

**A STUDY ON ADVERTISING AND SALES PROMOTION
OF PAINTS IN NEPAL
(With Special Reference of Asian Paints Nepal)**

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**A Thesis Submitted To:
Office of the Dean
Faculty of Management
Tribhuvan University**

*In partial fulfillment of the requirement for the degree of
Master of Business Studies (MBS)*

**Biratnagar, Nepal
September, 2012**

RECOMMENDATION

This is to certify that the thesis

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OF PAINTS IN NEPAL
(With Special Reference of Asian Paints Nepal)**

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DECLARATION

I hereby declare that the work reported in this thesis entitled "**A Study on Advertising and Sales Promotion of Paints in Nepal.**" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (MBS) under the supervision of **Dev Raj Shrestha** of Post Graduate Campus.

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TABLE OF CONTENTS

Recommendation	
Viva- Voce Sheet	
Declaration	
Acknowledgement	
Table of Contents	
List of Tables	
List of Figures	
Abbreviations	
	Page No.
CHAPTER – I INTRODUCTION	
1.1 Background of the Study	1
1.1.1 Asian Paints (Nepal) Pvt. Limited	3
1.1.2 Brief History of Paints Business	4
1.2 Statement of the Problem	9
1.3 Objectives of the Study	9
1.4 Significance of the Study	10
1.5 Limitation of the Study	10
1.6 Organization of the Study	11
CHAPTER – II REVIEW OF LITERATURE	
2.1 Conceptual Review	13
2.1.1 Introduction of Marketing Concept	13
2.1.1.1 The Marketing Mix	15
2.1.1.2 Limitations of the Marketing Mix Framework	18
2.1.2 Promotion	19
2.1.2.1 Promotion Mix	21
2.1.3 Advertising	22

2.1.3.1 Types of Advertising	23
2.1.3.2 Negative Effects of Advertising	26
2.1.3.3 Evolution of Advertising	27
2.1.3.4 Role of Advertising in Modern Business World	28
2.1.3.5 Advertising Effectiveness	31
2.1.4 Sales Promotion	34
2.1.4.1 Features of Sales Promotion	36
2.1.4.2 Objectives of Sales Promotion	36
2.1.4.3 Sales Promotional Tools	37
2.1.5 Advertising/Promotion Trend in Nepal	38
2.2 Review of Journals and Articles	40
2.3 Review of Thesis	47
2.4 Research Gap	50
 CHAPTER – III RESEARCH METHODOLOGY	
3.1 Research Design	51
3.2 Population and Sample	51
3.3 Sources of Data	51
3.4 Data Collection Procedure	52
3.5 Period Covered	52
3.6 Tools for Analysis	52
3.6.1 Marketing Tools	52
3.6.2 Statistical Tools	52
 CHAPTER – IV DATA PRESENTATION AND ANALYSIS	
4.1 Primary Data Analysis	54
4.1.1 Analysis of the Responses of Retailers and Consumers	54
4.1.1.1 Most Persuading Promotion Mix	54

4.1.1.2 Effect of Sales Promotion on Customers	56
4.1.1.3 Tool for Advertisement Identity	57
4.1.1.4 Driving Force for Brand Loyal on Asian Paints	59
4.1.1.5 Prime Cause for Success of Advertisement of Asian Paints	61
4.1.1.6 Root Cause for Success of Advertisement	63
4.1.1.7 Necessity of Good Advertisement	65
4.1.2 Analysis of the Responses of Employees and Dealers	68
4.1.2.1 Understanding and Utilization of Sales Promotion	68
4.1.2.2 Achievement of Asian Paints Using Sales Promotion	70
4.1.2.3 Shift from Advertisement to Sales Promotion	72
4.1.2.4 Method of Sales Promotion in Increasing Sales	74
4.1.2.5 Orientation of Sales Promotion	76
4.1.2.6 Sales Promotional Tools for Consumers	77
4.1.2.7 Sales Promotional Tools for Dealers	80
4.1.2.8 Basics of Advertisement of Asian Paints	82
4.1.2.9 Mode of Advertising	84
4.1.2.10 Budget Allocation Technique for Advertisement	87
4.1.2.11 Sales Promotion Vs Advertising	89
4.2 Secondary Data Analysis	91
4.2.1 Sales of Subsidiary Company Nepal to Total Sales of Asian Paints	91
4.2.2 Selling and Advertising Expenses to Sales of Asian Paints Nepal	92
4.3 Major Findings of the Study	93

CHAPTER – V SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary	96
5.2 Conclusion	98
5.3 Recommendations	99

Bibliography

Appendices

LIST OF TABLES

Table No.	Title	Page No.
4.1	Most Persuading Promotion Mix	55
4.2	Effect of Sales Promotion on Customers	56
4.3	Tool for Advertisement Identity	58
4.4	Driving Force for Brand Loyal on Asian Paints	59
4.5	Prime Cause for Success of Advertisement of Asian Paints	61
4.6	Root Cause for Success of Advertisement	63
4.7	Necessity of Good Advertisement	66
4.8	Understanding and Utilization of Sales Promotion	68
4.9	Achievement of Asian Paints Using Sales Promotion	71
4.10	Shift from Advertisement to Sales Promotion	73
4.11	Method of Sales Promotion in Increasing Sales	74
4.12	Orientation of Sales Promotion	76
4.13	Sales Promotional Tools for Consumers	78
4.14	Sales Promotional Tools for Dealers	80
4.15	Basics of Advertisement of Asian Paints	83
4.16	Mode of Advertising	85
4.17	Budget Allocation Technique for Advertisement	87
4.18	Sales Promotion Vs Advertising	90
4.19	Sales of Subsidiary Company Nepal to Total Sales of Asian Paints	91
4.20	Selling and Advertising Expenses to Sales of Asian Paints Nepal	92

LIST OF FIGURES

Figure No.	Title	Page No.
2.1	The Marketing Mix	18
4.1	Most Persuading Promotion Mix	56
4.2	Effect of Sales Promotion on Customers	57
4.3	Tool for Advertisement Identity	59
4.4	Driving Force for Brand Loyal on Asian Paints	61
4.5	Prime Cause for Success of Advertisement of Asian Paints	62
4.6	Root Cause for Success of Advertisement	65
4.7	Necessity of Good Advertisement	68
4.8	Understanding and Utilization of Sales Promotion	70
4.9	Achievement of Asian Paints Using Sales Promotion	72
4.10	Shift from Advertisement to Sales Promotion	74
4.12	Orientation of Sales Promotion	77
4.13	Sales Promotional Tools for Consumers	79
4.14	Sales Promotional Tools for Dealers	81
4.15	Basics of Advertisement of Asian Paints	84
4.16	Budget Allocation Technique for Advertisement	89
4.17	Sales Promotion Vs Advertising	90

ABBREVIATIONS

AMA	:	American Marketing Association
APN	:	Asian Paints Nepal
C.V.	:	Coefficient of Variation
EC	:	Electronic Commerce
NTV	:	Nepal Television
PYC	:	Public Youth Campus
S.D.	:	Standard Deviation
SMS	:	Short Message Service
SWOT	:	Strength Weakness Opportunities and Threats
U.S.A	:	United States of America

CHAPTER – I

INTRODUCTION

1.1 Background of the Study

Today marketing must be understood not in the sense of making a sale “telling and selling”. But in the new sense of satisfying customer needs, if the marketer does a good job of understanding customer needs, develops products that provide superior value & price, distributes and promotes them effectively. These products will sell very easily. Thus selling and advertising are part of a large marketing mix, a set of marketing tools that work together to satisfy customer needs and build customer relationship. The company must also decide how it will serve targeted customer in market place.

Modern marketing calls for more than just developing a good product pricing it alternatively and making it available to targeted customer. Company must also communicate with current and prospective customer. Good communication is important in building and maintaining any kind of relationship, it is crucial element in a company's efforts to build profitable customer relationship. To do this they must skillfully use the mass promotion tools of advertising, sales promotion and public relation. Advertising is any paid form of non personal presentation and promotion of idea, goods and services by an identified sponsor. Advertising can be traced back to the very beginning of recorded history. Archeologists working in the countries around the Mediterranean sea have dug up signs announcing. Various events and offers the Roman painted walls to announce gladiator fights and the Phoenicians painted pictures promoting their

waves on large rock along parade routes, Modern advertising however is far advance their early effort. To sustain in the market whose taste and demand are frequently changing, promotion becomes the happening tools for modern age marketers. New prospective is attained by effective promotional practices in the marketing process. Again to prevent the existing customer switching to other brands, they must be reminded for the existence of the product the versatile promotional activities are being done. Promotion is the contributing and supporting component in the marketing mix. With the help of promotional activities, the firm communicates its objectives with the customers. Promotion is generally sub-divided into two parts: First is above the line promotion, which purports Promotion in the media (e.g. TV, radio, newspapers, internet) in which the advertiser pays an advertising agency to place the advertisement. Next is below the line promotion: which means all other promotion. Much of this is intended to be subtle enough that the consumer is unaware that promotion is taking place.

The specification of the four variables, advertising, sales promotion, personal selling and public relation, creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image. However, for the study only two promotional mixes have been considered which includes advertising and sales promotion. Advertising is a form of communication whose purpose is to inform potential customers about products and services and how to obtain and use them. Many advertisements are also designed to generate increased consumption of those products and services through the creation and reinforcement of brand image and brand loyalty. For these purposes advertisements often contain both factual information and

persuasive messages. Every major medium is used to deliver these messages, including: television, radio, movies, magazines, newspapers, video games, the Internet, and billboards. Advertising is often placed by an advertising agency on behalf of a company. On the other hand, sales promotion offers an incentive to buy. Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Sales promotions can be directed at the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions.

To analyze the promotion mix, especially advertising and sales promotion, the paints available in Nepal has been considered. More specifically, the study analyzes the aforementioned promotional mix on Asian Paints Nepal P. Ltd.

1.1.1 Asian Paints (Nepal) Pvt. Limited

Asian Paints (Nepal) Pvt. Limited is the leading paint company in Nepal. Asian Paints (Nepal) Pvt. Limited started its operation in 1985 in Nepal. The close cultural affinity between India & Nepal has made doing business a unique experience for Asian Paints in this Himalayan country of sublime scenery, ancient Temples & some of the best walking trails on earth. The manufacturing facility is located at Hetauda industrial estate and has a capacity to manufacture over 8000 KL of paints annually. It is the only paint company in Nepal with ISO-9002 certification. All products have certification of approval from Nepal Bureau of Standards.

Asian Paints Nepal has been fulfilling its responsibilities towards the community in three ways viz. heritage protection, promotion of the culture of Nepal and helping Government agencies and reputed NGOs. The unit is providing help in the

form of paints or assistance in the restoration process for a number of heritage sights like ex-Dharahara, one of Kathmandu's landmarks, Ranipokhari Temple, Baisdhara Park in Balaju, Shaheed Smarak Park in Hetauda, Vindiyabashini temple in Pokhara etc. The unit has also been active in road safety initiatives including putting up traffic road signs and messages in Britanagar, Kathmandu in collaboration with the local ward committee. The unit has given assistance in restoring buildings in Maiti Nepal, a leading NGO and painting assistance was given to the 'Family Volunteer Services', another NGO working in the area of child education and development.

Asian paints Limited (APL) is involved in the manufacture and sales of industrial and decorative paints. The company's product portfolio includes ancillaries, automotive and decorative paints. APL owns and operates 23 paints manufacturing facilities. The company has two operating segments paints and other segments. APL, along with its subsidiaries, operates internationally in 17 countries across south Asia, south East Asia, south pacific, Middle East and Caribbean region through its five cooperative brand including Asian paints, Berger international, scab paints, Apco costing and Tubman's. The company has five direct subsidiaries, namely Asian paints (Nepal) Pvt. Ltd, Asian paints industrial coatings limited, Asian paint (International) ltd, multifaceted infrastructure (India) limited and Maxbhumi developers limited. The company is head quartered at Mumbai in Maharashtra, India.

Asian Paints has been able to establish clear leadership in Nepal. It leverages its worldwide experience to deliver products of International quality & range to the consumers. Asian Paints manufactures complete range of decorative, wood finishes and industrial coatings. The company has also set up over 400 Color Worlds to offer wide range of shades to the consumers.

1.1.2 Brief History of Paints Business

Paints are used to protect and decorate wall surfaces. Up until relatively recently they were normally made on site of simple, locally available materials such as crushed and slaked limestone (limewash), skimmed milk (casein paint), gelatine and chalk (“distempers”), wheat or rye starches and linseed oil. They could be colored with pigments made from the iron oxides found in the earth and would therefore harmonize with the color of the soil locally. Other easily obtainable colorings such as soot, blood and animal urine were also commonly used. These paints were not only sympathetic to the construction and local color of traditional dwellings, their production did not cause significant pollution and they were easily renewable. Some had other positive benefits – limewash for instance is very alkaline and therefore makes a good antibacterial agent, which is why it is widely used to paint farm buildings, and was used in the combat against foot & mouth disease.

Although the terms “limewash” and “distemper” have a bygone sound about them, these paints were very much in evidence up until the middle of the twentieth century. A great deal of work would go into the mixing of pigments and preparation of paint on site and house decorators would have had as many tried and tested paint recipes as celebrity chefs.

With the development of modern petroleum-derived paints in the middle of the century, home decorating has become a massive industry. But with their convenience and color-consistency comes a cocktail of synthetic chemicals and concern over growing problems of allergies and asthma. Moreover, the manufacture and use of synthetic paints and solvents puts nearly as much pollution into the atmosphere as the fumes from motor vehicle exhausts. Nowadays, there’s a growing awareness of the benefits of more traditional and natural paints. The benefits of breathability apply not just to these paints but also to the environment.

Limewash

Limewash is one of the oldest paints known to man. The Pharaohs used it in ancient Egypt and it is still widely used throughout the world today. Recipes for making it vary - animal fat, linseed oil, skimmed milk, salt are often added for durability, and earth or synthetic pigments, soot, animal blood, etc, for color. On the right surface, limewash has many benefits, being very breathable, long lasting and easily renewable. Being alkaline, its anti-bacterial and an insecticide (woodworm and death-watch beetle hate it) - hence its wide usage on farm buildings. It also has fireproofing qualities. It was common practice from medieval times onwards to limewash stone buildings (and later brick ones) in order to preserve them, and in cases where the stone was crumbling, to heal them. It was argued that the limewash was absorbed into stone, hardened it and filled crevices, which would otherwise allow water to penetrate and attack the stone.

Limewash tends to rub off organic substances like wood. Since the introduction of oil paints and egg tempera paints in the 17th Century limewash hasn't traditionally been used on woodwork and furniture. However it was still used to treat infected oak tables – and 'limed' effects on wood furniture and floorboards have become very popular again today.

Painting with Casein

Casein paint can be used on wooden furniture and either buffed up to polished surface or waxed and glazed to give the same effect. The Shakers in mid nineteenth century America often used casein to paint their furniture, as did the Scandinavians. Attractive hard stucco wall finishes can also be achieved with this paint proving it to be a versatile and attractive option. Casein can also be made into a very strong glue and it is thought that it was used in ancient Egypt, Greece, Rome and China by joiners and cabinet makers as well as by painters and decorators.

1.1 Distemper

While some paints have vanished without trace – worn away, destroyed and painted over, others have survived from the earliest civilizations. Distemper has been used since ancient Egyptian times for wall painting, house decoration, the painting of theatrical scenery and occasionally for easel painting. In this country it was still being used by local authorities to paint houses. Its name derives from the Italian word “tempera”, a term which originally probably encompassed all paint but later came to mean just egg-based paint.

Distemper (also known as calcimine, size paint and whitewash) is a water-based paint composed of pigments held together by glue. It has the advantage of being very cheap to make. There is no definitive formula and craftsmen would have had their own preferred list of ingredients, usually made up on site and kept a trade secret. In its most basic form a “soft” distemper is made from whiting, glue and water, resulting in a soft, water-soluble paint. The whiting is crushed chalk, which gives distemper its characteristic matt white appearance. It can be colored with pigments such as ochre, sienna or ultramarine. The glue, or clairecolle as it is known from the French for “clear glue”, was commonly made from gelatin obtained by boiling animal bones, hooves or skin, particularly rabbit skin. However other binders such as casein, a milk protein, and gum Arabic were also used. The ratio of whiting to glue is important - too much whiting and the paint will powder, too much glue and it cracks. Linseed oil can be added to make the paint more durable. Distemper was considered particularly suitable as a cheap option for painting ceilings and especially good for plaster moldings as it could be washed off before repainting, avoiding a build up of paint.

1.2 Pigments

Some pigments are literally as old as the hills, having their origins in the earth and rocks. The pigments that were used in the cave paintings are still very much in evidence, not only in paints but also in cosmetics. Pigments have their own well-documented histories and characteristics and it is only possible to give the briefest of thumbnail sketches here. A pigment is a substance which gives its colour to another material either when mixed with it, or when applied over its surface in a thin layer, as in fresco painting. When ground pigment is mixed with a “binder” such as oil, lime or casein to form paint, it doesn’t dissolve but remains suspended in the liquid, unlike dyes, which become absorbed by the material they colour. Organic pigments are relatively easily obtained from flowers, seeds, berries, nuts, bark, wood and roots. Although most of these tend to fade in sunlight, some plants and insects do provide very durable pigments, for instance the Woad and Indigo plants, the Madder root and the Lac insect. Another easily obtainable pigment is Carbon Black or Lamp Black, which is simply carbon obtained from charcoal, soot and even charred bones.

1.3 Traditional Oil Paint

Traditional oil paint, the combination of oil and finely ground pigment, was primarily used for the upkeep of palaces dating back to the Twelfth Century, although there is evidence that oil was used to coat surfaces a long time before that. Not all oils are suitable for painting because they don’t all dry into a hard film in normal temperatures. Those that do are known as “drying oils” and include linseed, walnut, soyabean, sunflower and poppy. These absorb oxygen and form a solid elastic, non-soluble film. Of these linseed oils from the flax plant is probably the most commonly used oil in paint, because it’s durable, flows well, and has a good sheen. However, it has a tendency to go yellow over time and nut oil was often used in white paint to avoid discoloration.

Because a thin layer of oil can take a month to completely harden, other substances, normally lead, were added to hasten the drying time. This is why traditional oil paints are often referred to as “lead” paints. The manufacture and use of white and grey lead paint is now restricted as they are poisonous if inhaled or swallowed. Oil paints were generally used on wood, internally or externally, and on walls where a durable, hardwearing paint was needed. It was common practice in some regions to oil paint brickwork as soon as it was built to preserve it. Unlike synthetic modern gloss paints, which tend to disintegrate under ultraviolet light, traditional oil paints wear thin with age. They tend to move with the underlying structure rather than crack and are relatively breathable.

1.2 Statement of the Problem

Due to the change in the lifestyle of the people, the charm for having opulent house, furniture and others is increasing in the country. For this, the paints have served to a greater extent in making them distinct in outlook. Considering those desires of people, there are several organizations which are doing the business of paints. Among them, one of the well known and well accepted brands in color world, ‘Asian Paints’ is also doing business in Nepal.

The focus of the study is to find out and analyze how the different brands of paints in Nepal have been able to gain and retain their targeted & satisfactory share in the market and that the study will be dealing with the special reference to Asian Paints Nepal. In this context, the following research problems have been raised for the study;

- Has Asian Paints Nepal been more market oriented and given more emphasis on better promotional strategies?
- Has it been able to maximize its sales and capture its share in the market?

- Has it been able to analyze the varieties of advertising and sales promotional effectiveness for the better product positioning?
- Has it been promoting its product most suitably all over the country?
- Has it been able to evaluate its marketing efforts?

1.3 Objectives of the Study

The basic objective of the study is to make analysis on advertising and sales promotion of Asian Paints Nepal. The specified objectives are:

- To evaluate the effectiveness of advertising and sales promotion for attaining and retaining the market concentrating on paints business.
- To examine the brand awareness in customers for paints.
- To analyze the importance of sales promotion in building a company's reputation.
- To review market status of the Asian Paints.

1.4 Significance of the Study

No firm and company, either service or product, can imagine growing and sustaining without effective advertising and sales promotion, so it has become an integral part of any business. Color business is one of the businesses which are regularly using aggressive advertising sales promotional tools for their product. It is vivid that Nepalese market of color is growing rapidly, at this situation advertising and sales promotion tools plays a very significant role to assist customers in their decision making process. In other word, coming up with new and fresh ideas of the promotional schemes, better advertising strategies, providing well information, place of availability and benefits of the product i.e. paints along with brand awareness is very vital task of marketing to any business companies.

Hence, the study analyzes the effectiveness and importance of advertising and sales promotion in today's sophisticated marketing management of today's color business and their role on building the brand image of the product. Therefore it makes sense to believe that the study will be significant and relevant in today's context.

1.5 Limitation of the Study

The study is confined to the following limitations:

- The study analyzes the two promotional mix, advertising and sales promotion, and thus does not cover other promotional activities.
- The study focuses on only one paint organization, Asian Paints Nepal, and thus ignores other paints organization.
- The reliability of the primary data is totally dependent upon the responses provided by the respondents, while the accuracy of the secondary data is totally dependent upon the data provided by the Asian Paints.
- The study is confined to only five years, i.e. from the fiscal year 2006/07 to 2010/11.

1.6 Organization of the Study

This study has been organized into five Chapters.

Chapter-I: Introduction

This chapter deals with the background of the study, statement of the problem, objectives of the study, significance of the study and limitations of the study.

Chapter-II: Literature Review

This Chapter is the brief review of literature related to this study. It includes a discussion on the conceptual framework and review of the major studies. It gives an overview of the related literature done in the past related to this study.

Chapter-III: Research Methodology

Research Methodology describes the different methodologies employed in this study. Sources of data are mentioned and described in this chapter.

Chapter-IV: Data Presentation and Analysis

This Chapter presents and analyzes the data obtained during the study. Different tools and techniques of data analysis have been undertaken for the purpose of analysis of data.

Chapter-V: Summary, Conclusion and Recommendations

This chapter includes the summarizes the whole study, makes conclusion on the basis of data analysis and major findings drawn out and finally provides recommendations for improvement.

Besides the aforementioned chapters, Bibliography and Appendix have been presented at the end of the study.

CHAPTER - II

REVIEW OF LITERATURE

“For all types of studies, review of literature is essential, which helps to find out what research studies have been conducted in one has chosen field of study and what remains to do. In fact, review of literature begins with a search for a suitable topic and continues throughout the duration of the research work. It is a path to find out what other research in this area has uncovered. It is the process of locating, obtaining, reading and evaluating the research literature in the area of the student’s interest. It is also a means to avoid investing problems that are already been positively answered” (*Wolf and Pant, 2005*).

2.2 Conceptual Review

2.1.1 Introduction of Marketing Concept

It is obvious that the concept of marketing is being applied in every field of the society along with the business. Marketing is getting increasing importance with the necessity of it in every field. So, we can say that this is the age of the marketing. Today's marketing is sensing the hyper competition since the business is being operation in globalize economy. Marketing is typically seen as the task of creating, promoting and delivering goods and services to consumers and business. Marketing are skilled in stimulating demand of or a company's product. Markets are responsible for the demand management. Marketing managers seek to influence the level, timing and composition of demand to meet the organization's objectives.

Marketing deals with identifying and meeting human and social needs. Marketing efforts help to achieve organizational goals. It helps organization to find out what their customers need and what and to decide what product or service to offer so

that the customers need and want can be best satisfied. It is concerned with attaining and retaining customers and winning long term customer loyalty.

“The marketing concept is the philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competition. Today most firms have adopted the marketing concept, but this has not always been the case” (*Huff and Alden, 1998: 48*).

In 1776 in the *Wealth of Nations*, Adam Smith wrote that the needs of producers should be considered only with regard to meeting the needs of consumers. While this philosophy is considered with the marketing concept, it would not be adopted widely until nearly 200 years later.

“To better understand the marketing concept, it is worthwhile to put it in perspective by reviewing other philosophies that once were predominant. While these alternative concepts prevailed during different historical time frames, they are not restricted to those periods and still practiced by some firms today” (*Shimp, 2000: 62*).

“When firms first began to adopt the marketing concept, they typically set up separate marketing departments whose objective it was to satisfy customers’ needs. Often these departments were sales department with expanded responsibilities. While this departments were sales departments structure can be found in some companies today, many firms have structured themselves into marketing organizations having a company-wide customers focus. Since the entire organization exists to satisfy customer needs, nobody can neglect a customer issue by declaring it a ‘marketing problem’ – everybody must be concerned customer satisfaction” (*Gupta, 1988: 342*).

The marketing concept relies upon marketing research to define market segments, their size and their needs. To satisfy those needs, the marketing team makes decision about the controllable parameters of the marketing mix. Different individuals and associations have tried to define marketing in their own terms. Some are as such:

According to the American Marketing Management Association: “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.”

According to Philip Kotler: “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of values with others.”

According to Peter Drucker “There will always, one can assume, be need for some selling but the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. All that should be needed then is to make the product or services available.”

2.1.1.1 The Marketing Mix

Marketing decisions generally fall into the following four controllable categories:

- Product
- Price
- Place (distribution)
- Promotion

The term “marketing mix” became popularized after Neil H. Borden published his 1964 article, the concept of the Marketing Mix. Borden began using the term in his teaching in the late 1940’s after James Culliton had described the marketing manager as “mixer of ingredients”. The ingredients in Border’s marketing mix included product planning, price, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. E. Jerome McCarthy later grouped these ingredients into the four categories that today are know as the 4 P’s of marketing, depicted on the next page:

Figure 2.1
The Marketing Mix



These four P’s are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decision that centers the four P’s on the customers in the target market in order to create perceived value and generate a positive response.

1. Product Decisions

The term 'product' refers to tangible, physical product as well as services. Here are some examples of the product decision to be made:

- Brand name
- Functionality
- Styling
- Packaging
- Repairs and Support
- Warranty
- Accessories and Services

2. Price Decisions

Some examples of pricing decision to be made include:

- Pricing strategy (skim, penetration, etc.)
- Suggested retail price
- Volume discounts and wholesale pricing
- Cash and early payment discounts
- Seasonal pricing
- Bundling
- Price flexibility
- Price discrimination

3. Distribution (Place) Decisions

Distribution is about getting the products to the customer. Some examples of distribution decisions include:

- Distribution channels
- Market coverage (inclusive, selective, or exclusive distribution)
- Specific channels members

- Inventory management
- Warehousing
- Distribution centers
- Order processing
- Transportation
- Reverse logistics

4. Promotion Decisions

“In the context of the marketing mix, promotion represents the various aspects of marketing communication, that is, the communication of information about the product with the goal of generating a positive customer response. Marketing communication decisions include:

- Promotional strategy (push, pull, etc.)
- Advertising
- Personal selling and sales force
- Sales promotions
- Public relations and publicity
- Marketing communications budget” (*Landler and DeGeorge, 1991: 68*).

2.1.1.2 Limitations of the Marketing Mix Framework

“The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organization and with a wider variety of products markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people, process, etc. today however, the marketing mix most commonly remains based on the 4 P’s. Despite its limitations and perhaps because of its simplicity, the use of this framework

remains strong and many marketing textbook have been organized around it” (*Davis, Inman, and McAlister, 1992: 144-145*).

2.1.3 Promotion

As mentioned earlier, it is one of the four key aspects of the marketing mix. Promotion involves disseminating information about a product, product line, brand, or company. As defined in the Free Management Library (1997-2008), Promotion keeps the product in the minds of the customer and helps stimulate demand for the product. Promotion involves ongoing advertising and publicity (mention in the press). The ongoing activities of advertising, sales and public relations are often considered aspects of promotions.

According to Professor Philip Kotler – “Promotion includes all the activities the company undertakes to communicate and promote its products to the target market”.

According to professor William Stanton “Promotion is the element in an organization’s marketing mix that serves to inform, persuade and remind the market of a product and/or the organization selling it, in hope of influencing the recipients’ felling, beliefs or behavior”.

“Promotion is a part of marketing. Today the scope of marketing is growing so rapidly due to the expansion of the market. As market demand increase along with the changing test, new and new products are being introduced in the market. Due to the rough competition and sophisticated market the companies are bound to face new and ever changing marketing realities” (*Blackwell, Miniard and Engel, 2001: 53*).

“To sustain in the market whose taste and demand are frequently changing, promotion becomes the happening tools for modern age marketers. New prospective is attained by effective promotional practices in the marketing process. Again to prevent the existing customer switching to other brands, they must be reminded for the existence of the product the versatile promotional activities are being done. Promotion is the contributing and supporting component in the marketing mix. With the help of promotional activities, the firm communicates its objectives with the customers” (*Dotson, and Hyatt, 2000: 225*).

Promotion is Generally sub-divided in two Parts

Above the Line Promotion

Promotion in the media (e.g. TV, radio, newspapers, internet) in which the advertiser pays an advertising agency to place the ad.

Below the Line Promotion

All other promotion. Much of this is intended to be subtle enough that the consumer is unaware that promotion is taking place. E.g. (sponsorship, product placement, endorsements, sales promotion, merchandising, direct mail, personal selling, public relations, trade shows).

The specification of these four variables creates a promotional mix or promotional plan. A promotional mix specifies how much attention to pay to each of the four subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image” (*Forrest and Mizersk, 1996: 76-78*).

2.1.2.1 Promotion Mix

There are four main aspects of the Promotional Mix. These consist of:

- a) **Advertising**: “Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. Examples: Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails” (*Schmitt, 1999: 102*).

- b) **Sales Promotion**: “Incentives designed to stimulate the purchase or sale of a product, usually in the short term. Examples: Coupons, sweepstakes, contests, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions” (*Kirby, 2005: 42*).

- c) **Personal Selling**: “A process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation. Examples: Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to-face or via telephone” (*Shaw and Ivens, 2004: 46*).

- d) **Public Relations**: Non-paid non-personal stimulation of demand for a product, service, or business unit by planting significant news about it or a favorable presentation of it in the media. Examples: Newspaper and magazine articles/reports, TVs and radio presentations, charitable contributions, speeches, issue advertising, and seminars (*Mason and Ezel, 2001: 71*).

- e) **Sponsorship:** “It is sometimes added as a fifth aspect. Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization” (*Stanton, 1994: 104*).

As a part of promotion mix, advertising and sales promotion are one of the most effective tools in marketing. The study further deals in detail with only these two aspects of the promotion mix while remaining focused to the title of our research study.

2.1.3 Advertising

“Advertising is a form of communication whose purpose is to inform potential customers about products and services and how to obtain and use them. Many advertisements are also designed to generate increased consumption of those products and services through the creation and reinforcement of brand image and brand loyalty. For these purposes advertisements often contain both factual information and persuasive messages. Every major medium is used to deliver these messages, including: television, radio, movies, magazines, newspapers, video games, the Internet, and billboards. Advertising is often placed by an advertising agency on behalf of a company” (*Murphy, 1997: 25*).

“Advertisements can also be seen on the seats of grocery carts, on the walls of an airport walkway, on the sides of buses, heard in telephone hold messages and in-store [public address](#) systems. Advertisements are usually placed anywhere an audience can easily and/or frequently access visuals and/or audio and print” (*Panta, 1998: 46*).

Organizations which frequently spend large sums of money on advertising but do not strictly sell a product or service to the general public include: political parties, interest groups, religion-supporting organizations, and militaries looking for new recruits. Additionally, some non-profit organizations are not typical advertising clients and rely upon free channels, such as public service announcements.

According to American Marketing Association (AMA): “Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by identified sponsors.”

As defined by Frank Jeffkins: “Advertising is the means by which we make know what we have to sell or what we have to buy.” “Advertising is the no personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media” (*Bovee, 1992: 201*).

Above definitions of advertising emphasized on the selling objectives of the company. It says that the advertising planning and implementation are done to secure more sales with less cost contribution. But unlike the salesman who sells in a face-to face or even voice-to-voice situation, advertising is just a broadcast fashion to numbers of prospect whose identity may or may not be know and who may be close at hand or distance.

2.1.3.1 Types of Advertising

Advertising generally can be broadly categorized into four different types:

1. Media

“Commercial advertising [media](#) can include wall paintings, [billboards](#), street furniture components, printed [flyers](#) and [rack cards](#), radio, cinema and television ads, [web banners](#), mobile telephone screens, shopping carts, web [popup](#),

[skywriting](#), bus stop benches, [human directional](#), magazines, newspapers, [town criers](#), sides of buses or airplanes ("[logo jets](#)"), taxicab doors, roof mounts and [passenger screens](#), musical stage shows, elastic bands on disposable diapers, stickers on apples in [supermarkets](#), [shopping cart handles](#), the opening section of [streaming](#) audio and video, [posters](#), and the backs of event tickets and supermarket receipts. Any place an "identified" sponsor pays to deliver their message through a medium is advertising" (*Shrelekar, 2001: 82*).

Another way to measure advertising effectiveness is known as ad tracking. This [advertising research](#) methodology measures shifts in target market perceptions about the brand and product or service. These shifts in perception are plotted against the consumers' levels of exposure to the company's advertisements and promotions. The purpose of [Ad Tracking](#) is generally to provide a measure of the combined effect of the media weight or spending level, the effectiveness of the [media buy or targeting](#), and the quality of the advertising executions or creative.

2. Covert Advertising

"Covert advertising is when a product or brand is embedded in entertainment and media. For example, in a film, the main character can use an item or other of a definite [brand](#), as in the movie '[Minority Report](#)', where [Tom Cruise](#)'s character John Anderton owns a phone with the '[Nokia](#)' logo clearly written in the top corner, or his watch engraved with the '[Bulgari](#)' logo. Another example of advertising in film is in '[I, Robot](#)', where main character played by [Will Smith](#) mentions his '[Converse](#)' shoes several times, calling them "classics," because the film is set far in the future" (*Schultz, 2002: 22*).

3. Television Commercials

"The [TV commercial](#) is generally considered the most effective mass-market advertising format, as is reflected by the high prices TV networks charge for commercial [airtime](#) during popular TV events.

The majorities of television commercials feature a song or jingle that listeners soon relate to the product. Virtual advertisements may be inserted into regular television programming through computer graphics. It is typically inserted into otherwise blank backdrops or used to replace local billboards that are not relevant to the remote broadcast audience. More controversially, virtual billboards may be inserted into the background where none existing in real-life. Virtual product placement is also possible” (*Solomon, 1999: 118-119*).

4. Newer Media and Advertising Approaches

Increasingly, other media are overtaking television because of a shift towards consumer's usage of the internet. Advertising on the [World Wide Web](#) is a recent phenomenon. Prices of Web-based advertising space are dependent on the "relevance" of the surrounding web content and the traffic that the website receives.

[E-mail](#) advertising is another recent phenomenon. Unsolicited bulk E-mail advertising is known as "[spam](#)". Some [companies](#) have proposed to place messages or [corporate logos](#) on the side of booster [rockets](#) and the [International Space Station](#). [Controversy](#) exists on the effectiveness of [subliminal advertising](#), and the pervasiveness of mass messages.

Unpaid advertising (also called [word of mouth](#) advertising), can provide good exposure at minimal cost. Personal recommendations ("bring a friend", "sell it"), spreading buzz, or achieving the feat of equating a [brand](#) with a common noun (in Nepal, "Wai Wai" = "noodle", "Coca-cola" = coke/ cold drinks, "[Hoover](#)" = "[vacuum cleaner](#)") — these are the pinnacles of any advertising campaign. However, some companies oppose the use of their brand name to label an object. Equating a brand with a common noun also risks turning that brand into a

[generalized trademark](#) - turning it into a generic term which means that its legal protection as a trademark is lost.

SMS (Short Message Service) text messages have taken advanced countries like Europe by storm and are breaking into Nepal. The benefit of SMS text messages is people can respond where they are, right now, stuck in traffic, sitting on the metro. The use of SMS text messages can also be a great way to get a viral (word-of-mouth) campaign off the ground to build own database of prospects. [Interstitial advertisement](#) is a form of advertisement which takes place while a page loads.

2.1.3.2 Negative Effects of Advertising

“An extensively documented effect is the control and vetoing of free information by the advertisers. Any negative information on a company or its products or operations often results in pressures from the company to withdraw such information lines, threatening to cut their ads. This behavior makes the editors of the media self-censor content that might upset their ad payers. The bigger the companies are, the bigger their relation becomes, maximizing control over a single piece of information.

Advertisers may try to minimize information about or from consumer groups, consumer-controlled purchasing initiatives (as joint purchase systems), or consumer-controlled quality information systems.

Another indirect effect of advertising is to modify the nature of the communication media where it is shown. Media that get most of their revenues from publicity try to make their medium a good place for communicating ads before anything else. The clearest example is television, where broadcasters try to make the public stay for a long time in a mental state that encourages spectators not to switch the channel during advertisements. Programs that are low in mental stimulus, require

light concentration and are varied are best for long sitting times. These also make for much easier emotional transition to ads, which are occasionally more entertaining than the regular shows. A simple way to understand objectives in television programming is to compare the content of programs paid for and chosen by the viewer with those on channels that get their income mainly from advertisements” (*Henderson, 1994: 86-89*).

2.1.3.3 Evolution of Advertising

Advertising by word of mouth is probably the earliest form of advertising because verbal skills were developed first. Advertising was given the commercial status the day man entered into the process of exchange. Since the knowledge of advertising and art of printing were not developed, in early days advertising was passive and was in limited use. The earliest form were signboards and writing on the walls of prominent building. Shouting loudly about the price and description of the article to be sold was the only method of attracting public attention. The effect of the old type of advertising was not attracting and dynamic as it is today. With the publication of newspapers and development of the modern techniques in printing, advertising work got boost.

During the 16th century newspaper was the longest form of carrying advertising and these newspaper were first published in the form of news letter. As published in C.N. Sontakki advertising, “The first newsletter was started in 1622 in England. The second half of the 16th century witnessed newspaper in the form of news book. It can be said that by the middle of the 17th century, there were special advertising periodicals. It has been recorded that excellent news books were published around 1675. By the end of 17th century newspapers were well established in England under carrying advertisements as a regular basis.”

“Modern advertising is a product of industrial revolution of the 18th century in 1760. Before transportation and communication were developed, means of public expression were limited. But the desire to broadcast ideas were analyzed there, although early attempts to influence the action of his fellow go back to the beginning the off-recorded history” (*Cooler’s Encyclopedia, 1976*).

Television was invented in the mid 19th century as the most powerful communication tools. In 1949, the first television commercial was telecasted in England. Television was working as the most powerful media for advertisement until few years back when the computer technology has not been reached to this stage. But today, in the developed country, internet advertisement has become even more popular and it can after some years probably could take the place of television medium. But again, television still more effective medium for advertisement than press and radio due to audio-visual facility.

“Television has a powerful means of advertising from 1950, it has grown in its importance with its color presentation and it is going to rule advertising world. There are major indoor colors advertising media. The outdoor advertising similarly has been developed in traveling displays, sky-writing, in addition to the earlier means like poster, printed displays and sandwiched-men” (*Sontakki, 1998: 123-128*).

2.1.3.4 Role of Advertising in Modern Business World

“Advertising is primarily a mean by which sellers communicate to prospective buyers about the worth of their goods and services. Advertising is not a game, toy or racket. It is a basic tool of marketing for stimulating demand and for influencing the level and character of the demand. It has economic, social and psychological functions” (*Chunawalla and Sethia, 1997: 59*).

1. Economic Function

“All that advertisement has to do is to sell a product or service. The function of advertisement is accomplished by communicating properly and effectively, by communicating to the right people, by communicating to the right message, put across through brilliant and persuasive language, making use of appeals through different human motives. Advertising inclines customers favorably to the products, it affects their attitude. So advertising performs the economic function by being an art of persuasion.

Advertising not only markets the products but also a corporate ethos, a corporate philosophy, by giving memorable corporate stories reaching deeper into the public psyche than a bare recitation of performance statistics”
(Chunawalla and Sethia, 1997: 62-63).

2. Social Function

“Advertising has affected not the core cultural values but the subsidiary cultural values. For example, to get married is a core cultural value. Advertising cannot effectively change it by telling people that you do not marry. Yes, to marry late and not to an early age is a subsidiary cultural value. Advertising can definitely affect it. It can persuade people marry late.

Advertising is a mirror of the society in which it operates. It reflects the cultural values of that society. Successful advertising is consistent with the cultural values of a given society. Yes, it can transfer some cultural value of one society to another society at a given point of time. Its cross-cultural impact will depend upon the universalisation of appeal.

Advertising invests a new product with confidence-confidence about its function, quality, price and availability. Advertising promises a quality and, forces manufacturers to live up to the promised quality. So advertisement brings about consumer welfare by two-fold method:

- by improving standard of living ;
- by improving product quality

Advertisements for social causes like cancer prevention, anti-dowry campaign, family planning etc. make us socially responsible. Advertising protects the consumers by educating them and by forcing the manufacturers to maintain a quality and be fair. Advertising respects the ethics of the prevalent society” (*Chunawalla and Sethia, 1997: 65-67*).

3. Psychological Function

“Advertising is closely linked to consumer behavior. So, it effects the personality of the consumer, his concept of self, his attitudes, beliefs and opinions, his life-cycle and life-style etc. advertising appeals to our physiological and psychological motives of people. Its appeals may be rational or emotional.

The whole job of advertising is to perform certain communication jobs with greater speed, volume and economy that can be done by any other means. This pragmatic approach to advertising is fundamental, and must be accepted before any plans for measurement can be formulated.

Here are the roles of advertising or what advertising can actually do or why we indeed advertise, which offer a broader idea of the versatility and value of advertising.

- To announce a new product or services

- **To expand the market to new buyers**
- **To announce a modification**
- **To announce a price exchange**
- **To announce a new pack**
- **To make a special offer**
- **To invite inquiries**
- **To sell direct**
- **To test a medium**
- **To announce the location of stockiest**
- **To obtain stockiest**
- **To educate consumers**
- **To maintain sales**
- **To challenge competitors**
- **To remind**
- **To retrieve lost sales**
- **To please stockiest**
- **To please the sales force**
- **To recruit staff**
- **To attract investors**
- **To export**
- **To announce trading results” (*Chunawalla and Sethia, 1997: 70-73*).**

2.1.3.5 Advertising Effectiveness

“The effectiveness of advertising can be understood by the changing attitudes and behavior of the customers. Advertising has become the powerful device for increasing sales and at the same time, large sum of money are sent on it. In the face to mounting and advertising costs on one hand and a squeeze on

profitability on the other hand, top managements are increasingly concerned about the cost benefit of advertising in the operation of a business.

This concern is understandable, for advertising is one of the few, if not only, item of expenditure in a company's balance sheet that can't be measured in terms of its specific contribution towards its sales and profitability. An advertising manager, ideally, should be able to do this; but in most of the cases, he can't. This apparent lack of accountability of advertising is increasingly becoming untenable today. Advertising, therefore, has to prove its contribution to the total marketing efforts like any other allocation of corporate resources, or else advertising expenditure will run the risk of being set arbitrary or even slashed drastically" (Shaw and Ivens, 2004: 91-92).

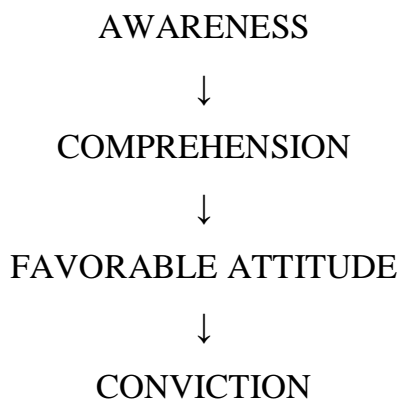
The value of advertising cannot determine unless its role and function are understood. The unaccountability of what advertising, in most cases arises from a lack of appreciation of what advertising can or cannot do.

Advertising should be viewed as a part of total marketing effort of a company. The glib answer to the question: why do companies advertise, is it to sell products? But in recent times, increasing number of advertising personal has been frankly saying that advertising personal has been frankly saying that advertising cannot actually sell product. Supporting this view, the association of national advertisers, U.S.A, defines advertising as a mass paid communication, the ultimate purpose of which is to impart information, develop attitude and induce action beneficial to the advertiser (which may lead to sale of a product or service). "Advertising is in fact only one in the series of tools on the marketing communication mix-the other tools are personal selling, retailer recommendation special sales promotion, publicity etc, the job of advertising is to perform certain communication jobs with greater speed, volume and economy" (Rathor, 1998: 82).

If all promotional tools are coordinated with each other and implemented accordingly, it may sell the product too. The ultimate aim of advertising/promotion is often to help raise the level of immediate sales. However the object that involves an increase in immediate sales is sent operational in nature in many case for two reasons.

Advertising is only one of the many factors influencing sales and it is difficult to isolate its contribution to those sales. The other forces include price, distribution, packaging, product features, competitive action, and changing buyer needs and tastes. It is absolutely difficult to isolate the effect of advertising. Evaluating advertising only by impact on sales is not practical.

Advertising can be understood as the form of communication which aims at bringing about some change in the behavior of target audience, particularly the potential buyers or non-buyers towards the product or services advertised. A generally theoretical model seeks to identify a step-wise behavioral progression of non-buyers towards buying action. This is the progression from awareness to comprehension, from comprehension to favorable attitude, from favorable attitude to conviction and finding actual purchased of the product concerned, which is presented in the diagram to answer how advertising convert from potential customer to actual one.





ACTUAL PURCHASED OF ADVERTISED PRODUCT

It is open to question if this model represent what actually happened in the real life for one thing. Actual purchase occurs as a result of many factors and advertising is only one them. Sometimes advertising can do its job and customer to the retail outlet, but if the distribution plan of the company is uneven and retail doesn't stock of the products, purchase may not result. "Simply advertising stimulates the potential buyers to go to the stores to buy actual advertised products. In general, advertising is done in expectation of tangible gain such as favorable attitudes, better image of the firm and increased sales. To get the maximum result from promotion, all promotional tools have got unique characteristics and are complementary" (*Shrestha, 1997: 28*).

It is true that sometimes the effort of advertising cannot be measured directly in terms of sales. Therefore, advertising objective could be stated in terms of communication goals, such as awareness of the product or adorability of attitudes towards it.

The advertising is only one part of the marketing mix. It alone can not sell the product. There are many other factors-product quality, price packaging and product. Therefore it is rather difficult to establish a direct link between an advertisement and its effect on the sales of product.

As the Nepalese management is still in underdeveloped stage, Nepalese manufacturers are not in a position to spend much amount in the advertising research to judge the effectiveness of advertising on their products. Manufacturers feel investing in research in waste of money; instead it can be used for other promotional methods. So no manufacturer here can say definitely that how

effective their advertising campaign and promotion are or what are the impact being seen in sales of their product due to promotion/advertising.

2.1.4 Sales Promotion

Sales promotion is one of the four aspects of [promotional mix](#). Advertising offers a reason to buy whereas; sales promotion offers an incentive to buy. Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.

As defined by Marketing Teachers Ltd (2000-2008): “Sales promotion is any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communications or promotions mix). Sales promotions are varied. Often they are original and creative, and hence a comprehensive list of all available techniques is virtually impossible (since original sales promotions are launched daily).”

According to Professor William Stanton: “Sales promotion refers to demand-stimulating devices design to supplement advertising and facilitate personal selling.” Sales promotions can be directed at the [customer](#), sales staff, or [distribution](#) channel members (such as [retailers](#)). “Sales promotions targeted at the [consumer](#) are called consumer sales promotions. Sales promotions targeted at retailers and [wholesale](#) are called trade sales promotions. Consumer sales promotion includes tools such as samples, coupons, cash refund offer, price off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross promotions point-of-purchase displays, and demonstrations. Trade promotion includes prices off, advertising and display allowances and free goods. Business and sales-force promotion includes trade show and conventions, contests

for sales reps and specialties advertising those tools are used by most organizations, including nonprofit organizations” (Kotler, 2003: 314).

“Some sale promotions, particularly ones with unusual methods, are considered [gimmick](#) by many. For example, [toothbrushes](#) are often given various gimmicks, such as bright colors, easy-grip handles, or color-changing bristles so they appear more exciting to [consumers](#). This is often done when trying to appeal to [children](#) or excitable adults, who often get more excited about the gimmick than the product.

Sales promotion refers to short term incentives to stimulate demand. It is used to create a stronger and quicker purchase response. It can be directed at consumers, middlemen and sales personal. It supplements advertising and facilitates personal selling” (Agrawal, 2001: 203).

2.1.4.1 Features of Sales Promotion

- “Short term: the duration of sales promotion should be neither too short nor too long from launching to close. Generally, sales promotion lasts from seven days to three months.
- Provides incentives: Sales promotion tools provide incentives to the buyers. The size of incentive should be attractive
- Aims at quicker response: Sales promotion aims to produce quicker results in terms of faster sales and higher sales volume
- Directed at target audience: The target of sales promotion can be consumers, trade channels and sales personal. Sales promotion tools differ according to the target category” (Agrawal, 2001: 206).

2.1.4.2 Objectives of Sales Promotion

1. Consumer Promotion

- “Encourage greater purchase and use of product.
- Attract new customers by encouraging trial of new product, increasing impulse buying, increasing brand awareness etc.
- Introduce new product by increasing samples of product in the package of existing products. The objective is to educate consumers rather than to increase sales” (*Agrawal, 2001: 207*).

2. Trade Promotions

- “Sales promotion persuades channel members to carry new brands and provide more shelf space. They also stimulate them to push the brand to the consumers.
- Sales promotion persuades wholesalers and retailers to carry higher levels of inventory. It’s also encourages off-season buying.
- Sales promotion incentives attract new channel members to carry the product.
- Sales promotion is used to offset incentives provided by competitors. This discourages brand switching.
- Sales promotion induces retailers to make better display of the product in the store” (*Agrawal, 2001: 208-209*).

3. Sales Force Promotion

- “Sales promotion motivates sales force for greater effort to get order from existing and new customers. It also stimulates them to make off-season sales.
- Sales promotion supports the efforts of sales personnel to push new products” (*Agrawal, 2001: 210*).

2.1.4.3 Sales Promotional Tools

According to Dr. Govinda Ram Agrawal, Sales promotional tools may vary according to the target market. Following are the tools being used for sales promotion:

1. Consumer Promotion

- Free samples
- Coupons
- Rebates
- Premium/Gifts
- Price-off
- Contests/Prices
- Display/Demonstration

2. Trade Promotion

- Free goods
- Allowances
- Price-off
- Sales contest
- Gift items
- Credit facilities
- Trade show

3. Sales Force Promotion

- Sales contest
- Trade shows/conventions
- Gift items
- Promotional kits
- Bonus and commission

2.1.5 Advertising/Promotion Trend in Nepal

It is not declared that from when did the advertising trend got started in Nepal. However, it is said that to convey king's addresses to the country from

the very beginning, a media was used. It is assumed that after some time this trend became the media of advertising. Above mentioned trend was the advertising for the non-business advertisement began with the dealer business.

In 1908 B.S. the Prime Minister Junga Bahadur Rana had brought a press in his visit to England, which was called “Gidde Press”. But further this press was used to print envelopes, tickets, and government bulletins only so; this press could not run the business in the field of advertisement. “Nepal Manoranjan Press” of Thahiti was the beginner press in the field of advertisement in Nepal. In 1919 B.S. advertisement of a book named “Mochasiddi” was printed in this press. This is said to be the first advertisement in the history of Nepal. In 1945 B.S. a book named “Gorkha Hashya Manjari” is published in “Bharat Jeevan press” of Banarash. In this book, an advertisement of monthly Nepali Magazine named “Gorkha Bharat Jeevan” was printed. In the history of Nepalese advertisement another advertisement was printed in 1956 B.S. in the last page of book named “Nalopakhyan” published by “pundit Kapildev Sharma” an advertisement of monthly magazine “Sudhasagar” was printed.

“Gorkhapatra” was started on printed on weekly basis from baisakh 24, 1958 B.S. In the first edition of “Gorkhapatra”, in the editorship of pundit Nardev Motikrishna Sharma published by “Pashupati Printing Press”, an advertisement was printed. Then after, different magazines in Nepali language appeared.

Since Chaitra 20, 2007 B.S., Nepal Radio which changed its name to Radio Nepal later started its transmission. After that time transmission of commercial advertisement started. Initially, “Ratna Recording

Corporation” was providing the advertisement services and used to deposit the accumulated sum of money to Nepal Radio. Nowadays Radio Nepal has its own advertisement services.

From Shrawan 29, 2042 B.S., Nepal Television has started its rail transmission. It may be assumed that from that day television advertisement is started in Nepal. The time period of trial transmission of Nepal Television was up to Poush 14, 2042 B.S., from this day “Nepal Television Corporation” was formed and started its transmission regularly. Now “Nepal Television Corporation” is 15 years old and out of its total transmission time 9.5% of time is taken by advertisement. In this television 58% of national and 32% of foreign advertisement are transmitted. In these years of time, advertisement, in Nepal Television has obtained great deal of success.

“Some multinational companies with foreign collaboration have good and attractive advertisement like the advertising of Coca-cola, Pepsi-cola, Liril, etc. In Nepal, a small percentage of the population own a television set because of their poor economic condition. It can be said that only the 39% of the total population can only watch the national program on NTV.” (NTV viewers survey record: 2051 B.S) Cinema exhibition was started from 2006 B.S. in Nepal. It is not confirmed yet which was the first advertisement slide that was exhibited by cinema hall. But, it is assumed that the exhibition of advertisement slide started after establishment in 2007 B.S. It is assumed that first of all non-commercial advertisement slides was exhibited by cinema hall.

Nowadays, hoarding board, display board, wall advertisement, posters and Pham plating, making are the normal media of advertisement. Visiting cards, invitation cards are also the media of advertisement (*Dahal, 2055 B.S.*).

2.2 Review of Journals and Articles

Changchien, Lee and Hsu (2008), in the article, "*Online Personalized Sales Promotion in Electronic Commerce*", have stated that it is quite a challenge that a business will face more competitors in Internet than in traditional market, and the customers' loyalty in the Internet is low compared with traditional market so that it is a difficult problem for a business to attract and retain customers in EC. Traditional mass marketing is no longer effective for EC in the Internet, and thus more precise on-line one-to-one marketing for better suiting each customer becomes more and more important for competing in the Internet, along with the use of highly advanced data analysis techniques and the development of new marketing strategies for EC. Hence, in this study, promotion products are carefully selected based on the experiences analyzed and retrieved from the historical transactions and proposed for each customer. An on-line personalized promotion decision support system is developed to assist a business in intelligently developing the on-line promotion products. The system consists of three modules: (1) marketing strategies, (2) promotion patterns model, and (3) personalized promotion products. The main concept of the system is that business can utilize data mining techniques to find out effective promotion products based on customers' purchasing behaviors, in accordance with business' marketing strategies and pricing strategies.

To avoid missing potential patterns, behaviors of customers from three categories, all customers, customer clusters, and each individual customer, are all extracted from the past transactions. Then the best promotion products are selected after ranking all candidate promotion products in terms of multiple criteria, which may be dynamically changed according to the business' current marketing goals and strategies. With promotion products based on significant past customers' purchase patterns, it has the potential to increase the success rate of promotion, and customer

satisfaction and loyalty as well. Although the study has proposed a personalized promotion decision support system, pricing strategy, methods for clustering customers, and dynamic mining can be further enhanced in future studies. For pricing strategy, with the pricing strategies of the other competitors considered in deciding promotion prices, decision analysis such as game theory can be employed in generating more effective and competitive prices. As for customer clustering, clustering directly based on customers' profiles may not lead to good clustering results. Due to the diversity in individual consumer behavior, cognitive needs, and personality, further research of methods on clustering customers may be quite interesting and helpful. For example, some professional products, such as digital camera, the professional knowledge and specific needs of the customers need to be included as factors for recommendation. Last, since customers change over time, the use of dynamic data mining methods can efficiently analyze and adjust consumer behaviors dynamically.

Kwon and Kwon (2009), in the article, "*Demographics in Sales Promotion Proneness: A Socio-Cultural Approach*", have examined the effect of demographics (i.e., education, income, and gender) on promotion proneness. The effects of demographics were further investigated in relation to psychographic traits such as enjoyment of shopping and gender congruency. The effects of demographics were examined in terms of what benefits or costs those represent for shoppers to gain monetary savings from sales promotions. The study employed the concept of human capital to explain deal proneness. The model of human capital could provide unique insights into the role of consumer knowledge, skills, and expertise in explaining various consumer behaviors (e.g., brand loyalty and lifestyles). Consumers strategically maximize consumption efficiency using their economic and human capital. Shopping for most household goods and personal goods such as clothing or food is a repetitive task. Increasing human capital is economical, because unlike economic capital, human capital is accumulated, not

used up, through purchasing activities. Thus the benefits of sales promotions increase as costs decrease by accumulation of human capital. The human capital of consumption is developed through informal training of consumption skills and updates in market knowledge in addition to investment in formal education.

The study interprets the observed influence of education along with price/promotion knowledge as the effect of consumer human capital. In consumption, human capital is information and skills (assets) that consumers can use when they choose products or brands. Those with higher education have a better cognitive ability to process and organize information and accordingly develop more human capital for consumption activities. The study also interprets the positive effect of price/promotion knowledge as that of human capital in consumption which requires continuous updates of market information. The insignificant gender and human capital interaction effect also suggests a consistent positive role of human capital in promotion prone behaviors across gender. Human capital in consumption cannot be obtained in a day. It is formed through repeated shopping experiences. In contrast to the assumption that high-class people use coupons less because of their high opportunity cost, consumers with high income are more prone to respond to sales promotions, because they have more opportunities for various retail experiences through which they accumulate consumption skills and information on products, brands, and promotions.

Another contributing factor to the positive effect of human capital and income, contrary to past research findings, reflects various changes brought to the retail industry and environment. Coupons were distributed mainly through newspapers until a couple of decades ago. However, today those are provided in various formats (e.g., clipping coupons/rebates, stand-alone inserts, and email coupons/rebates) through a number of distribution vehicles (e.g., in-store, print media, mass media, coupon books, and coupon/rebate Internet sites). Furthermore,

due to the market power shift to retailers from manufacturers, the U.S. retail market has become extremely sales promotion-driven. Because of these changes in the retail market, shopping is not a simple chore as it used to be. Maximizing consumption efficiency through various sales promotions requires market knowledge and expertise, which is a form of human capital that is accumulated over time.

Teunter (2010), in the article, “*Analysis of Sales Promotion Effects on Household Purchase Behavior*”, has stated that sales promotion can influence household purchase behavior in many ways (the so-called sales promotion reaction mechanisms). A household can decide to switch brands, purchase a larger quantity than intended, purchase it at a different moment than intended, etc. But not only the current behavior can be influenced. Suppose that a household purchases a larger quantity due to the promotion. During the subsequent shopping trip, the household can decide to buy less than what it normally purchases, or the household can decide to postpone its subsequent shopping trip to compensate for these extra promotional purchases. The sales promotion therefore can also influence the household behavior during the next shopping trip (the so-called post-promotional effects). Some households anticipate a sales promotion coming up and therefore wait for it, or buy less right now (the so-called pre-promotional effects). The effects of sales promotions on household purchase behavior have to be studied in an inter-temporal setting, not taking only the current promotional shopping trip into account but also the pre- and post-promotional shopping trips.

Manufacturers and retailers are spending more and more of their marketing money on sales promotions. Conflicting empirical results exist with respect to the effects of these sales promotions on household purchase behavior. Based on household scanner data, new insights are developed into the drivers of household promotion

response and into the different reaction mechanisms that constitute household promotion response.

Kirchhoff (2010), in the article, *“Advertising Industry in the Digital Age”*, has stated that the advertising industry is a major sector of the U.S. economy, employing hundreds of thousands of workers and accounting for about 2% of the nation’s annual output, according to some estimates. Advertising campaigns by large firms and small businesses provide consumers with product information and generate crucial income for newspapers, television and radio stations, magazines, and other ventures. The advertising industry is in the midst of a fundamental restructuring, however. The deep recession has depressed ad spending. At the same time, the industry faces longer-term challenges as consumers migrate from traditional media to digital platforms such as websites, cell phones, mobile e-readers, and gaming networks. The emerging digital market offers great advantages including lower distribution costs, the ability to target ads to individuals rather than broad groups, and more precise tools to measure ad impact. But the rise of cut-rate online advertising has hurt media companies and businesses that depend on ad revenue. The changing structure of the market is also forcing changes in ad presentation and content, with implications for consumer privacy, Internet regulation, and media profitability. U.S. advertising spending declined in 2008. Deeper reductions are forecast for 2009. The sharp drop in ad dollars has prompted advertising agencies and media companies to lay off tens of thousands of workers and curtail production. Though the market is projected to gradually stabilize, some ad-dependent businesses like newspapers and magazines may not see revenues return to pre-recession levels for years, if then. Online advertising has slowed during the recession, though it is expected to claim a growing share of the market over the longer term. Internet advertising has nearly doubled since 2005, to about 12% of the market, and some forecasts call for it to more than double again by 2014.

Digital advertisers are experimenting with a variety of approaches to reach consumers, who are not only dispersed among a multitude of Web pages, games, and social networks, but have more power to screen content using pop-up blockers or video recording devices. Firms are using “behavioral advertising” (tailoring ads to individuals based on technology that tracks their Web activities) or, increasingly, marketing on their own websites or through bloggers. The most successful approach to date is “search” advertising—where companies like Google and Yahoo sell ads as part of consumer-initiated information queries on their browsers. Search advertising, dominated by a few large firms, accounted for nearly half of digital ad revenues in 2008. The online market is generally compressed, with the top 10 digital ad firms garnering 71% of online revenue in the second quarter of 2009.

Himalayan Times Daily (2011) *“Berger and Asian Paints are the two most popular brands of paints in the domestic market.”* Nepali customer’s preference lies with Nepali paints perhaps due to their cheaper price. Pashupati paints- a leading name in the paints industry in Nepal has recently launched Neapolitan Exterior Emulsion paint, a value for money, quality exterior emulsion paint in the market. Pashupati paint has been in the market for about 26 years now. Weather coat all guard, a unique silicon enhanced formula from Berger Nepal, is an expensive paint, meant for protection against weather,” said Rajesh Agrawal, proprietor of Nepal paints Pvt. Ltd. Agrawal said the new product is applied over paint. The paint repels water and keeps the home looking fresh and new for years. According to Agrawal, weather coat all guard has been selling well in the Nepali market for the last few weeks. “Due to the unique organic silicone chemistry, it effectively repels water and keeps the painted layer dry even under heavy rains,” he said. The weather coat is priced at Rs700 to 800 per liter and comes with a seven years guarantee.

Another dealer of Asian Paints at Teku, Girish Mheta said that since the businesses of the paints are same in all the seasons there is not much difference in the prices of the paints, except for a difference of Rs. 5 to 10 per liter purchase different seasons.” In every 100 liters purchase the dealers are given a margin of about 40 percent in the MRP per year,” said, Mheta, adding that the customers are provided with the discount of Rs. 2 per liter in every 100 liters. There is the wide range of paints that the customers can select from the color guides of Asian Paints. Mheta added that samplers with 200 ml are given to help the customers test and suitability for the room décor.

2.3 Review of Thesis

Upadhyaya (2005), in the study, “*Radio Advertising and Its Impact on Purchasing Acts in Consumer Goods*”, has the main objective to measure the impact of radio advertising on purchasing acts in consumer goods. The specific objectives of the study are;

- To study the availability and comparative cost of different forms of advertising in Nepal.
- To find out the impact of radio advertising on consumer buying behavior.
- To study the influence of radio advertising on sales of the advertised product.

The major findings of the study are:

- The radio is the most effective mode of advertising in Nepalese context. This mode disseminates the information not only to urban population but also to the rural population.
- The study also ascertains that in comparison to the television advertising, the radio advertising is cheap and draws more attention of the consumers toward the product. About 76% of the total respondents have favored for this issue.
- Despite disseminating information, the radio advertising has positive influence on the consumers and thus it persuades the listener to buy the

product. About, 45% of the total respondent have opined that they bought product after the listening the acoustic advertisement in radio.

- Not only the consumers are facilitated by the advertisement, the company has also been ultimately benefited by the advertisement. About, 68% of the total personnel of the selected companies have stated that the radio advertisement aid to increase the sales in greater extent.

Malla (2007), in the study, “*A Study on Sales Promotion of Pharmaceutical Product in Nepal*”, has the main objective to study the market position of Nepalese Pharmaceutical industries, Profitability of Pharmaceutical production and determining the problem of Nepal pharma market. The specific objectives of the study are;

- To assess market share, price spread and Nepal producers share in pharma market of Nepal.
- To analyze the sale promotional tools and techniques adopted by Nepalese Pharma market.
- To analyze the competition in Nepalese Pharma Market.
- To assess the import substitution of Pharma industry.

The major findings of the study are:

- Only 32% of total Pharma market share of Nepal is covered by local production. Remaining 68% by Indian and other countries.
- Nepalese Pharmaceutical Companies have to survive in their own domestic market due to inability to export their production to foreign countries. Moreover, only fifty percent of total installed capacity of domestic companies have been utilized and rest half is idle which is leading to rise in cost of production.
- The promotional tools adopted by most of Pharmaceutical companies are announcing schemes, high bonuses to retailer offering gifts to doctors. And

these are the major factor that leads the Nepalese Pharma Market to unhealthy and unethical promotional practices.

- An excessive number of similar brands lead to problem of substitution, i.e. chemist substituting a prescribed brand in preference of another that might be more profitable to them.

Gurung (2008), in the study, *“Impact of Television Advertising of Cosmetic Products on Consumer’s Behavior; With Reference to Sunsilk Shampoo”*, has the main objective to measure the impact of television advertising on consumer behavior. The other specific objectives of the study are;

- To examine the consumers’ preferences on television advertisement.
- To examine the popularity of television advertisement.
- To analyze the effectiveness of the advertisement on cosmetic products.
- To analyze the factors that influence to buy the product.

The major findings of the study are;

- Majority of the respondents (62.5%) below age level of 15 years preferred musical advertisement mostly and it is followed by 18.75% of good wording whereas 6.25% of respondents prefer simple advertisement and 12.5% of respondents prefer all the advertisement, i.e. musical, good wording, and simple.
- In context to the education-wise preferences to the advertisement indicates that most of the lower educated respondents preferred to musical advertisement. Regarding musical advertisement, 68.75% of people of below SLC prefer such programs while in case of respondents having SLC level majority of them 56.25% like musical advertisement.

- In case of the preference of advertisement according to gender majority of the (50%) male respondent found they like the musical advertisement and it is followed by 37.5% respondents who prefer good wording.
- In relation to the television watching habits, majority of the respondents (80%) found to have the habit of watching television. Form the comparison of male and female respondents, the percentage of women respondents for watching television seems to be higher than male respondents.
- In context to the consumers preferences to the advertise product or not advertise product majority of the respondents (81.25%) responded that they prefer the frequently advertised product. Form the analysis it is found that most of the consumers give the priority or preference to the frequently advertised product than not advertised product.

2.4 Research Gap

Definitely, the above studies have shed light on the promotion strategy to greater extent, and thus occupy a crucial place in the conduction of this study. However, all of the above researchers are confined to only one promotion mix, i.e. either sales promotion or advertising. Nevertheless, a company practices all sorts of promotional mixes in most of the cases. Identifying this gap, the present study presents the joint effect of sales promotion and advertising to stimulate the sales growth and to draw the attention of the consumers toward the product of Asian Paints.

This study includes both primary and secondary data to analyze the topic. In the primary data analysis selected only questioner method. Into secondary data are related to sales and the promotional mixes, mainly sales promotion and advertisement, extracted from the reports of Asian Paints have been analyzed.

CHAPTER - III

RESEARCH METHODOLOGY

Research methodology is concerned with various methods of techniques, which are used in the process of research studies. It concludes wide range of methods including quantitative technique for data analysis and presentation. The present study has its objective to analyze and sales promotion strategies and techniques. The research methodology will be followed to attain the basic objectives and goals of this research work.

3.1 Research Design

The objectives of the study is to evaluate effectiveness of advertising and sales promotion for attaining and retaining the market and to review the market status of Asian Paints and research design is developed to fit the study.

3.2 Population and Sample

At present 26 Paints Companies, which is enumerated in Appendix-III, exist in Nepal. However, the analysis of all these companies on the basis of advertising and sales promotion is somewhat impossible. Thus for the study only one company, Asian Paints Nepal, the leading paint company, has been judgementslly selected on the group of popularity.

3.3 Sources of Data

The study is based on secondary data as well as primary data. Secondary data have been collected by using the annual reports of Asian Paints, brochures and websites of concerned sampled paint industry and so on. Further, primary data have been collected by conducting questionnaire. For the primary data analysis, two set of questionnaires have been prepared. The Set A questionnaire contains 11 questions and has been filled up through 20 employees and 20 dealers of Asian Paints, while the Set B questionnaire contains 7 questions and it has been filled up through 25 retailers and 25 consumers.

3.4 Data Collection Procedure

The data are collected from secondary source as well as primary source. To collect secondary data, the researcher visited Campus Library of NCC, TU Central Library, SDC Library, Library of Paints Dealer Association Nepal and official websites of the Asian Paints. For the collection of the primary data, the questionnaire approach was adopted. The questionnaire was carried out with different employees, dealers, retailers and consumers of Asian Paints.

3.5 Period Covered

The necessary data and information have been collected from various sources covering a period of five years, i.e., 2006/2007 to 2010/11.

3.6 Tools for Analysis

Marketing and statistical tools are the main tools to be used in the analysis of the data, which are enumerated separately.

3.6.1 Marketing Tools

The major marketing tools that have been utilized to meet the objectives of the study are;

- Sales of Asian Paints Nepal to Total Sales of Asian Paints
- Sales and Advertising Promotion Expenses to Sales of Asian Paints Nepal

3.6.2 Statistical Tools

In this study, the following statistical tools have been extensively used;

A) Arithmetic Mean

Arithmetic mean is the number which is obtained by adding the various numbers of all the items of a series and dividing the total by the number of items.

Formula,

$$\bar{X} = \frac{\sum X}{N}$$

Where,

\bar{X} = Arithmetic Mean

$\sum X$ = Sum of elements

N = Number of observation

B) Standard Deviation

The standard deviation measures the absolute dispersion of the observations. Standard deviation is extremely useful in judging the representativeness of the

mean.

Formula,

$$\sigma = \sqrt{\frac{\sum (X - \bar{X})^2}{N}}$$

C) Coefficient of Variation

Coefficient of variation is the relative measure of dispersion. It is given by;

$$\text{Coefficient of Variations (C.V)} = \frac{\sigma}{X} \times 100$$

CHAPTER – IV

DATA PRESENTATION AND ANALYSIS

The main purpose of analyzing the data is to change it from an unprocessed form to an understandable presentation. The analysis of data consists of organizing, tabulating, and performing statistical analysis. This chapter consists of presentation and analysis of data which is collected from different sources. The data is mainly focused on the capital adequacy position and its impact on the performance of the sample banks. To obtain best result, the data and information have been analyzed with the measures of different financial and analytical tools by using appropriate tables, graphs, formulae, hypothesis and other tools.

4.1 Primary Data Analysis

This section of the study has been further divided in two sub-sections. The first sub-section analyzes the responses of retailers and consumers in relation to the experiences on sales promotion and advertising. Into the second sub-section analyzes the responses of employees and dealers of Asian Paints Nepal in relation to the sales promotion and advertisement.

4.1.1 Analysis of the Responses of Retailers and Consumers

Under this section, the responses achieved from the 25 retailers and 25 consumers of the Asian Paints through the conduction of questionnaire that is related to sales promotion and advertising campaign of Asian Paints have been analyzed.

4.1.1.1 Most Persuading Promotion Mix

To examine the most convincing promotional mixes that have been analyzed in this study, i.e. sales promotion and advertising, to influence the buying decisions of the customers on paints, the respondents are asked on this issue. The responses obtained from them are presented in the below table.

Table 4.1
Most Persuading Promotion Mix

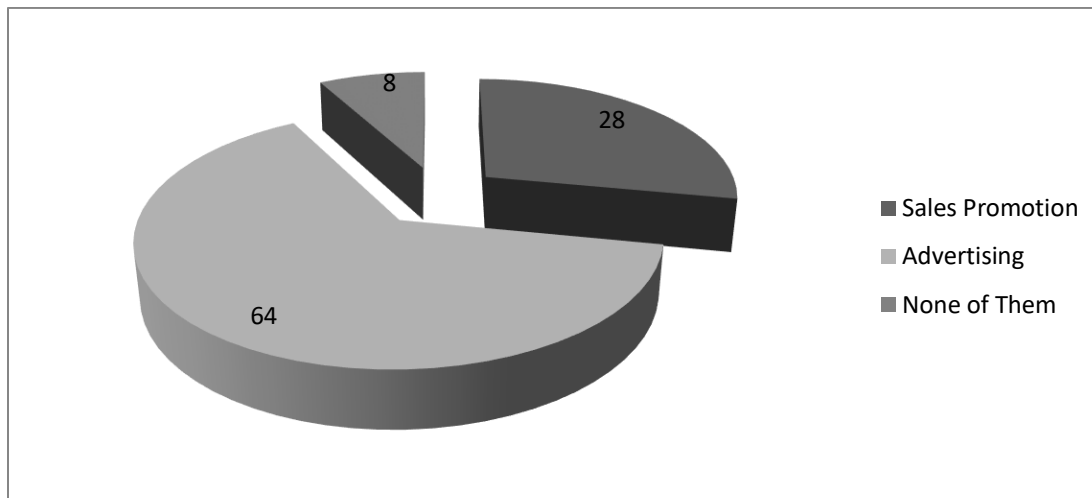
Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Sales Promotion	8	32	6	24	14	28
Advertising	14	56	18	72	32	64
None of Them	3	12	1	4	4	8
Table	25	100	25	100	50	100

Source: Field Survey, 2012

It has been ubiquitous that the advertisement of Asian Paints is more effective than the sales promotion campaign to persuade the customers to buy the product. The table shows that 56% of the retailers, 72% of the consumers and 64% of the total respondents have been persuaded more by the advertisement of Asian Paints rather than by the sales promotion in order to purchase the paints of the organization.

Similarly, 32% of the retailers, 24% of the consumers and 28% of the total respondents have opined that they have been more convinced by the sales promotional campaigns, such as coupons, free samples and others, to acquire the product of Asian Paints. However, 12% of the retailers, 4% of the consumers and 8% of the total respondents have revealed that they are persuaded neither by sales promotion nor by advertising to buy the product. Instead, they are convinced by the other promotional mix adopted by Asian Paints such as personal selling. Nonetheless, it can be considered, on the basis of the majority, that advertising is the most capable promotional mix of Asian Paints than sales promotion to persuade the consumers to buy paints.

Figure 4.1
Most Persuading Promotion Mix



4.1.1.2 Effect of Sales Promotion on Customers

To investigate the post sales promotion effect on the customers in relation to the product of Asian Paints, the respondents are asked on this matter. The obtained responses are portrayed in the table below.

Table 4.2
Effect of Sales Promotion on Customers

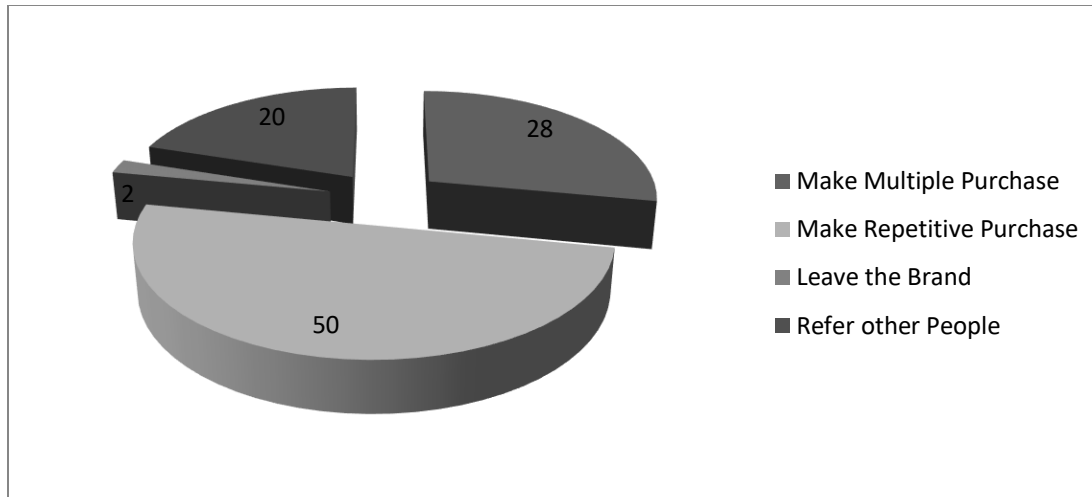
Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Make Multiple Purchase	8	32	6	24	14	28
Make Repetitive Purchase	11	44	14	56	25	50
Leave the Brand	1	4	0	0	1	2
Refer other People	5	20	5	20	10	20
Table	25	100	25	100	50	100

Source: Field Survey, 2012

The table reveals that the sales promotion of Asian Paints has caused most of the customers to make repetitive purchase of paints. About 44% of the retailers, 56% of the consumers and 50% of the total respondents have opined that they have been motivated to make repetitive purchase of the paints of Asian Paints due to the sales promotion of the organization. Moreover, 32% of the retailers, 24% of the consumers and 28% of the total respondents have affirmed that they have made multiple purchases of the paints due to the sales promotion campaign of Asian Paints.

Likewise, 20% of the retailers, 20% of the consumers and 20% of the total respondents have opined that the sales promotion of the Asian Paints have inspired them to refer other about the products and the promotional campaigns. However, 4% of the retailers, 0% of the consumers and 2% of the total respondents have insisted that the sales promotion of Asian Paints did not meet their expectation and thus it has forced them to leave the brand. Nevertheless, it cannot be ignored that the sales promotion of Asian Paints is quite effective and thus such promotion has motivated most of the customers to make the repetitive purchase, which inevitably stimulated the sales of the organization.

Figure 4.2
Effect of Sales Promotion on Customers



4.1.1.3 Tool for Advertisement Identity

While building the advertisement the add maker should pay concentration on the tools that will entice the consumers most. To evaluate which tool aids the consumer most to identify the ad of the Asian Paints, the retailers and consumers are asked to opine their view on the basis of their experience.

Table 4.3

Tool for Advertisement Identity

Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Tagline	4	16	3	12	7	14
Color	5	20	6	24	11	22
Symbol & Logo	6	24	8	32	14	28
Cartoon & Animation	10	40	8	32	18	36
Table	25	100	25	100	50	100

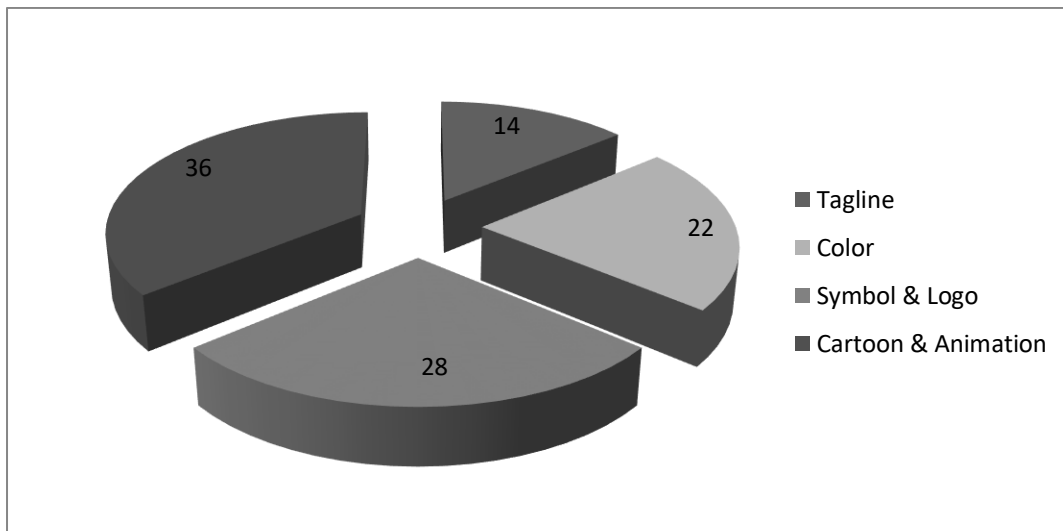
Source: Field Survey, 2012

The above table reveals that the majority of retailers, 40% (10 out of 40), are in the opinion that the advertiser of Asian Paints should use cartoon and animation, for instance Buffalo representing Kist Bank, Fido Dido representing 7 Up, and so on. In addition, 24% of the retailers have opined that the advertiser of Asian paints should use symbol & logo such as the symbol of Apple product. Further, 20% of

them have opined color, as Kodak using yellow, and 16% of them have opined tagline, such as Asian Paints using the tagline ‘The Largest Color & Paint Company in India’. Besides them, 32% of the consumers have opined that the advertiser of Asian Paints should use symbol & logo, 32% of them have opined cartoon and animation, 24% have stated color, and 12% have affirmed tagline for the identity.

In aggregate, the majority of the respondents, 36%, have suggested cartoon and animation, while 28% have suggested symbol and logo, 22% have opined color, and 14% have opined tagline to be used as product identity by the advertiser. Thus, it can be concluded that the advertiser of Asian Paints should concentrate more on effective cartoon or animation for the product in order to be easily identified the product by the consumers and build strong loyalty.

Figure 4.3
Tool for Advertisement Identity



4.1.1.4 Driving Force for Brand Loyal on Asian Paints

To evaluate what force keeps the consumers to hold the strong brand belief on Asian Paints other than advertisement and sales promotion, the respondents are

asked to opine their views on the basis of their experience. The responses obtained from them are presented in the below table.

Table 4.4
Driving Force for Brand Loyal on Asian Paints

Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Past Experience	12	48	13	52	25	50
Opinions of Family	4	16	3	12	7	14
Income Level	9	36	8	32	17	34
Reference Group	0	0	1	4	1	2
Table	25	100	25	100	50	100

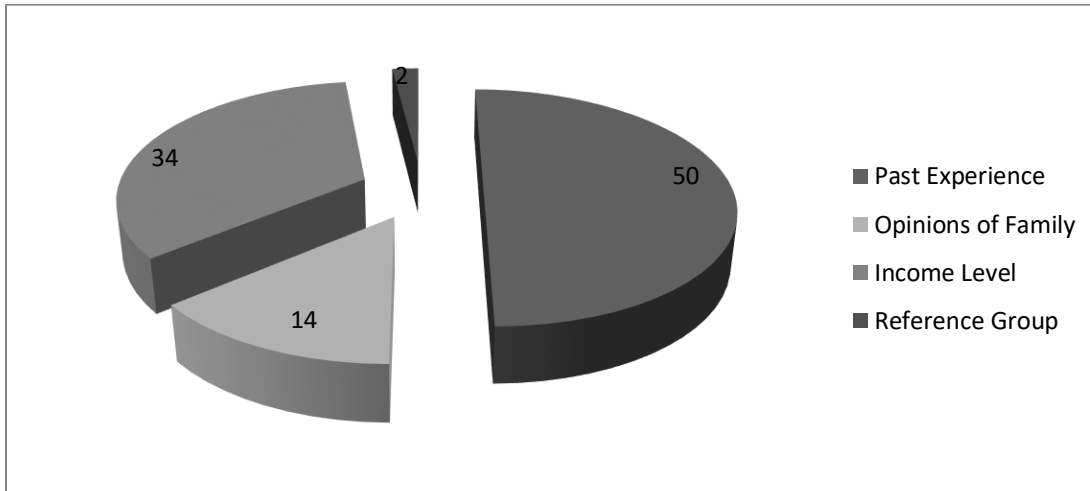
Source: Field Survey, 2012

The table reveals that the majority of each category of respondents, 48% of the retailers and 52% of the consumers have stated that the satisfaction on past usage drives consumers to have brand belief of Asian Paints and thus makes loyal. Next to past experience, income level also decides the extent of brand belief on consumers. About 36% of the retailers and 32% of the consumers have supported on the influence of income level in brand belief. Similarly, 16% of the retailers and 12% of the consumers have pointed out the opinions of family as the major driving force to make brand belief. Likewise, 0% of the retailers and 7% of the consumers have stated that the reference group like friends, colleagues and other are the major driving forces for brand belief.

However, in overall, 50%, 14%, 34% and 2% of the total respondents have pointed out the past experience, opinions of family, income level and reference group respectively as the major driving force to make brand belief. Considering the overall majority and the majority of each group, it can be assumed that the satisfaction level in past consumption is the major driving force to make strong brand belief on Asian Paints. Thus, the advertisement builder of Asian Paints needs to make the advertisement that truly reflects the quality of the product and thus meet the consumers' expectation.

Figure 4.4

Driving Force for Brand Loyal on Asian Paints



4.1.1.5 Prime Cause for Success of Advertisement of Asian Paints

Each company should recognize the prime cause that will buttress the company for being leading and novice in add making. To examine which prime causes is most crucial for the success of advertisement of Asian Paints, the respondents are asked on this issue. The obtained responses from them have been presented in the table below.

Table 4.5

Prime Cause for Success of Advertisement of Asian Paints

Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Profound Purpose	7	28	5	20	12	24
People Principles	6	24	6	24	12	24
Perfect Processes	8	32	8	32	16	32
Passionate Performance	4	16	6	24	10	20
Table	25	100	25	100	50	100

Source: Field Survey, 2012

No product can exist unless there is a strong alignment or common purpose amongst its consumers. However, the opinion survey reveals that profound

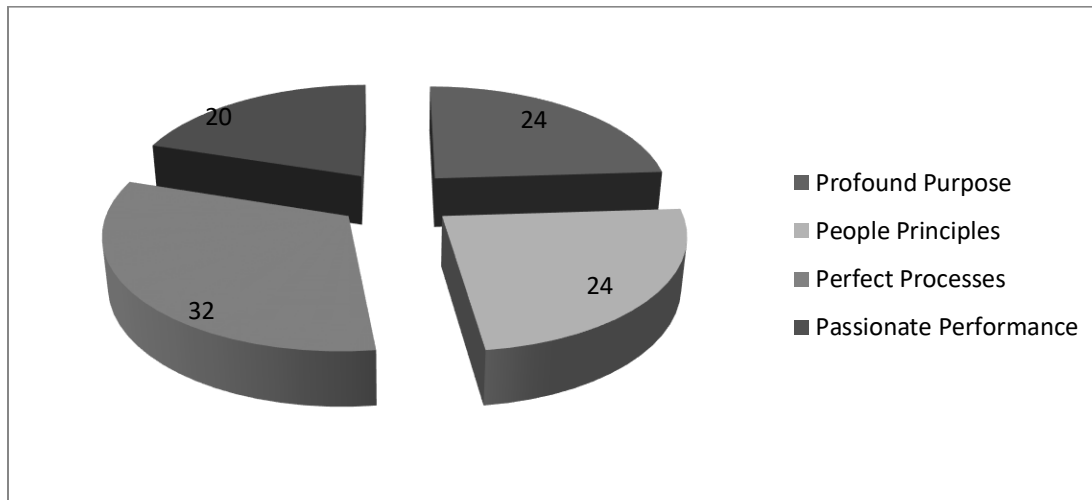
purpose of the product is not the most crucial key for creating paint preference. Only 24% of the total respondents; 28% of the retailers, and 20% of the consumers, have supported this view. Similarly, 12 out of 50 respondents, 24%; 24% of the retailers, and 24% of the consumers, have stated that considering the people principles, that is the advertisement that genuinely respects the culture, ethics and norms of the consumers, is prime cause for success in building advertisement on Asian Paints.

Moreover, the majority of the respondents, 32%, which involves 32% of the retailers, and 32% of the consumers, have affirmed that perfect processes, i.e. delivering totally and reliably product, with all the expected quality, at the right price and at the right time, is the major prime causes for the success in advertisement of Asian Paints. Finally, 20% of the total respondents; 16% of the retailers and 24% of the consumers, have avowed passionate performance, which involves that the advertisement is communicated, designed, made, and delivered in such a way that creates the excitement, attention and respect of customers and consequently their loyalty is the passion, is the major prime cause for success in advertisement of Asian Paints.

Analyzing the above analysis, it can be inferred that perfect procession is the prime cause for success in advertisement of Asian Paints. However, the significance of other prime causes should not be neglected as well. Thus, the Asian Paints would be legendary in building advertisement if they consider these prime causes.

Figure 4.5

Prime Cause for Success of Advertisement of Asian Paints



4.1.1.6 Root Cause for Success of Advertisement

The root cause of success in any advertisement relies on the presence of five core competencies. These competencies belong both to great leaders and to leading organizations. The particular mixture of qualities that a particular person or organization demonstrates will vary, as a result of different leadership styles and capacities. Yet some competence in all five areas of excellence and special strength in at least one or two of them is necessary for some real success.

Table 4.6

Root Cause for Success of Advertisement

Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Imaginative Competence	5	20	10	40	15	30
Social Competence	7	28	5	20	12	24
Organization Competence	6	24	6	24	12	24
Values Competence	5	20	3	12	8	16
Domain Competence	2	8	1	4	3	6
Table	25	100	25	100	50	100

Source: Field Survey, 2012

According to the 30% of the total respondents; 20% of the retailers and 10% of the consumers, the advertisement officer of Asian Paints should consider imaginative

competence of the advertisement while building advertisement. In other word, the advertisement builder should see real possibilities in the real world, for example based on new needs, new technology and new social and business contexts, the advertisement should be built up.

Similarly, 28% of the retailers, 20% of the consumers, and consequently 24% of the total respondents have urged social competence for successful advertisement. When people work together effectively, for example on improving processes or the performance of the product and service, then the advertisement is more likely to excel. Social competence naturally spills over into the ability to build better relationships with customers, which in turn leads to loyalty.

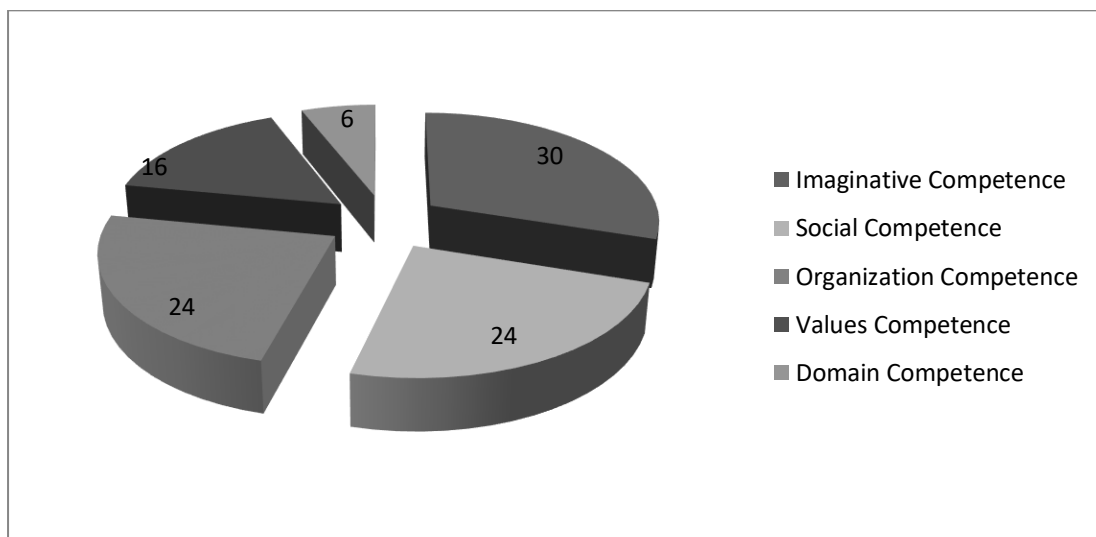
Likewise, 24% of the total respondents, which includes 24% of the retailers, and 24% of the consumers, have pointed out organization competence as the root cause for successful advertisement. In other word, the advertisement builder of Asian Paints should ensure the organization working effectively, including the skills to evaluate that properly. Further, the marketing leaders should get involved in making the strong relationship of the advertisement with its agencies.

Moreover, 20% of the retailers, 12% of the consumers and eventually 16% of the total respondents have stated values competence as the major root for successful advertisement. Thus the advertisement builder of Asian Paints should ensure that the organizational created values create the qualities of the advertisement and the level of customer loyalty. Companies who want to make their advertisement strong can benefit from fostering an internal culture similar to that of the product's qualities. Furthermore, 6% of the total respondents, which involves 8% of the retailers, and 4% of the consumers, have focused on domain competence, which is the recognition of peculiar core competency of the advertisement and

fundamentally expertise in such competency, is the major root for success of advertisement.

Finally, it can be considered that the Asian Paints should focus on imaginative competency of the advertisement while building it. However, the other root causes should not be totally ignored as well for the success of advertisement.

Figure 4.6
Root Cause for Success of Advertisement



4.1.1.7 Necessity of Good Advertisement

The person who drafts and prepares the copy, must be thoroughly acquainted with the mental process and be imaginative enough to think of words and patterns which may produce at desired effect on prospects i.e., it must creates an urge in the minds of prospects to go for the product advertised. To examine what should be considered by the Asian Paints most for creating a good advertisement, the respondents are asked on this issue.

Table 4.7
Necessity of Good Advertisement

Details	Retailer		Consumer		Total	
	No.	%	No.	%	No.	%
Attention Value	6	24	7	28	13	26
Suggestive Value	2	8	4	16	6	12
Memorizing Value	3	12	2	8	5	10
Conviction Value	8	32	6	24	14	28
Sentimental Value	2	8	3	12	5	10
Educational Value	2	8	1	4	3	6
Instinctive Value	2	8	2	8	4	8
Table	25	100	25	100	50	100

Source: Field Survey, 2012

The table manifest that 24% of the retailers, 28% of the consumers and 26% of the total respondents have suggested that for being the advertisement of Asian Paints perfectly good, it should possess attention value, which means the advertisement copy must attract the attention of the potential consumers. The copy should be planned, drafted and displayed so ingeniously that it may compel even the most casual or involuntary reader to notice it and read it with interest. Similarly, 8% of the retailers, 16% of the consumers and 12% of the total respondents have stated that the advertisement of Asian Paints should possess suggestive value, which means the advertisement should suggest the use and the utility of the product that may remain inscribed on the mind of the reader even when he forget where he really saw the advertisement. Slogans, Pictures, phrases and suggesting may be used for this purpose.

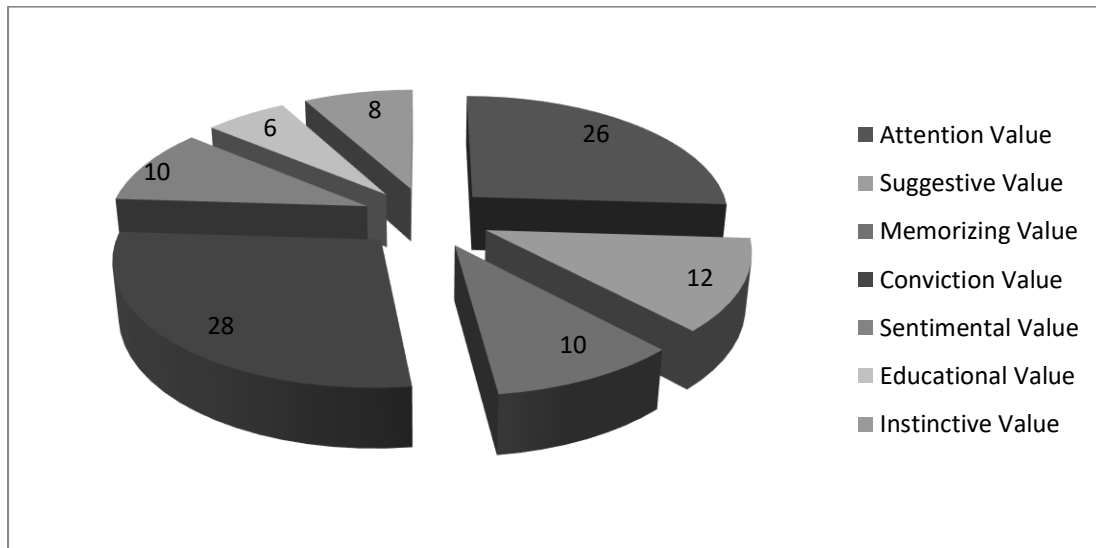
Moreover, 12% of the retailers, 8% of the consumers and 10% of the total respondents have emphasized on the memorizing value of the advertisement of Asian Paints. This means that the copy of the advertisement should be so drafted and laid out that the product will stick to the mind of the individual reader. Pictures and photographs confirming to the suggestion will have tremendous

memorizing value. In addition, 32% of the retailers, 24% of the consumers and 28% of the total respondents have suggested conviction value for having the advertisement well. An advertisement copy can prove effective and achieve the desired end when the suggestion contained in it is backed by convincing arguments.

Likewise, 8% of the retailers, 12% of the consumers and 10% of the total respondents have stated that the advertisement should possess sentimental value. Since, sentiments play a very important role in advertising. Sentiments reflect the personal feelings and attitudes of an individual towards various things. Besides these, 8% of the retailers, 4% of the consumers and 6% of the total respondents have focused on education value. As per them, a good copy of advertisement must possess educative value because the object of modern advertising is not merely to satisfy the existing demand but to create future demand.

Finally, 8% of the retailers, 8% of the consumers and 8% of the total respondents have stated that the good advertisement should possess instinctive appeal value. As per them, human thoughts and actions are guided by instincts and inclination. Instincts are the underlying forces which compel the men to act in certain ways. Nonetheless, the most important function of an advertisement copy is to induce, persuade and motivate the prospects to think well of a product and to take to its use. Advertising, essentially, is the motivation of the potential consumer and for this purpose; thus the advertiser of Asian Paints should attempt to make an appeal to some basic instincts to get success in motivating the prospects.

Figure 4.7
Necessity of Good Advertisement



4.1.2 Analysis of the Responses of Employees and Dealers

Under this section, the responses achieved from the 20 employees and 20 dealers of the Asian Paints through the conduction of questionnaire that is related to sales promotion and advertising campaign of Asian Paints have been analyzed.

4.1.2.1 Understanding and Utilization of Sales Promotion

To efficiently utilize the sales promotion, it is crucial to understand the sales promotion first. To examine how the personnel of Asian Paints and the dealers have perceived the sales promotion, and how they have utilized the sales promotion, the respondents are asked on this matter.

Table 4.8
Understanding and Utilization of Sales Promotion

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Direct Inducement to Buy	4	20	7	35	11	27
Offer Extra Value	10	50	5	25	15	38
Acceleration Tool	6	30	8	40	14	35
Table	20	100	20	100	40	100

Source: Field Survey, 2012

The table manifests that, as per the statement of employees, Asian Paints has mainly understood the sales promotion as the opportunity to offer extra value, such as price-off, coupon, merchandise allowances, free samples, to the consumers and the other parties of the market chain. About 50% of the total interviewed employees have confirmed this option. However, 30% of the employees of Asian Paints have stated that the sales promotion is practiced mainly to speed up the selling process and thus the promotion activity has served as acceleration tool. Similarly, 20% of the interviewed employees have said that the sales promotion is the direct encouragement to the consumers to buy the products of Asian Paints.

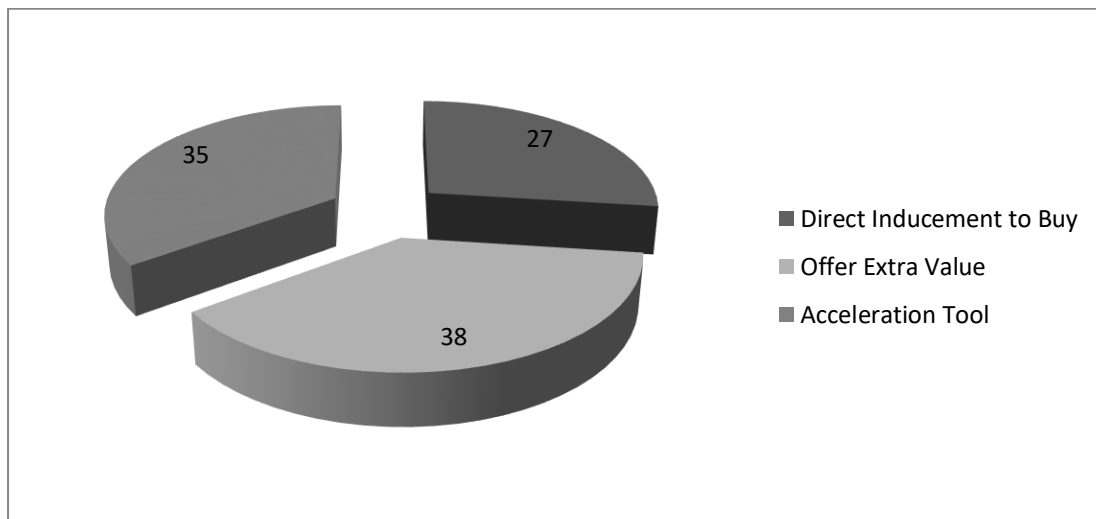
The dealers on the other side have expressed different opinions on the sales promotion of the Asian Paints. The majority of the dealers, 40%, have stated that Asian Paints practices sales promotion with the intention of accelerating the sales in the market. Nevertheless, 35% of the surveyed dealers have opined that sales promotion of Asian Paints has made straight influence on consumers to buy the product and thus the perception of the consumers on the paints have increased in each time the Paints has forwarded sales promotion. Eventually, only 25% of the surveyed dealers have avowed that the Asian Paints has practiced the sales promotion to offer extra value to the consumers and other parties.

Analyzing the aggregate responses, it has been ascertained that Asian Paints has implemented sales promotion really to offer extra value to its consumers and the

other parties associated with sales of paints. In total, 38% of the total respondents have supported this view. However, the proximity of number of respondents stating that the objective of sales promotion is to accelerate the sales is high to the respondents supporting extra value. About 35% of the total respondents have disclosed this fact. Finally, it can be stated that the sales promotion of Asian Paints gives low predilection to the direct inducement to the consumers to buy. Only 27% of the total respondents have opined this view. Thus, among the three options, it can be said that the sales promotion of Asian Paints is best to serve extra value to the parties of market chain.

Figure 4.8

Understanding and Utilization of Sales Promotion



4.1.2.2 Achievement of Asian Paints Using Sales Promotion

The utilization of sales promotion and the achievement after the sales promotion differs according to the nature of business. To evaluate the achievement of Asian Paints after using sales promotion campaign, the interviewees are asked to disseminate the information.

Table 4.9

Achievement of Asian Paints Using Sales Promotion

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Immediate Response	7	35	2	10	9	22
Quick Sales	5	25	6	30	11	27
Boost Market Share	8	40	12	60	20	50
Table	20	100	20	100	40	100

Source: Field Survey, 2012

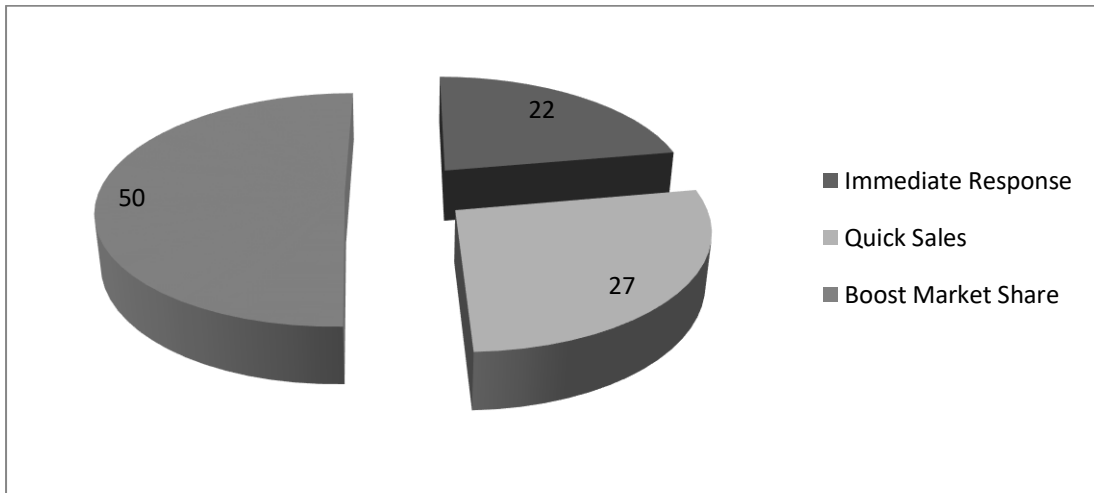
The table delineates that the majority of the employees of the Asian Paints have expressed that the sales promotion is more advantageous to advertisement due to the capacity of the sales promotion in boosting up the market share. About 40% of the total interviewed employees have insisted this view. However, 35% of the total employees have said that the sales promotion is more beneficial than advertisement in achieving the immediate response from the consumers, since, by nature, advertisement is focused for long term achievement and sales promotion is for short term focus. Nevertheless, 25% of the total employees have stated that the sales promotion of Asian Paints is more favorable than advertisement in making rapid sales, as the consumers are highly enticed by the sales promotion of Asian Paints.

Alike the employees of the Paints, the majority of the dealers of the paints also shared the same opinions, and thus, 60% of the total surveyed dealers have insisted that the sales promotion of Asian Paints is more lucrative than advertisement in capturing the market share of the Paints. Among the other two remained options, unlike employees, the dealers of the paints have revealed that the sales promotion of Asian Paints is more effective in making quick sales in shorter period than the advertisement does. Precisely, 30% of the interviewees have buttressed this idea. Finally, only 10% of the dealers have affirmed that the sales promotion is more effective than advertisement in achieving immediate feedback from the consumers.

Summing up the responses of each category, it has been ubiquitous that the sales promotion of Asian Paints is more effective than advertisement in pushing up the market share of Asian Paints in industry market. Half of the respondents have supported this opinion. Next to this option, sales promotion of Asian Paints is more effective than advertisement in making quick sales, and thus 27% of the respondents have stated this view in total. Finally, 22% of the total respondents have said that the sales promotion of Asian Paints is more efficient than advertisement in getting immediate response from the consumers about the value it has offered in the market.

Figure 4.9

Achievement of Asian Paints Using Sales Promotion



4.1.2.3 Shift from Advertisement to Sales Promotion

As it is obvious that the advertisement focuses on long term achievement and sales promotion focuses on short term achievements, sometimes the organization prefers sales promotion to advertisement and thus shifts from advertisement to sales promotion. To examine under what circumstances, Asian Paints has shifted from advertisement to sales promotion, the interviewees are asked on this matter.

Table 4.10

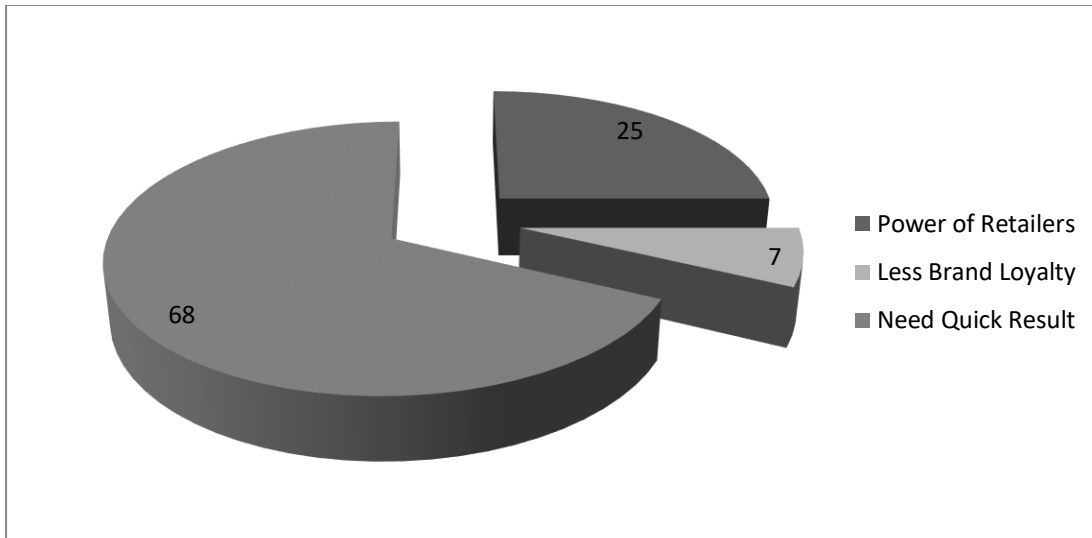
Shift from Advertisement to Sales Promotion

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Power of Retailers	4	20	6	30	10	25
Less Brand Loyalty	1	5	2	10	3	7
Need Quick Result	15	75	12	60	27	68
Table	20	100	20	100	40	100

Source: Field Survey, 2012

The table reveals that the reason behind preferring sales promotion to advertisement for promotion by Asian Paints is, in most of the cases, due to the hanker of the management to achieve the positive quick result on the buying behavior of the consumers. About 75% of the consumers, 60% of the dealers and 68% of the total respondents have supported this view. Similarly, 20% of the employees, 30% of the dealers and 25% of the total respondents are in the opinion that the Asian Paints prefer sales promotion to advertisement in case of the more powerful retailers enforcing the organization to shift the promotional mode. However, 5% of the employees, 10% of the dealers and 7% of the total interviewee have opined that Asian Paints shifts from advertisement to sales promotion, if it predicts that the brand loyalty of the organization is debilitating among the consumers. Categorically, it can be said that Asian Paints shifts from advertisement to sales promotion mainly due to the desire of achieving quick positive result from the consumers and finally to stimulate the sales growth.

Figure 4.10
Shift from Advertisement to Sales Promotion



4.1.2.4 Method of Sales Promotion in Increasing Sales

Table 4.11

Method of Sales Promotion in Increasing Sales

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
a) Penetration	11	55	14	70	25	62
i) Get More People to Buy	7	35	7	35	14	35
ii) Encourage Brand Switching	3	15	5	25	8	20
iii) Trail	1	5	2	10	3	7
b) Increase Buying Rate	9	45	6	30	15	38
i) Encourage Multiple Purchase	3	15	2	10	5	13
ii) Encourage Repeat Purchase	6	30	4	20	10	25
Table	20	100	20	100	40	100

Source: Field Survey, 2012

Different organizations have different strategy in placing the sales promotion and thus different techniques to increase the sales via sales promotion. To ascertain what methods have mainly followed by Asian Paints to stimulate the sales, a short discussion has been made with the interviewees, the result of which is presented in the above table. The table emblazons that both the employees and dealers are in the view that the sales promotion of Asian Paints boost up the sales mainly by

market penetration and then only by increasing buying rate. About 55% of the employees and 70% of the dealers have stated that the sales promotion augments the sales by market penetration. Among the various penetration method, the Asian Paints attempt to get more people to buy the product through its alluring sales promotional campaign. About 35% of the employees and same 35% of the dealers have opined such option. Similarly, the sales promotion of Asian Paints also provokes the consumers from switching the rival's brand and be loyal to the product of Asian Paints. About, 15% of the employees and 25% of the dealers have asserted this view. Eventually precisely 5% of the employees and 10% of the dealers have stated that the trial paint offered to the dealers plays crucial role in pushing up the sales of Asian Paints.

On the other side, the table displays that 30% of the employees and 20% of the dealers have stated that the repetitive purchase provoked by the sales promotion of the Asian Paints to the consumers makes crucial role to boost up the sales. Thus, among the two options of increasing buying rate revealed by the interviewees, the repetitive purchase has more preponderance than multiple purchases. Just 15% of the employees and 10% of the dealers have said that the sales promotion encourages multiple purchases to consumers for ameliorating the sales of Asian Paints.

Summarizing the above analysis and analyzing the total responses, it has been ubiquitous that the market penetration occupies greater role in sales promotion of Asian Paints in increasing the sales than increase buying rate. 62% of the total respondents have signaled market penetration and 38% have pointed out increase buying rate. Among the various methods adopted by sales promotional campaign in increasing sales, the best method is to concentrate on getting more people to buy the paints and such option is favored by 35% of the total respondents.

4.1.2.5 Orientation of Sales Promotion

To inquire on whom the sales promotion of the Asian Paints is mainly targeted, the respondents are asked on this issue. The responses obtained from them are presented in the below table, which clarifies the orientation of sales promotion.

Table 4.12
Orientation of Sales Promotion

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Consumer Oriented	13	65	10	50	23	58
Retail Oriented	5	25	8	40	13	32
Trade Oriented	2	10	2	10	4	10
Table	20	100	20	100	40	100

Source: Field Survey, 2012

The table shows that the sales promotional campaign ran by Asian Paints in the past is mainly consumer oriented and thus it has encouraged consumers to make either repetitive or multiple or experience new purchases as per the view of 65% of the employees of Asian Paints. Similarly, as per the view of 25% of the total employees, the sales promotion has attracted retailers to buy more products from the dealers of the Asian Paints. Also, 10% of the employees have stated that the promotion of the organization is trade oriented and thus it has focused mainly to attract the dealers of paints by offering price-off, merchandise allowance, cash reward and others.

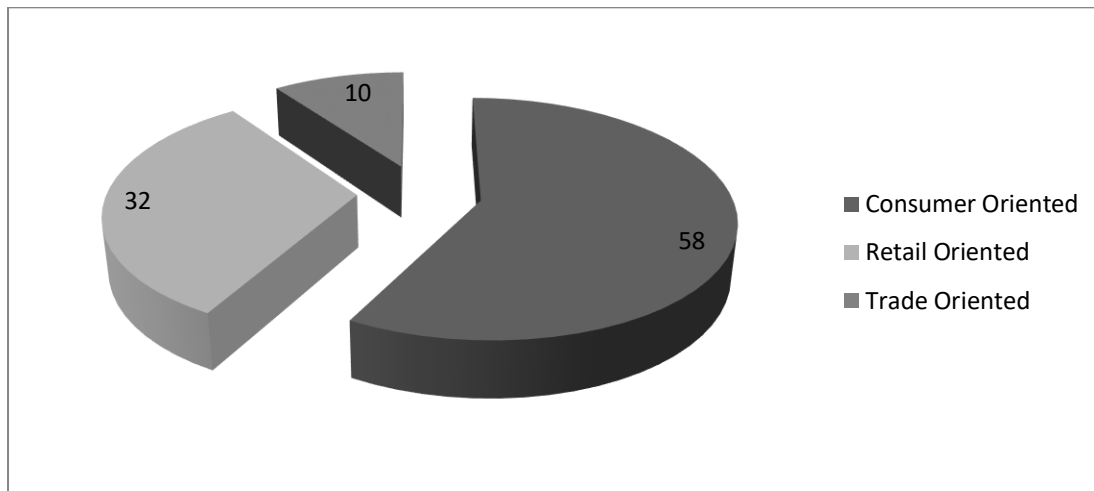
In addition, 50% of the dealers have analyzed that the sales promotion practiced by Asian Paints is mainly consumer oriented and thus it has induced the consumers to buy more products by offering coupons, cash rebate and others. Also, 40% of the dealers have stated that the sales promotion is mainly retail oriented and thus it has encouraged the retailers to keep more of the Asian Paints' products. Moreover, 10% of the dealers have experienced the promotion to be

trade oriented and thus it has encouraged themselves in stimulating the sales growth.

Summarizing the analysis, it is verisimilitude to say that one of the promotional tools, sales promotion, of Asian Paints is much consumer oriented and thus it has influenced the buying decision of rival's product. About 58% of the total respondents have avowed this fact. In addition, it can be said that the retailer has got less concern than do the consumers, and thus 32% of the total respondents have stated that the sales promotion is retailer oriented. Finally, the dealers have got least concern, and only 10% of the respondents have claimed that the sales promotion of Asian Paints is trade oriented.

Figure 4.12

Orientation of Sales Promotion



4.1.2.6 Sales Promotional Tools for Consumers

In the past, Asian Paints has used various sales promotion tools to fascinate the consumers toward its product. However, to ascertain which of the promotional tools have remained most successful, the onlookers of the market are asked on this issue.

Table 4.13

Sales Promotional Tools for Consumers

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Coupons	6	30	4	20	10	25
Cash Rebate	8	40	14	70	22	55
Premiums (Gifts)	2	10	1	5	3	7
Free Samples	4	20	1	5	5	13
Table	20	100	20	100	40	100

Source: Field Survey, 2011

As per the opinions of the employees, it can be deduced that among the various sales promotional tools adopted by Asian Paints, the cash rebate has enticed many consumers for the acquisition of the paints. About 40% of the interviewed employees have asserted cash rebate as the major successful sales promotional tool adopted by Asian Paints. Next to this tool, the consumers have greater affectionate to the scratching of the coupon offered while making purchase. For such promotional tool, 30% of the employees have given preference. However, the provision of providing premiums or gift and free samples has less allured the consumers to buy the paints and thus consequently have fewer roles to augment the sales. Only 10% of the employees and 20% of the employees of Asian Paints have considered premiums (gifts) and free samples respectively as the major sales promotional tools to boost the sales of paints.

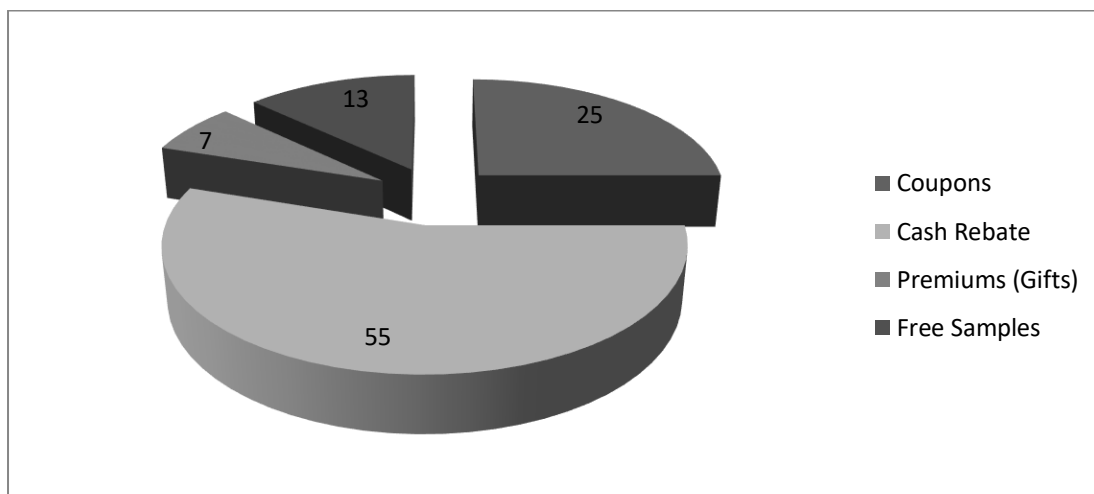
Alike the employees, the dealers of Asian Paints have also experienced a high growth in the sales of the paints whenever the organization has offered cash rebate to the consumers for buying the product. About 70% of the interviewed dealers have considered cash rebate as the best tool of sales promotion of Asian Paints to attract the consumers toward its product. Similarly, as per the statements of 20% of the dealers of Asian Paints, the consumers have been mostly attracted to buy the paints due to the lucrative coupon offered by the organizations. Further, it can be inferred that the premiums and free samples proffered to the consumers has trivial impact on the hanker of the consumers to buy the product, since only 5% of the

dealers have experienced the increase in sales due to the premiums and the free samples each.

Analyzing the collected primary data in total, it has been ascertained that the majority of both the employees and dealers of Asian Paints have agreed that cash rebate is the most robust sales promotional weapon adopted by the organization to boost up the sales. In total, 55% of the total respondents have strongly affirmed this view. Next to it, the coupon offered by the organization is quite success in fascinating the consumers toward its paints, and thus 25% of the total respondents have pointed out this promotional tool. Likewise, 13% of the total respondents have considered free samples as the effective sales promotional tools and just 7% of them have considered premiums or gifts as the most effective tools. Nevertheless, on the basis of the majority of each category and the majority in total, it can be categorically deduced that the cash rebate is the most effective sales promotional tool of Asian Paints.

Figure 4.13

Sales Promotional Tools for Consumers



4.1.2.7 Sales Promotional Tools for Dealers

The affectionate of dealers and consumers toward the sales promotional tools differs in wide. Thus, to investigate which of the sales promotional tools

implemented by Asian Paints to make the dealers more loyal toward its product has been more effective, the respondents are requested to opine their views.

Table 4.14
Sales Promotional Tools for Dealers

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Merchandise Allowance	4	20	2	10	6	15
Traveling Ticket	5	25	3	15	8	20
Cash Award	6	30	9	45	15	38
Price-Off	5	25	6	30	11	27
Table	20	100	20	100	40	100

Source: Field Survey, 2012

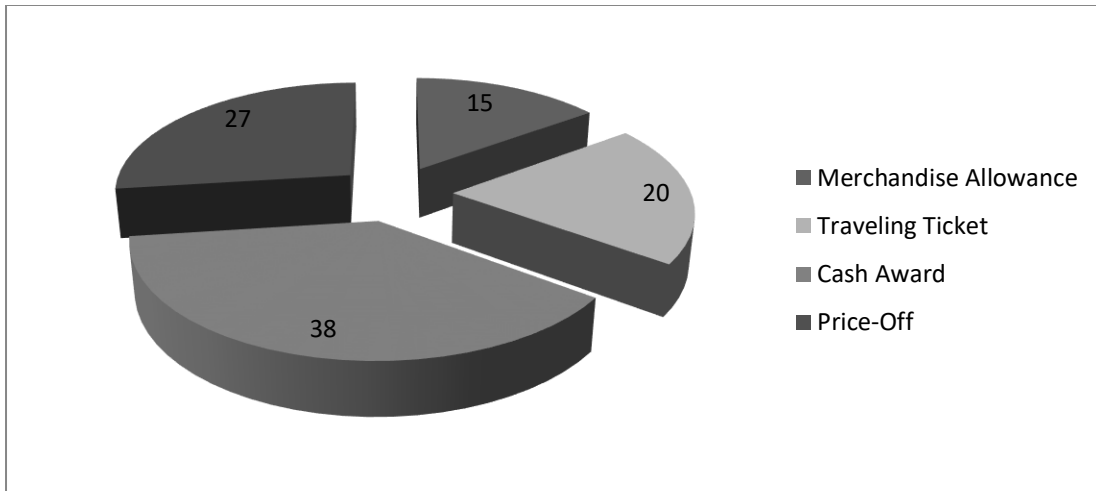
The table depicts that the majority of the employees of the Asian Paints admit that the dealers of the paints are highly motivated by the cash award provided by the organization for meeting the sales target. About 30% of the interviewed employees have presented this statement. However, 25% of the employees have opined that the traveling ticket to the abroad vacation offered by the organization is the most motivating factor for dealers to accelerate the sales growth and meet the sales target. Similarly, another 25% of the employees have opined that the price-off on the paints purchase to the dealers who meet the sales target of the company inspires the dealers. Finally, 20% of the employees have stated that the merchandise allowance offered to the dealers on whose performances the Asian Paints has been satisfied is the most inspiring sales promotional tools to the dealers.

Alike the majority of the employees, the majority of dealers, 45%, also accepted that the cash reward offered by Asian Paints to the satisfactory performing dealers is the most enticing sales promotional tool adopted by the organization. However, 30% of the interviewed dealers have shown much affectionate to the price-off on the purchased paints and considered it as the best sales promotional tools adopted

by Asian Paints for stimulating the sales growth through the dealers. Similarly, 15% of the surveyed dealers have considered the traveling ticket to the abroad for recreation as the best sales promotional tools to inspire the dealers for augmenting the sales. Finally, 10% of the interviewed dealers make quest for the merchandise allowance from Asian Paints to push up the sales of the organization.

Summarizing the responses in total, it has been ascertained that the dealers of Asian Paints are most fascinated by the cash reward proffered by the organization for meeting the sales target, since the majority, 38%, of the total respondents have opined this view. Further, in total, 27% of the total respondents have disseminated that the price-off in the purchased paints is the most effective sales promotional tool of Asian Paints. Also, 20% of the respondents have opined that the traveling ticket for recreational activities provided by the Asian Paints to the dealers inspires most. And 15% of the total respondents have stated merchandise allowance is the best sales promotional tools. Deducing the analysis, it can be said that the cash reward is the best sales promotional tools implemented by Asian Paints to retain and motivate its dealers and thus it has been accepted by the majority of both employees and dealers.

Figure 4.14
Sales Promotional Tools for Dealers



4.1.2.8 Basics of Advertisement of Asian Paints

Generally, advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. It can secure leads for salesmen and middlemen by convincing readers to request more information and by identifying outlets handling the product. However, creating advertising is not the simple process. The add maker should consider many basics factors to convey the information. To ascertain on what the advertisement of Asian Paints basically concentrates, the interviewees are requested to express their views.

As per the analysis of the respondents of the employees of Asian Paints, it has been revealed that the organization mainly tries to flow information about the paint product and its benefit to the consumers. Thus, 30% of the employees of Asian Paints have considered its advertisement is rather informative. While 25% of the employees have opined that Asian Paints has the practice of making a unique advertisement. Similarly, 20% of the employees have stated that the organization considers the advertisement of the rivals before making a new advertisement and thus places competitive advertisement in the market. Also, 15% of the employees have said that the attempt of the organization has always been to attract the consumers by making convincing advertisement that meet their needs.

Likewise, 10% of the employees have asserted that Asian Paints creates advertisement that is more intentionally to retain the existing consumers and other parties of market chain.

Table 4.15
Basics of Advertisement of Asian Paints

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Competitive Advertising	4	20	4	20	8	20
Retentive Advertising	2	10	2	10	4	10
Informative Advertising	6	30	5	25	11	27
Persuasive Advertising	3	15	5	25	8	20
Reminder- Oriented Advertising	0	0	1	5	1	3
Pioneer Advertising	5	25	3	15	8	20
Table	20	100	20	100	40	100

Source: Field Survey, 2012

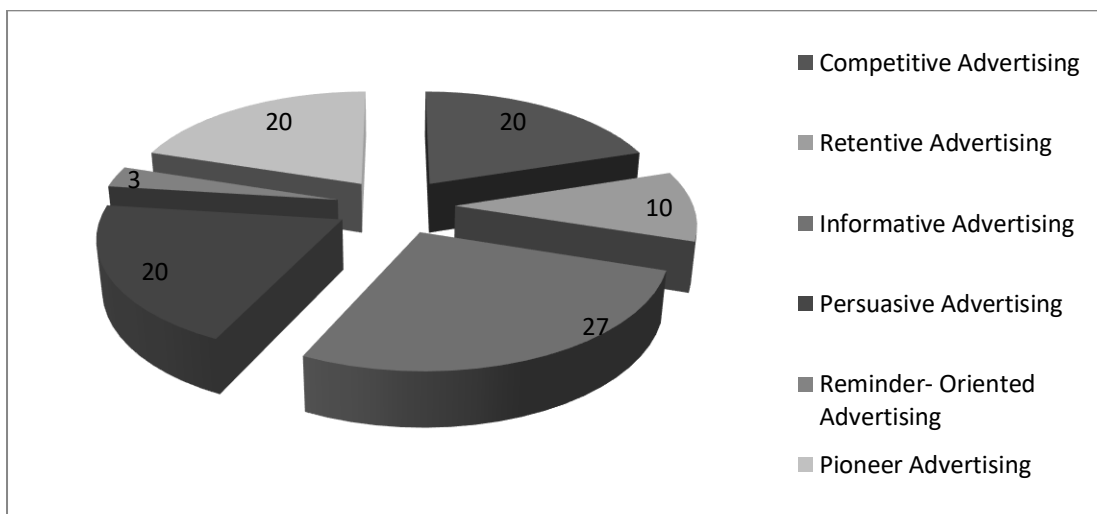
Similarly, the majority of the dealers believe that Asian Paints creates informative and persuasive advertisement. About 25% of the dealers have voted for informative advertisement and other 25% of the dealers stated that they have perceived the advertisement rather persuasive. Likewise, 20% of the dealers have found that the advertisement of Asian Paints is rather competitive to give challenge to the advertisement of rivals, while 15% of the dealers have experienced the advertisement of Asian Paints rather pioneer. Moreover, 10% of the dealers have insisted that the advertisement is rather retentive enough and thus enables to create brand loyalty. Eventually, only 5% of the dealers have stated that the Asian Paints creates rather reminder-oriented advertisement.

Analyzing the responses in total, the advertisement of the organization is categorically informative enough. About 27% of the total respondents have opined this idea. Further, 20% of the respondents have stated that advertisement is rather persuasive enough and thus has aided to stimulate the sales growth. Similarly, 20% of the respondents have perceived competitive advertisement, other 20% of

the respondents have experienced pioneering advertisement and another 10% of the respondents have felt retentive advertisement of Asian Paints. Finally, only 3% of the total respondents have opined that the advertisement is reminder-oriented. Eventually, it can be concluded that on the basis of the majority of each category and the majority of the total respondents, the advertisement of Asian Paints aims to be more informative.

Figure 4.15

Basics of Advertisement of Asian Paints



4.1.2.9 Mode of Advertising

Most of the business organizations promote their products by adopting various advertisement modes. Alike these organizations, Asian Paints has also used various modes of advertisement, and thus it would be worthwhile for the company if it recognizes the best mode that has been most successful to draw the attention of the consumers toward the products of Asian Paints.

Table 4.16

Mode of Advertising

Details	Employee	Dealer	Total
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	No.	%	No.	%	No.	%
a) Digital Advertising	8	40	9	45	17	42
i) Television Advertising	4	20	3	15	7	17
ii) Radio Advertising	2	10	3	15	5	13
iii) Online Advertising	1	5	1	5	2	5
iv) Product Placements	1	5	2	10	3	7
b) Physical Advertising	12	60	11	55	23	58
i) Press Advertising	1	5	1	5	2	5
ii) Billboard Advertising	4	20	4	20	8	20
iii) Mobile Billboard Advertising	2	10	2	10	4	10
iv) In-Store Advertising	2	10	2	10	4	10
v) Street Advertising	3	15	2	10	5	13
Table	20	100	20	100	40	100

Source: Field Survey, 2012

It has been obvious that the physical advertisement is more effective than the digital advertisement to draw the attention of consumers, as per the experiences of employees and dealers of Asian Paints. In total, 60% of the employees and 55% of the dealers have favored physical advertisement. Among the various physical advertisement tools, the billboard advertising more specifically hoarding board advertising has been more effective to draw the attention of consumers about the products of Asian Paints. About 20% of the employees and 20% of the dealers have experienced billboard advertisement to be most effective. However the mobile billboard advertising such as the advertisement on the vehicles seems to be less effective in comparison to billboard advertisement, and only 10% of the employees and 10% of the dealers have considered it more effective. Also 15% of the employees and 10% of the dealers have considered street advertisement such as the advertisement in the road divider to be more effective. Further 10% of the employees and 10% of the dealers have assumed in-store advertising, which includes placement of a product in visible locations in a store, such as at eye level, at the ends of aisles and near checkout counters, eye-catching displays promoting a specific product, is the most fascinating advertising medium. Finally, 5% of the employees and 5% of the dealers have stated that press advertising, which includes

advertisement in newspaper, magazine, or trade journal, is the most enticing advertising tools.

While in case of digital advertising, the television advertising has been most effective advertising tools of Asian Paints to attract the consumers toward it. About 20% of the interviewed employees and 15% of the interviewed dealers have chosen this tool. Next to the television advertising, it can be inferred that radio advertising is the most effective digital advertising of Asian Paints. Precisely 10% of the employees and 15% of the dealers have selected this option. Likewise, 5% of the employees and 10% of the dealers of Asian Paints have stated that a product placement, which involves embedding of the product of Asian Paints in entertainment and media, for example, in a film, the main character, can use an item or other of a definite brand, is the most effective digital advertising. Finally, just 5% of the employees and 5% of the dealers have avowed that online advertising, which uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers, is the effective digital advertising of Asian Paints.

Summarizing the analysis in total, it can be undoubtedly said that the sales stimulation of Asian Paints has been mainly caused by the press advertising. More specifically, among the various forms of press advertising, the billboard advertising, which displays advertisements to passing pedestrians and motorists, and supported by 20% of the total respondents, is the most effective press advertising to entice the consumers toward the product of Asian Paints. However, among the various forms of digital advertising, the television advertising that covers 17% of the total responses has also crucial role to inform the consumers about the product of Asian Paints and eventually to persuade them to buy the product.

4.1.2.10 Budget Allocation Technique for Advertisement

The Asian Paints has been found using the percentage of sales method for allocating budget for sales. However, to know whether the existing should be continued by the organization or should be changed, the question has been raised to understand the opinion of the respondents.

Table 4.17

Budget Allocation Technique for Advertisement

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Profit Maximization	4	20	5	25	9	23
Percentage of Sales	3	15	5	25	8	20
Objective and Task Approach	3	15	2	10	5	13
Competitive Parity Approach	6	30	5	25	11	27
Judgment Approach	4	20	3	15	7	17
Table	20	100	20	100	40	100

Source: Field Survey, 2012

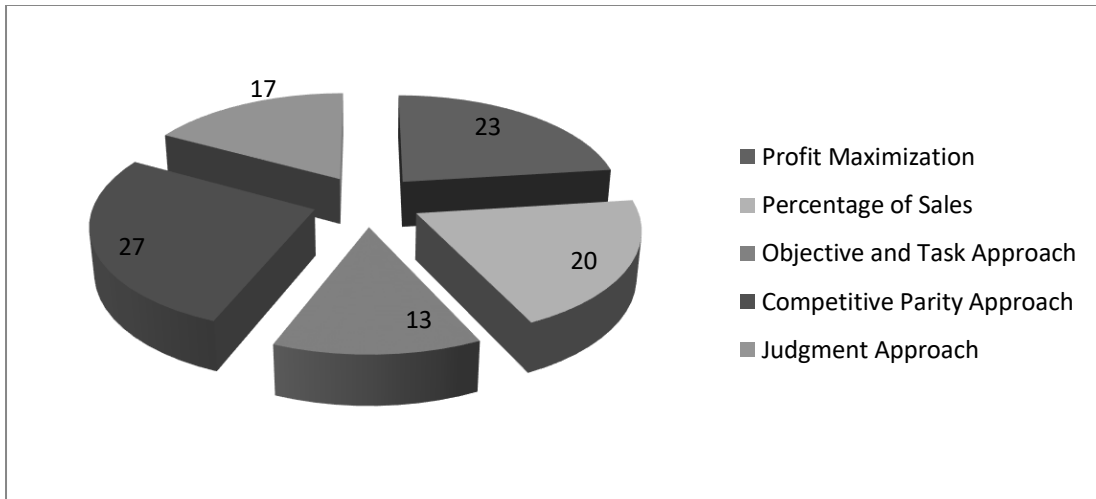
The best method for determining advertising expenditure is to identify a relationship between the amount spent on advertising and profits, and to spend that amount of money which maximizes the net profits as per the view of 20% of the employees, 25% of the dealers and 23% of the total interviewees. Since the effects of advertising may be reflected in future sales too, the advertiser maximizes the present value of all future profits at an appropriate rate. Therefore, a very few advertisers are able to implement the profit-maximizing approach to determine their advertising expenditure. However, 15% of the employees, 25% of the dealers and 20% of the total respondents have opined that Asian Paints should continue the existing percentage of sales approach for allocating budget to advertisement. Under this approach, a pre-determined percentage of the firm's past sales revenue (or projected sales revenue) is allocated to advertising. It is an easy way of minimizing the difficulties of annual budgeting negotiations. It is also safe method as long as competitors use a similar method.

Similarly, the most desirable method is the objective and task approach as per the opinion of 15% of the employees, 10% of the dealers and 13% of the total interviewees. As per them, it is goal oriented. The firm agrees on a set of marketing objectives after intensive market research. The costs of advertising are then calculated. When the resulting amount is within the firm's financial means, it is the advertising budget. Likewise, 30% of the employees, 25% of the dealers and 27% of the total respondents have opined that Asian Paints should follow competitive parity approach. Since, this approach ties its budget to the rupees or percentage of sales expended by its competitions. This approach tries to match the competitor's outlays and meet competition either on absolute or relative basis. It involves an estimate of industry advertising for the period and the allocation of an amount that equal to its market share in the industry.

Finally, 20% of the employees, 15% of the dealers and 17% of the total respondents suggested judgment approach for the budget allocation of advertisement. As per theme, this method relays upon the judgment of experienced managers. Over the years, some of these individuals develop a feel for the market that permits them to arrive at appropriate decisions, given the organization's objectives and limitations. It is a vital input for the determination of the budget. When the management uses other methods, it should temper them with the judgmental evaluations made by experienced managers.

Summarizing the total responses, it can be inferred that competitive parity approach would be the best method for Asian Paints to follow in lieu of percentage of sales method, since the majority of the respondents, 27%, have accorded on this competitive parity approach.

Figure 4.16
Budget Allocation Technique for Advertisement



4.1.2.11 Sales Promotion Vs Advertising

Undoubtedly, both the promotional mixes, sales promotion and advertisement, have played a laudable role to promote the business of Asian Paints. However, to understand which promotion tool has remained more effective than other, the respondents are asked on this issue.

The table 4.18 enlightens between the promotional mixes, the advertising has been the more effective tool to persuade the consumers to acquire the product of Asian Paints, as per the experience of 60% of the employees and 75% of the dealers of Asian Paints. Similarly, 30% of the employees and 20% of the dealers have experienced that the consumers are more convinced and allured toward the product by the sales promotional offer of Asian Paints. Finally, 10% of the employees and 5% of the dealers have remained quite bewildered and could not distinguish the more effective promotion mix of Asian Paints that has stimulated the sales growth.

Table 4.18
Sales Promotion Vs Advertising

Details	Employee		Dealer		Total	
	No.	%	No.	%	No.	%
Sales Promotion	6	30	4	20	10	25

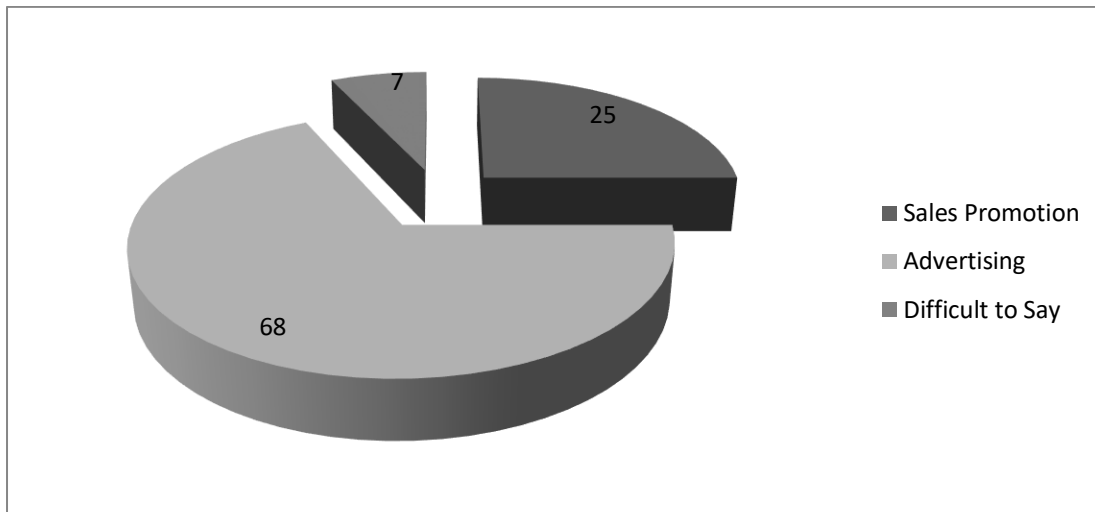
Advertising	12	60	15	75	27	68
Difficult to Say	2	10	1	5	3	7
Table	20	100	20	100	40	100

Source: Field Survey, 2011

On the basis of the overall majority and the majority of each category, it can be categorically inferred that the advertising, although it has long term objective, is the more effective promotional tool of Asian Paints than the sales promotion. About 68% of the total interviewed respondents have strongly supported this statement. However, only 25% of the total respondents have opined sales promotion to be more effective sales stimulation tool.

Figure 4.17

Sales Promotion Vs Advertising



4.2 Secondary Data Analysis

Under this section, the data that are related to sales and the promotional mixes, mainly sales promotion and advertisement, extracted from the reports of Asian Paints have been analyzed.

4.2.1 Sales of Subsidiary Company Nepal to Total Sales of Asian Paints

Under this section, the past five year sales of subsidiary company Nepal of Asian Paints and the proportion of subsidiary's sales to the total sales, in concomitant with the growth ratio has been analyzed to highlight the role played by the subsidiary company Nepal in stimulating the total sales of Asian Paints.

Table 4.19

Sales of Subsidiary Company Nepal to Total Sales of Asian Paints

Fiscal Year	Sales of Subsidiary Company Nepal	Total Sales	Ratio	Growth
2006/07	17.44	277.74	6.28	-----
2007/08	19.69	336.07	5.86	-0.42
2008/09	23.99	406.28	5.90	0.05
2009/10	28.74	500.34	5.74	-0.16
2010/11	48.25	573.55	8.41	2.67
Mean	27.62	418.80	6.44	
S.D.	11.01	107.23	1.00	
C.V.%	39.87	25.61	15.57	

Source: Annual Reports of Asian Paints

The table depicts that the turnover of Asian Paints Nepal Limited, subsidiary company, and the turnover of Asian Paints has increased in each observed fiscal years. The sales of Asian Paints Nepal Limited has increased from IC 17.44 crores in the fiscal year 2006/07 to IC 48.25 crores in the fiscal year 2010/11. In average, Asian Paints Nepal Limited has been able to sale the paints worth IC 27.62 crores within the five fiscal year periods. Similarly, the total sales of Asian Paints has been increased from IC 277.74 crores in the fiscal year 2006/07 to IC 573.55 crores in the fiscal year 2010/11. In average, the Asian Paints has been able to sale

paints valuing IC 418.80 crores all over the world. Moreover, the sales of Asian Paints Nepal to total sales of Asian Paints has oscillated within the five year periods and thus it has ranged from 5.74% in the fiscal year 2009/10 to 8.41% in the fiscal year 2010/11. Nevertheless, it can be concluded that Asian Paints Nepal is the most successful business in the paint industry in Nepal, and thus it has the wide market coverage than any other paints of the nations.

4.2.2 Selling and Advertising Expenses to Sales of Asian Paints Nepal

Under this part of the study, the selling and advertising expenses incurred by Asian Paints Nepal has been analyzed in order to stimulate the sales growth. Further the proportion of selling and advertising expenses to sales of Asian Paints Nepal has also been analyzed to ascertain the representation of observed promotional expenses on total sales.

Table 4.20

Selling and Advertising Expenses to Sales of Asian Paints Nepal

Fiscal Year	APN Selling & Adv. Exps.	APN Sales	Ratio	Growth
2006/07	0.63	17.44	3.61	-----
2007/08	0.92	19.69	4.67	1.06
2008/09	1.04	23.99	4.34	-0.34
2009/10	1.43	28.74	4.98	0.64
20010/11	1.86	48.25	3.85	-1.12
Mean	1.18	27.62	4.29	
S.D.	0.43	11.01	0.50	
C.V.%	36.37	39.87	11.73	

Source: Annual Reports of Asian Paints

The table reveals that the cost on sales promotion and advertising of Asian Paints product in Nepal has been increased in each fiscal year. The expenses on advertising and sales promotion in Nepal has increased from IC 0.63 crores in the fiscal year 2006/07 to IC 1.86 crores in the fiscal year 20010/11. In average, the subsidiary company Nepal has defrayed IC 1.18 crores with the variation of

36.37%. More specifically, it has been ascertained that, however, the percentage of selling and advertising promotional expenses on total sales of the company has oscillated during the periods. At the inception of the observed periods, the ratio is 3.61%, and then it has increased to 4.67%, then decreased to 4.34%, again increased to 4.98% and finally decreased to 3.85%. It seems that although the company has used percentage of sales method to allocate the budget for advertisement, the company has remained unable to predict the sales, as a result, it has ultimately affected the ratio of selling and advertising promotional expenses to total sales.

4.3 Major Findings of the Study

Summarizing the analysis, the following major findings have been drawn;

A) Findings from Primary Data Analysis

a) Findings from Retailers and Consumers of Asian Paints

- Also 64% of the respondents have opined that they are much more persuaded by the advertising rather than by sales promotion of Asian Paints. However, 50% of the respondents have stated that they have usually made repetitive purchase due to the affectionate of sales promotion of Asian Paints.
- 36% of the respondents have suggested Asian Paints to use cartoon and animations while making advertisement so that they can easily identify the advertisement of the company. Further, 50% of the respondents have stated that the past experience with the Asian Paints have made them more loyal to the company.
- Similarly, 32% of the respondents have opined that the perfect processing of the product as per the advertisement is the prime cause for the success of advertisement of Asian Paints. And 30% of the respondents have stated that the capability of Asian Paints in building imaginative competency in the add is the root cause for the success of advertisement. Finally, 28% of the

respondents have stated that the advertisement of Asian Paints should consider more on the conviction value to enhance the sales growth.

b) Findings from Employees and Dealers of Asian Paints

- 38% of the respondents have revealed that Asian Paints has mainly understood and utilized the sales promotion to offer extra value to the consumers. Further 50% of the respondents have stated that the company has boosted sales growth using the sales promotional campaign in the past.
- In case of the requirement of quick result, Asian Paints has the practice of shifting from advertisement to sales promotion. About 68% of the respondents have revealed this fact. Similarly, 35% of the respondents have stated that the company utilizes sales promotion to get more people to buy the product and ultimate to stimulate the sales.
- 58% of the respondents have asserted that the sales promotion of Asian Paints is mainly consumers oriented and thus fulfills the expectation of consumers on the product. Similarly, 55% of the respondents have stated that the cash rebate sales promotional tools has been most effective to fascinate the consumers. Likewise, the dealers of the paints are most motivated by the cash reward.
- 27% of the respondents have stated that the advertisement of Asian Paints is much more informative. Further, physical advertising is more effective than digital advertising in conveying information to the consumers.
- It has been found that Asian Paints is using percentage of sales method to allocate the budget for advertisement. However, 27% of the respondents have suggested Asian Paints to adopt competitive parity approach for budget allocation to advertisement. Finally, 68% of the respondents have stated that the advertisement of Asian Paints is more effective than the sales promotion.

B) Findings from Secondary Data Analysis

- In each fiscal year the sales of Asian Paints Nepal has increased and thus it has reached to IC 48.25 crores by the end of the fiscal year 2010/11. However, the representation of sales of Asian Paints Nepal on the sales of Asian Paints has fluctuated. Within the five year periods, the ratio is 6.44% in average.
- Similarly, in each year the cost on advertisement and sales promotion of Asian Paints Nepal has been increased and thus it has been IC 1.86 crores by the end of the fiscal year 2010/11. In average, the two observed promotional expenses has represented 4.29% of the total sales of Asian Paints Nepal.

CHAPTER – V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.2 Summary

Promotion is one of the four elements of marketing mix (product, price, promotion, distribution). It is the communication link between sellers and buyers for the purpose of influencing, informing, or persuading a potential buyer's purchasing decision. The specification of four elements creates a promotional mix or promotional plan. These elements are personal selling, advertising, sales promotion, and direct marketing. A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image. Fundamentally, however there are three basic objectives of promotion. These are: to present information to consumers as well as others, to increase demand and to differentiate a product. There are different ways to promote a product in different areas of media. Promoters use internet advertisement, special events, endorsements, and newspapers to advertise their product. Many times with the purchase of a product there is an incentive like discounts, free items, or a contest. This is to increase the sales of a given product. Among the various element of the promotion, the sales promotion and advertisement is considered the most crucial.

Sales promotion is one of the four aspects of promotional mix. Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Sales promotions can be directed at either the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the

consumer are called consumer sales promotions. Sales promotions targeted at retailers and wholesale are called trade sales promotions. Some sale promotions, particularly ones with unusual methods, are considered gimmick by many. However, advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media. Advertising can also serve to communicate an idea to a large number of people in an attempt to convince them to take a certain action.

Commercial advertisers often seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement.

Various organizations use different modes of sales promotion and advertisement after analyzing the market conditions. In addition, each company has different views in outweighing between sales promotion and advertising. However, the present study, since concerned with the paints business, analyzes the sales promotion and advertising of Asian Paints. For this, the study tries to understand the opinions of personnel of Asian Paints, dealers, retailers and consumers of Asian Paints. In addition, the study also analyzes the annual report of the organization.

5.2 Conclusion

Simply, Marketing is managing profitable customer relationship. The aim of marketing is to create value for customer & capture value in return. Marketing management has taken an important place in business management. Today all successful companies have one thing in common, they are strongly customer focused & heavily committed to marketing. These companies share a passion for satisfying customer needs in well – defined target market. In today's global business environment, smart marketing look beyond the attribution of the produces & service they sell. They all engage in creating conception value to differentiate & brand image on market. Advertising & sales promotion has a great contribution to fulfill this interest of companies.

Asian Paints has mainly understood the sales promotion as the mode for offering extra value, such as price-off, coupon, merchandise allowances, free samples, to the consumers and the other parties of the market chain. Such understanding has aided Asian Paints to accelerate sales growth using the sales promotional campaign in the past. It can be further stated that in case of the requirement of quick result, Asian Paints has the practice of shifting from advertisement to sales promotion. Sales promotion has facilitated Asian Paints to get more people to buy the product and to ultimately stimulate the sales. Thus, it can be inferred that sales promotion of Asian Paints is mainly consumers oriented and thus fulfills the expectation of consumers on the product. Among the various sales promotional tools, the cash rebate sales promotional tools has been most effective to entice the consumers. However, the dealers of the paints are most motivated by the cash reward. In addition to sales promotion, the advertisement of Asian Paints is much more informative. Among the various types of advertisement, however, physical advertising is more effective than digital advertising in conveying information to the consumers. To allocate the budget for advertisement, the certain percentage of sales method is effective. However, a dissection of the respondents has stated that

Asian Paints should adopt competitive parity approach for budget allocation to advertisement. Finally, it can be stated that advertisement is more effective than sales promotion to persuade the consumers for buying the product.

Analyzing the responses of the respondents, it can be substantiated that the retailers and consumers more persuaded by the advertising rather than by sales promotion of Asian Paints. However, the alluring of sales promotion of Asian paints has obliged them to make repetitive purchase. The use of cartoon and animations in advertisement facilitates the consumers, both literate and illiterate, to recognize the product more easily, and the past satisfaction on the product has made the consumers and retailers loyal to the Asian Paints. Similarly, the perfect processing of the product as per the advertisement is the prime cause for the success of advertisement of Asian Paints. And the ability of Asian Paints in building imaginative competency in the add is the root cause for the success of advertisement. Eventually, the advertisement of Asian Paints should consider more on the conviction value to enhance the sales growth. Further, with the aid of sales promotion and advertisement, Asian Paints has been able to increase the sales growth in each fiscal year. However, the representation of sales of Asian Paints Nepal on the sales of Asian Paints has oscillated. Similarly, in each year the cost on advertisement and sales promotion of Asian Paints Nepal has been increased.

5.3 Recommendations

On the basis of the major findings and the conclusion drawn, the following recommendations have been provided for the enhancement of the promotional mix of Asian Paints;

- The advertisement of Asian Paints should emphasize not only to the conviction value but a lot to the attention value, suggestive value, memorizing value, educational value and instinctive value as well.

- Asian Paints should use the effective tool for the ease identification of brand. Since not all consumers are literate, the organization should consider these consumers while making an effective advertisement. For this, color of the brand, symbol and logo and cartoon and animation can be an ease tool for brand recognition.
- Though the company has practiced percentage of sales method for allocation budget for advertisement, the Asian Paints should adopt competitive parity approach, as per the implications of the majority of respondents, or other method, whichever is best in various market situations.
- Both the modes of advertising, digital advertising and physical advertising, are equally effective in their scope to convince the consumers about the products. Thus, Asian Paints should have good harmony between these two modes for achieving the optimum promotional mix.
- Categorically, Asian Paints should use sales promotion for the immediate achievement in sales acceleration, while the company should use advertisement for the long term capture of the market.
- The sales promotion tool of Asian Paints should use market penetration, which embraces as quest of more people to buy, encouraging brand switching of the product and trail product, for seizing the paints market.
- Although the sales promotion of Asian Paints is consumer oriented, the company should persistently practice the consumer-oriented sales promotion in future as well. After this, the sales promotion should give predilection to the retail oriented and trade oriented sales promotion.
- Asian Paints should examine and modify, if necessary, the management processes for establishing strategic promotional objectives and for seeing that specific promotion plans have both objectives and plans to ensure that the strategic objectives are met.

- Asian Paints should more effectively integrate sales and marketing operations, utilizing both organizational structures to facilitate integration and operating procedures to enforce/encourage the kind of consultation that would lead to better integration.
- Asian Paints should enhance promotional learning by establishing a database of key facts about promotions as they were actually executed and by becoming effective users of the rapidly growing body of methods for measuring promotional effectiveness in affecting retailer behavior and consumer behavior.
- Besides being profit oriented, the reputed organization is also accountable to the society, if it intends to sustain in the long run. Understanding this axiom, Asian Paints has made free painting on common place such as Ranipokhari Temple, Darahara, bus station, road divider etc. Thus, the company should be socially liable into the future as well for the mutual benefit of both the organization and society.

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APPENDICES

Appendix - I Questionnaire

Set A

Dear Respondent/ Participant,

I am a student of Post Graduate Campus. This questionnaire is prepared in order to collect data for research work in research topic, "*A study on advertising and Sales Promotion of Paints in Nepal with Special Reference of Asian Paints Nepal.*" To undertake in the partial fulfillment of Masters of Business Studies Programme, Tribhuvan University. Your reply will be kept secret, used for only research purpose and your information is treated as confidentially in this research. Please kindly take a moment of your time to fill out this simple form with confidential.

Niru Shrestha

Name:

Description: Retailers/Consumers (Please Tick one)

Please tick the best answer choice.

1. Which of the following promotional tools have persuaded you more to buy the product of Asian Paints?
 - a. Sales Promotion
 - b. Advertisement
 - c. None of them

2. The sales promotion of Asian Paints has caused you to.....
 - a. Make Multiple Purchase
 - b. Make Repeat Purchase
 - c. Leave the Brand
 - d. Refer other People

3. Which of the following tools should be widely used to build advertisement?
 - a. Tagline
 - b. Symbol & Logo
 - c. Color
 - d. Cartoon & Animation

4. What drives you to be the brand loyal on Asian Paints?
 - a. Past Experience
 - b. Income Level
 - c. Opinions of Family
 - d. Reference Group

5. Which of the following prime causes is most crucial for creating successful advertisement?
 - a. Profound Purpose
 - b. People Principles
 - c. Perfect Processes
 - d. Passionate Performance

6. Which of the following root causes is most crucial for success in advertisement of Asian Paints?
 - a. Imaginative Competence
 - b. Social Competence
 - c. Organization Competence
 - d. Values Competence

e. Domain Competence

7. A good advertisement should possess which of the following characteristics or

values in most?

- a. Attention Value
- b. Suggestive Value
- c. Memorizing Value
- d. Conviction Value
- e. Sentimental Value
- f. Education Value
- g. Instinctive Value

8. At first what source of advertising listens about Asian Paints?

- a. Television
- b. Radio
- c. Press Advertising
- d. Street Advertising
- e. Others

9. Dose Asian paints fulfill that commitment on advertising?

- a. Yes
- b. No
- c. Partial
- d. Don't know

10. Does found difference in advertising on Asian paints then other paints company?
- a. Yes
 - b. No
 - c. Don't know

Thank You for your kind cooperation.

Appendix - II

Questionnaire

Set B

Dear Respondent/ Participant,

I am a student of Post Graduate Campus. This questionnaire is prepared in order to collect data for research work in research topic, "*A Study on Advertising and Sales*

Promotion of Paints in Nepal with Special Reference of Asian Paints Nepal."

To undertake in the partial fulfillment of Masters of Business Studies Programme, Tribhuvan University. Your reply will be kept secret, used for only research purpose and your information is treated as confidentially in this research. Please kindly take a moment of your time to fill out this simple form with confidential.

Niru Shrestha

Name:

Description: Employee of Asian Paints/Wholesaler of Asian Paints (Please Tick one)

Please tick the best answer choice.

1. How has the company understood and utilized the sales promotion?
 - a. Direct Inducement to Buy
 - b. Offer Extra Value to the Consumer
 - c. Acceleration Tools

2. The sales promotion used by the company has been mainly successful in

 - a. Immediate Response of the Consumer

- b. Quick Sales
- c. Boost Market Share

3. Under what condition the company prefers sales promotion to advertisement?

- a. Power of Retailers
- b. Less Brand Loyalty
- b. Need Quick Result

4. The sales promotion practiced by Asian Paints has been effective to increase the

sales and market share through.....

a Penetration

- i) Get More People to Buy
- ii) Encourage Brand Switching
- iii) Trial

b Increase Buying Rate

- i) Encourage Multiple Purchases
- ii) Encourage Repeat Purchases

5. The sales promotion practiced by Asian Paints is mainly.....

- a. Consumer Oriented
- b. Retail Oriented
- c. Trade Oriented

6. Which of the following sales promotion tools have remained most effective for

consumer promotion?

- a. Coupons
- b. Cash Rebates

- c. Premiums (Gifts)
 - d. Free Samples
7. Which of the following sales promotion tools have remained successful to motivate dealers of Asian Paints?
- a. Merchandise Allowances
 - b. Travelling Ticket
 - c. Cash Awards
 - d. Price-Off
8. The advertising of Asian Paints is basically
- a. Competitive Advertising
 - b. Retentive Advertising
 - c. Informative Advertising
 - d. Persuasive Advertising
 - e. Reminder-oriented Advertising
 - f. Pioneering Advertising
9. Which of the following advertising tools has remained most effective to flow information about the product of Asian Paints?
- a) Digital Advertising
 - i) Television Advertising
 - ii) Radio Advertising
 - iii) Online Advertising
 - iv) Product Placements
 - b) Physical Advertising
 - i) Press Advertising
 - ii) Billboard Advertising
 - iii) Mobile Billboard Advertising
 - iv) In-Store Advertising
 - v) Street Advertising

10. It has been known that Asian Paints is using Percentage of Sales Approach to

allocate budget for advertisement. In your view, which of the following method should be used in the future?

- a. Profit Maximization
- b. Percentage of Sales
- c. Objective and Task Approach
- d. Competitive Parity Approach
- e. Judgment Approach

11. Finally, between the two promotional mixes, i.e. sales promotion and advertising, which has been more able to increase the sales?

- a. Sales Promotion
- b. Advertising
- c. Difficult to Say

Thank You for your kind cooperation.

