

# CHAPTER I

## INTRODUCTION

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

Processed dairy products are comparatively new phenomena in Nepal. Dairy Development Corporation (DDC) established by His Majesty's Government processed and sold milk products in Kathmandu. Later it expanded its services to major urban centers of Nepal. DDC started serving for Pokhara market in 2033 B.S. with pasteurized milk. Later it started to process ghee, butter, yoghurt, cream and ice cream. In due course of time, Pokhara started to see several producers selling dairy products. Most of them sold in unbranded forms. However, some of them began to sell in their own brand name. One of them is Panthi Dairy. It is one of the most popular dairies of Pokhara (Karki, 2005, p: 3).

Resham Raj Panthi, the owner-manager of Panthi Dairy hails from a traditional peasant family of Lekhnath Municipality of Kaski district, western Nepal. The family used to grow sugarcane and other traditional farm products for its survival. As the majority of Nepalese farming families, Panthi family was also economically not so sound. Hence, Netra Lal and Ganga Devi, Resham's parents and their nine children had hard time to give them a decent standard of living.

Panthi has been a famous name in dairy sector since last two decades in Nepal. Through the different stages Panthi dairy has come up with impeccable business reputation by offering a successful brand called Panthi. The objective of Panthi dairy Pvt. Ltd is to collect raw milk, process and distribute different dairy products in market. It is a family based small scale (SME) dairy which has the processing capacity of 2000 liter milk per day. This is regarded as a one of the famous and liked dairy in this city. It processes raw milk into Pasteurized milk, Yoghurt, Mozzarella cheese, Paneer and other indigenous milk product. The products that have been produced are mainly marketed inside Pokhara valley and its vicinity. For the convenience to consumer, there are more than 100 retailers throughout the city. Moreover, the diversification of milk into different products like Paneer Pakauda, different Pizza, different cakes and different ice cream articulately express dynamic dairy ideologies in order to increase the milk consumption.

It is committed to the customers' satisfaction by providing good quality milk and milk products. Simultaneously, it has been increasing its production and quality since its establishment. It is well equipped and has contains the high skilled and experienced manpower to process milk into different milk products. But there are a lot of things to do with equipments.

Currently, the dairy has its own building at Bus Park, Prithvi chowk Pokhara where milk and milk products are being processed. Moreover, it has two vehicles to distribute milk and one milk tank to collect it. As a fact, “local collection fresher milk” we give the priority to collect milk locally. It makes us easy to collect milk twice a day morning and evening consequently leading to good quality raw milk. The cold chain has been maintained throughout the collection of raw milk. More than 400 farmers are directly benefited by supplying milk in this small scale dairy. Company itself has recently launched its own dairy farm in the village under name Panthi dairy farm.

Its own style of marketing the products into the market has made this dairy somewhat different from others for example, establishment of different outlets inside the city. Moreover, it has opened the 24 hour service for the essential dairy product like milk, yogurt etc. ([www.panthidairy.com.np](http://www.panthidairy.com.np))

## **1.2 Statement of the Problem**

Dairy product is one of the most necessary nutritious foods for human being. Its use and popularity in Nepal is increasing day by day, not only in urban areas but also in semi-urban and in rural parts of the country. Over the years increasing consumption of the dairies compelled with geographical expansion of the market has been witnessed which has resulted in increasing competition. With this expansion of market in view, a number of new dairies are entering in to the industry with aggressive advertisement and attitude sales promotion schemes of their brand. At present, 14 dairy industries are established in Pokhara valley. It is observed that they are facing the competition to secure the market position. In this back drop, to know the market position of Panthi dairy by comparing with other competing brands is the major concern of the study.

Addressing this concern the study tries to find out the answer to the following questions.

- ) What is the market position of Panthi dairy in terms of consumers on, quality, taste, price, labeling and packaging of Panthi dairy in relation to its competing brands?
- ) What are the current problem of market for market & market position?
- ) What are the opinions of retail stores on Panthi dairy?

### **1.3 Objectives of the Study**

The basic objective of the study is to identify the market position of Panthi dairy in relation to others competing brands. The objectives are:

- ) To study the market position of Panthi dairy in Pokhara city in terms of quality, Price, Product, & Labeling & Packaging.
- ) To analyze the current problem in market and market position.
- ) To find out the opinion of retail stores towards Panthi dairy.
- ) To provide the suitable suggestions for Panthi dairy.

### **1.4 Focus of the Study**

Pokhara is one of the most beautiful place of Nepal. So many numbers of tourists come to enjoy its scenic beauty. The population of Pokhara valley is increasing rapidly causes of migration. Therefore the demand of the milk & milk products is also increasing day by day. To meet the raising demands of milk & milk product, Panthi dairy distributes its milk product in Pokhara, Kusma, Baglung, Syanja, Tanahun & Muglin with their own brand name. On the other hand due to the raising consciousness among the Consumer, retailer, education development and rapid urbanization have crated changing condition of Panthi Dairy. There is a tough competition between Panthi Dairy and other dairies to secure the market position.

In such conditions Panthi Dairy has to formulate the new strategy in accordance of the demand of people and time. Here, this study focuses to evaluate what types of strategies formulate and how Panthi Dairy is applying in marketing field .This research also tries to know the perception of consumer on the quality, taste, price, labeling, packaging and availability of Panthi Dairy products in the market place. This

study also focuses to know the view of retail stores towards Panthi brand projected on the mind of retailers.

### **1.5 Significance of the Study**

Research itself has its own importance because it aims to gain knowledge and to add the new literature in existing field. The study may be helpful to thesis writer marketing author and other researchers who keep relation with dairy products in Pokhara city. It would be helpful to producers, retailers, consumers and marketers who buy and sell different types of dairy products. The study provides references to other dairy industries.

### **1.6 Limitation of the Study**

The study has focused mainly the market Position of Panthi dairy in relation to other competing brands Pokhara sub metro city and the research has been carried out for the practical fulfillment of an academic requirement of Master Degree (MBS) so the study possesses some limitation of its own kind, which is as follows:

- ) The study is limited to those consumers and retailers of Pokhara sub-metro area.
- ) The dairy product user and retailer are divided in two groups, which are urban and semi-urban.
- ) Simple tools and techniques are used to analyze the data for the study.
- ) Accuracy reliability and validity of the study depend upon the information provided by the concerned authorities.
- ) The sample size used for the study is terribly small in comparison to the population of the study.
- ) The data used in this study have been obtained from primary sources through semi structured questionnaire method.
- ) The samples are related to Ice-cream.

The above limitations no doubt have some impact on quality research but such impact will not affect usefulness of the study in a significant manner. In fact, this study would provide a base for future study in the area of the dairy sector.

## **1.7 Organization of the Study**

### **Chapter I [Introduction]**

Chapter I will introduce the major issues related to the Panthi Dairy, general background, statement of the problems, objectives, significance, limitations of the study and the plan of the work.

### **Chapter II [Literature Review]**

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

### **Chapter III [Research Methodology]**

Chapter III, Research Methodology, will describe the different methodologies employed in this study. Sources of data will be mentioned and described in this chapter.

### **Chapter IV [Presentation and Analysis of Data]**

This Chapter includes the presentation and analysis of the data obtained during the study. Different tools and techniques of data analysis will be undertaken for the purpose to analysis of data.

### **Chapter V [Summary, Conclusion and Recommendations]**

This Chapter will include the summary, conclusion and recommendations of the study. The findings will be included in this chapter along with the suggestions and their recommendations.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

#### **2.1 Conceptual Review**

This section is concentrated with the knowledge of market, marketing mix and strategies including positioning of product. This section highlights the different aspects of marketing as well as a market and marketing development of Ice-cream history in the world including Nepal. Marketing is not a new word to us. All of us use this word in our daily life. Many theorists have defined marketing in different ways. In simple terms marketing means the activity of the company to deliver its products from the place of production to the place of consumption. It means that marketing is total systems of business activity designed to place, promote and distribute the products to the target market in order to achieve organization objectives and satisfy the consumers' desire. This is the age of marketing. All types of organizations need marketing to achieve their objectives. Marketing has gained a great deal of importance for the success of modern organizations.

To the general public, marketing is selling products. However selling represents only part of marketing. Marketing consists of creating, promoting and delivering products to satisfy customer needs. It is the bridge between producers and customers. It involves flow of goods and services from producers to consumers. According to American Marketing Association – "Marketing is the process of planning and executing the conception, price, promotion and distribution of ideas goods and services to create exchange that satisfy individual and organizational goals. According to Philip Kotler –" Marketing is a social and managerial process by which individual and group obtain what they need and want through creating, offering and exchanging products value with others." (Agrawal, 2005: p: 1- 2)

Modern Marketing concept states – "Marketing is an integrative function that all Marketing activities should be integrated toward determining and satisfying customer needs and wants of target market to achieve organizational goals." (www.google.com/marketing definition)

The management process through which goods and services move from concept to the customer. As a practice, it consists in coordination of four elements called 4P's: (1)

identification, selection, and development of a product, (2) determination of its price, (3) selection of a distribution channel to reach the customer's place, and (4) development and implementation of a promotional strategy. As a philosophy, marketing is based on thinking about the business in terms of customer needs and their satisfaction. Marketing differs from selling because (in the words of Harvard Business School's emeritus professor of marketing Theodore C. Levitt) "Selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not, as marketing invariably does, view the entire business process as consisting of a tightly integrated effort to discover, create, arouse, and satisfy customer needs. ([www.google.com/marketing](http://www.google.com/marketing) definition)

Marketing is a societal process which includes all activities aimed at satisfying customer needs and wants through exchange relationship to achieve organizational objectives in a dynamic environment. (Agrawal, 2005: p. 2)

Generally, market is a geographical area where buyers and sellers meet in terms of purchase and sale of goods and services, thus, a market has a group of buyers and sellers who meet and negotiate about selling and buying of products and the buyers and sellers transfer ownership of product, service, securities etc. According to the definition of American Marketing Association, "A market is the aggregate demand of the potential buyers for products/service." Kotler and Armstrong say "A market is a set of actual and potential buyers of a product." (Kotler and Armstrong, 1992: P. 8)

Actually, market is a place where buyers and suppliers meet and negotiate the terms of purchase and sale of product. Stanton defines "A market may be defined as a place where buyers and sellers meet, goods or services are offered for sale and transfers of ownership occur." Market means collections of buyers and sellers who transact or exchange a product or product classes." A market is a group of sellers and buyers who are willing to exchange goods and services for something of value." Thus, market consists of the process of supply and demand facilitating on exchange process between sellers and buyers. (McGraw, 1981: P.65 / McCrathy and Perreault, 1987:P. 14)

Traditionally, marketing means only buying and selling of goods and services. But intact, marketing is planning and organizing according to the consumers' need with right delivery, right products, right pricing, right advertising, right promotion etc. Marketing is also a social activity which people obtain what they need. Various scholars have defined marketing in different ways. According to Philip Kotler, "Marketing is a societal process by which individual and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others." Marketing is also a bridge between manufacturer and consumers to the flow of goods and services. In the word of American Marketing Association, "Marketing is the process of planning and executing the conception, Pricing promotion and distribution of ideas, goods and services to create exchangers that satisfy individual and organizational objectives."(Kotler, 1999: Pg.8 / Peter D.Bennet, 1995: p. 162)

Marketing is a system of business activities. It is a social process that directs on economy's flow of goods and services from producers to consumers. Marketing as defined by the committee on definition of the AMA, "Marketing is the performance of business activities directed toward an incident to the flow of goods and services from producer to consumer or user." Thus, marketing designed to bring about exchanges with target consumer for the purpose of mutual gain. (A.M.A. ,1977: P. 299.)

**Figure 2.1**

**The Core Concept of Marketing**

<i>Target Market and segmentation</i>
<i>Marketers and Prospectors</i>
<i>Needs, Wants, and Demands</i>
<i>Product or Offering</i>
<i>Value and Satisfaction</i>
<i>Exchange and Transactions</i>
<i>Relationship and Networks</i>
<i>Marketing Channels</i>
<i>Supply chain</i>
<i>Competition</i>
<i>Marketing Environment</i>
<i>Marketing Mix</i>

(Kotler, Marketing Management" The Millennium Edition 1999: P.9)



### **a. Target Markets and Segmentation**

A marketer can rarely satisfy everyone in a market. Not everyone likes the same soft drink, hotel room, restaurant, automobile, college and movie. Therefore, marketers start with market segmentation. They identify and profile distinct groups of buyers who might prefer or require varying products and marketing mixes. Market segments can be identified by examining demographic, psychographic and behavioral differences among buyers. The firm then decides which segments present the greatest opportunity-those whose needs the firm can meet in a superior fashion.

For each chosen target market, the firm develops a market offering. The offering is positioned in the minds of the target buyers as delivering some central benefits. For example, Volvo develops its cars for the target market of buyers for whom automobile safety is a major concern. Volvo, therefore, positions its car as the safest a customer can buy.

### **b. Marketers and Prospects**

A marketer is someone seeking a response (attention, a purchase, a vote, a donation) from another party, call the prospects. If two parties are seeking to sell something to each other, we call them both marketers.

### **c. Needs, Wants, and Demands**

The marketer must try to understand the target market's needs, wants, and demands. Needs describes basic human requirements. People need food, air, water, clothing, and shelter to survive. People also have strong needs for recreation, education and entertainment. These needs become wants when they are directed to specific objects that might satisfy the needs. An American needs food but wants a hamburger, French fries and a soft drink. A person in Mauritius needs food but wants a mango, rice, lentils and beans. Wants are shaped by one's society.

Demands are wants for specific products backed by an ability to pay. Many people want a Mercedes; only a few are able and willing to buy one. Companies must measure not only how many people want their product but also how many would actually be willing and able to buy it.

**d. Product or Offering**

People satisfy their needs and wants with products. A product is any offering that can satisfy a need or want. We mentioned earlier the major types of basic offerings: goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

A brand is an offering from a known source. A brand name such as McDonald's carries many associations in the minds of people: hamburgers, fun, children, fast food, golden Arches. These associations make up the brand image. All companies strive to build brand strength—that is, a strong, favourable brand image.

**e. Value and Satisfaction**

The product or offering will be successful if it delivers value and satisfaction to the target buyer. The buyer chooses between different offerings on the basis of which is perceived to deliver the most value. We define value as a ratio between what the customer gets and what he gives. The customer gets the benefits and assumes costs. The benefits include functional benefits and emotional benefits. The costs include monetary costs, time costs, and psychic costs.

**f. Exchange and Transactions**

Exchange is only one of four ways in which a person can obtain a product. The person can self-produce the product or service, as when a person hunts, fishes, or gathers fruit. The person can use force to get a product, as in a holdup or burglary. The person can beg, as happens when a homeless person asks for food. Or the person can offer a product, a service, or money in exchange for something he or she desires. Exchange is a process rather than an event. Two parties are engaged in exchange if they are negotiating—trying to arrive at mutually agreeable terms. When an agreement is reached, we say that a transaction takes place. A transaction is a trade of values between two or more parties.

A transaction involves several dimensions: at least two things of value, agreed-upon conditions, a time of agreement, and a place of agreement. Usually a legal system exists to support and enforce compliance on the part of the transactions. Without a

low of contracts, people would approach transactions with some distrust and everyone would lose.

### **g. Relationship and Networks**

Transaction marketing is part of a larger idea called relationship marketing. Relationship marketing has the aim of building long-term mutually satisfying relations with key parties—customers, suppliers, distributors—in order to earn and retain their long-term preferences and business. Marketers accomplish this by promising and delivering high-quality products and services at fair prices to the other parties over time. Relationship marketing builds strong economic, technical and social ties among the parties.

The ultimate outcome of relationship marketing is the building of a unique company asset called a marketing network. A marketing network consists of the company and its supporting stakeholders (customers, employees, suppliers, distributors, retailers, and , agencies, university scientists, and others) with whom it has built mutually profitable business relationship. Increasingly, competition is not between companies but rather between marketing networks, with the prize going to the company that has built the better network. The operating principle is simple: Build an effective network of relationship with key stakeholders, and profits will follow.

### **h. Marketing Channels**

To reach a target market, the marketer uses three kinds of marketing channels. The marketer uses communication channels to deliver and receive messages from target buyers. They include newspapers, magazines, radio, television, mail, telephone, billboards, posters, fliers, CDs, audiotapes, and the internet. Beyond these, communications are conveyed by facial expressions and clothing, the look of retail stores, and many other media. Marketers are increasingly adding dialogue channels (email and toll-free numbers) to counterbalance the more normal monologue channels (such as ads).

The marketer uses distribution channels to display or deliver the physical product a services to the buyer or user. There are physical distribution channels and service distribution channels. They include warehouses, transportation vehicles, and various trade channels such as distributors, wholesalers, and retailers. The marketer also uses

selling channels to effect transactions with potential buyers. Selling channels include not only the distributors and retailers but also the banks and insurance companies that facilitate transactions. Marketers clearly face a design problem in choosing the best mix of communication, distribution, and selling channels for their offerings.

### **i. Supply Chain**

Whereas marketing channels connect the marketer to the target buyers, the supply chain describes a longer channel stretching from raw materials to components to final products that are correct to final buyers. The supply chain for women's purses starts with hides, tanning, operations, cutting operations, manufacturing, and the marketing channels bringing products to customers. The supply chain represents a value delivery system. Each company captures only a certain percentage of the total value generated by the supply chain. When a company acquires competitors or moves up-stream or downstream, its aim is to capture a higher percentage of supply chain value.

### **j. Competition**

Competition includes all the actual and potential rival offerings and substitutes that a buyer might consider. Suppose an automobile company is planning to buy steel for its cars. The car manufacturer can buy steel from U.S. steel or other integrated steel mills in the United States or abroad; or go to a minimill such as Nucor to buy steel at a cost savings; or buy aluminum for certain parts of the car to lighten the cars' weight; or buy engineered plastics for bumpers instead of steel.

Clearly U.S. steel would be thinking to narrowly compete if it thought only of other integrated steel companies. In fact, U.S. steel is more likely to be hurt in the long run by substitute products than by its immediate steel company rivals. U.S. steel also must consider whether to make substitute materials or stick only to those applications where steel offers superior performance.

### **k. Marketing Environment**

Competition represents only one force in the environment in which the marketer operates. The marketing environment consists of the task environment and the broad environment.

The task environment includes the immediate actors involved in producing, distributing, and promoting the offering. The main actors are the company, suppliers, distributors, dealers, and the target customers. Included in the supplier group are material suppliers and service suppliers such as marketing research agencies, advertising agencies, banking and insurance companies, transportation and telecommunications companies. Included with distributors and dealers are agents, brokers, manufacture representatives, and others who facilitates finding and selling to customers.

The broad environment consists of six components: demographic environment, economic environment, natural environment, technological environment, political-legal environment, and social-cultural environment. These environments contain forces that can have a major impact on the actors in the task environment.

## **I. Marketing Mix**

Marketers use numerous tools to elicit desired responses from their target markets. These tools constitute a marketing mix. McCrathy classified these tools into four broad groups that he called the four Ps of marketing: product, price, place, and promotion.( Kotler, 1999: p. 8-15)

### **A. Marketing Mix:**

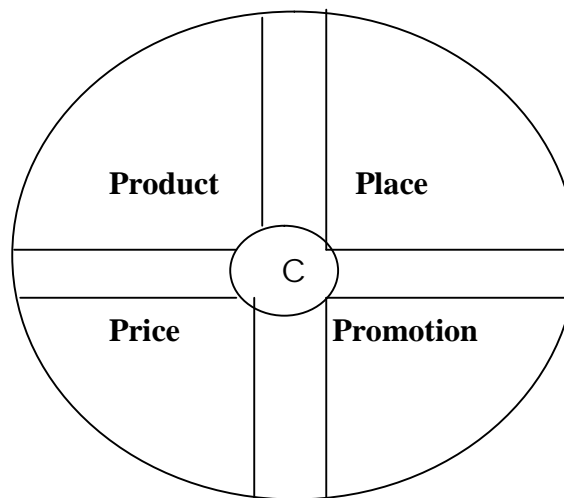
Marketing mix is the set of marketing variables that the firms blend to achieve the marketing goal in the target market. It is a controllable variable, which the company puts together to satisfy his target market. Thus, marketing is a tool the organization uses to pursue its marketing goal and to satisfy the consumers. "The term of marketing mix describes the result of management's efforts to creatively combine interrelated and interdependent marketing activities." (W. Zikmud and M.D. Amico, p. 8)

Marketing mix is one of the key concepts in modern marketing theory. It includes four elements i.e. product, price, promotion, and distribution. The four ingredients in the marketing mix are interrelated. It is system concept, because all decisions in one element usually affect others. The marketing mix consists of everything the organization can do to influence the demand for its product in target market E. J.

McCarthy popularized the concept of marketing element mix called 4Ps- product, price, place and promotion. (McCarthy and Perreault, 1987: p. 38.)

A firm should offer different marketing mix for different market segments or environment of the target market. It should change with the changes in the environment and customer's preference.

**Figure- 2.2**  
**Marketing Mix**



( E. J. McCarthy, "Basic of Marketing" 9th Edition, 1988.)

The 4P's are essential ingredients that should be carried out together in a creative way, so that the best marketing mix is developed for the firm's target market. It helps to knowledge marketing program of the four major ingredients of marketing mix or the four P's- Product mix, price mix, Place mix and Promotion mix.

### ) **Product Mix:**

Generally, a product means good and services that is both what a seller has to sale and what a buyer has to buy. But the product concept is much broader that goods and services. A product is any offering that satisfies a need. Thus, products can be of goods, services, ideas, experiences, events, persons, places, properties, organization, information etc. In the words of W.J. Stanton' “ A product is a set of tangible and intangible attributes, including packaging, color, price, manufacturer's prestige, and retailer's services, which the buyer may accept as offering, want satisfaction.” (Stanton, 1981: p. 161)

A thing that can be offered to a market is called product. Philip Kotler says, “A product is anything that can be offered to a market for attention, acquisition use or consumption that might satisfy a want or need.” (Kotler, 1997: p. 394.) A product is the key element of marketing offering, everything that we come across in our daily life “A product is anything, both favorable and unfavorable, that one receives in an exchange.” The product concept recognizes that buyers have needs and they hope to be satisfied with the products they purchase. It is everything that benefits or satisfaction it provides, including objectives, services, organization, places, people etc. (Scott, Warshow and Jaglor, 1985: p. 215)

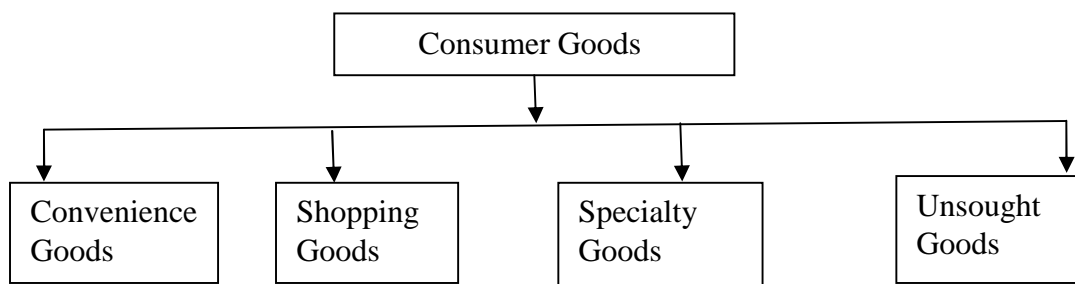
➤ **Types of Product:**

Product has broadly been classified into two sections: consumer’s goods and industrial goods.

- a. Consumer Goods:** The consumer goods are the products for the final consumption. They are the products intend to be used by ultimate household users for non- business purpose. The consumer goods are classified into four categories: Convenience goods, shopping goods, specialty goods and unsought goods.

**Figure-2.3**

**Classification of Consumers Goods**



**i Convenience Goods:** Convenience goods are daily use products that consumer needs but isn’t willing to spend much time, it includes cheap cost and habitual products. Kotler defines, “Convenience goods are goods that the customer usually purchases frequently immediately, and with minimum effort. It includes tobacco products, soaps, newspapers, toothpaste etc.” (Kotler, 1997: p. 397.) It is cheap

product that the consumer immediately or frequently uses. “Convenience products are relatively frequently purchase items for which buyers want to exert only minimal purchasing effort.” It includes gasoline, newspapers, soft drinks and chewing gum. (R.W. Hass, 1986: Pg. 1525)

**ii. Shopping Goods:** The shopping goods are expensive, rarely use and cannot be purchased with minimum efforts. In these goods, the customer’s feeling is worth the time and effort to compare with competing product. Kotler maintains as, “Shopping goods are goods that the customer in the product of selection and purchase, characteristically compares on such as suitability, quality, price and style. It includes furniture, clothing, used cars and major appliance.” These products are carefully evaluated and compared than with other competing products. (Kotler,1992: p. 397.)

**iii. Specialty Goods:** The specialty goods are rarely purchase and extremely expensive product that the consumers become so sensitive before purchasing the goods. In these goods the consumer will make a special effort to buy, usually special branded items of special importance to the consumers. “ Specialty goods are with unique characteristics or brand identification for which a sufficient number of buyers are willing to make a special purchasing effort. It includes cars, stereo components, photographic, equipment and men’s suits etc.” Specialty products are processed with one or more unique characteristics. (Kotler, 1992: p. 397.)

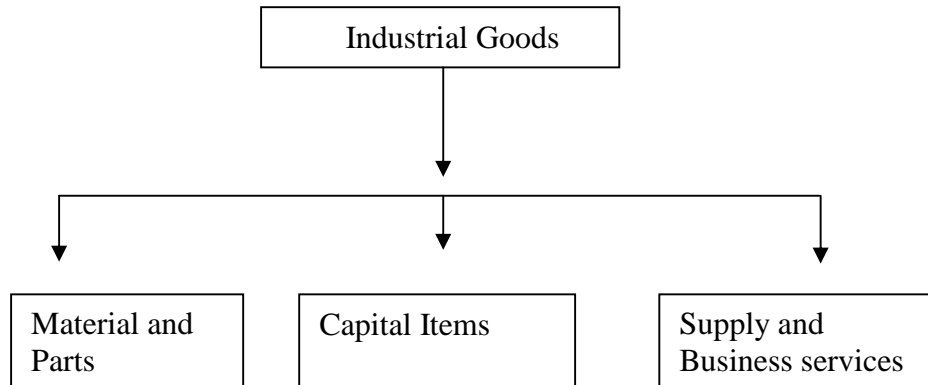
**iv. Unsought Goods:** Unsought goods are products that potential customers don’t yet want or know they can buy. In fact consumers probably want buy these products if they see them. “Unsought goods are the consumers do not know about or not normally think to buying are known to the consumer through advertisement it includes life insurance, cemetery blots, gravestones encyclopedias etc.” Unsought goods are new products, which is known to consumer through advertisement, because many people unknown to new products such as computer and video telephone etc. (Kotler, 1992: p. 397.)

**b. Industrial Goods:** Industrial goods are products intended to be sold primarily for uses in producing other products, are based on a business goal and objectives. According to Philip Kotler, the industrial goods are classified into three groups. They are as follow:



Figure 2.4

### Industrial Goods



( Kotler, “Marketing Management ” Millennium Edition P.37, 38 )

- i. **Material and Parts:** Material and parts are goods that enter the manufacturer’s product completely. It includes raw materials and manufacturers’ parts.
- ii. **Capital Items:** Capital items are long lasting goods that facilitate developing or managing the finished product. It includes installation and equipment.
- iii. **Supply and Business Service:** Supply and business services are short lasting goods and services that facilitate developing or managing the finished product.

### ) Product Positioning:

Product positioning is the customers’ concept of the product characteristics relative to their concept of competitive brands. It is creating a product image through advertising and sales promotion which consumers will view in a certain manner relative to competitive brands. Product positioning is the strategic decisions and act of designing the firm’s image so that they occupy a distinct competitive product position in a consumer’s mind. In the words of Philip Kotler, “Product positioning is the act of designing the company’s image and value offer so that the segments customers understand and appreciate what the company stands for in relation to its competitors,” (Kotler, 1990 p. 398.)

Product positioning can be based on a combination of product characteristics, prices, quality, technology, services, competition, uses, benefits, category etc. Therefore, a company needs to develop a product positioning strategy. It needs to be described to customers how the company differs from current and potential competitors. "A product position is the image that the product projects in relation to competitive products and to other products marketed by the company in questions." ( John H. Holmes, 1973, p. 227-32.)

In marketing, positioning has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organization.

Re-positioning involves changing the identity of a product, relative to the identity of competing products, in the collective minds of the target market.

De-positioning involves attempting to change the identity of competing products, relative to the identity of your own product, in the collective minds of the target market.

The original work on Positioning was consumer marketing oriented, and was not as much focused on the question relative to competitive products as much as it was focused on cutting through the ambient "noise" and establishing a moment of real contact with the intended recipient. In the classic example of Avis claiming "No.2, We Try Harder", the point was to say something so shocking (it was by the standards of the day) that it cleared space in your brain and made you forget all about who was #1, and not to make some philosophical point about being "hungry" for business.

The growth of high-tech marketing may have had much to do with the shift in definition towards competitive positioning. An important component of hi-tech marketing in the age of the world wide web is positioning in major search engines such as Google, Yahoo and Bing, which can be accomplished through Search Engine Optimization , also known as SEO. This is an especially important component when attempting to improve competitive positioning among a younger demographic, which tends to be web oriented in their shopping and purchasing habits as a result of being highly connected and involved in social media in general.

Although there are different definitions of Brand Positioning, probably the most common is: identifying a market niche for a brand, product or service utilizing traditional marketing placement strategies (i.e. price, promotion, distribution, packaging, and competition).

Also positioning is defined as the way by which the marketers creates impression in the customers mind.

Positioning is a concept in marketing which was first introduced by Jack Trout ( "Industrial Marketing" Magazine- June/1969) and then popularized by Al Ries and Jack Trout in their bestseller book "Positioning - The Battle for Your Mind." (McGraw-Hill 1981: p.296)

This differs slightly from the context in which the term was first published in 1969 by Jack Trout in the paper "*Positioning is a game people play in today's me-too market place*" in the publication *Industrial Marketing*, in which the case is made that the typical consumer is overwhelmed with unwanted advertising, and has a natural tendency to discard all information that does not immediately find a comfortable (and empty) slot in the consumers mind. It was then expanded into their ground-breaking first book, "*Positioning: The Battle for Your Mind*," in which they define Positioning as "an organized system for finding a window in the mind. It is based on the concept that communication can only take place at the right time and under the right circumstances" (p. 19 of 2001 paperback edition).

What most will agree on is that Positioning is something (perception) that happens in the minds of the target market. It is the aggregate perception the market has of a particular company, product or service in relation to their perceptions of the competitors in the same category. It will happen whether or not a company's management is proactive, reactive or passive about the on-going process of evolving a position. But a company can positively influence the perceptions through enlightened strategic actions.

A company, a brand or a brand must have positioning concept in order to survive in the competitive marketplace. If you don't position your business, you competitor will which is likely not what you desire. (According to the book "Marketing Concepts that Win! Copyright 2011 by Martha Guidry, Live Oak Book Company) Many individuals

confuse a core idea concept with a positioning concept. A Core Idea Concept simply describes the product or service. Its purpose is merely to determine whether the idea has any interest to the end buyer. In contrast, a Positioning Concept attempts to sell the benefits of the product or service to a potential buyer. The positioning concepts focus on the rational or emotional benefits that buyer will receive or feel by using the product/service. A successful positioning concept must be developed and qualified before a "positioning statement" can be created. The positioning concept is shared with the target audience for feedback and optimization; the Positioning Statement (as defined below) is a business person's articulation of the target audience qualified idea that would be used to develop a creative brief for an agency to develop advertising or a communications strategy.

Positioning Statement (As written in the highly revered book *Crossing the Chasm*. Copyright 1991, by Geoffrey Moore, HarperCollins Publishers) For (target customer) Who (statement of the need or opportunity) The (product name) is a (product category) That (statement of key benefit – that is, compelling reason to buy) Unlike (primary competitive alternative) Our product (statement of primary differentiation)

Differentiation in the context of business is what a company can hang its hat on that no other business can. For example, for some companies this is being the least expensive. Other companies credit themselves with being the first or the fastest. Whatever it is a business can use to stand out from the rest is called differentiation. Differentiation in today's over-crowded marketplace is a business imperative, not only in terms of a company's success, but also for its continuing survival.(website:Wikipedia.com)

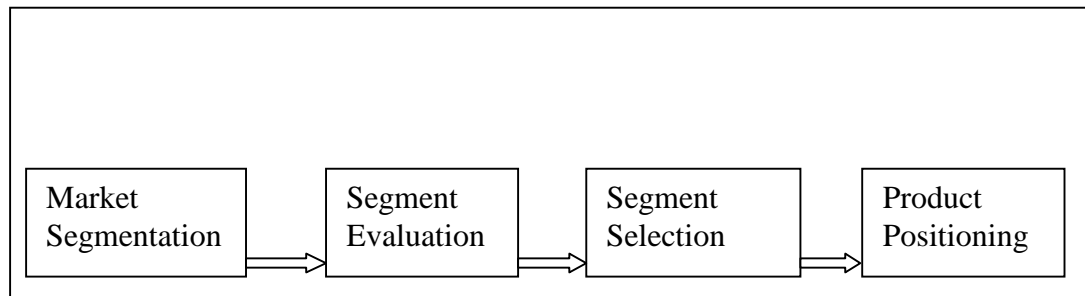
### ➤ **Concept of Product Positioning**

Positioning has emerged as a powerful marketing strategy. It is a new thinking in marketing. Marketers should position and reposition their products to satisfy the needs of the customers.<sup>9</sup> Each product should be distinctively positioned.

Product positioning describes how an organization's brand differs in relation to its competitors brand in the minds of target customers. It is distinct perception of product differentiation by customers. It is done after selecting the target market.

Figure 2.5

### Product Positioning Process



#### According to Philip Kotler

*Positioning is the act of designing the company's offering and image so that they occupy a meaningful and distinct competitive position in the target customer's minds.*

#### According to William Stanton

*Positioning means developing the image that a product projects in relation to competitive products and to the firm's other products.*

Positioning deals with the minds of the customers. It creates a brand image which customers view as different from the image of competing brands. It communicates competitive advantage to the target customers.

Positioning creates market-focused value proposition. It makes the product differentiation meaningful. However, marketing mix should support the positioning strategy.

#### ➤ Steps in Product Positioning

The following steps are needed for product positioning:

- a) **Identify potential competitive advantages:** This should be done by careful evaluation of the competitive advantages in terms of competitors positions and weaknesses.
- b) **Establish the product's key distinctive competitive advantage:** It should be emphasized. It could be one variable or a combination of variables. It

should be consistent with the organization's image. Costs of positioning should be carefully considered.

- c) **Communicate the competitive advantage:** It is communicated to target customers through the marketing mix. Marketing mix is designed to suit the positioning strategy.

➤ **Product positioning Variables**

Product positioning can be based on competitive advantage of one or a combination of the following variables:10

**Attributes:** Product characteristics such as size, colour, taste, etc. This is widely used in Nepal.

**Price :** High, medium, low; best value price.

**Technology :** Manual, automatic, computerized, robotized.

**Service :** Pre sale, during sale, after sales services.

**Competition :** Better than competitor, cheaper maintenance.

**Use :** Many uses of the same product. Many usage occasions. For example, noodles as breakfast food, tiffin or meal.

**Benefit :** End benefits or results from buying the product. For example, better health, increased beauty etc.

**Category :** Leader in a product class, for example "best yak cheese from the Himalayas".

Organizations generally select one variable for positioning. Examples are : best quality, best service, best value, lowest price, advanced technology, safest, fastest, etc. They indicate " number one " Positioning . Some organizations combine more than one variable. High quality can be combined with prompt after sales service.

➤ **Product Positioning Strategies**

Positioning strategies can be:

- a) **Competitive Positioning:** This positioning strategy is directly against the key competitor. This is suitable for an organization having a strong market position. Products are positioned as better than that of competitors.
- b) **Attributes Positioning :** The position strategy emphasizes product features. Certain manufacturers are known for attractive colors and designs.
- c) **Price Quality Positioning :** The positioning strategy emphasizes price and product quality. Horlicks is positioned as high quality-high price drink.
- d) **Product Class Positioning :** This strategy associates or dissociates product with a product class. For example, environment-friendly or biotic products. This strategy is widely used for food products.
- e) **Benefit Positioning :** This strategy emphasizes end customer benefits that
- f) **Target Customer Positioning:** The target customer is the focal point for positioning. For example, noodles as tiffin for school children.

➤ **Positioning Errors**

Organizations should avoid the following positioning errors: 11

1. **Underpositioning :** Customers lack a clear idea of the brand and its benefits. The brand is seen as "one more product."
2. **Overpositioning :** Customers get a narrow image of the brand. Too many positive claims lead to customer disbelief.
3. **Confused positioning :** Customers get a confused image of the brand. The positioning is changed too frequently.
4. **Doubtful Positioning :** Customers do not believe the brand claims. Organizations should avoid positioning errors. However, rival brands now differ so little that positioning is getting difficult.

(Agrawal, 2005; Pg. 291-294)

### ➤ **Measuring the positioning**

Positioning is facilitated by a graphical technique called perceptual mapping, various survey techniques, and statistical techniques like multi dimensional scaling, factor analysis, conjoint analysis, and logit analysis.

Repositioning a company involves more than a marketing challenge. It involves making hard decisions about how a market is shifting and how a firm's competitors will react. Often these decisions must be made without the benefit of sufficient information, simply because the definition of "volatility" is that change becomes difficult or impossible to predict.

Positioning is however difficult to measure, in the sense that customer perception on a product may not test on quantitative measures.

### ) **Product Branding:**

Branding is a brand of a product. Today's market is flourished with many products of the same kind therefore the importance of branding is increasing with the increasing number of product because a brand product contributes differences to customers. Branding is an important part-marketing program because it should be carefully selected. A strong brands should have brevity, distinctiveness, adaptable to new product, reflect product attributes, reverent, product positioning, capable of legal protection, product image, values, benefits of product etc. The definition of committee on American Marketing A association as, "A brand is a name, terms, sign, symbol, or seller or group of sellers and to differentiate them from those of competitors."(Kotler, A.M.A.,1995: p. 404.)

Brands are of great importance to their owners. They contribute to identify the company's marketing program and contribute to the consumer to recognize the firm's products and advertising. According to the Graven' s Hill's, and Woodruff as, there are several terms associated with branding such as brands name, brand marks, trademarks and trade names. Thus, branding is the practice of giving a specified name to a product or group of finding and fixing the means of identification. (D.W.Cravens, G.E. Hills and R.B. Woodruff, 1988, Pg. 391-92.)



### ❖ **Brand positioning process**

Effective Brand Positioning is contingent upon identifying and communicating a brand's uniqueness, differentiation and verifiable value. It is important to note that "me too" brand positioning contradicts the notion of differentiation and should be avoided at all costs. This type of copycat brand positioning only works if the business offers its solutions at a significant discount over the other competitor(s).

Generally, the brand positioning process involves:

1. Identifying the business's direct competition (could include players that offer your product/service amongst a larger portfolio of solutions)
2. Understanding how each competitor is positioning their business today (e.g. claiming to be the fastest, cheapest, largest, the #1 provider, etc.)
3. Documenting the provider's own positioning as it exists today (may not exist if startup business)
4. Comparing the company's positioning to its competitors' to identify viable areas for differentiation
5. Developing a distinctive, differentiating and value-based positioning concept
6. Creating a positioning statement with key messages and customer value propositions to be used for communications development across the variety of target audience touch points (advertising, media, PR, website, etc.)

### ) **Product Packaging:**

Packaging means wrapping of goods before they are transported, stored and delivered to a consumer. Today's markets are experiencing packaging revolution. It constitutes an important part of the product because an attractive packaging leads to more sales. A good packaging should have attractive, convenient, economic, reusable, environment-friendly, protection, identification, promotion, differentiation etc. "Packaging may be defined as the general group of activities in product planning that involve designing and producing the container or wrapper for a product."(Stanton, 1981: p. 202.)

“Packaging has been defined as activity which is concerned with protection, economy, convenience and promotional consideration” Product features and attractiveness of product are called packaging which consists of all the activities of designing and producing the wrapper for a product. (R.S.N. Pillai & Bagawathi, 1999: p. 161.)

### ) **Product Labeling:**

The label is a part of the packaging. Labeling also is important dimension related to packaging for both promotional and informational reasons and legal perspective. Its functions are identification of product or brand product description which includes who made it, where it was made, when it was made, what it contains, how to use it and promotion and attractiveness of product. Product labeling can be a tag attached to a product that carries information about the product.

The producer gives necessary information to the consumers through the label. The act of attaching or tagging the label is known as labeling. Label may be a small slip or a printed statement. According to Kotler "Labeling is a part of packaging and consists of printed information that describes the product appearing on or with the package."

(Kotler, 1997: p. 471.)

In the context of Nepal's Law, According to Standard Measure and Weight act 2025, Section" weights and measure should be marked on sealed package. Every sealed package should be labeled by marketing its clean measure and weight. The package labeled like this should not be sold and kept for selling purpose. However, commodities that are not sold in measurement and weight will not come under this act. (Standard Measures and weights Act. 2025: Section 26.)

Things to be written on the products for consumption. A producer must indicate the following things on the label of the packages that contain food for use.

- ) Producer's name, address and registration number of the industries.
- ) Ingredients, quantity and weight on the goods like food and medicine.
- ) Standard trade mark on standard goods.
- ) Methods of consumption and its possible effects.
- ) Price, batch number, production date and expiry date of consumption goods.

- ) Guarantee on machinery and electronic equipments. Guarantee date and others.
- ) Instruction for use on highly inflammable and fragile commodities and their protection.
- ) Others as thought important and givers.

According to consumers protection Act. 2054, section '9', things to be indicated on the label of the consumable goods.

1. According to the section 9, a producer should indicate the following things on the label of consumable goods.
  - ) Time period for better use, if any product is much better to be used before particular time duration.
  - ) Maximum retail price including all taxes.
  - ) Process of consumable goods before consume effect be consumed after safe process.
  - ) Warning for the commodities that are harmful to health as given this product is injurious to health.
2. If anyone imports goods not having indicated instructions on the package of the product according to section '9' and sub rules number '1' of the act, the importer should indicate all of the given things on the label before selling.

According to section '18', Part 'Ka' Up to 2 year jail or up to Rs. 3000 or both will be levied if someone does an action against section '9' sub section '1' of the act. (Consumers Protection Act. 2054, Section 9.)

### ) **Product Life Cycle:**

Products, like human beings, have length of life. This has been described as life cycle in human beings and when applied to product it is called product life cycle. Like people, products go through a life cycle because at first they grow in sales and then decline. A product life cycle consists of the aggregate demand over an extended of time for all brands comprising a generic product category. Philip Kotler defines the concept of the Product life cycle is to assert four things.<sup>28</sup> (Kotler, 1997: p. 309.)

- ) Products have a limited life.

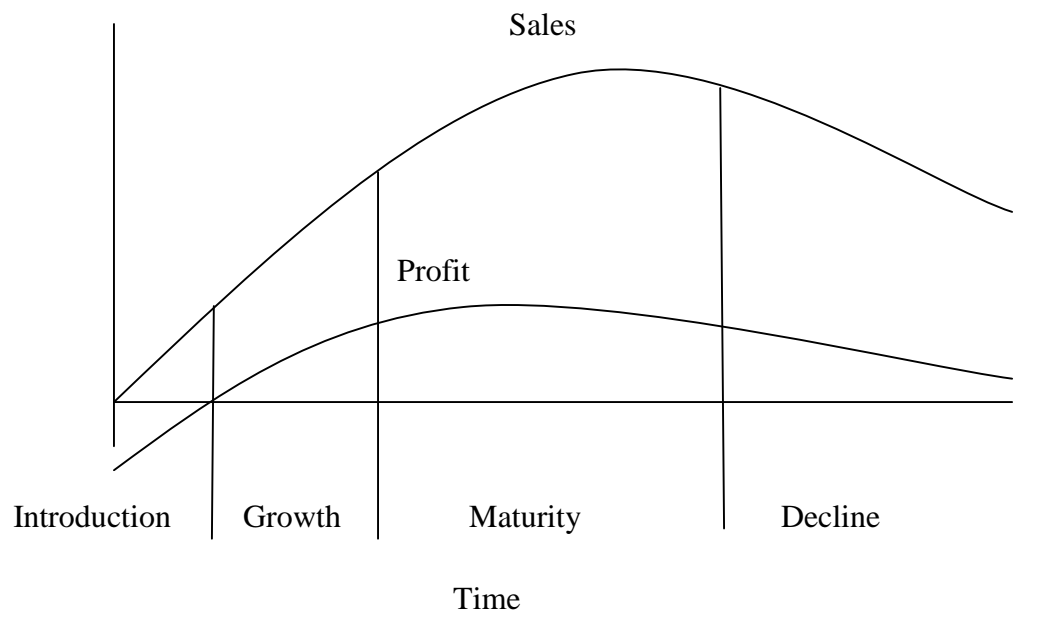
- ) Product sales pass through distinct stage, each posing different challenges, opportunities, and problems to the seller.
- ) Profit rise and at different stage of the product life cycle.
- ) Products require different marketing, financial, manufacturing and purchasing in each stage of their life cycle.

Generally product life cycle can be divided in four stages but Kotler divides in five stage product development, introduction, growth, maturity and decline.

**Figure 2.6**

### Product Life Cycle

Sales & profit



( Kotler – Millenium edition pg.304.)

- a. **Product development stage:** This stage begins when the company finds and develops a new product idea. During product development stage, sales are zero and company's investment cost add up.
- b. **Introduction:** This is the stage at which the new product is launched in the market. The marketing objective is to create product awareness and induce trial among consumers. This is a period of slow sales growth, negative or low profits, innovator customers, few competition and high prices.

- c. **Growth:** This is the period of market acceptance. In this time the sales are rapidly growth, rising profits early adopter, growing competition and slightly lower prices. The marketing objective is to increase market share and the company's sales increases rapidly.
- d. **Maturity:** This is the period of the showdown, stable profit, middle majority customers, intense competition and minimum prices in sales growth because the product has achieved acceptance by most potential buyers. The marketing objective is to stabilize profit and defend market share or decline because of increased consumption.
- e. **Decline:** This is the last and most crucial stage. In this period, the sales are declining , declining profits, laggard customers, declining competition and increased prices. The marketing objective is to servive and make some profit and eventually withdraw from the market.

Thus, marketers should carefully and properly manage the product life cycle, introduction, modification and termination of products.

## **B. Pricing Mix**

Generally price is what customers pay for in terms of what they get. It is the exchange value of the goods or services in terms of money that customers pay for the product. The pricing can be a combination of money and other item of value what is e exchanged. It has various name i.e. rent, commission, free, salary and wages, taxes etc. Kotler and Armstang define "price is the amount of money charges for the values consumer's exchanges for the benefits of having or using the product or service (Kotler and Armstang, 1992: p. 315).

The pricing decisions on policies in marketing program implementation are in the area of selecting pricing objective and adopting a method of price determination. Price mix includes activities such as analysis of competitors' price, formulation of pricing objectives setting the price, determining terms and condition of sales, discounts and commission etc.

## ) **Pricing Policy and Strategies:**

Pricing is the most important element of marketing mix that requires the market to achieve both target market and marketing objectives. Pricing policy and strategies are the guideline and use to effectively guide pricing decision to match target market condition. There are a wide range of pricing policies and strategies available that is classified into various categories, they are as follows:

**I. Geographical Pricing Policies and Strategies:** Geographical pricing involves the company in deciding how to price its products to different customers in different location and countries. The distance between the seller and the buyer is considered in geographic pricing. The geographical pricing entails reduction for transportation cost or other costs associated with the physical distance. The buyers and sellers or a seller must consider the freight costs entailed in shipping the product to the buyers. The followings are five geographical pricing strategies for this hypothetical situation. (Kotler and Armstang, 1992: p. 345.

**a. F.O.B Pricing:** F.O.B pricing is used for transportation term, which means, 'Free on Board' some vehicle at some place. In the F.O.B. pricing the buyer will have to pay the cost of transit and F.O.B destination. It is used with the place named after the location of the seller's factory or warehouse, as in F.O.B.

In "F.O.B. pricing the goods that are placed free on board by a carrier, at which point little responsibility passed to the customer, who pays for the freight from the factory to the destination."

**b. Uniform Delivered Pricing:** The uniform delivered pricing is the exact opposite of F.O.B pricing. This type of pricing results in a fixed average cost of transportation, some price is charged from all customers irrespective of location."A Uniform Delivered Pricing is the delivered price which is quoted to all buyers, regardless of their location on," In this strategy, the company includes the same price plus freight to all customers regardless of their location. (Stanton,1981: p. 259.)

**c. Zone Delivered Pricing:** Zone delivered pricing is regional pricing that is adjusted for major geographic zones as the pricing transportation cost increases. The zone pricing includes average transportation costs for delivery to various zones. "Zone

pricing means making an average freight charge to all buyers within specific geographic areas." (McCrathy & Perreault, 1987: p.462)

**d. Freight Absorption Pricing:** Freight absorption pricing means absorbing freight cost so that a firm's delivered price meets the nearest competitors. "The freight absorption pricing in a certain customer or company involves absorbing all or part of the actual freight charge in order to get the business." (Kotler, 1999: p. 347.)

**e. Base-Point Pricing:** Base point pricing is a geographical pricing that includes the price at the factory plus freight charges from the base-point nearest the buyer. "In the base point pricing, the seller selects some city as a basing point and charges all customers the freight cost from that city to the customer location regardless of the city from which the goods are actually shipped."

### ) **Discount and Allowances Pricing Policies and Strategies**

Discount and allowances means a deduction from the base or list price. The deduction may be in the form of a reduced price or some other concession such as free merchandise. Most of the companies follow the discount and allowances pricing strategies to reward customers for certain response for early payment volume, and off-season buying. Following are several discount and allowances.

- a. **Quantity Discount Pricing:** It is a price reduction to those buyers who buy a large volume. It provides incentive to the customer to order more from some seller. There are discounts offer to encourage customers to buy in large amounts.
- b. **Functional or Trade Discount Pricing:** A functional or trade discount is a price reduction given to channel members retailers and wholesaler for the job they are going to do.
- c. **Cash Discount Pricing:** Cash discount pricing is reductions in the price to encourage buyers to pay their bills quickly within a specified period of time.
- d. **Seasonal Discount Pricing:** It is a price reduction to buyer who buy goods or service that are out of season.

- e. **Forward Dating:** Forward dating is a reduction of both seasonal and cash discount.
- f. **Promotional Allowance Pricing:** They are price reduction granted by a selling payment for promotional service performed by buyers.
- g. **Trade-Allowance Pricing:** It is price reductions granted for turning in an old item when buying new one.

### ) **Discriminatory Pricing Policies and Strategies**

The discriminatory pricing is charged in several forms, which are customers segment pricing, product firm pricing, location pricing and time pricing. In this strategy companies often charge different prices on the basis of their basic prices to accommodate for difference in customer, product, location and so on.

### ) **Product-Mix Pricing Policy and Strategy**

This policy and strategy is used when a product is part of the product mix. Phillip Kotler defines as, "price-setting logic must be modified when the product is part of a product mix." In this case, the firm searches for a set of price that maximizes profit on the total mix. Pricing becomes difficult when the barriers products have demand and cost interrelationship is subject to different degrees of competition. The following are distinguishing six-situation involving product mix pricing.

- a. **Product-Line Pricing:** Price relationship is established for product items in a product line. The product items are interrelated when there is demand and cost interrelation between products. Companies normally develop product line rather than single products.
- b. **Optimal Future Pricing:** Separate price is charged for optimal features offered. Many companies use optional product pricing-offering to sell optional, or accessory products along with their main product.
- c. **Captive-Product Pricing:** Companies that make products which must be used along with a main product use captive or ancillary product pricing, such as razor blades, camera film and computer software.



- d. **Two-part pricing:** The price is in two-part-fixed charge plus variable usage charge. The service firms often engage in two-Part pricing, consisting of a fixed fee plus and variable usage fee.
- e. **By- Product Pricing:** Scraps of the manufactures are known as by product. It may be useful because any income earned on the by-products will make it easier for the company to change a lower price on its main- products.
- f. **Product Bundling Pricing:** sellers often bundle their products and features at a set price. Some companies might offer an option package at less than the cost of buying all the option separately. It can promote the sales of products consumers might not otherwise buy, but the combined price must be low enough to get them to buy the bundle.

#### ) **Penetration Pricing Policy and strategy**

A penetration price is a part of price deduction in the price of competing brands and designed to penetrate a market and produce a large unit sales volume. They try to sell in the whole market at one low price. In the this strategy, many companies rather than setting a high initial price to skim small but profitable markets, other companies set a low initial price in order to penetrate the market quickly and deely. (Kotler, 1999: p. 339.)

#### ) **Psychological Pricing Policy & Strategy**

Psychological pricing strategies encourage emotional buying which influences customer to perceive the price favorably. It is base on customer price perception so as to have a special appeal in certain target markets. Many consumers use price of the product as an indicator or judging of quality. It is reference price that buyers carry in their minds and refer to when they look at a given product. It has limitation to use in the market i.e. odd-even pricing, customary pricing, prestige or image pricing etc. (Stanton, 1981: p. 473.)

#### ) **Promotional pricing Strategy**

In promotional pricing strategy, the companies temporarily price their products below list price, and sometimes even below cost." Promotional pricing strategies are often a

zero-sum game. If they work, company competitors copy them and they lost their effectiveness. If they do not work, they waste company's money that could have been put into longer impact marketing tools, such as building up product, quality, and service or strengthening product image through advertising, Many companies follow several promotional pricing strategy such as lose leader pricing, special even pricing, cash rebates, low interest financing, longer payment terms, warranties and service contracts etc. (Kotler, 1999: p. 473.)

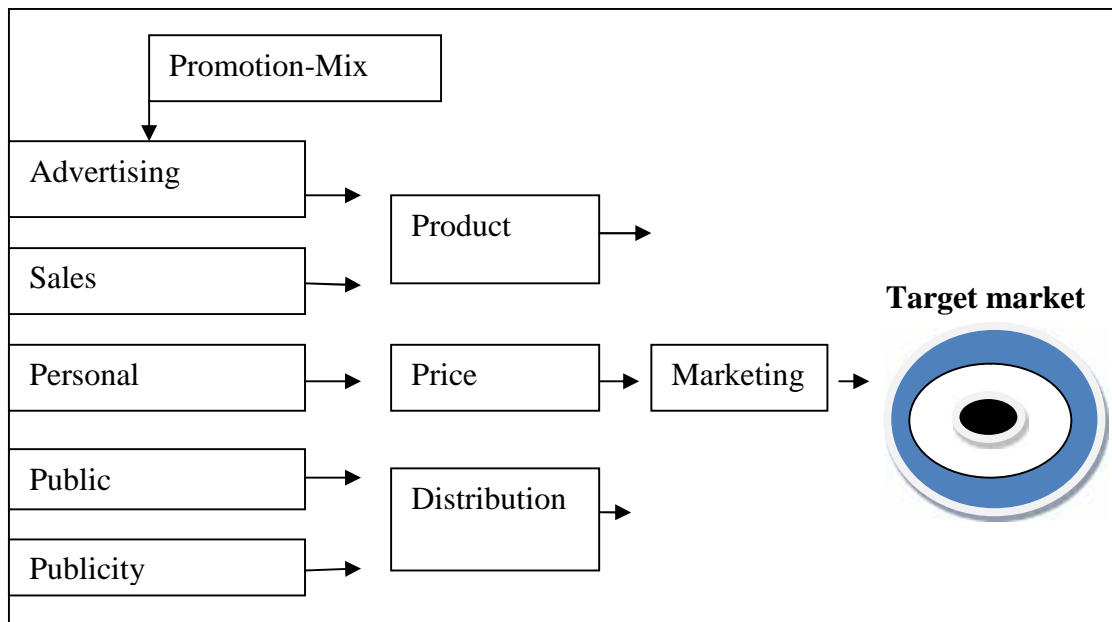
### **C. Promotion Mix:**

Promotion is the major component of total marketing program, which is concerned with products to the awareness of the consumers. It performs the major role of communicating to the buyer. Promotion can also be viewed as the management of the customer buying process of pre- purchase and post purchase.. " Promotion is the communication mechanism of marketing. It involves the exchanges of information between buyers and sellers. Its tasks are to inform persuade consumers to respond to the product or service being offered." (Shrestha,1992: p. 151.)

The promotion refers to the activities to push forward or to advance in idea, in such a way to gain its approval and acceptance. Basically, promotion is an attempt to influence feelings, attitudes and behaviors of people. " Promotion consists of activities that facilitate exchange with target customers through persuasive communication to stimulate demand." Thus, promotion stands for the various activities the company undertakes to communicate its products merits and to persuade target customer to buy them. It is to influence and encourage buyer to except or adopt goods, services and idea or knowledge. It includes advertising, sales promotion, personal selling, public relation and publicity to popularize the use of the product in the target market. (Agrawal, 2057: p. 381.)

Figure- 2.7

## Relation to Promotion-Mix to marketing Mix



(W.J.Stanton,"Fundamental of Marketing," 6th Edition P. 379)

- a. Advertising:** Advertising is the impersonal method of communicating message to prospective buyers. Thus, it is the main form of mass selling in any paid form of non-personal presentation of ideas, foods or services by an identified sponsor. It involves transmitting standard message to a large number of potential receiver's. It includes print media such as newspapers, magazines, journals, pamphlet, directories, and catalogs. Visual media such as outdoor poster, hoarding board, mobiles, bus poster, direct mail, novelties, audio-radio and other public broadcasting system etc. and audio-visual such as TV video, and computers etc.

According to W.J. Stanton as, " Advertising consists of all activities, involved in presenting to a group a non- personal, oral, or visual, openly sponsored message regarding a product, service or idea." (Stanton, 1981: p. 414.)

- b. Sales Promotion:** Sales promotion is demand- stimulating activity designed to supplement advertising and facilitate personal selling. It is paid for by the sponsor and frequently involves a temporary incentive to dealer and consumer to encourage a purchase. The main purpose of sales promotion is to stimulate

consumer purchasing and dealer effectiveness. It includes tools for consumer or dealers' promotion such as samples, coupons, cash refund offers, price off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotion, cross-promotion, point-of-purchase displays, and demonstration, advertising allowances, quantity discounts, gift and cash discounts etc.

The American Marketing Association says as, “These marketing activities, other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as displays, show, and expositions, demonstration, and various non-current selling efforts not in the ordinary routine.” (A.M.A., 1960: p. 20.)

**c. Personal Selling:** Personal selling consists of executing sales through sales persons. It involves a two way or face-to-face and the phone communication process between the seller and buyer. Personal selling is the personal communication information to persuade somebody to buy something. It is the direct presentation of a product to a prospective customer by a representative of the organization selling it. It takes face-to-face or over the phone and it may be directed to middlemen or a final consumer. It consists of individual, personal communication, in contrast to the mass, impersonal communication of advertising, sales promotion, and the other personal tools. (Stanton and Walker, 1994: p. 456.)

**d. Public Relation:** Public relation encompasses a wide variety of communication efforts to contribute to generally favorable attitude and opinions toward an organization and its products. They are a broad set of communication activities, which are used to create and maintain favorable relationships with customers, government officials, press and society. It is achieved through effective personal relationships, presentation of good corporate image, social responsiveness, and charity work.

Public relation is good relation with the company's various publics by obtaining favourable publicity building up a good corporate image, and handling or heading off unfavourable rumors, stores, and events. (Pride and Ferrell, 1989: Pg. 450.)

- e. Publicity:** Publicity is non-personal communication in news' story, from regarding an organization or its product that is transmitted to a mass media at no charge. The important differentiating characteristic of publicity is that it always involves a third person, such as a newspaper reporter, or editor, who has the ultimate power to determine the nature of the message. It includes magazine, newspaper, and radio and TV news stories about new retail stories, new product, or personal changes in an organization. An organization does not pay for the publicity and it should never be viewed free communication. " Publicity is communication in news story form about the organization and its product that is transmitted through the mass media. It is achieved through the publication of feature articles, a captioned photograph and press conferences." ( Koirala, 2057: Pg. 213.)

#### **D. Distribution:**

Generally, distribution is concerned with the activities involved in transferring goods from producer to customers and concerned with the various activities necessary to transfer goods from the producer to consumer or user. It includes not only physical activities, such as the movement and storage of goods, but also the legal promotion and financial activities involved in the transfer of ownership." (Stanton, Etzel and Walker, 1994: p. 362.)

It is the delivery of products of the right time and right place. The distribution mix is the combination of decision relating to marketing channels, warehouses facility, inventory management, location & transportation etc. After the products are produced, producers must distribute or supply these products to the target market, in most of the case producers follow several methods: middlemen or channels of distribution and physical distribution through distributed goods and services to the consumption point.

Distribution deals with two aspects of movement marketing or distribution channels and physical distribution.

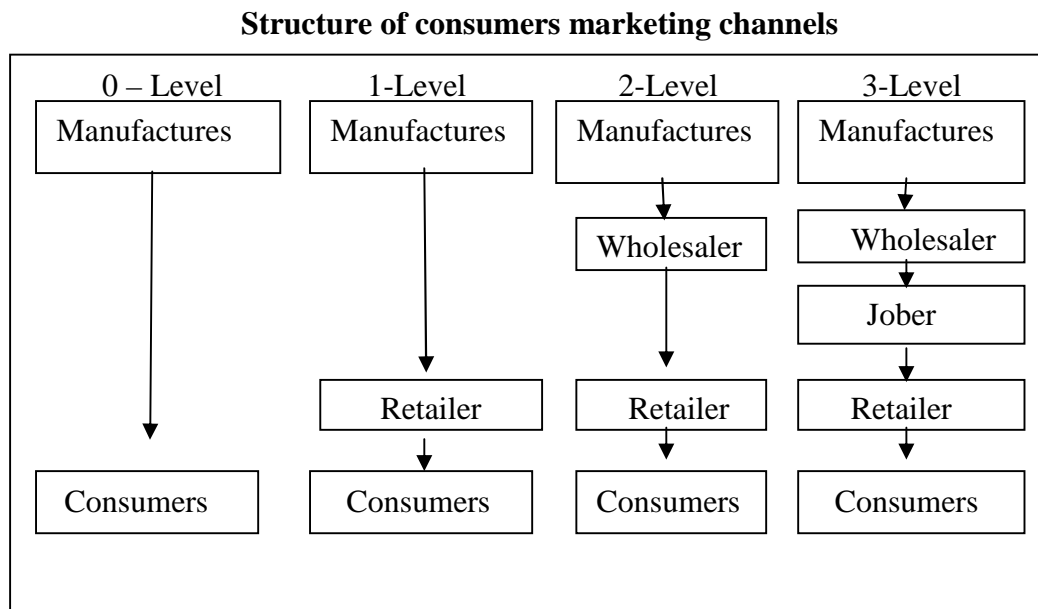
#### **) Channels of marketing:**

Actually, marketing channels are the distribution networks. Products flow to the market through the distribution network. Thus, marketing channel is a path traced in

the direct or indirect transfer of ownership to a product or moves from a producer to ultimate consumer. "Distribution channels are set of inter-dependent organization involved in the process of making a product or service available for use or consumption by the consumer or industrial user." (Kotler 1999: p. 359.)

It is the route traveled by the ownership of product or they move from point of original to point of final consumption. It consists of the set of people and firms involved in the transfer of title to a product or the moves from producer to ultimate consumer or business user. It includes both the producer and the final customer for the product in its present as well as any middlemen such as retailer and wholesaler. (Stanton,1981: p. 285.)

**Figure 2.8**



The producers and the final consumers are part of every channel. We will use the numbers of intermediary levels to design the length of channel.

**Zero Level Channel** is direct marketing channel. It consists of a manufacturer selling directly to the final customers such as door-to-door sales, home parties, mail order, Tele marketing, TV selling.

**One-Level Channel** contains one selling intermediary, such as a retailer.

**Two-Level Channel** contains two intermediaries, such as in consumer market a wholesaler and retailer.

**Three-Level Channel** contains three intermediaries such as wholesaler, jobber and retailer.

In the consumers market, generally, there most are wholesaler and retailer. In the consumer market is commonly used the following channel structure:

) **Manufacture-Wholesaler-Retailer Channel**, because most of the consumer products are broadly used or consumed by many different individuals/people.

**Manufacture:** Manufacture means organizer or producer who produces of goods or services. The organization that identifies a consumer's need and problems, a service on product from raw materials, parts or worked to satisfy that need.

**Wholesaler:** A wholesaler is a firm whose main functions are providing wholesaling activities. It includes all activities involved in selling goods and services to their buying for resale as business use. "Wholesaling is concerned with the activities of those person or establishment which sell to retailers and other merchants or industrial, institutional and commercial users, but who do not sell in large amounts to final consumers." (McCarthy & Perreault, 1987: p. 326.)

Wholesalers may perform certain function for both their supplier and the wholesaler's own customer. Thus, wholesalers purchase goods in large number of quantities from producers and resale them to retailer, industrial, institutional and commercial users in small lost.

**Retailer:** A retailer is a business enterprise that sells primarily to household consumers for non-business use. It includes all activities directly related to the sale of goods or services to the ultimate consumer for personal, non0business uses. Thus, retailing is selling products to ultimate consumer for their personal or household use. Kotler and Armstrong define as, "Retailing as all activities involved in selling goods or services directly to final consumers for their personal, non-business use." (Kotler and Armstang, 1992: p. 388.)

Retailing covers all the activities involved in the sale of products to final consumers. Thus, the retailer buys a product from wholesaler or producer and sale in small quantities to the ultimate consumer.

### ) **Physical Distribution:**

Physical distribution is a component of distribution mix. It is concerned with the management of physical flow of goods from the point of suppliers to the points of purchasers. “ Physical distribution involves planning. Implementing and controlling the physical flow of materials and final goods from point of origin to points of use to meet the needs of customers at a profit.” Physical distributions are physical flow of goods that consists of all the activities concerned with moving the right amount of the right products to the right time. (Kotler and Armstang, 1992: p. 376.)

The physical distribution comprises five major activities such as transportation, warehousing, inventory management, material handling and order processing.

**Transportation:** Transportation is delivered products from the place of production to the place of consumption points. It contributes place utility to the product. The choice of carriers affects the pricing of the product, delivery performance, and condition of the goods when they arrive- all of which affects customers’ satisfaction. In shopping goods to its warehouse, dealers and customers, the company can choose five transportation modes i.e. rail, water, truck, pipeline and air.

Transportation is the marketing function of moving goods and it involves time and place utility. Transportation is the element of the physical system that links, geographically separated markets and facilities. Management must decide the form of transportation to use and the particular carriers. (Stanton, 1981: p. 360.)

**Warehousing:** Warehousing is marketing activities that concern storage the products. It contributes time utility by providing products as and when demanded warehousing decision determine the number, size and location of storage facilities needed to service customer demand.

Warehousing design and operation of facilities for storing and moving goods, is an important physical distribution function, warehousing provides time utility by enabling firm to compensate for dissimilar production and consumption rates. That is,



when the mass production creates a greater stock than can be sold immediately or companies may stock the goods in the surplus goods in the warehouse until customers are ready to buy.

**Inventory Management:** Inventory management regulates product supply in right quantity, right time and right size. Inventory levels also affect customer satisfaction and this adds quantity utility to the product. Marketers would like their companies to carry enough stock to fill all customer orders right away. However, it costs too much for a company to carry that much inventory. “ Inventory decisions involve knowing when to order and how much to order when to order, the company balances the risk of running out of stock against the costs of carrying too much.” (Kotler and Armstrong, 1992: p. 377.)

**Material Handling:** Material handling is called the handling of goods, it is activity that is important in inventory, warehousing and transportation. It is important in efficient warehouses operation as well as transportation from points of production to points of consumption. Production and technique should be increased to the usable capacity of a warehouse, which helps reducing the number of time and goods, by material handling. “Material handling is an equipment of physical handle products. Proper equipment can minimize losses from breakage, spoilage, and theft efficiency equipment can reduce handling costs as well as the time required for handling.” (Stanton, 1981: p. 358.)

**Order Processing:** Order processing is the first stage in a physical distribution system of the receipt and transmission of sales order information. It constitutes the communication linkage that stimulates a physical distribution system into action. It regards to all activities involved in collection, checking and transmitting sales order information. “Order processing is a part of the physical distribution that should include provision for billing, granting of past-due account. Consumers’ will can result if a company makes mistakes or is slow in filling orders.”

## **E. History of Ice-cream**

The origins of ice cream can be traced back to at least the 4th century B.C. Early references include the Roman emperor Nero (A.D. 37-68) who ordered ice to be brought from the mountains and combined with fruit toppings, and King Tang (A.D. 618-97) of Shang, China who had a method of creating ice and milk concoctions. Ice cream was likely brought from China back to Europe. Over time, recipes for ices, sherbets, and milk ices evolved and served in the fashionable Italian and French royal courts.

After the dessert was imported to the United States, it was served by several famous Americans. George Washington and Thomas Jefferson served it to their guests. In 1700, Governor Bladen of Maryland was recorded as having served it to his guests. In 1774, a London caterer named Philip Lenzi announced in a New York newspaper that he would be offering for sale various confections, including ice cream. Dolly Madison served it in 1812.

The first ice cream parlor in America opened in New York City in 1776. American colonists were the first to use the term "ice cream". The name came from the phrase "iced cream" that was similar to "iced tea". The name was later abbreviated to "ice cream" the name we know today. ([www.about.com/inventors](http://www.about.com/inventors))

### **) History of Methods and Technology in Ice-cream**

Whoever invented the method of using ice mixed with salt to lower and control the temperature of ice cream ingredients during its making provided a major breakthrough in ice cream technology. Also important was the invention of the wooden bucket freezer with rotary paddles improved ice cream's manufacture.

Augustus Jackson, a confectioner from Philadelphia, created new recipes for making ice cream in 1832.

#### ***Nancy Johnson and William Young - Hand-Cranked Freezers***

In 1846, Nancy Johnson patented a hand-cranked freezer that established the basic method of making ice cream still used today. William Young patented the similar "Johnson Patent Ice-Cream Freezer" in 1848.

### ***Jacob Fussell - Commercial Production***

In 1851, Jacob Fussell in Baltimore established the first large-scale commercial ice cream plant. Alfred Cralle patented an ice cream mold and scooper used to serve on February 2 1897.

### ***Mechanical Refrigeration***

The treat became both distributable and profitable with the introduction of mechanical refrigeration. The ice cream shop or soda fountain has since become an icon of American culture.

### ***Continuous Process Freezer***

Around 1926, the first commercially successful continuous process freezer for ice cream was invented by Clarence Vogt.

Historians argue over the originator of the ice cream sundae.

The walk-away edible cone made its American debut at the 1904 St. Louis World's Fair.

### ***Soft Ice Cream***

British chemists discovered a method of doubling the amount of air in ice cream creating soft ice cream.

### ***Eskimo Pie***

The idea for the Eskimo Pie bar was created by Chris Nelson, an ice cream shop owner from Onawa, Iowa. He thought up the idea in the spring of 1920, after he saw a young customer called Douglas Ressen den having difficulty choosing between ordering an ice cream sandwich and a chocolate bar. Nelson created the solution, a chocolate covered ice cream bar. The first Eskimo Pie chocolate covered ice cream bar on a stick was created in 1934.

Originally Eskimo Pie was called the "I-Scream-Bar". Between 1988 and 1991, Eskimo Pie introduced an aspartame sweetened, chocolate covered, frozen dairy dessert bar called the Eskimo Pie No Sugar Added Reduced Fat Ice Cream Bar. .

### ***Good Humor Ice Cream Bar***

In 1920, Harry Burt invented the Good Humor Ice Cream Bar and patented it in 1923. Burt sold his Good Humor bars from a fleet of white trucks equipped with bells and uniformed drivers.

### **) History of the Ice Cream Sundae**

Historians argue over the originator of the ice cream sundae, three historical probabilities are the most popular.

#### ***Origins of the Ice Cream Sundae - Version One - Evanston, Illinois***

In the midwestern parts of United States, laws were once passed that prohibited the selling of soda water on a Sunday. The town of Evanston, Illinois was one of the first towns to pass such a law around the year 1890. As an alternative on Sundays, local soda fountains started selling ice cream sodas minus the soda, which left only the ice cream and syrup. That became the recipe of what was to become known as the ice cream sundae.

#### ***Origins of the Ice Cream Sundae - Version Two - Two Rivers, Wisconsin***

Soda fountain owner, Ed Berners of Two Rivers, Wisconsin is reputed to have invented the first ice cream sundae in 1881. Berners' customer George Hallauer requested that Berners serve him a dish of ice cream topped with the syrup used for sodas. Berner liked the dish and added it to his regular menu, charging a nickel.

George Giffy, a competing soda fountain owner from nearby Manitowoc, Wisconsin felt he had to serve the same syrupy concoction as Ed Berners. However, Giffy felt that the nickel price was too cheap and decided to only serve the dish on Sundays, which soon became the name of the dish - the Ice Cream Sunday. Once Giffy realized that he was making good money from the "Ice Cream Sunday" he changed the name to the "Ice Cream Sundae" and served it daily.

#### ***Origins of the Ice Cream Sundae - Version Three - Ithaca, New York***

The ice cream sundae was invented by Chester Platt who owned the Platt & Colt's drugstore in 1893. Platt prepared a dish of vanilla ice cream for the Reverend John Scott on a Sunday. Chester Platt spiced up the ice cream with cherry syrup and a

candied cherry. Reverend Scott named the dish after the day. An advertisement for "Cherry Sunday" served at the Platt & Colt's drugstore has helped document this claim.

CHERRY SUNDAY - A new 10 cent Ice Cream Specialty. Served only at Platt & Colt's. Famous day and night Soda fountain.

### J **The History of the Ice Cream Cone**

The walk-away edible ice cream cone made its American debut at the 1904 Saint Louis World's Fair. Ice cream in a cone was served up by several vendors at the Fair. Nobody know for certain who made the first ice cream cone. Paper and metal cones had been used in Europe for some time to hold ice cream and it was known that edible cones were being served in England prior to the 1904 World's Fair.

#### *Abe Doumar*

Lebanese immigrant, Abe Doumar built one of the first machines in the United States for making ice cream cones. Doumar created waffle type cones by adapting a waffle iron into a cone oven. However, Doumar did not make his first cone oven until after the World's Fair.

#### *Italo Marchiony, Charles Menches*

Italo Marchiony submitted a patent in 1903 for a mold to make an edible cups with handles. On July 23, 1904, Charles Menches of St. Louis, Missouri started filling pastry cones with two scoops of ice cream.

Most historians believe that there were over fifty ice cream cone stands at the 1904 St. Louis World's Fair and it is possible that several people invented the ice cream cone at the same time. However, the cone definitely become popular in America by way of the St. Louis World's Fair.

### **F. History of ice-cream in Nepal**

Nepal Dairy Pvt. Ltd. was established in 1980 by a group of entrepreneurs. It started as a cottage dairy in the busy Mahaboudha Street. It operated its business in a modest way with yogurt in a clay pots. Since its inception, Nepal Dairy has been growing

steadily and broadening the customer base. Today, Nepal Dairy is growing faster than ever anticipated with its acronym nd's.

Nepal Dairy today has been making the finest quality Dairy Products. It has been enjoying a well-established reputation of "The Cream of Dairy". What appreciates Nepal Dairy is her skill in diversification to various dairy based products according to the consumers' taste like Pizzas, cakes, pastries, sweets and fast foods. Nepal Dairy has dedicated its business to the rural milk producers and urban milk consumers of Kathmandu. Nepal Dairy safeguards the interest of the rural milk producers by providing highly competitive price. Nepal Dairy is committed to providing the highest quality product to you at the most reasonable cost.

ND means more than just milk, "it means being a leader in innovation and quality and is firmly committed to continuously adopting world class standards in the processing of quality dairy products". ND is firmly committed to be the market leader in processing and distribution of of dairy products in Nepal. With such commitment it's no wonder that ND has become "Everybody's Favorite"

Over the years the number of milk producers has risen from around 40 to 500 today, this has been in the main due to higher demand of nd's product in the market place. In fact today the milk is largely produced from the same pastures as it was in the beginning. Milk collector farmers today bring milk as far as 270 km in the rouged Terain.

Nepal Dairy focuses on investments in dairy and food industry, two of the largest, most rapidly-growing markets of the national economy. ([www.nepaldairy.com.np](http://www.nepaldairy.com.np))

## **2.2 Research Review**

**Karki B B** (2005) had conducted study on "strategic planning in co-operative sector. A study on dairy Co-operative" has states that as having different in nature of the problems in dairy Co-operative, so strategic planning on these sectors also different in between developed countries and developing countries.

Most of the diary –Co-operatives of developing countries have been suffering from global competition. They cannot compete with the developed countries so they have given emphasis on internal improvement such as improvement in management

increase in production volume, improvement in quality of product. But developing countries have been giving emphasis on the enhancement of dairy product and market expansion. This findings concludes that strategic planning of developing countries are generally to increase production volume of buffalo milk, to bring about the internal improvement in Co- operative societies to reduce cost of production, to provide quality service to consumer through skill, trained and educated manpower and e-commerce. Whereas strategic planning of developed countries is to merge different dairy co- operative societies /institutions in to a dairy co- operative and to compete in the global market with quality of products.

**Pahari P.** ,(2000) had conducted a study on “Profit planning in Dairy Development Corporation" with the following objectives.

- ) To examine the present profit planning promises adopted by DDC.
- ) To analyze the various functional budgets that was prepared by DDC.
- ) To sketch the trend of profit & loss of DDC.
- ) To evaluate the variances between planned & actual achievements of the enterprise.

The major findings of the study are as follows:

- ) DDC has planned only short –term planning rather than long term planning the time covered was only for one year.
- ) DDC had collected milk only from 39 districts, and it had distributed its proudest only in a few urban areas.
- ) The collection production and sales of milk and milk products had smooth increasing trends.
- ) The manpower within the corporation was more than its requirements.
- ) DDC has over utilized its plant or capacity.
- ) The corporation had not prepared the periodic performance reports .

**Gautam S K,** (2000) had conducted a study on “Economic Impact of the Dairy Development Project on the economic status of the farmers of Dhikur Pokhari V.D.C. Kaski" with the following objectives.

- ) To compare cost of production of milk produced in Dhikur Pokari VDC and compare it with current market price.

- ) To make comparison in the income of dairy farmers before the establishment of DDP and after.
- ) To find the main problems that the farmers of the VDC are facing.
- ) To suggest ways and mean for solving the problems.

For the purpose primary data collected from the VDC through the field survey and relevant secondary data been collected from the publications of the Dairy development Corporation, Co-operative office: Nagdanda Dugdha Utpadan Sanstha.

The major findings of the study are as follows:

- ) The average cost of production of milk including the service cost was Rs.20.11 per litter at that time of researching where the market price was Rs.15.72. Excluding the implicit cost from the total cost, the average cost of milk is Rs.8.12 per litter. But the exclusion of implicit cost from the total cost in economic does not any meaning. Therefore the milk producers are not getting real benefit.
- ) The milk producers of VDC have so many problems such as veterinary problems, problems of credit facility, problems of pasture & etc. But the main problem is low pricing of milk comparing with the cost of production. She has given some recommendations to solve the problems. She suggests that the DDC has to establish its own industries for supplying foods, useful training about live stock keeping should be provided to the farmer regularly. The price of milk paid by the DDP should be increased and the interest rate on the loan should be lowered and for the pastureland, formers should be encouraged to save their community forest .

**Pyashi N,** (1978) had conducted a study on “Milk production and Supply in Kathmandu”. The basic objectives of the study were:

- ) To determine the historical prospective of DDC.
- ) To see the trend of milk production, collection, distribution by Ktm. milk supply scheme.
- ) To examine the other possibilities of Kathmandu milk supply scheme.



The major findings of the study are as follows:-

- ) The consumers are using the milk in preparing tea, coffee, sweets, as in baby feed.
- ) Due to increasing trend of literacy the demand of milk is increasing rapidly because the milk & milk products are nutritious & hygienic.
- ) DDC is trying to meet the demand of the milk by supplying more milk and milk products but it is not successful yet.

According to the researcher, due to the increasing population and tourism in Kathmandu valley demand for milk is increasing rapidly. Though, there are a few private milk suppliers. DDC has played a vital role in supplying pasteurized milk to the consumer. After the establishment of DDC, it shows the upward trend for production of milk & milk products but the demand is exceeding due to lack of the best supplies of live stock, lack of veterinary facilities .This study is mainly concerned with only on the supply aspect & difficulties of the corporation.

**Poudel Om Prasad**, (2002) had conducted A research on the Role of Dairy co-operatives limited on the income Generation of Dairy farmers: A Case study of Armala VDC, kaski District has addressed on the following objectives:-

- ) To see the role of dairy co-operatives on the economic condition of milk producer.
- ) To make a comparison between the income of milk producers before and after the establishment of dairy co-operatives in Armala VDC.
- ) To find out the problems of milk producer.
- ) To suggest the means & ways for solving the problems.

The major findings of the studies are as follows:-

- ) In Armala VDC, the “Kalilek Dugdha Utpadak sahakari sangtha limited” is established in 2051 B.S. Under the co- operative act. It lies at the centre of this VDC called Jogimani. All the professional milk sellers of the VDC used to collect or sell their product in this milk collection center. There are no other brands of milk collection center.

- ) Among the various castes regarding in this VDC like Gurungs, Chettris, Kami, Brahmins etc. Brahmins are the main professional milk produces in this VDC. Brahmins have covered more than 90% of total milk produces. The population density of Brahmins in ward No. 2 is very high and the most of the milks produces are from this ward similarly in the other wards. The population density of Gurungs is very high. They earn much money from foreign job. So, they don't to sell the milk the market. Due to the social reason other castes like kami, Damai, sarki etc do not sell the milk & they are not professional milk producers.
- ) The average selling price of milk of buffalo is Rs.17 per ltr. & Rs. 16 of cow's milk. In average the price of milk per ltr. is Rs. 16.5 before the establishment of co- operative ( before 2051 B.S ) the average price of milk was Rs.13 per ltr. It shows that the price of milk is increased by Rs.3.5 per Ltr.
- ) In this VDC, the total dairy production of milk by 45 sampled farmers is 462 ltrs. They consume 114 liters of milk by themselves & sell 348 liters of milk per day. They get Rs.16.5 per ltr from the milk sale. The average income of household farmers from milk sale is Rs. 3828 per month.
- ) After the establishment of dairy co- operative, employment incomes of the farmers, quality of milk production & sale of milk have increased. This is certainly the positive of dairy co- operative on the income generation of the milk producers of this VDC . Before the establishment of dairy co- operative, the monthly money income get from milk sale was only Rs.958 & after the establishment of dairy co- operative Rs.3828. The increment of money income of the establishment of dairy co-operative is 399.9% (about 400%).
- ) In the course of live stock rearing, there are so many problems faced by the milk producers of this VDC. Among various problems cattle insurance problem is the great problem. There is no any cattle insurance institution in this VDC. By providing this facility the milk producers can be encouraged to buy hybrid cattle. Similarly another problem in this VDC is Veterinary

facility out of 45 sampled formers of this VDC used to come to the Pokhara city to treat their cattle.

- ) He recommends that the price of milk should be increased so that it could meet the market price of milk as well as the price of animal feed.
- ) There is no veterinary clinic in this VDC so the milk producers are unable to get the easy veterinary service. So the veterinary clinic with the facility of latest should be established which would definitely encourage the milk producers.
- ) Regular cross breeding service should be provided either by the ADC or by the DDP or by their joint effort. It will help farmers to change their local cattle is to improve one slowly.
- ) To make the live stock keeping scientific, various types of training valuated to this sector should be given to the milk produces by government or related institutions.
- ) Farmers may be encouraged if the programs of agricultural exhibition, agricultural fair are managed by agricultural Development center or by the related institutions.

**Poudel S R.**(2004) conducted a study on "sales planning on dairy Development project in Nepal. ( A special study on Dairy Development project Pokhara milk supply scheme). T.U. Main objectives of the study were:"

- ) To identify the managerial process of DDP, Pokhara.
- ) To examine the formulation and implementation procedure of sales plan DDP, Pokhara.
- ) To suggest and recommend the systematic sales plan for DDP, Pokhara.

The major findings of the study are as follows:

- ) DDC has not followed participate management, even middle level of management are not participated in policy making. Only top level of management is directly involved in policy making.

- ) There is only annual target is supplied by the top management for major department. There is no default and formal guidelines to the lower level management or departmental manager for the purpose of developing profit plan which also seen in DDP, pokhara.
- ) The demand of milk & milk product in urban site of Nepal is very high than supply of milk and its product. Milk supply to the major urban areas is often insufficient to satisfy demand especially during the winter season and before the monsoon.
- ) The company prepares the sales budget without studying the environmental scanning. There is no co-ordination between the various department sales forecast, marketing plan, advertising plan etc, are the main component of sales budget . There is ignored the sales forecast and advertising. The sales manager has no clear knowledge about the sales forecast.
- ) Least square straight line sales trend (milk) of DDP, Pokhara shows that the sales will be high in future if present efforts are frequently being improved.
- ) The annual sales have been classified into months and periods. Each period consist of four months. The project has been adopted two distribution channels.

Producers – wholesales - Retailer – consumer

Producers – Retailer –consumer

- ) Sales achievements are to below that and achievements are not sufficient in forecasting the sales of dairy products because the increase of the demand may affect by various causes. This also signals that sales plan is not made by considering all components affecting sales. On the basis of the study of profit.
- ) Planning in DDP, Pokhara it seems necessary to develop Implement and improve the process of profit planning from beginning to end. So he recommended that.

- ) It would be better to participate the employees of different level should involve in formulation and evaluation of enterprises goals and objectives. Lower level personnel also should not be avoided in decision making.
- ) The project should follows the strategic long –range and technical short-range profit plan and to conducting the orientation program for planning objectives and goals for effective utilization of its resource.
- ) Sales promotion tools i.e. advertisement and publicity should be effective to the project.
- ) BEP analysis should be taken in to consideration while developing sales plans and pricing of products.

To meet the desired sales target.DDP, pokhara should try to increase collection centers, sales centers and media support for publicity of its products.

### **2.3 Research Gap**

Review of literature revealed that most of the studies were based on only consumer's survey and interview. The present study has included opinion of urban and semi-urban area's consumers besides the study interviewed the retailers in order to find out the market position of Panthi dairy. The study has included 150 respondents. Sample is related with the Ice-cream which is new for the study of dairy. Hence the study has its own importance and it will find its objectives.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

Research methodology refers to the various processes adopted by the researchers during the research period. It is the technique to solve the research problem in systematic manner. This includes many techniques and is crucial for every research work. The main objective of this research work is to evaluate the market position of the Panthi Dairy in Pokhara sub-metropolitan city. This study is seek the conclusion to the point that what kinds of position Panthi Dairy have got and suggested the precious and meaningful points so that all concerned can fruitful from this research work.

#### **3.1 Research Design**

Research Methodology is a systematic way to solve the research problems. It is concerned with various methods and techniques adopted in the process of research studies. The study is descriptive cum analytical in nature. Its focus on finding the market position of Panthi Dairy compared with other available brands in the market. Opinions of consumers and retailers have been collected on quality, price, packaging, labeling, and availability and other aspects of the dairy brand under study in relation to other competing brands. Therefore survey research design has been applied for the study.

#### **3.2 Nature and Source of Data**

The study is based on primary data. Consumers and retail stores located in Pokhara sub-metropolis are the main source of primary data. The study has also used secondary data. The source of secondary data includes company's reports with other books reports, magazine and journals.

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

The population of the study consists of dairy consumers and retail stores owner located in Pokhara sub-metropolitan city. Sampling unit of the study is the households' consumers and retail stores located in the Pokhara Sub-Metropolitan city.

The target population of the study is small. Therefore only 110 house hold consumers and 40 retail stores located in Pokhara sub metropolis taken for the study. 55 consumers from urban and 55 consumers from semi-urban area were interviewed to serve the purpose of the study. Beside, 40 retail stores from urban and semi-urban locality of Pokhara were also interviewed.

As the population of the study is large stratified judgmental samplings have used to draw the required sample size from the population. For the study purpose, the ward numbers of Pokhara Sub-Metropolis were divided into urban and semi-urban area. Therefore, out of 18 wards, 9 wards were belonging urban and 9 wards categorized into semi urban. The ward numbers 2, 5, 12, 13, 14, 15, 16, 17, 18 were regarded as semi-urban area and 1, 3, 4, 6, 7, 8, 9, 10, 11 were regarded as urban area. For the interviewed respondent from inner parts of these wards were slected. Data are collected from above wards as a simple random sampling cum judgmental basis.

### **Limitation of Sample**

- ) Since the sample is taken from only the pokhara valley so the study may not cover the national scenario.
- ) The sample of retail stores are mainly related with the Panthi dairy.
- ) The numbers of respondents are one hundred and fifty. So, sample unit is small.
- ) Due to small sample size, the results obtained from the study cannot be generalized.

### **3.4 Data collection Techniques**

To collect the required data two separate set of questionnaire, one for house hold consumers and another for retail stores. The questionnaire thus prepared administered through personal interview at the time & place of respondents' convenience. Oral explanation and examples were provided where they were confused on content of the questionnaire. The questionnaires were pre-tasted 39 questionnaires in consumers' survey and 29 questionnaires in retail stores survey. After that the questionnaire were made short by avoiding unnecessary questions. The sample of the questionnaire is given in an annex.

### **3.5 Data Processing**

The collected crude data from the field survey have been edited, Processed, tabulated, analyzed and presented. The unnecessary and insignificant information are elucidated. The data are processed and analyzed by using different statistical tools such as the frequency distribution, absolute number and percentage. The data has been arranged in a tabular form, pie chart, bar diagram etc., as per the requirements of the objective of the research.

### **3.6 Data Analysis Tools**

Both mathematical tools and statistical tools have been used to analyze the data according to the problems and objective of the study. The collected data have been entered into computer and presented systematically in the format of table and chart. Thereafter the Microsoft Excel and Words Programs have been used to process the data. The data are analyzed on the basis of speculation drawn from the processed data.

### **3.7 Reliability and Validity of Data**

There is no biasness is in the sample selection. Data collection techniques are accomplished with high care and genuine. The primary data is collected from the field work and it is done by the researcher, myself and taken to help of agent. Consultation with the Supervisors has been made and his suggestions directions and tips are admitted for real validation. There may be reporting error, basically, shortage of time and lack of research experience are limitation.



## CHAPTER IV

### DATA ANALYSIS AND PRESENTATION

#### 4.1 Data Presentation and Analysis

Keeping in view the objective of the study, the collected data have been analyzed and organized into two sections. The first section deals with data presentation and analysis which includes market position of Panthi Ice-cream and retail stores opinion. The current problems in market and market position are also included.

##### I. Market Position of Panthi Dairy (Ice-cream)

Altogether 110 consumers, 55 from Semi-urban and 55 from Urban areas were interviewed on different aspects of Panthi dairy (specially Ice-cream). The demographic profile of surveyed consumer is presented below. Demographic Profile: This includes age, profession, education and family size of the selected consumers in Pokhara.

**Table 4.1**  
**Age of the Respondents**

Age Group	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Below 20	4	7.27	6	10.9	<b>10</b>	9.09
20-40	44	80	40	72.72	<b>84</b>	76.36
Above 40	7	12.72	9	16.36	<b>16</b>	14.54
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

As shown in Table 4.1, among the 110 respondents surveyed in Pokhara, the age groups 20-40 are the largest buyer groups both in Semi-urban 80 % and Urban areas 72.72 % and the followed by the age groups above 40.

**Table 4.2**  
**Profession of the Respondents**

<b>Profession</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Student	14	25.45	14	25.45	<b>28</b>	25.45
Service	17	30.9	16	29.09	<b>33</b>	30
Business	8	14.54	10	18.18	<b>18</b>	16.36
Farmers	2	3.63	0	0	<b>2</b>	1.8
Housewife	6	10.9	9	16.36	<b>15</b>	13.63
Unemployee	8	14.54	6	10.9	<b>14</b>	12.72
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

As presented in table 4.2 the Service persons are the largest buyer in Semi-urban areas (30.9%) and followed by the Students and Businessmen. In urban areas also Servicemen are the largest buyer (29.09%) and followed by similarly the Students and Businessmen. The lowest buyers are farmers in Semi-urban (3.63%) and unemployed in urban area.

**Table 4.3**  
**Education of the Respondents**

<b>Education</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Literate	4	7.27	3	5.45	<b>7</b>	6.36
Under SLC	10	18.18	7	12.72	<b>17</b>	15.45
Intermediate	22	40	18	32.72	<b>40</b>	36.36
Graduate	14	25.45	20	36.36	<b>34</b>	30.9
Above Graduate	5	9.09	7	12.72	<b>12</b>	10.9
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

As given in table 4.3, out of 110 respondents surveyed, the intermediate level is the largest buyer in Semi-urban area (40%) but the graduate level is the largest buyer in the urban area (36.36%) and followers are graduate level in semi-urban area and

intermediate in urban area respectively. In total Intermediate is largest buyer and followed by the graduate level.

**Table 4.4**  
**Family size of the Respondents**

Family size	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Below 5	34	61.81	42	76	<b>76</b>	69.09
5 to 8	16	29.09	6	10.9	<b>22</b>	20
Above 8	5	9.09	7	12.72	<b>12</b>	10.9
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In above table 4.4 regards of the family size, the below 5 number of family size is the largest buyer both in semi-urban (61.81%) and urban (76%) and followed by 5-8 number of family size in semi-urban and above 8 family size in urban area. In total below 5 family size is largest and followed by 5-8 family size.

**Table 4.5**  
**Annual Income of the Respondents**

Income	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Below 2 Lakh	34	61.81	35	63.63	<b>69</b>	62.72
2-4 Lakh	13	23.63	11	20	<b>24</b>	21.81
Above 4 Lakh	8	14.54	9	16.36	<b>17</b>	15.45
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In given table 4.5 show the annual income of the respondents. The below 2 lakh is the largest buyer in both semi-urban and urban areas 61.81% and 63.63% respectively.

**Table 4.6**  
**Consumption of Dairy products**

Products	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Ice-cream	13	23.63	9	16.36	<b>22</b>	20
Milk	11	20	10	18.18	<b>21</b>	19.09
Curd	6	10.9	6	10.9	<b>12</b>	10.9
Ghee	8	14.54	10	18.18	<b>18</b>	16.36
Butter	7	12.72	8	14.54	<b>15</b>	13.63
Paneer	5	9.09	3	5.45	<b>8</b>	7.27
Cake	5	9.09	9	16.36	<b>14</b>	12.72
Cheese	0	0	0	0	<b>0</b>	0
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Table 4.6 shows the Ice-cream is the most popular product (23.63%) in the semi-urban area and followed by the milk (20%), but Milk and Ghee (18.18%) is the largest consumption product in the urban area and followed by Ice-cream and Cake (16.36%). In total Ice-cream is the more consumption item (20%) and Milk is the follower.

**Table 4.7**  
**Awareness of Consumers about Dairy brands**

Brands	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Panthi	17	30.9	19	34.54	<b>36</b>	32.72
Sujal	12	21.81	11	20	<b>23</b>	20.9
Fresh	8	14.54	12	21.18	<b>20</b>	18.18
Sahakari	2	3.63	3	5.45	<b>5</b>	4.54
Fishtail	1	1.81	2	3.63	<b>3</b>	2.72
Nagdanda	7	12.72	1	1.81	<b>8</b>	7.27
Others	8	14.54	7	12.72	<b>15</b>	13.63
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

(Other: Rahul, Nova, Ajjabko etc.)

Source: Field survey 2012

Table 4.7 shows the dairy brands uses by the consumer. Panthi is the largest consumption brand in both semi-urban and urban area 30.9% and 34.54% urban area, and followed by the Sujal brand. In total also Panthi is the largest consumption brand and follower by Sujal.

**Table 4.8**  
**Reasons for Consuming Panthi brand**

Reasons	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Hygenic	12	21.81	13	23.63	<b>25</b>	22.72
Reasonable price	14	25.45	13	23.63	<b>27</b>	24.54
Better quality	15	27.27	17	30.9	<b>32</b>	29.09
Easy available	10	18.18	8	14.54	<b>18</b>	16.36
Others	4	7.27	4	7.27	<b>8</b>	7.27
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Table 4.8 Shows the reasons for using the by the Panthi brand. Better quality is the reason for consuming the Panthi brand in both semi-urban and urban area 27.27% and 30.9% urban area, and followed by the reasonable price(25.45%) in semi-urban area but hygienic and reasonable price (23.63%) in the urban area. In total better quality is largest buyer (29.09%) and followed by reasonable price (24.54%).

**Table 4.9**  
**Awareness of Consumer about the brand name of Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	52	95	51	93	<b>103</b>	94
No	3	5	4	7	<b>7</b>	6
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Table 4.9 shows the consumers awareness about the brand name of Panthi Ice-cream. In semi-urban 95 % consumers knew the panthi brand and urban area there is 93 % are aware from brand name.

**Table 4.10**  
**Consumers who use Panthi Ice-cream**

<b>Options</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Use	44	80	49	89	<b>93</b>	85
Not use	11	20	6	11	<b>17</b>	15
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Table 4.10, shows clearly that 85 % of total respondents are using the Panthi Ice-cream but 15 % are still non user.

**Table 4.11**  
**Consumers awareness about the Panthi Industry For:**

<b>Sales Promotion</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Ice-cream	30	55	35	64	<b>65</b>	59
Cake	6	11	4	7	<b>10</b>	9
Restaurant	2	4	6	11	<b>8</b>	7
Fast Food	7	12	3	5	<b>10</b>	9
All of them	10	18	7	13	<b>17</b>	16
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Above table shows the 59% of consumers are aware for the ice-cream and 16% of the total respondents are aware from all of them.

**Table 4.12**  
**Consumer awareness about the taste of Panthi Ice-cream**

Taste	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Highly tasty	17	30.9	21	38.18	<b>38</b>	34.54
Fair	36	65.45	30	54.54	<b>66</b>	60
Low	2	3.63	4	7.27	<b>6</b>	5.45
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

As given table 4.12 about the taste both semi-urban and urban area fair (65.45% and 54.54% respectively) is large number and followed by the highly tasty in both (30.9% and 34.54% respectively) areas.

**Table 4.13**  
**Consumer awareness about the form of Panthi Ice-cream**

Form	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Cone	5	9.09	10	18.18	<b>15</b>	13.63
Family pack	3	5.45	6	10.9	<b>9</b>	8.18
Small pack	3	5.45	4	7.27	<b>7</b>	6.36
Cup	5	9.09	6	10.9	<b>11</b>	10
All of them	39	70.9	29	52.72	<b>68</b>	61.81
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Table 4.13 shows the form of Panthi Ice-cream. All of them (70.9%) knows the all type of Ice-cream are available in the market and followed by small number cup (9.09%) and cone (9.09%). In urban area all of them (52.72%) is large number and followed by cone (18.18%). In total all of them (61.81%) is leading number and followed by cone (13.63%).

**Table 4.14**  
**Differences in taste and quality of Panthi Ice-cream**

<b>Difference</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
High	9	16	10	18	<b>19</b>	17
Moderate	21	38	19	34	<b>41</b>	36
Low	5	9	11	20	<b>16</b>	14
No difference	20	36	15	27	<b>35</b>	31
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

Table 4.14 shows about the differences about taste and quality of Panthi Ice-cream. In semi-urban area moderate (38%) says there is differences in taste and quality of Panthi Ice-cream. In urban area moderate (34%) also says there is differences. Semi-urban 36% and Urban 27% says there is no differences in the taste and quality of Panthi Ice-cream.

**Table 4.15**  
**Consumers who purchase Panthi Ice-cream**

<b>Options</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Yes	44	80	46	84	<b>90</b>	82
No	11	20	9	16	<b>20</b>	18
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In above table most of the respondents purchase the Panthi but there is still 18 % respondents are not purchase the Panthi Ice-cream.



**Table 4.16**  
**Reasons for Not using the Panthi**

Reasons	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Expensive	4	7	2	4	<b>6</b>	6
Low quality	1	2	4	7	<b>5</b>	4
Low packaging	2	4	6	11	<b>8</b>	7
Others	48	87	43	78	<b>91</b>	83
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

( Others: Not easily available, Lack of brand awareness,)

In table 83 % of the total respondents are not using the reasons of other which is not specified. 7 % are not use by the reasons of low packaging.

**Table 4.17**  
**Consumers who know the taste of Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	52	95	49	89	<b>101</b>	92
No	3	5	6	11	<b>9</b>	8
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

There are still 8 % of total respondents unknown by the taste of Panthi but 92 % know the taste of Panthi.

**Table 4.18**  
**Reorganization of Panthi Ice-cream**

Recognize	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Low price	5	9	6	10	<b>11</b>	10
High price	6	10	7	12	<b>13</b>	13
Quality product	27	49	28	50	<b>55</b>	55
Easy available	15	27	11	20	<b>26</b>	26
Low quality product	2	3	3	5	<b>5</b>	5
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In the table 4.18 shows how consumers' recognize the Panthi Ice-cream. In the semi-urban area 49 % consumers recognize the Panthi Ice-cream as a quality product and 27 % recognize as easy available product. In the urban area similarly 50 % consumers says quality product and 26 % says easy available product. In total figure consumer recognize the Panthi Ice-cream as quality product (55%).

**Table 4.19**

**Consumer awareness about the Packaging & Labeling of Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Awareness	39	70	38	69	<b>77</b>	70
Unaware	16	29	17	30	<b>33</b>	30
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

The table 4.19 shows 70 % consumers are aware in semi-urban area from packaging and labeling and 77 % are aware in the urban area. In total 70 % aware from Packaging and labeling and 30 % are unaware.

**Table 4.20**

**Consumer awareness about the Advertisement of Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Awareness	40	72	46	83	<b>86</b>	78
Unaware	15	27	9	16	<b>24</b>	21
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In above table shows the consumer awareness about the advertisement of Panthi Ice-cream. In both areas consumers are aware about the advertisement.72 % in semi-urban and 83 % in urban area respectively.

**Table 4.21**  
**Media awareness about Panthi Dairy**

<b>Media</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Radio/FM	24	43	13	23	<b>37</b>	33
Hoarding board	19	34	11	20	<b>30</b>	27
Newspapers	9	16	8	14	<b>17</b>	15
Television	2	3	12	21	<b>14</b>	12
Website	1	1	11	20	<b>12</b>	10
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

As given table 4.21 shows 43 % are aware from Radio/FM in semi-urban area and followed by hoarding board 34 % awareness. In the urban area 23 % aware from Radio/FM and followed by Television 21 %. In total figure most of the consumer are aware through Radio/FM and followed by Hoarding board.

**Table 4.22**  
**Consumers comment to Panthi Dairy**

<b>Comment</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Low quality	3	5	7	12	<b>10</b>	9
Not available in time	4	7	6	10	<b>10</b>	9
No comment	36	65	34	61	<b>70</b>	63
Others	12	21	8	14	<b>20</b>	18
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

(Others: Advertisement, Promotional activities)

In the above table shows the comments towards Panthi dairy. In semi-urban area 65 % consumers have no comment and 61 % in the urban area. It shows the consumers are really satisfied with Panthi dairy.

**Table 4.23**  
**Consumers view in promotional activities to Panthi Dairy**

View	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Home delivery	17	30	21	38	<b>38</b>	34
Effective advertisement	16	29	14	25	<b>30</b>	27
Gift	11	18	13	23	<b>24</b>	21
Others	11	18	7	12	<b>18</b>	16
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

(Others: Improve in quality, seasonal discount)

Table 4.23 shows the consumers view in promotional activities to Panthi dairy. In semi-urban area home delivery (30%) service should be provided to customer as promotional activities and urban area's consumers also like to home delivery (38%). Effective advertisement should be done as promotion in both areas 29 % and 25 % respectively.

**Table 4.24**  
**Differences in price level with other brand**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Less than 5	39	71	46	84	<b>85</b>	77
More than 5	16	29	9	16	<b>25</b>	23
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In above table 23 % of total respondents say there is differences in price level with other brand more than 5 but 77 % says less than 5. It looks like a low price but better quality product in the market.

**Table 4.25**  
**Consumer recognize as easily available product**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	48	71	45	84	<b>93</b>	77
No	7	29	10	16	<b>17</b>	23
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In above table 77 % consumers recognize the Panthi as easy available product and 23 % not agree with easy available product. It is as right place to deliver the consumer product.

**Table 4.26**  
**Panthi dairy products are packed well**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	48	87	45	82	<b>93</b>	85
No	7	13	10	18	<b>17</b>	15
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In the total respondents 85 % says the Panthi products are packed well but 15 % are disagreeing with the well packed.

**Table 4.27**  
**Panthi Ice-cream is best for the market**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	48	87	43	78	<b>91</b>	83
No	7	13	12	22	<b>19</b>	17
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

In the both areas most of the respondents says the Panthi is the best for the market and 17 % are disagree.

**Table 4.28**

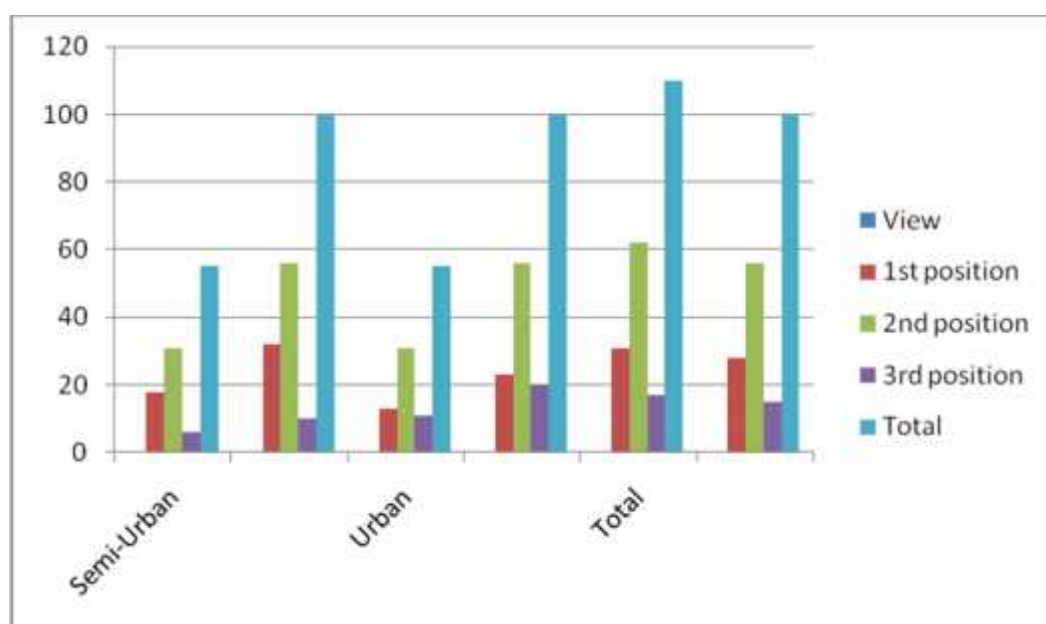
**Market position of Panthi dairy in consumers' view**

View	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
1st position	18	32	13	23	<b>31</b>	28
2nd position	31	56	31	56	<b>62</b>	56
3rd position	6	10	11	20	<b>17</b>	15
<b>Total</b>	<b>55</b>	<b>100</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>100</b>

Source: Field survey 2012

**Figure 4.1**

**Consumer awareness about the taste of Panthi Ice-cream**



Above table 4.28 shows the market position of Panthi dairy in consumers' view. In both areas consumers says Panthi dairy is in the second position (56%) and followed by 32 % says first position in semi-urban area but 23 % says in the urban area.

## II. Opinion of Retailer regarding Panthi Ice-cream

Altogether 40 Retail stores, 20 from Semi-urban and 20 from urban areas were interviewed on different aspects of Panthi dairy. We are trying to analyze the opinion of retailers.

**Table 4.29**  
**Annual sales of Retail stores**

Annual Sales	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Below 2 Lakh	9	45	4	20	<b>13</b>	32
2-5 Lakh	7	35	6	30	<b>13</b>	32
Above 5 Lakh	4	20	10	50	<b>14</b>	35
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

In table 4.29, the retail stores covered by the study were asked to state their annual sales turnover. The table shows the annual sales turnover the surveyed retail stores. It shows that 45 % retail stores have sales turnover of below 2 Lakh, 35 % retailers have 2-4 Lakh and 20 % have above 5 Lakh in semi-urban area. In urban area 50 % have above 5 Lakh and 30 % have 2-5 Lakh turnover. All have almost equal response regarding sales. It depends upon the size and geographical area of the distribution of Ice-cream in the valley.

**Table 4.30**  
**Awareness of dairy brands including Panthi**

Brands	Semi-Urban		Urban		Total	%
	Number	%	Number	%		
Sujal	9	45	10	50	<b>19</b>	47
Sahakari	3	15	1	5	<b>4</b>	10
Fistail	2	10	1	5	<b>3</b>	8
Nagdanda	1	5	1	5	<b>2</b>	5
Others	5	25	7	35	<b>12</b>	30
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey

2012

(Other: Rahul, Nova, Ajjabko etc.)

Table 4.31 shows the dairy brands awareness by retailers. In both semi-urban and urban area sujal brand is in large number that retailers know and sold by them including Panthi. 45 % in semi-urban and 50 % in urban area respectively and followed by others in both. In total figure 47 % aware by Sujal and 30 % followed by others.

**Table 4.31**  
**Availability of Panthi Dairy**

Availability	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Good	6	30	6	30	<b>12</b>	30
Fair	11	55	12	60	<b>23</b>	57
Low	3	15	2	10	<b>5</b>	12
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

In above table 4.31 shows the availability of Panthi dairy. In semi-urban Fair (55 %) retailers are satisfied with availability and 60 % in urban area and followed by good (30 %) in both areas.

**Table 4.32**  
**Media Awareness of Panthi Dairy**

Media	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Radio/FM	3	15	3	15	<b>6</b>	15
Hoarding board	13	65	6	30	<b>19</b>	47
Newspapers	4	20	7	35	<b>4</b>	25
Television	0	0	2	10	<b>2</b>	5
Website	0	0	2	10	<b>2</b>	5
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Above table 4.32 shows the media awareness of Panthi dairy. The retail stores were asked to report from which media they knew the advertising of Panthi. From the table, it shows the 65 % retail stores knew the advertising from hoarding board in semi-



urban area and followed by the newspaper (20 %). In the urban area 35 % knew the advertising from newspaper and followed by hoarding board (30%). In total figure hoarding board (47%) is more effective and followed by newspaper (25%) for the advertising.

**Table 4.33**

**Awareness Of Retailers about Advertisement of Panthi Dairy**

Option	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Awareness	16	80	17	85	<b>33</b>	82
Unaware	4	20	3	15	<b>7</b>	17
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Table 4.33 shows that awareness level of retail stores about advertising of Panthi dairy. The advertising level of Panthi is 80% in semi-urban and 85 % in urban areas. There is still 20 % in semi-urban and 15 % in urban area unaware from advertising.

**Table 4.34**

**Retailers view about sales promotion to Panthi Dairy**

Sales Promotion	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Gift coupon	2	10	1	5	<b>3</b>	7
Cash Discount	5	25	1	5	<b>6</b>	15
Quantity Discount	7	35	8	40	<b>15</b>	37
Trade Discount	3	15	1	5	<b>4</b>	10
Seasonal Discount	3	15	9	45	<b>12</b>	30
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Table 4.25 shows the retailers view about the sales promotion to Panthi dairy. In semi-urban 35 % asked to quantity discount and followed by cash discount 25 %, but urban area 45 % retailers believe in seasonal discount and followed by quantity discount 40 %. In total figure majority in quantity discount 37 % and followed by seasonal discount 30 %.

**Table 4.35**  
**Types of Panthi Ice-cream search by customer**

<b>Types</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Cone	14	70	13	65	<b>27</b>	67
Family Pack	2	10	2	10	<b>4</b>	10
Cup	4	20	5	25	<b>9</b>	22
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Table 4.35 shows the types of Panthi ice-cream search by customer. 70 % customers are looking for the cone and 20 % for the cup in semi-urban area and similarly 65% for cone and 25% for cup in the urban area.

**Table 4.36**  
**Sale of Panthi Ice-cream**

<b>Option</b>	<b>Semi-Urban</b>		<b>Urban</b>		<b>Total</b>	<b>%</b>
	Numbers	%	Numbers	%		
Satisfactory	18	90	15	75	<b>33</b>	82
Not Satisfactory	2	10	5	25	<b>7</b>	18
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Table 4.36 shows the satisfaction level of retail stores towards selling the Panthi Ice-cream. Semi-urban 90 % retailers are satisfied and 10 % retailers are not satisfied with selling the Panthi Ice-cream. In urban area 75 % are satisfied and 25 % are not satisfied. In total figure 18 % are still not satisfied.

**Table 4.37**  
**Retailer Awareness about Taste of Ice-cream**

Taste	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
High	16	80	13	65	<b>29</b>	72
Fair	4	20	6	30	<b>10</b>	25
Low	0	0	1	5	<b>1</b>	2
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Table 4.37 shows the retailer awareness about the taste of Ice-cream. In the semi-urban area 80 % retailers are agreed with highly tasty and followed by 20 % but 65 % retailers accept the highly tasty and followed by 30 % and 5 % are agree with low taste in the urban area.

**Table 4.38**  
**Awareness of Retailer about the Packaging & Labeling of Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Awareness	12	60	13	65	<b>25</b>	63
Unaware	8	40	7	35	<b>15</b>	37
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Table 4.38 shows that the retail stores awareness about the packaging and labeling of Panthi Ice-cream. 60 % are aware in semi-urban and 40 % are unaware. In urban area 65 % retailers are aware and 35 % are still unaware.

**Table 4.39**  
**Panthi Ice-cream is deliver in right time in your shop**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	15	75	16	80	<b>31</b>	78
No	5	25	4	20	<b>9</b>	22
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

In above table show the delivery condition of Pantho dairy towards retail stores. In total respondents 78 % are satisfied with the right time delivery but 22 % are not satisfied.

**Table 4.40**  
**Promotional activities are effectively done**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	9	45	13	65	<b>31</b>	78
No	11	55	7	35	<b>9</b>	22
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

About the promotional activities 78 % respondents says effectively done but 22 % are not happy with the promotional activities. In the semi-urban area promotion is not effectively done as compare to urban area.

**Table 4.41**  
**Retailers are satisfied regarding Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	19	95	17	85	<b>36</b>	90
No	1	5	3	15	<b>4</b>	10
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

About the satisfactory level of retailers towards Panthi Ice-cream is 90 % of total figure but 10 % not satisfy.

**Table 4.42**  
**Panthi Ice-cream demand in your territory**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	17	85	15	75	<b>32</b>	80
No	3	15	5	25	<b>8</b>	20
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

About the retailers view the demand level of Panthe Ice-cream in their territory is not 100% . 20 % of respondents are not demanding the Panthi brand.

**Table 4.43**  
**Pricing is effective with comparing taste and quality**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	16	80	18	90	<b>34</b>	85
No	4	20	2	10	<b>6</b>	15
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

Among the total respondents 15 % says the price is not effectively put with comparing the taste and quality.

**Table 4.44**  
**Customers' complain to Panthi Ice-cream**

Options	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
Yes	3	15	4	20	<b>7</b>	18
No	17	85	16	80	<b>33</b>	82
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

In the above table 18 % respondents have the complains to Panthi but 82 % says no complains.

**Table 4.45**

**Market position of Panthi dairy in view of Retail stores**

View	Semi-Urban		Urban		Total	%
	Numbers	%	Numbers	%		
1st position	4	20	5	25	<b>9</b>	22
2nd position	11	55	5	25	<b>16</b>	40
3rd position	5	25	10	50	<b>15</b>	38
<b>Total</b>	<b>20</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Field survey 2012

**Figure. 4.2**

**Market position of Panthi dairy in view of Retail stores**

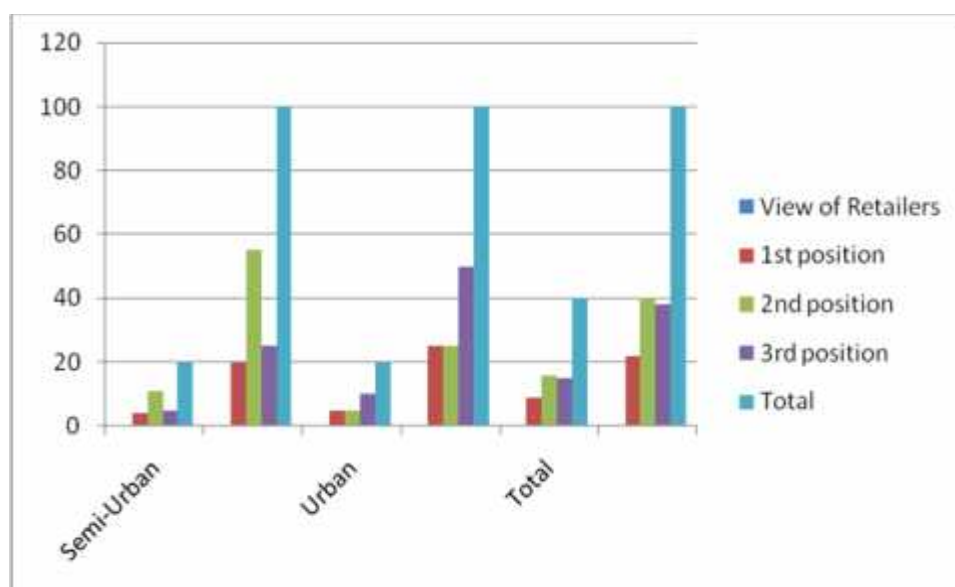


Table 4.45 shows the market position of Panthi dairy in view of retail stores. In the semi-urban area 55 % retailers says the second position and 20 % and 25 % in first and third position respectively. In urban area 50 % says the second position and 25 % says first and third position.

**Table 4.46**  
**Comparison between Consumer and Retailer view about taste of Panthi Ice-cream**

Taste	Semi-Urban				Urban				Total	%
	Consumer	%	Retailer	%	Consumer	%	Retailer	%		
Tasty	17	31	16	80	21	38	13	65	<b>67</b>	45
Fair	36	66	4	20	30	55	6	30	<b>76</b>	51
Low	2	3	0	0	4	7	1	5	<b>7</b>	4
<b>Total</b>	<b>55</b>		<b>20</b>		<b>55</b>		<b>20</b>		<b>150</b>	<b>100</b>

Source: Field survey

2012

In above table 4.46, we found the comparisons between consumer and retail stores view about the taste of Panthi Ice-cream. In semi-urban area 66 % consumers says fair but 80 % retail stores says tasty. Similarly in urban area 55 % consumers says fair and 65 % retailers says tasty. So, above analysis shows the retailer's view Panthi Ice-cream is tasty but consumers view found fair.

**Table 4.47**  
**Comparison between Consumer and Retailer awareness of Packaging and labeling**

Options	Semi-Urban				Urban				Total	%
	Consumer	%	Retailer	%	Consumer	%	Retailer	%		
Awareness	39	70	12	60	38	69	13	65	<b>102</b>	68
Unaware	16	29	8	40	17	30	7	35	<b>48</b>	32
<b>Total</b>	<b>55</b>		<b>20</b>		<b>55</b>		<b>20</b>		<b>150</b>	<b>100</b>

Source : Field survey 2012

In table 4.47, shows the awareness about the Packaging and labeling of Panthi comparing the view of consumer and retailer in both areas. Analysis show the most of the respondents are aware by the packaging and labeling.

**Table 4.48**  
**Comparison between Consumer and Retailer awareness for Advertisement**

Options	Semi-Urban				Urban				Total	%
	Consumer	%	Retailer	%	Consumer	%	Retailer	%		
Awareness	40	72	16	80	46	83	17	85	119	79
Unaware	15	27	4	20	9	16	3	15	31	21
<b>Total</b>	<b>55</b>		<b>20</b>		<b>55</b>		<b>20</b>		<b>150</b>	<b>100</b>

Source : Field survey 2012

In table 4.48 shows the comparison between consumers and retailer about the advertisement of Panthi dairy. Table shows in Semi-urban area 72% consumers and 80% retailers are aware from advertisement. In urban area 83% consumers and 85% retailers found aware. In total figure there is 21% respondents are still unaware from advertisement.

**Table 4.49**

**Comparison between Consumer and Retailer view about the Market position of Panthi dairy**

Option	Semi-Urban				Urban				Total	%
	Consumer	%	Retailer	%	Consumer	%	Retailer	%		
1st position	18	32	4	20	13	23	5	25	40	27
2nd position	31	56	11	55	31	56	5	25	78	52
3rd position	6	10	5	25	11	20	10	50	32	21
<b>Total</b>	<b>55</b>		<b>20</b>		<b>55</b>		<b>20</b>		<b>150</b>	<b>100</b>

Source: Field survey 2012

In above table 4.49, shows the view of consumers and retailers about the market position towards Panthi dairy. In semi-urban area 56% consumers and 55% retailers says the second position but in urban area 56% consumers says second position and 50% retailers says third position.

### **III. Current market problems for the Panthi dairy.**

According to the field survey and analysis of the respondents Panthi have the problems and have to face those problems to maintain and to improve the current market position among the various competitors. The Panthi dairy is well known about



the Ice-cream in Pokhara valley but in the survey we found only 23 % respondents say the popular product which is not satisfactory. There are still certain respondents even they do not know about the Panthi brand name and somebody found not interested to use the brand. We found certain percent who are not using the brand because of the expensive, low quality, and unattractive packaging.

About the taste of the Ice-cream most of the users found happy but some respondents are saying the improvement of the taste and quality product. In survey period consumers are not totally satisfied with the packaging and labeling of the product. Therefore there are some improvement in the packaging and labeling. The advertising of the Panthi dairy found limited in the hoarding board and the website. So to enlarge and to lead the market Panthi have to use different Medias like FM, TV, and Newspapers for the advertisement which will definitely help to Panthi for the better market position among the competitors.

For the promotional activities the respondents have different views to promote the Panthi dairy for best dairy in the valley. They are request for the home delivery service, more effective advertisement, lottery/gift system, seasonal discounts, cash discount and trade discounts. Panthi dairy should take appropriate activities for the different respondents and the area. It shows the promotional activities are not effectively done. So Panthi must pay the attention.

As its establishment panthi should enlarge various types of products for the consumers' different choices and their wants. Panthi should maintain their quality product because it plays vital role for the better market position. If you have quality product there is no way to achieve the success in the market. Therefore in false seasons also quality should be maintained. If Panthi address the above problems definitely will be the market leader.

**Response from the respondents due to the current market problems.**

<b>Details of problem</b>	<b>Respondents</b>	<b>%</b>
Do not know the brand name	<b>7</b>	6
Do not use the Ice-cream	<b>17</b>	15
Do not know the taste	<b>9</b>	8
Price difference with others more than 5	<b>25</b>	23
Not easily available	<b>17</b>	15
Not packed well	<b>17</b>	15
Not best for the market	<b>19</b>	17
No delivery in right time	<b>9</b>	23
Promotion not effective	<b>9</b>	23
Retailers are not satisfied	<b>4</b>	10
No demand in retailers territory	<b>8</b>	20
Pricing is not effective with taste and quality	<b>6</b>	15
Customers have complain	<b>7</b>	18

Source: field survey 2012

## **4.2 Major Findings of the Study**

- Ñ Among the 110 respondents surveyed in Pokhara, the age groups 20-40 are the largest buyer groups both in Semi-urban 80 % and Urban areas 72.72 % and the followed by the age groups above 40.
- Ñ According to the analysis Service persons are the largest buyer in Semi-urban areas (30.9%) and followed by the Students. In urban areas also Servicemen are the largest buyer (29.09%) and followed by similarly the Student. The lowest buyers are farmers in Semi-urban (3.63%) and unemployed in urban area.
- Ñ Among the 110 respondents, the intermediate level is the largest buyer in Semi-urban area (40%) but the graduate level is the largest buyer in the urban area (36.36%) and followers are graduate level in semi-urban area and intermediate in urban area respectively.

- Ñ Below 5 number of family size is the largest buyer both in semi-urban (61.81%) and urban (76%) and followed by 5-8 number of family size in semi-urban and above 8 family size in urban area. In total below 5 family size is largest and followed by 5-8 family size.
- Ñ The annual income of the respondents below 2 Lakh is the largest buyer in both semi-urban and urban areas 61.81% and 63.63% respectively.
- Ñ Ice-cream is the most popular product (23.63%) in the semi-urban area and followed by the milk (20%), but Milk and Ghee (18.18%) is the largest consumption product in the urban area and followed by Ice-cream and Cake (16.36%). In total Ice-cream is the more consumption item (20%) and Milk is the follower.
- Ñ According to the dairy brands uses by the consumers, Panthi is the largest consumption brand in both semi-urban and urban area 30.9% and 34.54%, and followed by the Sujal brand. In total also Panthi is the largest consumption brand and follower by Sujal.
- Ñ Reasons for using the the Panthi brand, data analysis we found the Better quality is the reason for consuming the Panthi brand in both semi-urban and urban area 27.27% and 30.9%, and followed by the reasonable price(25.45%) in semi-urban area but hygienic and reasonable price (23.63%) in the urban area. In total figure better quality is largest buyer (29.09%) for consuming the Panthi brand.
- Ñ In total respondents analysis shows the taste of Panthi ice-cream is fair. Both semi-urban and urban areas 65.45% and 54.54% respectively and followed by the highly tasty.
- Ñ The form of Panthi Ice-cream, all of them (70.9%) knows the all type of Ice-cream are available in the market.
- Ñ Differences about taste and quality of Panthi Ice-cream found 38% in semi-urban and urban areas has differences in quality and taste but semi-urban 36% and Urban 27% says there is no differences in the taste and quality of Panthi Ice-cream.

- Ñ Analysis found the consumers' recognize for the Panthi Ice-cream is 49 % consumers says a quality product in semi-urban area. In the urban area similarly 50 % consumers recognize as a quality product.
- Ñ About the packaging and labeling 70 % consumers are aware in semi-urban area and 77 % are aware in the urban area. In total 70 % aware from Packaging and labeling and 30 % are found still unaware.
- Ñ The consumer awareness about the advertisement of Panthi Ice-cream found In both areas 72 % in semi-urban and 83 % in urban area.
- Ñ About the media awareness 43 % are aware from Radio/FM in semi-urban area and the urban area 23 % aware from Radio/FM. In total respondents most of the consumer are aware through Radio/FM and followed by hoarding board.
- Ñ About the consumers comments analysis shows semi-urban area 65 % and 61 % in the urban areas have no comments. It shows the consumers are really satisfied with Panthi dairy.
- Ñ In promotional activities most of the respondents says the home delivery service and effective advertisement should be done as promotion in both areas.
- Ñ According to consumers' view the market position of Panthi dairy in Pokhara is second position 56% and followed by 32 % says first position in semi-urban area but 23 % says in the urban area.
- Ñ The retail stores annual sales turnover found 45 % are below 2 Lakh, 35 % found 2-4 Lakh and 20 % found above 5 Lakh in semi-urban area. In urban area 50 % are above 5 Lakh and 30% found 2-5 Lakh turnover.
- Ñ About the brands awareness by retailers. In both semi-urban and urban areas sujal brand is in large number that retailers know and sold by them including Panthi. 45 % in semi-urban and 50 % in urban area respectively.
- Ñ Analysis shows the availability of Panthi dairy most of the respondents found satisfied with the availability.

- Ñ About the media awareness hoarding board found most effective by the retailer and then Radio/FM.
- Ñ We found that awareness level of retail stores about advertising is 80% in semi-urban and 85 % in urban areas. There is still 20 % in semi-urban and 15 % in urban area unaware from advertising.
- Ñ For the promotional activities most of the respondents says quantity discount and seasonal discount is the best way for promotion.
- Ñ We found most of the consumers are searching for the cone Ice-cream.
- Ñ Analysis shows the satisfaction level of retail stores towards selling the Panthi Ice-cream, Semi-urban 90 % retailers are satisfied and 10 % retailers are not satisfied and in urban area 75 % are satisfied and 25 % are not satisfied. In total figure 18 % found still not satisfied.
- Ñ About the taste of Ice-cream most of the retailers says Panthi brand is highly tasty.
- Ñ About the awareness of packaging and labeling 63 % found aware and 37 % found unaware.
- Ñ Analysis shows the market position of Panthi dairy in view of retail stores. We found In the semi-urban area 55 % retailers says the second position and 20 % and 25 % in first and third position respectively. In urban area 50 % says the second position and 25 % says first and third position.
- Ñ The awareness of consumer about the brand name of Panthi Ice-cream in semi-urban 95 % consumers knew the panthi brand and urban area there is 93 % are aware from brand name.
- Ñ About the uses of Panthi Ice-cream 85 % of total respondents are using the Panthi Ice-cream but 15 % are still non user.
- Ñ Most of the respondents purchase the Panthi but there are still 18 % respondents found not purchasing the Panthi.

- Ñ 83 % of the total respondents found not using the Panthi behind the reasons of other which is not specified but 7 % found the reasons of low packaging.
- Ñ There is still 8 % of total respondents unknown by the taste of Panthi but 92 % are known the taste of Panthi.
- Ñ 77 % consumers recognize the Panthi as easy available product and 23 % found not agree with easy available product.
- Ñ In the both areas most of the respondents says the Panthi is the best for the market and 17 % found disagree.
- Ñ The delivery condition of Panthi dairy towards retail stores found In total respondents 78 % satisfied with the right time delivery but 22 % are not satisfied.
- Ñ About the promotional activities 78 % respondents says effectively done but 22 % found not happy with the promotional activities.
- Ñ About the satisfactory level of retailers towards Panthi Ice-cream found 90 % of total figure and 10 % not satisfy.
- Ñ Among the total respondents 15 % says the price is not effectively put with comparing the taste and quality.
- Ñ 18 % respondents have the complains to Panthi but 82 % found no complains.
- Ñ We found the comparisons between consumer and retail stores view about the taste of Panthi Ice-cream. In semi-urban area 66 % consumers says fair but 80 % retail stores says tasty. Similarly in urban area 55 % consumers says fair and 65 % retailers says tasty. So, above analysis shows the retailer's view Panthi Ice-cream is tasty but consumers view found fair.
- Ñ The awareness about the Packaging and labeling of Panthi comparing the view of consumer and retailer in both areas. Analysis shows the most of the respondents are aware by the packaging and labeling.
- Ñ The comparison between consumers and retailer about the advertisement of Panthi dairy. Table shows in Semi-urban area 72% consumers and 80 %

retailers are aware from advertisement. In urban area 83 % consumers and 85 % retailers found aware. In total figure there is 21 % respondents are still unaware from advertisement.

- Ñ The view of consumers and retailers about the market position towards Panthi dairy. In semi-urban area 56 % consumers and 55 % retailers says the second position but in urban area 56 % consumers says second position and 50 % retailers says third position.
- Ñ We found the comparisons between consumer and retail stores view about the taste of Panthi Ice-cream. In semi-urban area 66 % consumers says fair but 80 % retail stores says tasty. Similarly in urban area 55 % consumers says fair and 65 % retailers says tasty. So, in total respondents found the retailer's view Panthi Ice-cream is tasty but consumers view found fair.
- Ñ The awareness about the Packaging and labeling of Panthi comparing the view of consumer and retailer in both areas. Analysis shows the most of the respondents are aware by the packaging and labeling.
- Ñ The comparison between consumers and retailer about the advertisement of Panthi dairy we found in Semi-urban area 72% consumers and 80 % retailers are aware from advertisement. In urban area 83 % consumers and 85 % retailers found aware. In total figure there is 21 % respondents found still unaware from advertisement.
- Ñ The view of consumers and retailers about the market position towards Panthi dairy. In semi-urban area 56 % consumers and 55 % retailers found the second position but in urban area 56 % consumers found second position and 50 % retailers found third position.

## **CHAPTER V**

### **SUMMERY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary**

Marketing is not a new word to us. All of us use this word in our daily life. Many theorists have defined marketing in different ways. In simple terms marketing means the activity of the company to deliver its products from the palace of production to the place of consumption. It means that marketing is total systems of business activity designed to place, promotion and distribute the products to the target market in order to achieve organization objectives and satisfy the consumers' desire.

The origins of ice cream can be traced back to at least the 4th century B.C. Early references include the Roman emperor Nero (A.D. 37-68) who ordered ice to be brought from the mountains and combined with fruit toppings, and King Tang (A.D. 618-97) of Shang, China who had a method of creating ice and milk concoctions. Ice cream was likely brought from China back to Europe. Over time, recipes for ices, sherbets, and milk ices evolved and served in the fashionable Italian and French royal courts.

After the dessert was imported to the United States, it was served by several famous Americans. George Washington and Thomas Jefferson served it to their guests. In 1700, Governor Bladen of Maryland was recorded as having served it to his guests. In 1774, a London caterer named Philip Lenzi announced in a New York newspaper that he would be offering for sale various confections, including ice cream. Dolly Madison served it in 1812.

The first ice cream parlor in America opened in New York City in 1776. American colonists were the first to use the term "ice cream". The name came from the phrase "iced cream" that was similar to "iced tea". The name was later abbreviated to "ice cream" the name we know today.

Processed dairy products are comparatively new phenomena in Nepal. Dairy Development Corporation (DDC) established by His Majesty's Government processed and sold milk products in Kathmandu. Later it expanded its services to major urban centers of Nepal. DDC started serving for Pokhara market in 2033 B.S. with



pasteurized milk. Later it started to process ghee, butter, yoghurt, cream and ice cream. In due course of time, Pokhara started to see several producers selling dairy products. Most of them sold in unbranded forms. However, some of them began to sell in their own brand name. One of them is Panthi Dairy. It is one of the most popular dairies of Pokhara.

Resham Raj Panthi, the owner-manager of Panthi Dairy hails from a traditional peasant family of Lekhnath Municipality of Kaski district, western Nepal. The family used to grow sugarcane and other traditional farm products for its survival. As the majority of Nepalese farming families, Panthi family was also economically not so sound. Hence, Netra Lal and Ganga Devi, Resham's parents and their nine children had hard time to give them a decent standard of living.

Panthi has been a famous name in dairy sector since last two decades in Nepal. Through the different stages Panthi dairy has come up with impeccable business reputation by offering a successful brand called Panthi. It processes raw milk into Pasteurized milk, Yoghurt, Mozzarella cheese, Paneer and other indigenous milk product. The products that have been produced are mainly marketed inside Pokhara valley and its vicinity. It is committed to the customers' satisfaction by providing good quality milk and milk products. Simultaneously, it has been increasing its production and quality since its establishment. It is well equipped and has contains the high skilled and experienced manpower to process milk into different milk products. But there are a lot of things to do with equipments.

Currently, the dairy has its own building at Bus Park, Prithvi chowk Pokhara where milk and milk products are being processed. Moreover, it has two vehicles to distribute milk and one milk tank to collect it. Its own style of marketing the products into the market has made this dairy somewhat different from others for example, establishment of different outlets inside the city. Moreover, it has opened the 24 hour service for the essential dairy product like milk, yogurt etc.

The present study has been conducted with the objective of analyzing the market position of Panthi dairy (especially Ice-cream) in current market problems. The study analyzes the opinion of consumers and retailers in terms of quality, taste, price packaging and labeling of Panthi dairy. The study has been conducted over the consumer and retailers of Panthi dairy in Pokhara. The study based on a primary data

collected from a sample of 110 consumers and 40 retailers. This study will help the producer and marketer of Ice-cream to design effective future marketing strategy. The researcher, scholar, teacher, policy maker, consumer and other dairy industries can have lots of advantage from this study. Because of limited time budget and resources, the study deals with only Panthi brand and the consumers and retailers of Pokhara valley are divided in two groups (semi-urban and urban). Accuracy reliability and validity of the study depend upon the information provided by the respondents. Small sample size and simple tools and techniques were used for the study.

The sources of primary data are collected from house hold consumer and retail stores of Pokhara valley. All the consumers and retailers represent the population of the study. So, 110 consumer and 40 retailers are the sampling unit of the study. The required data for this survey, a questionnaire is given at appendix A and B of this report. The stratified and judgmental sampling method has been used to draw sample from the target population. All the collected data and information were checked thoroughly, compiled and presented in to appropriate table to case analysis and interpretation. Analysis is carried out descriptively as well as statistically.

## **5.2 Conclusion**

Panthi dairy is the popular dairy of Pokhara. It is a family based small scale (SME) dairy which has the processing capacity of 2000 liter milk per day. This is regarded as a one of the famous and liked dairy in this city. It processes raw milk into Pasteurized milk, Yoghurt, Mozzarella cheese, Paneer and other indigenous milk product. The products that have been produced are mainly marketed inside Pokhara valley and its vicinity. For the convenience to consumer, there are more than 100 retailers throughout the city. Moreover, the diversification of milk into different products like Paneer Pakauda, different Pizza, different cakes and different ice cream articulately express dynamic dairy ideologies in order to increase the milk consumption. More than 400 farmers are directly benefited by supplying milk in this small scale dairy. Company itself has recently launched its own dairy farm in the village under name Panthi dairy farm.

It can be concluded that Panthi dairy products are available in outlets and retailers only; there is no home delivery service for customer. During the period of 20 years

Panthi dairy marketed three types of dairy products( Bakery, Dairy and fast foods) in the market which is popular in taste and quality product. The quality of Ice-cream affected in different seasons. In false season the sales of ice-cream is found not satisfactory.

Furthermore the distribution system and promoted strategies of Panthi suited to be used is successfully implemented. It has fair brand awareness, so consumer and retailer have placed Panthi dairy in the second position. It seems from the survey that, the consumers are highly brand awareness of Panthi dairy in semi-urban and urban area. Likewise Panthi is perceived good quality and taste but it's labeling and packaging is not effective.

As regarded to the availability of Panthi it is satisfactory from retail stores but in consumers' survey found fair. Retail stores are positive and satisfied with supply condition of Panthi. The finding reveals that the advertisement of Panthi is mostly in hoarding board and website. So its advertising reported not effective. It can be concluded that promotional activities quantity discount in semi-urban area and seasonal discount in urban area is effective.

### **5.3 Recommendation**

- ) Though Panthi dairy is the private dairy product company. Still other private companies are creating tough competition to Panthi. So it should create new strategy to beat the competitors and be favorite among the customers.
- ) Panthi should make some more effort to export the dairy product in other districts to enlarge the market.
- ) About the advertisement consumers and retailers in both areas are aware by only the hoarding board and website. So Panthi should advertise in different Medias like Radio/FM, Newspaper and Televisions.
- ) Customers having low income prefer a product with attractive packaging and even home delivery service and seasonal discount, so Panthi should pay attention on this.
- ) Panthi have to keep product quality constant during the false season.

- ) Panthi have plastic packaging. The use and throw system of such packets are injurious to environment, so Panthi have to take necessary action to have packets which are less harmful to environment and can be recycled.
- ) Panthi has fair brand awareness as well as market position. So company should continuously keep its promotion at high level than others. For this, it is important for the company to come up with some innovative promotional scheme for channel members to retain its image as well as position in the market.
- ) Keeping in view the increasing competition, it may be good for the company to establish market research unit to be better equipped with market information to outstand perform competition.

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[www.history of ice-cream.com](http://www.historyoficecream.com)

[www.about.com.inventors](http://www.about.com.inventors)

[www.nepaldairy.com.np](http://www.nepaldairy.com.np)

[www.google/marketing definition.com](http://www.google/marketingdefinition.com)

## Annex-A

### Questionnaire for the Consumer

To valued respondents:

Thank you for the accepting to complete questionnaires. Your opinion and suggestions are precious to my research. I would like to ensure that all your answers and suggestions would be kept confidential. Please provide your view on:

Name.....

Gender:        Male [    ]                      Female [    ]

Age range:    Less than 20 [    ]      20-40 [    ]      Above 40 [    ]

Education:    Literate [    ]    Under SLC [    ]      Intermediate [    ]  
Graduate [    ]    Above [    ]

Profession:    Student [    ]    Service [    ]    Business [    ]    Farmer [    ]  
House wife [    ]      Unemployee [    ]

Family size:    2-5 [    ]              5-8 [    ]              Above 8 [    ]

Annual Income:        Below 2 Lakh [    ]      2-4 Lakh [    ]  
Above 4 Lakh [    ]

1. Do you use dairy products?

Yes [    ]              No [    ]

2. Which type of dairy products do you use in your house ?

Ice-cream [    ]              Milk [    ]              Curd [    ]              Ghee [    ]

Butter [    ]              Panner [    ]              Cake [    ]

3. If you use dairy products, please write brand name which have seen in the market.

Panthi [    ]              Fresh [    ]              Sujal [    ]              Fishtail [    ]              Sahakari [    ]

Nagdanda [    ]              Others [    ]

4. Among the mention dairy brand which one do you prefer most?

Specify, .....

5. Do you know the Panthi's brand name?

Yes [    ]              No [    ]

6. How do you know the Panthi industry for:

Ice-cream [    ]      Cake [    ]      A restaurant [    ]      For fast food [    ]

Lassi [    ]              All of them [    ]

7. Are you interested to use Panthi brand?  
Yes [ ] No [ ]
8. Do you purchase the Panthi's product for your house?  
Yes [ ] No [ ]  
If yes, which one you use from Panthi brand?  
Specify .....
9. Why you use Panthi brand?  
Reasons:  
Hygienic [ ] Reasonable price [ ] Better quality than other brand [ ]  
Easily available in the market [ ] others [ ]
10. If not, what are the reasons behind not use of Panthi brand?  
Expensive [ ] Low quality [ ] Unattractive packaging [ ]  
Others [ ]
11. Which one is so much popular of Panthi dairy ?  
Specify.....
12. Do you know how many types of products Panthi has ?  
Ice-cream [ ] Cake [ ] Milk [ ] Ghee [ ] Pannier [ ] Bread [ ]  
Lassi [ ] Fast food items [ ] All of known [ ]
13. Have you tested Panthi Ice-Cream ?  
Yes [ ] No [ ]
14. Do you know the taste of Panthi Ice-cream?  
Yes [ ] No [ ]
15. Could you explain the taste about the Ice-cream of Panthi dairy?  
Highly tasty [ ] Fair [ ] Low [ ]
16. How much you pay for the Ice-cream?  
Specify .....
17. How much generally purchase the Ice-cream quantity in which form?  
Specify .....
18. There is any difference in price level with comparison to others?  
Less than 5 [ ] More than 5 [ ]
19. How many items are available from Panthi Ice-cream?  
Cone [ ] Family pack [ ] Small pack [ ] Cup [ ] All  
[ ]
20. Do you recognize Panthi Ice-cream is easily available?



Yes [ ]            No [ ]

If No, what are the reasons?

Specify .....

**21.** Which is your Prefer item in Ice-cream?

Specify.....

**22.** Your preferable item is Ice-cream why?

Specify .....

**23.** There is any difference in taste and quality of Panthi Ice-cream?

Highly [ ]        Moderate        Low [ ]        No difference [ ]

**24.** In general how you recognize the Panthi Ice-cream?

Low price [ ]        High price [ ]        Quality product [ ]

Easy available product [ ]        Low quality product [ ]

**25.** Could you find out the brand name of Panthi dairy with testing the blank product?

Yes [ ]            No [ ]

**26.** In general all Panthi dairy's products are packed well?

Yes [ ]            No [ ]

**27.** Could you recognize the Panthi Ice-cream through packaging and labeling?

Yes [ ]            No [ ]

If No there may be ineffective packaging and labeling?

Yes [ ]            No [ ]

**28.** Panthi Ice-cream is best for the market?

a. Yes [ ]    b. No [ ]

If no what are the drawback of this product ?

Specify,

.....

**29.** In your opinion who are the real competitor of Panthi Ice-cream?

Specify,

.....

- 30.** Do you know anything about advertising of Panthi dairy?  
 a. Yes [ ] b. No [ ]  
 If yes please specify the media:  
 Radio/FM [ ] Hoarding board [ ] News paper [ ] Television [ ]  
 Website [ ]
- 31.** Do you read carefully information of packet during the purchase period?  
 Yes [ ] No [ ]
- 32.** What are the information that provided by Panthi dairy in the product?  
 Mfg. & Expiry date [ ] How to use [ ] Size & scale [ ] All of them [ ]  
 No information [ ]
- 33.** What is your comment to Panthi Dairy?  
 Low quality [ ] No comments [ ] Not available in time [ ]  
 Others [ ]
- 34.** How Panthi dairy should be promoted in the market ?  
 Providing home delivery service. [ ]  
 More effective advertisement. [ ]  
 Lottery/gift system. [ ] Others [ ]
- 35.** Who is the market leader of Ice-cream in Pokhara and followed by whom?  
 Specify .....
- 36.** Where you put the Panthi's product wise comparison to others?  
 1st position [ ] 2nd position [ ] 3rd position [ ]
- 37.** Please, give your mark for the Panthi Ice-cream.  
 1 [ ] 2 [ ] 3 [ ] 4 [ ] 5 [ ] 6 [ ] 7 [ ] 8 [ ] 9 [ ] 10 [ ]
- 38.** Do you have any suggestion to increase the market of Panthi dairy?  
 Please mention them:-  
 .....  
 .....
- 39.** Do you think there is something to improve the quality of Panthi dairy?  
 Yes [ ] No [ ]  
 If yes, then in what? Please mention.  
 .....  
 .....

Thank you for your co-operation.

**Annex-B**

## Questionnaire for the Retailer

Dear Sir/Madam,

I would like to inform you that this research has been done for fulfillment of Master of Business Study. The aim of this research is to identify that market position Panthi dairy in relation to other competing brands, so yours grateful answers will be helpful to know market position of Panthi dairy in Pokhara valley.

Thank you.

Thak  
Bahadur Garbuja  
MBS  
Faculty of  
Management  
Prithvi  
Narayan Campus

Name of firm:-.....

Proprietor:.....

Address:-.....

Annual sales:-

Below 2 Lakh [ ]      2-5 Lakh [ ]      Above 5 Lakh [ ]

1. How long have you been running the shop?

1-5 years [ ]      5-10 years [ ]      10-15 years [ ]      Above 15 years [ ]

2. What are the major items of your shop?

Specify,.....

.....

3. Different brands of dairy are available in the market, which of them have you sold

Including Panthi?

Fishtail [ ]      Sujal [ ]      Sahakari [ ]      Nagdanda [ ]      Others [ ]

4. Among the brands of the dairy have mentioned above, which of these you have sold in large quantity including Panthi Dairy?

Brand name	Quantity /Month
------------	-----------------

.....	.....
-------	-------

.....	.....
-------	-------

.....	.....
-------	-------

5. Has producer deliver Panthi dairy in right time in right quantity in your shop?

Yes. [ ]                      No [ ]

6. Please compare the availability of Panthi dairy with other brands of dairy ?  
 Good [ ]      Fair [ ]      Low [ ]

7. Do you know something about advertisement of Panthi dairy?

Yes [ ]      No [ ]

If yes please specify the media:

Radio/FM [ ]   Hoarding board [ ]   News paper [ ]   Television [ ]

Website [ ]

8. In comparison among the Panthi dairy of different brand what do you think about sales promotion of Panthi dairy?

Gift coupon [ ]   Cash discount [ ]   Quantity discount [ ]   Trade discount [ ]

Seasonal discount [ ]   Others [ ]

9. In terms of promotion activities promotion is effectively done?

Yes [ ]      No [ ]

10. Which product brand is search by customer most?

Specify brand and item:

.....  
 .....

11. In your opinion where you put the Panthi dairy in the given positions?

1st [ ]      2nd [ ]      3rd [ ]      none of them [ ]

12. How many taste and colors are available from Panthi Ice-cream?

Taste                      Colors

.....  
 .....  
 .....

13. Which taste and color are most popular in the market?

Specify .....

14. In general which type of Ice-cream frequently search by customer?

Cone [ ]      Family pack [ ]      Cup [ ]

15. Dose Panthi Ice-cream has effective market position.

Yes [ ]      No [ ]

16. Panthi dairy is a popular name towards the customer?

Yes [ ]                      b. No [ ]

17. How we create better market & product position for Panthi Ice-cream?

Specify .....

18. Are you satisfied with product from Panthi dairy regarding the Ice-cream?

Yes. [ ]                      No [ ]

19. Are you satisfied with sale of Panthi Ice-cream?

Yes [ ]                      No [ ]

**20.** What are the reasons behind satisfaction & dissatisfaction from Panthi diary?

Satisfaction	Dissatisfaction
.....	.....
.....	
.....	

**21.** Could you explain about the taste of Panthi Ice-cream?

High quality [ ] Moderate quality [ ] Low quality [ ]

**22.** Panthi Ice-cream is highly demanded in your territory.

Yes [ ] No [ ]

**23.** Price is effectively put with comparison to taste & quality?

Yes [ ] No [ ]

**24.** Does Panthi Ice-creams are pricing approximately?

Specify .....

**25.** Generally customers have complains about the price of Panthi Ice-cream.

Yes [ ] No [ ]

If yes, how much price was offered from the customer in your shop?

Specify the price and product offer by customer.

.....

**26.** There is any differences in price of above product in comparison to others?

Price difference	current price
.....	.....
.....	.....

**27.** Do you think that exclusive branding packaging & labeling are required?

Yes [ ] No [ ]

**28.** Do you have any suggestion to increase the market of Panthi dairy specially Ice-cream?

Please mention them:-

.....  
.....

**29.** Do you think there is something to improve the quality of Panthi dairy specially Ice-cream?

Yes [ ] No [ ]

If yes, then in what? Please mention.

.....  
.....

Thank you for your co-operation.