CHAPTER- ONE
INTRODUCTION

1.1 General Background:

Consumer is the king in the Market. The success and failure of any business entirely depends on consumer's reaction to a firm's marketing mix or strategies mix or strategies. Firm's marketing mix or strategies should be designed in such way that satisfies consumers need and wants. To design an effective marketing strategy that satisfies consumer's unsatisfied needs and wants, a firm should know the buying behaviour of consumers. Understanding consumer buying behaviour is an important task for today's marketers.

Consumer behaviour may be defined as the decision process and physical activity individual engage in when evaluating, acquiring, using or disposing of goods and services (London and Della Bitta, 1993:5)

However, buying behaviour of consumer differs from one to another; however, their buying process may be identical. Generally, the consumer buying process consist of five stages problem recognition, information search, evaluation of alternatives, purchase and post purchase evaluation.

The initial stage of consumer's buying is the problem is the problem recognition and it occurs when a buyer becomes aware of the fact that there is difference between a desired state and an actual condition. After becoming aware of the problem of need, the consumer searches for information regarding availability of brands, product features, seller's characteristics, process and other relevant aspects. Duration and intensity of search efforts depends on buyer's experience in purchasing and nature of the product to be purchased. During this

stage, however, consumer has developed evoked set the set of brands of a product which the buyer actually considers while making a specific brands choice.

Products are the evoked sets have been evaluated in the third stage of buying process. To evaluate the products in the evoked set, a consumer establishes a set of criteria to compare the product characteristics. Using the criteria and considering the importance of each, a buyer rates and eventually ranks the brands in the evoked set. If the evaluation yield on or more brands that the consumer is willing to buy, the consumer is ready to move on to the next stage of decision process i.e. purchase stage. During this stage, consumer selects not only the product of brand to buy but also select seller or store from which s/he will buy the product. The actual act of purchase occurs during this stage. But, not all decision process lead to a purchase; the individual may terminate the process prior to purchase. After purchase, buyer starts to evaluate the product known as post-purchase evaluation. The outcome of the post-purchase evaluation is either satisfaction or dissatisfaction, which feeds back to other stages of the decision process and influences subsequent purchase (Narayan and Markin, 1975:7-11)

Though the consumer buying decision process consists of five stages, all the consumers do not always go through all these five stages. The individual may terminate the process during any stage. This depends on the experience of consumer involved in purchasing and the nature of the products s/he wants to purchase. Persons in high-involvement decision process may omit some of these stages. Whatever be the buying process, it is essential for the modern marketer to know the buying behavior of his or her target customer for the long-term survival.

In recent years, the international business environment has been marked by far-reaching changes. In the last few years, the business environment of Nepal too has been changed drastically. An implementation of one window

system for both domestic and foreign investors and adoption of free and liberal trade policy have increased the business activities to a great extent throughout country. Consequently, business has become more complex and competitive. To survive in such a changing and competitive business environment, all activities of the business must be focused on consumer (Koirala, 2048:33)

In reality, the consumer is sovereign, deciding whether to accept or reject a product on the basis of whether or not it meets perceived needs and desires. To meets perceived needs and desire of the consumers, the marketer should understand the buying behaviour of consumer. However understanding of consumer buying behaviour is a complex and difficult task as it is influenced by many factors.

Generally, consumer behaviour is influenced by four factors: cultural (culture, subculture and social class); social (reference groups, family and social roles and statuses); personal (age, stage in the life cycle, occupation, economic circumstances, life style, personality and self-concept); and psychological (motivation, perception, learning, beliefs and attitudes) (kotler, 2003:198). Research into these factors can provide clues to reach and serve consumers more effectively.

So, Consumer behaviour is an integral part of marketing. The basic philosophy of marketing is to achieve organizational success through consumer satisfaction in the dynamic competitive environment. Not only this but even consumers satisfaction depends upon the degree of satisfying various categories of needs such as stated needs, unstated needs, real needs, secret needs, delighted needs. Consumer satisfaction can be referred as the difference between consumers spending for what he or she gets. What he or she gets is the utility derived from the product or service he or she uses. Similarly, what he or she spent is the costs that he or she bears in course of deriving expected utility or value. Marketers, therefore, must have to study and analyze consumer behavior so that, they will be able to exploits

3

the prevailing opportunities and shoulder the threats and challenges. In course of that, they have to find out behavioral conduct of consumers that they show during pre-buying phase, buying phase, post-buying phase. Keeping all these into consideration, consumer behavior can be understood as acquiring, using and disposing of products and services.

The term cold drink (more commonly known as pop, soda pop in parts of the United States and Canada or simply coke in the south, or fizzy drinks in the U.K.; sometimes called minerals in Ireland) refers to drinks, often carbonated, that do not contain alcohol. The name "cold drink" specifies a lack of alcohol by way contrast to the term "hard drink" and the term "drink", the latter of which is nominally neutral but often carries connotations of alcoholic content. Beverages like colas, sparkling water, iced tea, lemonade, squash and fruit punch are among the most common types of cold drinks, while hot chocolate, hot tea, coffee, milk, tap water, alcohol, and milkshakes do not fall into this classification. Many carbonated cold drinks are optionally available in versions sweetened with sugar or with non-caloric sweeteners.

In Nepal there are limited cold drinks product companies, among them the major companies are:

> Bottlers Nepal (Terai)'' Ltd) MDF; Bharatpur, Terai, (Coca-Cola, Fanta, Sprite)

> Bottlers Nepal Kathmandu, Nepal. (Collaboration- USA)

> Varun Beverages. (Pvt, Ltd) MDF; Sina Mangal, Koteswor, (Pepsi-Cola, Mirinda, 7-UP)

> Dabur Nepal (Pvt, Ltd) Rampur, Tokani, Bara District, Birjung, Nepal (Real-Juice) etc.

By preliminary survey, the market of cold drinks in Chitwan district is increasing day by day. According to Mr. Subash Piya in his master level dissertation "The marketing of cold drink, A case study of Chitwan district", the sales of cold drink (i.e.Coca-Cola, Pepsi-Cola and Real) report of 2005 is Rs.61.380 Million, Rs. 20.367 million and Rs 60,23,750 respectively. So, we think Chitwan district is a appropriate study area.

Chitwan district is one of the major tourist areas of Nepal too. Most of the tourists have used cold drinks because it is easy to carry and ready to take. So, every shops, hotels, restaurants are keeping the cold drinks in Chitwan. Therefore Chitwan district is a main place for cold drink market.

Another important aspect is that, Chitwan district is the most populated city, where the density of population is increasing and different Peoples are lived and we came to conclude that such type of consumer's survey will be more effective.

Similarly, It is also found that every grocery shop, cold stores, hotels and restaurants have kept more quantity of cold drinks (Specially i.e. Coca-Cola, Pepsi-Cola and Real) in comparison of other brands. So that we have chose this place for field survey as a study.

1.2 Statement of the Problem:

Consumer behaviour is related with the behavior of people while purchasing and using a product. Just as consumers and marketers are diverse, the reasons why people study consumer behavior are also diverse. The field of consumer behaviour holds great interest for us as consumers, as marketers and

other researchers. The consumer is often used to describe two different kinds of consuming entities, these two are, personal consumer and organizational consumer.

The study of the consumer behaviour is the study of how individual make decision to spend their available resources (time, money, effort) on consumption-related items. It includes the study of what they buy, why they buy it, when buy it, where they buy it how they buy it and how often they use it. Take the simple product toothpaste. Consumer researchers want to know what type of toothpaste consumer buy (gel, regular, stripped, in tube, with a pump); what brand (national brand, private brand, generic brand); why they buy it (to prevent cavities, to remove stains, to brighter or white teeth to use it as a mouth wash, to attract romance); where they buy it (Super market, drug store, convenience store); how often they use it (when they wake up, after each meal, when they got to bed, or any combination there of); and how often they buy it (weekly, monthly).

J.C Mowen defines consumer behaviour as the study of the decision making units and processes involved in acquiring, consuming and disposing of goods, services, experiences and ideas.

Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, socio psychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general.

Belch and Belch define consumer behaviour as "the process and activities people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desire".

This study is trying to make an important attempt to study the consumer behaviour on cold drinks of Chitwan district. The problems primarily focused have been presented as follows:

i. What are the factors that affect on variability in perceiving cold drinks by Consumers?

ii. What are the consumption patterns of cold drink?

iii. Which is the best selling brand of cold drinks in Chitwan district?

iv. Is the consumer sensitive towards price, quality, and taste of the cold drinks?

v. What is the popular brand of cold drink in Chitwan district?

1.3 Rationale of Study:

Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. That includes what they buy it, why they buy it, when they buy it, where they buy it, how often they buy it and how often they use it. In case of cold drinks, which are low involvement consumer product, consumer researcher want to know what kinds of consumer buy cold drinks for what purpose? What features do they look for? What taste or flavor do they seek? In which occasion or in which season or normally every day do they buy cold drinks and for what reasons? How likely is they do replace their old preference when new brand with added features become available? The answer to these questions can provide cold drinks

manufacturer with important input for product making, promotional strategy, distribution channels etc.

Consumer behaviour was a relative new field of study, it has no long history or body of research of its own, the disciplines borrowed heavily from concepts developed in other scientific disciplines, such as psychology, sociology, social psychology, anthropology and economics. Many early theories concerning consumer behaviour were based on economic theory on the notion that individuals act rationally to maximize their benefits in the purchase of goods and services.

In addition to studying consumer uses and post purchase evaluation of the products they buy, consumer researcher also are interested in how individuals dispose of their once new purchase. Here researcher must be able to know about, after consumer have used a product, do they store it, through it, or give it away, sell it, rent it or lend it out? What do consumers really do with their old preference? The answers to these questions are important to marketers, because they must match their production to the frequency with which consumers buy replacements. The answers are also important to society as a whole, because solid waste disposal has become a major environmental problem that marketers must address in their development of new products and packaging.

Today's consumers are becoming much conscious about the product. They are being smarter, more price conscious, less forgiving and frequent testing the availability of the products in the market. Consumers are value-maximizes, within the bounds of search costs and limited knowledge and income, they form an expectation of value and act accordingly.

Chitwan, being the heart of Narayani Zone which is likely famous for better marketing centre in relation to cold drinks. Many companies have established it the best centre for marketing cold drinks. The products (i.e. cold drinks) like: Coca-Cola, Pepsi and Real are found highly competitive on making customers satisfaction.

Customers are the prime judge of the product's quality. Customer's perceived value towards the product is different in different nature. Their income, status, age, advertisement motive, brand name play vital role on viewing the product

A study on 'Consumer Behaviour Towards cold Drinks in Chitwan District' has relative marketing importance, which helps to identify the consumer's actual perception on the existing cold drinks available in the market of Chitwan areas. Different sorts of age groups, their views and the people of different natures, their behaviour towards the cold drinks are taken as the most important aspect of the study.

The study is primarily focused on analyzing the factors that help on viewing the differentiation of consumer's behaviour on cold drinks or perceptual difference, satisfactory level and creation of brand loyal value in relation to cold drinks.

1.4 Objectives of Study:

The main objective of the study is to analyze the consumer's behaviour on cold drinks of Chitwan districts. The other supporting specific objectives are:

i. To study the factors that affect on perception cold drinks by Consumers.

ii. To examine the consumption patterns of cold drinks.

iii. To determine the store from where Consumers want to buy the cold drinks comfortably.

iv. To evaluate the Consumer preference towards price/quality/taste of cold drinks.

v. To find out the popular cold drink brand in Chitwan district from the consumers point of view.

1.5 Hypotheses of the Study:

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

Null Hypothesis: H_o Quantity of Coca-Cola consumed is independent upon age group.

Alternative Hypothesis: H_1 Quantity of Coca-Cola consumed is dependent upon age group.

Following formula is used to determine the value of chi square:

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

1.6 Significance of the study:

There is no question that marketing plays an essential role in our economy. In its most basic form, the marketing process identifies unfulfilled, unsatisfied human needs, and develops and delivers products and services designed to satisfy those needs in ways that satisfy organizational and societal objectives. Consumer research and market segmentation ensure a better fit between products and consumer, and enable marketers to communicate more efficiently with their target markets. For this reason, it is incumbent upon public policymakers to support, and academic consumer researchers to design and implement research studies. So the study of consumer behaviour is important to all who are giving little attention towards these types of studies.

The study about consumer behaviour on cold drinks has special significance. To the Marketing Manager, the study of consumer behaviour towards cold drinks helps the concerned marketing manager to strengthen marketing activities in a proper way. To the producer, the study on Consumer behaviour towards cold drinks obviously helps the producer to produce cold drinks as per the customer's preference. To the academic institution or Educational institution will get new test of knowledge on the concerned topic.

1.7 Limitation of the study:

Every study or every research is always accompanied by some natural limitation and so is the case with this study. The main limitations of the study are as follows:-

i. This study is only based on consumer behaviour towards cold drinks of Chitwan district.

ii. Due to resource & time constraints the data has taken on 100 consumers out of them 50 from Bharatpur Municipality, 25 from eastern part and remaining 25 from western part of Chitwan district.

iii. It doesn't concern with the behaviour of consumer towards other product.

iv. Limited area for collecting primary data with limited persons.

v. The study is limited in the partial fulfillment of the requirements for the degree of Masters of Business Studies.

1.8 Organization of the study:

The study has been divided into main five chapters, they are as follows:

Chapter 1: Introduction

The first chapter deals about the information that includes general background, statement of the problems, objectives of the study, hypotheses of the study, rationale of the study, significance of the study, limitations and organizations of the study.

Chapter 2: Review of literature

This chapter includes two main parts as: Conceptual review and review of related studies (Thesis). Here conceptual review includes review of the area based on text books and other reference materials such as journals and magazine where as review of thesis works made earlier

Chapter 3: Research methodology

This chapter is related to research methodology. In this chapter deals with the research methodology which includes research design, sample selection, methods of data collection and method of analysis.

Chapter 4: Presentation and analysis of data

This chapter deals with systematic presentation and analysis of data. Collected data from different sources are presented appropriate manner. This includes data collection, data tabulation, and presentation of data through different financial and statistical techniques.

Chapter 5: Summary, conclusion and recommendation

This chapter relates to summary of whole study, conclusion and required recommendation also will be mentioned and several directions for future research will be offered in this chapter, which is related to consumer behavior in Chitwan districts.

At the end of the study selected reference or bibliography and other appendices used in statistical results will be attached at the end of the study.

CHAPTER-TWO

REVIEW OF LITERATURE

The previous chapter highlighted the concept, problems, objectives and focus of the study. This chapter, review of literature is the theoretical framework that provides the bases and inputs for this study purpose.

This thesis is mainly based on the field of consumer behaviour. Consumer behaviour being one of the vital parts of marketing is no doubt of great importance for a manufacturing company to make excellent sales plan. Realizing the importance of study of consumer behaviour in Chitwan district this thesis has been started. So to demonstrate how the overall marketing & sales management is affected by study of consumer behaviour, all the possible means has been used

This thesis is based on effect of study of consumer behaviour on market share of product. So, related articles, different books, encyclopedia, internet search, as well as previous studies relating to same subject have been consulted to make it more reliable. Besides, books related to marketing and current market situation too has been analyzed.

Though, consumer behaviour is not the common field. Still people are writing on since last decades. So, earlier reports too have been reviewed & new horizon of study consumer behaviour has been made clearer. But this study towards soft drink is the first time done in Chitwan; Chitwan being the central part of Nepal, the survey will more beneficial. While reviewing different books & literature, some of the basic things & knowledge about consumer behaviour seemed to be mentionable in the thesis context.

14

Similarly, all related previous studies has been collected and analyzed so as to find out how consumer behaviour is making its field broader & how it is working more. So a related previous study too has been highlighted here for everyone's expediency.

For the study purpose, literature has been reviewed in terms of two different levels.

i) .**Conceptual Review:** This portion includes relation to the subject matter of reviewing the book and internet publication.

ii) **Review of Previous Studies:** In this part, previous thesis, research article and project article and project work are reviewed.

2.1 CONCEPTUAL REVIEW

2.1.1 Consumer:

The term consumer is often used to describe two different kinds of consuming entities. The personal Consumer and the organizational users. The personal consumer buys goods and services for his/her own use, for the use of the household or as a gift for the friend in each of these contexts. The goods are bought for final use by individuals, who are referred to as end- users or ultimate consumers.

The second category of consumer- the organizational users, includes profit and non-profit organization, manufacturing concern, government agencies and institutions. All of which must buy products, equipment and services in order to run their organization. Manufacturing company must buy the raw materials and other components needed to manufacture and sell their own products, services. Companies must buy the equipment necessary to render the services they sell, government agencies must buy the office products needed to operate their

agencies and institutions must buy the materials they need to maintain themselves and their populations.
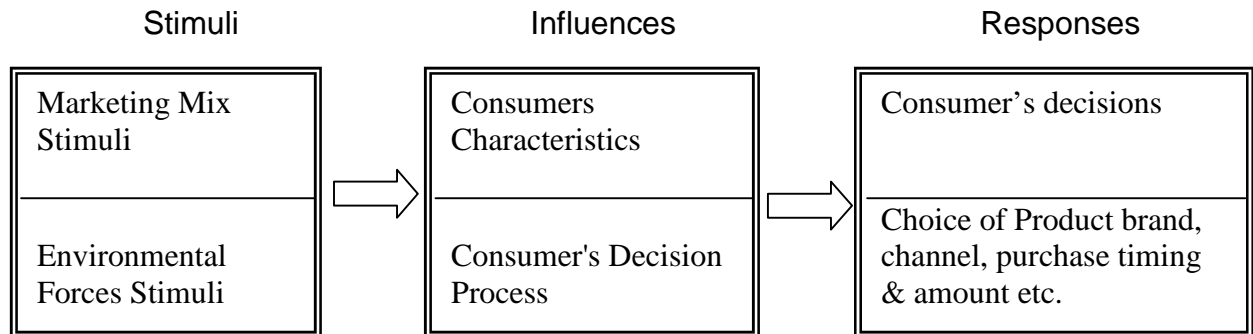
2.1.2 Consumer Behaviour:

Consumer behaviour is an integral part of marketing. The basic philosophy of marketing is to achieve organizational success through consumer satisfaction in the dynamic competitive environment. Not only this but even consumers satisfaction depends upon the degree of satisfying various categories of needs such as stated needs, unstated needs, real needs, secret needs, delighted needs. Consumer satisfaction can be referred as the difference between consumers spending for what he or she gets. What he or she gets is the utility derived from the product or service he or she uses .similarly, what he or she spent is the costs that he or she bears in course of deriving expected utility or value. Marketers, therefore, must have to study and analyze consumer behaviour so that, they will be able to exploits the prevailing opportunities and shoulder the threats and challenges. In course of that, they have to find out behavioural conduct of consumers that they show during pre-buying phase, buying phase, post-buying phase. Keeping all these into consideration, consumer behaviour can be understood as acquiring, using and disposing of products and services.

In simple terms, Consumer behaviour means the behaviour which consumer shows before or after purchase as well as the process of purchasing. L.G. Schiffman and L.L. Kanuk, defines "The terms consumer behaviour can be defined as the bahaviour that the consumer display in searching for, purchasing, using evaluating and disposing of products, services and ideas which they expect will satisfy their needs".

2.1.3 Model of Consumer Behaviour:

Figure: 2.1

Model of Consumer Behaviour

Stimuli	Influences	Responses
Marketing Mix Stimuli	Consumers Characteristics	Consumer's decisions
Environmental Forces Stimuli	Consumer's Decision Process	Choice of Product brand, channel, purchase timing & amount etc.

Sources: Dr. G.R. Agrawal, 2001 P.164

1. **Stimuli:**

   It is stimulus that the consumers, first face i.e. various environmental elements they are:

   a. Marketing mix consist of Product, Price, Place and promotion variables.

   b. Environmental forces consisting of Political, economic, technological & socio-cultural variables.

2. **Influences:**

   a. Consumer characteristics: They consist of

   Culture: It determines a person's wants & behaviour. Each culture consists subcultures-nationalities, religions, racial groups. Social class is also important for consumer behaviour

   Social: They are reference groups, family, social roles and status.

17

Personal: They are: Age & stage in life cycle, occupation, income, lifestyle, personality.

Psychological: They are: Motivation, Perception, Learning, beliefs and attitudes.

b. Consumer Decision Process: It consists of:

- ❖ Problem recognition
- ❖ Information search
- ❖ Evaluation of alternatives
- ❖ Purchase decision
- ❖ Post purchase behaviour

3. **Responses:**

They are consumer decision about:

- ❖ Product choice
- ❖ Brand choice
- ❖ Channel choice
- ❖ Purchase timing
- ❖ Purchase amount

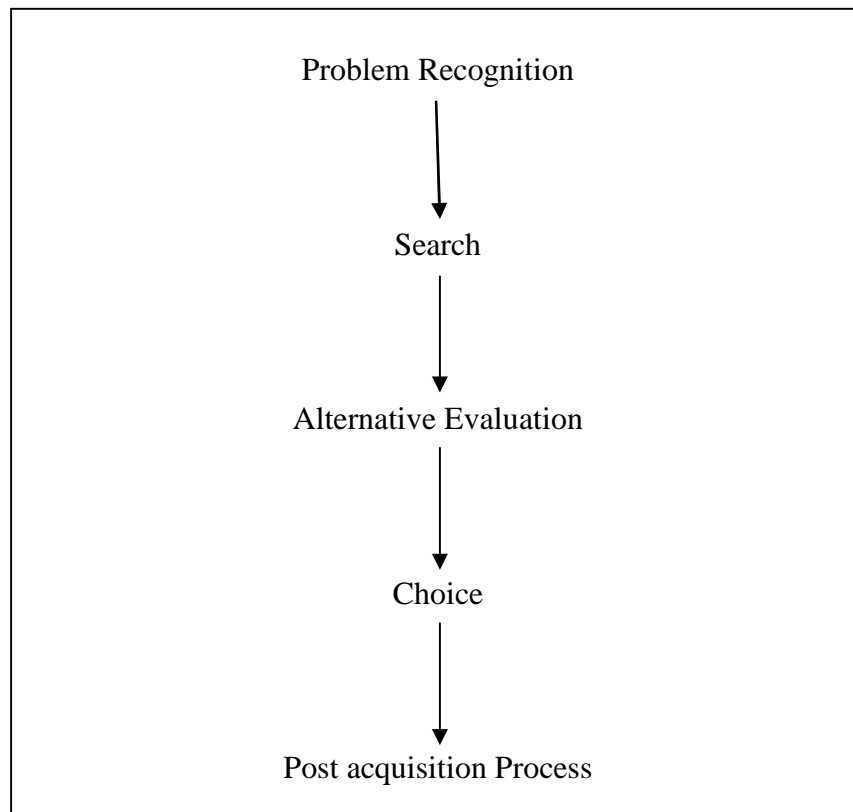Marketers can influence consumer behaviour. They cannot control it.

2.1.4 Consumer Decision Process:

One of the important and traditional areas of study in consumer behavior has been the consumer decision-making process leading to product/service purchase. The study of consumer decision-making involves the analysis of how people choose between two or more alternative acquisitions and of the processes that take place before and after the choice (Mowen, 1990:.283)

At the most complex level, consumer decision making process consists of a series of five stages shown in figure 2.2

Figure 2.2

A Generic Flowchart of the Consumer Decision Process

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                    Problem Recognition

                           │
                           ▼

                         Search

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                  Alternative Evaluation

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                           ▼

                         Choice

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                  Post acquisition Process
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i)   Problem Recognition

Problem recognition occurs when a discrepancy develops between an actual and a desired state of being. In essence, problem recognition occurs

When a need state is felt. Typically, researchers seek to identify consumer problem by analyzing the factors that act to widen the gap between the actual state and the desired state. Thus, if the satisfaction with the actual state

decreases, or if the level of the desired state increases, a problem may be recognized that propels consumer to action.

ii)   Consumer Search Behaviour

After a consumer identifies a problem of sufficient magnitude to propel him or her to action, a search process is begun to acquire information about products or services that may eliminate the problem. The investigation of the consumer search process is highly important to marketers. In particular, it influences a company's promotion and distribution strategies.

Researchers have found that two types of consumer search process exist-internal search and external search. Internal search involves that consumer attempting to retrieve from long term memory information in products or service that will help to solve a problem. In contrast, external search involves the acquisition of information from outside sources, such as friends, advertisements, packaging, sales personnel, and so forth.

iii) Alternative Evaluation

Consumers are faced by decision to buy or not to buy several times a day. It is important to understand how they actually make their buying decisions. Consumer buying process influences consumer behavior for making buying decisions. Buying decisions can be classified into:

a. Low involvement purchase
b. High involvement purchase

a. <u>Low involvement purchase</u>:

It involves routine decision making, Products are repeatedly purchased a habit. Many brands, low risk, small amount of money, short purchase time, passive interest in product information, Positive attitude toward the product, short term product benefits & limited interest in the product characterize low involvement purchase. Examples are a cup of tea, tube of toothpaste.

b. <u>High involvement purchase:</u>

It involves extensive decision making. The buying behaviour is complex. Few brands, high risk, large amount of money. Long purchase time, active interest in product information, uncertain attitude toward the product, long term product benefits and high interest in the product characterize high involvement purchase. Examples are: car, motorcycle, house, computer etc.

Table No. 2.3

Characteristics of Buying Decisions

Characteristics	Low involvement purchase	High involvement Purchase
1. Brand of the product	Many	Few
2. Level buying risk	Low	High
3. Amount of money involved	Small	Large
4. Purchase time needed	Short	Long
5. Interest in product information	Passive	Active
6. Attitude toward the product	Positive	Uncertain
7. Product benefits	Short term	Long term
8. Interest in the product	Limited	High

Source: Dr. G.R. Agrawal, 2001 P. 166

After searching various alternatives from different sources the consumer tries to evaluate all the selected alternatives. In the evaluation stage of the action process, the consumer compares the brand identified as potentially capable of solving the problem that initiated the decision process. When the brands are compared, the consumer may from belief, attitudes and intentions about the alternatives under consideration. Thus, alternative evaluation and the development of beliefs, attitudes and intentions are closely related. The result of alternative evaluation of high-involvement goods is generally lengthy comparative to low-involvement goods.

iv) Consumer Choice Process (Product Purchase)

After engaging in an evaluation of the alternatives, the consumer's next step in the decision making process is to make a choice among alternatives. Consumers make a variety of different types of choices. They can choose among alternative brands or services, and they can make choices among stores. How consumers go about making choices is strongly influenced by the types of decision process in which they are engaged. Good evidence exists that the choice process differs if consumers use a high-involvement approach as compared to a low-involvement approach. When consumers are highly involved in the purchase, they will tend to engage in a lengthy decision-making process. In such a high-involvement purchase, consumers are described as moving through each of the five stages of the action process in a sequential manner.

In contrast, when consumers perceive little personal importance in the purchase they will move through a limited decision process. The search stage will be minimized. In addition, the alternative evaluation stage may be largely skipped. Family, in limited decision making the choice process will be much simple than in high involvement conditions.

v) Post Acquisition Process or Post Purchase Behaviour

The consumer continues to make evaluation after the purchase has been made**.** The extent of post purchase evaluation depends on whether the product is high involvement or low involvement. In low involvement products, the consumer has entailed low opportunity costs and thus post purchase evaluation is not intense. In high involvement products the opportunity cost is high and consumers tend to constantly evaluate their purchase decision. Very often, negative feelings may arise after the purchase of product. This is known as the post purchase anxiety and is explained by the concept of cognitive dissonance.

2.1.5 Factors Influencing Consumer Behaviour:

A consumer's buying behavior is influenced by cultural, social, personal and psychological factors. Research into all these factors can provide clues to reach and serve consumers more effectively.

Cultural Factors

Culture, subculture and social class are particularly important in buying behavior.

Culture: Culture is the fundamental determinant of a person's want and behavior. The growing child acquires a set of values, perceptions, preferences and behavior through his or her family and other key institutions. Each culture coins of smaller subcultures that provide more specific identification and socialization for their members.

Subculture: Subcultures include nationalities, religions, racial groups and geographic regions. When subcultures grow large and affluent enough, companies often design specialized marketing programs to serve them.

Social class: Social classes reflect not only income, but other indicators such as occupation, education and area of residence. There members share similar values interests and behavior. Social classes differ in dress, speech patterns, recreational preferences and many other characteristics. Social classes show distinct product and brand preference in many areas, including clothing, home furnishings, leisure activities and automobiles.

Social Factors

In addition to cultural factors, a consumer's behavior is influenced by such social factors as reference groups, family and social roles and statuses.

Reference groups: A person's reference groups consist of all the groups that have a direct or indirect influence on the person's attitudes or behavior. Groups having a direct influence on a person are called membership groups. Some membership groups are primary groups, such as family, friends, neighbors and co-workers with whom the person interacts continuously and informally. People also belong to secondary groups, such as religious, professional and trade union groups, which tend to be more formal and require less continuous interaction.

Family: The family is the most important consumer-buying organization in society and family members constitute the most influence primary reference group. The family has been researched extensively. We can distinguish between two families in the buyer's life. The family of orientation consists of parents and siblings. From parents a personal ambition, self-worth and love. Even if the buyer no longer interacts very much with his or her parents, their influence on the buyer's behavior can be significant.

Role and Statuses: A person participates in many groups – family, clubs, and organizations. The person's position in each group can be defined in terms of role and status. A role consists of the activities a person is expected to perform. Each role carries a status.

Personal Factors

A buyer's decisions are also influenced by personal characteristics. These include the buyer's age and stage in the life cycle, occupation, economic circumstances, lifestyle and personality and self-concept.

Age and stage in the life cycle: People buy different goods and services over a lifetime. They eat baby food in the early years, most foods in the growing and mature years and special diets in the later years. Taste in clothes, furniture and recreation is also age related. Marketers often choose life-cycle groups for their target markets.

Occupation: Occupation also influences consumption patterns. A blue-collar worker will buy work clothes, work shoes and lunch boxes. A company president will buy expensive suits, air travel and country club membership. Marketers try to identify the occupational groups that have above-average interest in their production and service.

Economic circumstances: product choice is greatly affected by economic circumstances such as spendable income, saving and assets, debts, borrowing power and attitudes towards sending and saving. Marketers of income-sensitive goods continuously monitor trends in personal income, saving and interest rates.

Lifestyle: People from the same subculture, social class and occupation may lead quite different life style. A lifestyle is a person's pattern of living in the world as expressed in activities, interest and opinions. Lifestyle portrays the "whole person" interacting with his or her environment. Marketers search for relationship between their products and lifestyle groups.

Personality and self-concept: Each person has personality characteristics that influence his or her buying behavior. By personality, we mean a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli. Personality is often described in terms of such traits as self confidence, dominance, autonomy, deference, sociability, defensiveness and adaptability. Personality can be a useful variable in

analysis consumer brand choices. The idea is the brands also have personalities and that consumers are likely to choose brands whose personalities match their own.

Psychological Factors

A person's buying choices are influenced by four major psychological factors motivation, perception, learning and belief and attitudes.

Motivation: A person has many needs at any given time. Some needs arise from physiological states of tension such as hunger, thirst or discomfort. Other needs arise from psychological states of tension such as the need of recognition, esteem or belonging. A need becomes a motive when it is around to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act.

Perception: A motivated person is ready to act. How the motivated person actually acts influenced by his or her perception of the situation. Perception is the process by which individual selects, organizes and interprets information inputs to create a meaningful picture the world. Perceptions can vary widely among individuals exposed to the same ability.

Learning: When people act, they lean. Learning involves changes in an individual's behavior arising from experience. Most human behavior is learned. Learning theorists believe that learning is produced through the interplay of drives, stimuli, cues, responses and reinforcement. Teaching theory teachers marketers that they can build up demand for a product by associating it with strong drives, using motivating cues and providing positive reinforcement.

Beliefs and Attitudes: Through doing and learning, people acquire belief and attitudes. There in turn influence buying behavior. A belief is a descriptive thought that a person holds about something. People's belief about a product or brand influences their buying decisions. Marketers are interested in the beliefs

people carry in their heads about their products and brands. Brand beliefs exist in consumers' memory.

Attitudes lead people to behave in a consistent way toward similar objects. Consumer's attitude towards a firm and products strongly influence the success or failure of that organization's marketing strategy. When consumers have strong negative attitudes about one or more aspects of a firm's marketing practices, they not only stop using the product but also many stop their relatives and friends from using it. Since attitude can play such an important part in determining consumer behavior, marketer should measure consumer attitudes towards such dimension as prices, package designs, brand name, advertisement, etc. (Kotler, 2003: 183-198)

2.1.6 Evolution/ History of Consumer Behaviour:

Consumer behaviour was relatively new field of study in the mid-to-late 1960s. With no history or body of research of its own, the new discipline borrowed heavily from concepts developed in other scientific discipline, such as psychology (the study of the individual operates in groups), anthropology (the influence of society on the individual) and economics. Many early theories concerning Consumers Behaviour were based on economic theory, on the nation that individual act rationally to maximize their benefits (satisfactions) in the purchase of goods & service. The initial thrust of consumer research was from a managerial perspective: marketing managers wanted to know the specific causes of consumer behaviour. They also wanted to know the specific causes of consumer behaviour. They also wanted to know the how the people receive, tore and use consumption-related information. So that they could design marketing strategies to influence consumption decisions. They regarded the consumer

behaviour, they could influence it. The approach has come to be known as positivism and consumer researchers primarily concerned with predicting consumer behaviour are known as positivists.

Given the interdisciplinary background in which the consumer behaviour discipline is rooted, it is not surprising that academicians from a variety to contributing disciplines, including marketing itself, have become interested in the study of consumer behaviour, not necessarily from a managerial or applied perspective, but simply to understand the consumer better. The study of consumer behaviour from the point of view of understanding consumption behaviour from the point of view of understanding consumption behaviour & the meanings behind such behaviour is called interpretive, (sometimes referred to as past modernism). Interpretivists have expanded the boundaries of study to include many subjective aspects of consumer behaviour, such as the effects of moods, emotions and types of situations on consumer behaviour; the roles of fantasy, of play, of rituals, even of the sensory pleasures that certain products & services provide. Many interpretivists consider each purchase expensive unique because of the diverse set of variables at play at the one particular moment in time. Because of its focus on the consumption experience, the interpretive approach is also known as "experimentalism."

2.1.7 Consumer Behaviour as a separate field:

There are number of reasons why the study of consumer behaviour has been developed as a separate marketing discipline. Marketers had long noted that consumers did not always act or react as marketing theory suggested they would. The sizes of dollars were being spent on goods & services by tens of millions of people. Consumer preference were changing and becoming highly

diversified. Even an industrial markets, where needs for goods and services were always more homogeneous than in consumer markets, buyers were exhibiting diversified preferences and less predictable purchase behaviour.

As marketing researchers begin to study the buying behaviour of consumers. They soon realized that, despite a sometimes "me too" approach to fads and fashions, many consumers rebelled at using the identical products everyone else used. Instead, they preferred differentiated products that felt reflected their own special needs personalities and lifestyles.

To better meet the needs of specific groups of consumers, most marketers adopted a policy of market segmentation, which called for the division of their total potential markets to smaller, homogeneous segments for which they could design specific products and or promotional campaigns. They also used 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-a process now known as positioning. Other reasons for the developing interest in consumer behaviour included the rate of new product development, growth of the consumer movement, public policy concerns, environmental concerns and the growth of both nonprofit marketing and international marketing.

There is a case study about the consumer buying behaviour regarding 'rolling stone'.

On November 9, 1967 the first issue of rolling stone hit the newsstands. It was 24 pages, printed in black and white and sold for quarter. Its funder, Jann wenner, described Rolling Stone as "Sort of a magazine and sort of a newspaper" about music and the things and attitudes that music embraces. Only 6,000 copies of the first issue were sold.

From that humble beginning a major publication was born. Now, after

appearing every 2 weeks for over 25 years and with a circulation of over 14.2 million, questions are being raised about Rolling Stone's future.

Rolling stone began a chronicler of rock music in the rebellious 1960s. It quickly became the bible of the focus of the magazine expanded to include investigative reporting and interviews with youth-oriented celebrities, personality profiles, fiction and reports on rock-related films, books and music videos. In 1982, Rolling stone was compared to Atlantic, Esquire and Harper's for the quality and boldness of it's coverage of domestic and foreign affairs. It was distinguished from news week lies by the depth of it's reporting and from more traditional political magazines such as the New Republic by the breath of topics covered.

Despite annual revenues over $30 million by the mid-1980s there was a concern that the primary market for Rolling Stone was disappearing. Though the demographics of the target audiences of readers had not changed (male, aged 18-34 with some college education), its self-image had. The original reader was depicted in blue jeans, with long hair that he didn't wash very often and as very politicized against the establishment. The reader of the 1980s was characterized as having short hair, being interested in his career, with money to spend and seeking opportunities to express his individuality. Reader's interests were shifting from music and politics to making a living and career goals.

The magazine changed too. It began as double folded black-and-white newsprint, a form consistent with its counterculture image. Now it has the look of a traditional magazine with glossy cover, four colors and a trimmed and stapled format. The mix of advertisers in the magazine also reflected the shift. In the use beginning it was mainly records and related music businesses. By mid-1980s there were ads for cars, tobacco, alcoholic, beverages, clothing and personal care products. Despite its sales of over a million copes per issue, advertisers

were not particularly enthusiastic about magazine. They viewed the reader as more likely to be a social dropout than mainstream consumer. To overcome advertiser's perceptions that the readers hadn't changed their lifestyles since the 1960s, Rolling Stone came up with an ad campaign directed toward advertisers. The campaign contrasted photo images of the 1960s reader labeled "perceptions" with those of eht 1980s labeled "reality". For example, one shows "perception" as an aging hippie driving a VW bus decorated with psychedelic peace symbols, while "reality" depicts a yuppie behind the wheel of a For Mustang GT. The ads apparently caused advertisers to look at the magazine in a new light, since they were followed by six consecutive years of ad sales growth.

What are the concerns today? The number of ad pages declined in 1991 and while the total number of copies sold remained constant, newsstand sales went down nearly 20 percent. Why? First, music makers have shifted their advertising budgets from print to MTV, drastically reducing major source revenue. Second the competition has intensified. New magazine, such as spin and details that focus on the hardcore music segment appeared and some mainstream publications such as people and entertainment weekly have expanded their music coverage. Third, in the view of many, the editorial policy has softened to be less daring and more conformist than in the past. Rolling stone's reputation was built on rock music criticism and scorching cultural critiques, but its coverage has become more moderate and less controversial. Finally, the preference of Jann Wenner for the rock era over more contemporary music and recent cover stories on Jlmi Hendrix, Jim Morrison and Rod Stewart have led to suggestions that magazine is dated. According to a former editor, Rolling Stone has become more of a "taste tracker" then the tastemaker it once was.

By the late 1960s Rolling Stone was a hit, but despite a successful formula it has

experienced many changes over the years. What made the change necessary? Rolling Stone continues to roll along. With sales of 1.2 million copies per issue, the magazine ranks among the top 60 in U.S. in circulation, but today's version is a far cry from the product that first appeared in 1967. Each tie a change was detected in its editorial content, appearance, or mix of advertisers, Critics were quick to point out that the magazine had lost its direction. However, much of Rolling Stone's continued success can be attributed to understanding and adapting to its audience.

The magazine has held a large group of its core readers while also attracting a younger segment. In fact, 45 percent of the readers are 18-to-24-year old men. Editor and publisher Jan Wenner has an explanation Rolling Stone's for ability to reach a broad audience. He say there was a much bigger "generation gap" between college students and their parents in the 1960s. One magazine could not popular with both groups. Today the situation has changed. The interests, values and beliefs of parents and young adults are more similar. So the magazine can appeal to both groups by becoming less daring and more conformist, but still dealing with timely topics (for example, it was the first major magazine to take a serious look at the AIDS crisis) and music news.

The editorial transition from the 1960s to the 1990s has been accompanied by a number changes. as the audience broadened, so did the mix of advertisers. By 1986, the number one category was automotive, followed by fashion, sporting goods and food. In the past the instincts of the editors were relied on for cover stories. However, keeping in touch with the interests and tastes of a more diverse audience requires a greater use of research. As a result, editorial instincts are now supplemented by the opinions of focus groups.

Selling the magazine has also changed. As subscriptions became a more

important part of circulation, it was necessary to find ways to reach the target audience. Direct mail is not effective for young men. Because they are away at college or move frequently, mailing lists are inaccurate. They are also less attentive to mail than are other segments. To solve the problem of reaching this market, Rolling Stone runs direct response television advertising. Young men watch a lot of TV and tend to be spontaneous in their bahaviour. Ads between midnight and five in the morning featuring an appealing spokesperson (they've used Paul Schaeffer, David Letterman's sidekick) have been very productive and cost effective.

What does the future hold? Given the popularity of American music, the international market offers additional opportunities for Rolling Stone. The magazine is currently published in Australia and other markets are being explored.

How has the role of social and group forces changed with regarde to the purchase Rolling Stone?

What trends and developments in consumer buying behavior are likely to influence the future of Rolling Stone?

2.1.8 Modern History of Consumer Behaviour:

In recent years, some efforts have been made by marketing scholars to build buyer behaviour models totally from the marketing man's standpoint. The Nicosia model and the Howard and Sheath model are two important models in this category. Both of them belong to the category called the systems mode, where the human going is analyzed as a system with stimuli as the input to the system and bahaviour as the output of the system with stimuli as the input to the system and behaviour as the output of the system.

Francesco Nicosia, an expert in consumer motivation and behaviour put forward his model of buyer behaviour in 1966. The model tries to establish the linkages between a firm and its consumer-how the activities of the firm influence the consumer and result in his decision to buy. The messages from the firm first influence the predisposition of the consumer towards the product. It may lead to a search for the product or an evaluation of the product. If these steps have a positive impact on him, it may result in a decision to buy. This is the sum and substance of the activity explanations in the Nicosia model. The Nicosia model groups these activities into four basic fields.

Field one has two sub-fields the firm's attributes and the consumer's attributes. An advertising message from the firm reaches the consumer's attributes. Depending on this becomes the input for field two. Field two is the area of search and evaluation of the advertised product and other alternatives. If this process results in a motivation to buy, it becomes the input for Field Three. Field three consists of the act of purchase. And field four consists of the use of the purchased item. There is an output from Field Four- feedback of sales results to the firm.

John Howard and Jadish Sheth put forward the Howard and Sheth modelin 1969, in their publication entitles "The Theory of Buyer Bahaviour". The logic of the odelrunslike this: there are inputs in the from of stimuli. There are outputs beginning with attention to a given stimulus and ending with purchase. In between the inputs and the outputs there are variables affecting perception and learning. These variables are termed "hypothetical" since they cannot be directly measured at the time of occurrence.

Over the years, several other models have also been put forward, with the intention of explaining buyer behaviour. All these models have certain merits as

well as limitations. They do not fully explain the complex subject of buyer behaviour. Nor do they establish a straight input-output equation on buyer behaviour. And, none of them provides a precise answer to the why's or how's of buyer behaviour. They merely explain the undercurrents of human behaviour from different angles and premises. But these models will certainly be helpful in gaining at least a partial insight into buyer behaviour.

2.1.9 Consumer Behaviour history in Nepal:

Consumer behaviour has generally remained a dark area of marketing in Nepal. Marketers have given very little attention to who, what, why, where, and how of consumer behaviour. Very little marketing research has been done on this aspect. The following factors characterize buyer behaviour in Nepal's marketing.

Consumer behaviour has not been properly taken into account while creating and offering marketing mixes.

Indian and foreign competitors have been actors in taking the advantage of new market opportunities in Nepal because Nepalese marketers lack knowledge of consumer behaviour.

Product positioning has remained largely neglected because of the lack of knowledge about the behaviour of niches.

Marketers know very little about consumer behaviour at every stage of the consumer buying process. The post-purchase stage is hardly considered to build life long customers. The disposal aspect is utterly neglected which has created serious environment problems due to the rising levels of pollution. It has adversely affected the tourism market as well.

Marketers have not given proper attention to the psychological and social factors that influence consumer behaviour. Economic, demographic and cultural factors

have been dominant in the design of the marketing mixes. The marketing resources have not been efficiently utilized. In recent years, the advent of global enterprises and cable television in Nepal has brought some consciousness about the need for better understanding if buyer behaviour. They have been using personality, life style, motivation and reference group factors in designing their advertising massage. The growth of marketing research organizations is also likely to promote marketing research about buyer behaviour on Nepalise consumers in the years to come.

2.1. 10 Importance of consumer behaviour as a separate study:

Just as consumer and marketers are diverse, the reasons why people study consumer behaviour are also diverse. The field of consumer behaviour holds great interest for us as consumer, as marketers and as students of human behaviour.

As consumers, we benefit from insights into our own consumption-related decisions. What we buy, why we buy, how we buy and the promotional influences that persuade us to buy. The study of consumer behaviour enables us to become better that is wiser consumers.

As marketers & future marketers, it is important for us to recognize why and how individuals make their consumption decisions, so that we can make better strategic marketing decisions.

If marketers understand consumer behaviour, they are able to predict how consumers are likely to react to various informational & environmental cues and re able to shape their marketing strategies accordingly. Without doubt, marketers who understand consumer behaviour have great competitive advantage in the market place.

As students of human behaviour, we are concerned with understanding consumer behaviour, with gaining insights into why individuals act in certain consumption-related ways and with learning what internal & external influences impel them to act as they do. Indeed, the desire for understanding consumption related human behaviour has led to a diversity of theoretical approaches to its study.

2.2 Review of Previous Studies:

2.2.1 Pradhan Ranjana (2006) has conducted a study on "Consumer buying behaviour on beer".

The specific objectives of the study were:

- To find our the target group of beer

- To examine the perception of consumers regarding different attributes of beer.

- To identify the suitable sources of information about beer.

- To ascertain the ranking (according to perception of consumer) of different brands available at beer market of Chitwan district.

- To examine the effectiveness of product, place, price & promotion for marketing of beer.

The Findings of the study were:

- According to occupation, most of the respondents are student i.e.42%. Although they are student they are doing part time job. Second highest no. of respondents is Businessman i.e. 34%. Service holders are 22% and others are 2%.

- According to income, no. of respondents are most having salary above Rs.9,000 i.e. 42.9%, salary having 7 to 9 thousand are 20%, 6 to 7 thousand are 14.3%, 3 to 5 thousand are 11.4% and 2 to 3 thousands are 11.4%

- According to Brand Preference, highest no. of respondents prefers Tuborg i.e. 80%. Second highest preferred brand is Carlsberg i.e. 10%, Everest and Sammiguel comes under 3rd preferred brand i.e.4% each. Other brands come under 2%.

- Among 100 respondents 36% consumes beer once in a fortnight. 28% consumes once in a week. 16% consumes twice in a week. 10% consumes thrice in a week and another 10% consumes everyday. Most of the respondents consume beer once in a fortnight.

- Among 1000 respondents 80% consumes less than 5 bottles in a week, 12% consumes 5 to 10 bottles,8% consumes 10 to 15 bottles per week. Most of the respondents consume less than 5 bottles in a week.

- According to the place of drinking beer, most of the respondent's consumer's beer at restaurant i.e.52%, 16% consumes at home, another 16% consumes at party and 12% consumes at hotel.

- Most of the respondents select the particular brand due to taste i.e. 78%, 20% select their brand due to Brand Image. Only 2% select their brand due to price and no one is interested to packaging.

- Most of consumer consuming Toborg prefers Sanmiguel as second brands them Carlsberg, Iceberg, Everest and Gorkha respectively.

- Brand satisfaction is high in Tuborg although very satisfied are low in no respondent who stands at neutral is very low in no. compared to total respondent. It seems respondents are satisfied with their brand.

- The most effective media for advertisement of beer is Hoarding/ Neon and second effective media is print media.

- The brand mostly selling by retailer is Tuborg and the Everest.

- The reason of not selling other brands by retailer is due to low demand and unavailability.

- The brand of beer given by retailer when customer first asks for beer is Tuborg.

- The reason of selling particular brand is due to high demand.

- The brand providing more profit margins is Everest.

- The most appropriate size of bottle the retailers preferred is 650 ml.

2.2.2 Piya Subash (2006) has conducted a study on "The marketing of soft drinks".

The main objectives of the study were:

- To examine the potential consumer is purchasing soft drink.

- To estimate demand of soft drink in Chitwan.

- To find out relationship between brand preference and advertising.

- To ascertain the market leader of soft drinks in Chitwan district consumer's point of view.

The findings of the study were.

- Market of soft drinks in Chitwan district is so good, but consumers are very conscious about soft drinks brand and enthusiastic.

- Coca-cola brands are sales higher than Pepsi-cola in the Chitwan.

- The advertising of Coca-cola of the NTV is much more attractive than that of the Pepsi-cola.

- There are competitions in sales but less competition in preference in brand.

- The market share of soft drinks is less than cold drinks in Chitwan.

2.2.3 Neupane Surendra (2003) has conducted the study on "Cold drink consumer behaviour in Kathmandu Vally."

The main objectives of the study were:

- To find brand preferences of consumers and the factors that develops such preferences.

- To evaluate the role of advertising in product positioning from the consumer perspective.

- To examine consumption pattern of cold drinks.

- To determine the store where from consumer want to buy the cold drinks conveniently.

The Findings of the study were:

- The entire sampled consumers have drinking habit of cold drinks.

- Coca Cola brand has domination over Pepsi cola and other brands.

- All of the respondents have frequent drinking habit and there is no difference between the drinking habit of married and unmarried consumers.

- Coca Cola brand is the most preferred brand of cold drinks in Kathmandu Valley.

- Most of the consumer's government service holder, teacher, businessman and students prefer Coca cola brand and Pespsi Cola is more popular among private service holders.

- Most of consumers drink once a day, they buy only one unit of cold drinks at time and they take decision during buying.

2.2.4 Bhatta Deepa (2003) had conducted a study on "Consumer Analysis of soft drinkers".

The Main objectives of the study were:

- To find out the brand preference and consumption frequency of the fruit juice "RIO".

- To find out the place of purchase of soft drinks.

- To evaluate the effectiveness advertising media to make consumer aware about brand.

- To evaluate important influencing variables as consumer analysis over soft drinkers.

- To find out the group of buyers for his brand.

The Findings of the study were:

- A large number of consumerswould prefer to have "RIO" in some other flavors.

- Most of the consumers would prefer to have "Rio" in orange, apple and apricot flavor.

- Most of the consumers preferred television advertisement than the other forms of advertisement.

- Majority of consumers prefer to drink Real, Frooti and Rio. They found that taste of Real was superior to both.

41

2.2.5 Sapkota Narayan Prasad (2001) has conducted the study on "Consumer attitude towards Wai-Wai instant noodles"**.**

The specific objectives of the study were:

- To taste the two types of consumers market (end-use and institutional market) of Wai-Wai noodles in the Bhaktapur Municipality.

- To obtain the consumers opinion about various aspect.

- To compare the consumers attitude of wai-wai with other brands.

- To improve consumers attitude towards wai-wai noodles.

The Findings of the study were:

- The consumption of wai-wai noodles in the Bhaktapur Municipality is very high.

- Most of the consumers use noodles as snack, where as very few take it as main meal.

- In the market competition, wai-wai is in the top position and behind it is Mayos.

- The consumer's attitude is negative to the price of wai-wai noodles but it is positive to its quality and packaging.

- In the course of life cycle,wai-wai is now in the phase of growth or maturity, which is sensitive and conductive step for the market.

2.3 Concluding remarks:

The following conclusions have been derived from the analysis and interpretation of the review of literature.

1. Most of the researchers tried to study consumer behaviour on different products.
2. The researcher found that, they are not fully concerned with the consumer behaviour towards the products.
3. Mainly they are collecting the attitudes of the consumer not only the behavioural issues with regards to the consumer point of view.
4. In this dissertation, Researcher tries to study more to find out the consumer behaviour towards cold drinks in Chitwan District.
5. In this dissertation researcher has used chi-square test as statistical tool to find the independency and dependency of age group for the quantity of cold drink consumed.

2.4 Research gap:

There are some studies already done in the related field, but they all do not show the suitable relation among consumer behavior, towards cold drinks. The researcher has not yet found any research conducted in Chitwan district regarding this topic therefore, the researcher tried to conduct this research. In this dissertation researcher tries to study more to find out the consumer behaviour towards cold drinks in Chitwan district.

CHAPTER-THREE

RESEARCH METHODOLOGY

Research methodology is the plan of action that carried out in systematic manner. An examination of a subject from different points of view it is not just a trip to the library to pick up a stack of material, or picking the first five hits from a computer search. Research is a hunt for the truth. It is getting to know a subject by reading up on it, reflecting, playing with the ideas, choosing the areas that interest you and following up on them. Research is the way you educate yourself.

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

Often people think of research in terms of science and technology, but research takes place in every area of academic study. Research into our culture, our business practices or our economy can be as important as business and scientific research.

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

- ❖ Research design
- ❖ Population and sampling
- ❖ Source of data
- ❖ Data Collection procedures
- ❖ Data processing and tabulation
- ❖ Method of analysis

3.1 Research Design:

General objective of this research study is to examine and evaluate the consumer behaviour towards cold drinks i.e. Coca Cola, Pepsi Cola and Real mainly of Chitwan district. In order to achieve the objective, both the descriptive analytical research design has been followed. The study focuses on the examination of relation between consumer behaviour, product and other influential factors.

3.2 Population and Sample:

The population of this study consists of all the buyers and consumers above 18 years age group of cold drinks in chitwan district.

The sample consists of the respondents from the different sectors such as students, service holder, lecturer and business man. From total population of Chitwan district i.e. 4,72,048 (Population census 2058) for the study purpose 100 consumers have been surveyed, out of them 50 from Bharatpur Municipality, 25 from eastern part and remaining 25 from western part of Chitwan district. To make the sample more representatives the Judgmental sampling method is used.

Table No.3.1

Respondent's Profile

S.N.	Sample size	Sample Size	Sample size in percentage
1	Bharatpur Municipality	50	50%
2	Eastern part of Chitwan	25	25%
3	Western part of Chitwan	25	25%

3.3 Source of Data:

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

❖ **Primary Sources**

Primary data has been collected through questionnaire for different levels of consumers. i.e. higher secondary level consumers, graduate education holder and masters level consumers, who were selected from different professional groups.

❖ **Secondary Sources**

As a regard, supporting literature, relevant books, journals, bulletins, magazines, newspapers etc., have been studied.

3.4 Data collection procedures:

The problem of the study lies on the issues to the behaviour of consumer. Hence, various data are required. With a view of obtaining data, a questionnaire

was designed. The different levels or types of consumers have filled up the questionnaires. For collection, in the first the researcher visited the market and the questionnaires were distributed to the consumers. In the second step, the questionnaire were got filled.

For the supportive materials, the researcher visited campus library of Birendra Multiple Campus and Central department of management, Kirtipur, various sections of central library; TU led the researcher to be successful in conducting this study.

3.5   Data Processing and Tabulation:

Data have been collected through different level of respondent. A table has been prepared for a set of questionnaires. For each separate question frequency has been counted. Various tables are constructed and responses are presented on percentage.

3.6   Method of Analysis:

This study mainly aims to find out the consumer Buying Behaviour of Chitwan District's. Collected data is analyzed by both descriptive & analytical tools. They are used in the research in order to draw out the reliable conclusion.

- ❖ Percentage analysis
- ❖ Average (Mean) analysis
- ❖ Chi-square test
- ❖ Bar diagram & pie chart
- ❖ **Percentage:** Sampling statistics are used to test whether the observed difference between the two numbers is large enough to be considered statistically significant. It represents the proportion of any variable in terms

47

of its totality. In the present study, percentage has been used to obtain the actual number of customer preference.

❖ **Average (Mean) :** It is statistical tool, which is called average or mean. Mean is the ratio of the sum of all observation to the number of observations. It is calculated from ungrouped data & frequency distribution.

$$\text{Mean} = \frac{\text{sum of Observation}}{\text{nos. of observations}} = \frac{\Sigma X}{n}$$

❖ 1**Bar diagram and Pie chart**

There are particular tools, which help to know the true picture of the different variables in the absence of complicated formula and equations. The result of analysis has been properly tabulated, compared and analyzed in presentation and analysis chapter.

❖ **Chi-square test**

Chi-square test is used here to determine the independency of the two attributes. The following are the hypothesis set up for chi-square test is used.

Null Hypothesis: H_o Quantity of Coca-Cola consumed is independent upon age group.

Alternative Hypothesis: H_1 Quantity of Coca-Cola consumed is dependent upon age group.

Following formula is used to determine the value of chi square:

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

Observed frequency O is calculated as $E = \dfrac{\text{Row total x Column total}}{\text{Grand Total}}$

Here, O = Observed frequency

E = Expected frequency

CHAPTER-FOUR
PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction:

This chapter is the main heart of the study. This chapter presents and analyzes the collected primary data in Chitwan District, with the help of field survey. For this purpose we use both descriptive and statistical tools and techniques. The data are presented and analysis is done from final consumer. Bar diagrams, pie charts have been presented to clarify the actual data. Specially, the chapter includes analysis and interpretation of the data obtained from respondents.

In course of conducting this research, the researcher selected 100 consumers or respondents and tried to find-out views of consumers. It was found that all of the respondents have the drinking habit of cold drinks. Obtaining responses, various tables are prepared. Homogeneous natures of data have been put into the same table. The data are presented and analyzed here under.

4.2 Profile of respondents

4.2.1 Sex groups:

The researcher analyzed the responses of consumer behaviour on the basis of sex groups attempts to show male Consumer are slightly more than Female Consumer. Table 4.2.1 has made the interpretation of the analyzed data.

Table No.4.2.1: Sex Groups of Consumer

S.N.	Sex	Frequency	Percentage
1	Male	55	55.0
2	Female	45	45.0
	Total	100	100.0

Source: Consumer Survey 2068

Figure No. 4.2.1: Sex groups of consumer
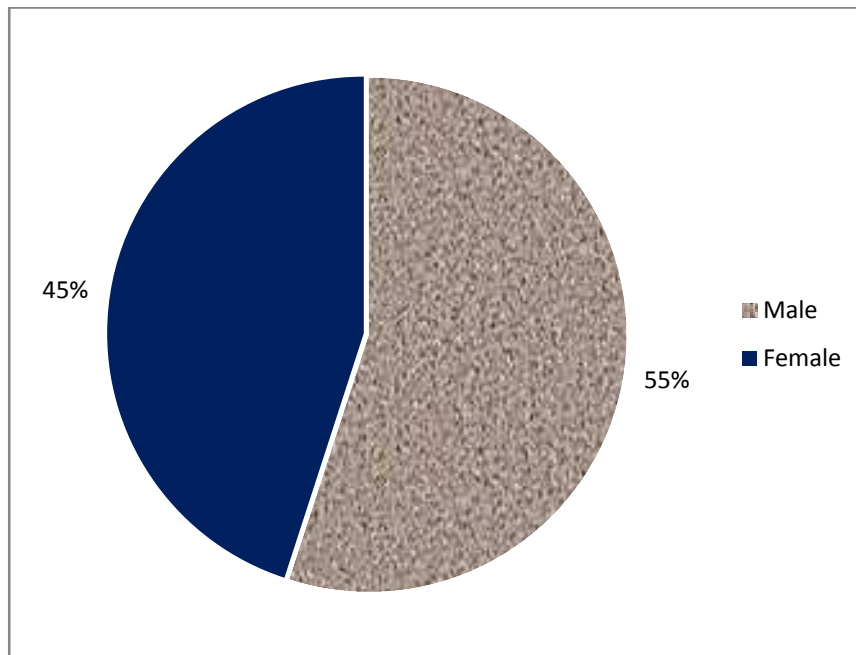
The above table & figure no. 4.2.1 shows that the sex groups of consumer. Among 100 respondents 55 are male and 45 are female. It seems that male consumers are slightly more than number of female.

4.2.2 Occupation:

The analysis of the responses of Consumer behavior on the basis of occupation Groups .Preparing Table 4.2.2 has made the interpretation of the analyzed data.

Table No.4.2.2: Occupation of Consumer

S.N.	Occupation	Frequency	Percentage
1	Service	25	25.0
2	Business	32	32.0
3	Student	43	43.0
	Total	100	100.0

Source: Consumer Survey 2068

Figure No. 4.2.2: Occupation of Consumer
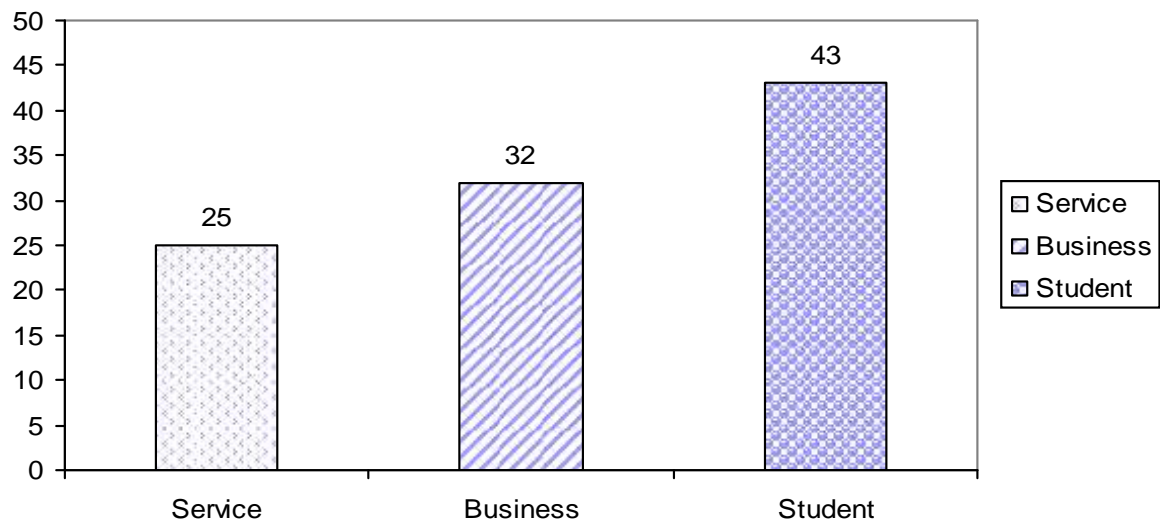
The above table & figure no. 4.2.2 shows that most of the consumers of cold drinks in Chitwan district are students. Among 100 respondents 25% service holder, 32% Businessman and 43% are students.

4.2.3 Age of Consumers:

When the researcher tried to find out drinking habit of different age groups, he noticed that age group 18-25 have domination over other groups. Table 4.2.3 makes it clearer.

Table No.4.2.3: Age of Consumer

S.N.	Age	Frequency	Percentage
1	18-25	45	45.0
2	26-35	35	35.0
3	35 above	20	20.0
	Total	100	100.0

Source: Consumer Survey 2068

Figure No.4.2.3 Age of Consumer
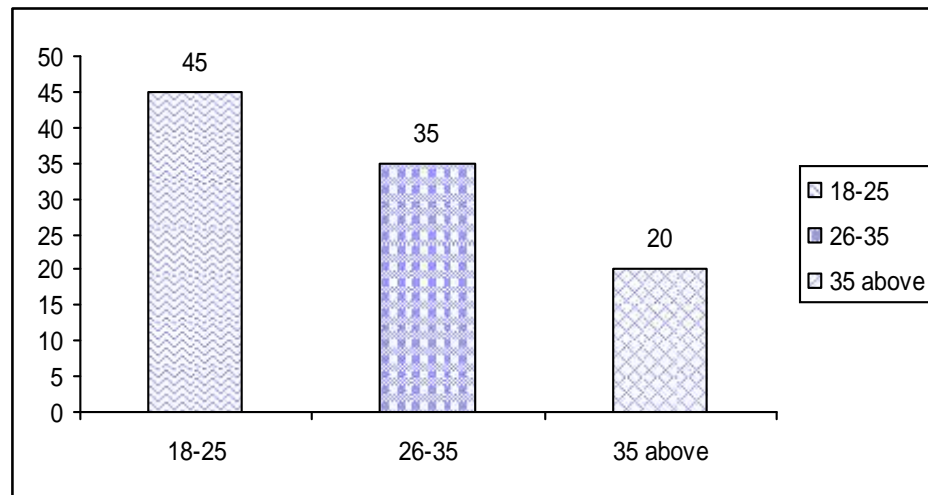
The above table & figure no 4.2.3 shows that there is a majority of consumer of the age between18-25, which is 45%, 26-35 ages are 35% and 35 above are 20%.

4.2.4 Marital Status:

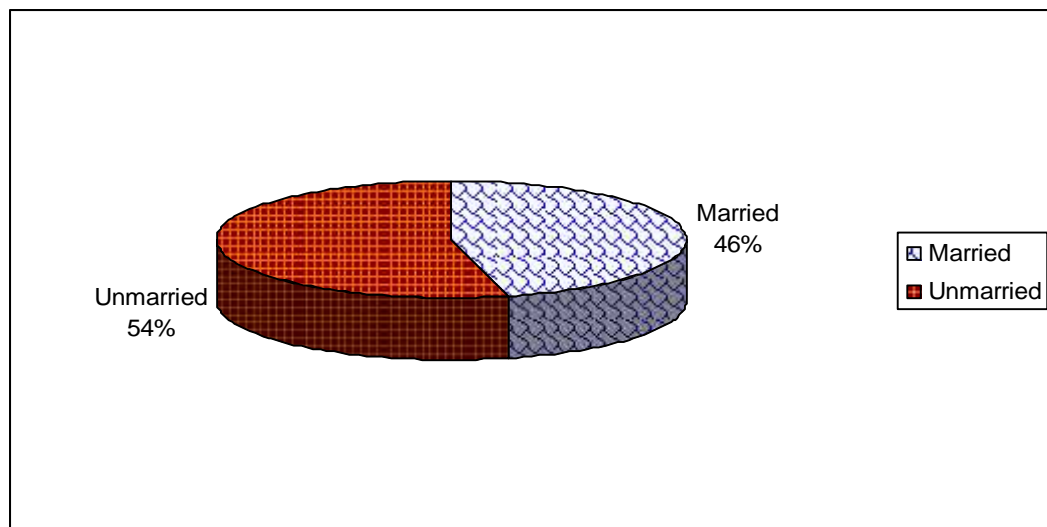The analysis of the responses of consumer behaviour on the basis of marital status attempts to show for interpretation.

Table No.4.2.4: Marital status of consumer

S.N.	Age	Frequency	Percentage
1	Married	46	46.0
2	Unmarried	54	54.0
	Total	100	100.0

Source: Consumer Survey 2068

Figure No. 4.2.4: Marital status of consumer

The above table & figure no 4.2.4 Deals with the marital status consumer. Here most of the consumers who seen likely to have cold drinks have been taken as sample to get more responding answers regarding the questions asked for in research questionnaire. Among 100 respondents 46 are married and 54 are unmarried. It seems that unmarried consumers are more than number of married consumers.

4.3 Description of variable:

4.3.1 Brand Preference:

In order to find out cold drink brand preferences of consumers in totality, the researcher had prepared separate questions. Obtained differential responses. These responses are shown in Table 4.3.1

Table No.4.3.1: Brand preference of consumer

S.N.	Brand Preference	Frequency	Percentage
1	Coca-Cola	45	45.0
2	Pepsi-Cola	15	15.0
3	Real	27	27.0
4	Other	13	13.0
	Total	100	100.0

Source: Consumer Survey 2068

Figure No. 4.3.1: Brand Preference of consumer
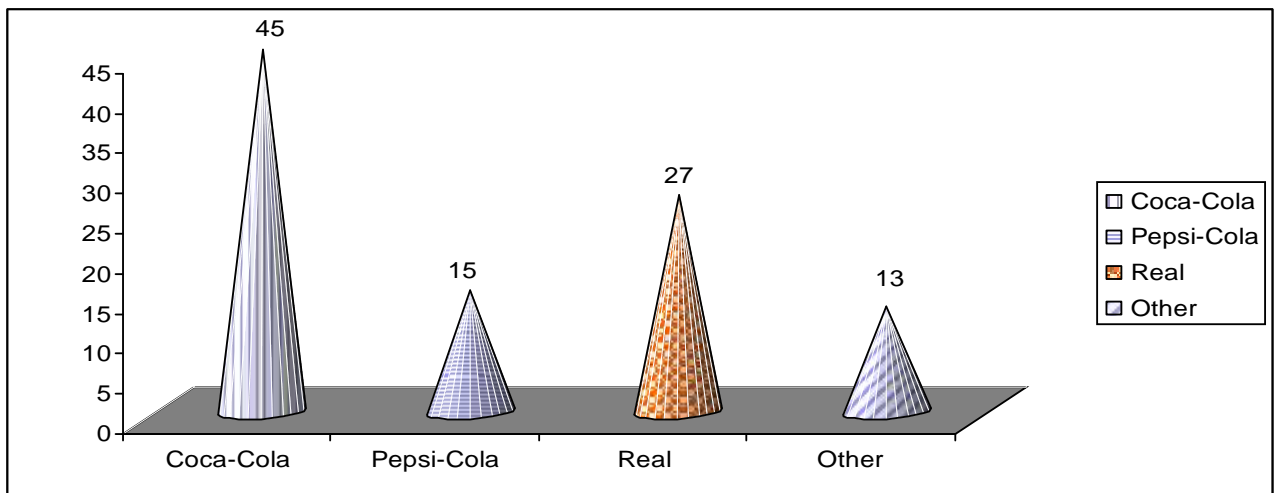
The analysis of the responses of consumer's brand preference out of 100 respondent's table & figure no.4.3.1: has made for interpretation. Among 100 respondents have found 45% preferred Coca-Cola brand, 15% Pepsi Cola brand, 27% Real brand and taste of consumers i.e. 13% have found preferred other brands.

4.3.2 Influencing factors:

The researcher analyzed the responses of consumer behaviour on influencing factors of cold drinks. Preparing Table 4.3.2 has made the interpretation of the analyzed data.

Table No.4.3.2: Influencing factors of Cold drinks

S.N.	Influencing factor	Frequency	Percentage
1	High quality	51	51.0
2	Low price	8	8.0
3	Easily available	28	28.0
4	Volume	0	0.0
5	Other	13	13.0
	Total	100	100.0

Source: Consumer Survey 2068

Figure No. 4.3.2: Influencing factors of cold drinks
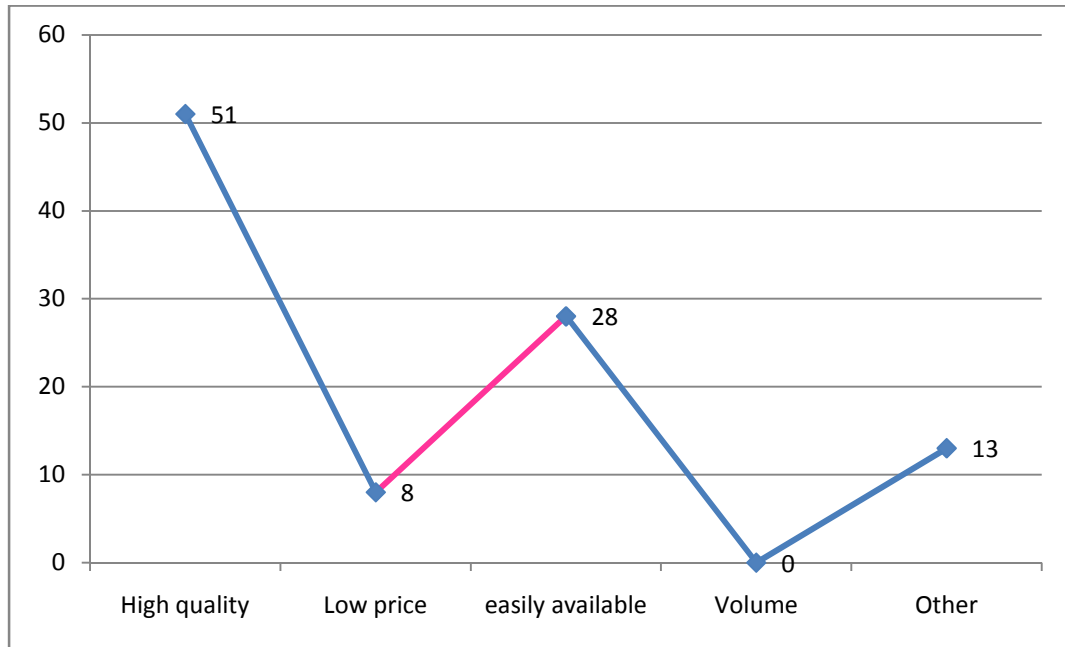
The above table & figure no 4.3.2 deals with the influencing factor of consumers to prefer different brands of Cold drinks among 100 respondents 51 % motivated to the high quality, 8 % to the low price, 28% to the easily available, 0% to the volume and rest of 13% to the other factors.

4.3.3. Factors to prefer selected brand:

The researcher analyzed the responses of consumer behaviour on factors to prefer selected brand of cold drinks. Preparing Table 4.3.3 has made the interpretation of the analyzed data.

Table No. 4.3.3: factors to prefer selected brand of cold drinks.

S.N.	factor	Frequency	Percentage
1	Price	10	10.0
2	Availability	5	5.0
3	Quality	22	22.0
4	taste	40	40.0
5	Brand image	6	6.0
6	Packaging	5	5.0
7	Advertising	10	10.0
8	Others	2	2.0
	Total	100	100.0

Source: Consumers Survey 2068

Figure No. 4.3.3: Factors to prefer selected brand of cold drinks.
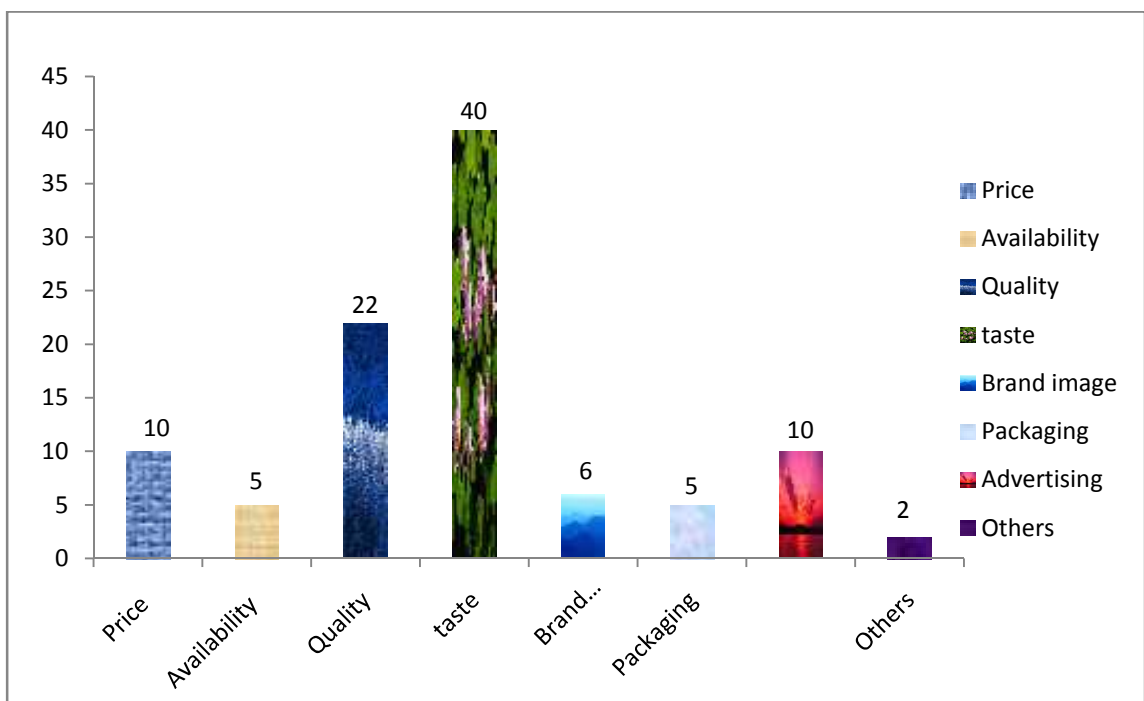
The above table & figure no 4.3.3. Deal with the major factors to prefer selected brand of cold drinks. Among 100 respondents 10% consumers have selected the price, 5% consumers have selected the availability, 22% consumers have selected the quality, 40% consumers have selected the taste similarly 6% consumers have selected the brand image, 5% consumers have selected the packaging, 10% consumers have selected the advertising and rest of 2% consumers have   selected the other factors above mentioned.

4.4   Ranking of different brand of cold drinks:

The table below shows, consumers priority to different brands. According to the consumer survey 2068, presented that the highest priority given cold drinks is denoted by 1 and the lowest priority given cold drinks is denoted by 4. Likewise the table coca-cola has highest priority and lowest mean values and other brands real, Pepsi-cola, and others has less priority and highest mean values respectively.

Table No. 4.4: Ranking of different brand of cold drinks.

S.N.	Cold drinks	Ranking	Mean
1.	Coca-cola	1	1.67
2.	Real	2	2.28
3.	Pepsi-cola	3	2.44
4.	Others	4	3.61

Source: (As calculated in Annex No.1

By the overall average (means) ranking of various brands of cold drinks, Coca cola is seen that the best with mean value of 1.67, the lowest one. It is followed by real with 2.28 mean values. The other brands having the highest mean value is a least popular brand.

4.5. Consumption pattern of cold drinks:

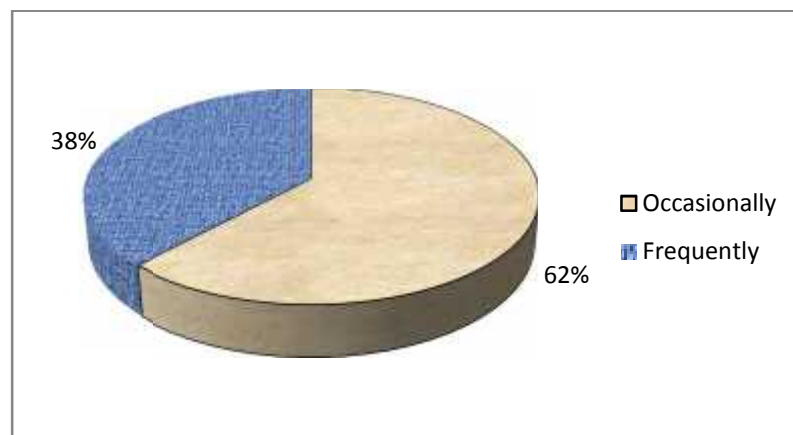The researcher analyzed the responses of consumer behaviour on consumption pattern of cold drinks. Preparing Table 4.5 has made the interpretation of the analyzed data.

Table No: 4.5: consumption Pattern

Period	frequency	Percentage
Occasionally	62	62.0
Frequently	38	38.0
Total	100	100.0

Source: Consumer Survey 2068

Figure No. 4.5 Consumption Pattern

The above table & figure no 4.5 shows the frequency of consumption pattern of cold drinks. Most of the consumer takes cold drink brand occasionally. 62% consumers have chosen occasionally in the question how often do you use cold drinks. Remaining 38% consumer have chosen frequently.

4.6 Consumption quantity of cold drinks:

The researcher asked the respondents to express their view about the consumption quantity of cold drinks. Preparing Table 4.6 has made the interpretation of analyzed data.

Table No. 4.6

Consumption times	frequency	Percentage
One bottle in a day	10	26.32
Two bottle in a day	5	13.16
More than two in a day	3	7.89
Not certain	20	52.63
Total	100	100.0

Source: Consumer Survey 2068

Figure No.4.6 Consumption quantity of cold drinks
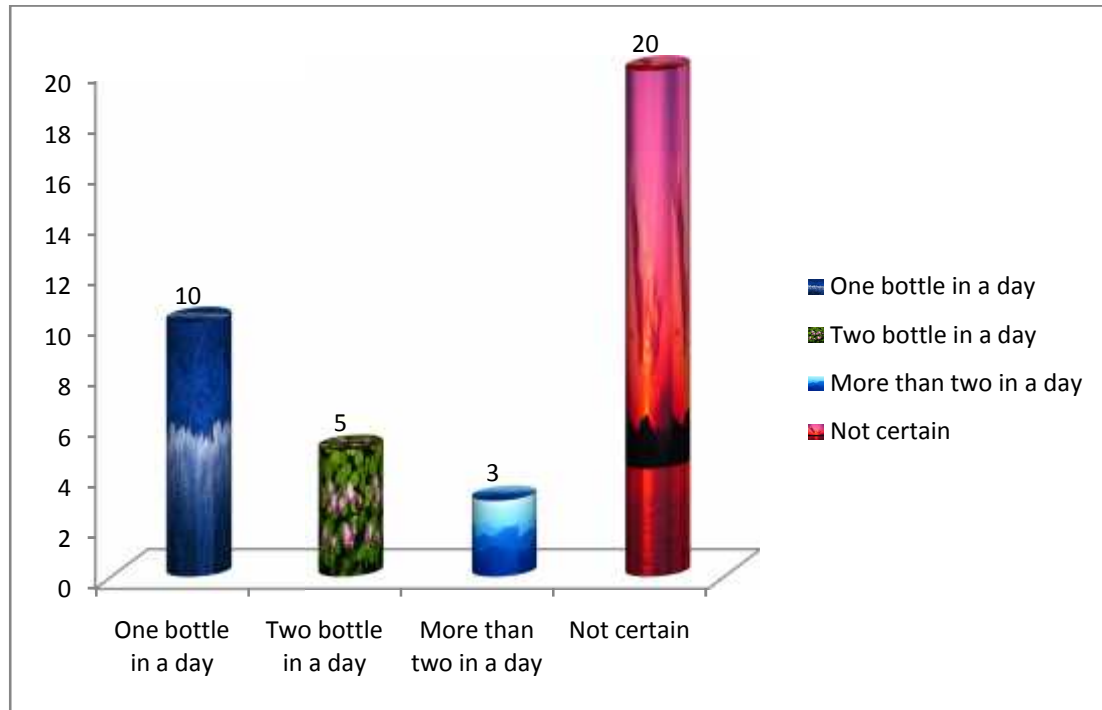
The above table illustrates how many bottles of cold drinks do the consumer consume in a day. Among 38 respondents, who have chosen frequently (shown in table no 4.5), 26.32% Consumer consumes one bottle in a day, 13.16 % Consumer consumes two bottles in a day, 7.89% Consumer consumes more than two in a day and remaining 52.63% Consumers have selected not certain.

4.7 Most preferable place to buy the product:

The researcher analyzed the responses of consumer behaviour to show most preferable place to buy the product. Preparing Table 4.7 has made the interpretation of the analyzed data

Table No. 4.7 Most preferable Place to buy the product

Place	frequency	Percentage
Restaurant	20	20.0
Grocery shop	10	10.0
Cold store	25	25.0
Any where	45	45.0
Total	100	100.0

Source: Consumer survey 2068

Figure No. 4.7 Place to buy product
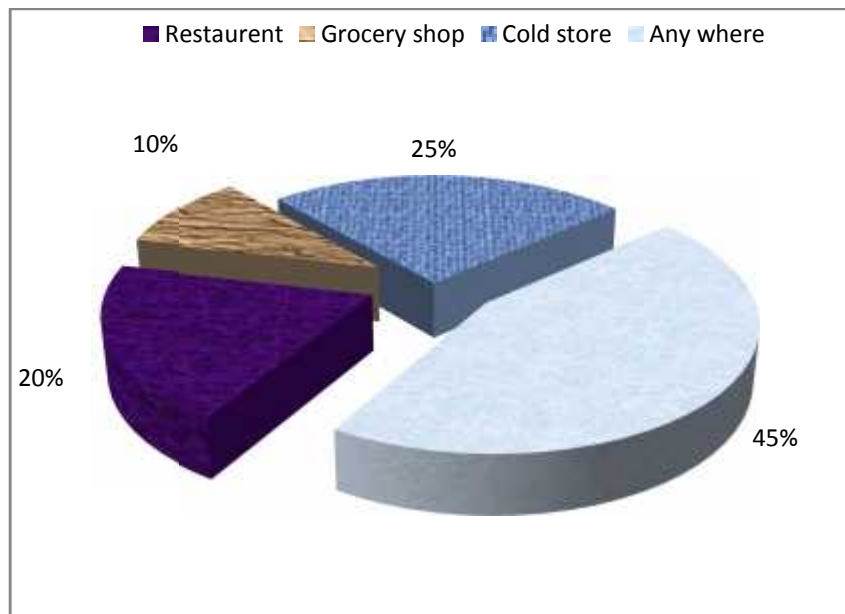
The above table & figure no 4.7 shows the most of the consumer i.e.45% wants to buy cold drinks from different places 25% from cold store, 20% from restaurant and 10% from Grocery shop.

63

4.8   Single word to preferred brand:

The researcher analyzed the responses of consumer behaviour to show single word to preferred brand. Preparing Table 4.8 has made the interpretation of the analyzed data

Table No.4.8 Single words to preferred brand

Word	frequency	Percentage
Best	23	23.0
Good	48	48.0
Satisfactory	29	29.0
Worst	0	0.0
	100	100.0

Source: Consumer Survey 2068

Figure No. 4.8 Single word to preferred brand
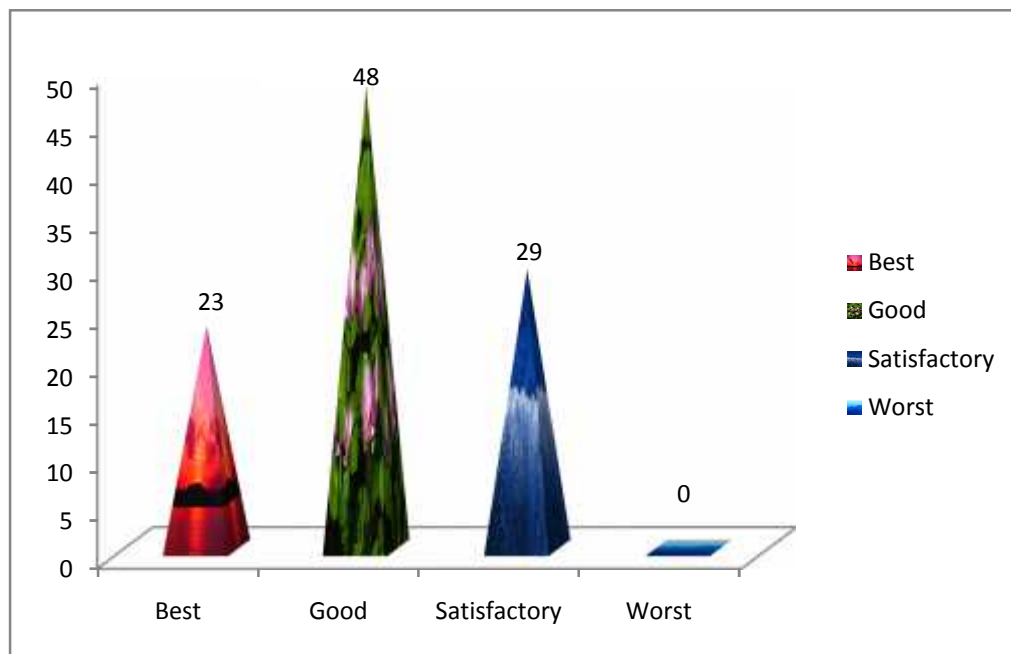
The above table & figure no 4.8 shows the single word to preferred brand. Among 100 respondents, 23% consumers have chosen best to their selected brand. 48% consumer have chosen good, 29% consumers have chosen satisfactory and 0% consumer have chosen worst to their brand.

4.9   Selected Brand according to quality, price taste:

The researcher analyzed the responses of consumer behaviour to show selected brand according to quality, price and taste. Preparing Table 4.9 has made the interpretation of the analyzed data

Table No. 4.9, selected brand according to quality, price and taste

According to	Coca-Cola	Pepsi-cola	Real	Total
Quality	51	17	32	100
Price	48	25	27	100
Taste	50	11	39	100

Source: Consumer Survey 2068

Figure No.4.9: Selected brand according to quality price and taste
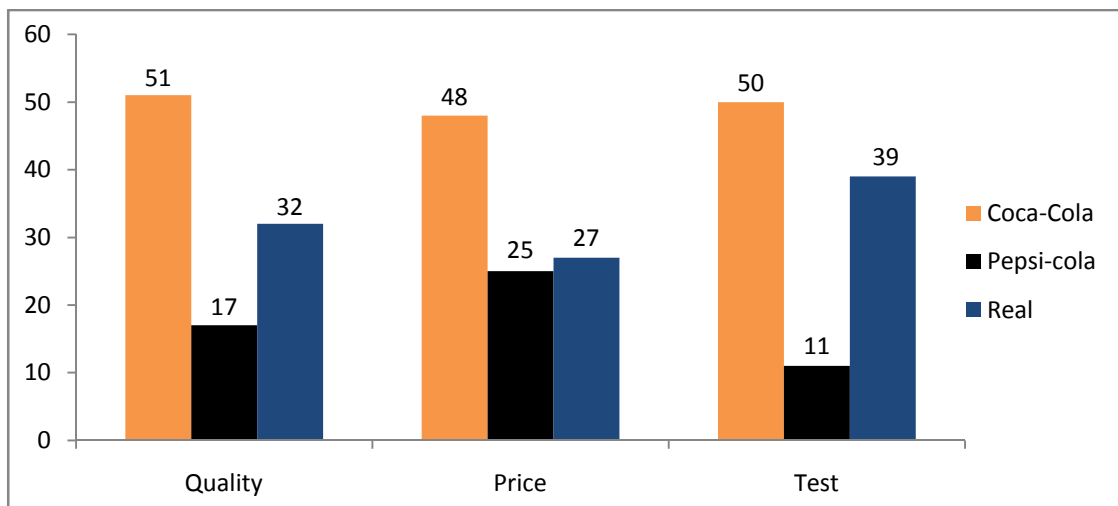
The above table & figure no 4.9 shows the selected brand according to quality price and taste. Among 100 Respondents, 51% of consumers have suggested the coca cola as high quality product and remaining two products Pepsi-cola is 17% and Real is 32% respectively. Similarly, 48% respondents have given view better price of Coca-cola and the other two products Pepsi-cola is 25% and Real is 27%.At last, on the terms of taste. 50% of respondents have suggested good taste and the left two products Pepsi-cola is 11% and Real is 39%.

4.10 Chi square test for independence of age group and quantity consumed:

Table No. 4.10

Age	Occasionally	Frequently	Total
18-25	26	23	49
26-35	19	9	28
36 above	17	6	23
	62	38	100

Source: Consumer Survey 2068

1. Setup hypothesis

Null hypothesis: H_0: Quantity of cold drink consumer is independent upon age group.

Alternative hypothesis: H_1 : Quantity of cold drink consumer is dependent upon age group

2. **Test statistics:** x^2 calculated = 3.47 (Annex: 2)

3. **Level of significance:** = 0.05 OR 5%

    Degree of freedom (df) =2

4. **Critical value t^2 tabulated** = 5.991476

5. **Decision:** Since χ^2 calculated $<\chi^2$ tabulated therefore H_0 is accepted at 5% level of significance.

    Here, calculated value is smaller than table value therefore null hypothesis is accepted i.e. age group is independent to the quantity of cold drink consumed.

4.11 Major Findings:

From the field survey and analysis of the behaviour of the consumers in the Chitwan district, the following things are found.

1. The consumption of Coca-Cola cold drink is very high in the Chitwan district in comparison to others.

2. Most of the consumers take cold drinks occasionally. (Table No. 4.5)

3. Most of the respondents have suggested for reasonable price and increasing quality of cold drinks to the manufacturer. They also mentioned about the term healthy product should produce.

4. In the market competition, Coca-Cola is in the top position and behind it is Real. The presence of other cold drinks is not remarkable. (Table 4.3.1)

5. Consumers give more preference to Coca-Cola brands with its quality, price and taste.

6. Most of the respondents have selected high quality towards the product.

7. More than 45% consumers have found to take cold drinks brand anywhere.

8. Among 100 respondents 40% consumers of Coca-Cola have selected the factors 'Taste' of cold drinks.

9. On the basis of ranking, Coca-Cola is found as best than the other cold drinks brand.

10. Price and quality of Coca-Cola also lead the better than other brands.

11. Real Juice is found as second brand preferred by consumers in Chitwan District.

12. In terms of single word towards preferred brand, 48% consumers have chosen 'good' to the selected brand.

13. In terms of single word towards preferred brand, 52.63% consumers selected not certain in terms of quantity they consumed. (Table No. 4.6)

14. Quantity of cold drink consumed is dependent upon age group. Age factors could not affect for the consumption of cold drinks.

CHAPTER-FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary:

Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It blends elements from psychology, sociology, socio-psychology, anththropology and economics. It attempts to understand the buyer's decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general.

This research objective is studying behaviour of consumers. Consumer behaviour is important to all the marketers, who are producing consumer goods. It deals with consumer satisfaction. The topic of this study is "Consumer Behaviour towards Cold Drinks in Chitwan District". An attempt is made to find out brand preferences of consumers and the factors that develop such preferences, examination of consumption pattern of cold drinks, market leaders of cold drinks in Chitwan district in consumers' point of view and provide suitable suggestions. For the purpose of the study null hypothesis were developed. To avoid the chances of duplication in the study and to confirm whether the study is in accordance with the principles and doctrines, supportive texts and the previous dissertation have been reviewed.

The samples for the study comprised 100 consumers are taken from Chitwan district. A questionnaire consisting 8 questions were administered to the

respondents. The data obtained from them were analyzed using percentage, chi-squire test and charts

The percentage analysis reveals that among 100 respondents 45.0% preferred Coca-Cola brand, 27.0% preferred Real brand, 15.0% preferred Pepsi-Cola brand and rest of 13.0% preferred other brands. Consumer consumes cold drinks into two ways, 62.0% consumers consume cold drinks occasionally and 38.0% consumers consume cold drink frequently. Among 38.0% consumers, who consume cold drinks frequently, 26.32% consume one bottle in a day, 13.16% consume 2 bottles in a day. 7.89% consume more than two in a day and rest of 52.63% are not certain for the consumption, consumers chose cold drinks according to brand image are not ignored. Similarly, among 100 respondents, 48.0% consumer gives the answer good to their preferred brand and remaining 29%, 23% consumers give satisfactory and best respectively, consumers buy cold drinks from different places. Most of them 45.0% consumers want to purchase cold drinks from anywhere 25.0% from cold store, 20.0% from restaurant and 10.0% from grocery shop.

To conclude, the test of hypothesis shows one of the most important facts, i.e. quantity of cold drink consumed is independent upon age group. Age factors do not affect for the consumption of cold drinks.

5.2   Conclusions:

The following conclusions have been derived from the analysis and interpretation of the data.

The entire sampled consumers have drinking habit of cold drinks. According to Brand preference most of the respondents prefer Coca-Cola, then Real, Pepsi-Cola and others respectively. Most of the respondents purchase cold

drinks from any where then cold store. Most of the respondents take cold drinks occasionally and there is not difference between the drinking habit of married and unmarried consumers. Most of the frequent consumers drinking quantity are not certain. Consumers choose cold drinks according to brand name but product quality, taste, availability, price, brand image are not ignored. Most of the respondents select their brand due to the high quality and then easily available. None is interested in volume. Very few respondents have consumed other brands except Coca-Cola, Pepsi-Cola and Real. Coca-Cola brand is the most popular brand of cold drinks in Chitwan district, It has greater share than Real, Pepsi-Cola and other brands. A hypothesis test reveals that, quantity of cold drink consumed is independent upon age group.

5.3 Recommendations:

The following are the suggestions and recommendations for the overall development of situations discussed above.

1. The Coca-Cola brand should study the consumer behaviour continuously and regularly and prepare the strategies accordingly.
2. The consumers having positive behaviour should be encouraged more and should include negative behaviour and should improve its different aspects.
3. Coca-Cola brand should maintain its Quality/price/taste.
4. It is perceived that the Coca-Cola brand should make the consumers believe that the price of cold drinks is justifiable. Because most of the respondents have expressed their suggestions that the price of the cold drinks is high which is the common expression of the consumers.

5. In order to be successful in the competition and to create good influence on society it should participate in social activities.

6. Being alert with the other brands, it should adopt defensive strategy.

7. As greater number of consumers has intention to buy product at any where, the producers of cold drink should try to motivate the retailers for increasing sales as well as market share.

8. As consumer's behaviour is highly affected by products manufactured with the help of better technology, the sampled organizations should produce in accordance with consumer demand for which they may adopt effective opinion survey.

9. The Companies should undertake marketing research on a regular basis to monitor the performance of cold drinks.

10. The other cold drinks companies should introduce some promotional schemes to the consumers for better marketing approach.

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INTERNET SEARCH

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Questionnaire

Hello! Namaste!!!

My name is Gyan Prasad Bhusal. I am a Student of Birendra Multiple Campus Bharatpur, Chitwan. I am writing a thesis on'**CONSUMER BEHAVIOUR TOWARDS COLD DRINKS IN CHITWAN DISTRICT'**.Without your cooperation it is impossible to go on. Will you please take few minutes to answer some questions? I assure you that your answers will be kept completely confidential.

Name: Contact No:

Address: Age: (18-25) [   ], (26-35) [   ], (above 36) [   ]

Occupation: Service [   ],   Business [   ]   Student [   ]

Sex: Male [   ]   Female [   ]

Marital Status: Married [   ] Unmarried [   ]

1.   Do you take cold drink?

a) Yes ☐   b) No ☐

If yes, which brand mostly prefers you?

Why,

a) High quality ☐   b) Low Price ☐   c) Easily Available ☐

d) Volume ☐   e) Others ☐...........

2.   In your opinion, which factor mostly influence primarily to prefer brand?

a) Price ☐   b) Availability ☐   c) Quality ☐   d) Taste ☐

e)BrandImage☐   f) Packaging ☐   g) Advertising ☐

h) Others ☐

3. Rank the following brand according to your preference? (Rank best as 1 and worst as 4 accordingly)

    a) Coca-cola ☐   b) Pepsi-Cola ☐   c) Real ☐   d) Others☐........

4. How often do you drink the preferred brand?

    a) Occasionally ☐   b) Frequently ☐

If, frequently how many times do you take cold drinks?

    a) One Bottle in a day ☐

    b) Two Bottle in a day ☐

    c) More than two in a day ☐

    d) Not Certain ☐

5. Which place do you like to buy the cold drink specially?

    a) Restaurant ☐

    b) Grocery Shop ☐

    c) Cold Store ☐

    d) Any Where ☐

6. If you are suppose to define your preferring brand in a single word then what will be your opinion?

    a) Best ☐   b) Good ☐   c) Satisfactory ☐   d) Worst ☐

7 Select the best brand name according to: (Please Tick One)

	Brand Names		
Best Brand according to	**Coca-Cola**	**Pepsi Cola**	**Real**
Quality			
Price			
Taste			

8. Suggestion to the cold drink manufacturer

....

....

....

....

....

Thank You!

ANNEX-1

Mean Calculation for Ranking of different brand of Cold drinks

Rank	1	2	3	4	Total
Coca-cola	56	24	17	3	100
Pepsi-Cola	13	39	39	9	100
Real	28	32	24	16	100
Other	3	5	20	72	100
Total	100	100	100	100	

Source: Consumer Survey 2068

Calculation of Mean:

Coca-Cola

Ranking (X)	No. of Consumer (F)	FX
1	56	56
2	24	48
3	17	51
4	3	12
	N=100	$\Sigma fx=167$

$\overline{M}$ean (x) = Σfx / N = 167/100 = 1.67

Calculation of Mean:

Pepsi-Cola

Ranking (X)	No. of Consumer (F)	FX
1	13	13
2	39	78
3	39	117
4	9	36
	N=100	Σfx=244

Mean ($\bar{x}$) Σfx / N = 224/100 = 2.44

Calculation of Mean:

Real

Ranking (X)	No. of Consumer (F)	FX
1	28	28
2	32	64
3	24	72
4	16	64
	N=100	Σfx=228

Mean ($\bar{x}$) = Σfx / N = 288/100 = 2.28

Calculation of Mean:

Others

Ranking (X)	No. of Consumer (F)	FX
1	3	3
2	5	10
3	20	60
4	72	288
	N=100	Σfx=361

Mean $(\overline{X}) = \Sigma fx / N = 361/100 = 3.61$

ANNEX-2

Chi square test for independence of age group and quantity consumed:

Age	Occasionally	Frequently	Total
18-25	26	23	49
26-35	19	9	28
36-Above	17	6	23
	62	38	100

Setup Hypothesis

Null Hypothesis: H_o: Quantity of cold drink consumed is independent upon age group.

Alternative Hypothesis: H_1: Quantity of cold drink consumed is dependent upon age group.

		Occasionally	Frequently	Total
		Occasionally	Frequently	Total
18-25	Observed	26	23	49
	Excepted	30.38	18.62	49.00
	$(O - E)^2 / E$	0.63	1.03	1.66
26-35	Observed	19	9	28
	Excepted	17.36	10.64	28.00
	$(O - E)^2 / E$	0.16	0.26	0.42
36 above	Observed	17	6	23
	Excepted	14.26	8.74	23.00
	$(O - E)^2 / E$	0.53	0.86	1.39
Total	observed	62	38	100
	Expected	62	48	100
	$(O-E)^2/E$	1.32	2.15	3.47
		3.47	chi-square	
		2	df	

Chi-square Contingency Table Test for Independence

Chi-Square = Σ $(0-E)^2/E$ = 3.47 (where, some of the value of three types of age group)

Degree of freedom (df) = 2

(df) = (r-1) (c-1)

$$= (3-1) \, (2-1)$$

$$= 2 \times 1$$

$$= 2$$

Table value 5.991476

Here, calculated value is smaller than table value therefore null hypothesis is

Accepted i.e. quantity of cold drink consumed is independent upon age group.

Note : Expected frequency cell

$$E = \frac{\text{Row total x column total}}{\text{Grand total (N)}} = \frac{38 \times 49}{100} = 18.62$$

$$= \frac{62 \times 49}{100} = 30.38$$

Value of Chi-Square :

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

Occasionally

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

$$= \frac{(26 - 30.38)^2}{30.38}$$

$$= 0.63$$

Where,

O= Observed Frequency

E = Expected Frequency

Frequently

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

$$= \frac{(23-18.62)^2}{18.62}$$

$$= 1.03$$