented on pie-chart (Figure 7).

**Figure 7**  
**Pattern of Consumption**



*Source: Field Survey, 2009.*

#### **4.8 Factors of Brand Choice**

When the researcher undertook an analysis of difference factors, to find out their role on brand choice processes. He found that brand name, product quality, and taste reminded prime factors, which exert an important role on brand choice. Preparing table 8 has made the interpretation of the analyzed data.

**Table 4.8**  
**Brand Choice Factors**

Factors	Number of Respondents	Percentage
Brand name	65	32.50
Product quality	42	21.00
Taste	41	20.50
Product availability	36	18.00
Packaging	16	8.00
Total	200	100.00

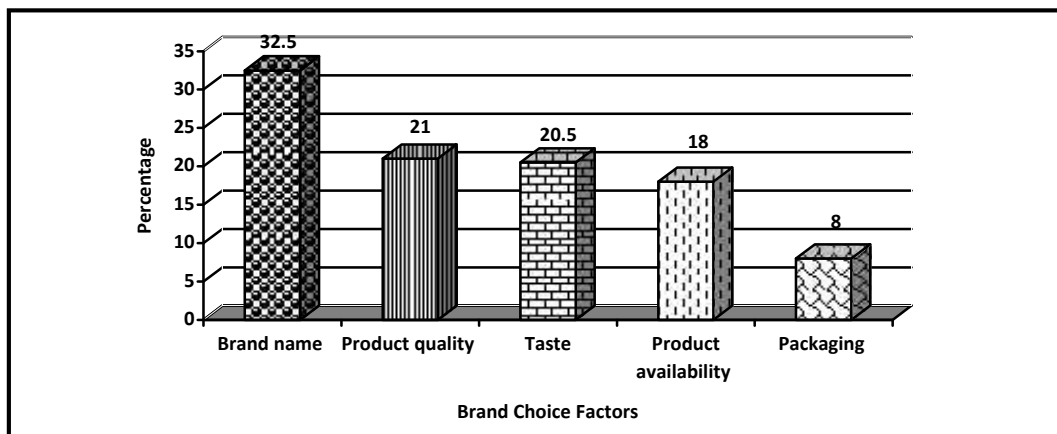
*Source: Field Survey, 2009.*

Brand choice factors are the important factor on consumer behavior. Different types of consumer have different types of thinking



about brand choice factors. Above table shows that the data relating to brand choice factors. Among the 200 respondents 32.50 percent choice cold drinks according to brand name, 21.00 percent believed in product quality, 20.50 percent buy the cold drinks according to taste, 18.00 percent choice cold drinks with product availability and packaging is another factor of brand choice, which covered only 8.00 percent respondents. From above it can be calculated that most of consumer preferred the cold drinks according to brand name. These data showed the clear vision about brand choice factors on below chart.

**Figure 8**  
**Bar Diagram Showing Brand Choice Factors**



#### **4.9 Decision Taking Time for Cold Drinks**

The researcher asked respondents to record their views about time whether they decide pre-buying or during - buying decisions. Preparing Table 4.9 has made the interpretation of the analyzed data.

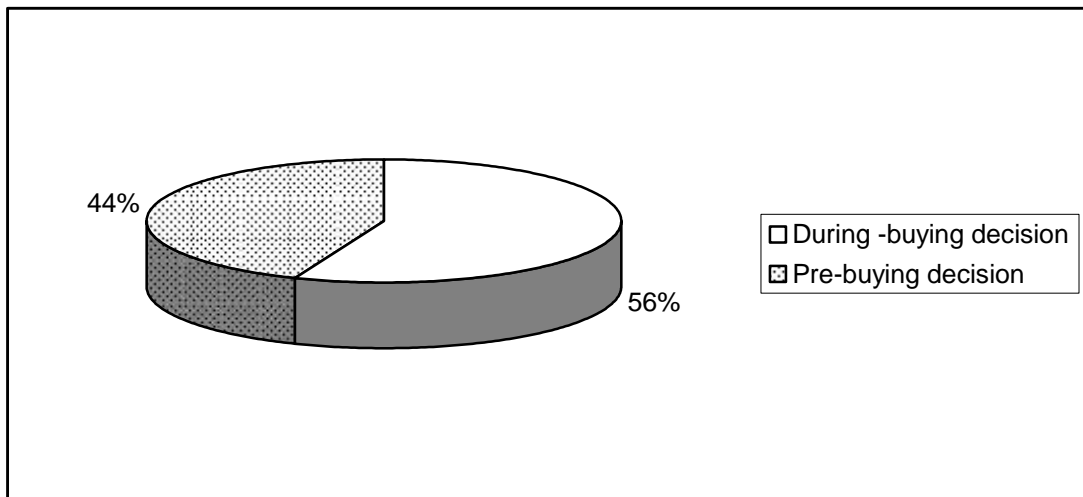
**Table 4.9**  
**Time of Making Brand Decision**

Time	Number of Respondents	Percentage
Pre-buying decision	88	44.00
During -buying decision	112	56.00
Total	200	100.00

*Source: Field Survey, 2009.*

The above table shows more detail about consumers buying decisions. Among 200 respondents 56.00 percent took the decision during buying and 44.00 percent took decision before buying (Table 4.9, Fig. 4.4). The researcher must then decide on the type of sample, which is to be more respondent favor. Most of consumers take the decision during buying about their cold drinks brand.

**Figure 9**  
**Chart Showing Pre-Buying and During Buying Decision**



*Source: Field Survey, 2009.*

#### 4.10 Brand - wise Product Preference by Consumer

The study attempts to identify how the respondents could name the choice product. Preparing Table 4.10 has made the interpretation of the analyzed data.

**Table 4.10**

**Consumers Product Preference of Coca Cola Brand**

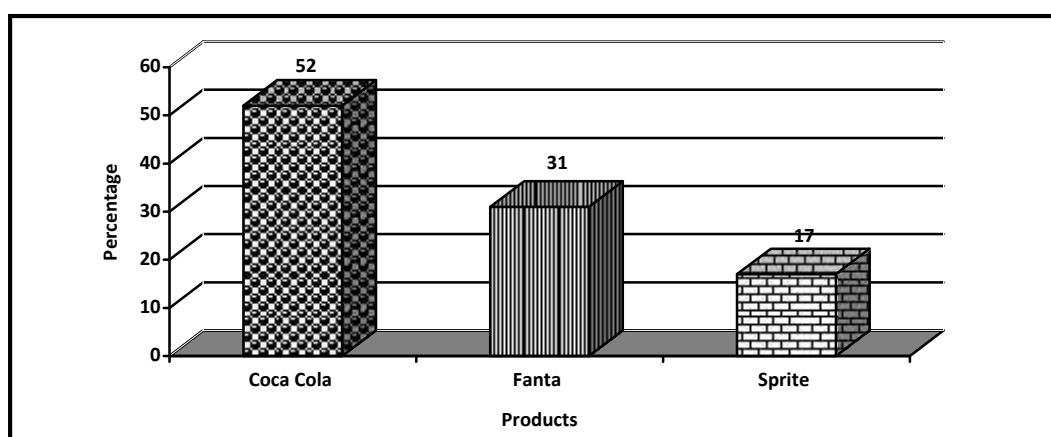
Products	Number of Respondents	Percentage
Coca Cola	104	52.00
Fanta	62	31.00
Sprite	34	17.00
Total	200	100.00

*Source: Field Survey, 2009.*

The researcher asked the questions to the respondents about their preferred products on coca cola brand. Among 200 respondents 52.00 percent are in favor of coca cola, 31 percent are in favor of Fanta and only 17 percent are in favour of sprite (figure 10). It was concluded that coca cola is the most favored product on Coca cola brand.

**Figure 10**

**Consumers Product Preference of Coca Cola Brand**



#### 4.11 Brand -wise Product Preference by Consumer

The study attempted to identify the products of cold drinks respondent could name on preference basis. Preparing table 11 has made the interpretation of the analyzed data.

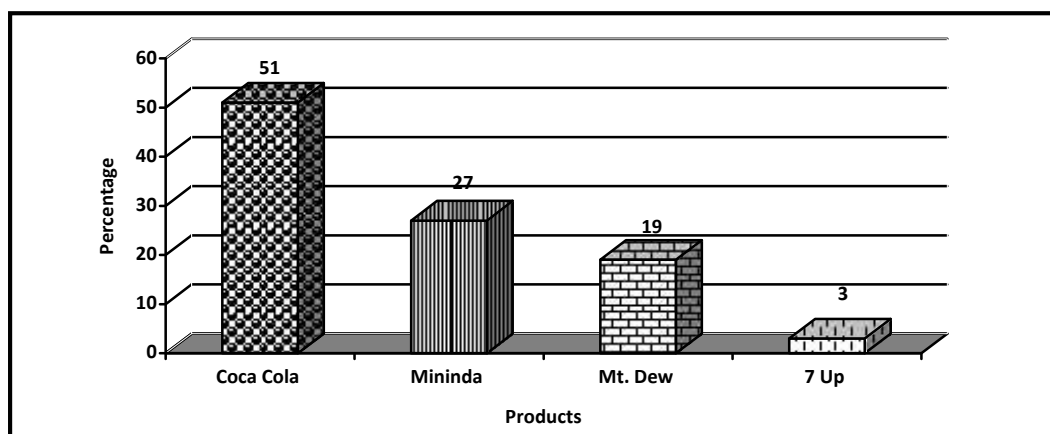
**Table 4.11**  
**Consumers Product Preference of Pepsi Cola Brand**

Products	Number of Respondents	Percentage
Pepsi Cola	102	51.00
Mirinda	54	27.00
Mt. Dew	38	19.00
7 Up	6	3.00
Total	200	100.00

*Source: Field Survey, 2009.*

The researcher asked the questions to the respondents about their preferred product on Pepsi cola brand. Among 200 respondents 51.00 percent are in favor of Pepsi cola, 27.00 percent are in favor of Mirinda, 19.00 percent are in favor of mount Dew and rest of others are in favor of 7 Up. It told that Pepsi cola is the most favored product on Pepsi cola brand.

**Figure 11**  
**Consumers Product Preference of Pepsi Cola Brand**



*Source: Field Survey, 2009.*

#### 4.12 Future Prospects of using Cold Drinks

The study attempts to identify the criteria for using preferred brand next time. After reviewing the answers given to questions by respondents table 4.12 prepared.

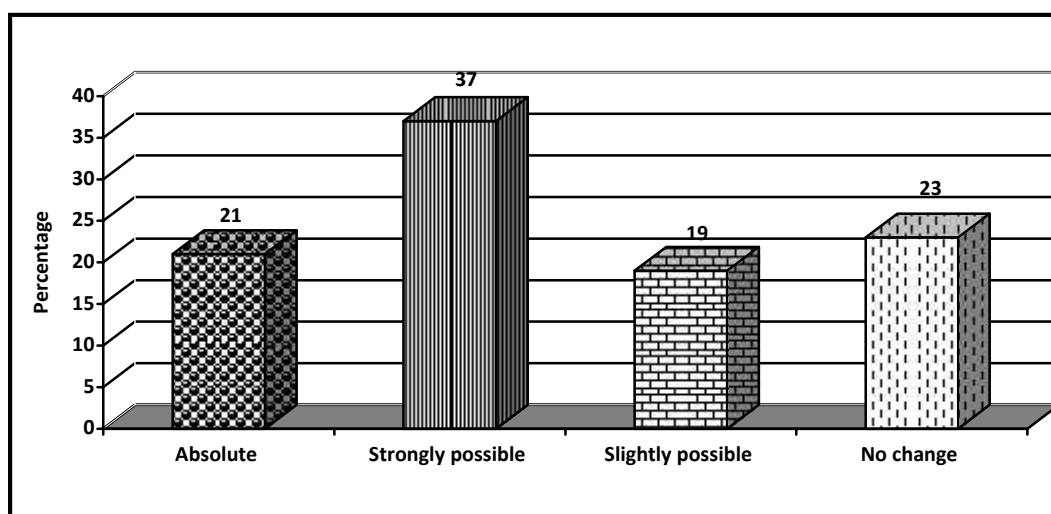
**Table 4.12**  
**Future Prospects of Using Preferred Brand**

Prospects	Number of Respondents	Percentage
Absolute	42	21.00
Strongly possible	74	37.00
Slightly possible	38	19.00
No change	46	23.00
Total	200	100.00

*Source: Field Survey, 2009.*

Of the 200 cold drinks drinkers only 19.00 percent reported that change of buying their preferred brand net time is slightly possible, 21.00 percent reported their chance is absolute, 23.00 percent their is no change and 37.00 reported their change is strongly possible. After that the researcher found that there is a strong brand loyalty on cold drinks.

**Figure 12**  
**Future Prospects of Using Preferred Brand**



*Source: Field Survey, 2009.*

#### 4.13 Comparative Image of Cold Drinks

In the study concerned with the image of coca cola and Pepsi cola among the consumers, the researcher made an attempt to find out, what types of image they create in the market (Table 4.13).

**Table 4.13**

**Comparative Image of Coca Cola and Pepsi Cola**

Image	Coca Cola		Pepsi Cola	
	No. of Respondents	Percentage	No. of Respondents	Percentage
Excellent	20	10.00	16	8.00
Very good	70	35.00	68	34.00
Good	77	38.50	70	35.00
Fair	23	11.50	35	17.50
Don't know	10	5.00	11	5.50
Not so good	0	0.00	0	0.00
Total	200	100.00	200	100.00

*Source: Field Survey, 2009.*

The above table shows that consumers analysis according to their thinking about the brand image of coca cola and Pepsi cola. Among 200 consumer of coca cola brand 10.00 percent said it is excellent, 35.00 percent said it is very good, 38.50 percent said it is good, 11.50 percent though it is fair and only 5.00 percent said they have no idea about that. Among 200 consumer of Pepsi cola brand 8.00 percent said it is excellent, 34.00 percent said it is very good, 35.00 percent said it is good, 17.50 percent though it is fair and only 5.50 percent said they have no idea about that.

When chi-square was used, (Annex 4) the calculated value appeared 3.337 and the tabulated value at 5 percent level of significant is 9.49. Here calculated value is smaller than tabulated value. So, null hypothesis is accepted at this level. Hence we conclude that the attitude towards coca cola and Pepsi cola is not guided by the image of cold drinks.

#### **4.14 Consumer Behavior in Absence of Preferred Brand**

The researcher analyzed the active behavior of consumer in absence of preferred brand. Preparing Table 4.14 made the interpretation of the analyzed data.

**Table 4.14**  
**Consumer Behavior in Absence of Preferred Brand**

Behavior	Number of Respondents	Percentage
Wait for the favorite one	22	11.00
Buy the alternatives	133	66.50
Buy the one that seller appreciates	41	20.50
Go to distant places to search favored brand	4	2.00
Total	200	100.00

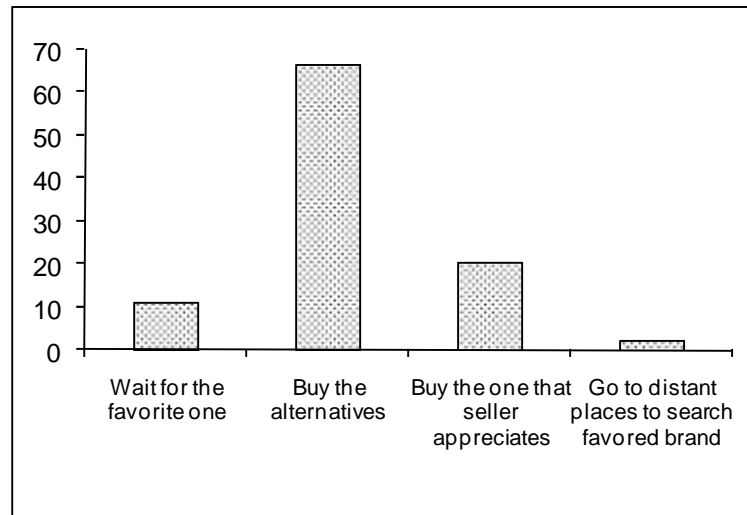
*Source: Field Survey, 2009.*

Table 4.14 shows that the respondents expressed different types of views about active behavior in absence of preferred brand. Only 2.00 percent reported that they want to go to distant places to search their preferred brand, 11.00 percent reported that they want to wait for the favorite brand, 20.50 percent reported their thinking on buy the one that seller appreciates and 66.50 percent buy alternative one. It concludes that most of consumers do not want to go to distance places for searching

their preferred brand on the time of absence but they use alternative brand.

**Figure 13**

**Consumer Behavior in a Behavior in Absence of Preferred Brand**



*Source: Field Survey, 2009.*

**4.15 Unit Purchase Behavior**

The researcher analyzed the responses on the basis of unit purchase pattern of cold drinks. Preparing Table 4.15 has made the interpretation of the analyzed data.

**Table 4.15**

**Unit Purchase Behavior of Consumer**

Quantity	Number of Respondents	Percentage
1	160	80.00
2	26	13.00
3	14	7.00
4	0	0.00
5	0	0.00
Total	200	100.00

*Source: Field Survey, 2009.*



Among drinkers of sampled cold drinks, the table 15 shows that, 80.00 percent said they would consider purchasing a bottle of cold drinks while another 13.00 percent said that possibly they would consider two units of cold drinks and another 7.00 percent are on the favor of three units of cold drinks. It concludes that most of consumers buy only one unit of cold drinks or most of consumer drinks alone.

#### 4.16 Consumers Habit on Brand Switching

In order to find out cold drink brand switching habit of consumers in totality, the researcher had prepared separate questions. Obtained differential responses. These responses are shown in Table 4.16.

**Table 4.16**  
**Brand Switching Habit of Consumer**

Switching	Number of Respondents				Total	
	Male	%	Female	%	No.	%
Yes	40	20	27	13.5	67	33.5
No	88	44	45	22.5	133	66.5
Total	128	64	72	36	200	100

*Source: Field Survey, 2009.*

On the basis of above table recommended the brand switching habit of consumers. Among 200 respondents 33.5 percent are in favour of switching of which 20 percent are male and the rest female. 66.50 percent do not want to switch the current brand where 44 percent are male and 22.5 percent are female.

When chi-square was used, (Annex 5) the calculated value appeared 0.8079 and the tabulated value at 5% level of significant is 3.84. Here calculated value is smaller than tabulated value. So, null hypothesis is accepted at this level. Hence we conclude that the there is no

significant different on the cold drink brand switching habit of consumers.

#### 4.17 Reasons for Switching

In order to find out cold drink brand switching reasons of consumers in totality, the researcher had prepared separate questions. Obtained differential responses. These responses are shown in Table 4.17.

**Table 4.17**  
**Reasons for Switching**

Reasons	Number of Respondents	Percentage
A desire to taste new one	40	59.70
New one give some offer	6	8.96
Old one is not available everywhere	13	19.40
Other	8	11.94
Total	67	100.00

*Source: Field Survey, 2009.*

Reasons for brand switching are important on consumer behavior. Different types of consumer have different types of thinking about brand switching.

Above table shows the data relating to reasons for switching. Among the 67 respondents 59.70 percent have a desire to taste new one, 8.96 percent believed in offer, 19.40 percent buy the another brand on the situation when old one is not available everywhere and 11.94 percent prefer other reasons. It concludes that most of consumers switch the current brand to taste new one.

#### 4.18 Sources of Purchasing Decision

An opinion survey was undertaken by the researcher to identify the degree of respondent's belief on other while making purchase decision. Preparing Table 4.18 has made the interpretation of the analyzed data.

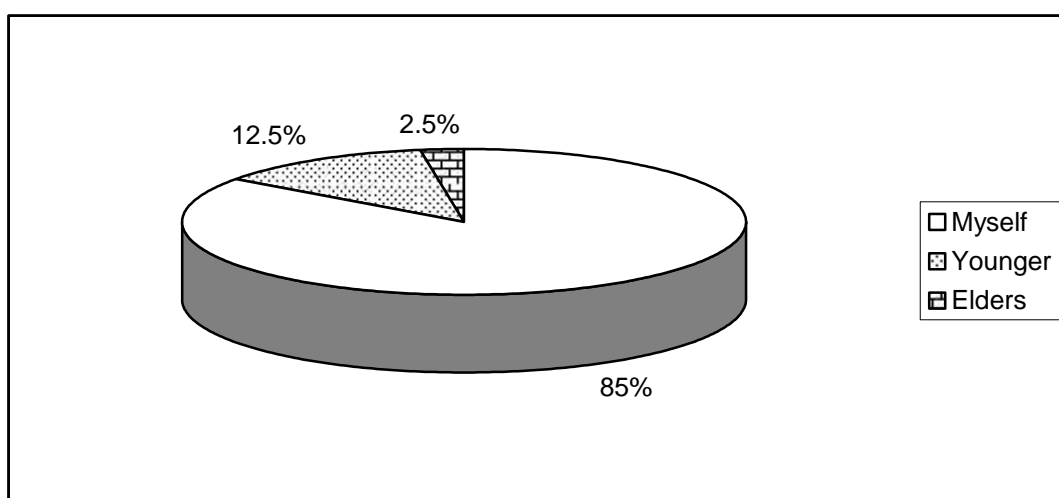
**Table 4.18**  
**Sources of Purchasing Decision**

Sources	No. of Respondents	Percentage
Myself	170	85.00
Younger	25	12.50
Elders	5	2.50
Total	200	100.00

*Source: Field Survey, 2009.*

The above table recommended that about the sources of purchasing decision. 200 respondents with different views are, 85.00 percent buy themselves, 12.50 percent use cold drinks, which are buy from their younger and only 2.50 percent use cold drinks which is buy from their elders. It concludes that most of consumers have self-decisive power.

**Figure 14**  
**Sources of Purchasing Decision**



*Source: Field Survey, 2009.*

#### **4.19 Purpose of Buying Cold Drinks Except Thirst**

In order to find out purpose of buying cold drinks except satisfying thirst of consumers, the researcher had prepared separate questions. Obtained differential responses. These responses are shown in Table 4.19.

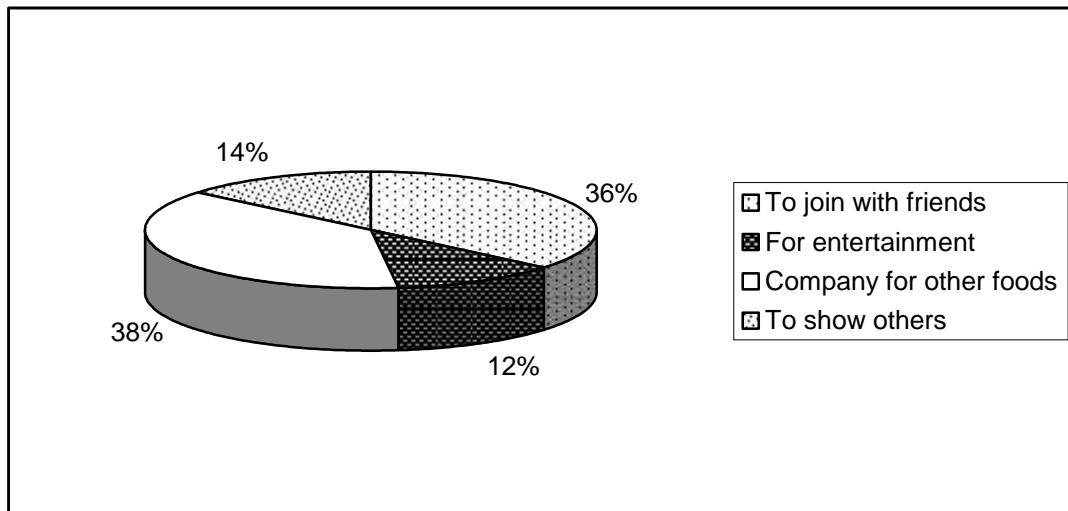
**Table 4.19**  
**Purpose of Buying Coca Cola and Pepsi Cola Except**  
**Satisfying Thirst**

Purpose	No. of Respondents	Percentage
To join with friends	72	36.00
For entertainment	24	12.00
Company for other foods	76	38.00
To show others	28	14.00
Total	200	100.00

*Source: Field Survey, 2009.*

The above table illustrates how a consumer drinks cold drink except satisfying thirst. There were different types of opinion, 38.00 percent respondent drinks to company for other foods, 36.00 percent consumed only for join with friends, some of them consumed cold drinks for entertainment their share is 12.00 percent and rest of them 14.00 percent drink to show others i.e. Most of consumer buy coca cola and Pepsi cola to company for other foods. The figure 16 shows the purpose of buying percentage clearly.

**Figure 15**  
**Purpose of Buying Coca Cola and Pepsi Cola Except**  
**Satisfying Thirst**



*Source: Field Survey, 2009.*

#### **4.20 Media of Advertising**

The researcher has made an effort to trace out which particular medium has its domination over other media. Preparing Table 4.20 has made the interpretation of the analyzed data.

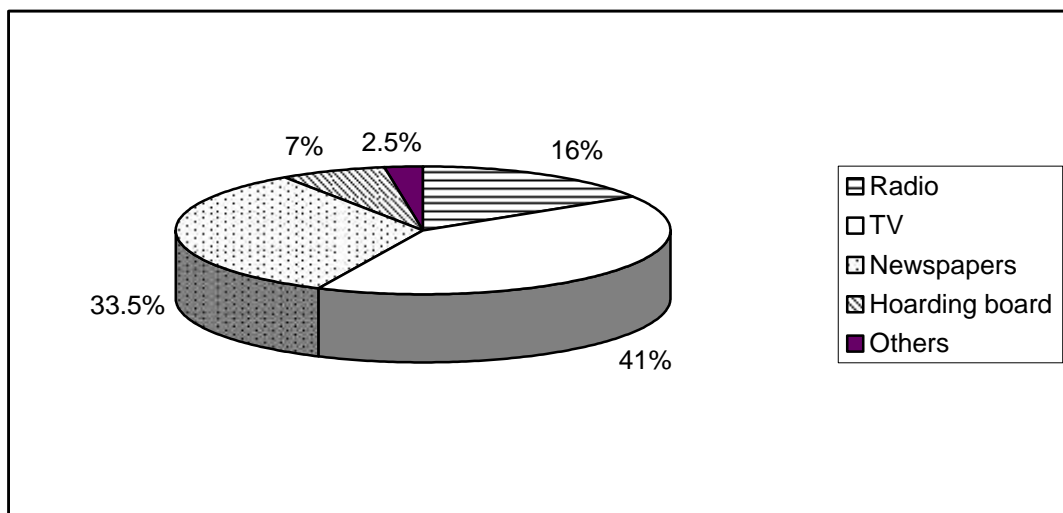
**Table 4.20**  
**Media for Which Consumers Get More Information**

Media	No. of Respondents	Percentage
Radio	32	16.00
TV	82	41.00
Newspapers	67	33.50
Hoarding board	14	7.00
Others	5	2.50
Total	200	100.00

*Source: Field Survey, 2009.*

Table 4.20 shows that among 200 respondents, 16.00 percent got the information from radio, 41.00 percent got information from television, 43.00 percent got information from newspapers, 7.00 percent got from hoarding boards and only 2.50 percent got information from other sources. From these data we conclude that, television is the most popular media of advertising for the cold drinks, which can easily attract the consumer on each company's cold drinks.

**Figure 16**  
**Media for Which Consumers Get More Information**



*Source: Field Survey, 2009.*

#### **4.21 Advertising Influence on Brand Decision**

The researcher asked the respondents to record their view about advertising influence on their brand decision. Preparing Table 4.21 has made the interpretation of the analyzed data.

**Table 4.21**  
**Advertising Influence on Brand Decision**

Influences	No. of Respondents	Percentage
Yes	103	51.50
No	97	48.50
Total	200	100.00

*Source: Field Survey, 2009.*

The above table shows advertising role on brand decision. 51.50 percent take the decision with the help of advertising and 48.50 percent took decisions without any support of advertising. It concludes that advertising plays the most important role on product positioning or attraction towards products.

#### **4.22 Types of Decision**

The researcher asked the respondents to express their view about the types of decisions they make in order to reach their buying. Preparing Table 4.22 has made the interpretation of the analyzed data.

**Table 4.22**  
**Types of Decision**

Types	No. of Respondents	Percentage
Prompt decision	30	29.13
Normal decision	73	70.87
Total	103	100.00

*Source: Field Survey, 2009.*

Table 4.22 shows that the data related to advertising influences and types of decision. Among 103 respondents 70.87 percent took normal decision and 29.13 percent took prompt decision. Advertising helps consumer to take the normal decision about cold drinks.

### 4.23 Rating of TV Commercial

The study attempts to identify the consumers rating of cold drinks TV advertising. Respondent could rate according to their thinking. Preparing Table 4.23 has made the interpretation of the analyzed data.

**Table 4.23**

#### **Consumer Rating on TV Commercial**

Brand	Low (0-3)		Medium (4-6)		High (7-10)		Total	
	No.	%	No.	%	No.	%	No.	%
Coca Cola	30	15	110	55	60	30	200	100
Pepsi Cola	28	14	120	60	52	26	200	100

*Source: Field Survey, 2009.*

The above table concerned to the consumers rating on TV commercial of coca cola and Pepsi cola. On the scale of 1-10 of coca cola brand TV commercial 15.00 percent rated the advertising is low, 55.00 percent rated it is medium and 30.00 percent rated in is high. On the scale of 1-10 of Pepsi cola brand 14.00 percent rated it is low, 60.00 percent rated it is medium and 26.00 percent rated it is high. From these we conclude that both the brands advertising are medium.

When Chi-square test (annex 8) shows that the calculated value is 1.075 and the tabulated value at 5 percent significance level is 5.99. Here tabulated value is greater than calculated value. So, null hypothesis is accepted i.e. the rating scale of coca cola and Pepsi cola by consumers are independent.

### 4.24 Stores for Cold Drinks

The researcher analyzed the responses of consumers to show domination of a particular store over other stores. Preparing Table 4.24 has made the interpretation of the analyzed data.



**Table 4.24**  
**Store from where Consumers Found Cold Drinks**

Types	No. of Respondents	Percentage
Cold store	44	22.00
Retail store	123	61.50
Departmental store	12	6.00
Restaurant	16	8.00
Hotel	5	2.50
Total	200	100.00

*Source: Field Survey, 2009.*

The above table shows that among 200 respondents, 22.00 percent respondents are preferred cold store for drinking cold drinks, 61.50 percent preferred retail store, 6.00 percent preferred department store, 8.00 percent are on the favor of restaurant and 2.50 percent are on the favor of hotel. From these data we conclude that, more people of this level preferred retail store. So retail store is the best store for cold drinks.

#### **4.25 Reason for Preferring the Store**

In order to find out the reasons of preferring the store, the researcher had prepared separate questions. Obtained differential responses. These responses are shown in Table 4.25.

**Table 4.25**  
**Reason for Preferring the Store**

Reasons	No. of Respondents	Percentage
Because this is near to me	98	49.00
Because I found all other necessary things there	84	42.00
Because all persons preferred this place	12	6.00
Other	6	3.00
Total	200	100.00

*Source: Field Survey, 2009.*

Reasons for preferring the stores are important factor on consumer behavior. Different types of consumer have different types of thinking about stores. Above table shows the data relating to reasons. Among the 200 respondents 49.00 percent prefer store because of its nearness, 42.00 percent prefer store because they found all other necessary things there, 6.00 percent prefer because all persons preferred this place and rest prefer for other reasons. From this we recommended that cold drinks are suitable on that store where consumer found all necessary things there.

#### 4.26 Data on Sales of Cold Drink

The business in Nepal is becoming complex day by day. Several business companies are being established in Nepal, producing similar products, with their won brand. For increasing their market, these companies are also taking the advantages of sales promotion. They try to be strong in distribution system, which plays vital role in raising sales. If distribution is good, the customers who have brand awareness will never shift to another brand because they will find their brand easily whenever they want. Hence, the distributor plays the vital role for each and every company in increasing their market share. So, researcher collects the information for distributors' sales survey and responses are obtained as follows.

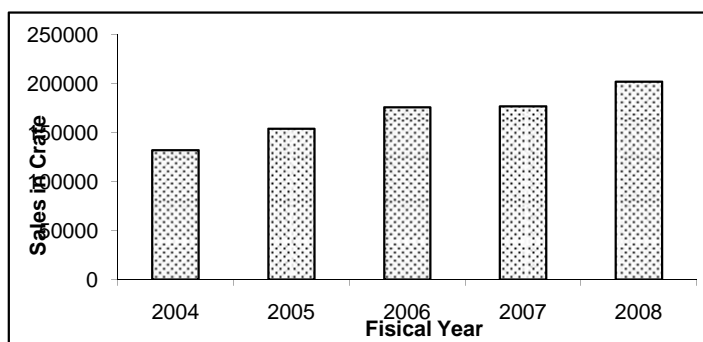
**Table 4.26**  
**Sales Data of Coca Cola Group**

Year	Sales
2004	132000
2005	154000
2006	176000
2007	177000
2008	202000

*Source: Suvechha Distributors, Kirtipur (one crate = 24 bottles)*

This sales record shows the coca cola group is gradually increasing its market.

**Figure 17**  
**Sales Data of Coca Cola Group**



*Source: Field Survey, 2009.*

#### **4.27 Sales Data of Pepsi-Cola Group**

**Table 4.27**  
**Sales Data of Pepsi Cola Group**

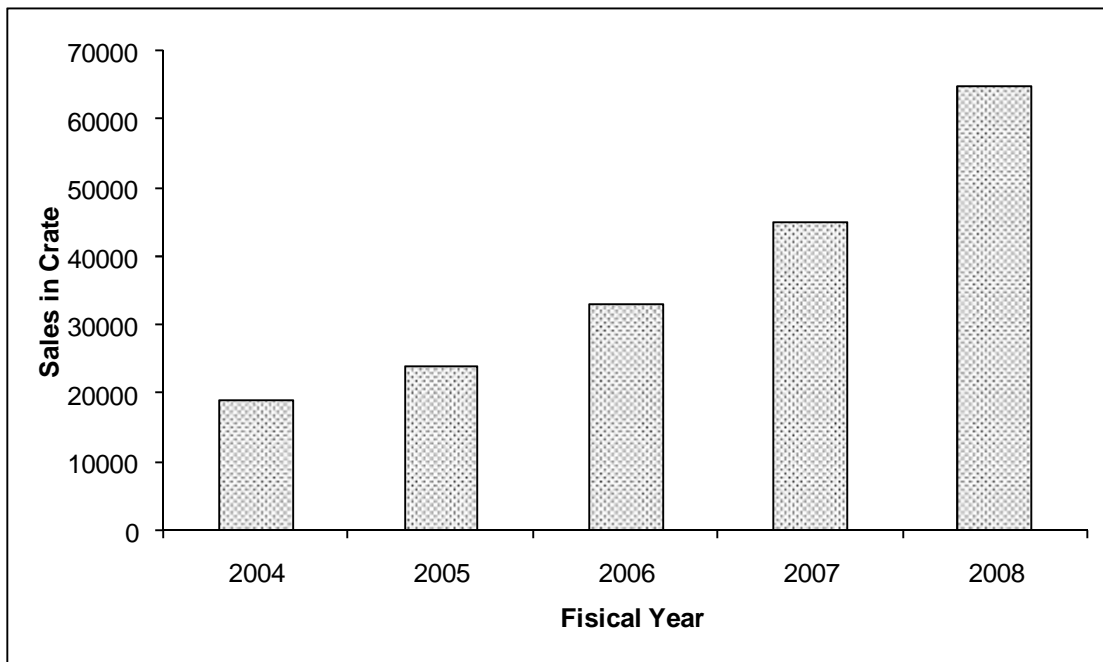
Year	Sales	<b>In crate</b>
2004	19000	
2005	24000	
2006	33000	
2007	45000	
2008	65000	

*Source: Prakriti Distributors, Pangadobato, Kirtipur*

*(one crate = 24 bottles)*

This sales record shows the coca cola group is gradually increasing its market.

**Figure 18**  
**Sales Data of Pepsi Cola Group**



*Source: Field Survey, 2009.*

In 2005 sales of pepsi cola is only 24000 crate. In 2006 its sales has gone 3300 crate likewise in 2007 sales has reached 45000 crate and in 2008, it achieve its target on 65000 crate. Every year pepsi provide any one special promotion programme freeze, free drink, coupon, contents and other various program has done by the company. So pepsi has increased its sales every year.

#### **4.29 Major Findings of the Study**

The following are the Major Findings of the Study.

1. According to sales data provided by the distributors, coca-cola is much more popular than pepsi-cola in Kirtipur. Though market growth rate of pepsi is higher than coca-cola, it is quite feeble in terms of a total sales status.
2. Coca cola brand has its domination over Pepsi cola and other brands, which reflect from the respondents of age group 15-24, 24-

- 35, and 35-44 and Pepsi cola brand has its domination over coca cola and other brands of age group 45-54 and 55 and above.
3. All of the respondents above frequent drinking habit and there is no difference between the drinking habit of married and unmarried consumers.
  4. Coca cola brand is the most preferred brand of cold drinks in Kirtipur Municipality. It has greater market share than the Pepsi cola brand and other brands according to consumers viewpoint.
  5. Pepsi cola brand is popular among male and coca cola brand is popular among female.
  6. Coca cola brand has its domination over Pepsi cola and other brands on education groups, high school, graduate and masters level and the consumer of higher secondary education level preferred both the brand equally.
  7. Most of consumer's government service holder, teacher, businessman and students prefer coca cola brand and Pepsi cola is more popular among private service holders.
  8. Most of consumers drink once a day, they buy only one unit of cold drinks at a time and they take decision during buying.
  9. Most of consumers prefer cold drinks according to brand name but product quality and taste are the second and third factors to be considered.
  10. Coca cola is the most favored product among coca cola brand and Pepsi cola is the most favored product among Pepsi cola brand.
  11. There is a brand loyalty on cold drinks. Consumer bought alternative brand in absence of preferred brand in the market.
  12. Most of consumers thought that both products have good image.
  13. Most of consumers do not want to switch the current brand but among those consumers that want to switch the brand like to have new taste.
  14. Most of consumers have self - decisive power.

15. Except satisfying thirst of consumer the cold drinks in is suitable beverage to company for other foods and to join with friends.
16. All consumers get information from media. Advertising plays the important role on product positioning and it also helps to take normal decisions.
17. Television is the most popular media of advertising for the cold drinks, which can easily attract the consumer on each company's cold drinks.
18. Both brands' advertising is medium on rating scale.
19. Expression is more attractive of coca cola and Pepsi cola advertising on Television and sound is more attractive of both brands advertising on Radio.
20. Cold drink is suitable on that store where consumer found all necessary things. Retail store is the best store for cold drinks.
21. Hypotheses tests show that, there is no significant difference between the views expressed by coca cola and pepsi cola consumers; There is no correlation in the ranked data between male and female; the attitude towards coca cola and Pepsi cola is not guided by the image of cold drinks; and the rating scales of coca cola and Pepsi cola advertising by consumers are independent.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary**

This research aims at studying market situation of coca-cola and pepsi-cola brand in Kirtipur Municipality. Analysis of market situation is important to all the marketers, who are producing consumer goods. The topic of this study is "Market Situation of Coca-Cola and Pepsi Cola brand in Kirtipur Municipality" An attempt is made to find out brand preferences of consumers and the factors that develop such preferences, role and advertising in product positioning from the consumers' prospective, the best media of advertising for cold drinks, examination of the consumption patterns of cold drinks, best store from where consumers buy cold drinks, market leaders of cold drinks in Kirtipur Municipality from consumers view point and provide suitable suggestion. For the purpose of the study, null hypothesis was developed. The null hypotheses were: there is no significant difference between the views expressed by coca cola and Pepsi cola consumers; there is no correlation in the ranked data, the attitude towards coca cola and Pepsi cola is not guided by the image of cold drinks; and the rating scale of advertising of coca cola and Pepsi cola by consumers is independent. To avoid the chances of duplication in the study and to confirm whether the study is in accordance with the principles and doctrines, supportive texts and the previous dissertations have been reviewed.

200 consumers as samples for the study are taken from Kirtipur Municipality. A questionnaire consisting questions were administered to the respondents. The data obtained from them were analyzed using percentage; chi-square test, rank correlation and charts.

The test of hypotheses reveal some important facts the first fact is that the different age; sex, occupation, and education groups of consumer have the same type of behaviour on both the brands Pepsi cola and coca cola. It clarifies that there is no significant difference between the views expressed by coca cola consumers and pepsi cola consumers. Similarly there is no correlation in the ranked data between male and female, the third fact clarifies that the attitude towards coca cola and pepsi cola is not guided by the image of cola drinks and the rating scale of coca cola and pepsi cola advertising by consumers are independent.

The percentage analysis reveals that among 200 respondents 50.5 percent preferred coca cola brand, 43.5 percent preferred pepsi cola brand and rest preferred other brands. Consumers consume cold drinks once a day, twice a day and thrice a day and their percentage are 79.5 percent, 16 percent and 4.5 percent respectively. Consumers choose cold drinks according to brand name but product quality; taste, product availability and packaging are not ignored. Most of consumers take decisions during time of buying and some take pre-buying decisions. Consumers give different views for future prospects of using particular brand. Among the total respondents 37 percent respondent strongly chance, 23 percent said there is no chance of buying next time, 21 percent said their chance is absolute and 19 percent said slightly possible. Similarly, most of consumers do not want to switch the current product but some have intention of brand switching. Among them, 59.7 percent desire to switch for new taste, 19.4 percent switch because of unavailability of product, 11.94 percent switch for other reasons and 8.96 percent switch for offer. Consumers who want to drink coca cola and pepsi cola except satisfying their thirst are, to join with friends, for entertainment, company for others food and to show others. Relating to obtaining information, consumers



depend on different media (T.V, newspaper, Radio, hoarding board and others) TV is popular media among them. Advertising plays an influential role on decision - making. Consumers watching TV and listening Radio prefer the time especially before the news broadcast Consumers purchase cold drinks from different places. Most of them (61.55%) purchase from retail store, 22 percent from cold store, 8 percent from restaurant, 6 percent from department store and 2.5 percent from hotel. They choose these stores because they think these are suitable and convenient places.

## **5.2 Conclusion**

1. Overall conclusion of the study tells that coca-cola brand is much dominant over pepsi-cola brand in Kirtipur in terms of consumers' view point as well as sales situation data provided by the distributions'.
2. Consumers are found to purchase cold drinks mainly on the basis of brand name followed by product quality, taste, product availability and packaging.
3. Most of the consumers prefer coca-cola brand in terms of taste, quality and packaging. But some of the special groups like older population preferred pepsi-cola brand. The most of the consumers perceive advertising of the both brands are moderately effective.
4. Overall market situation of coca-cola brand interms of sales, advertising effectiveness, consumers loyalty is better than pepsi-cola brand.
5. Coke factory is also established in Balaju Industrial Area. After establishing this, the cold drinks of coca-cola brand are more popular than other soft drinks.

### 5.3 Recommendations

On the basis of major findings or conclusions some important suggestions have been forwarded so that they will help the sampled organizations.

- a. Consumers are highly aware of brand. At the pioneering stage, advertising is the only one tool, which reaches the mass audience economically. Television is only one media that covers large area and broadcast influential advertising soundly. So marketers of the sampled products are suggested to advertise their product through television.
- b. Most of consumers are found brand loyal even though their loyalty is not so strong and entrenched. If they do not get the desired brand, they use alternative brand. In this case, brand loyalty is broken by the unavailability of the product. So the marketers are suggested to pay proper attention on their distribution places.
- c. As consumer behavior is highly affected by products manufactured with the help of better technology, the sampled organizations should produce in accordance with consumer demand for which they may adopt effective opinion survey.
- d. Consumers of age group 15-24, 25-34 and 35-44 preferred coca cola brand and age group 45-54 and 55 and above preferred pepsi cola brand. So, coca cola company should try to pay proper attention towards those consumers who do not prefer their brand whereas pepsi cola also try to pay proper attention towards consumers of age group 15-24, 25-34 and 35-44.
- e. Although majority of female respondents prefer coca cola brand, the company should not ignore attempts to boost up male

preference by tracing out prime causes which have made effect on such a contrary behavior between males and females choices.

- f. Although majority of male respondents prefer Pepsi cola brand, the company should not ignore attempts to boost up female preference by tracing out prime causes which have made effect on such a contrary behavior between males and females choices.
- g. It is suggested to both coca cola and pepsi cola companies to control consumers' switching habit through increased regulation of products in store.
- h. In order to make advertising more effective, it is suggested that producer should broadcast their advertising at news time both on Radio and Television. While using printed media advertising should be on front page of newspaper.

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