

A STUDY ON PRODUCTION, ADVERTISEMENT AND SALES OF INSTANT NOODLES OF POKHARA NOODLES PRIVATE LIMITED

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Roll No.: 434/065/067

T.U. Regd. No.: 7-2-48-2776-2005

2nd Year Symbol No.: 280450

A Thesis Submitted to

Office of the Dean

Faculty of Management

Tribhuvan University

In partial fulfillment of the requirements for the degree of

Master of Business Studies (M.B.S.)

Kathmandu, Nepal

October, 2012

TRIBHUVAN UNIVERSITY

CENTRAL DEPARTMENT OF MANAGEMENT

Office of Head of the Department

Kirtipur, Kathmandu, Nepal

RECOMMENDATION

This is to certify that the Thesis

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Entitled:

**A STUDY ON PRODUCTION, ADVERTISEMENT AND SALES OF
INSTANT NOODLES OF POKHARA NOODLES PRIVATE
LIMITED**

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

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VIVA-VOCE SHEET

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DECLARATION

I hereby declare that the work reported in this thesis entitled “**A study on production, advertisement and sales of instant noodles of Pokhara Noodles Private Limited**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Studies (M.B.S) under the supervision of **Prof. Dr. S.R. Poudyal** of Tribhuvan University.

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ACKNOWLEDGEMENT

This thesis entitled “A study on production, advertisement and sales of instant noodles of Pokhara Noodles Pvt. Ltd.”. This has been prepared in the form of the Faculty of Management of Tribhuvan University for the partial fulfillment of the Business Studies.

I owe a debt of gratitude to many people who helped me complete this thesis. I would like to acknowledge the help of all. First of all I would like to express my deepest acknowledge to thesis supervisor, Prof. Dr.S.R. Poudyal of Central Dept. of Management, Tribhuvan University for giving me his valuable guidance, great encouragement and valuable supervision of every stage of my research work. It would not have been possible to come up with this work without his incisive observation and intellectual direction in the course of completion.

In the process of data collection for this research, many people contribute to the task and I am particularly grateful for their contributions. My thanks go to Mr. Krishna Tiwari (General Manager) of Pokhara Noodles Pvt. Ltd. Without his support it would have been difficult for me to gather the information for this report.

I am also thankful to all my friends and classmates whose names could not be mentioned separately because of limitation; for their constant encouragement and co-operation.

I am greatly indebted to all the teachers, administrative staffs and librarians of Central Dept. of Management for their kind support and co-operation throughout my thesis work from beginning up to end.

Priya Pradhan Shrestha

TABLE OF CONTENTS

Recommendation

Viva –Voce Sheet

Declaration

Acknowledgement

Table of Contents

List of Tables

List of Figures

Abbreviations

CHAPTER – I INTRODUCTION1

1.1 Background of the Study1

1.2 Focus of the Study1

1.3 Statement of the Problem4

1.4 Objective of the Study5

1.5 Significance of the Study5

1.6 Limitation of the Study6

1.7 Organization of the Study6

CHAPTER – II REVIEW OF LITERATURE8

2.1 Origin and Development History of Noodles in the World.....8

2.2 Development History and Customer Satisfaction.....9

2.3 Marketing and Customer Satisfaction10

2.4 Meaning of the Brand.....10

| | |
|---|-----------|
| 2.5 Types of Brand..... | 12 |
| 2.6 Meaning of Production | 14 |
| 2.7 Objective of Production | 15 |
| 2.8 Meaning of Advertisement | 15 |
| 2.9 Objective of Advertisement..... | 16 |
| 2.10 Meaning of Sales Promotion..... | 18 |
| 2.11 Channel of Distribution..... | 20 |
| 2.12 Noodles Industries in Nepal | 20 |
| 2.13 Review of Related Study in Nepal | 23 |
| CHAPTER – III RESEARCH METHODOLOGY | 31 |
| 3.1 Research Design | 31 |
| 3.2 Population and Sample | 32 |
| 3.3 Nature and Sources of Data | 33 |
| 3.4 Data processing, Tabulation and Analysis | 33 |
| CHAPTER – IV DATA PRESENTATION & ANALYSIS | 34 |
| 4.1 Production of noodles (yearly) | 34 |
| 4.2 Advertisement cost of noodles (year wise)..... | 35 |
| 4.3 Increase in advertisement cost on yearly basis | 37 |
| 4.4 Total Sales of Noodles (year wise) | 38 |
| 4.5 The best media of noodles advertisement according to the company employee | 39 |
| 4.6 Most effective promotional factor according to employees | 40 |

| | |
|--|-----------|
| 4.7 Employee suggestion for the noodles improvement | 41 |
| 4.8 Ranking of different brand of noodles | 42 |
| 4.9 Major findings of the study | 42 |
| CHAPTER –V SUMMARY, CONCLUSION & RECOMMENDATION | 44 |
| 5.1 Summary | 44 |
| 5.2 Conclusion | 44 |
| 5.3 Recommendations | 45 |

Bibliography

Questionnaire

Annex

LIST OF TABLES

| Table No: Title | Page No. |
|---|-----------------|
| 4.1 Production of noodles per year | 34 |
| 4.2 Advertisement cost of noodles (yearly) | 35 |
| 4.3 Increase in advertisement cost on (yearly) | 37 |
| 4.4 Total sales of noodles (yearly) | 38 |
| 4.5 The best media of noodles advertisement according to the company employees. | 39 |
| 4.6 Most effective promotional factor according to employees | 40 |
| 4.7 Employee's suggestion for the noodles improvement | 41 |
| 4.8 Ranking of different brand of noodles | 42 |

LIST OF FIGURES

| Figure No: TITLE | Page No. |
|---|-----------------|
| 4.1 Production of noodles per year | 35 |
| 4.2 Advertisement cost of noodles (yearly) | 36 |
| 4.3 Increase in advertisement cost on (yearly) | 37 |
| 4.4 Total sales of noodles (yearly) | 38 |
| 4.5 The best media of noodles advertisement according to the company employee . | 39 |
| 4.6 Most effective promotional factor according to employee | 40 |
| 4.7 Employees suggestion for the noodles improvement | 41 |

ABBREVIATION

| | | |
|--------|---|--|
| ABC | = | Activity Based Costing |
| BOSS | = | Business Organization Strategy & Success |
| B.S | = | Bikram Sambat |
| Dept. | = | Department |
| FMCG | = | Fast Moving Consumers Goods |
| Gms | = | Grams |
| i.e | = | That is |
| Ltd. | = | Limited |
| MBA | = | Master Degree of Business Administration |
| Mg | = | Milligram |
| Pvt. | = | Private |
| SMU | = | Sikkim Manipal University |
| S.V | = | Supervisor |
| T.U | = | Tribhuvan University |
| U.S.A. | = | United State of America |
| V.D.C | = | Village Development Committee |
| & | = | and |

CHAPTER - I

INTRODUCTION

1.1 Background of the Study:

Nepal is a landlocked country, which contains 0.03% of the total area of the world and only 0.3% of Asia. It has to depend on the neighbours for almost everything i.e. for, clothes, machinery product etc. The country itself depends upon agriculture for their livelihood. Due to the rapid globalization, Nepal is also shifting gradually from agriculture to industrial sector for sustaining its economy. Many industries are being established and they have become the main streams of contemporary economic life and business life. It is considered as the global symbol of economic growth and prosperity.

Industries play a vital role for the economic development of a country. The history of industrial development in Nepal records that the process started with establishment of Biratnagar jute mill in 1881 AD. Along with the flow of time many industries like cotton, wood, sugar, food etc. were established. Among them the noodle industries is one of the most popular industries. Noodles were introduced in the Nepalese market after 1951 AD. But instant noodle production in Nepal started in 1976 after the establishment of Gandaki Noodles. Till today there are more than twenty noodle factories that have been established in Nepal.

Many noodles like Rara, Ramba, Wai-wai, Aaha, Preeti, Ruchi, Mayos, Rumpum, Sathi etc. are available in Pokhara's market.

1.2 Focus of the Study:

The study is mainly focused on production, advertisement and sales of instant noodles in our market. This means how noodles are being produced, what are the strategies a company uses for the advertisements of noodles, and how the various channels are used for the distribution and sales of the noodles.

The production of noodles in the industries is a continuous process. In Pokhara Noodles Pvt. Ltd. there are three plants which continuously produce white and brown, while noodles contain the amount of complex carbohydrates which helps provide energy. Pokhara Noodles Pvt. Ltd. produces various noodles which are Ramba, Jojo, Tara, Chino, Leader, Hotpot and Sahara among which Ramba and Sahara are white noodles. Pokhara Noodles Pvt. Ltd is situated in industrial estate of Pokhara.

In Pokhara, the market of noodles is prospering because the lifestyle of Pokhara is becoming modern than before which directly influence on the food culture. They use instant noodles service in order to save time. Furthermore it is easy to use to all including children also young and adults.

As the market for noodles is ever expanding the manufactures are emerging in a large number to meet customers' demand. As a result, there is more competition in noodles industries than ever before. Brand preference as well as brand loyalty is a part of marketing success. Therefore every manufacture is obliged to think about its brand name, quality and consumers satisfaction to survive in this competitive market. Thus the subject on production, advertisement and sales of Ramba, Jojo, Chino, Sahara, Samaya, Tara, Hotpot and Leader is chosen for study. These eight different types of noodles are briefly described below.

Product of Pokhara Noodles

(I) RAMBA:

Ramba is a one of the most popular brand of white noodles available in the market. For the first time it was manufactured in the year 2052 B.S., Pokhara Noodles Pvt. Ltd. started its production from Ramba itself. Its cost per packet is Rs. 12.

(II) JOJO:

Jojo, another brand of Pokhara Noodles was firstly produced in the year 2057/2058 B.S. and has occupied a good area of market within the short span of

time. It has focused its initial target market in mid-hilly regions and the valley itself. Its cost per packet is Rs. 12.

(III) CHINO:

This noodle is another brand of Pokhara Noodles Pvt. Ltd. The production of this brand was started in the year 2061/2062 B.S. with the aim to accelerate in the same market where the easier to products have made their market a success one as per the expectation of the producer. This noodle was a great success in mid-hilly regions and some other far western market. It is not popular in the local market as per the expectation of the producer.

(IV) SAHARA:

This noodle is another brand of Pokhara Noodles Pvt. Ltd. The production of this brand was started in the year 2067/2068 B.S. It is new to the current market although its market has been running all over the Nepal. It is a matter of time to see how much success it will gain in the coming future. The noodle is a white noodles and its cost per packet is Rs. 12.

(V) SAMAYA:

Pokhara Noodles Pvt. Ltd. started production of this brand in the year 2067/2068 B.S. It is another new produce in the market, so the feedback from the consumers can be seen is certain part of the local market. The cost per packet is Rs.12.

(VI) TARA:

In the year 2061/2062 B.S. Pokhara Noodles Pvt. Ltd. started production of this brand. It lies under the categories of brown noodles. This noodle made a great impression in the market it occupies a large range in mid-hilly region as well as in local market. Its cost per packet is Rs 10.

(VII) HOT POT:

Pokhara Noodles Pvt. Ltd. started the production of this noodle in the year 2067/2068 B.S. The packed with extra protein and calcium so, it is called healthy noodle. The production of the noodles has just complete and yet the product is very new to the market. The price per packet is Rs.10.

(VIII) LEADER:

Pokhara Noodles Pvt. Ltd. started the production of the product in the year 2061/2062 B.S. This noodle has good market share outside the Pokhara valley, i.e. Baglung, Tanahu, Gorkha, Shyangja and as well. Its' cost per packet is Rs 12.

1.3 Statement of the Problem:

Industrial activities are gradually increasing in the country. Along with this food industries are also increasing rapidly as its demand is rising up day by day. To fulfill this demand of fast food the number of noodle companies has also significantly increased within the last few years and this trend is in increasing stage. The development of this sector has provided varieties of noodles for the consumers.

At present more than 30 brands of noodles are available in Nepalese market. It is observed that producer of noodle are battling hard to outperform the competition and to secure the market position.

Nowadays, consumers have much alternative choice to select the brand so the manufacturers are facing cut throat competition to sell their products. At present the consumption of noodles is increasing tremendously and contributing to the national income.

However, the study is concerned towards the production, advertisement and sales of instant noodles of a particular brand in a particular marketing. This study is focused on getting the answer of production techniques used by the company. However, this study also tries to get the answer of the following questions:

-) How effective are the machine being used for production?
-) What is the best media for the noodles advertisement and their impact reflecting brand?
-) How the company is going to mobilize its sales channels?
-) What is the market position of concerned noodles in relation to other competitive brand in Pokhara?
-) What scheme is applied for the sales of noodles?

1.4 Objective of the Study:

Production, advertisement and sales have become a chain. A product channel can't get desirable sales without advertisement. The main objective of the study is to find out the relation between these three factors. Beside this, other objectives are;

-) To examine about the production process of noodles.
-) To examine means of advertisement used by the company.
-) To examine the effectiveness of distribution channel used by the company.
-) To evaluate the advertisement media for noodles.

1.5 Significance of the Study:

Companies now realize that their brands are an essential asset, even though they do not appear on the balance sheet of the company. To consider a brand as an asset has important implication for management. The main idea is to capitalize on a few brands. They have to be constantly nourished by new products in order to maintain their market share. To get the most from them it is necessary to concentrate all one's efforts over the long term on a few viable brands to increase their potential and value several brands which were part of our youth and our whole society and delay in the awareness upon the brand will be disappear the product soon from the market.

It study help to know the consumer attitudes towards the different brand (products) and this understanding in turn shed light on different aspects such as effectiveness of branding policy, advertisement policy. It also helps to collect consumer's

response to the price and availability of the products, consumer's perception of the total image of the manufacturer.

This topic being an important aspect for the production process of the noodles, which promotional tool has chosen and which area chosen sales in the market. It also help to collect customer's response to the price and availability of the products, consumer's perception of the total image of the manufactures identified as non loyal consumer market.

In conclusion, this study will be the entire related field like distributor, retailers as well as consumers and other competitors too. The study aim is to find out the proper attitude regarding the brand and the effect of the promotional activities for the brand.

1.6 Limitation of the Study:

This study has taken under partially fulfillment of requirement of Masters Degree in Business Studies (MBS) in marketing. The main aim of the study is to find out production, advertisement and sales of only one company of Pokhara Noodles Pvt. Ltd. so, the study may not match with other companies. In spite of fulfillment of objective, this study has the following limitations which are as below.

-) The study is of just one company, so the finding of one company may not match to the other companies.
-) Only the product of Pokhara Noodles Pvt. Ltd. has been selected for study.
-) Sample size is limited (within 30 respondents only).
-) Data are based on interview: all information provided may not be true every time.

1.7 Organization of the Study:

This study is organized in the five chapters as follows:

-) The first chapter contains background of the study, focus of the study, statement of the problems, significance of the study, objectives of the study, limitation of the study and organization of the study.

-) The second chapter includes the review of literature. It has two parts one is conceptual review and another is review of the related studies.
-) The third chapter describes the methodological aspects of the study and it contains research design nature and source of data collection process, data processing techniques and method of data analysis.
-) The fourth chapter is the most crucial chapter of this study, it describe about the presentation, tabulation, coding and analysis of data.
-) The last chapter contains summary of the study as well as the major finding and recommendations.

CHAPTER - II

REVIEW OF LITERATURE

While doing research the previous study cannot be ignored because it provides the foundation of present study. In other words, there has to be continuous research. Review of relevant literature provided the knowledge of the state of the field of research to the researcher. According to Howard and Wolf and Pant (2005) "The purpose of literature review is to find out what research studies have been conducted in one's chosen field of study and what remains to be done." It provides the foundation for developing a comprehensive practical framework from which hypothesis can be developed for testing.

The review of literature here is broadly divided into two sections: conceptual review and related past studies. At the outset of the conceptual review, the development history of noodles in the world and in Nepal, are presented.

2.1 Origin and Development History of Noodles in the World.

Noodles were introduced in the world from China in the name of Chow Mein or Chow Chow and from Italy in the name of Spaghetti, similarly it is pronounced as 'fetching' and cut macaroni by Italians. Thus, it is considered that noodles are originated from Mongolian origin. China and Italy started to use this food as their main meal in different names and they prepared it in different varieties. Its shape, quality and preparation techniques were different in different countries. After introduction in Burma, Japan, Thailand and South Asian countries, popularity of immediate was the main cause of development of noodles.

In the year 1958 AD, noodles were the first mass maker in Japan. After 1972 AD, Nissin Food Company brought it into the United States, which helped to spread noodles all over the world. After that this food became popular in the western countries especially in France, Italy and England as one of the best foods. Nowadays instant noodles achieved popularity worldwide because of convenience in preparation and mouth-watering taste.

2.2 Development History of Noodles in Nepal.

In the context of Nepal, the history of noodles is just a couple of decades ago before 1960 (2017 B.S.). Nepalese who went foreign countries used it there, Chinese and Tibetan businessmen came from china they introduced it in Nepal. After that a few restaurant started to sell noodles. Due to increase in interest of the consumer, National Trading Ltd imported first lot of equipments of plane noodles in 1975 (2032 B.S.). In the context of Nepal, people consume noodles by pronouncing Chow-Chow. Before two decades there were only plane noodles called Sinke Chow-Chow in market. Though Gandaki Noodles was established in 1972(2029 B.S.) as small scale cottage industry, the production activity was started in 1978 (2035 B.S.). There was not any industry to produce noodles in instant nature before Gandaki Noodles Company produced. People consume it generally in Chinese style because noodles were introduced here by Chinese people (Basnet, 2000:30). At present many people make noodles in their homes for self use.

Different factories use different materials to make it but in general noodles is made by using wheat flour, eggs, baking powder, salt, herbs etc. Some vegetarian noodles are also available in the market. Nowadays we can find so many varieties of noodles in our country. There is a cut throat competition among the different noodles. In Nepal Chaudhary Group has firstly produced Wai Wai and then Gol Mol, Sathi, Wah Wah, Mama, Mimi, Big Mimi, Wai Wai Chicken Tanduri, Wai Wai Motton, Wai Wai Vegetarian etc. Recently it has launched Wai Wai (Sarbagun Sampanna 205 extra protein).Himalayan Snack and Noodles Pvt. Ltd introduces Mayos, Hurray, Ruchee, Sakalaka Boom Boom etc. We still find Rara of Gandaki Noodles as very popular noodles in pokhara. Pokhara Noodles Pvt. Ltd has launched Rambha, Jojo, Leader, Sahara, Samaya, Hotpot, Chino and Tara noodles. Similarly, Asian Thai Foods Pvt. Ltd has produced Preeti, Rumpum, Phuchhe, 2PM etc. Everest Noodles have launched Aaha. General Food Industries have launched Yum-Yum. In this way many other noodles are being producing by different noodles company and the process is going on. Certainly we will see the different brands of noodles in future.

2.3 Marketing and Customer Satisfaction:

In a broad sense, mark sense, marketing is any exchange activity intended to satisfy human wants. In a business sense, marketing is a system of business action designed to plan, price, promote and distribute want satisfying products, services and ideas to market in order to achieve organization objectives.

Marketing is often dynamic, challenging and rewarding. It can also be frustrating and even disappointed but it is never dull: welcome to the part of the organization where “the rubber meets the road” the place where an organization’ ideas, planning and execution are given the acid test of the market acceptance or rejection (Stanton, 1994:1). Quality marketing has always been important to consumer as well as marketer: the best measure of quality is customers’ satisfaction. Therefore marketing must do two things. First of all ensure that all marketing activities, such as the price of the product, the claims made for it in advertising, and the place of the customer. Secondly, eliminate variation in customers’ experiences in purchasing and consuming the product (Pant, 1998).

2.4 Meaning of the Brand:

A world economics interest in brand is a recent phenomenon. Some would argue that for a long time now advertising agencies and marketing managers have been doing their best to convince other that brands are companies’ more precious assets.

However, even though the argument seemed plausible, most people don’t believe it, as it shown by the multiple used to value companies for sale, firm making small profit CEOs and financial directors realized that the value of brands was a concept distinct from the net income of the company. The perception of added value of a brand was seized by several sectors of activities even though accounting standards were not allowing companies to include brand on their balance sheet. Financial experts auditing firms and bankers offered methods of financially valuing brands and intangible assets in general, of which the brand is the principal components for mass markets consumer goods (Kapferer, 1997).

The word brand is comprehensive it encompasses other narrower term. A brand is a name and/or mark intended to indentified the producer of one seller or a group of sellers and differentiate the product from competing product. A brand name consists of words, letters and/or numbers that can be vocalized (Stanton, 1982).

Kotler has defined branding is the art and cornerstone of marketing. Brand should suggest something about the product's benefits and product's qualities such as action or color. It should be easy to pronounce, recognize and remember and distinctive and also should not carry poor meaning in other countries and language. Marketers say, "Branding is the art and cornerstone of the marketing."

The American Marketing Association defines a brand as follows:

"A brand is a name, term, sign, symbol or design or a combination of them, intended to identify the goods or services of sellers or group of sellers and to differentiate them from those competitors."

In essence, a brand identifies the seller or market. It can be a name, trademark, logo or other symbol. Under the trademark law, the seller is granted exclusive right to use of the brand name in perpetuity. Brand differs from other assets such as patents and copy rights, which have expiration dates. A brand is essentially a sellers promise to deliver specific set of features, benefits and services consistently to the buyer. The best brand conveys warranty of quality. But a brands and name is an even more complex symbol. It can convey up to six levels of meaning i.e. attributes, benefits, value, culture and personality. They define the brand's essence (Kotler, 2000).

A trademark is a bird that is given legal protection because, under the law, it has been appropriated by one seller. Thus, trademark is essentially a legal term. All trademarks are brands and thus include the words, letters, or numbers that can be pronounced. They may also include a pictorial design (brand mark) some people erroneously believe that the trademark is only the pictorial part of the brand. One method of classifying brand is who own them. Thus, we have producers' brands and intermediates' brands, the letter being owned by retailers or wholesalers (Stanton, 1982).

According to BOSS Magazine the information about the brand as follows:

What is Brand Identity?

A brand identity is a trademark that identifies the business in the mind of the consumer. This can include a name, logo, corporate color, a style, typeface, tagline or a slogan. A brand should evoke some emotional response in the consumer. A good brand should have a kind of subtext attached to the main text.

How to Create Brand Identity?

The first step in creating the business identity is to answer to the following questions

-) What is the mission?
-) What does the company want to communicate?
-) What image does the company want to convey?
-) Which words best describe the business?

Keep the answers in mind as the company beings creating its brands?

2.5 Types of Brand:

A good brand should possess certain characteristics and such characteristics are through discussed in most advertising and marketing text books. In essence, a brand should be short distinctive, easy to pronounce and able to suggest product benefits without negative conditions. Although branding provides the manufactures with some insulation from price competition, a firm most still finds out the whether it is worthwhile to brand the product. In general, these perquisites should be met. (Onkvisit and shaw, 1997)

-) Quality and quantity consistency, not necessarily the best quality or the greatest quantity.
-) The possibility of product differentiation.
-) The degree of importance consumer place on product attributes to be differentiated.

According to S.A. Sherlekar, the types of brand are as follows:

A. Individual Brand:

Each product has a special and unique brand name. The manufacturer has to promote each individual brand in the market separately. This creates a practical difficulty in promotion. Otherwise it is the best marketing strategies (art or tactics).

B. Family Brand:

Family is limited to one line of a product, i.e. products which complete the sales cycles. Family brand name can help combined advertisement and sales promotion. However, if one member of family brand is rejected by consumers, the manufacturers have to take extra ordinary care to guard against this danger. This method of branding assumes that end users of all products under a family brand are similar and products are not dissimilar. Family brand name enables creation of strong self display. It helps to secure quick popularity. It is preferable to separate brand for each product.

C. Umbrella Brand:

We may have for all products the name of the company or the manufacturer. All products such as Noodles, Television, Beer, Oil etc. manufactured by the Chaudhary group will have the quality product of Chaudhary's as one umbrella brand. Such devices will also obtain low promotion cost and minimize marketing effort. However, a single bad experience in any one of the line of products solitary failure, may be very dangerous to the rest of the products solid by a particular business house under the umbrella brand.

D. Combination Device:

Each product has an individual name but it also has the umbrella brand to indicate the business house producing the product. Under this method, side by side with the product image, we have the image organization also. Many companies use this device profitably.

E. Private or Middleman's Brand:

Branding can be done by manufactures or distributors such as whole sellers, large retailer. It helps small manufactures who have limited resources and who have to relay on the middlemen for marketing. It is also used by big manufacturer. The manufacturers merely produce goods as per specification and requirements of distributors and he need not worry about marketing.

2.6 Meaning of Production:

Production is one of the most important factors in a company. Production refers to the act of production raw materials into finished goods. Production repairs a good knowledge of raw materials their minutes and their prescribed quality. For a company, it is very essential to keep a person well trained and who has a good knowledge of production. Person engaged in the production area should be careful because a little lack of concentration ears does a big harm to the organization and the workers themselves.

Production in a company is a daily work so regular checking of machinery should done as per to avoid accident. This function is the basic for organization, because an organization's cultivate goal is to produce.

Production is one of the most important factors and hence should be taken care: each and every aspects of production should be closely observed as per to gain benefit from it. Total and proper utilization of raw materials makes the production function easy one.

Hence we can say that it is one of the most important factors of the organization and well trained person should only be one to operate the production.

2.7 Objective of Production:

The main objective of production is to sale the products to the market, because an item only can be sold when produced. Besides other objectives of production are:

- a) Utilization of raw materials which provides a product, to make it consumable.
- b) To fulfill the market demand of the consumer.
- c) To compete in the market.
- d) To generate revenue for the company.

2.8 Meaning of Advertisement:

Advertising is such a dynamic and many faceted entities that communication professionals and targets alike had been struggling to define it in understandable yet precise and brief for at least a century, just to get a grip on the process itself, with varying success.

Advertising is defined in Webster's dictionary "As the action of calling something to the attention of the public especially by paid announcements, to call public attention by emphasizing desirable qualities so as to arouse a desire to buy or patronize: promote."

Advertising is a mass media communication. For a piece of communication to be classified as advertising it must be:

-) Paid for
-) Delivered to an audience via mass media
-) Attempt to persuade.

In order to persuade or be effective the advertisement must communicate to the audience the message it wants to relay. For example, the advertisement is trying to sell a particular product it must persuade the audience that for whatever functional or emotional reason they need or want to purchase the product; it is not even the best choice, it is the only choice.

Not only must the advertisement effectively communicate the desired message, but also the individual audience must be willing to “buy into” the desired message. For the advertisement to be effective, the communication must be sent and received in a two communication process.

Advertising is a non-personal form of marketing communication that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement. Advertising has long been viewed as a method of mass promotion in that a single message can reach an unimaginably large number of people, as is in the case of FMCG but, this mass promotion approach presents problems since many exposed to an advertising message may not be within the marketer’s target group and not even interested in the product category itself and thus, may be an inefficient use of promotional funds.

2.9 Objectives of Advertisement:

A company does not release entertaining television commercials or colorful press ads spending millions of rupees for some entertaining or artistic reasons. It approaches an advertising agency because it has an urgent need in hand, often a serious problem. An advertiser usually has one or several of the following objectives:

Increase brand awareness:

Sometimes even a brand selling well may have poor brand awareness, especially in FMCG products. The users may be habitual buyers with no great awareness of the distinctive features of the brand. The campaign may aim to sharpen brand awareness by creating a focused brand personality and keep reinforcing it over a period of time.

Enhance brand image:

Even a successful brand may come under severe pressure from either new brand competition or another old brand introducing new features. The campaign objective may be to strengthen the client’s brand image as the brand stands now, by reminding the target all its relevant benefits.

Introduce new feature or improved version:

In a competitive market, each producer is constantly working to incrementally improve his product just to stay ahead of competition and only then to serve his customers better. When a successful new feature or a new version altogether of the brand is introduced, a major campaign is necessary.

Increase sale:

As mentioned earlier, advertising is only one component of the marketing mix and in itself cannot increase sale. But it does play a huge role. Therefore, the agency has to define clearly its role in this process. Sale may even decrease for the moment due to poor supply chain, bad after-sale support, indifferent salesmanship, or as it is happening in 2008-09, global economic downturn. In such a situation, the job of advertising is to keep the brand in front of the target and not necessarily expect immediate increase in sale. Besides, advertising is a long term tool and often is not even designed to increase sale. Beside, advertising is a long term tool and often is not even designed to increase sale immediately.

Increase profit:

Increasing profit is different from increasing sale. Especially in FMCG products, the top line may keep growing due to many promotional activities and price wars, yet the bottom line can tank, due to thinning margins. The campaign may try to create better prestige or reliability for the brand, so that it will need less promotional expense and thus increase profit.

Increase market share:

Each brand in the same product class and price band sells only to some users and not others. For instance, in bath soap market, some use pears and some use Mysore sandal or Dove. Each creates and protects its share of the market. The objective of the campaign may be to increase the market share of pears by persuading users of Dove to

buy it. So Dove's loss is pears' gain, reducing Dove's market share for no failure on its part at all.

Expand geographical market:

Most products do well in one area of the country and not in others. South India drinks coffee, at least did until coffee prices shot up due to lucrative export. North and east India drink tea. With the north, as indeed, Kolkata serves instant coffee can be made more popular in the north, as indeed, Kolkata serves instant coffee as a sophisticated guest drink now.

Create corporate image:

Often a corporate campaign mentions the brands only in the passing, but focuses on the company's image. The idea is that a great company by definition is expected to make great products which one can trust.

2.10 Meaning of Sales Promotion:

Sales promotion refers to activities, materials, devices and techniques which are used to supplement the marketing and advertising operations and help to coordinate the advertising with personal selling efforts. Sweepstakes are the most well-known sales promotion tools, but there are also others like samples, in-store displays, coupons, promotional discounts, contests, trade shows, price-off deals, premiums, rebates and gift offers.

Depending on the product and need of the brand at the moment, these tools are combines to sell a product or service.

The American Marketing Association defines sales promotions 'media and non-media' marketing pressure applied to a pre-determined, limited period of product quality.

Sales promotion also increases the basic value of a product for a limited time and directly stimulates sale, selling effectiveness or the effort of the sales force. It does often

used to inform, persuade, and remind target consumers about the business and its marketing mix.

Businesses can target sales promotion at three levels – consumers, resellers and the company's own sales force. Sales promotion is a competitive weapon which offers an extra incentive for the target to purchase one brand over another. It is particularly effective in triggering product trial and unplanned impulse purchase.

Most marketers believe that a given product or service has a perceived price or value, and they use sales promotion to change this price/value relationship by increasing the value and/or lowering the price. Compared to the other components of the marketing mix, such as advertising, publicity, personal selling, sales promotion usually operates on a shorter time line, uses a more rational appeal, returns a tangible or real value, fosters an immediate sale and increases profitability.

To determine the worth of a sales promotion, especially a small business should keep in mind its overall budget, stage of the product life cycle, the nature and intensity of competition in the market, the target of the promotion and the nature of the product. For instance, sales promotion and Direct Mail are very effective when the marketing budget is limited. National sweepstakes are very expensive, but give great exposure and image build-up.

Sales promotion may be used to convince retailers to carry the brand in a competitive market, where shelf space is limited. It reinforces the loyalty of old customers for an established brand or at the growth or maturity stage of it, and ensures that they keep buying it. Sales promotion is not recommended for a product at launch stage, when mass advertising is more effective to build awareness of the product. It works beautifully for products where impulse purchase is expected, so that the customer can check the features of a simple product, rather than one which needs demonstration or trial.

2.11 Channel of Distribution

Distribution is the final work in an industry. A product produced should be distributed various outlets as per to sell in the market, organization uses various channels in distributing.

The channels of distribution used by Pokhara Noodles Pvt. Ltd. are as below.

1) Company: (Manufactures)

The first distribution channel is the company itself. It produces the noodles and supply to distributors.

2) Distributors:

The channels are; in which all the products are kept for selling. Pokhara Noodles Pvt. Ltd. contains 103 distributors center all over Nepal from where further distributions are made. They were in commission bases of 5%.

3) Wholesaler:

The channels are those who go to the retailer and sales the noodles in the market in small units but a large market they cover.

4) Retailer:

Those shops from where the consumer finally buy a product and hence retailer are large in numbers in any market.

2.12 Noodles Industries in Nepal.

In Nepal's context origin of noodles is just two decades old. Before 2017 B.S, the people who went aboard ate noodles and brought noodles as souvenirs. The Tibetan refugees who settled down in Nepal stated opening restaurant-having chow mien in menu Nepalese people learned to eat noodles from them. Te concept of instant noodles in the Nepalese market was first introduced by an Indian company Nestle India Ltd. They introduce Maggy Instant Noodles with the concept of "2 minute Noodles". For a few

years it enjoyed the monopoly in the Nepalese market. Due to the heavy demand of noodles in Nepal, the national Trading Limited imported the first lot of equipment for manufacturing plane noodles in 2032 B.S. In the year 1980's Gandaki Noodles Pvt. Ltd. Started to produce instant packed noodles in RARA brand with Japanese technology. Thus, Gandaki Noodles Pvt. Ltd. is the pioneer company in Nepal that produced instant noodles. This concept clicked in the market and within a short period of time, RARA was a big in the Nepalese market. After Gandaki Noodles Pvt. Ltd., Chaudary group entered in the instant noodles market. They introduced Wai Wai as pre-cooked instant that can be eaten noodles directly from the packet. The technology was in collaboration highly successful, and Wai Wai has become the market leader in pre-cooked noodles segment. Within a few years, many other company or brands like Ramba, Yum yum, Mayos, Golmol, Rum pum, Jojo, Maggy, 2pm, Sakalaka Boom Boom, Ruchhe, Preeti etc, in the Nepalese market.

According to the BOSS Magazine, the information about the noodles is as follows:

The Noodles Riddle

Noodles have become necessary items of Nepali consumer shopping list. Although homemade noodles have been long there, it was only in 1984 that a major brand came into the picture. It was virtually a monopoly market for the noodles leader Wai Wai, with an 80% of market share while other brands formulated the rest of the noodles market until year 2000 when two other brands from different companies of various noodle brands. With more than 35 brands on the market hot plate, the industry is still growing.

In 2000 the industry worth was at Rs.1250 million. Today the market has grown to approximately Rs.3200 million. Rara has remained a flavored brand in the white noodle category with Lekali in hot pursuit of the number one slot. However, consumer preference has seen definite shifts to the brown variety, in which more than a dozen brand, are available at different price. The white noodles command its presence in the hills and mountains, while the brown noodles take centre stage in the snack variety,

which is low priced and targeted at school going children, a segment that is gathering pace.

Innovation and Differentiation of Noodles

No such unique development has been made in the product quality so far. Although, it might be said that few of the products came with unique differentiation for example adding of vegetables cube flavored seasonings and different foil packing techniques. There is huge number of brands within each company introducing different seasoning for the taste, to capture sales from other companies and also to develop new tastes among consumers to expand the market. Every company is a quest of producing a different noodles brand but only a handful has succeeded. Differentiation is created in terms of marketing inputs only. The positioning of brands varies from each other. While Mayos positions itself as family noodles, Wai Wai is a noodle for all, Sakalaka Boom for kids and so on. Similarly, the communication, is concerned it is only the consumer promoting that has taken the largest share of focus with none given to the brand.

Strategic Focus of Noodles

Unlike it was till 1999 when the push strategy for Wai Wai, now it is the pull strategy for the noodles industry as a whole. The stage from push to pull was not an overnight result. The trade schemes were offered to distributors and wholesalers to push the product and make consumer buy.

Since the entry of Rum Pum and Mayos in year 2000 the industry has started moving towards brands building process. This was when the marketing strategy gears towards the pull strategy. A major reason behind this was that push strategy doesn't work for long time and the second reason was the new entrants in the market. As the market leader Wai Wai as an established brand was strong so the new entrants focused on promotional activities to create sales volume and brands awareness. Promotional activities are not restricted to advertisement and trade only; the driving factor here is the consumer schemes. With every noodle packet placed on the retail shelf a consumer hopes to win. This millennium brought consumers more value to whatever they were paying before. Before that is only couple of important brands from Indian and Thailand that used

to offer bowls of spoons as add on value to the product. Domestic brand played the game with experience offers- so many wrappers gets you a free gift, etc. the year 2000 saw the new entrants. Rumpum launching the first ever scheme launched by any domestic product the “The Bingo Hangama”, closely followed by market leader Wai Wai with “Mauka ma Chauka”, “Diamond set”, ”Aaja ko Arjun ko” with both the noodles drawing higher sales Mayos also divided into the pool with “Saya ma saya upahar”, “Mayos super challenge”. Since then none of the companies has dared to take off the schemes from the noodles. Offers worth millions have been placed in packets worth Rs.5 to any premium priced brand since then till date. Successful amongst them were “Bingo Hungama”, by Rumpum, “Mayos diamond offer”, “Rum Pum most wanted”, “Hami sabai ko Wai Wai”, Wai Wai hero”, “Dashain Khashi Kukhura Upahar”, by Jojo snak noodles and last but not least” 2pm jackpot. The 2 pm jackpot came up with a different campaign and almost all the offers talk about the monetary value of the commodities given.

A consumer has so many options to choose from. I want a diamond set or diamond necklace, I have a choice. The market is getting cluttered with the number of schemes and so is the consumer’s mind-set where it has to remember so many communications taking place in its surrounding ever when buying a noodles packet. But will such a scheme driven market continue? It remains to be seen. Exploring the motivation behind a consumers purchase decision can give useful insights. But the schemes will prevail otherwise you risk a drop in your sales. Competition now is focused on who introduces an offer that will click immediately. What value addition to the packet of noodles and worth how much?

2.13 Review of Related Study in Nepal

Basnet (1986) in his thesis entitled “A study on market potentiality of Gandaki Noodles in Kathmandu valley” which aimed at analyzing the production of noodles, marketing process and marketing mechanism of the noodles industries in Nepal with special attention given to Gandaki Noodles.

The study starts with the theoretical consideration of marketing and enters the empirical part of the study analyzing the various aspects of production marketing and role of promotional activities in the sales/demand for the products in the market.

In terms of qualitative product it has good reputation in market and most of the consumers are of the opinion that the price of Gandaki Noodles is reasonable so majority of consumers are satisfied with the Gandaki Noodles Industry. Gandaki Noodles Company have limited package and variety but the consumer demand wide options.

The incentives offered to the marketing agents by the noodles manufacturers are low and below the expectation of the consumers and they deal with the noodles just for expanding the volume of their turnover. Thus, the promotional activities targeting to motivate the dealers / retailers are insignificant.

The study has made a few recommendations also. If regards that if commissions are paid at par with the expectations of dealers / retailers, a companies can increase its market share significantly the companies which are lacking in a channel that flows the information from consumers to producers are required to establish such channel.

Besides, the companies are required to adopt proper marketing channel so as to lubricate the flow of goods towards the consumers after undertaking the studies on their own production capacity, capital structure financial status, consumer's tastes and preferences etc.

So, none of the above studies have done much about the Yum-Yum noodles Marketing Situation covering its sales volume distribution situation, market share and others. So, this report will be helpful to the planners, producers and researchers in Nepal.

Pant (1993) 65% consumers are found to have knowledge of almost all alternative brands available in the markets. Thus, brands awareness of the Nepalese consumers is found to be height. A positive association is found between consumers' income and brands loyalty in all the products except shaving bladed. In saving blade, however, no association is seen between income and brand loyalty. Brand loyalty has positive association with store loyalty. In all the products except soft drink it is found that

out the total respondents showing higher degree of store loyalty, at least 85% respondents are found relationship with store loyalty. Majority of the Nepalese consumers are found loyal. The following table reveals the whole findings on brand loyalty of the Nepalese consumer.

Baral (1994) in his thesis entitled “Inventory Management (A case study of Gandaki Noodles Pvt. Ltd.)”. Gandaki Noodles Pvt. Ltd. being a productive factory invests a large amount of capital in the form of inventory. The objectives of the study are to find out the inventory management system exercised by the factory.

Inventory management means directing the business for the proper handling of inventory to achieve a carefully chosen goal. From the study, it is found that the inventory management of Gandaki Noodles Pvt. Ltd. is not worse even though it requires some improvements.

The study based is on the data as provided by the factory and personal observation of the researcher. After studying the factory the researcher has derived the following conclusions with the help of the major findings of the study.

-) The changing rate of cost price and selling price is not uniform.
-) Raw materials are collected directly by the factory. Nepal and some raw materials in Nepal and some raw materials are imported from Japan and Singapore, too.
-) The factory is running under profit.
-) The factory is following purchasing decision or ABC analysis in inventory management.
-) The inventory turnover ratio seems satisfactory.

Baral (1996) in his thesis entitled “A comparative studies on the communication effects of advertising and brand preference (A case study of Instant Noodles)”. The study trying to meet these objectives concludes that;

-) Given the amounts of money that companies spent on advertising and promotion every year there is a need to measure the effectiveness of this expenditure.

-) The Yum Yum noodles advertising expenditure is decreasing every year but sales are increasing 12 to 15 percent every year. The advertising expenditure and volume of sales both, for the RARA and Yum Yum noodles are almost same.
-) The Nepal Television, The Radio Nepal and The Newspapers are proper media for advertisements chosen by the companies.
-) Most of consumers are informed of the brands by advertisements.
-) The commercial sector is the largest advertiser in Nepal.
-) There is no specific communication act to control advertisement.
-) The printed media are mostly used in advertising, but their effectiveness is not high.
-) There is a high association between the quality of advertisement and brand preference.
-) There is no difference between the Yum Yum and RARA noodles with regard to the quality of advertisement.

After drawing these conclusions the study recommends the producer of RARA to increase the advertisement expenditure and reshape the price quality, style of the products since it is in maturity stage. The Radio advertisements are most effective and cover a wide range of population and the producers of noodles are requested to make use of these.

At the sometime, the study recommends the government to censure the advertisements so that the manufactures do not are the advertisements according to their interests ignoring the consumers interests.

Shrestha (1997) in his thesis entitled, “The Role of Advertising in Brand Choice & Product Positioning”. With the objectives of the effectiveness of advertisements on brand choice of consumer products, evaluation of the role of advertisements in product positioning from the consumer perspectives and consumers response to advertisements and other promotional tools, especially in case of noodles and soft drinks.

The study has concluded that advertisements are the important means of sales promotion and consumers respond well on these. Advertisements are the mean that

introduce the products among consumers and the advertisements of instant noodles and soft drinks are found appealing and Tele advertisements are most effective. It is also stated that the advertisements aired through F.M. have been popular in recent years.

It has been recommended that especially in case of instant noodles and soft drinks advertisements through electronic media are effective and the companies are required to make even effective advertisements.

Giri (1998) Most of the educated people of Kathmandu are aware of both brands (Rara and Maggy) of instant noodles because of their advertisements. Most of the uneducated people of Kathmandu could not say anything about the advertisements. All of the advertising media available in Nepal, the Radio has proved itself a leading one to create awareness in customer about the advertised products, especially edible goods like instant noodles. After the film/cine slide comes or orderly. Advertisement qualities of instant noodles have made no change in brand preference.

Gautam (1999) in his thesis entitled, “The Cash Management (A case study of Gandaki Noodles Pvt. Ltd.). The financial efficiency is one of the vital elements to achieve the goals and objectives of any business enterprises. The financial efficiency can be enhanced if financial strengths of the company are minimized. The finding of the study shows that the Gandaki Noodles Pvt. Ltd. had not followed sound financial management practices. So, it needs effective system for financial management to enhance its financial performance. On the basis of finding study following recommendation are made for better financial performance of the company.

) The Gandaki Noodles Pvt. Ltd. lacks financial experts and professionals in its staff. The lack of knowledge of modern financial management’s tools and technique among existing employees in the company is one of major causes of poor financial performance of the company. The financial department of the company was found to do only clerical jobs like book keeping, custody of documents, payments of wages and salaries etc. so it needs to appoint expert on financial management and cost control functions. For this purpose, people with higher business education like

chartered accountant, master in business administration cost accountant should be appointed.

-) The company should accelerate its debtor receivables collection because the average collection period offered by the company. The dealers and distributors should provide proper incentives for company to increase its cash holding.
-) Invest the surplus cash in profitable opportunities: The Company should manage its cash affairs in such a way as to keep cash balance at a minimum level & to invest the surplus cash funds in profitable opportunities.

Thapaliya (1999) in his thesis entitled, “A Study on Market Situation of Instant Noodle Yum Yum”. The following conclusions can be made regarding market situation of instant noodle Yum Yum in Narayangarh.

-) The use of instant noodles has become a general consumption phenomenon in Narayangarh.
-) There are various brands of instant noodles available in the market and the market of instant noodles has turned to be competitive in recent years.
-) Among different brands of instant noodles available in the market, the factors determining the share of each brand are the taste competitive price, quality, availability in the market on the consumer’s side and the incentives, profit margin etc. on the marketing side.
-) Of the different brands of noodles available in the market the product of General food industries Yum Yum though of limited varieties, are available and are ranked second in the market on the basis of sales volume. Though the consumers, distributors and wholesalers generally take its price to be reasonable, the sales of its product, namely Yum Yum is very low owing to consumer’s dissatisfaction over its taste and quality. As such the price factor has no visible effect on the not so good performance of Yum Yum noodles in the market. Among six brands available in the market a vast majority of consumers were found to have

taken this brand to be hygienic. However, the comparison revealed that it ranked fifth among six available brands. Another significant factor constraining the market of General food industries is its inability to launch sufficient varieties of products to meet the consumer's wide options.

-) The company does not have effective & reliable channel to collect information from wholesalers, distributors & consumers. The sales promotion activities are generally confined to the advertisement through electronic media.
-) In recent years, it has been observed that there has developed an unhealthy competition among the noodles industries & the government has to arrange for legal provisions against such activities.

Parajuli (2002) Demand of instant noodles is highly increasing in Pokhara valley. Regarding instant noodles, Consumers give more preference to the taste and less preference to the brand and quality. Most of the consumer who consumed the instant noodles is under 20 years of age. Most of the student has been using instant noodles as Tiffin in comparison to other professional area. The advertisement of the Wai Wai of Nepal television is much more attractive than that of RARA. Most of the respondents think that the quality of instant noodles is of moderate quality with reasonable price. Instant noodles have been taken as hygienic food compared with different taste of fast food.

Timilsina (2010) Advertisement is the main source of information regarding instant Noodles. Wai Wai is more popular than Mayos instant noodles. Television advertisement is more popular advertisement regarding instant noodles. Newspaper/magazine advertisement holds the second position regarding popularity. Hoarding board advertisement is also getting popular. Instant noodles are very popular in Kathmandu valley. Wai Wai and Mayos are more popular than any instant noodles so neck to neck competition is between Wai Wai and Mayos only. Price, quality and advertising are consumer preference in instant noodles. Most of the consumers believe in advertisement. The role of advertisement in changing consumption behavior is found to

be very effective. Changeable advertising is liked by all age's consumer. They are satisfied with the changing advertisement of 'Wai Wai' and Mayos'.

CHAPTER - III

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. In other words, research methodology describes the methods and process applied in the entire aspects of the study. Kothari (1994) defines Research methodology as the various sequential steps (along with a rationale of each step) to be adopted by a researcher in studying a problem with certain objectives in view. Also, it is an art of scientific inquiry “Market research specifies the information required to address the issue, designs the method of collecting information; manages and implements the data collection process; analyzes the results; and communicates the findings and their implications (Marketing News, 1987).

The objective of this study is to examine the production technique, advertisement media used and the sales procedure used of an instant noodle. Besides identifying the success of the particular brand on noodles in the local market and the markets around, research on the methodology used for production, techniques used for selling required a world-class approach to meet other competition in the market, in this study the necessary and relevant data have been collected from the sample consumer (employee of organizations). To achieve this objective the study follows a research methodology, which has been described as follows.

3.1 Research Design:

A plan of study or blue print for study that presents a series of guideposts to enable the research to progress in the right direction in order to achieve the goal is called a research design or strategy (Joshi, 2001).

After exploring the sources of information about different aspects of marketing of instant noodles, primary information was generated through interviews with consumers who use instant noodles. A set of questionnaires have been administered in order to generate data and other information related to the study.

3.2 Population and Sample:

Regarding to the total population there are more than twenty noodle factories are working in Nepalese market and producing substituting brands of products. Since the research topic is about production, advertisement and sales of instant noodles, produced by Pokhara Noodles Pvt. Ltd. The company is one of the leading noodle manufacturers, locating inside the Pokhara industrial estate, having 300 employees with launching eight brands of products in market.

The sample size is only 30 employees, has been taken from 300 employees of Pokhara Noodles Pvt. Ltd. Collection of data as the sample from all 300 employees was difficult task, so only 30 employees are randomly selected as the sample. All the relevant study was done by using the answers of those 30 employees.

Employees of Pokhara Noodles Pvt. Ltd. (sex wise)

| Sex | Number of employee |
|--------------|---------------------------|
| Male | 18 |
| Female | 12 |
| Total | 30 |

Source: Field study Annex 1

Employees of Pokhara Noodles Pvt. Ltd. (age wise)

| Age | Number of employee |
|--------------|---------------------------|
| 18-25 | 8 |
| 26-33 | 10 |
| 34 and more | 12 |
| Total | 30 |

Source: Field study Annex 1

3.3 Nature and Sources of Data:

The data used in this study are primary and secondary in nature; the primary data are collected directly from the respondents. The respondents for this study are employees of Pokhara Noodles Pvt. Ltd. The questionnaires were distributed to the employees of Pokhara Noodles Pvt. Ltd for collecting necessary information. The questionnaire used in this study is presented in the appendix.

Apart from the data collected through the questionnaires, some relevant secondary data are also used for the study. Different noodles companies, Local newspapers, magazines, publications, different published and unpublished reports, bulletins, journals etc. are used as secondary data.

3.4 Data Processing, Tabulation and Analysis:

The raw data collected through the questionnaire are thoroughly checked, compiled and presented in appropriate to facilitate analysis and interpretation. Different statistical tools like graphs, bar diagrams, percentage and pie-chart have been used to make the information easy and understandable.

CHAPTER - IV

ANALYSIS AND INTERPRETATION OF DATA

This is the section where, the filtered data are presented and analyzed. This is the one of the major chapters of this study because it includes detail analysis and interpretation of data from concrete result can be obtained. The analysis is based on primary and secondary data. In presentation section data are presented in terms of table. The presented data are analyzed using different statistical tools mentioned in chapter three. At last the results of analysis are interpreted. The primary data and information are derived from the employees of themselves. Out of total 300 employees the survey only include 30 employees from different departments classification of employer and their respective outcomes are tabulated and presented in diagrammatic way in this chapter.

4.1 Production of noodles (yearly):

Table 4.1

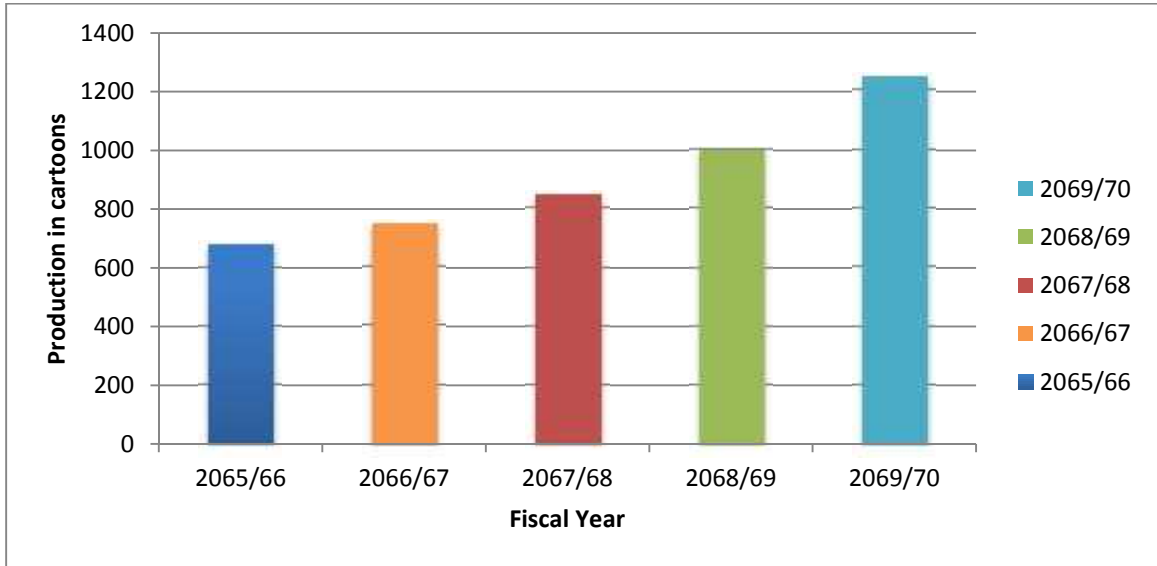
Production of noodles per year.

| Year | Quantity in (000) |
|---------|---------------------------|
| 2065/66 | 680 cartoons |
| 2066/67 | 750 cartoons |
| 2067/68 | 850 cartoons |
| 2068/69 | 1000 cartoons |
| 2069/70 | 1250 cartoons (estimated) |

Source: Annual Report of Pokhara Noodles Pvt. Ltd.

Figure 4.1

Production of noodles per year.



The above table and figure shows the quantity produced by Pokhara Noodles in different years. The production of instant noodles has increased year by year. It was 680(000) cartoons in the year 2065/2066 was increased to 750(000) cartoons in the year 2066/2067 was increased to 850(000) cartoons in the year 2067/2068 was more increased in the year 2068/2069 to 1000(000) cartoons and the organization is planning to increase to 1250(000) cartoons in the calendar year 2069/2070.

4.2 Advertisement cost of noodles (year wise):

Table 4.2

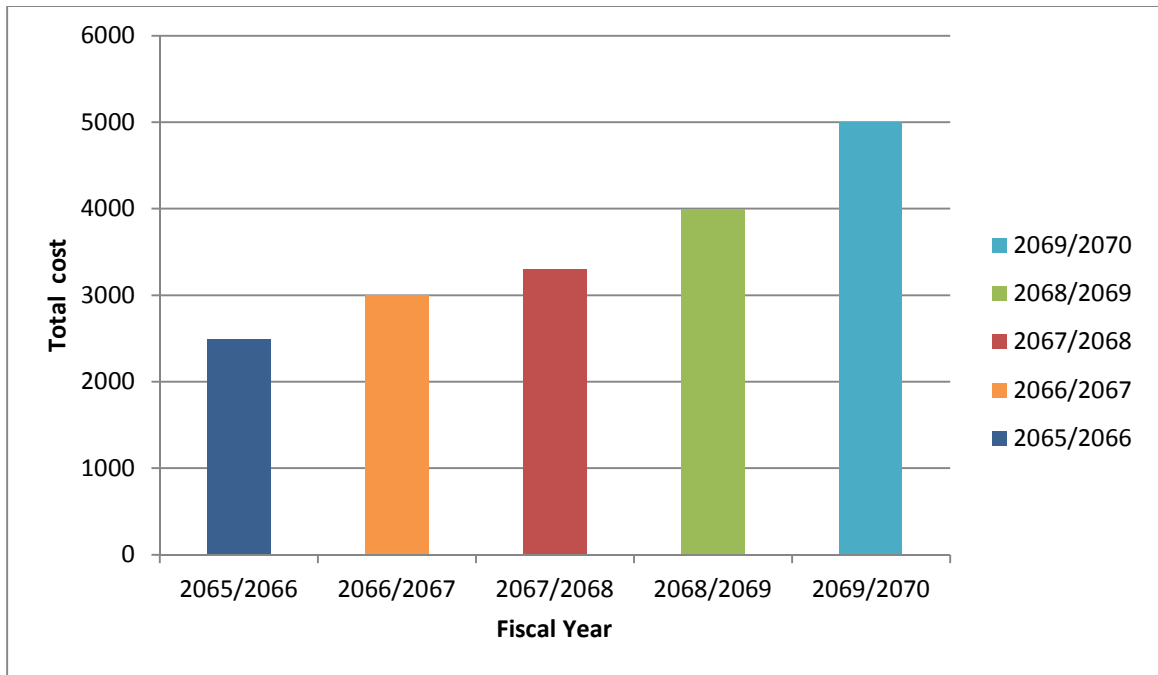
Advertisement cost of noodles (yearly)

| Year | Total cost in(000) |
|---------|---------------------|
| 2065/66 | Rs 2500 |
| 2066/67 | Rs 3000 |
| 2067/68 | Rs 3300 |
| 2068/69 | Rs 4000 |
| 2069/70 | Rs 5000 (estimated) |

Source: Annual Report of Pokhara Noodles Pvt. Ltd.

Fig 4.2

Advertisement cost of noodles (yearly)



The above table and figure shows the cost of advertisement of Pokhara Noodles, on yearly basis. The cost of advertisement has also rapidly increased. In the year 2065/2066 the total cost of advertisement was Rs. 2500(000) was increased to Rs. 3000(000) in the year 2066/2067 was increased to Rs. 3300(000) in the year 2067/2068. Also in the year 2068/2069 the cost of advertisement was increased to Rs. 4000(000) and finally the company is estimating the total cost of advertisement increased to 5000(000) in the year 2069/2070.

4.3 Increase in advertisement cost on yearly basis:

Table 4.3

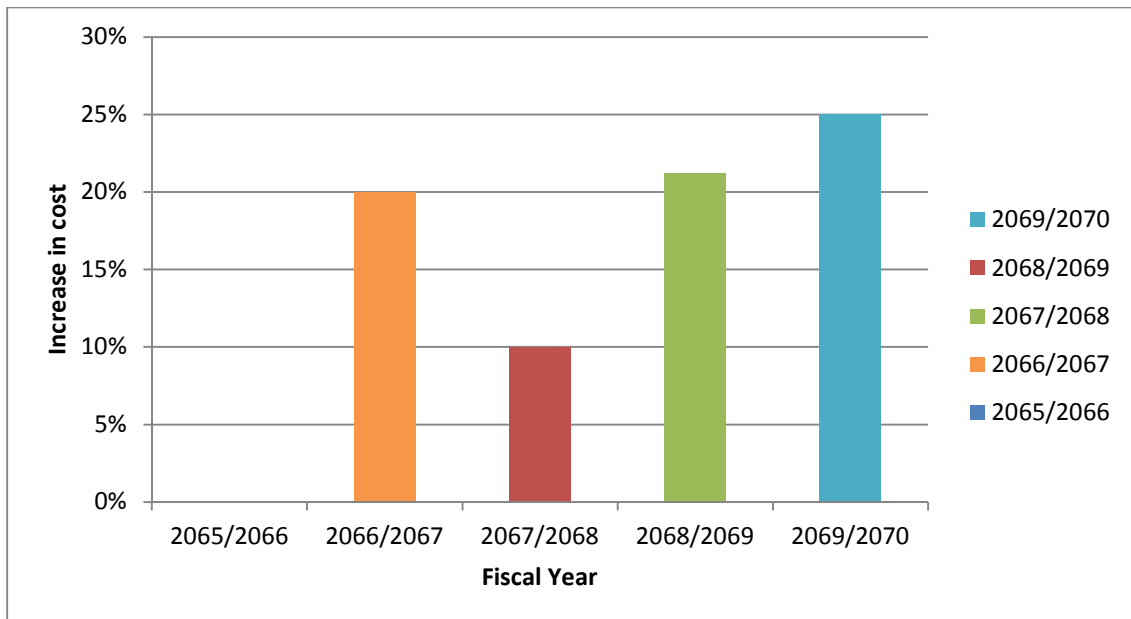
Increase in advertisement cost on (yearly)

| Year | Total cost in(000) | Increased percentage (%) |
|-----------|--------------------|--------------------------|
| 2065/2066 | 2500 | - |
| 2066/2067 | 3000 | 20% |
| 2067/2068 | 3300 | 10% |
| 2068/2069 | 4000 | 21.21% |
| 2069/2070 | 5000 (estimated) | 25% |

Source: Annual Report of Pokhara Noodles Pvt. Ltd.

Figure 4.3

Increase in advertisement cost on (yearly)



The table and figure shows the increase of advertisement cost on yearly basis. In the year 2065/066 the cost was 2500 in (000) and thus increased by 20% in the year 2066/067 and increased by 10% in 2067/068 and increased by 21.21% in the year 2068/069 and finally the cost is estimated to increase by 25% in the year 2069/2070.

4.4 Total sales of noodles (year wise):

Table 4.4

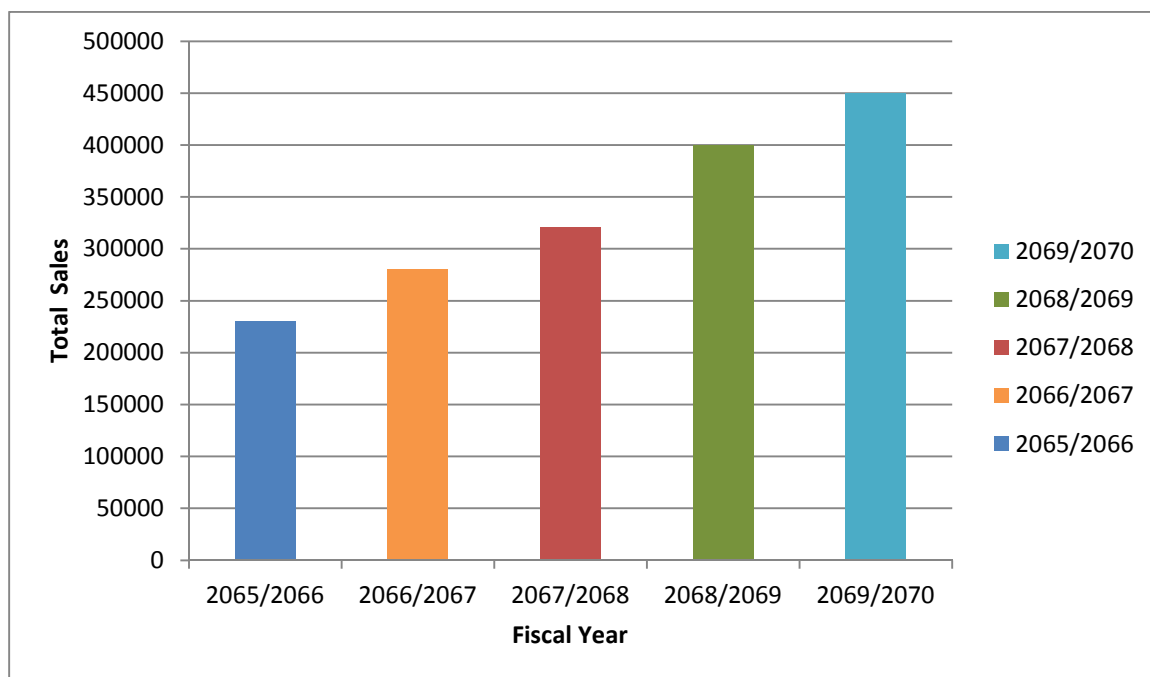
Total sales of noodles (yearly)

| Year | Total sales in (000) |
|-----------|----------------------|
| 2065/2066 | 230000 |
| 2066/2067 | 280000 |
| 2067/2068 | 320000 |
| 2068/2069 | 400000 |
| 2069/2070 | 450000 (estimated) |

Source: Annual Report of Pokhara Noodles Pvt. Ltd.

Figure 4.4

Total sales of noodles (yearly)



The above table and figure shows the amount received from total sales of instant noodles of Pokhara Noodles Pvt. Ltd. Total sales of Pokhara Noodles in the year 2065/2066 was Rs. 230000(000) was increased to Rs. 280000(000) in the year 2066/2067 and was increased to Rs. 320000(000) in the year 2067/2068. Further in the year

2068/2069 the sales of noodles was increased to Rs. 400000(000) and the company is planning to increase the total sales to Rs. 450000(000) in the year 2069/2070. The data indicates the demands of the instant noodles are increasing year after year.

4.5 The best media of noodles advertisement according to the company employee:

Table 4.5

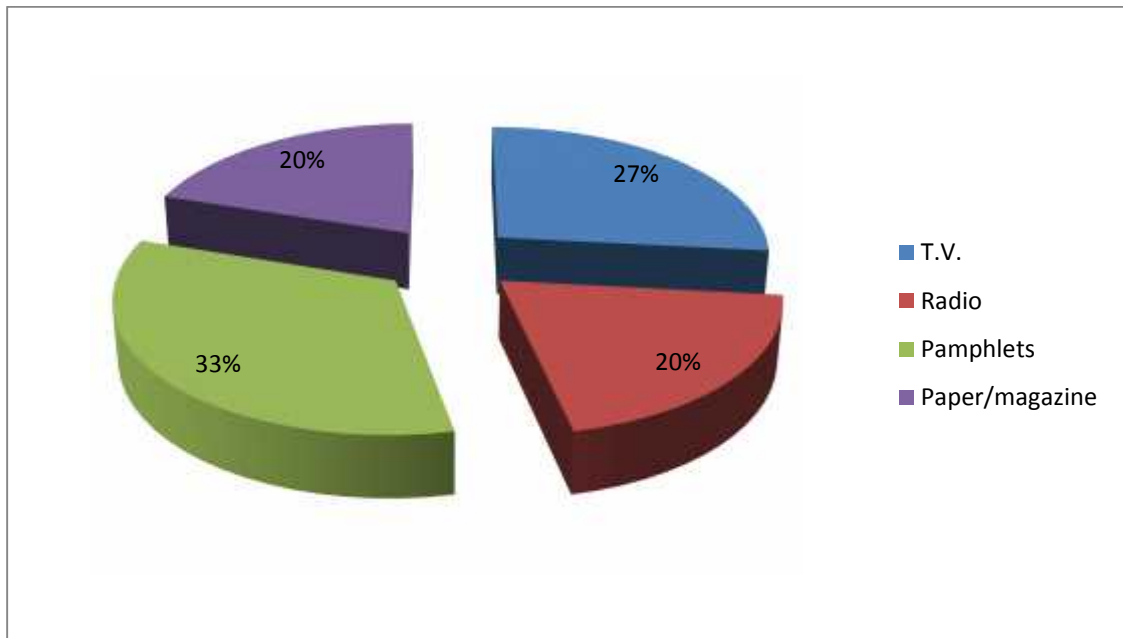
The best media of noodles advertisement accounting to the company employee:

| S.N. | Media | No. of respondents |
|------|----------------|--------------------|
| 1 | T.V. | 8 |
| 2 | Radio | 6 |
| 3 | Pamphlets | 10 |
| 4 | Paper/magazine | 6 |
| | Total | 30 |

Source: Field study Annex 1

Figure 4.5

The best media for noodles advertisement according to the company employee:



The above table and figure show percentage of best media of noodles advertisement according to be company employee. The best media of noodles advertisement according to the company is Pamplating which covers 33.33% of the employee opinion. Followed by T.V. advertisement is 26.67% and then Radio and Paper/Magazine words same share of 20% each.

4.6 Most effective promotional factor according to employees:

Table 4.6

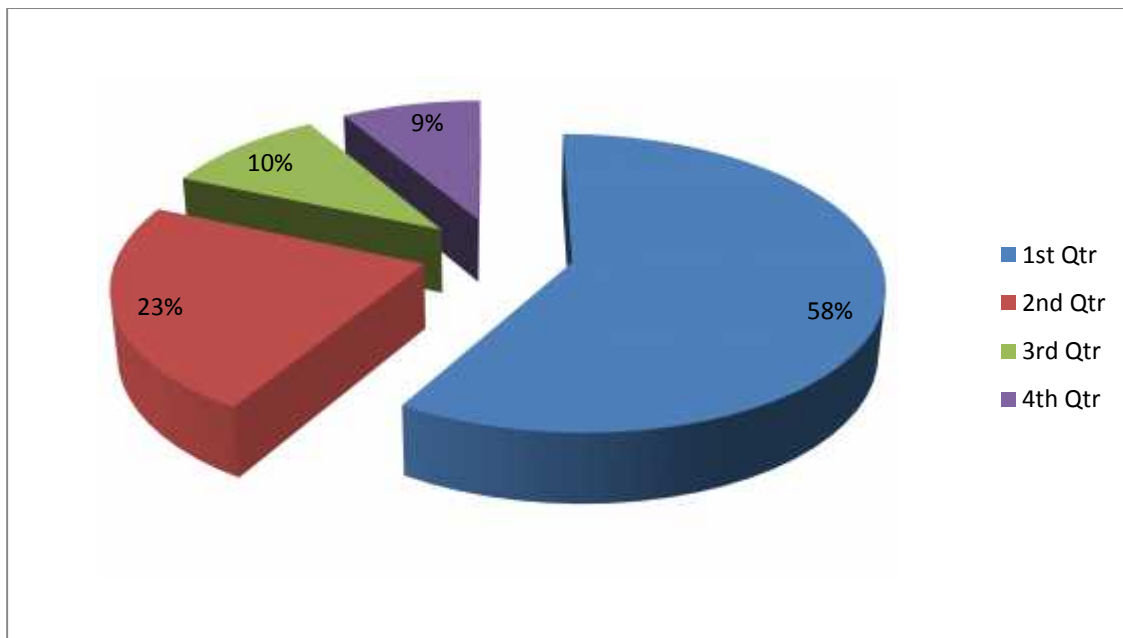
Most effective promotional factor according to employees

| S.N. | Promotional factors | No of respondents |
|------|---------------------|-------------------|
| 1 | Cash prizes | 5 |
| 2 | Fee noodles | 9 |
| 3 | Lucky draw coupons | 8 |
| 4 | Bumper prizes | 8 |
| | Total | 30 |

Source: Field study Annex 1

Figure 4.6

Most effective promotional factor according to employees:



The above table and figure shows the most effective promotional factors company applies to influence consumer. Most effective promotional factors traced by employee of Pokara Noodles Pvt. Ltd. in free noodles distribution in which 30% lies. Followed by lucky draw coupons and bumper prize which is 26.67% and at least cash prizes is recommended by only 16.67% of employee.

4.7 Employee’s suggestion for the noodles improvement:

Table 4.7

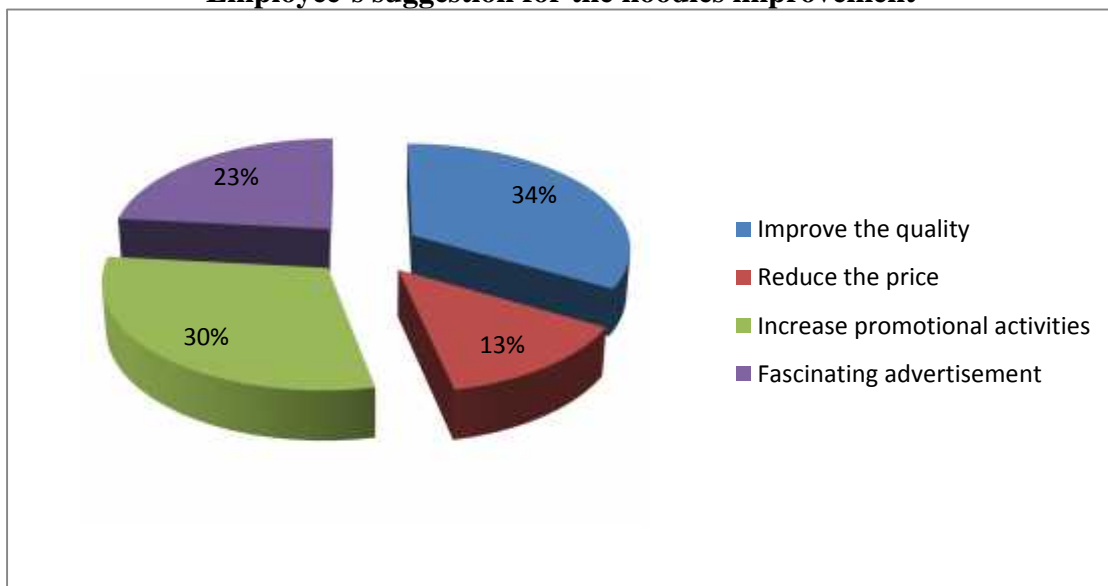
Employee’s suggestion for the noodles improvement

| S.N. | Suggestion | No of respondents |
|------|---------------------------------|-------------------|
| 1 | Improve the quality | 10 |
| 2 | Reduce the price | 4 |
| 3 | Increase promotional activities | 9 |
| 4 | Fascinating advertisement | 7 |
| | Total | 30 |

Source: Field study Annex 1

Figure 4.7

Employee’s suggestion for the noodles improvement



The above table and figure shows that the suggestion of maximum employees is to improve quality then to increase promotional activities. Another suggestion is to fascinating advertisement and then the reduction of price comes at last.

4.8 Ranking of different brands of noodles among employees

Table 4.1

Ranking of different brands of noodles

| S.N. | Name of Brand | Rank x frequency | Rank |
|------|---------------|------------------|------|
| 1 | Ramba | 47 | 1 |
| 2 | JoJo | 66 | 2 |
| 3 | Chino | 78 | 4 |
| 4 | Sahara | 82 | 5 |
| 5 | Samaya | 85 | 6 |
| 6 | Tara | 82 | 5 |
| 7 | Hot Pot | 71 | 3 |
| 8 | Leader | 86 | 7 |
| | Total | 597 | |

Source: Field study Annex 1

The above table shows that the rank of noodles which is manufactured by Pokhara Noodles Pvt. Ltd. The table shows the most popular brand i.e. Ramba. Similarly second popular brand is Jojo. Likewise, the third, fourth, fifth and sixth popular brands are Hot Pot, Chino, Sahara and Tara and Samaya respectively. Out of eight brands of noodles; Leader is a less popular brand.

4.9 Major findings of the study:

1. The production of instant noodles has increased year by year. It was 680(000) cartoons in the year 2065/2066 was increased to 750(000) cartoons in the year 2066/2067 was increased to 850(000) cartoons in the year 2067/2068 was more

increased in the year 2068/2069 to 1000(000) cartoons and the organization is planning to increase to 1250(000) in the year 2069/2070.

2. The cost of advertisement has also rapidly increased. In the year 2065/2066 the total cost of advertisement was Rs. 2500(000) was increased to Rs. 3000(000) in the year 2066/2067 was increased to Rs. 3300(000) in the year 2067/2068. Also in the year 2068/2069 the cost of advertisement was increased to Rs. 4000(000) and finally the company is estimating the total cost of advertisement increased to 5000(000) in the year 2069/2070.
3. In the year 2065/066 the cost was 2500 in (000) and thus increased by 20% in the year 2066/067 and increased by 10% in 2067/068 and increased by 21.21% in the year 2068/069 and finally the cost is estimated to increase by 25% in the year 2069/2070.
4. A total sale of Pokhara Noodles in the year 2065/2066 was Rs. 230000(000) was increased to Rs. 280000(000) in the year 2066/2067 and was increased to Rs. 320000(000) in the year 2067/2068. Further in the year 2068/2069 the sales of noodles were increased to Rs. 400000(000) and the company is planning to increase the total sales to Rs. 450000(000) in the year 2069/2070.
5. The best media of noodles advertisement according to the company is Pamphleting which covers 33.33% of the employee opinion. Followed by T.V. advertisement is 26.67% and then Radio and Paper/ Magazine words same share of 20% each.
6. Most effective promotional factors traced by employee of Pokhara Noodles Pvt. Ltd. in free noodles distribution in which 30% lies. Followed by lucky draw co-opens and bumper prize which is 26.67% and at least cash prizes is recommended by only 16.67% of employees.
7. 33.33% of employees have suggested improving their organizational quality, 13.33% has suggested reducing price. 30% has suggested increasing promotional activities and 23.34% has suggested to fascinating advertisement.
8. Lastly, the most popular brand is Ramba, second popular brand is Jojo. Similarly less popular brand is Leader of Pokhara Noodles Pvt. Ltd.

CHAPTER - V

SUMMARY, CONCLUSION & RECOMMENDATION

5.1 Summary

The noodle industries and its market are rapidly growing in Nepal. Competition is being tough along with the opportunities. Every business organizations should care about their customers is regarded as a king in business. An understanding of brand preference can be a very effective measure to increase the competitive strength of manufacturers and salers through understanding it have become more complex and complicated day by day. So, it requires continuous effort of investigation and exploitation of customers.

The study has been conducted over the production, advertisement and sales of instant noodles of Pokhara Noodles Pvt. Ltd. The objective of this study is to gain certain knowledge about the procedure of production and placement of noodles. To serve these objectives a very well structured questionnaire were asked to fill up to 30 employee of the same organization. This included General Manager, Accountant, and other workers from different department.

5.2 Conclusion of the study:

On the basis of the study under taken in the area, the following conclusions can be made regarding production, advertisement and sales of instant noodles of Pokhara Noodles Pvt. Ltd.

1. Production of noodles is a series of activity which is done in a sequence using various machines.
2. Every employee was dedicated towards their duties and responsibilities.
3. Different age group of employee in the workplace makes the environment better for work.
4. The company have both male and female employee. The sex has no major role to play.

5. Pokhara Noodles Pvt. Ltd. has the production of noodles in increasing trend year by year.
6. The company spends a good amount of money for advertisement.
7. The sales of noodles are in increasing trend. This shows the consumer influence towards it.
8. Pampering is considered the best media for advertisement for this company.
9. Most popular promotion of the company is the free distribution of noodles. That occupies 30% of all promotions.
10. Large number of employee (33.33%) has suggested improving the organizational quality. Likewise 30% has suggested to increase promotional activities 23.34% has suggested to fascinating advertisement and 13.33% has suggested reducing price.

5.3 Recommendations

Production is the most important factor for an organization. Any raw material has to be produced to be served as food to anyone. Production requires a high degree of motivation towards it; it is considered to be the backbone of any organization. Competition these days has provided a platform for an organization to competitive in market each and every sector. From production to sales an organization has to be very careful not to let other know their weakness. It is also essential to the organization to know their strength and weakness and should always try to grab opportunities which come to their way. A company should be able to threat the competitors for own benefit.

The following recommendation is made on the basis of the finding of study:

1. Pokhara Noodles Pvt. Ltd. should try to make their product a better quality to make a great impact on the market. They should provide great emphasis towards consumer preference.
2. Raw materials used for noodles and seasonings should be of own country as per to increase market of own nation.
3. If possible the company should not use any harmful ingredients like artificial color, flavor etc.

4. To cover maximum area of consumers, television, radio, magazines/papers as well should be used for advertisement.
5. The promotional activities should not be avoided by noodles marketers, consumers get motivated by such activities. So, it is recommended that the more attractive schemes should be applied for brand switching and to increase the sales volume as well.
6. Considering the purpose of consumption of noodles, the study recommends that the manufactures should explain their snacks varieties rather than meal and breakfast to capture the market share.
7. Per to increase the sales the company should provide reward system to the sales distribution which performs best thought the year.
8. Market research should be made frequently which creates a better market position of the products and hence company will be able to know their weakness and work to rectify the weakness.

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Questionnaire

Namaste;

I am Priya pradhan shrestha, I am here to learn something about the production, advertisement and sales of noodles as per my partial fulfillment of master degree I am conducting a research on "The study on production, advertisement and sales of instant noodles of Pokhara Noodles Pvt. Ltd." would you please co-operate me by filling up this questionnaire with your valuable information. Let me assure you that your opinions will be kept secure with in this research. Your co-operation in this regard will be highly appreciated.

Name:

Address :

Age : 18-25 () 26-33 () 34 and more ()

Marital status: Married () Unmarried ()

Department:

- a) Production ()
- b) Administration ()
- c) Sales ()
- d) Logistic ()

For employee

Date.....

Please tick (✓) mark for the correct option.

- 1) In which department do you work?
 - a) Production ()
 - b) Distribution ()
 - c) Administration ()
 - d) Logistic ()
- 2) How many employee are their all together?
 - a) Below 100 ()
 - b) Between 100-200 ()
 - c) Between 200-300 ()
 - d) Above 300 ()
- 3) How old is the plant used for production?
 - a) Below 10 years ()
 - b) 10-20 years ()
 - c) 20-30 years ()
 - d) Above 30 years ()
- 4) How many plants are used for production?
 - a) 1 ()
 - b) 2 ()
 - c) 3 ()
 - d) More than 3 ()
- 5) Does the company spend on Advertisement?
 - a) Yes ()
 - b) No ()
- 6) If yes, on which media?
 - a) Radio ()
 - b) Television ()
 - c) Magazine /paper ()
 - d) Hoarding board ()
 - e) None of this ()
 - f) All of these ()

7) In your opinion which one is the best media for advertisement?

- a) T.V ()
- b) Radio ()
- c) Hoarding board ()
- d) Magazine/paper ()
- e) Pam plates ()
- f) All of these ()

8) Which are four most selling noodles?

- a) Ramba ()
- b) JoJo ()
- c) Leader ()
- d) Sahara ()
- e) Chino ()
- f) Tara ()
- g) Samaya ()
- h) Hotpot ()

9) Rank your noodles according to consumer preference 1-8.

- a) Ramba ()
- b) Jojo ()
- c) Leader ()
- d) Sahara ()
- e) Tara ()
- f) Chino ()
- g) Samaya ()
- h) Hotpot ()

10) Do you consumer get motivated by promotional programs of noodles?

- a) Yes ()
- b) No ()

11) If yes, which one is the most effective promotional factor that influences your consumer?

- a) Cash price ()
- b) Free noodles ()
- c) Lucky draw coupon ()
- d) Bumper prize ()

12) How many brands of noodles do you have as a competitor in the market?

- a) Below 20 ()
- b) Between 20-30 ()
- c) Between 30-40 ()
- d) Above 40 ()

13) Which priority do you give while selling noodles?

- a) Price ()
- b) Quality ()
- c) Taste ()
- d) Brand name ()

14) What would you do your consumer switch to other brand?

- a) Leave the production ()
- b) Focus on more advertisement ()
- c) Make new production ()
- d) Start producing new brand ()
- e) Others.....

15) For what purpose do you produce noodles?

- a) Meet market demand ()
- b) Earn money ()
- c) Competitive ()
- d) Others..... ()

16) Which is the best season for noodles production?

- a) Summer ()
- b) Winter ()

- c) Spring ()
- d) Autumn ()

17) How many distribution center you have over Nepal?

- a) Below 100 ()
- b) Between 100-200 ()
- c) Between 200-300 ()
- d) More than 300 ()

18) If another brand is attracting your customers by attractive gift prizes what would you do retain your customers.

- a) Announce bigger gift prize ()
- b) Do nothing ()
- c) Try to capture their consumers ()
- d) Improve your product ()

19) Have your company worked for social welfare?

- a) Yes ()
- b) No ()

20) If yes, what kind of work is it?

- a) Donation
- b) Maintaining parks
- c) Contribution for schools
- d) Others.....

Thank you for your co-operation

Annex 1

Responses of the Questionnaire

Classification of Respondents Employee of Pokhara Noodles Pvt. Ltd. as follows:

Sex wise Classification

| Sex | Number of employee |
|--------------|--------------------|
| Male | 18 |
| Female | 12 |
| Total | 30 |

Age wise Classification

| Age | Number of employee |
|--------------|--------------------|
| 18-25 | 8 |
| 26-33 | 10 |
| 34 and more | 12 |
| Total | 30 |

1. What is the best media for the noodles advertisement?

The following responses have been made by 30 employees of the company.

| S.N. | Media | No. of respondents |
|------|----------------|--------------------|
| 1 | T.V. | 8 |
| 2 | Radio | 6 |
| 3 | Pamphlets | 10 |
| 4 | Paper/magazine | 6 |
| | Total | 30 |

2. What is the most effective promotional factor for the noodles?

The following responses have been made by 30 employees of the company.

| S.N. | Promotional factors | No of respondents |
|-------------|----------------------------|--------------------------|
| 1 | Cash prizes | 5 |
| 2 | Free noodles | 9 |
| 3 | Lucky draw coupons | 8 |
| 4 | Bumper prizes | 8 |
| | Total | 30 |

3. What do you suggest to improve noodles market?

| S.N. | Suggestion | No of respondents |
|-------------|---------------------------------|--------------------------|
| 1 | Improve the quality | 10 |
| 2 | Reduce the price | 4 |
| 3 | Increase promotional activities | 9 |
| 4 | Fascinating advertisement | 7 |
| | Total | 30 |

4. How do you rank the following aspect, while branding noodles?

| Name of Brand | 1 | 2 | 3 | 4 | 5 | Rank x frequency |
|----------------------|-----------|-----------|-----------|-----------|-----------|-------------------------|
| Ramba | 20 | 5 | 3 | 2 | 0 | 47 |
| JoJo | 12 | 6 | 8 | 2 | 2 | 66 |
| Chino | 10 | 5 | 7 | 3 | 5 | 78 |
| Sahara | 6 | 4 | 15 | 2 | 3 | 82 |
| Samaya | 8 | 6 | 4 | 7 | 5 | 85 |
| Tara | 6 | 11 | 2 | 7 | 4 | 82 |
| Hot Pot | 9 | 10 | 5 | 3 | 3 | 71 |
| Leader | 7 | 5 | 9 | 3 | 6 | 86 |
| Total | 78 | 52 | 53 | 29 | 28 | 597 |