

# **Chapter - 1**

## **Introduction**

### **1.1 Background:-**

Nepal, previously known as a Hindu state with deep-seated monarchy, has recently been changed into a Federal Democratic Republic. As the country is located on the southern slopes of the great Himalayas, its beauty and glamour always remain a source of attraction for visitors & nature lovers. Tibet, an autonomous region of People's Republic of China lies in its north, the Indian States Sikkim & West Bengal on its east, Bihar on its South and Uttar Pradesh stand on its west.

Nepal is a small country with nearly 25.1% million people. It is a multilingual, multiracial, multireligious and multioccupational country. According to Census report of 2001, it has become a very fertile land for languages & more than 92 languages are spoken here. About 82% of the total population derives livelihood from agriculture & rest depends on other sectors.

Marketing, in essence and spirit, is related to the production, distribution and sales of trade. It enables an organization to know what the customers really need and want and what products are to be made to meet both the necessity of customers & promotion of the sales. Today's marketing environment is characterized by globalization, technological change and intense competition. Successful marketers are those who deliver what customers are willing to purchase as well as ability to purchase. For this reason marketers today conduct many research and development to study consumer behavior so as to recognize why and how individual make their consumer decisions. Once it is understood marketer become able to predict and shape their marketing strategies accordingly. Definitely marketers who understand markets and consumer behavior have great competitive advantage in the market place. So it is obvious that a producing organization or manufacturer must determine the attitudes, needs & wants of their customer first and then bring products in the markets accordingly.

According to Prof. Philip Kotler "Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with other."

Likewise Prof. William. J. Stanton defines marketing as "A total system of business activities designed to plan, price, promote and distribute want satisfying products to target markets to achieve organization objectives." Similarly American Marketing Association defines marketing as "The process of planning and executing this conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individuals and organizational objectives." The main focus is being on consumers need satisfaction as well as marketer's profit.

Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, protect and enhance brands. Marketers say branding is the art and cornerstone of marketing." A brand is a name, term, sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

A brand is an offering from a known source. A brand name carries many associations in the minds of people. These associations make up the brand image. All companies strive to build brand strength- that is, a strong, favourable brand image. Smart companies, when they first became acquainted with the product category and brands, what their brand beliefs are, how they are involved with the product, how they make their brand choices, and how they are satisfied after they purchase.

Therefore the above definitions of marketing suggest that it consists some activities consisting of study of consumer needs product, price, place and promotion to facilitate exchange and brands that satisfies individual as well as organizational objectives within the social and marketing environment prevailing today. The consumer or customer gets the product he\she wants and the manufacturer or marketer gets the profit with satisfaction. This highlights the importance of product is the whole process of marketing

mix. It is more than goods and services as people think it to be. A product consists of goods, services ideas, experience, events, place, personality and organizations.

Prof. Philip Kotler defines a product as "Anything that can be offered to a market to satisfy a want or need."

Research area selected for our study is Birgunj, which is a big commercial hub of Nepal. Being the most populated district, it may prove to be the most suitable area for the purpose of our research. Since, most of the modern hotels, restaurants and bakeries are also situated in Birgunj. The consumption of the cold drinks is found to be in big volume. As such, the survey held in the process of our research reveal the true characteristics of the (Pepsi and Cock) drinks available in the markets. At the same time the results derived by the research are appreciable to the whole country.

### **Multinational Company**

The multinational companies (MNC's) are also known as Transitional Corporations (TNC's) and International or Global Corporations. The business enterprises which have their headquarters in any one country and operate business in other countries as well as called multinational companies. These companies like Europe, Australia, and South America. The activities of these companies range from the production of mineral, tea, rubber, coffee, soft drink (Coke & Pepsi) exploration and production and processing of oil to the production of goods and service activities like banking, insurance, shipping hotel etc. According to Michael P. Torado, "Multinational Company is simply defined as a corporation or enterprise that conducts and controls productive activities in more than one country." According to Sanjay Lall and Streeten," Multinational companies are very large firms with widespread operations which are clearly international in character and have more than five foreign subsidiaries or more than 15 percent of total sales produced abroad and acting in cohesive manner to achieve maximum profits or growth."

The investment made by multinational companies has increased dramatically since early 1980s. Due to this the world market has become very competitive these companies are involved in controlling assets and managing production activities in foreign countries. According to Mallampally and sauvant since early 1980s the world foreign direct

investment made by 54,000 MNCs has increase more rapidly than world trade or world output. During 1980-97 the outflow of foreign direct investment (FDI) increased in the average rate of about 13 percent per annum. In 1998, the inflow and outflow of global turnover 3.4 billion dollar in 449,000 foreign affiliates. The sale proceed of foreign affiliates has reached about 9.5 billion.

United state is the most important home country with 44 of the 100 largest corporations. Japan is second with 18. Other important home countries are Germany (17), Britain (6), France (5) and South Korea (4). Of the. largest MNCs 6 are based in U.S firms exercise control over about 30 percent of all foreign affiliates.

The FDI has not only increased in volume but also has widely dispersed in home (outside investors) and host or recipient countries. Of the total FDI inflows the share of developing countries was 26 percent in 1980, which increased to 37 percent in 1997. Similarly, of the total outflows the share of these countries was 3 percent in 1980, which increased to 14 percent in 1997. The main source of the FDI is the firms of the industrial countries. However, the direct investment of the firms of developing countries has nearly doubled since 1980. The industrial countries as a group have attractive a large part of such investments. But due to the increasing attraction of the developing countries as the investment destinations their share is decreasing. Among the developing countries Asia had received 22 percent, Latin America and Caribbean 14 percent and Africa 1 percent of FDI in 1997.

The origin of the MNCs need not necessary be in developed countries as thought in the past. Such companies are increasing even in the developing countries. The MNCs have entered in water resource, banking and insurance companies of Nepal. Some of the MNCs operating in Nepal are Surya Nepal companies, Colgate Palmolive Nepal, Sitaram Gokul Mills, Nepal Lever Limited, Asian paints, Pepsi cola, and coca cola companies. It is mentioned that of the total export to India from Nepal. The share of MNCs is about 30 percent. Such industries have provided direct employment to more than 1000 persons. But the share of foreign investment in total investment is only about 0.1 percent.

Coca-cola Company is also one of the worldwide multinational companies. It exists to benefit and refreshes everyone it touches. Founded in 1886, our company is the oldest leading manufacturer, marketer, and distributor. Non alcoholic beverage concentrates in syrups, used to produce nearly 400 beverage brands. Our corporate headquarters are in Atlanta (USA) with local operations in over 200 countries around the world.

Coca-cola Sabco operates in seven southern & East African countries and five Asian countries and employs more than 9,000 people. It operates 27 bottling plants and aims to fulfill the requirement of more than 290 million consumers that live in its markets. It is a proud emerging markets Anchor bottler.

Coca-cola, imported from India, was first introduced into Nepal in 1973, with local production of Coca-cola beginning in 1979.

Bottlers Nepal Limited (BNL) is the only bottler of Coca-cola production in Nepal and has two bottling plants, namely Katmandu (BNL) and Bharatpur (Bottlers Nepal Terai Limited) which is 160 km from Katmandu, its capital. The Katmandu operation started with 85 BPM in 1979 and currently has two lines, 220 BPM in operation since 1985 and 430 BPM running since 1997.

The Bharatpur (Terai) plant has one line of 350 BPM, which has been in operation since 1987. BNL, employs 337 permanent staff, leads the carbonated soft drink segment with a market share of 82% amongst a population of 23 million. The annual per capita consumption is; CSD industry 7; and KO 5.8.

The marketing sales & distribution strategy for Bottlers Nepal Limited is entitled "Refresh the marketplace" and includes:

A robust consumer response system to address any consumers/customers concerns, ideas, suggestions- either on product and its quality or on stock supply maintenance of equipment etc. All consumer concerns are dealt with in a fair, timely and friendly manner, so as to satisfy them and resolve their concerns.

# Marketing and advertising communication are focused on POS (point of sale), Radio, TV, Hoardings, Truck backs etc. Emphasis is also placed on consumer price to enforce price compliance.

# Marketing and advertising communications are customized to suit to local sentiments-social, religious, ethnic.

# Innovative package and package sizes are offered to give better value to consumers and ease of storage to retailers.

# Price and packs are introduced in a format that is affordable to all segments of society.

The approach by the Nepal operation to environmental issues is guided by a simple principle to conduct their business in ways that protects, preserve and enhance the environment.

The fully automatic Effluent treatment plants (ETP) are established in both its plants and have been operational since 2001, to protect the local environment as well as meet the standards of the coca-cola quality system ( TCCQS )

BNL is committed to strengthening the community through various programmers. At the forefront is the health sector with the lowest per capita public health expenditures in the world, the state of medical facilities available to the poor in Nepal is abysmal. The country is affected by outbreaks of communicable diseases because hygiene and sanitation facilities are scarce.

In association with the local community, BNL supports free health check-up clinic I at Bharatpur. The health centre is managed by a qualified MBBS doctors and I trained paramedics, who extend free check-ups communities around the plant in the Terai area. The facility has thus far helped over 600 families get the best medical attention locally. Senior citizens are the main beneficiaries.

## **General information about BNL**

Bottling plants	:	2
Location	:	Kathmandu and Bharatpur
Numbers of employees	:	1000 (Nearly)

## **Country information**

Capital	:	Kathmandu
Population	:	25.1 Million (Approx)
Business language	:	Nepali
GDP	:	28 Billion (Approx)
GDP per capita	:	\$2.5 (Approx)
Currency	:	Nepalese Rupee
Time zone	:	Currency converter Company Media Contact Points

## **Leadership**

- ) Country manager
- ) Demand Creator
- ) Market Execution
- ) Demand Fulfillment
- ) Human Resources
- ) Performance Finance

### **1.2 Purpose of the study**

The present study focuses on the marketing of coke and Pepsi in Birgunj. Normally three drinks are perceived by consumers as alcohol free drinks. Cold drinks are sold in bottles, Plastic, Container or cans. The people in this locality have the feeling that three drinks are cold drinks & therefore are to be used in the hot season only. Naturally the demand of these drinks are far more higher in the summer season as compared other seasons.

Marketing in its true sense helps to increase effective demand for a product through the reduction of distribution of 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 buy and produce goods. It helps in rising 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 programmed that concentrates only on production will be less effective than a programmed that recognized the contribution of marketing.

This study will examine the present marketing strategies of Coke & Pepsi in Birgunj and try to find out the marketing variables affecting the Coke & Pepsi. The research also focused on the role played by image, & usage trend of Coke & Pepsi in Birgunj.

The present study purpose is to examine the marketing of Coke & Pepsi in Birgunj. The specific purposes of study are as follows :-

1. To examine the consumers' perception and behaviour in the purchase of Coke & Pepsi in Birgunj
2. To find out the level of awareness in terms of brand, their status and attitude towards different brands.
3. To evaluate the distribution network and marketing strategies of Coke & Pepsi Companies in Birgunj.
4. To evaluate the impact of advertisement and sales promotion schemes of Coke & Pepsi producers.
5. To identify consumers profile and their reference of Coke & Pepsi in the study area.



### **1.3 Statement of Problem**

The growing interest of customers of cold drinks has created a tough market competition in Birgunj today. As a result, marketers have to adopt a variety of marketing tools and techniques in the market place. The manufacturers use different types of advertisement in different media. As a result of competition between new established companies, industries are developing rapidly. This development in the industrial sector has provided varieties of different type of product, to the Nepalese consumers. Every product is made for the fulfillment of some needs and wants product are used or consumed by the customers in different way and in different occasions. Customers want different attributes from the same product. Therefore, usage pattern, brand positioning and brand image are also important to be taken into account. The Nepalese consumers are provided with different brands and they are quite free to choose the one they think the best. We can see different brand of cold drinks in market just as Pepsi, Coke, Miranda, Fanta, Sprite, 7'up, slice, Lemon Fanta etc. The competition is very tough in the Coke & Pepsi market demands are cold drinks are increasing day by day and many new companies are emerging to fulfill the demand. However, the new brands they are not in the stage to compete with coca-cola and Pepsi products.

Coke & Pepsi are the heavily advertised products. Large amount of money is spent on the promotion of cold drinks. Yet very few companies are found to measure the effects of their advertisements. It is essential for companies to know about their consumers, their choice and preferences. For regular sales and distribution of Coke & Pepsi we must know about 'which is the best advertising media.' Which advertising media can be more effective? Therefore, the problems encompassed by this study are as follows :-

1. What is the consumers' perception and consumption behavior of Coke & Pepsi Birgunj ?
2. What are the usage trend of Coke & Pepsi ?
3. What status Coke & Pepsi carry in consumer's mind ?
4. What type of distribution network exists in the study area for marketing of Coke & Pepsi ?
5. What are the marketing strategies being adopted by the marketers of Coke & Pepsi ?

6. What type of impacts have advertisements made on the sales of cold drinks in the study area?
7. What are the effects of sales promotion schemes on sales of Coke & Pepsi in the study area?

#### **1.4 Importance of the study**

The trend of globalization has made the field of marketing very competitive as well as challenging today. Most marketers are facing the problem of not getting target market share over stocking competition. Different type of product with large number of alternative brands is available in Nepalese cold drinks markets. In this situation, success of an industry depends on the successful marketing of its products. So it will be provided us to know about consumers' taste, choice, preference and loyalty attitude, image of certain products and consumption behavior. The manufacturers may use the findings from this study and marketers of cold drinks to understand better about their consumers and thereby design better marketing strategies for the study area.

#### **1.5 Limitation of study**

This study has been confined only to Birgunj, so it may not represent to all Nepalese Coke & Pepsi markets. The study has been predominantly based on primary information data collected through a questionnaire survey of limited number of individuals, hotels and retailers. Therefore, the findings of this study are affected to some extent by the small size of the sample.

#### **1.6 Research methodology**

Research methodology is a way to systematically solve the research problem. In words, it describes the method and process applied in the entire aspects of the study. Research methodology comprises of methods, tools and techniques to analyze the data for the comparison various type of Coke & Pepsi in the Birgunj and also shows the status of various type of cold drinks which individuals are preferred. The objectives of the study are to examine the marketing usage pattern, attitude and image of Coke & Pepsi in Birgunj area. In this study, the necessary relevant primary data have been collected from the sample individuals' consumers, hotels and retailers to achieve the goals.

## **1.7 Organization of the study**

According to the generally format, this study has been organized into five different chapter.

Chapter-I : introduction

Chapter-ii : review of literature

Chapter- iii: research methodology

Chapter- iv: data presentation and analysis

Chapter- v : summary, conclusions and recommendations

The first chapter deals with the introductions that includes background, purpose of study, statement of problems, importance of study, limitation of study, research design, population and sample, research methodology and organization of study The second chapter provides review of literature that includes lightly concept of market, marketing, marketing system, marketing environment, marketing mix, marketing strategy, attitude, image and usage pattern.

Research methodology utilized for the study has been incorporated in the third chapter. It deals research design, population and sample, nature and sources of data, data collection procedures and data processing and analysis.

The fourth chapter presents the data presentation and analysis, related with individuals consumers survey, hotels and retailers survey and major findings of the study.

The last five chapters show the summary, conclusions and recommendations of the study.

The bibliography and appendices are presented at the end of the study report.

## Chapter – 2

### Review of Literature

#### 2.1 Introduction

Review of literature occupies an important role as it tries other research in the area of the problem has already been done. A critical review of literature helps the researcher to develop a through understanding and insight into research works that relates to the study the researcher has pursued it is also way to avoid investigating problems that have already been definitely answered. So for no research work has been conducted on this specific topic.

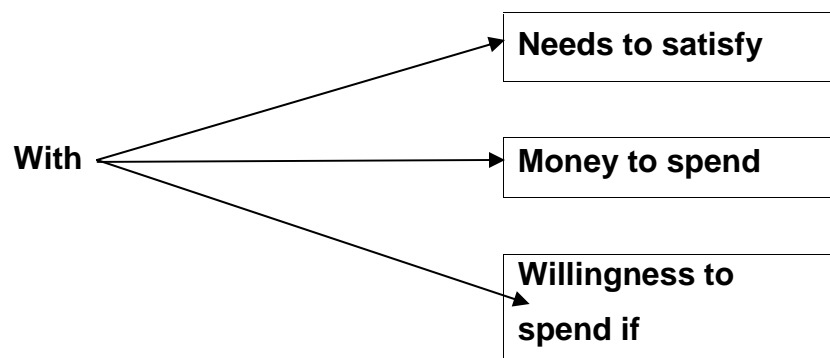
#### 2.2 Conceptual framework

##### 2.2.1 The market

The term marketing has a number of usages in economy theory and in business in general. A market may be defined as a place where buyers and sellers meet, product or services are offered for sales, and transfers of ownership occur. A market may also be defined as the demand made by a certain group of potential buyers satisfy, money to spend, and the willingness to spend it. Thus in the market demand for any given product or service organization with wants their purchasing power and their buying behavior.

#### Figure – 1

A market is people or organization:



“ A market consists of all the potential customers sharing a particular need or want that might be willing and able to engage in exchange to satisfy that need or want.”<sup>2</sup> “A market represents the aggregate demand of the buyers and potential buyers for a product or services over a specific period of time.”<sup>3</sup>

1. W.J. Stanton, Fundamentals of Marketing, Practice Hall, PP-31
2. Philip Kotler, Marketing Management, Practice Hall, Ninth edition, PP-13
3. Victor P. Bluell, Marketing Management, PP-18

Market is a group of individuals or organizations who may the goods offered for sale and who meet these three additional criteria.

- a) Member of a market must have the purchasing power to be able to the product being offered.
- b) Market members must be willing to spend their money or exchange other resources to obtain the product.
- c) Market members must have the authority to make such expenditures.<sup>1</sup>

### **2.2.2 Marketing**

"Marketing consists of all business activities involved in the flow of goods and services from the point of initial production unit they are in the hands of the ultimate consumer. Thus, agriculture marketing is a process by which the producer and buyer of agriculture goods are brought together"<sup>2</sup>

"The marketing process establishes forward linkages for agricultural activities, that is, it provides economic rewards for the production process. It includes not only storage and transportation activities of the middleman but also encompasses all activities linking the consumer and the producer."<sup>3</sup>

"Marketing is the process of planning and executing the conception, pricing, promotion and distribution of goods, service and ideas to create exchanges with target groups that satisfy customer and organizational objectives."<sup>4</sup>

A marketing programmer plays a crucial role in the physical distribution of any product. Therefore each and every firm should have marketing system for channel the product to the market, to satisfy customer needs and wants. Sometimes they have to face the marketing problems of capturing the market and creating goodwill.

A more modern definition in tune with greatly expanded productive capacity might emphasize the adaptation of production facilities to the market. Specifically marketing might be defined as the response of businessmen to consumer demand through adjustment" in production capacities. Adjusting production, accounting, financing and marketing in the light of the changing needs of consumers who are affluent enough to have varied buying choices. "Marketing is concerned with designing an efficient and fair system which will direct an economy's flow of goods and service from producers to consumers and accomplish the objective of the society."<sup>5</sup> "Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others."<sup>6</sup> "Marketing can be defined in a simple manner as the activities done to deliver the product from the place of production to the consumption. It means that marketing is

1. Kotler, Op.Cit.PP-9
2. Zikmund & d' Marketing, pp-84
3. Macmillan Dictionary of Modern Economics. Fourth Edition, PP-117
4. Ibid, P-117
5. Philip Kotle.,Op.Cit.(8<sup>th</sup> ed.),P-13
6. E. Jerome McCarthy, Basic Marketing, Fifth-Edition, P-18

the process of the transfer of ownership of the product in exchange of something of value."<sup>1</sup>Different authority defines marketing in different ways. "Marketing is the exchange taking place between consuming groups on the one hand and supplying groups on the other." "Marketing is concern with regular label, timing and character of demand for one more products of an organization."<sup>2</sup> "Marketing is human activity directed at satisfying needs and wants through exchange processes."<sup>3</sup> "Marketing is the anticipation, stimulation, facilitation, regulation and satisfaction of consumer and publics demand for products, services, organization, people, place and ideas through the exchange process."<sup>4</sup> In light of above definitions, it can be concluded that marketing is a process of delivering

goods and services produced to satisfy the needs of consumers to the consumers in an effective way so that the objectives of the producers by making it possible to sell their produces are fulfilled. Marketing thus satisfies the objectives of the producers by making it possible to sell their products on the market in one hand and on the other hand helps consumer to get to the maximum of satisfaction by providing goods and services for their consumption. In the modern marketing era every marketers should understand the consumer's needs. Successful marketing understand consumer taste, quality and choice. If there is no satisfaction of consumer that product doesn't give good result. For consumer satisfaction, the product that is available easily and everywhere than customer attract in that product easily.

### **2.2.3 Marketing System**

A system is a set of units with relationships among them. Marketing is a total system of business activities designed to plan, price, promote and distribute, want- satisfying product to target market to achieve organization objectives. "The concept of marketing system is given by the system approach to marketing based upon the work of Bertalanfy." The term marketing system consists of two separate words "marketing" and "system". Marketing is a human activity directed at satisfying needs and wants through exchange processes. On the other, the term "system "means regularly interacting group of activities forming a unified whole. In other words, system means systematic or regular flow of any thing directed at fulfilling basic goals. "Marketing system deals with the smooth functioning of the marketing activities for the fulfillment of the consumer needs and wants. If a marketer fails to do so, then one must know that there is something wrong with the marketing organization. And, in the situation no marketer can work successfully. So the marketing manager must be able to analyze the marketing system in a systematic manner."<sup>5</sup>

1. Wroe Alderson, Marketing Behavior and Executive Action, Home Wood Richard D.Irwin, 1957, PP-42
2. Kotler, Op.Cit (4<sup>th</sup> Ed) PP-19
3. Joel R.Evans & Barry Berman, Marketing, PP-7
4. K.D.Koirala, M.K. Publishers, 1992, PP-11
5. Wroe Alderson, Marketing Behavior and Executive Action, Home Wood Richard D.Irwin, 1957, PP-42

#### **2.2.4 Marketing Environment**

"Marketing is an outside organization but potentially relevant to the firm's market and marketing activities. It consists of the factors that affect the firm's ability to develop and maintain both the successful transactions and the relationships with its target customers."<sup>1</sup>

"The marketing environment consists of external forces that directly or indirectly influence an organization's acquisition of inputs and generation of outputs. Examples of inputs include skilled personnel, financial resources, raw materials and information. The output should be information, package, goods, services or ideas."

"The marketing environment as consisting of six categories of forces: political, legal, regulatory, societal, economic and competitive, and technological."<sup>2</sup> In this sense, marketing environment lays upon limits or constraints on the firm's marketing activities, such as, marketing information system, marketing planning system, implementation system, control system, production activities, pricing, promotion, placing etc. The effect of marketing environment cannot be measured in term of expectations, assumptions and predictions but in terms of goal achievements. That's why; investing a huge amount of time, money, energy, etc has become a new life style of almost all marketing enterprises. The key to marketing success lies more now than ever on knowing what a firm is, what it is in the competitive environment and who its competitors are.<sup>3</sup>

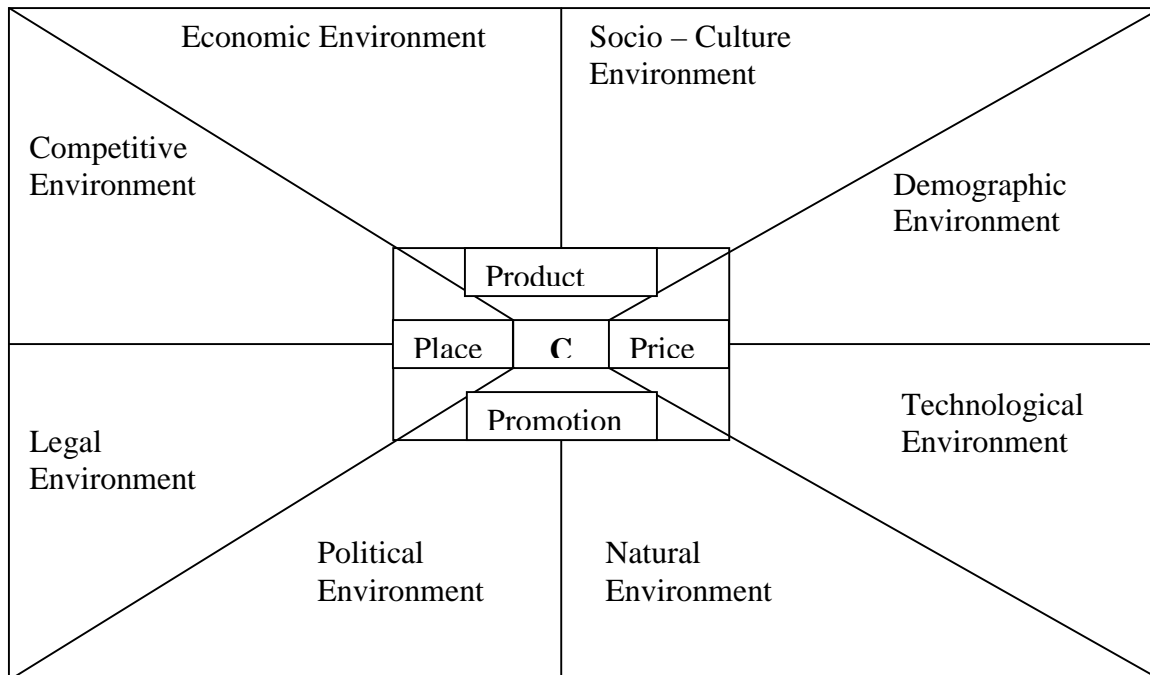
The company's decision is directly affected by the marketing mix and the marketing mix decision is affected by the marketing environment. Therefore, while deciding marketing mix, a comprehensive study and analysis on marketing environment must be made the decision more effective and suitable marketing environment includes forces such as economic, socio cultural, demographic, technological, political & legal natural etc.<sup>4</sup>

"Marketing system deals with the smooth functioning of the marketing activities for the fulfillment of the consumer needs and wants. If a marketer fails to do so, then one must know that there is something wrong with the marketing organization. And, in the situation no marketer can work successfully. So the marketing manager must be able to analyze the marketing system in a systematic manner." •



1. Shrestha, Shyam K., Marketing Strategy and management PP- 7
2. Terri, George R., Principles of management. Bombay: Taraporebala Publishing. 1977, PP-56
3. Pride & Ferrell "Marketing concept in strategy" 6<sup>th</sup> ED, PP-41
4. P.R. Baradarajan, (Eds.) Business of Marketing in India, Jaico Publishing House, 1995. PP-71

Figure-2



The important of marketing environment to the management has been increasing these days than even before, because there are several opportunities and threats or challenges within the marketing environment, which should be, forecasted and rightly analyzed by the marketing manager to enjoy the opportunities. A successful marketer is one who can appropriately analyze these forces. A successful marketer can acquire several opportunities through these forced amid successfully run business.

### 2.2.5 Role of marketing in industrialization

Industrialization is the impetus of overall development of country. Today industrialization is considered as synonymous to development. The countries, which are industrialized, are

developed too and vice versa? Many countries which we say the most developed countries like UK, USA, INDIA, JAPAN, CHINA etc. have been fully industrialized and the countries which are developed or developing are also stepping gradually head toward that direction. A developing country is not exception to this phenomenon of the world as like Nepal.

Marketing plays a very significant role in acceleration the pace of industrialization, which in turn, aims at making the economy developed and strong. In this connection, it is significant to note that marketing is the most important multiplier of economic development. The development of marketing makes possible economic integration and the fullest utilization of assets and productive capacity an economy already possesses. It mobilizes latent economic energy and finally contributes to the greatest needs that for the rapid developing of entrepreneurs and in managers.

Marketing plays important role in the process of industrialization. The proceeds of industrial activity are passed on the society through the process of marketing. Hence, the success or failure of business largely hinges upon the art and science of marketing, which is composed of explorative knowledge, tact, and talent of veteran practitioners.

1. Kelly, Egene J and Lazar William, Managerial Marketing Richard D. Irwin INC, 1972 PP-616

In the global market, the multinational companies like Sony, Hitachi, Philips, Tata and Birla, the Bajaj India, Thai Foods(Wai Wai), Bottlers Nepal and many others have been permeating throughout the world with the help of modern marketing practices and methods. Marketing in this sense has made the producers as well as the customers more conscious toward comparative service, values, safety, satisfaction and convenience.

### **2.2.6 The marketing Mix**

The marketing mix is one of the most fundamental concepts associated with the marketing process. It is well understood by most modern marketers and is systematically applied on many industries especially those that deal with physical products. Yet it is easy to assume that, because most managers have heard about it and or/ use it, there is no need to mention it again a book on marketing.

The sad truth is that quite often the precise role and scope of the concept and its underlying principles are not fully appreciated by those who tackle about it or use it. Many managers as no more than a theoretical model that helps in understanding the breath of activities encompassed by the marketing task regard it. In many situation it is considered as no more than an aid to highlighting the fact that marketing is a much broader concept that just 'selling' and 'prompting'. A brief review of the main principles surrounding the marketing mix can help to clarify its true role in the developing amid execution of an effective marketing effort. "The marketing mix .is the set of marketing variables which the organization blends to achieve the marketing goal in a defined target market. The marketing mix consists of everything the organization can do influence the demand for its product in the target market."<sup>1</sup>

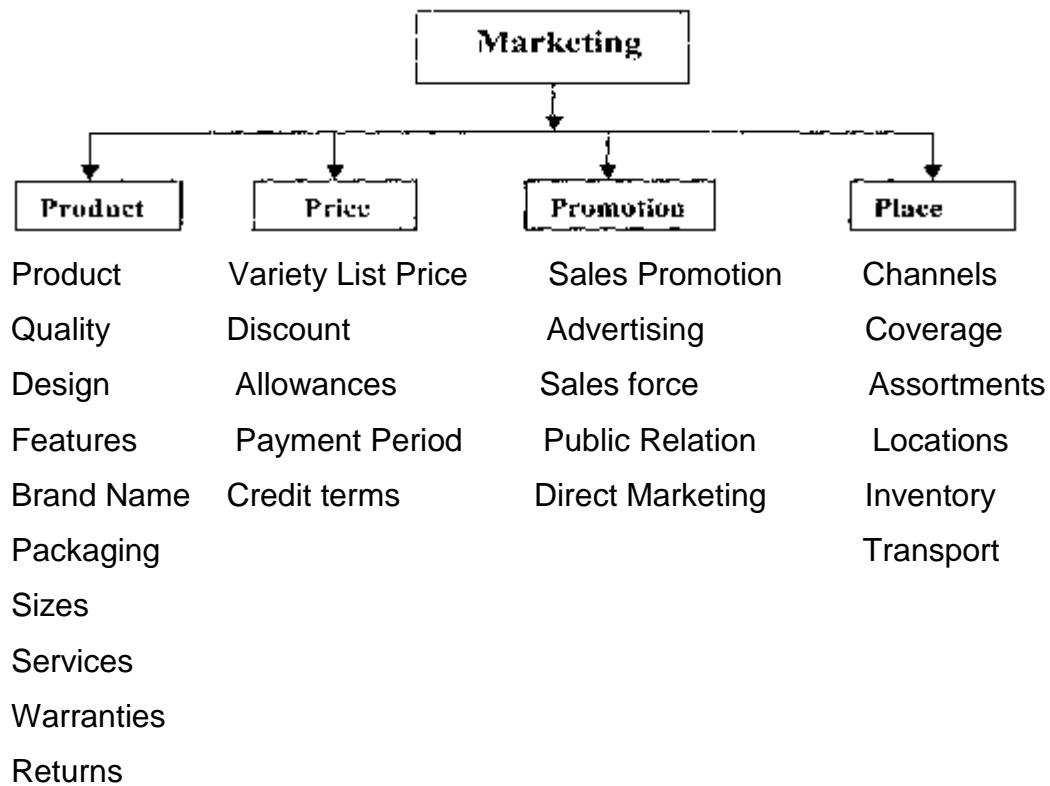
As stated earlier the marketing mix represents as assemblage of tasks and subtasks, which ultimately will help to satisfy the customer's requirements in such a way as to enable the firm to attain its objectives in an optimum fashion. The subtle part of the concept is that different company in the same business may opt to develop different 'mix'. In fact it is this difference that may provide one company with a competitive advantage over its competitors.

The concept of the marketing mix essentially premises that the decision making executive must analyze certain market forces and certain elements of marketing if the executive is ultimately to determine a sound " mix " of marketing elements which promises to be effective and profitable. The "four Ps model "of the marketing mix has probably gained acceptance because of its elegance rather than its validity in all situations. Regrettably, what has been gained in simplicity has been sacrificed in universal appropriateness. It is easy to find examples of marketing programmers, which do not outset that model is not of universal validity.

1.McCarthy, Op Cit

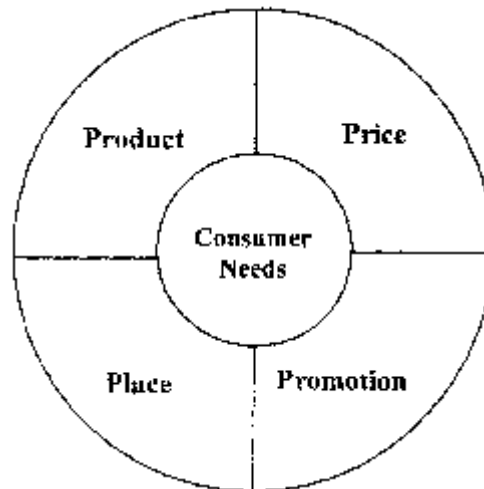
The theory underlying the four Ps is that; if one manages to achieve the right product at the right price with the appropriate promotion and in the right place, the marketing program will be effective and successful. However, one must bear in mind that each of the four Ps can be broken down into a number of sub-components. "Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market."<sup>1</sup>

Figure-3



"Marketing mix is one of the key concepts in modern marketing. It refers the set of variables that the business uses to satisfy consumer needs."<sup>2</sup> "Marketing mix may be considered as consisting of four Ps- product, price, promotion and place.

Figure-4



Variable of Marketing Mix

1. Niel H Borden and MartinV. Marshall Advertising Management, Irwin. Homewood. III 1959 PP-23
2. Agrawal. Govinda Ram "Marketing for Small Business" PP-15
3. Ibid

### **2.2.6.1 Product**

Product is commonly accepted as one of the most important parts of the marketing mix. Without product we cannot sell or buy the things. The product area is concerned with developing the right product for the target market. This product may involve a physical product and\ or some combination of services. The crux of the matter in the product area is to develop something, which will satisfy the customers' needs. Most of the text will be concerned with tangible products, but the principles in most cases also apply to services. It is important to keep this in mind, since the service side of our economy is growing. It is also important to overly occupy with producing and selling tangible products. Too many production- oriented people fall into these trap and neglect important opportunities for satisfying needs in other ways. Automobile manufactures and dealers. "A product is

anything that can be offered to a market to satisfy a want or need. Product that is marketed includes physical goods, services, persons, place, organizations and ideas."<sup>1</sup> "The product offered by an organization is what the business (or no business) entity is all about. While we tend to think of product as objects, we can see and touch the term product may be used in referring to intangible services and ideas as well. So product is a market's offering as perceived by the market."<sup>2</sup> Product mix includes decisions on product line and mix, product quality, variety, design features, branding, packaging, and labeling etc. it also includes important activities such as product planning and development."<sup>3</sup>

#### **2.2.6.2 Place**

A product is not much good to a customer if it is not available when and where he\ she wants it. We must consider where, when and by whom the goods and services are to be offered for sale.

Goods and services do not flow producers to consumers automatically. They move through channels of distribution where a great deal of marketing work is done. Channel members mayor may not handle the goods some may own them and transfer title, while others do neither. Some may provide return and repair services, while also storing and transporting them and others may be primarily concerned with transmitting money and information. In other words, a number of things flow through a channel, besides goods, in both ways.

"Place or distribution mix includes design of the distribution channels, distribution networks, dealer, promotion and motivation systems and physical distribution of the product."<sup>4</sup>Any sequence of marketing institutions from producer to final user or consumer, including any number of middlemen is called channels and so our study of place will be very important to marketing strategy planning.

1. Kotler, Gp. Cit. PP-430
2. Buell, Op. Cit PP-23
3. Koirala, Op. Cit PP-14
4. Ibid. PP-15

Even though marketing intermediaries are primarily a non controllable environmental factor, a marketing executive has considerable latitude when working with them. Management's responsibility is:

- 1) To select and manage the trade channels through which the products will reach the right market at the right time.
- 2) To develop a distribution system for physical handling products and then transporting them through the appropriate channels.<sup>1</sup>

### **2.2.6.3 Promotion**

Promotion, one of the four major variables with which the marketing manager works, is communicating information between seller and buyer with a view to changing attitudes and behavior. The marketing manager's job is to tell target customers that the right product is available at the right place at the right price. "Promotion is the ingredient used to inform and persuade the market regarding a company's product. Advertising personal selling and sales promotion are the major promotional activities."<sup>2</sup> The major promotional methods include personal selling, mass selling and sales promotion, personal selling involves direct face to face relationships between sellers and potential customers. Mass selling is designed to communicate with numbers of customers at the same time. Advertising is the main form of mass selling, but it also involves publicity. Sales promotion refers to specific activities that complement personal and mass selling such as point of purchase displays booklets, leaflets, and direct mailings. "Companies face the task of distributing the total promotion budget over the five promotional tools advertising, sales promotion, public relations and publicity, sales force and direct marketing. Within the same industry, companies can differ considerably in how they allocate their promotional budget. It is possible to achieve a given sales level with varying promotional mixes."<sup>3</sup> "It is the variable that communicates to the consumer about other variable of marketing mix for their need satisfaction. It consists of advertising, publicity, personal selling and sales promotion."<sup>4</sup>

### **2.2.6.4 Price**

Price is also one of the major parts of the marketing mix. While the marketing manager is developing the right product and promotion, he also must decide on the right price. One

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 markups, discounts and terms of sale. He also must consider legal restrictions affecting prices.

1. "Technological Antecedents of the Modern Marketing Mix". Journal of Marketing, Spring PP-17
2. W.J. Stanton & Futrell, Fundamentals of Marketing PP-56
3. Kotler, Op. Cit. PP-622
4. Agrawal. Op. Cit. PP-16

"Price mix includes such as analysis of companies' 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."<sup>1</sup> 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 the physical product and several services and want-satisfying benefits. Price is the value placed on goods and services. Price is the amount of money and/or product that is needed to acquire some combination of another product and its accompanying services.<sup>2</sup> "It is the variables that create sales revenue. Consumers pay prices 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 variables of marketing mix because of inflationary pressures in recent years."<sup>3</sup>

### **2.2.7 Marketing strategy**

Marketing strategy is both unique and commonplace. That might sound like a contradiction of term but it is not. The term "strategy" is widely used to describe a seemingly endless number of marketing activities, Today, everything in marketing seems to be "strategic." There is strategic pricing, strategic market entry, strategic advertising and may be even



strategic strategy. The glut of competition has focused more attention on performing the traditional marketing actions strategically with an eye towards beating the competition. In that sense, marketing strategy is commonplace. In recent years it seems to have been appended to neatly every marketing action. Marketing strategy is also unique. There is not one unified definition upon which marketers agree. Marketing strategy is a commonly used term, but no one is really sure what it means. "A strategic sector is one in which you can obtain a competitive advantage and exploit strategic sectors are the key to strategy because each sector's frame of reference is competition. The largest competitor in an industry can be unprofitable if the individual strategic sectors are dominated by smaller competitors."<sup>4</sup> Boyd and Larreche (1978) had found in the history of marketing strategy that tremendous confusion over just what strategy is. The term "strategy" as used in marketing, has been applied to at least three types of issues, each at a different level of aggregation.

1. Stanton, Op. Cit. PP-56
2. Ibid. PP-260
3. Agrawal, Op. Cit. PP-16
4. Subhash Jain. The Evolution of Strategic Marketing. PP-81

At the macro level, there are marketing strategies, which focus, on manipulations of the marketing mix variables-product, price, place, and promotion. According to that definition, setting a strategy for a product consists of selecting a price for a product, designing an advertising campaign, and then deciding on a plan of distribution. Finally, there are product market entry strategies, which include strategies that look at specific marketing decisions. Strategies that call for a firm to built market share harvest profit (and share) or defend share from competitor. Another widely used definition of strategy in marketing emphasizes the broader perspective of strategy in management. The definition views strategic market planning as a four-step process.

- a) Defining the business
- b) Setting a mission
- c) Selecting functional plans for marketing, production and other areas.
- d) Budgeting for those plans, (A bell and Hammond 1978) in that sense,

marketing strategy is more akin to corporate strategy.<sup>1</sup>

Strategic marketing is a major component of the strategic planning. Its main objective is to establish the product\market scope of a business. Strategic and marketing is the method that concentrates on the market to serve, the competition to be tackled and the timing of market entry \ exit and related moves. Formally, strategic marketing deals with the following questions.

- Where to complete?
- How to complete?
- When to complete?

"Strategic marketing helps to define the market in entering and completing. That may be either an entire market or one or more segments of the entire market. Strategic marketing provides inputs or techniques for solving customer need. That technique may be either an introduction of a new product or of existing product with improvements. Similarly, strategic marketing tries to time to enter the market may be the first in the market or until primary demand is established.

### **2.2.7.1 Product Strategy**

In a very narrow sense, a product is a set of tangible physical attributes assembled in an identifiable form. Each product carries a commonly understood descriptive name, such as apples, steel or baseball bats. " A product is a set of tangible and intangible attributes, including packaging, color, price, manufacturer's prestige, retailer's prestige and manufacturer's and retailer's services."<sup>2</sup> "Product is anything that can be offered to a market for attention acquisition, use or consumption and that might satisfy a want or

1. Schnaars. Steven P. Marketing Strategy, PP-18

2. Stanton & Fatrell Op. Cit. PP-190

need. Products include more than just tangible goods. Broadly defined, product includes physical objects, service, persons, place, organizations, ideas or mixed of these entities."<sup>1</sup> A product is anything that is potentially valued by a target market for the benefits of satisfaction it provides (Craven, Hill and Woodruff). The general principle is that a firm must have a right product that can satisfy the needs and wants of the consumers but a product cannot satisfy their needs and wants over the time period, because of several reasons. First, like living creating a product also has a life during which a firm has to reformulate or differentiate or standardize it to maintain its position in the market. Second consumer demand goes on changing over the time period. As such, the same consumer may demand different products over the time period. Finally the requirement of all consumers is not alike, different consumers may demand for different product attributes (such as quality, product, service, branding, good packing, attractive color and design prestige, problem solution etc) at the same time.

"It clearly indicates that the product decision is not only an important decision in the marketing but also a most challenging task for the marketers. To succeed in the competitive markets the marketer must be able to study each and every aspects of the product including product life cycle, new product development, product mix and product line, product positioning, branding and packaging etc." "Product is what marketers offer to consumers. They include goods, service, Ideas and any other things that can be exchanged by a supplier and a buyer or consumer. The term product concept refers to the marketing strategist's selection and blending of a product's primary characteristics and auxiliary dimensions into a basic idea or concept emphasizing a particular set of consumer benefits."<sup>2</sup> Product strategy is the core of strategic planning for the enterprise and it plays a pivotal role in shaping marketing strategy. Management's strategic decisions about the product to be offered are among the most important of those affecting the future of a company. No other strategic decision has such widespread impact, cutting across every functional area and affecting all level of an organization. This key strategic role should not come as a surprise since meeting people's needs and wants with goods & services is what business is all about. A product strategy consists of:-

- ) Decision how to position a business unit's product offering (specific product line or mix) to serve its target market.
- ) Setting strategic objectives for the product offering.
- ) Selecting a branding strategy.
- ) Developing and implementing a management strategy for new and existing products.<sup>3</sup>

1. Kotler and Armstrong. Op. Cit. PP-238
2. Zikmund and D' Amico. Marketing. PP-213
3. David W. Cravens. Strategic Management. PP-237

### **2.2.7.2 Pricing strategy**

Price is one of the four major elements that the marketing manager must consider while preparing the marketing program. Price is regarded as a backbone on which the success of the marketing program largely depends. No rational product policy, no product design, and no marketing strategy can not be formulated without consideration of price, nor is price set in isolation of the total strategy. Since price decisions affect not only the firm's sales and profit but also determines its future prospects, they must be taken into account seriously.

In general, price is value or amount of money sacrificed to obtain a particular product or service. Price may also be defined as the exchange of something of value between parties involved in a transaction. In economic sense, price is value expressed in terms of rupees or dollars, or any other monetary medium of exchange.

Pricing on the other means the determination of proper value to a particular product or service. In broader sense, price settings involve of the exchange to all parties involved in the transaction. Determining the values to base price is a strategic decision. Pricing as a strategic variable in marketing. It should be based on systematic decisions to assign a value to communication the seller's estimated worth of the offering.

Price strategy has many characteristics in common with a bomb! The consequences of pricing decision can be explosive and far-reaching and it may be difficult to alter a strategy once it has been implemented, particularly if the change calls for significant price increases. Price has many possible uses as a strategic instrument in corporate and marketing strategy.

We define a price strategy as "deciding how to position price within the range of feasible prices, establishing whether price shall be used as an active or passive element in the marketing program setting the specific objectives to be accomplished by price and establishing policies and structure for guiding pricing decisions."<sup>1</sup>

### **2.2.7.3 Distribution strategy**

Distribution is one of the vital marketing function. Without its effective and efficient management the whole marketing system may collapse. Therefore marketing manager should give due attention towards its better functioning. Simply speaking, distribution is the delivery of the products to the right time, place and consumer. It is not a single element, but it is a mixed of various to consolidate functions, such as channel of distribution, transportation, warehousing and inventory controls etc.

Most producers work with marketing intermediaries to bring their product to market they try to forget a distribution channel. A producer should decide how many middlemen he should seek at each level of distribution. He will determine the numbers of retailers, wholesalers, agents and so on.

1. David W. Cravens, Op. Cit. PP-294

"Distribution may be defined as an operation or a series of operation which physically bring the goods manufactured or produced by any particular manufactures in to the hands of the final consumer or users."<sup>1</sup> "Distribution channels are major factors in the effective development of the market share, internationally to maintain quality and ensure services; direct distribution is also undertaken by many manufactures. Also, the use of multiple

channels will expand and include Tele-marketing, direct response marketing, mail- order and computer assisted buying."<sup>2</sup>

Distribution is concerned with the activities involved in transferring goods from producers to final buyers and users. It includes not only physical activities, such as transporting and storing goods but also the legal promotional and financial activities performed in the course of transferring ownership. Since a succession of enterprises is generally involved in the distribution process leading to the final sale to the consumer or user to understand distribution one must analyze both the different kind of marketing institutions and the marketing channels in which they operate.

The means of distribution have a very significant effect upon the prices of goods and a single means is not enough due to the geographical diversity where there is single system this has led to the rise in the price of commodities on the one hand and the non-availability of them in time, on the other hand. These problems have pointed to the necessity of a new management in the means of distribution which specially considers the factors like the nature of the commodity, the behavior of the customers, effectiveness of time, education and social values.

The distribution channel moves goods from producers to consumers. It overcomes time, place and possession gaps that separates goods and services from those who would use them. The different distribution channels are useful for receiving information, finding and communicating with perspective buyers, attempting can happen.

In the present-day mass production economy, most producers do not sell their goods directly to the final users. Distribution channels are among the most complete and challenging function of decision- making facing a firm in modern business organization. "The channel and physical distribution programmer are developed to deliver right product ay the right place at the right time at the lower cost."<sup>3</sup> "Effective control of distribution costs can give an organization an advantage, if the organization can not control distribution costs profit will be impaired in the short run and survival may be threatened in the long run."<sup>4</sup> Most producers do not sell their product directly to the final consumers. That is why; they

use a variety of intermediaries. Channels are the medium for taking the goods and services to ultimate buyers. These organization and agencies are grouped together in various combinations linking particular producing units through the channels distribution.

1. Rustam S. Daver, Modern Marketing Management. Bombay, Progressive Corporation (P) Ltd. PP-40
2. William Lazer, et. al., Marketing 2000 and Beyond, Chicago. American Marketing Association. 1990. PP-164
3. Burr W. Hupp, "Inventory Policy is a Top Mgmt Responsibility" in Donald L. Buwerson (ed) Reading in Physical Distribution Management. New York: Macmillan Company, 1969 PP-179
4. Ronald J, Lewis, "Strengthening Control of Physical Distribution cost" Ibid PP-316

" In today' s economy most of the producer of goods and services do not sell their goods directly to the final users between them and the final users stands a host of marketing intermediaries performing in a variety of functions and bearing a variety of names. Some middlemen such as wholesalers and retailer buy, take title to, and re-sell the merchandise. They are called merchant middlemen other such as brokers, manufacturers and may negotiate on behalf of the producer but do not take title to the goods. They are agent middlemen."<sup>1</sup>

After the product has been produced, producers must distribute or supply these products to the target markets. In the most of the cases, producers use several middlemen or channels of distribution to supply goods and services to the consumption point.

A channel of distribution shall be considered to comprise a set of institutions, which perform all of the activities utilized to move a product and its title from production to consumption (Bucklin). Channels of distribution is an organized network of agencies and institutions which in combination, perform all the activities required to link producers with users and users with producers to accomplish the marketing task ( Craven, Hills & Woodroff).

These intermediaries or channels of distribution tend to be used for several reasons:

- 1) The number of sellers, buyers and the distance of product movement are relatively large .
- 2) The frequency of purchase is high.
- 3) The lot sizes needed by end users are small.
- 4) Markets are decentralized.

### **Channel structure**

There are three levels of marketing channels:

- 1) Direct channels.
- ii) Indirect channels.
- iii) Mixed channels.

Under direct channel, producer himself distributes goods and services to the end users. No intermediaries are used in this case. Under indirect channel, several intermediaries such as wholesalers, retailers' dealers, agents' etc are used to supply goods and services from production point to the consumption point. Under mixed channel, producer uses both direct as well as indirect channels at the same time for the purpose.

Here, intermediaries or middlemen can be divided into two categories:

- a) Merchant middlemen
- b) Agents

Merchant middlemen purchase outright and actually take title to the goods. Merchant middlemen include wholesalers, retailers etc. Agent acts in an agency capacity on clients and does not take title to the goods which they deal. They usually charge certain commission in tens of percentage or lump sum.

1. Kotler. Op. Cit PP-175

### **Physical distribution**

Physical distribution is concerned to the management of physical flow of goods from the points of suppliers to the points of purchases. "Physical distribution management as the process of strategically managing the movement and storage of materials, parts, and finished inventory from suppliers between enterprise facilities and to customers."<sup>1</sup>



"Physical distribution as the activities concerned with the movement of the right amount of the right products to the right place of the right time."<sup>2</sup>

The main objective of physical distribution is getting the right product safely to the right places at the right time at the least possible cost. ~fore specifically, the objectives of physical distribution are:-

- a) To provide customer service
- b) To distribute goods more safely
- c) To minimize the total cost
- d) To supply goods to the right target market function of physical distribution

A physical distribution system consists of a sell interrelated functions with specific boundaries. The interrelated functions include the following element:-

- a) Transportation
- b) Warehousing
- c) Inventory management and control
- d) Order processing
- e) Material Handling

Transportation is the element of the physical distribution system that links geographically separated markets and facilities. There are five models of transportation: -

- 1) Rail transport
- 2) Highway transport
- 3) Water transport
- 4) Pipe-line transport
- 5) Air transport

Warehousing decision determines the number, size and location of storage facilities needed to services customers demand. Developing effective warehousing strategies includes the decisions regarding the following elements:-

- ) Location of warehouse
- ) Determine the type of warehousing i.e. private or public warehousing.

) Evaluate developments in warehousing.

1. Kotler, Op. Cit PP-433
2. Stanton, Op. Cit. PP-379

Inventory decisions are concerned with balancing the costs of carrying inventory, ordering products from supplies and controlling other inventory costs to achieve a desired level of consumer satisfaction, inventory accumulation is expensive, yet availability is essential to having satisfied customers.

Order processing constitutes the communication linkage that stimulates a physical distribution system into action. In other words, order processing regards to all those activities involved in collection, checking and transmitting sales-order information. It is the handling of all paper work associated with the sale of goods and services offered by an organization.

Material handling, also called the physical handling of goods, is an activity that is important in inventory, warehousing and transportation. The characteristics of a product to a large extent how it will be handled.

#### **2.2.7.4 Promotional strategy**

Promotional strategy is also one of the most important marketing strategies. There are various types of promotions. These include advertising, personal selling, sales promotion and various miscellaneous efforts. When management has a message to pass to target consumer's promotion is the proper vehicle. "Like other marketing tools, both business and non business organizations use promotion. The state of Louisiana has been promotion family planning since 1965."<sup>1</sup> "Promotion can be used to improve the image of police work as a career."<sup>2</sup> A company needs to make marketing decisions only in the areas of segmentation, product offering, pricing and distribution but also in the area of promotion. "Promotion is any marketing effort whose function is to inform or persuade actual or potential consumers about the merits of a (given) product or service for the purpose of

including a consumer either to continue or to start purchasing the firm's product or service at some (given) price."<sup>3</sup>

Promotion is persuasive communication. It is a highly visible element in the marketing mix. It sells the target customers about product, price and place. It is also known as marketing communication." Promotion is applied communication used by marketers to exchange persuasive messages and information between buyers and sellers."<sup>4</sup>

"Promotion represents the various communications to inform and persuade people that a firm directs towards its market targets, channel organizations and the public at large. These communications consists of adverting, personal selling and sales promotion activities. Increasingly marketing management is finding it profitable to combine advertising, personal selling, packaging, point of purchase, direct mail, product sampling, publicity, and public relations decisions into an integrated promotion strategy

1. Adel L. El- Ansary and Oscar E. Kramer. Jr., "Social Marketing: The Family Planning Experience:' Journal of Marketing PP-37 (July 1973)
2. Richard W. Hansen et, a1 . "An Application of Marketing Concepts in the Public Sector: A case Study." 1974 Combined Proceeding American Marketing Association (Chicago: American Marketing Association) PP-252
3. Wroe Alderson and Paul E. Green, Planning and Problem Solving in Marketing, Home wood, II. Richard D. Irwin. Inc ., 1964 PP-270
4. Zikmund & d' Amico. Op. Cit. PP-473

Since each type of promotion has certain strengths and short comings, the strategy adopted should capitalize upon the advantages of every component in shaping a cost effective communications mix"<sup>1</sup>

There are various promotion methods:-

### **Advertising:-**

"Unlike personal selling and some sales promotion and public relation techniques, advertising is an impersonal means of communication. Advertising is an impersonal promotion to groups that is paid for by an identified sponsor. It focuses upon group of

persons, rather than upon individuals."<sup>2</sup> "Advertising can be described as any paid form of non-personal communication by a sponsor."<sup>3</sup> "Advertising includes any persuasive message carried by a medium and paid for by a sponsor who conveys the message."<sup>4</sup>

### **Personal selling:-**

"Personal selling can be a very intense means of promotion. Personal selling consists of person-to-person communication between sales persons and their prospects. Unlike advertising, it involves personal interaction between the source and the destination."<sup>5</sup>

"Personal selling refers to oral presentation to one or more customers in a face-to-face situation for stimulating demand for products and services or enhancing company image."<sup>6</sup>

"Personal selling is a person-to-person dialogue between buyer and seller where the purpose of the interaction, whether face-to-face or over the phone, is to persuade the buyer to accept a point of view or to convince the buyer to take a specific course of action."<sup>7</sup>

### **Sales promotion:-**

According to the American Marketing Association, sales promotion is, "those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstrations, and various non-recurrent selling efforts not in the ordinary routine."<sup>8</sup> Sales promotion activities are impersonal and usually non-recurring, and are directed to ultimate consumers, industrial consumers and middlemen. These activities tend to supplement the advertising and personal selling efforts. Examples of sales promotion are free product samples, trading stamps, store displays, premiums, coupons and trade shows. "Sales promotion can be defined as those promotional activities other than personal selling, advertising and publicity that are intended to stimulate buyer purchases or dealer effectiveness in a specific time period."<sup>9</sup>

1. David W. Cravens. Op. Cit PP-319

2. Robin Peterson, marketing A Contemporary Introduction, PP-439

3. Dholakia, Khurana, Bhandari and Jain. Marketing Management: Cases and Concepts. PP-353

4. Douglass Johnson, Advertising Today, Chicago Ill. Science Research Associates. 1978 PP-1

5 Ibid PP-353

6. Ibid PP-353

7. Zikmund & d' Amico. Op. Cit PP-475

8. Committee on Definitions, American Marketing Association, Marketing Definition: A Glossary of Marketing, 1960 PP-20

9. Zikmund & d' Amico. Op. Cit. PP-477

### **Publicity:-**

"Publicity is a means of promoting to the mass market. Publicity is similar to advertising, except that it is free, is found in the editorial portion of news media and pertains to newsworthy events. The most common types of publicity are news release to advertising except that it involves an unpaid and unsigned message, even though it may use the same mass media as advertising does."<sup>2</sup>

### **Public Relations:-**

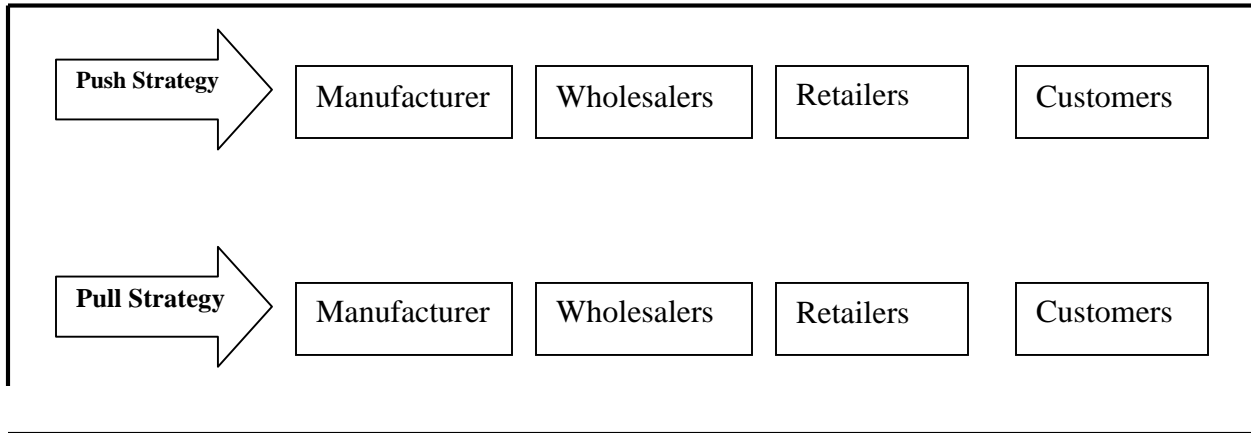
"Marketing engages in public relations in order to develop a favourable image of their organizations and products in the eyes of the public, they direct this activity to parties other than target consumers. These 'others' include the public at large union, the press, and environmentalist groups. Public relations activities include sponsoring floats in parades, lobbying and using promotion messages to persuade members of the public to take a desired position."<sup>3</sup>

### **Promotion Strategies**

#### **Push and pull strategies:-**

In push strategies, the promotion program is directed at middlemen. The product is "pushed" through the channel. The channel members are persuaded to order, carry and promote product to customers. The manufacturer promotes to wholesaler, the wholesaler promotes to retailer, the emphasized in push strategy. This strategy is useful where brand loyalty is low and market share is to be protected. In pull strategy, the promotion program is directed at customers. The customers are persuaded to ask to the product from the retailer, the retailers ask the product from the wholesalers and the wholesalers order the product from the manufactures. The product is "pulled" through the channel to increase sales. Aggressive advertising and consumer promotion is emphasized in pull strategy is useful where brand loyalty is high.

Figure-5



1. Rollie Eiliman and C.A. Kirkparick. Promotion: Persuasive Communication in Marketing. Homewood. Ill: Richard D. Irwin. Inc .. 1968. PP- 365
2. Zikmund & d' Amico. Op. Cil PP-476
3. Robin Peterson. Marketing a Contemporary Introduction, PP-443

## 2.2.8 Status

As our research is concerned with the status of Coke and Pepsi, it is very relevant to make some assessment as to the "identifying the target audience"( as it is called in the language of marketing). For this purpose we are going to present some analysis of status(images) as a review of literature in the concerned field of study, as follows;

### 2.2.8.1 Status Analysis

Status is the set of beliefs, ideas, impressions and person holds as to an object i.e. a product in the marketing sense. People's attitudes and action towards an object are highly conditioned by that object's status.

#### 2.2.8.1.1 Product & Service Status

The status that a product or service has in the mind of the costumer that is it's positioning is probably more important to its ultimate success than are its actual characteristics. Marketers try to position their brands so that they are perceived by the consumer as fitting into a distinctive niche in the market place, a niche occupied by no other claim will fulfill the

consumer's needs better than competing brands. They strive to create a product image consistent with the relevant self-status of the targeted consumer segment.

#### **2.2.8.1.2 Positioning strategies**

Positioning strategies is the essence of the marketing mix. It complements the company's segmentation strategies and selection of target markets. Positioning conveys the concept, or meaning, of the product or service in terms of how it fulfills a consumer needs. Different consumer meanings (i.e. product status) are sometimes assigned to the same product or service. Thus, a product or service can be positioned differently to different market segments, or can be repositioned to the same audience, without actually being physically changed.

#### **2.2.8.1.3 Repositioning Strategies**

Regardless of how well positioned a product appears to be the marketer may be forced to reposition it in response to market event, such as a competitor cutting into the brand's market share. For example, rather than trying to meet the lower prices of high-quality private label competition. Some premium brand marketers have repositioned their brands to justify their higher prices, playing up brand attributes that had previously been ignored. When Revlon decided to change the image of Revlon cosmetics to attract a younger, more diverse audience, its repositioning strategy involved changing its copy appeals, changing its advertising media ( to youth-oriented TV shows ). and changing its distribution channels ( from higher- price department stores to lower- priced retail outlets such as drug stores and supermarkets ). A similar repositioning strategy was adapted by Sprite & Fanta to target young generation. Johnson & Johnson also adopted same tactics.

Another reason to reposition a product or service is changing consumer preference. For example, as consumers became aware of the dangers of intense sustaining, alert cosmetic companies began to add sunscreens to lipsticks, moisturizers and foundation creams, and to promote this new benefits as a major attribute, thus repositioning specific product line. They also created a new and highly profitable product category. Self- tanners that required no sun exposure whatever. When health-oriented consumers began to avoid hi-fat foods, many fast-food chains acted swiftly to reposition their images by offering salad bars and

other health oriented foods. Kentucky Fried Chicken changed its well known corporate name to KFC in order to omit the dread word "Fried" from its advertising. Weight watchers repositioned its line of frozen foods from "dietetic" to "healthy "maintaining its diet-thin imagery while responding to a perceived shift in consumer values.

### **2.2.8.2 Perceived quality**

Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the product. Some of these cues are intrinsic to the product services and others are extrinsic. Either singly or in composite, such cues provides the basis for perceptions of product and service quality.

Cues that are intrinsic concern physical characteristics of the product itself, such as size, color, flavor or aroma. In some cases, consumers use physical characteristics to judge product quality; For example, consumers often judge the flavor of ice cream or cake by color cues. Even the perceived quality of laundry detergents is affected by color cues. For example, many detergents are traditionally colored blue, in the hopes that housewives will associate the color with the "bluing" their grandmothers used to add to whiten and brighten their laundry. Similarly, Coke & Pepsi both are offered in same color signifying the completion they have with each other.

Consumers like to believe that they base their evaluations of product quality on intrinsic cues, because that enables them to justify their product decisions,( either positive or negative) as being "rational" or " objective" product choices. More often that not, however, they physical characteristics they use to judge quality have no intrinsic relationship to the products quality. For example, though many consumers claim they buy a brand because of its superior taste, they are often unable to identify that brand in blind taste tests.

### **2.2.9 Usage Trend**

Products do not sell themselves and marketing program that insures the same of products as intended should include a program that will guarantee the sell of products. This objective should include the study of usage pattern of the product i.e. that is in hand. How consumers behave as to the consumption pattern of the products(i.e. Coke & Pepsi in our



case) must be studied. In fact the image of the product can be derived from the study of the usage pattern of the product itself. For this purpose the study of consumer behavior was done by the researcher himself through observation and interviews in many cases and conclusions were drawn from the answers received through questionnaires distributed to retailers & consumers also. On the other hand if a change to be made in taste, price or quality as a whole of the product is felt, again the study on usage pattern of the product is needed. In our case i.e. our research work on cold drinks, the practical aspect of the problem is very clear and lack of any previous research in the field hindered this detail review of literature. And the findings as to the usage pattern will come to be implied within the status and consumer behaviors regarding the marketing of Coke & Pepsi in Birgunj.

In fact, the status of these products as well as the attitude of a consumer towards a certain product are often related to the pattern of use as seen in the market. Since, the usage pattern of consumers is directly related to the understanding of consumer behavior. It is obvious that a marketer or a manufacturer must have an idea or a consumption- related ways and with learning what internal and external influence impact them to act as they do. As such it can be stated that image and the attitude themselves as already has come into existence in the mind of the consumer. As such, this specific study as to usage pattern itself does not give much sense unless it encompasses both image and attitude. Similarly, as marketing researchers began to study the buying behavior of consumers, they soon realized that many consumers rebelled at using the identical products everyone else used. Instead, they preferred differentiated products that they felt reflected their own special needs, personalities and lifestyles. Such situations give birth to different image and attitudes towards different products and as a result set particular types of usage pattern of products in the market. To meet the needs of specific groups of consumers, most marketers adopt a policy of "marketing segmentation", which calls for this division of their total potential markets into smaller, homogeneous segments for which they could design specific products and or promotional campaigns. At the same time they also use promotional techniques to vary the image of their products so that they would be perceived as better fulfilling the specific needs of certain target segments. This process is called nowadays as "positioning." Other reasons for the developing interest in consumer behavior regarding usage pattern of consumers include the rate of new product development,

growth of the consumer movement, public policy concerns and environmental concerns etc.

Thus the marketing objective should be to enable the consumer, to link a specific image with specific brand name and such image will definitely lead to some specific pattern of use of the products and the pattern seen and found in the existing marketing conditions also lead back to the image and attitude also. This means usage pattern can also give feed back to the marketers as to the strategic decision makings regarding the images and attitudes of consumers towards certain products.

### **2.3 Review of Related Studies**

#### **2.3.1 Shrestha, Rajendra Bahadur. "A Study of Marketing, Usage Pattern, Attitude and Image of Cold Drinks in Birgunj Area"<sup>1</sup>**

The study was undertaken in 1998 with the following objectives:

- 1) To examine the potential consumers in purchasing cold drinks.
- 2) To identify the purchases behavior of consumers who purchase cold drinks.
- 3) To estimate demand of cold drinks in Kathmandu.
- 4) To identify the best choice of consumers in cold drinks on the basis of selecting brands advertising habitual testing, asking question & personal inspection.
- 5) To find the relationship between the brand preference and advertising.
- 6) To find out the popular media of advertising for the cold drinks which can easily attract the potential consumers on each company, branded cold drinks.
- 7) To estimate sales of cold drinks in Kathmandu.

The study has concluded that advertising is considered as the primary source of information. The advertisement of Coke, Pepsi and other branded cold drinks are founded 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 most favorite media for advertisement. The major reason of brand switching is the taste of the products.

The study has recommended that advertising should be more believable and effective, so manufactures are suggested to advertise their product thought television and other media.

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. It is suggested that the manufactures of cold drinks should try to fulfill consumer's demand on cold drinks of their choice.

2.3.1. Rajendra Bahadur Shrestha, A Study of Marketing, Usage Pattern, Attitude and Image of Cold Drinks in Birgunj Area, Unpublished dissertation submitted to the Faculty of Management, TRM Campus, Birgunj

**2.3.2 Pathak, Krishna Prasad, in 1998 conducted the study on "Coffee Marketing System in Nepal "with the following objectives."<sup>1</sup>**

- 1) To analyze the present phenomena, problems for the farmers engaged in coffee farming.
- 2) To assess the existing coffee marketing system.
- 3) To analyze the challenges, problems and profitability of farming, processing and marketing of coffee and professional standards.
- 4) To recommend measures for improvement.

The following conclusions may be derived from this study. Nepalese farmers are motivated to plant coffee for better yields and they technical support and training for professional farming skills. There is no support to farmers input; supply and sales security were varying weak. Recently emerging community activities show better symptoms in this respect. Pricing to support farmers was effective due to increased competition. Market promotion is weak and packing is the first place to start promotional campaign. Now, push sales is the only measure and no promotions are done. Distribution system components are assembly transportation, processing and other processing. Through Nepalese domestic production covers only 22.9 percent of domestic market. Nepalese coffee is worth exporting and Nepalese consumers prefer instant coffee mainly imported from India. It shows that Nepal can develop coffee, as an important cash crop to generate exports which should help in economic growth, employment generation and mitigating the ever-increasing unfavorable balance of trade, for this professional and institutional approach, is warranted for.

The study has recommended to select better seeds appropriate for the Nepalese landscape and climate. Interest Rate 17% is not appropriate for farming and is very high. Enterprising farmers should be trained so as to make them the bridge between the ordinary farmers and technical exports. Wet pulping should be introduced and farmers should be facilitated to pulp, hull and grade the beans and green beans should be introduced in trade. There should be improved in packing of roasted coffee. Demonstration farms should be developed as the catalysts to incorporate rural people in modern business ethics. Professionalism should be encouraged in coffee marketing.

1. Krishna Prasad Pathak, Coffee Marketing in Nepal (1998), unpublished dissertation submitted to Central Department of Management, Tribhuwan University.

### **2.3.3 Bhatta, Shree Chandra, in 1998 conducted a study on "Sales Promotion and its Effect on Sales"<sup>1</sup>**

A case study of Beer market of Nepal with the objectives of analyzing the sales promotion and its effect on sales is the main focus of the study. Though the concept of sales promotion is relatively new in Nepal, there are lots of things to be researched and find out in the practice of sales promotion. The study had the following specific objectives:-

- 1) To find out whether the sales promotion does impact on sales of beer.
- 2) To find out what made of sales promotion is more acceptable by the Nepalese consumers.
- 3) To find out what made is more wisely use by the manufacturers as a sales promotion tools.
- 4) To evaluate effectiveness of sales promotion activities in the sales of beer in Nepal.
- 5) To find out which media is suitable to advertise about the sales promotion.
- 6) To predict the sales of coming year if every factors would be the same.

On the basis of analysis of the consumers view point and sales data separately. The following findings are drawn. The people with high-income group highly educated and from business people tend to drink beers more. The people drink beer at restaurants for relaxation rather than other cause. The people prefer San Miguel brand than other beers.

In the case of sales promotion the cash prizes out of all the tools insist people. In advertising, electronic media is varying popular among the people. If the expenses on sales promotion increase, the sales increase in a high speed. From the regression it is clearly seen that if the expenses on the sales promotion increases the sales of the product will be increased. It is concluded that sales promotion works as a starter to the beer drinkers. Most people, who are not so educated, are not loyal to wards any particulars brand. Due to this, the sales promotions easily quench the attention of those beer drinkers and as a result the sales of the beer will increase.

The people who drink beers accept electronic media most. So far sales promotions purpose, the electronic media is very suitable. The sales promotion is very powerful tools which can easily boots the sales. The study has recommended that low-income group as well as low education group should be launched the beer. In advertising, the electronic media is very popular. So the heavy media coverage should be acquired. People like sash prizes so company should cut down the prize like motorcycles, fridge, TV, etc. findings proved that the sales promotion have positive impacts on the sales of the beers. But the companies launched the sales promotion programmers for only 3 months. It is strongly advised that sales promotion programmers should be launched at least for 6 months. At least, sales promotion is very important if the use would be in a proper way.

1. Shree Chandra Bhatta, Sales Promotion and its Effects on Sales: A Case Study of Beer Market of Nepal,( 1998), Unpublished dissertation submitted to Central Department of Management, Tribhuwan University.

#### **2.3.4 Thapaiya, Anup Kumar, in 1999 conducted "A study in market situation of Instant Noodle Yum Yum." (A case study in Kathmandu)<sup>1</sup>**

A case study mainly focused in marketing situation of Yum Yum in market having the following main objectives:-

- 1) To test the market of Yum Yum in Kathmandu.
- 2) To obtain & analyze the information on the sales of different kinds of instant noodles in Kathmandu.
- 3) To obtain the consumers opining on price, quality and test of different brands.
- 4)To compare the position of 'Yum Yum 'instant noodles with other brands.

- 5) To assess the average percentage of consumer's loyalty over several brands.
- 6) To compare the price, quality and taste of 'Yum Yum' with other brands.
- 7) To suggest the company of 'Yum Yum' for overall marketing activities for better distribution.
- 8) To assess the status, usage pattern attitude and image of 'Yum Yum.'

On the basis of the field survey and subsequent analysis, the study has found following. All wholesalers are under the distributorship of Chitwan Supplier, the single distributor of Yum Yum in Kathmandu. Wholesalers prefer the brands of noodles on the basis of sales volume. On the basis of sales volume Wai Wai stands at the top and Yum Yum stands in second. Few wholesalers have expressed the view that some retailers complain over the price of Rara, Wai Wai, and Hits and Ot! the taste of Yum Yum. After introduction of Yum Yum in the market, 90% of wholesalers expressed that the quality is not satisfactory and rest of the wholesalers expressed that the quality is not satisfactory regarding the distribution of different brands by their quality. Wai Wai is the best quality noodles and Yum Yum was in second position. Out of 100 percent, 65 % use noodles as Tiffin and rest of 35% respondents use it as both Tiffin and dinner.

This study 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 & reliable channel to collect information from wholesalers, distributors & consumers.

1. Anup Kumar Thapaliya, A study in Market situation of instant Noodle Yum Yum: A case study in Kathmandu (1999). unpublished dissertation submitted to Central Department of Management.

### **2.3.5 Adhikari, Krishna Prasad in 2002 prepared "Impact of Sales Promotion Tools on Sales of Cold drinks." (A case study of Cold drinks market in Chitawan)<sup>1</sup>**

Sales promotion concept is relatively new in Nepal. There is lot of things to be researched and find out on the practice of sale promotion. The following are the main objective of present study:-

- 1) To find out which promotion tools and media is more acceptable by Nepalese consumer.
- 2) To evaluate effectiveness of sales promotional activities in the sales of Cold drinks in Nepal.
- 3) To evaluate the relationship between sales promotion package and consumer behavior.

The major objective if the present study to see sales promotional tools are effective or not on the sales of the Cold drinks. The whole research is sub divided on the basis in interpretation and analysis into two parts i.e. first effect of sales promotion from the consumer and shopkeepers view point and second effects on sales promotion from the calculation of sales data.

On the basis of analysis of the consumers view point and sales data separately. The major findings are:-

- a. The person drinks Cold drinks occasionally and prefers Coca-Cola brand more than others.
- b. People are aware about sales promotion activities out of them most people know about item prize than coupon than cash prizes. But cash prizes is effective than others tools.
- c. The sales of Cold drinks increasing month by month but the ratio of sales is higher is the months when the companies lunched sales promotion program. This indicates that is positive relationship between the sales promotions. If the expenses on sales promotion increases the sales increases in a high speed.
- d. The sales of one brand does not affect negatively to the sales of other brands. As the observation shows that the trend of all two brands are increasing.
- e. The Cold drinks drinker's have not particular choice of brands. So the concept of brand loyalty is not founding Nepalese Cold drinks market. So they can easily be directed towards one particular brand through proper marketing net.

f. All media is not popular among the people. Only electronic media (especially TV) is very popular among the people and the people who watch and listen media notice the advertising. The percentage of the people notice advertising for entertainment is higher than for information.

1. Krishna Prasad Adhikari "Impact of Sales Promotion Tools on Sales of cold Drinks". A Case Study of Cold Drinks Market in Chitwan(2002).Unpublished dissertation submitted to Central Department of Management.

g. It is found that cold drink distributor generally conduct 3 months special promotion package one time in a year. In this time they achieve 50 percent sales target of year.

h. From the regression it is clearly seen that if the expenses on the sales promotion increases the sales of the product will be increases.

i. Large numbers of people are interested on promotional contents that the manufacturer launches various occasions.

j. Retailers are interested on promotional program. They are aware of cash prizes then other promotional work.

k. Sales promotion programmed has positive impact on retailers and must of them taken parts on contents and win prizes.

The study has further recommended for an improvement in the taste and quality and fixing reasonable price which can be helpful measure to increase the volume of sales in the market. The company should increase the incentive to the wholesalers\ distributors so as to motivate & encourage them to focus their transactions on Yum Yum. The company should diversify its marker by penetrating into potential rural areas. It should establish efficient distribution networks and provide reasonable amount of commission at each level. Although Mr. Hari Lamichhane had conducted a similar study in 1998 in the same study area, this study has been more focused on studying the consumers' perspective in their consumption behavior of cold drinks. This study has also integrated the retailer level survey in order to examine the distribution system of cold drinks in the study area and find out what the channel members; particularly the retailers give priority in selling cold drink.



## **2.4 Review of Related Articles**

### **2.4.1 Annual Review of Coca-Cola Company<sup>1</sup>**

The Coca-Cola Company at Atlanta city has published an annual review that describes the company's overview. According to this overview "the health of our business depends on the health of our consumers, their communities and the natural environment we all depend on. The people of the Coca-Cola company work together with our bottling partners, our business partners and members of the communities in which we operate- and even our critics-to identify and address existing and emerging social and environmental issues as well as potential solutions with our technical and marketing expertise, our reputation and network of influence and our global production and distribution system, we have a tremendous opportunity to make a meaningful difference in the more than 200 countries we call home. We believe that the greater our presence, the greater our responsibility."

1. [www.2.coca-cola.com](http://www.2.coca-cola.com)

### **2.4.2 Task Force Report<sup>1</sup>**

#### **2.4.2.1 Market Place**

The task force report of coca-cola product at Atlanta, USA has described in detail about the quality product like coca-cola. According to Task force report under place "when you Purchase a coca- cola product, you count on its quality. Our market nearly 2400 beverage products in more than 200 countries. Each of those products must be of the highest quality and must meet consumers' changing tastes, needs and expectations. And in each of those countries, we are an active member of the business community, working hand in hand with local individuals, merchants and governments to improve the health and prosperity of the local economy".

#### **2.4.2.2 Quality**

According to task force reports under quality "We ensure the quality and safety our beverages through the coca-cola quality system (TCCQS), our integrated approach to managing quality, environment, health and safety. We continuously review TCCQS to

ensure it meets the stringent and up-to date global requirements related to food safety, as well as quality management method, industry best practices and marketplace conditions. In our ingredient evaluation laboratories, for example, we perform precise analysis of fruits juices and other ingredients sent to us by our suppliers, to ensure and to improve product quality. Our processes, too, undergo constant scrutiny, to safeguard the water we use in our products and the packaging that carries them to our consumers. We inform and educate our business partners about our standards so that they meet the highest quality requirements. Under TCCQS, quality is our highest business objective and our enduring obligation.

A world wide initiative involving every aspect of our business. Everyone who works for or with coca-cola is empowered and expected to maintain the highest standards of quality in products, processes and relationships. TCCQS mandates in-depth self-assessment throughout our operations, by all our business units. This enables us to continually raise our standards.

The articles of Coca-Cola war published in Himalayan times dated on perspective, Sunday, September 10, 2006 entitle of cola war and branding events. According to cola wars" cola, as it was less formally called ( the company trademarked the nick name in ( 1962 ), enjoyed a market share in excess of 60 percent at the end of second world war, but increased competition from others drinks began to erode the company's dominance.

1. [www.coca-cola.com/citizenship/marketplace-case-stu](http://www.coca-cola.com/citizenship/marketplace-case-stu)

Part of this was coca-cola's own doing during the 1960s, it introduced new drinks Sprite, TAB, and Fresca, and in 1982 the incredibly popular diet. Coke debuted but the increasing success of Pepsi-cola, which first appeared in 1898, eventually gave the company reason for concern. It's impossible to say who fired the first volley, but during the 1970s and 1982s, the so-called "cola wars "intensified." According to branding events "today, coca-cola spends more money on global sports sponsorship than Pepsi or any other company with total worldwide expenditures in excess of \$1 billion a year. Coke sponsored the 2002 and 2006 world cup, and it has sponsored the Olympics since 1928. In 1998, the company signed a landmark 100-year deal for sprite to .be the official soft drink of the national basketball association. The company currently distributes approximately 300 brands of

drinks around the world, including sprite, TAB, Fresca and Diet coke, Surge, Power-Ade ( surge and power ad are the official soft and sports drinks, respectively of the American national Hockey league ), Barq's, Dasani bottled water, the minute Maid line of fruit drinks, and Mr. Pibb. The popular variant Cherry coke was introduced in 1985, and in 2002 Vanilla coke hit store shelves.

Some may believe that the company's future is mixed as well but the common perception seems to be: if the company can survive just about anything. With the name 'Coke' practically synonymous with 'Cola drinks'. One can't imagine the brand's name recognition going flat anytime soon. The cola wars will never end, but coke is far too entrenched in the public's consciousness to ever settle for less than number two in the market share battle.

#### **2.4.4 Birth of the top brand<sup>1</sup>**

The most valuable global brand of 2006 was published **the boss** journal dated September 15 to 14 October 2006. According to these articles "In May, 1886, Coca-Cola was invented by Doctor John Pemberton a pharmacist from Atlanta, Georgia. John Pemberton conducted the Coca-Cola formula in a three legged brass kettle in his backyard. The name was a suggestion given by John Pemberton's bookkeeper Frank Robinson. Being a bookkeeper, Frank Robinson also had excellent penmanship. It was who first scripted "Coca-Cola" into the flowing letters which has become the famous logo of today.

The soft drink was first sold to the public at the soda fountain in Jacob's pharmacy in Atlanta on May 8, 1886. Until 1905, the soft drink, marketed as a tonic, contained extracts of cocaine as well as the caffeine-rich kola nut. In 1887, another Atlanta pharmacist and businessman, Asa Candler bought the formula for Coca-Cola from inventor John Pemberton for 2,300 dollars. By the late 1890s, Coca-Cola was one of America's most popular fountain drinks, largely due to Candler's aggressive marketing of product. With Asa Candler, now at the helm, the Coca-Cola Company increased syrup sales by over 4000 percent "between" 1890 to 1900.

On April 23, 1985, the trade secret "New Coke" formula was released. Today, products of the Coca-Cola Company are consumed at the rate of more than one billion drinks per day

Today, the Coca-Cola Company is the global leader in the non-alcoholic beverage industry. It offers nearly 400 brands in over 200 countries. Many of these brands, including soft drinks, fruit juices, bottled water and sports drinks, are only available in specific regions of the world- sometimes in just a single country. The reason for this is simple: different people like different beverages at different times and for different reasons.

## **Chapter-3**

### **Research Methodology**

#### **3.1 Introduction**

The objective of this study is to examine the marketing, usage trend and status of Coke and Pepsi in Birgunj. In this study, the relevant data have been collected from consumers and retailers. To achieve the objective, the study follows a research methodology, which has been described as follows:

#### **3.2 Research Design**

This study is based on a survey research design. A limited scale survey has been conducted among the consumers and retailers of Coke and Pepsi in Birgunj. The questionnaires have been administered in order to collect data and other information relating to the research adopted for this study.

#### **3.3 Population and Sample**

As the total population of cold drinks users of presently available brand is hard to quantify in number, the study takes the population as the total consumers of Coke and Pepsi from various parts of Birgunj. Though the sample size is very small in comparison to the total population, sufficient efforts have been made to make the sample representative by including consumers from the different profession, age group, educational backgrounds and sex.

#### **3.4 Nature and Sources of Data**

This study is based mainly on primary data collected directly from the respondents. The respondents for this study are the consumers and the retailers of Coke and Pepsi at Birgunj. Most information has been collected from the primary source through the questionnaires and oral conversation with concerned distributors and consumers. The questionnaires were distributed to the consumers and retailers of Birgunj collecting necessary information.

**Table: 3.1**

**The size of sample and respondents:**

<b>Respondents</b>	<b>Sample size</b>	<b>Questionnaires</b>	<b>%question return</b>
Consumers	100	50	100%
Retailers	50	30	100%
<b>Total</b>	<b>150</b>	<b>80</b>	

As shown in table 3.1, 100 consumers and 50 retailers were interviewed by this studies researcher with the help of two different sets of structured questionnaires. Apart from the data collected through the questionnaires, some supplementary primary used in this study are presented in the appendix.

**RESPONDENTS' PROFILE: CONSUMERS**

**Table: 3.2**

**User of Coke and Pepsi: Age wise**

<b>Age</b>	<b>No. of respondents</b>	<b>Percentage</b>
10-15	22	22%
15-25	36	36%
25-35	27	27%
Above 35	15	15%
<b>Total</b>	<b>100</b>	<b>100%</b>

As shown in table 3.2, among the sample selected for the study, 22% of consumer of Coke and Pepsi lies in the 10 to 15 age groups, 36% lies in the 15 to 25, 27% lies in 25 to 35 age group and 15% lies in the above 35 age group. From this table it can be inferred that the users of cold drink can be found across the different age group.

**Table: 3.3**

**User of Coke and Pepsi: Sex wise**

<b>Sex</b>	<b>No. of respondent</b>	<b>Percentage</b>
Male	37	37%
Female	63	63%
<b>Total</b>	<b>100</b>	<b>100%</b>

As presented in table 3.3, the sample included 37% male consumers and 63% female consumers of Coke and Pepsi in Birgunj. It also shows that the female consumers of cold drinks in increasing day by day then previous year.

**Table: 3.4**

**Users of Coke and Pepsi: Education wise**

Under S.L.C.	11	11%
S.L.C. passed	19	19%
Under graduate	35	35%
Graduate	21	21%
Above graduate	14	14%
<b>Total</b>	<b>100</b>	<b>100%</b>

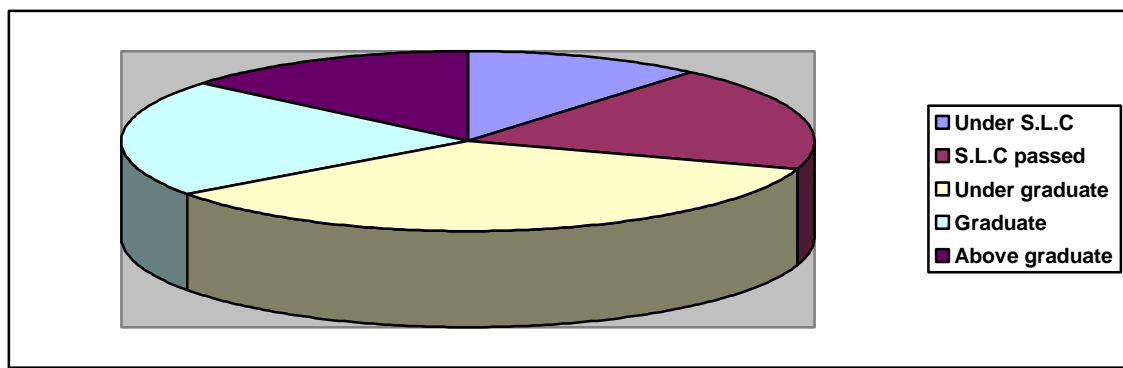
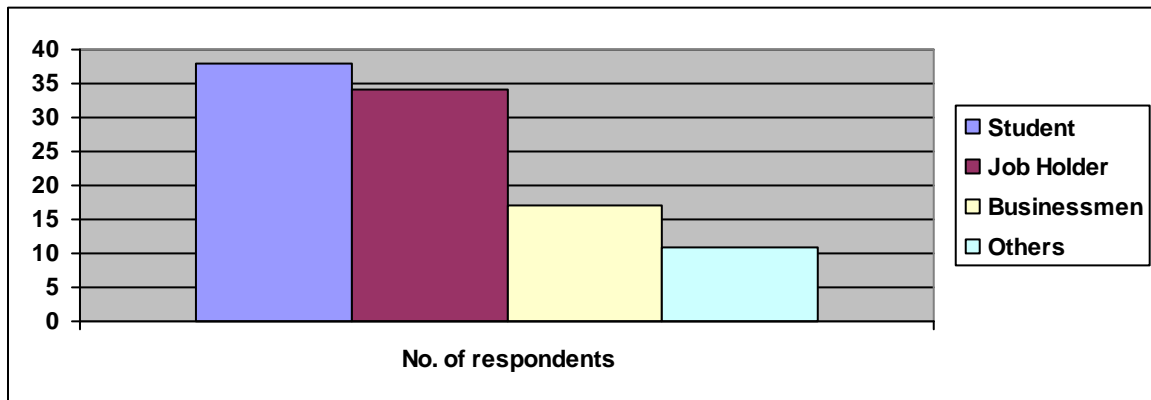


Table 3.4 presents the education profile of the respondents, out of 100 respondents surveyed, 35% of Coke and Pepsi users are under graduate and 19%, 21%, 14% and 11% are S.L.C. passed, graduate, above graduate and under S.L.C. respectively.

**Table: 3.5**

**Users of Coke and Pepsi: Occupation wise**

<b>Occupation</b>	<b>No. of respondents</b>	<b>Percentage</b>
Students	38	38%
Job holders	34	34%
Businessman	17	17%
Others	11	11%
<b>Total</b>	<b>100</b>	<b>100%</b>



As shown in table 3.5, according to occupation background 38% are students, 34% are job holders, 17% are businessman and 11% are others to take Coke and Pepsi.

**3.5 Data Collection Procedures**

Two sets of structured questionnaires were developed for the purpose of collection data from the consumers as well as retailers such as college, banks, office and hotels etc. The questionnaires were distributed through personal contact in which the respondents were requested to personally visit to take interview of the retailers and consumers. Consumers were chosen from different socio economic background for interview officers of companies and lecture of college interviewing Coke and Pepsi.



### **3.6 Data Processing and Analysis**

The raw data collected through the questionnaires have been manually processed and presented in the form of table. Once the data are arranged orderly, simple statistical tools were used for analysis. The processed data have also been presented graph, bar, diagram and pie-chart. All the questionnaires were distributed and collected by these studies. So there was no delay in collection of the consumers. Every questionnaire was thoroughly checked after the collection.

## Chapter-4

### **Data Presentation and Analysis**

This chapter deals with data presentation and analysis. The data and information collected from the consumers and retailers have been presented, analyzed and interpreted in this chapter for attaining the stated objectives of the study. The heading first presents the consumer level survey and the retailer level survey after analysis and interpretation; the major findings of the study are included at the end of this chapter.

#### **4.1 Consumer Survey**

**Table: 5.1**

##### **User's Cold drinks usage trend and their favorite brand**

<b>Brand</b>	<b>No. of respondent</b>	<b>Percentage</b>
Coke	37	37%
Fanta	19	19%
Sprite	11	11%
Pepsi	23	23%
Frooti	8	8%
Mirinda	3	3%
<b>Total</b>	<b>100</b>	<b>100%</b>

The survey included question to find out the attitude of consumers to cold drink of different brands and whether they consume only one type of brand or more than one. The result of survey is shown in table 5.1

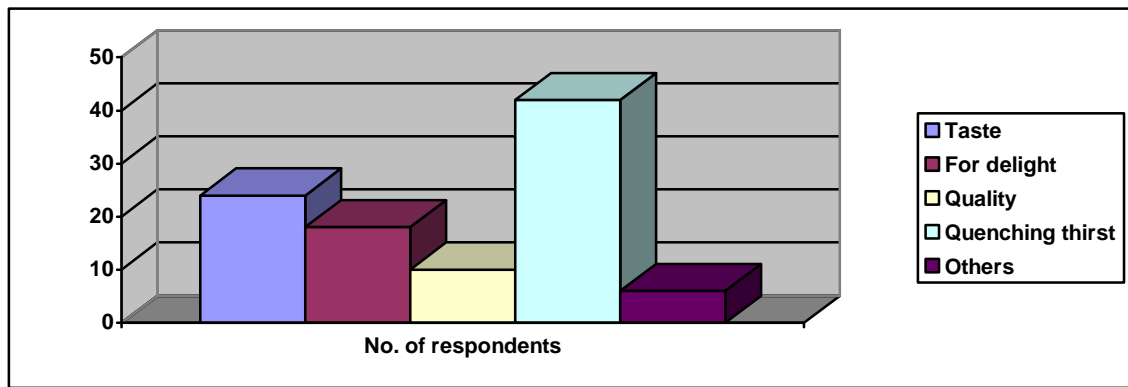
Among the 100 respondents' survey in Birgunj, 37% of the consumer are found to consume Coke, where as 19% of respondent consumed Fanta, 23% of respondents consume Pepsi, 11% of respondents consume Sprite, 8% consume Frooti and 3% of respondents consume Mirinda.

From the above table it proves that the choice of Coke is far ahead than other cold drink while Pepsi takes the second position. From the analysis it shows that the Coca-Cola products (Coke, Fanta, Sprite) have a combined market share of more than 67% of the Birgunj cold drinks market.

**Table: 5.2**

**Reasons for having cold drinks (Status and Attitude)**

Options	No. of respondents	Percentage
Taste	24	24
For delight quality	18	18
Quality	10	10
Quenching thirst	42	42
Others	6	6
<b>Total</b>	<b>100</b>	<b>100</b>



As shown in table 5.2, 42% of respondents say that the best reason for having cold drinks is quenching the thirst. While 18% of respondents are found to consume cold drinks for delight, 24% respondents for the taste, 10% for the quality and 6% respondents includes for other interests and hobby.

**Table: 5.3**

**Factor that influence consumer to have Cold drinks.**

<b>Factor rank</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>	<b>5<sup>th</sup></b>	<b>6<sup>th</sup></b>	<b>7<sup>th</sup></b>	<b>8<sup>th</sup></b>	<b>Total</b>
Availability	6	11	20	19	23	12	5	4	<b>100</b>
Advertisement	6	7	16	14	21	20	10	6	<b>100</b>
Sales Scheme	1	1	4	15	14	30	32	3	<b>100</b>
Price	4	11	18	21	11	11	20	4	<b>100</b>
Quality	48	19	12	5	5	5	5	1	<b>100</b>
Taste	23	44	17	9	2	3	1	1	<b>100</b>
Brand	11	6	12	14	20	16	16	5	<b>100</b>
Other	1	1	1	3	4	3	11	76	<b>100</b>

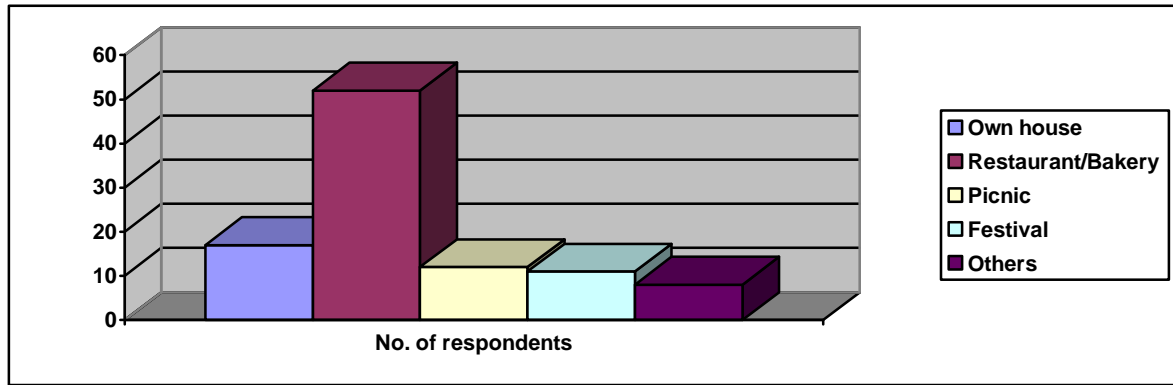
In table 5.3, different factors influencing consumption of cold drinks have been ranked. According to consumer's choice, consumers have ranked the quality of cold drinks as the most important factor (48 first rank and 19 second rank) followed by taste (23 first rank and 44 second rank), the brand is third position with (11 first rank and 6 second rank). Similarly availability is in fourth position, advertisement is in the fifth position, price in the sixth position and sales scheme and other are in same position.

This indication that consumers give higher preference to the quality, taste and brand name in the choice of cold drinks. Moderate level of preference to availability advertisement and price factor and lower preference to the sales scheme and other factors.

**Table: 5.4**

**Suitable place for having Coke and Pepsi (Status)**

<b>Option</b>	<b>No. of respondents</b>	<b>Percentage</b>
Own house	17	17%
Restaurant/Bakery	52	52%
Picnic	12	12%
Festival	11	11%
Others	8	8%
<b>Total</b>	<b>100</b>	<b>100%</b>



As shown in table 5.4, that the most suitable place for having cold drinks is restaurant/bakery which is the 52% of the total respondents. While 17% of the respondents consume Coke and Pepsi in own house. 12% of respondent consume on picnic and 11% and 8% of respondent consume cold drink in festival and others respectively.

**Table: 5.5**

**Size (ml or liter) of Coke and Pepsi most preferred**

<b>Size</b>	<b>No. of respondent</b>	<b>Percentage</b>
200ml	48	48%
250ml	30	30%
500ml	3	3%
1 liter	10	10%
1.5 liter	9	9%
<b>Total</b>	<b>100</b>	<b>100%</b>

As shown in table 5.5, the most preferred size is 200ml bottles (48%), followed by 250ml (30%), 1 liter bottles (10%) and 1.5 liter bottles (9%) while 500ml bottle is the least preferred one.

**Table: 5.6**

**Media exposure of Coke and Pepsi along with Sprite and Real**

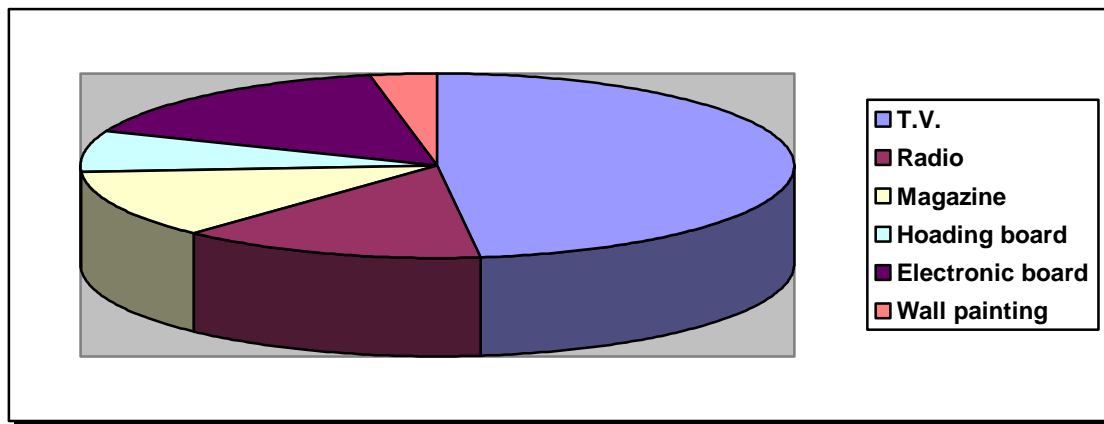
<b>Media</b>	<b>No. of respondents</b>							
	<b>coke</b>	<b>%</b>	<b>Pepsi</b>	<b>%</b>	<b>Sprite</b>	<b>%</b>	<b>Real</b>	<b>%</b>
Magazine	28	28%	15	15%	23	23%	19	19%
Radio	25	25%	27	27%	29	29%	26	26%
T.V.	47	47%	58	58%	48	48%	55	55%
<b>Total</b>	<b>100</b>	<b>100%</b>	<b>100</b>	<b>100%</b>	<b>100</b>	<b>100%</b>	<b>100</b>	<b>100%</b>

From the table 5.6, it has been found that consumers have more exposure of cold drink advertisements through the television as figure for Coke, Pepsi, Sprite and Real are 47%, 58%, 48% and 55% respectively. Radio also provides the second most important for Pepsi and magazine provides second most important exposure for the coke.

**Table: 5.7**

**The most effective advertising media**

<b>Media</b>	<b>No. of respondents</b>	<b>Percentage</b>
T.V.	48	48%
Radio	14	14%
Magazine	12	12%
Hoarding board	7	7%
Electronic board	16	16%
Wall painting	3	3%
<b>Total</b>	<b>100</b>	<b>100%</b>



Consumers' perception of the most effective media is presented in table 5.7. The table indicated that consumers feel that the TV is the most effective media (48%), followed by radio (14%), electronic board (16%), magazine (12%), hoarding board (7%) and wall painting (3%). The surveys show that even though the exposure of cold drink advertisement through the radio is found to be low, yet consumers feel that it is an effective medium for advertisement of cold drink after the TV.

**Table: 5.8**

**Recall of any advertisement of Coke and Pepsi**

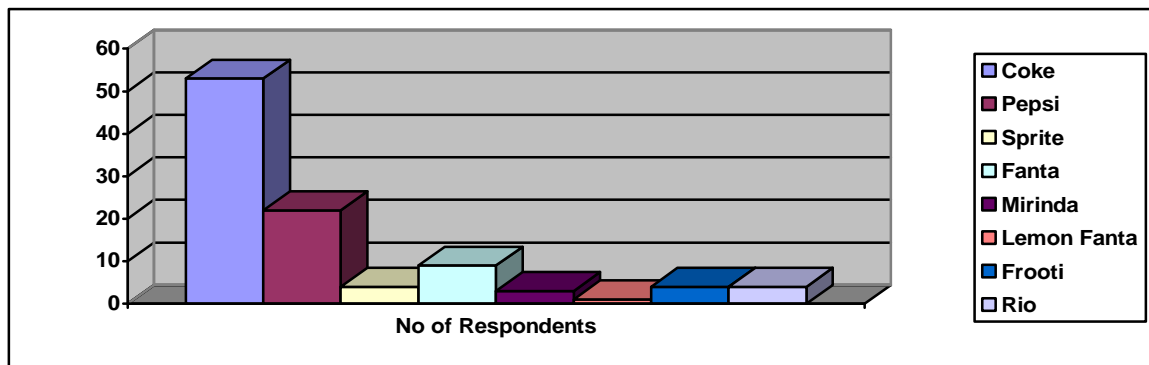
Options	No. of respondents	Percentage
Yes	100	100%
No	0	0
<b>Total</b>	<b>100</b>	

From the above table 5.8, 100% of respondents are found to recall the advertisement cold drink. This indicates that Coke and Pepsi advertisements have not only the higher level of exposure but also a very high recall value.

**Table: 5.9**

**Brand advertisement most recalled**

Brand	No. of respondents	Percentage
Coke	53	53%
Pepsi	22	22%
Sprite	4	4%
Fanta	9	9%
Mirinda	3	3%
Leman Fanta	1	1%
Frooti	4	4%
Rio	4	4%
<b>Total</b>	<b>100</b>	<b>100%</b>



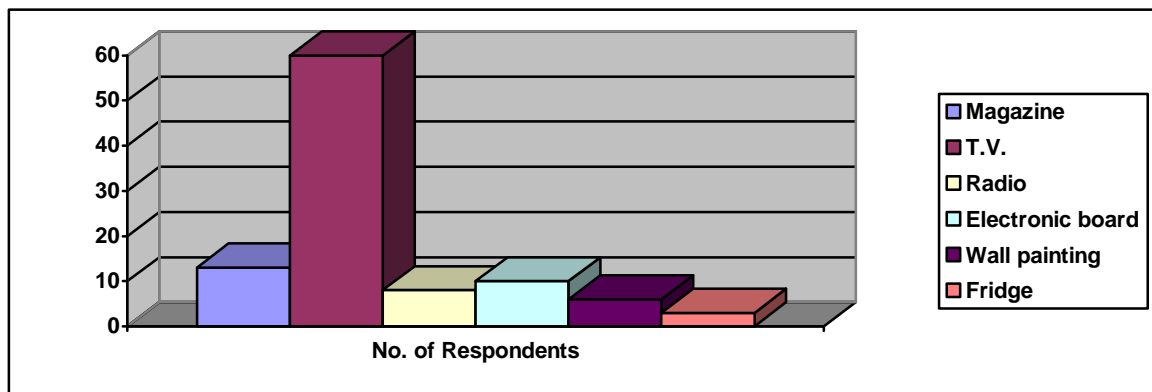


As shown in table 5.9, 53% of respondents remember advertisement of Coke, 22% remember advertisement of Pepsi, 9% remember advertisements of Fanta, 4% remember advertisements of Frooti, 4% remember advertisements of Sprite and Rio, 3% remember advertisements of Mirinda and 1% remember advertisement of Leman Fanta. From the above analysis, it can be inferred that Coke advertisements have been very effective with a very high recall value.

**Table: 5.10**

**Advertising media having most recall**

Media	No. of respondents	Percentage
Magazine	13	13%
T.V.	60	60%
Radio	8	8%
Electronic board	10	10%
Wall painting	6	6%
Fridge	3	3%
<b>Total</b>	<b>100</b>	<b>100%</b>



As shown in table 5.10, it can be seen that 60% of respondents remember T.V. advertisement, while 13% of respondents remember advertising in magazine, 10% of respondents remember advertisement in electronic board, 8% and 6% of respondents remember advertisement in radio and wall painting respectively and 3% of respondents remember advertisement fridge. From the above survey it proves that T.V. is the most

attractive and strong media and fridge is the weakest media of advertisement for cold drink in Birgunj area.

**Table: 5.11**

**Buying action after exposure to advertisement**

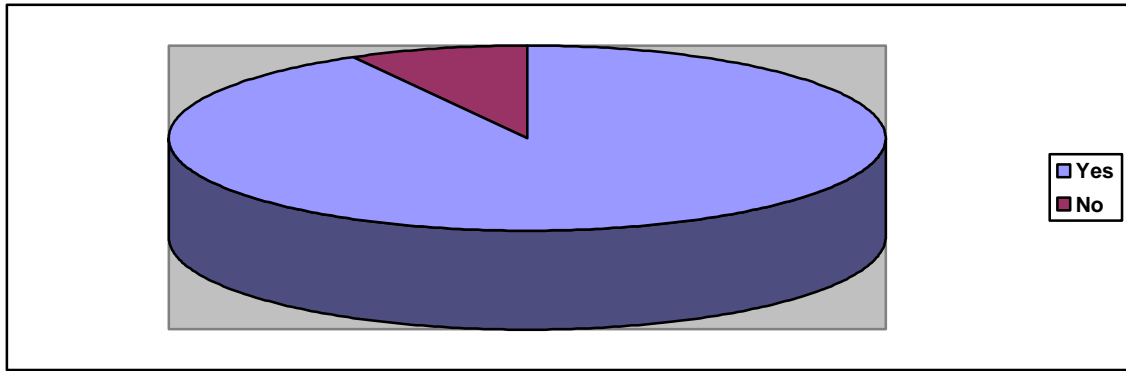
<b>Option</b>	<b>No. of respondents</b>	<b>Percentage</b>
Recently	4	4%
After seeing one or two times	8	8%
After additional information	15	15%
Not consulted	26	26%
When it need	47	47%
<b>Total</b>	<b>100</b>	<b>100%</b>

As shown in table 5.11, it can be seen that the advertisements have very little effects as 47% of respondents are found to buy cold drink when they need, while 26% respondents found that they buy cold drink without consulting any advertisements, 15%, 8% and 4% of respondents found that they buy cold drink after additional information, after seeing one or two times and recently. It proves that nobody can change human behaviors.

**Table: 5.12**

**Influence by the advertisement**

<b>Option</b>	<b>No. of respondents</b>	<b>Percentage</b>
Yes	92	92%
No	8	8%
<b>Total</b>	<b>100</b>	<b>100%</b>

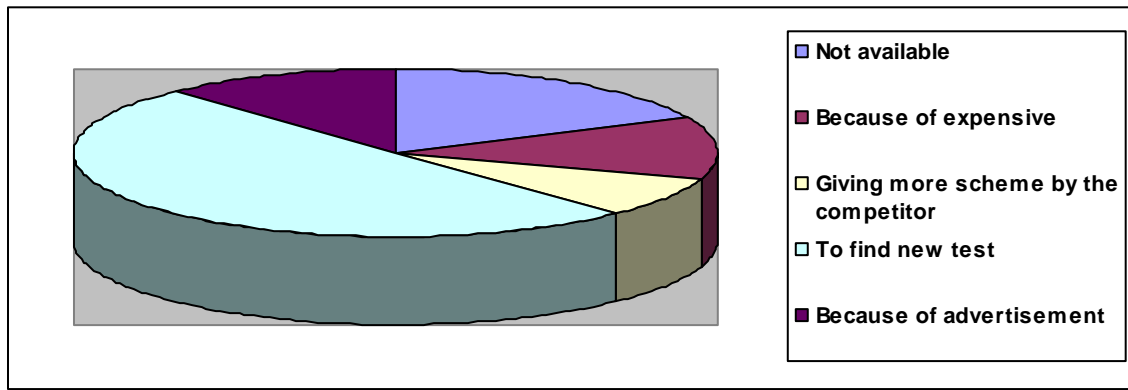


As shown in table 5.12, 92% consumers replied that they were fully influenced by the advertisement while 8% consumers replied that they were not influenced by the advertisement. From the analysis of table 5.11 and 5.12, it should be inferred that although consumers buy cold drink when the need arises, advertisements have played a very strong role in the choice of cold drink brand.

**Table: 5.13**

**Reasons for changing brand**

<b>Reason</b>	<b>No. of respondents</b>	<b>Percentage</b>
Not available	18	18%
Because of expensive	12	12%
Giving more scheme by the competitors	8	8%
To find new taste	50	50%
Because of advertisement	12	12%
<b>Total</b>	<b>100</b>	<b>100%</b>



As presented in table 5.13, consumers are found often trying other brands as 50% respondents change their brand to find new taste. While 18% respondents change their brand when they are most preferred brand is not available. Another 12% of respondents change their brand because of advertisement. 12% of respondents change their brand because of expensive price. And 8% of respondents change their brand when completing brand provides different sales schemes. Thus it concludes that a large number of respondents change their brand to find the new taste.

**Table: 5.14**

**Participation in the process of buying soft drink**

<b>Option</b>	<b>No. of respondents</b>	<b>Percentage</b>
Myself	55	55%
Family member	11	11%
Friends	22	22%
Others	12	12%
<b>Total</b>	<b>100</b>	<b>100%</b>

As presented in table 5.14, 55% of consumers purchase cold drink for themselves, 22% of consumers purchase through friends, 11% & 12% of consumers purchase soft drink through their family and others respectively.

**Table: 5.15**

**Frequency of purchase of cold drink**

<b>Option</b>	<b>No. of respondents</b>	<b>Percentage</b>
Once a day	28	28%
Twice a day	9	9%
Once a week	17	17%
Twice a week	24	24%
Whenever they like	22	22%
<b>Total</b>	<b>100</b>	<b>100%</b>

Table 5.15 shows the frequency of having cold drinks of the consumers, where 28% of consumers are found to have cold drink once a day. 9% of consumers have twice a day, 17% of consumers have cold drink once a week, 24% of consumers have cold drink twice a week and 22% of consumers have cold drinks whenever they like to have. From the table it can be inferred that the frequency of consumption of cold drink is quite high in Birgunj.

**Table: 5.16****Reasons for having Cola-based cold drink (Coke/Pepsi)**

Reasons	Coke		Pepsi	
	No. of respondents	Percentage	No. of respondents	Percentage
Because of brand	10	10%	10	10%
Because of taste	18	18%	8	8%
It's available everywhere	5	5%	11	11%
For freshness	5	5%	8	8%
For quenching the thirst	40	40%	36	36%
For fashion	4	4%	13	13%
Because of quality	17	17%	5	5%
Others	1	1%	9	9%
<b>Total</b>	<b>100</b>	<b>100%</b>	<b>100</b>	<b>100%</b>

Table 5.16 presents the reasons for consumption cola-based particularly Coke and Pepsi. The analysis shows that 40% of respondents have Coke because of quenching the thirst, 10% because of brand, 18% because of taste, 5% because of its available everywhere, 5% for freshness, 4% for fashion, 17% because of quality and 1% of respondents because of others.

Similarly, 36% of respondent have Pepsi for quenching their thirst, 10% have because of brand, 8% have because of taste, 11% of it's available everywhere,, 8% for freshness, 13% for fashion, 5% have because of quality and 9% have chosen Pepsi for others reason.

From the above survey, it may be concluded that quenching thirst stands the first reason for having Coke and Pepsi cola. While taste and quality are second and third reasons for having Coca-Cola and fashion and availability are second and third reasons for having Pepsi Cola.

**Table: 5.17**

**Advertisement liked most by respondents**

<b>Options</b>	<b>No. of respondents</b>	<b>Percentage</b>
Foreign advertisement	23	23%
Nepali model advertisement	41	41%
Nepali folksong advertisement	31	31%
Cartoon picture advertisement	5	5%
<b>Total</b>	<b>100</b>	<b>100%</b>

Table 5.17 shows that 41% of the respondents like advertisement based on the Nepali model advertisement, while 31% of respondents like Nepali folksong advertisement, 23% of respondents like foreign advertisement and 5% of respondents like cartoon picture advertisements. From the analysis it may be inferred that the cold drink users primarily like advertisement with Nepali model while there are sufficient number of respondents who like other forms of advertisements.

**4.2 Retailer survey**

**Table 5.18**

**Year in Business**

<b>Year</b>	<b>No of retailer</b>	<b>Percentage</b>
0-5	14	28%
5-10	21	42%
10-15	10	20%
15 above	5	10%
<b>Total</b>	<b>50</b>	<b>100%</b>

As shown in table 5.18 among the 50 retailers surveyed 42% of retailers have been running their business for the last ten years. Where as 28% of retailers for the last five years, 20% of retailers for the fifteen years and 10% of retailers for above fifteen years.

**Table:- 5.19**

**Brand availability in the retail outlets**

<b>Brand</b>	<b>No. of respondent</b>	<b>Percentage</b>
Coke	44	17.6%
Pepsi	33	13.2%
Sprite	24	9.6%
Fanta	32	12.8%
Mirinda	15	6%
Lemon Fanta	8	3.2%
Frooti	32	12.8%
Rio	55	22%
7'up	7	2.8%

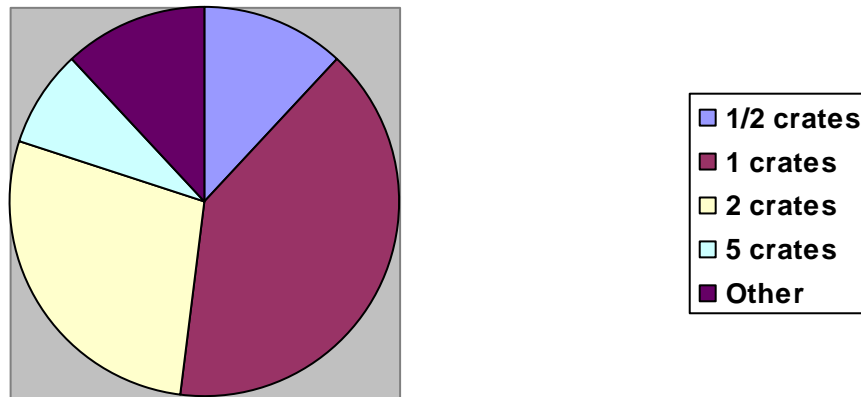
Table 5.19 presents the brand availability in the retail outlets in the Birgunj. The survey showed that availability of Coca-Cola products (Coke, Fanta, Sprite and Lemon Fanta) is generally higher than the Pepsi products (Pepsi, Mirinda, and 7up). Rio is also found to be very strong in terms of availability in the retail stores of the study area. Now a day's selling frequency of Frooti is decreasing day by day in our market.



**Table : 5.20**

**Retail sales of cold drink per day**

<b>Crates</b>	<b>No of respondent</b>	<b>Percentage</b>
½ Crates	6	12%
1 Crates	20	40%
2 Crates	14	28%
5 Crates	4	8%
Other	6	12%
<b>Total</b>	<b>50</b>	<b>100%</b>



Out of 50 retailers 40% of retailers sells one crates of cold drink in a day, where as 28% of retailers sell two crates of cold drink in a day, 12% of retailers sell half crates of cold drink in a day and 8% of retailers sell five crates cold drink in a day, From the above table it may be inferred that the retail sales per store is generally between one to two crates of cold drink a day.

**Table : 5.21**

**Brand that has more sales**

<b>Brand</b>	<b>No of respondent</b>	<b>Percentage</b>
Coke	19	38%
Pepsi	9	24%
Sprite	2	4%
Fanta	12	18%
Mirinda	5	10%
Lemon Fanta	3	6%
<b>Total</b>	<b>50</b>	<b>100%</b>

As shown in table 5.21, Coke is at the top position among the brands as 38% of the retailers opined it as the most selling brand and followed by Pepsi, Fanta, Mirinda, Lemon Fanta and Sprite with 24%, 18%, 10%, 6% and 4% respectively.

**Table: 5.22**

**Size of bottles sold most**

<b>Size (ml/liter)</b>	<b>No. of respondent</b>	<b>Percentage</b>
200ml	6	12%
250ml	32	64%
500ml	3	6%
1 liter	5	10%
1.5 liter	4	8%
<b>Total</b>	<b>50</b>	<b>100%</b>

As shown in table 5.22, 64% of the retailers opined that 250ml. Bottle have the highest sales. Whereas 12% of retailers sale 200ml, 6%, 10% and 8% of retailers sale 500ml, 1 liter, and 1.5 liter respectively.

**Table: 5.23**

**Type of packaging preferred for selling bottle Vs can**

<b>Options</b>	<b>No of respondent</b>	<b>Percentage</b>
Can	10	20%
Bottle	40	80%
<b>Total</b>	<b>50</b>	<b>100%</b>

As shown in table 5.23, 80% of retailers opined that it is easy to sell cold drink in bottles. Only 20% of the retailers are found to say it easy to sell cold drinks in cans. The above table proves that it is easy to sell the cold drinks in bottles for the retailers.

**Table: 5.24**

**Frequency of company salesmen's visit to the shop**

<b>Option</b>	<b>Coke</b>	<b>%</b>	<b>Pepsi</b>	<b>%</b>	<b>Frooti</b>	<b>%</b>	<b>Rio</b>	<b>%</b>
Daily	15	30%	26	52%	14	28%	21	42%
Once a week	25	50%	14	28%	25	50%	15	30%
Twice a week	8	16%	6	12%	8	16%	5	10%
Other	2	4%	4	8%	3	6%	9	18%
<b>Total</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

The table 5.24 indicates that 50% of salesmen of Coke visit retail shop in once a week whereas 30% of salesmen visit retail shop in daily, 16% of salesmen visit retail shop once a week. Similarly 28% of salesmen of Pepsi visit the retail shop once a week, 52% do it daily and 12% visit the shop twice a week. The table above shows the more effective marketing strategies of Coke and Pepsi in Birgunj, as compared to other cold drinks.

**Table: 5.25**

**Quantity of purchase of Coke & Pepsi at a time.**

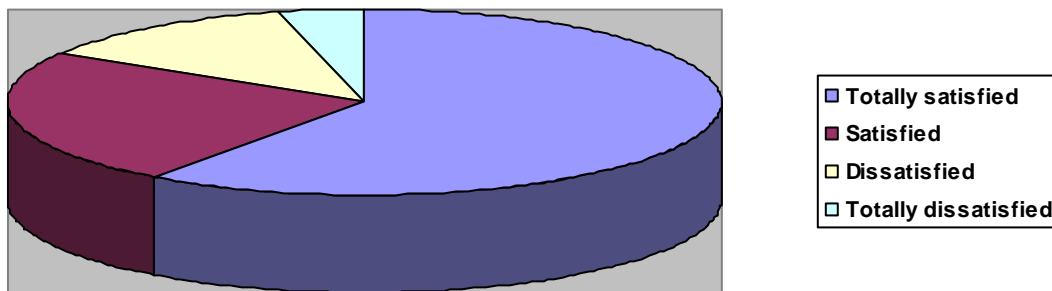
<b>Option</b>	<b>No. of respondent</b>	<b>Percentage</b>
1 crates	3	6%
2 crates	6	12%
More than 3 crates	14	28%
More than 5 crates	19	38%
More than 10 crates	8	16%
<b>Total</b>	<b>50</b>	<b>100%</b>

This survey reveals (table 5.25) that out of 50 retailers, 38% of the retailers purchase more than five crates while 6% purchase one crate, 12% two crates, 28% more than three crates whereas 16% more than ten crates.

**Table: 5.26**

**Satisfaction from the distribution**

<b>Option</b>	<b>No of respondent</b>	<b>Percentage</b>
Totally satisfied	30	60%
Satisfied	12	24%
Dissatisfied	6	12%
Totally dissatisfied	2	4%
<b>Total</b>	<b>50</b>	<b>100%</b>



As presented in table 5.26, 60% of retailers are totally satisfied by the current distribution way. Whereas 24% are only satisfied, 12% are dissatisfied and 4% are totally dissatisfied. The analysis indicates that the retailers in general are satisfied from the performance of the distributors of Coke & Pepsi in Birgunj.

**Table: 5.27**

**Retailers' reactions in distribution channel of different brands**

<b>Option</b>	<b>Coke</b>	<b>%</b>	<b>Pepsi</b>	<b>%</b>	<b>Frooti</b>	<b>%</b>	<b>Rio</b>	<b>%</b>
Very good	20	40%	13	26%	12	24%	24	48%
Good	26	52%	17	34%	18	36%	20	40%
Not so bad	3	6%	16	32%	17	34%	3	6%
Bad	1	2%	4	8%	3	6%	3	6%
<b>Total</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

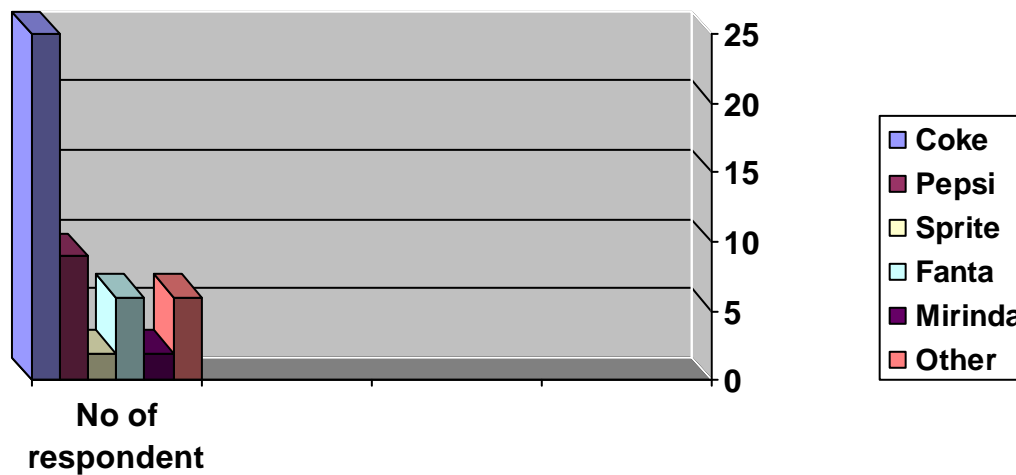
Table 5.27 shows that 48% of the retailers feels that the Rio product company's distribution channels is very good, while 52% of the retailers feel that the Coca-Cola Company's distribution channel is only good. Likewise 34% and 40% of the retailers feel that Pepsi and Frooti Company's distribution channel are good.

Similarly, 2%, 8%, 6% and 6% of the retailers feel that the Coke, Pepsi, Frooti and Rio Company's distribution channels is bad. It proves that the condition of distribution channel will be working hard to reach retailers to give many returns.

**Table: 5.28**

**Brand preference to sell**

<b>Brand</b>	<b>No. of respondent</b>	<b>Percentage</b>
Coke	25	50%
Pepsi	9	18%
Sprite	2	4%
Fanta	6	12%
Mirinda	2	4%
Other	6	12%
<b>Total</b>	<b>50</b>	<b>100%</b>

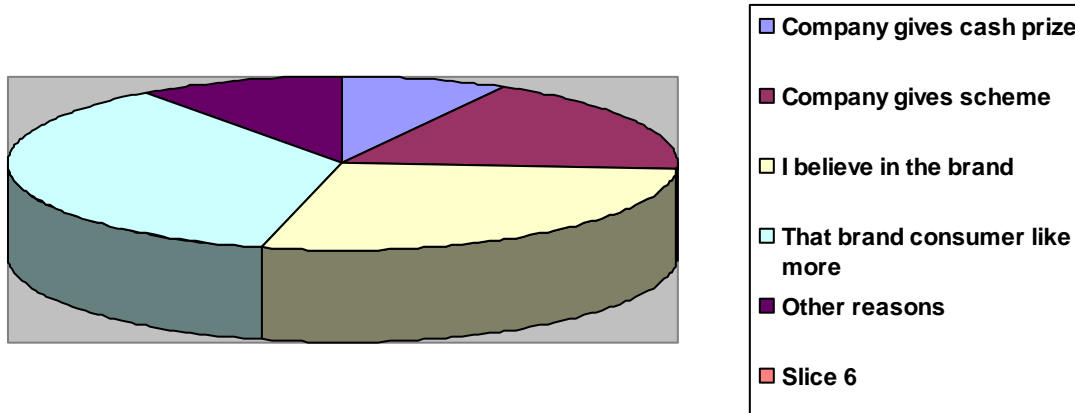


As presented in table 5.28, 50% of the retailers are found to prefer to sell coke because of its high demand in the market. While 12% of the retailers prefer to sell Fanta, 12% are preferred to other brands cold drinks, 18% are preferred to sell Pepsi and 4% are preferred to sell Sprite and Mirinda.

**Table: 5.29**

**Reasons for preference to sell the brand**

<b>Reason</b>	<b>No. of respondent</b>	<b>Percentage</b>
Company gives cash prize	4	8%
Company gives scheme	9	18%
I believe in the brand	14	28%
That brand consumer like more	18	36%
Other reasons	50	100%
<b>Total</b>	<b>50</b>	<b>100%</b>

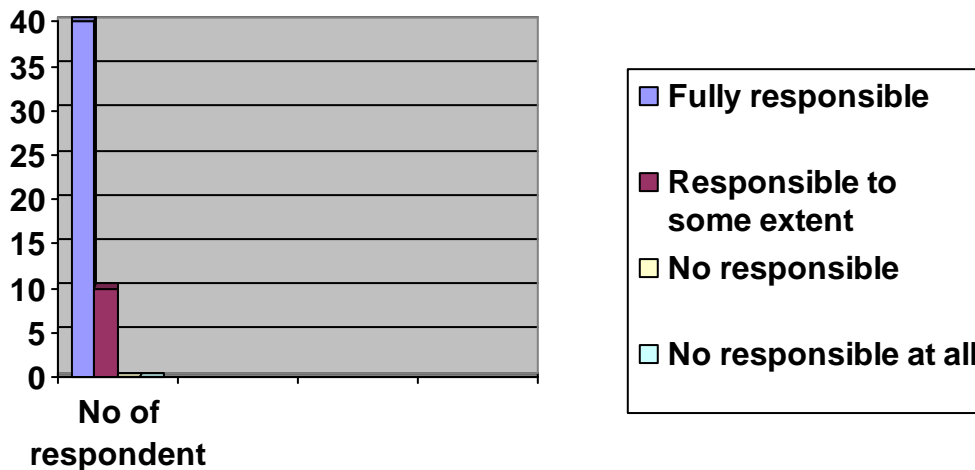


As shown in table 5.29, 36% of the retailers like to sell mainly because the consumers like that brand more, while 28% of the retailers' preference to sell because of they believe in the brand, 18% of the retailers' preference to sell because company gives scheme, 8% of the retailers' preference to sell because of cash prize and other reasons respectively.

**Table: 5.30**

**Influence of advertising on sales**

<b>Options</b>	<b>No of respondent</b>	<b>Percentage</b>
Fully responsible	40	80%
Responsible to some extent	10	20%
Not responsible	0	0
Not responsible at all	0	0
<b>Total</b>	<b>50</b>	<b>100%</b>



The table 5.30 reveals the retailers have high faith on advertising effect on sales as 80% of them opined that the advertisement is fully responsible for the sales of the brand. While 20% of the retailers opined as it is partly responsible for the sale of brand. It indicates that there is a vital role of advertisement to influence sales of any type of brand.



**Table: 5.31**

**Influence of advertising on sales**

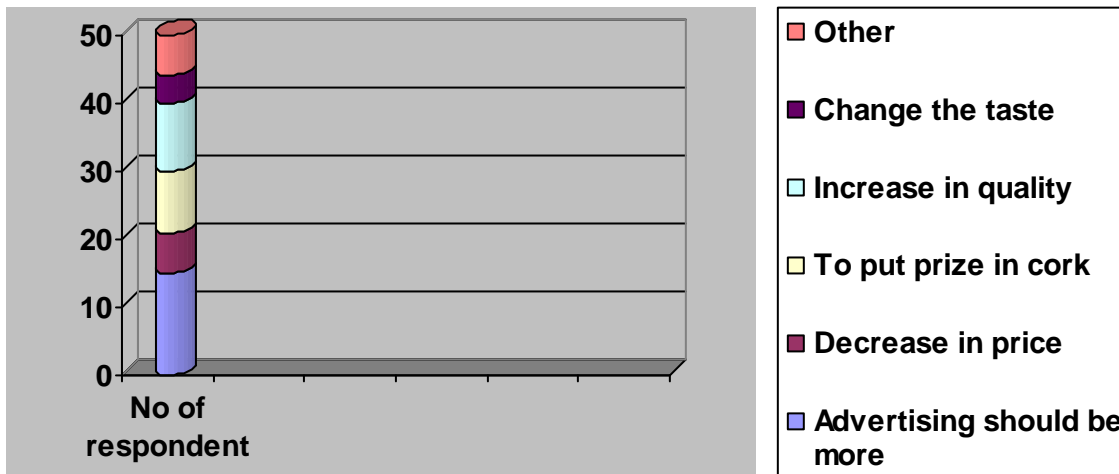
<b>Option</b>	<b>No of respondent</b>	<b>Percentage</b>
Coke	28	56%
Pepsi	10	20%
Sprite	3	6%
Fanta	5	10%
Mirinda	1	2%
Other	3	6%
<b>Total</b>	<b>50</b>	<b>100%</b>

Table 5.31 shows that retailers have high faith in the Coke advertisement as 56% of them feel that the advertisement of Coke has influenced its sales, while this figure for Pepsi is only 20%. Retailers' feelings towards the influence of Fanta advertisement on its sales is 10%, for other type of brand is 6%, for Sprite is 6% and for Mirinda is 2%.

**Table: 5.32**

**Factors for increase in sales of Coke and Pepsi**

Option	No of respondent	Percentage
Advertising should be more	15	30%
Decrease in price	6	12%
To put prize in cork	9	18%
Increase in quality	10	20%
Change the taste	4	8%
Others	6	12%
<b>Total</b>	<b>50</b>	<b>100%</b>



According to table 5.32, 30% of retailers claim that the advertising is the best factor to increase in sales of Coke & Pepsi where as 20% of the retailers claim to increase quality to increase in sales of Coke & Pepsi in Birgunj. 18% of retailers suggest to put prize in cork to increase in sales of cold drinks, 12% of the retailers say to other reasons to increase the sales of cold drinks, 12% of the retailers also say to decrease in price to increase in sales of cold drinks and only 8% of the retailers claim to change the taste to increase in sales of Coke & Pepsi in the Birgunj.

**Table: 5.33**

**Sales promotion schemes to induce sales**

<b>Options</b>	<b>No of respondent</b>	<b>Percentage</b>
Cash prizes	25	50%
Coupon prizes	10	20%
Item prizes	10	20%
Awards	4	8%
Others	1	2%
<b>Total</b>	<b>50</b>	<b>100%</b>

As shown in table 5.33, 50% of the retailers said that cash prizes induces sales promotion of Coke & Pepsi while 20% of the retailers said that coupon prizes induces sales promotion of Coke & Pepsi. 20% of the retailers said that item prizes induce sales promotion of Coke & Pepsi, 8% of the retailers said to sales promotion of Coke & Pepsi because of awards and only 2% of the retailers said that there is other reasons to induce sales promotion of Coke & Pepsi in Birgunj.

**Table: 5.34**

**Sales promotion scheme for the retailers**

<b>Options</b>	<b>No of respondent</b>	<b>Percentage</b>
Yes	42	84%
No	8	16%
<b>Total</b>	<b>50</b>	<b>100%</b>

As shown in the table 5.34, 84% of the retailers opined that the company must provide them with sales promotion schemes, while 16% of the retailers said that the companies no need to provide them with any kind of scheme.

**Table: 5.35**

**Type of promotion scheme provided by the company**

<b>Options</b>	<b>No of respondent</b>	<b>Percentage</b>
Cash discount	15	30%
Cold drink discount	7	14%
Fridge	20	40%
Prizes	6	12%
Other	2	4%
<b>Total</b>	<b>50</b>	<b>100%</b>

As presented in table 5.35, 40% of the retailers want to take fridge as a promotion scheme, whereas 30% of the retailers want to receive cash discount as promotion scheme, 14% of the retailers want to receive cold drink discount as promotion scheme, 12% of the retailers want to receive prizes as promotion scheme and 4% of the retailers want to receive other type of prizes as promotion scheme.

**4.3 Major findings of the study**

On the basis of above analysis of the data, some major findings have been summed up as follows :-

1. The market position of Coke is dominating here and it is the number one choice while Pepsi holds the second position. As the analysis of table no. 5.1 suggests, the choice for Coke is far more than to any other brands of cold drinks available right now in the market. People's response towards Coke is more positive than to other brands and together with this the Coca-Cola Company has rightly combined Coke with its other product i.e., Fanta, Sprite & Lemon Fanta, so that it has about 76% of the cold drink market.
2. The second major finding is related to the status of cold drinks on the basis of reasons to drink. Table no 5.2 exposes status (image) of cold drinks in people's mind. Similarly, 42% of the respondents pinpoint the reasons to have cold drinks for quenching the thirst. Another status regarding cold drinks in people's mind is that it

is more suitable to have three drinks in restaurants and bakeries as table 5.4 suggests its strength as 52%.

3. The third finding hints at consumer's first preference to quality, taste and brand name and only the moderate level of preference to availability, advertisement and price.
4. Equally important finding can be derived from table no 5.21, this table defines the consumption trend of cold drinks. The table suggests that more than 38% of the total sales of cold drinks is occupied by Coke. This means consumers prefer Coke rather than other cold drinks. Therefore consumption trend of cold drinks is dominated by Coke.
5. It has been found that consumers have more exposure of Coke & Pepsi through the television. Its figure stands as 48 %. Naturally it most effective media for advertisement, the second media of exposure is electronic board (16%) which is far below the first one. The strength of the other media is radio (14%). Surprisingly, even the exposure of the Coke & Pepsi through radio is very low. It needs to be promoted the exposure of advertisement for Coke & Pepsi in an under developing country like Nepal.
6. It is interesting enough to find all respondents recalling the advertisement of the cold drink. It is studied that Coke & Pepsi advertisements have much higher level of exposure as well as a very high recall value. The study found that 53% of respondents remember advertisement of Coke, while 22% of the respondents remember advertisement of Pepsi, 9% remember Fanta, 4% remember Frooti, 4% remember Sprite and Rio, where as 3% and 1% of the respondents remember Mirinda and Lemon Fanta respectively. From the above analysis, it may be inferred that Coke advertisements have been very effective with a very high recall value, Of course, the second priority is occupied by Pepsi.

7. The advertisements have very little action effects as 47% of respondents are found to buy cold drinks when they needed. While 26% of respondents found that they buy cold drinks without consulting any advertisements. Only 4% of respondents are found to buy cold drinks recently after exposure to an advertisement and additional 15% after a few exposures. However, most of the consumers replied that they have fully influenced by the advertisements. While marginal number of consumers replied that that they were not influenced by the advertisements. From this, it should be inferred that though consumers buy cold drinks when the need arises, advertisements have played a very strong role in the choice of cold drink brand.
8. Consumers are often found to try other brands as 50% respondents change their brand to find new taste while 18% respondents change their brand when their most preferred brand is not available. Another 12% of respondents change their brand because of effect of advertisement. 12% of respondents change their brand because of price factor whereas only 8% of respondents change their brand when competing brand provides different sales scheme. Thus it concludes that a large number of respondents change their brand to find the new taste.
9. In the study area, 55% of consumers purchase cold drinks for themselves. 22% of the consumers purchase through their friends, whereas 11% of consumers purchase cold drinks through their family members and others respectively. Similarly, 28% of consumers are found to have cold drinks once a day, 22% of consumers have cold drinks whenever they like to have, 24% of consumers have cold drinks twice a week, 17% of consumers have once a week and only 9% of consumers have twice a day. From this, it can be inferred that the frequency of consumption of cold drinks is quite high in Birgunj.
10. In terms of the reasons for consuming cola based drink, particularly Coke & Pepsi, 40% of respondents use to have Coke because of quenching the thirst, 18% because of taste, 17% for quality, 10% for brand, 5% for freshness, 4% for fashion and 1% for other reason. Similarly, 36% of respondents use to have Pepsi because of quenching the thirst, 13% for fashion, 11% for available everywhere,

10% for brand, 9% for other reason, 8% for freshness, 8% for taste and 5% for quality. From this study, it can be concluded that quenching the thirst stands the first attribute for having Coke & Pepsi.

11. Among the 50 retailers surveyed, 42% of retailers have been running their business for the last five to ten years, 28% of retailers for the five years, 20% of retailers for last ten to fifteen years and only 10% of retailers have been running their business for last fifteen years.
12. The study showed that the availability of Coca-Cola products (Coke, Fanta, Sprite and Lemon Fanta) is generally higher than the Pepsi products (Pepsi, Mirinda and 7up). Rio is also found to be very strong in terms of availability in the retail stores of the study area while Frooti is slowly catching up in the Birgunj market.
13. Out of 50 retailers, 40% sell one crates of cold drink in a day, 28% sell two crates of cold drinks in a day, 12% sell half and other crates of cold drinks in a day and only 8% sell five crates of cold drinks in a day. From this, it may be inferred that the retail sales per store is generally between one to two crates of cold drinks in a day.
14. The Coke holds the top position among the brands as 38% the retailers opined it as the most selling brand and it followed by Pepsi (24%), Fanta (18%), Mirinda (10%), Lemon Fanta (9%), and Sprite (2%). In the study, 64% of the retailers opined that 250-ml bottles has the highest sales and 6% of the retailers opined that 500-ml bottles has the lowest sale and 80% of the retailers opined that it is easy to sell cold drinks in bottles. Only 20% of the retailers are found to say it is easy to sell cold drinks in cans. This infers that it is easy to sell the cold drinks in bottles for the retailers.
15. The Coca-Cola and Frooti salesmen visit about half of the retail outlets once a week. The shop visit by the company salesmen for Pepsi and Rio is found to be on a daily basis. Thus, the Coca-Cola and Pepsi have more aggressive marketing strongly in Birgunj than the Frooti and Rio.

16. This study reveals that out of 50 retailers, 38% of the retailers purchases more than five crates at any one time while 28% are found to purchase more than three crates at a time, 12% are found to purchases two crates at a time and only 6% are found to purchases one crates at a time. This indicates that the retail purchases of Coke and Pepsi in Birgunj are mostly between three to five crates at a time.
17. The study found that 60% of the retailers are totally satisfied with the present distribution channels, 24% of the retailers are satisfied, while 12% of retailers are dissatisfied and only 4% of the retailers are totally dissatisfied. The analysis indicates that the retailers in general are satisfied with distribution channel and marketers. From the performance of the distribution of Coke and Pepsi in Birgunj, 52% of the retailers feel that the Coca-Cola company's distribution channel is good. This indicates that the retailers have medium level of satisfaction with Coca-Cola's distribution than the distribution of Pepsi. Similarly, 48% of the retailers feel that distribution channel of Rio is good. This indicates that distribution channel of company is not so bad and also shows that efficiency of distribution channel will be increasing in near competition market.
18. In the study, 50% of the retailers are found to prefer to sell Coke because of its high demand in the market. While 18% of the retailers prefer to sell Pepsi, 12% of the retailers prefer to sell other types of cold drinks. 12 of the retailers prefer to sell Fanta, 4% of the retailers prefer to sell Sprite and Mirinda respectively. Similarly, 36% of the retailers like to sell cold drinks brands mainly because the consumers like the drinks while 28% of the retailers like to sell because they believed in the brand, 18% of retailers like to sell because the company provides them with sales schemes 8% of the retailer like to sell because the company provides cash prizes and 10% for other reasons respectively.
19. The study reveals that the retailers have high faith advertising for its effect on sales as 80% of them opined that the advertisement is fully responsible for the sale of brand. While 20% of the retailers opined it partly responsible for the sale of brand.



So the study indicates that most of the retailers feel that the advertisement is responsible for the sales of the brand.

20. The study shows that retailers have high faith in the Coke advertisement as 56% of them feel that the advertisement of Coke has influenced its sales while this figure for Pepsi is only 20%. Retailers feeling the influence of Fanta advertisement on its sales is 10%, for others 6%, for Sprite 6% and for Mirinda 2%. However, 30% of retailers claim that advertising should be better to increase the sales, 20% of the retailers want the quality, 18% of the retailers want the prizes in cork, 12% of the retailers want the decrease in price to increase in sales of Coke & Pepsi and only 8% of the retailers want to change the taste to increase in sales of cold drinks. From this, it may be inferred that the advertising and quality are essential to increase in sales of Coke & Pepsi. In this study, 50% of the retailers said that cash prizes induces sales of cold drinks while 20% of the retailers found that coupon prizes is more effective on sales, 20% of them are in favor of item prizes, 8% of them are in favor of award and only 2% of them are in favor of other prizes. This indicates that retailers of the study indicate that retailers of the study area are in favor of cash prizes.

21. It was found that 40% of the retailers receive fridge in cold drinks as a promotion scheme, 14% of them have received discount in cold drinks as a promotion scheme, 30% of them have received cash discount, 12% of them want prizes and only 4% of them want other scheme in cold drink as a promotion scheme.

## **Chapter-5**

### ***Summary, Conclusions and Recommendations***

#### **5.1 Summary**

In recent days, there has been a rapid increase in the number of industries in Nepal and they are developing with equal strength. Every year new fields of industrial importance are being discovered. Consequently, the number of units at different type of industries is also increasing in the country. All these have introduced a keen competition in the Nepalese market. Today, a product not only needs quality enhancement, but also better promotion and presentation in the market. The product should be presented at right time at suitable place with good brand promotion, label and package. Every product needs to meet the need and satisfaction of consumers to get success in the market .

Marketing always plays a very significant role in accelerating the pace of industrialization which is essentially important in making the economy developed and strong. Obviously, marketing is the most significant multiplier of economic development. The developing of the marketing makes possible economic integration and the perfect utilization of whatever assets and productive capacity that as economy has already possessed. It mobilizes latent economic energy and finally contributes to the greatest needs for the rapid development of entrepreneurs and managers. The rapid urbanization in Nepal has induced a culture of having cold drinks. Moreover, population density has been creating hot climate, which in turn has increased the demand for cold drinks. The variety of cold drink brands sold in the Nepalese market has also increased in recent years. The modern bottled cold drink was first introduced in Nepal in 1976 when Coca-Cola was established, followed by Pepsi in 1986. Since then, several industries have been established in Nepal to meet the ever increasing demand. Thus, the cold drink markets have become very competitive in Nepal and it is essential for every company to set up an effective marketing mechanism to exploit the market potential.

The present study aims at overviewing the actual marketing of Coke & Pepsi in Birgunj. It has been conducted to examine the consumers' perception and behavior in the purchases of these drinks in the study area and evaluate the distribution network and marketing

strategies of Coke & Pepsi companies. It aims to evaluate the impact of advertisement and sales promotion schemes on sales of cold drinks and consumer profile and their preference of Coke & Pepsi in the study area. It also aims to measure the effect of sales promotion schemes on the sales of cold drinks and identify consumers profile and their preference of Coke & Pepsi. This study has been conducted through a survey of consumers and retailers. Altogether 100 consumers' and 50 retailers' opinions have been collected by administering questionnaires.

## **5.2 Conclusions**

As analyzed in above data presentation and analysis chapter, the marketing, usage trend and status of Coke & Pepsi are described as follows:-

1. The Coca-Cola products (Coke, Fanta and Sprite) have a combined market share of more than 76 percent of the Birgunj cold drink markets.
2. The consumers are generally found to have Coke & Pepsi during the Tiffin time(day). The best reasons for having cold drink is "Quenching the thirst", followed by "For delight ", "For taste", "For quality", and "For their interest and hobby". Consumers are found to give higher preference to the quality, taste and brand name in the choice of cold drink, moderate level preference to availability, advertisement and price factors and lower level preference to sales scheme and other factors. The most common place for having cold drink by consumer is restaurant and bakery shop followed by consumer their own house, picnics, festival and other places. The most preferred size is the 200 ml bottles, followed by 250 ml, 1 liter, 1.5 liter, respectively while 500 ml bottle is the least preferred.
3. The Consumer have more exposure of Coke & Pepsi advertisements through the television, magazines provide the second most important exposure while exposure through radio is found to be very low. In term of consumers' perception of the most effective media the television is the most effective media followed by radio, electronic brand, magazines,

hoarding board and wall painting. Even though the exposure of Coke & Pepsi advertisements through radio is found to be low. However, consumers feel that it is as effective medium for advertisement of Coke & Pepsi after television and electronic board.

4. All respondents are found to recall the advertisements of Coke & Pepsi . This indicates that the Coke & Pepsi advertisements have not only higher level of exposure but also a very high recall value. The recall value of coke advertisements was highest followed by Pepsi, Fanta, Frooti, sprite, Rio, Mirinda and Iman Fanta. Very large number of respondents remember television advertising. The study showed that television is more attractive media and radio is the weakest media of advertisement for Coke & Pepsi .
5. The advertisements have very little action effects as a large number of respondents are mostly found to buy Coke & Pepsi when they need. The study however, showed that although consumers buy these drinks when the need arises, advertisements have played a very strong role in the choice of cold drink brands.
6. Consumers are interested in trying other brands as half of the respondents change their brand to find new taste, more than one fourth change their brand when their most preferred brand was not available. Some consumers are found to change their brand because of price factor or when competing brand provided different sales schemes and very few due to advertisement.
7. The frequency of consumption of Coke & Pepsi is quite high in Birgunj. Consumers who take cold drinks daily are about 28%. Consumers generally purchase cold drinks themselves or through their family members.
8. Quenching thirst stands the first reason for having Coke followed by taste while in case of Pepsi its quenching thirst attribute stands as the first reasons followed by its fashion and taste. The quenching thirst properties

of both Rio and Frooti are the first and the second. The reason behind the priority consumption status of these drinks is because they are fruit-based drinks.

9. Cold drinks users primarily like Nepali model advertisements while there is a large number of respondents who like other forms of advertisements also.
10. The study showed that availability of Coca- Cola provides (Coke, Fanta, Sprite and lemon Fanta) is generally higher than Pepsi products (Pepsi, Mirinda and 7up.) Rio is also found to be very strong in terms of availability retail stores of the study area, while Frooti is slowly catching up the Birgunj market.
11. The coke is at the top position among the brands as two third of the retailers opined it as the most selling brand followed by Fanta and Pepsi. In the study, most of the retailers opined that 250 ml bottle has the highest sales and that is easy to sell Coke & Pepsi in bottles.
12. The Coca- Cola salesmen visit about half of the retail outlets once a week basis, whereas nearly half of the Pepsi salesmen visit the retail outlets on a daily basis. The shop visit is found to be mostly once a week whereas the shop visit by the company salesmen for Rio is found to be mostly on daily basis. This indicates that the Coca- Cola and Pepsi have more successful marketing strategy in Birgunj than the Rio and Frooti.
13. The study indicates that retailers in general are totally satisfied from the performance of the distribution of the Coke & Pepsi in Birgunj. About 40% of the retailers feel that the Coca- Cola Company's distribution channel is very good. While for Pepsi only 26% of the retailers opined that the company's distribution channel is very good. This indicates that the retailers have much higher level of satisfaction with Coca- Cola's distribution than the distribution of Pepsi. The retailers are found to prefer to sell Coke because of its high demand in the Birgunj market.

14. The study reveals that the retailers have high faith on advertising for its effects on sales. It also shows that retailers have high faith in the Coke advertisement as half of them feel that the advertisement of Coke has influenced its sales while this figure of Pepsi is only 20%. However, 30% of retailers claim that there has to be more advertisement to increase the sales, where as 20% of retailers want to increase quality for promoting the sales. From this, it may be inferred that the advertisement and quality are essential to increase the sales of Coke & Pepsi. Retailers are found to prefer cash prizes to induce sales of cold drinks followed by coupon prizes, item prizes and awards.
15. More than half of retailers receive sales promotion schemes from the companies in the form of fridge followed by cash discount and cold drink discount. However, the Coca-Cola Company not provide any prizes to the retailers as a promotion scheme. More than two-thirds of retailers are brand loyal. The Coca-Cola Company has to provide more sales schemes in future to enhance its sales percentage.

### **5.3 Recommendations**

On the basis of the finding derived from the collected data, the following recommendations are suggested to the company selling Coke and Pepsi in Birgunj.

1. As Coca-Cola products (Coke, Fanta, Sprite and Lemon Fanta ) have combined share of more than 75% percent of the cold drink market and also has a very aggressive marketing strategy, the Coca-Cola Company has essentially to review and revise its current marketing strategies in Birgunj.
2. Because consumers are found to give high weightage to " Quenching the thirst " and " For delight " the advertisements of Coca-Cola Company should be built around these two major attributes. We are already experiencing through different Indian television channels that marketers are hammering sales promotion of Coca-Cola. By doing so, they want to make impression that Coke is equivalent to quenching the thirst and it is the only cold drink in the market. As consumers are

found to give higher preference to the quality, tastes & brand name, Coke is synonym (choice) of cold drink. The advertisements should also be focused on these important aspects.

3. Since consumers have more exposure of Coke & Pepsi advertisements through the television and magazines, these media should be extensively utilized.
4. As brand switching is very common among the consumers mainly to find new taste or unavailability may focus the preferred brand, Coca-Cola Company should focus on a better availability of its brands. Pepsi products (Pepsi, Mirinda and 7up) should be improved in its availability factor.
5. Since cold drink users primarily like Nepali model advertisements, the company should present more advertisements based on popular Nepali model.
6. The quality sales schemes are very essential to promote the sales of Coke & Pepsi. Retailers are found to prefer cash prizes to induce sales of cold drinks, followed by coupon prizes, item prizes and awards. The company should focus on these sales promotions schemes to maintain and enhance the sales status of Coke & Pepsi in Birgunj.

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## Appendex-1

### Questionnaires for retailers and hotels

I am Lal babu Prasad Yadav, a student of MBS of Thakur Ram Multiple Campus Birgunj. I am doing a thesis for the partial fulfillment of Masters Degree in MBS (Masters of Business Studies ). In course of my study I need of your kind support for collecting information regarding my topic “A Study on Marketing , Usage Trend and Status of Coke & Pepsi in Birgunj.” I have made a set of questionnaires for you and request you to fill up them. I assure you that the informations provided by you will be kept confidential and used only for my research purpose.

Thanks

- 1) How long have you been engaged in this business ?
  - a) just started b) Less than a year . c) More than a/two/three/..... year/s
  - d) Nearly for ..... year.
- 2) Which brand of cold drinks do you sell ?
  - a) Coke b)Pepsi c) Fanta d) Sprite e) 7'up f) Rio g) Fruity h) Lemon Fanta
  - i) All of the above
- 3) How many crates of Coke & Pepsi do you sell per day ?
  - a) Less than one b) One to two c) three to..... d) More than.....
- 4) Which brand/brands of drinks has/ have a high market ?
  - a) Coke b) Pepsi c) Real d) Fanta e) Sprite f) All of the above .
- 5) Would you suggest any new technique for promoting the sales of Coke & Pepsi ?
  - a) If yes, which one ?..... b) The given technique is effective c) I do not know
- 6) Which cold drinks bottle do you sell more ?

<ol style="list-style-type: none"><li>a) Coke</li><li>1) 200ml</li><li>2) 250ml</li><li>3) 500ml</li><li>4) 1 liter</li></ol>	<ol style="list-style-type: none"><li>b) Pepsi</li><li>1) 200ml</li><li>2) 250ml</li><li>3) 500ml</li><li>4) 1liter</li></ol>
-------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------

5) 5 liter

5) 5 liter

- 7) Which one of the above on the basis of volume ( in ml) is it easy to sell ?  
a) 200ml b) Normally 500ml c) All except 500ml
- 8) Which of these is easy to sell ?  
a) Cold drinks in bottles b) Cold drinks in cans
- 9) How many times do the people of company (distributors or agents) visit your shop or hotel ?  
a) Almost every week b) Twice a week c) Fortnightly d) Once a month
- 10) How many crates of Coke & Pepsi do you keep at one time ?  
a) 1 to 3crates b) 3to5crates c) 5to10 crates d) More than 10 crates
- 11) Mention the level of satisfaction you have with the service of distributors?  
a) Satisfied b) Fully satisfied c)Not satisfied d) Not at all satisfied

please, write down the reasons for any one the above

.....  
.....

- 12) On which brand of cold drinks do you give more emphasis?  
a) Coke b) Pepsi c) Sprite d) Fanta e) Mirinda f) Others
- 13) Why do you give more emphasis as mentioned above ?  
a) Because the company provides with 'cash reward'  
b) Because the company provides with 'new schemes '  
c)Because I believe in the brand  
d)Because people like the brand more  
e)Others reasons .....
- 14) How does advertisement affect the selling of Coke & Pepsi ?  
a) Affects more b) Does not affect c) Moderately affect d) Does not affects at all.
- 15) If your answer is (a), then advertisement of which brand has more effects? a) Coke b) Pepsi c) Sprite d) Fanta e) Mirinda j) Others

- 16) Which one of the following should be done to promote the sale of Coke & Pepsi ?
- a) More advertisement b) More prizes for consumers through promotional schemes c) Reduction of price d) Emphasis on quality e) Change in taste f) All of the above
- 17) Does the company provide you with schemes when you purchase Coke & Pepsi from them?
- a) Yes b) no
- 18) Which of the above schemes do you think as best?  
Mention the name, .....
- 19) Which of the following schemes does the company offer you?
- a) Cash discount b) Discount of one bottle or more in one bottle  
c) Refrigerator as reward for selling cold drinks d) others reward.
- 20) Will you give up selling old brands, if you are provided with new and more attractive schemes by others brands?
- a) Yes b) No c) It is different to answer d) I have not thought of it.
- 21) Does the company replace new bottles with the broken ones?
- a) They are replaced b) Part of them are replaced. c) Not replaced
- 22) Please write down any comment or suggestions you have for Coke & Pepsi?

.....  
.....

**Respondents:**  
**Name :-**  
**Age:-**  
**Sex:-**  
**Education:-**  
**College:-**  
**Signature:-**

## Appendex-2

### Questionnaires for Consumers.

I am Lal babu Prasad Yadav, a student of MBS of Thakur Ram Multiple Campus Birgunj. I am doing a thesis for the partial fulfillment of Masters Degree in MBS (Masters of Business Studies ). In course of my study I need of your kind support for collecting information regarding my topic “A Study on Marketing , Usage Trend and Status of Coke & Pepsi in Birgunj.” I have made a set of questionnaires for you and request you to fill up them. I assure you that the informations provided by you will be kept confidential and used only for my research purpose.

Thank you

- 1) Do you take cold drink ?  
a) Yes, b) No, c) Occasionally
- 2) When you think of cold drinks, generally which brand comes into your mind?  
a) Coke b) Fanta c) Pepsi d) Sprite e) Lemon Fanta f) Fruity g).....
- 3) At what time do you generally prefer for having cold drinks?  
a) Before lunch b) After lunch c) Tiffin time d) Evening time e) Before dinner f) After dinner
- 4) Which form of advertisement inspires you to have one of the above mention cold drinks?  
a) News paper\magazines b) Radio c) Television d) Hoarding \Banner\Posters e) Others
- 5) What is special about the brand you prefer?  
a) Taste b) Flavor c) Price d) Quality e) All
- 6) Rearrange in order from " a to h" from the order of priorities while making a decision to buy Coke & Pepsi?  
a) Availability b) Advertisement c) Selling Price d) Price e) Quality f ) Taste g) Brand Name h) Other reasons.
- 7) Why do you take Coke & Pepsi?  
a) To quench thirst b) For fun c) For freshness d) Because of fashion

- e) Because friends offer.
- 8) What is the brand name of the cold drink you like the most?  
 a) Coke b) Pepsi c) Sprite d) Fanta e) Mirinda f) Lemon Fanta g) Rio  
 h) Fruity
- 9) Where do you usually prefer to have Coke & Pepsi at ?  
 a)Retail-store b)Cold-store c)Restaurant d) Bakery
- 10) Do you recall any advertisement of any brand of Coke & Pepsi?  
 a) Yes b)No c) I can't recall now .
- 11) If yes, which one do you recall on your money?  
 .....
- 12) Which form of advertisement did you recall in your mind?  
 a) Newspaper\Magazine b) Radio c) Television  
 d) Hoarding\Banners\Posters e) Others
- 13) After watching the advertisement you buy Coke & Pepsi?  
 a) Immediately b)Gathering more information c) I wait for the time to have it .
- 14) What size of bottle do you prefer?  
 a) 200ml b) 250ml c) 260ml d) 300ml
- 15) What is the main reason to choose the present brand of cold drinks?  
 a) First reason.....  
 b) Second reason .....
- c) Third reason.....
- 16) Which form of advertisement do you think is more effective for cold drinks?  
 a) Television b) Radio c) Newspaper d) Signboard e) Wall painting & other board  
 painting .
- 17) Do you change brand? If you do, what are the reasons?  
 a) Because of non-availability of my brand.  
 b) Because my brands price has gone up.  
 c) Because of the scheme given by other brands.  
 d) Because of advertisement.  
 e) In order to have new taste.
- 18) Does advertisement affect the purchasing of Coke & Pepsi?



a) Yes, it does b) No; it does not c) Upto two years d) 3 to 5 years e) More than 5 years J) 10 or more years.

19) Do you change brands after seeing the new advertisement?

a) Yes, I do b) No, I do not believe in advertisement. c) It makes me think over the brand I am using .

20) How many bottles of Coke & Pepsi do you take on average?

a) One bottle a day b) Two to three bottles a day c) One bottles a week  
d) Twice a week e) .....

21) Who generally buys Coke & Pepsi for you?

a) Myself b) Family member c) Friends d) Others.

22) I drink Coke, because...

a) I like the brand name b) I like the taste c) To quaint thirst d) It is of high quality  
e) For refreshment J) For fashion g) Mention if there are others reasons

.....

23) I drink Pepsi because.....

24) Which of the following advertisements you like the most ?

a) Foreign advertisement. b) Nepali model advertisement c) Nepali folk song advertisement. d) Cartoon picture advertisement.

25) Any comments about the advertisements of Coke & Pepsi ?

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**Respondents:**

**Name :-**

**Age:-**

**Sex:-**

**Education:-**

**College:-**

**Signature:-**