

# CHAPTER-I

## INTRODUCTION

### 1.1 Background of the Study

Nepal is one of the countries in the world in terms of rich and unique in natural resources and attributes like its bio-diversity, socio-cultural, cultural heritage, manifested in its architecture, temples, sculptures, monuments etc. Nepal is among the least developed countries of the world despite tremendous natural endowments, economic and development activities in the country. The inability of Nepal to make sustainable and proper use of the available resources is the reason for the poverty. Nepal ranks as one of the world's poorest countries with a per capita gross national product of Nepalese 400 \$ a year and GDP growth rate at produces prices is 5.9 percent. Agriculture GDP is estimated to grow at a slightly lower rate of 3.04 percent compared to a growth of 3.9 percent last year. Government statistic shows 25 percent of population is below the poverty line but non-governmental estimates shows 50 percent poverty. The high poverty made Nepal's complicated to initiate proper development measures (MOF, 2010:41).

Marketing has been developing together with every other development in human civilization. Marketing which covers the very wide area now has not been developed at once. If we go several centuries back to the history of human civilization, we find the contemporary marketing as used today. But the situation has been changed drastically and it has brought a wide change in human needs. Human aspiration for excellence and better status given birth to thousands of discoveries, inventions, innovations and established much more different industries to fulfill that aspiration. These changes have invented not only different sophisticated tools and techniques, and effective strategies for successful marketing but also the marketing itself has become a most competitive field (Philip Kotler, 2009:13).

Marketing is the ongoing process of moving people closer to making a decision to purchase, use, follow, refer, upload, download, obey, reject, conform and become complacent to someone else product, services or values. Simply, if it doesn't facilitate a sale then it is not marketing (Philip Kotler, 2009:15).

From the above statement it is clear that the whole marketing activities depend on sales or making people to buy their products. For this work the producer will have great ability to influence the buyers. Making consumer to know about product is very complicated and challenging work. There are some certain kinds of tools which help producer to introduce their product. Among them, advertising is one.

The word advertising is derived from a Latin word 'advertere' which means to turn attention towards specific things. The dictionary meaning of the word advertising is to announce publicly or to give public notice. In earlier time advertising meant merely to inform. Some advertisements today still do just that to provide information about birth, death, engagements with little or no attention to persuade. But today advertising is a communication intended to promote the product or service or to influence the public (University of Mumbai, 2011:1).

Advertising is one of the most widely used promotion tools. It is used by business, non government organizations, charities and service institutions. It is one of the major tools that companies use to persuade target buyers and publics to buy their products or services. The main purposes of advertising is to inform the people about product features used etc. and to persuade the people to purchase the product features uses etc. and to persuade the people to purchase the particular product. It is a non-personal form of communication conducted through paid media aimed at a target group. It is a mass communication and is transmitted through the mass media i.e. radio, television, magazines and newspaper (University of Mumbai, 2011:2).

Many people used advertising at some time in their life. Some may use it privately while other may use in business. And many people respond to advertisements, they enjoy the choices available to them in every sphere

of life. Advertising is any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor” (Kotler, 2000:42).

Human behavior is very complex process. Behavior is the sum of observable human activities. Now two people always behave in the same way. Advertisers must understand the customer’s behavior and present the advertisement in such ways that persuade the people to buy the particular product. Advertisers must understand how customer select, buy, use and dispose products. They motivate the customer.

Advertisement is the most important activities in the modern world. It is notable and easily identified form of promotion in international as well as domestic marketing. The wings of globalization have increased its importance. It is also a most widely used promotional mix. Advertising is a powerful communication force highly visibly and of the most important tools of the marketing communication that helps to sell the products, services, ideas, images etc. It is a form of mass communication, a powerful marketing tool, a component of economic system, a means of financing the mass media, a social institution, an art form and an instrument of business management (University of Mumbai, 2011:7).

A product, service or idea can be presented and promoted in a variety of ways and among them advertising is one of the most acceptable tools. Advertising influences consumer attitudes and purchase behavior in a variety of consolidated manner. It has multiple objectives and roles in persuading the consumer. The techniques of the advertising may be directed by one or more objectives of advertising depending upon the nature of the product and situation (University of Mumbai, 2011:8).

Advertising is a part of everyday life for everyone, hence it is difficult to escape them even if we never go through the television program or listen to the FM radios or read newspaper or magazines. We would still be bombarded with the advertisements through billboards at the highways shopping complex, Bus Park, crossway posters in the shops and offices and pamphlets in the wall. More than that advertising is in the form of the leaflets too (University of Mumbai, 2011:8).

The American Marketing Association, Chicago, (2011:1), defines advertising as any paid form of non personal presentation of ideas, foods and services by an identified sponsor. An analysis of each element of this American definition follows: Advertising may be in any form of presentation. It may be a sign, a symbol, and an illustration, an advertising message in a magazine or newspaper, a commercial on the radio or on the television. Any form of presentation, which an advertiser imagines will fulfill the requirements can be employed. Secondly it is defined as any paid form. Favorable publicity projects products, services or ideas in any media because it is considered informative and useful for the audience. For publicity no payment is made by the benefited organization. The paid aspect of the definition reflects the fact that the space or time for an advertising message generally must be bought. It has been defined as non personal also. This phrase excludes any form of personal selling, which is usually done on a person to person or people to people basis. Advertising is totally non personal, offering no personal interaction, delivered through media and often viewed as intrusion. Of course, advertising may help the sales person in his or her sales effort. Goods, services and ideas for Action: It is well known that advertisements are employed to communicate information about products and service. Most definition neglects the use of advertising to promote ideas.

Openly paid for by an identified sponsor, this means that advertising is openly paid for. The sponsor is identified by his company's name or brand name or both. If in an aid, the sponsor is not identified and it is not paid for its use of media in which it has appeared then the message is considered to be publicity (American Marketing Association, 2011:2).

Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. Advertisement is an announcement to the public of a product, services or ideas through a medium to which the public has access. The medium may be print (newspaper, magazine, posters, banners and hoardings), electronic (radio, television, video, internet, cinema) or any other. An advertisement is usually paid for by an advertiser at rates fixed or negotiated with the

media. It is a form of persuasive communication with the public (American Marketing Association, 2011:5).

Generally, the aim of advertising is to sell a product (toothpaste, tea, perfume, soap, car) or services (restaurants, tours, entertainment), but there are also advertising, in its modern sense is the persuasive force that makes use of mass communication media and is aimed to changing customer attitude or patterns in a direction favorable to the advertiser (American Marketing Association, 2011:6).

Advertising creates the awareness in the mind of the customer and it motivates the consumer to purchase the product or we can say that actual purchase occurs as a result of advertising but in reality, many other factors also affects on it. Sometimes advertising can do its job and bring the customer to the retail outlets, but if the retail outlet doesn't have products in stock, purchase may not occur. Advertising stimulates the potential; buyer to go to the store to buy actual advertised products. In general, advertising is done in expectation of tangible gains, such as favorable attitudes, better image of the firm and increased sales. Marketing manager decides the technique of advertising depending upon the situation and also blend all promotional tools- advertising, publicity, sales promotion and personal selling to arrive at a right mix. Each of the promotional tools has got unique characteristics and is complementary (American Marketing Association, 2009:50).

Compared to other forms of promotion and persuasion advertising has dominant role in any business organization. Advertising can touch and influence a large number of consumers at given period of time. Besides, it can be used in many forms, used for variety and occurs in several media. Advertising fulfills all objectives undertaken by promotion. It can substitute for personal selling and it can be a complement to personal selling also. Without advertising 'promotional strategy of any business organization becomes less effective and most often ineffective. Thus the role of advertising cannot be ignored in the business world (American Marketing Association, 2008:47).

## 1.2 Organization of the study

Asian Thai Foods is one of the top rated companies of Nepal which produces instant noodles & snacks, was established in Shrawan 2056. This is “Private limited” company in the hold of two equally shared partners Mr. Mahesh Jaju and Mr. Radhe Shyam Sharda. This private limited company located in Sonapur sunsari (near Biratnagar). It occupies two bighas of land. The initial capital with fixed assets and operational costs are Rs. 8 crore and Rs. 5 crore respectively. The taking into consideration of popularity of instant noodles in Nepal this particular industry has launched a fully automatically production system.

Having a brand portfolio of over 15 brands in product categories, varying from instant noodles to snack items, the company had led a revolutionary change in eating habit of the people.

The combination of quality products, hygienic foods and effective distribution at affordable price blended with modern technology with capacity of 2 million per annum, has lead this HACCP ISO 2000:2005 certified company- Asian Thai Foods, to become as icon in the country.

In Nepal, noodle has a prominent market place. It is the food liked by all range of people so Asian Thai food has satisfied the people choice by introducing several brands in different flavors such as vegetarian and non vegetarian etc. The different brands of Asian Thai foods are:-

- Rumpum,
- 2PM
- Fatafat
- Gaurav
- Joker
- Fuchche
- Phuche, Pikvik
- Kuramkura

➤ Fuchche Cheese Balls etc.

The noodles can be found in two flavors that is as vegetarian and non vegetarian.

It has two machines one is old and another new one having capacity of producing 1800MT and 6075 MT of 50 gm and 75 gm weight chicken and vegetable instant noodles per year. This factory is situated at Sonapur VDC-2, Sunsari district. The major products of the industry are Noodles and Krazy cheese balls. Noodles include Rumpum, 2pm, Phuche etc of each 75 gm and 50 gm. Current total volume of production per month is 30MT.

Out of the total production 90% is domestic and the rest is export market. Boiler is a means of energy generation that consumes 3660 tons of rice husks per year.

The total number of employees working at this industry is 183. Out of which 32 are permanent and 151 are temporary employee. Similarly, out of total employee 31 are women. The total number of working days in a year is 300 on the basis of three shifts, eight hours a day.

### **1.3 Focus of the Study**

There are many studies that had been conducted about advertising, its popular, and on how advertising works. But little effort has been made to find the popular of advertising on FM broadcasting and its consequent effect on consumer buying decision. The main focus of this study is to find out how advertising in FM broadcasting affects the behavior of people in buying different types of commodities. Nepalese market is very small in relation to the international market. However, in this small periphery there seems to regular outflow and inflow of product in the dynamic environment. Competition is rising; similarly marketing activities are regularly interacting with the so called targeted group in trying to maintain their position. Advertisement is the means that introduce the product among consumers and it is one of the most effective ways of introducing product in the market and marinating product

position. This study focuses on the popular of advertising on FM broadcasting with reference to 2PM Noodles, in Nepal.

The main focus of this study is to find out how advertising affects the behavior of the people in buying different types of commodities.

Many important decisions have to be made before undertaking the advertising program. It is certainly one of the most important and complex decision facing business executives. Major decision areas in developing advertising program include setting the advertising objectives, deciding on the advertising popular. Human behavior is very complex process. Behavior is the sum of observable human activities. Now two people always behave in the same way. Advertiser must understand the customer's behavior and must present the advertisement in such a way that persuades the people to buy the particular product. Advertisers must understand how customer select, buy, use and dispose products. They must know customer motivation.

In this paper the researcher's prime aim is to study the relationship on consumer's attitudes, credibility towards advertising and its subsequent effect on consumers' buying behaviors.

#### **1.4 Statement of the Problem**

The demand of noodles is increasing in Nepal as in other country

. The main reason in increasing the consumption of noodles in Nepal is due to either increment in density of population or advertisement campaign. Business organization always tries to increase sales volume by applying different methods of promotion. It is world widely common and in Nepal too. The cut throat competition of growing market has compelled Nepali business organizations to spend more and more on promotion, i.e. advertisement, publicity and other tools of promotion.

Advertising plays a pivotal role in the promotional effort by familiarizing, making people aware and influencing the consumer to buy the products or services or ideas and help those about the buying decision. In the



developed countries, without advertisement, business seems to be handicapped. So in these countries a huge amount of money is spent on advertisement. Hence, expenditure on advertisement has become the integral part of the budget of the manufacturers, traders and service sector organizations.

Nepalese market is becoming competitive and sophisticated than before, which has made advertising as a compulsion to any business organization. In Nepalese perspective, advertising is in developing stage and still some people think misconception has been disappearing by the developing of the advertising and its increasing popularity. Entry of multinational advertising companies made Nepalese advertising world creative and competitive than ever before.

In Nepal, there are various newspapers available with nationwide circulation, such as, The Kantipur Daily, The Kathmandu Post, Nepal Samacharapatra, Rajdhanai Daily, Gorkhapatra, The Himalayan, The Rising Nepal, The Annapurna Post, etc. Many other daily, weekly, fortnightly, and monthly magazines such as (Himal, Nepal, Nari, Samaya, The Nation, etc.) with nationwide circulation are also available. Similarly, Radio/FM broadcasting as well as the TV channels is also growing in numbers rapidly day by day, which makes the advertising easier to be reached to the ultimate users of the products. Thus it become difficulties to the consumers for selecting best media of advertisement, that could provide sufficient information about the product and make to decision of purchase. At the same time some media creates strong appeal among some costumers and some advertising media to the other group of costumers that means no all media are equally influencing on the understanding people about the message therefore, companies have to select appropriate media advertisement to popularizes it' s products among the costumers abut due to some factors related to the costumers create the difficulties to select the appropriate media which can give appropriate message to the costumers. In this regards this study attempts to get the answer of following questions to find out whether the Radio advertisement is effective or not to popularize 2PM products of Asian Thai Food Product Limited.

- ) What are the popular advertise media among different groups of people?
- ) How the people react to different massage of advertisement?
- ) Is there any relation between sales and advertisement expenses?
- ) What are the factors that affect consumer decision and how advertisement could influence their decision?

So, there is problem of which media to choose for effective advertising. This study tries to find out the Popular of advertising on FM broadcasting.

### **1.5 Objectives of the Study**

Buyer behavior is concerned with the activities and action of people that purchase and use economic goods and services. It includes what factor influence on these activities and action, among the, advertising is also one. Therefore, this study focuses on the Popular of Radio Advertising on consumer behavior. The main objectives of this study are as follow:

- ) To find out the popular advertising media among different age groups, genders, etc.
- ) To know how the people react to advertisement.
- ) To find out the relationship between sales and advertising expenses.
- ) To find out the factors affecting consumer decision.

## 1.6 Limitation of Study

This study is exclusively concentrated only on the products of the Asian Thai Food and non-institutional consumers of instant noodles at Biratnagar. Thus, the study has to pass through some limitations.

The study is conducted only among the small number of sampled consumers from the Ilam metropolitan so that this study may suffer from the limitations of sampled study. Consequently, company has to apply the findings of the study as a signal to formulate its marketing strategies.

Apart from the above limitation, the researcher is also controlled by some procedural inaccessibility as:

- ) The finding of various segments of consumer according to the media preference at the time of the study is beyond the scope.
- ) The study shows that self reported preferences of the selected consumers, thus it is not necessarily match buying behavior of all people.
- ) Some irrational factors can also influence consumer decision making behavior. However, except one experimental instance, this research assumes preferences of consumer are outcome of their overt as well as covert behavior triggered by the attitude.
- ) To get the accurate response from consumers, the respondent should be in favorable frame of mind where there is minimal intervention of internal disturbances and environmental instructions. For such type of study, it needs sufficient time and preliminary studies on consumers. Thus, it is also considered as the limitation of the study.

## **1.7 Importance of the Study**

Nepalese market has been gradually changing towards cutthroat competition. Instant noodles are not new things for new generation. It has been popular fast food item among children, adult, young and old groups of people. Noodles are hygienic diet of modern test and technology. It has been more popular product in recent days all over Nepal as breakfast, tiffin, meal etc. specially students, children and jobholders who mostly involve in work who do not have sufficient time to prepare meal at home.

Noodles are he latest fast food items. It has been popular among the people as it can be taken boiled or un-boiled and easy to eat, available everywhere, comparatively cheaper as compared to time factor. So, the utility and popularity along with demand of noodles are enhancing not in Nepal but also in our neighboring country.

As the sales volume of an enterprise depends on the likings of its product by consumer, the firm should be able to know the consumer likings. On the other hand, the likings of consumers are influenced by their behavior, values, beliefs, customs etc. By knowing these factors on consumers, the firm has to design its policy and strategies to be success in the competitive market. Hence, it can be said that this type of study will be highly benefited to the company as such and to the new companies, as a guidelines, for making their marketing strategies.

## **1.8 Organization of the Study**

The whole study is divided into five chapters. First chapter is the introductory chapter. It consists: General background and meaning of consumer behavior, objectives of consumer and marketing analysis, statement of the problem, objectives and focus of the study, significant of the study, need of the study and limitation and organization of the study with Asian Thai Foods and its marketing analysis.

Second chapter deals with review of literature with concept of some terminologies used in the analysis part of the study. The second part of

the chapter consists of review of books, previous study, research papers and review of unpublished research students.

Third chapter is concerned with the research methodology used in this study. It consists of: Introduction, research design, sources of data, population and data, method of analysis.

Fourth chapter of this study is the presentation of analysis and interpretation of data which includes consumer's opinion about noodles.

Fifth chapter is associated with the main findings, recommendations and suggestions. The bibliography and appendices are also included besides the above chapters. Further, thesis includes references books, magazines, newspapers; previous dissertations are shown under bibliography.

# **CHAPTER-II**

## **REVIEW OF LITERATURE**

### **2.1 Meaning and concept of advertising**

The word advertising is derived from the Latin word “Adverto” which means to turn the attention. So the meaning of advertising is to turn the people’s attention to specific thing. In other words advertising is to draw attention of people to certain goods, service or ideas. The oxford advanced learners’ Dictionary of Current English Explains advertising as make known to people.

Philip Kotler (2007:13) in his book “Marketing Management” defines advertising as “Advertising is any paid form of non-personal presentation and promotion of ideas goods or services by an undefined sponsor.”

Advertising is one of the most important marketing activities in the modern world. The mind of globalization has increased its importance. It is widely used by individuals, business, government and non-government organizations. “Advertising is any paid form of non-personal communication by an identified sponsor to promote the products. It is an organized method of mass communication to inform, persuade, remind and reinforce target customers about products. Product can be goods, service, ideas, experiences, events, persons, place, properties and organization” (Philip Kotler: 2006: 29).

Advertisement is a powerful communication force highly visible and one of the most important tool of marketing. Communication that motivates the consumer to buy products, services, ideas and images. One may or may not kick the advertisements are everywhere. They are seen on the walls, back of the buses, in play grounds, on the road sides, in stores and are heard on radio. The fact is that we are being bombarded with advertisements day in any day out from all imaginable media (Kasmi: 1971: 7).

“Advertising is a form of communication intended to promote the sale of products or services to influence a particular cause to gain political support to advance a particular cause or to elicit some other response desired by the advertiser” (New Encyclopedia: 1979: 103).

Some of the definition of advertising is as follows:

Advertising consists of all the activities involved in presenting to a group, a non personal, oral and visual, openly sponsored message regarding a product, service or idea. This message is called an advertisement is disseminated through one or more media and is paid for by the identified sponsor (Stanton & Others: 1985: 448).

Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an idea, goods and services by an identified sponsor (Kotler: 1994: 249).

Advertising is one of the most important reoffering elements of the promotion mix for the objective of successful sale of a product (Catoeora: 1997: 479).

## **2.2 Evolution of advertising**

Modern advertising is largely a product of 20<sup>th</sup> century. The development of technology of research has led to increase sophistication in advertising in recent decades. During ancient and medieval times, advertising was crude if measured by present day standard. However the basic reason for using advertising was the same than as it is now.

The recorded history of advertising comes a period of about 5000 years including the modern satellite and interned age. Our knowledge of advertising in ancient times is in fragments. Nevertheless it seems that the urge to advertise has been part of human nature since ancient times.

"Advertising by word of mouth is probably the earliest form of advertising because oral skills were developed before regarding and writing advertising was given the commercial status the day man entered into the process of exchange "(Sontakki: 1989:106).

We can categories the advertising in the following ways:

- a. Early stage of Advertising (up to 1440).
- b. Printed stage of advertising (1440-1900).
- c. Broadcast stage of advertising (1901-1970).
- d. Information Technology Stage of Advertising (1970 to present).

## **2.3 Types of advertising**

Different types of advertising try to reach different target audiences.

### **2.3.1 Producer Advertising**

Producers are the business enterprises that produce products to get profit and meet other objectives they advertise the products under the brand name. They advertise a product on nationwide or on the global basis to inform, persuade, remind and reinforce customers. The producer advertising gives emphasis to the consumer advertising consumer are the ultimate users of the product.

### **2.3.2 Resellers Advertising**

Resellers are the middlemen consisting of distributors, wholesalers, relates they buy products not to consumer by themselves but to resell to the others. They used the media such as local newspaper, billboards, local, F.M. radio station and cable television.

### **2.3.3 Personal Advertising**

It is advertising by individuals it is in the form of the classified ads. It can be information based, about the births, marriages. It can be also buying and selling of personal products. It can be take the column of loss and found items.



### **2.3.4 Government Advertising**

It is advertising by Government at national and local level. It is generally in the forms of public notice. It involves big budget. Government ads are in the form of procurement, ads public awareness and reform the society.

## **2.4 Radio Advertising**

Radio is one of the most popular media that reaches to ear of mass public. There are usually two types of radio broadcasting i.e. FM and AM.

“Advertising is carried on in radio with the use of short commercials, also known as ‘spot advertising’ or by the use of sponsored programs. In spot advertising, short advertisements of the duration of a few seconds are introduced as a part of the usual broadcastings programs. The advertisements may consist of jingles, dialogues and opinions of well known personalities or such other advertisements. Sponsored programs going on for fifteen minutes or more may be prepared by advertiser, for combining a popular program with advertising (Sherlakar: 1996:314).

In a country like Nepal, advertisement through radio can have a great impact on the prospective buyers because other media like television and newspaper cannot reach to the remote place. Due to the lack of electricity and the expensive cost of the television sets people from remote places are deprived of it. On the other hand, due to the high illiteracy rate in villages, press media cannot provide the necessary impact on the prospective buyers.

Radio broadcasting first started in the United Kingdom and spread to the other countries. In Nepal, Radio Nepal was established on 20<sup>th</sup> Chaitra, 2007. Some merits and demerits of radio advertising are as follows:

## **Merits of Radio Advertising:**

### **a. Human Touch:**

The radio advertising has a human touch. The advertisements in the form of jingles, dialogues of the live broadcasters and opinions of well known personalities from their mouth are more effective. The listeners can listen to their favorite anchor's voice. In some programs, the listeners can present their opinions and broadcast their voice on air as well, which appeals to the mass.

### **b. Selectivity:**

There are many locals and national radio broadcasting systems that the listeners as well as advertisers can select among them. The listeners tune in to the most interesting and good station as per their choice. The advertisers can take into consideration the listening habit of their target customers and broadcast the advertisement according to them. They can select the program or station and time of broadcast suitable to their target customers.

### **c. Economical:**

Radio advertisement is comparatively cheaper than other media of advertising. It covers to the mass in every hook and corner of the country, per listener cost is definitely cheap. In other words the advertisement cost, thus, is cheap for the advertiser. In a country like Nepal, where due to low literacy level, press is wastage and television cannot reach the remote places, the importance of radio is high. Radio sets are also available in relatively cheap price so the poor people can also offer them. As such radio advertising is also economical.

## **Demerits of Radio Advertising:**

### **a. Short life of message:**

The message broadcast through radio has a short life. The advertisement through radio is wasted if the target listener is not listening to the advertisement. The life of message ends. Even if the listeners listen, he cannot refer back to the message because the life of advertisement ends with the completion of the announcement.

### **b. Lack of illustration:**

Visual display is not possible through radio. Other media have this advantage over radio medium. As such advertising through radio may not be effective. Radio advertising only tries to impress through hearing only. It uses word, sound and music for the advertisements.

### **c. Time Limit:**

There is a certain time allotted to the advertisement in radio. As the allotted timings, the advertisement is also limited. The advertisement must not be lengthy as an advertiser cannot buy long announcement timings so there always limited time in radio.

### **d. Wastage:**

Radio advertisement covers the mass so specific coverage of special groups like youth, old age etc. is not possible. Besides, listeners are more interested on music, news so the advertisements are often not given attention. As such, there is wastage of advertisements.

## **2.5 Pricing the Product**

The two basic components that affect product pricing are costs of manufacture and competition in selling. It is unprofitable to sell a product below the manufacturer's production costs and unfeasible to sell it at a price higher than that at which comparable merchandise is being offered. Other variables also affect pricing. Company policy may require a minimum profit on new product lines or a specified return on investments, or discounts may be offered on purchase in quantity.

Attempts to maintain resale prices were facilitated for many years in the United States under federal and state fair trade laws. Since 1975, however, these laws have been nullified, thereby prohibiting manufacturers from controlling the prices set by wholesalers and retailers. Such control can still be maintained if the manufacturers wish to market directly through their own outlets, but this is seldom feasible except for the largest manufacturers.

Attempts have also been made, generally at government insistence, to maintain product-price competition in order to minimize the danger of injuring small businesses. Therefore, the legal department of a market organization reviews pricing decisions.

## **2.6 Promoting the Product**

Advertising, personal (face-to-face) or direct selling, sales promotion and relationship building are the primary methods companies use to promote their products.

### **2.6.1 Advertising**

Advertising is often used to make consumers aware of a product's special low price or its benefits. But an even more important function of advertising is to create an image that consumers associate with a product, known as the brand image. The brand image goes far beyond the functional characteristics of the product. For example, a soft drink may have a particular

taste that is one of its benefits. But when consumers think of it, they not only think of its taste, but they may also associate it with high energy, extreme action, unconventional behavior, and youth. All of these meanings have been added to the product by advertising.

Consumers frequently buy the product not only for its functional characteristics but also because they want to be identified with the image associated with the brand.

By adding to a product, advertising also adds value. For example, when Philip Morris Companies Inc. purchased Kraft Foods, Inc, in 1998 for nearly \$13billion, Philip Morris paid 600 percent more than Kraft's factories and inventory were worth. Over 80 percent of the purchase price was for the current and future value of the Kraft brand, a value that was created in large part by advertising. Advertising plays such an important role in promoting products and adding value to brands that most companies spend considerable sums on their advertising and hire specialized firms, known as advertising agencies, to develop their advertising campaigns.

Advertising is most frequently done on television, radio and billboards; in newspapers, magazines and catalogs; and through direct mail to the consumers. In recent years, numerous advertising agencies have joined forces to become giant agencies, making it possible for them to offer their clients a comprehensive range of worldwide promotion services.

### **2.6.2 Direct Selling**

Where advertising reaches a mass audience, personal or direct selling focuses on one customer at a time. That kind of individual attention makes direct selling expensive, but it also makes it effective. As the costs of personal selling have risen, the utilization of salespeople has changed. Simple transactions are completed by clerks. Salespeople are now used primarily

where the products are complex and require detailed explanation, customized application, or careful negotiation over price and payment plan. But whether the sale involves an automobile or a customized computer network, personal selling involves much more than convincing the customer of the product's benefits. The salespeople helps the customer identify problems, works out a variety of solutions, assists the buyer in making decisions and provides arrangements for long-term service. Persuasion is only part of the job. A much more important part is problem solving.

With the increasing complexity of business problems and products, effective sales solutions often require more knowledge than any one person can master. As a result many companies now use sales teams to service their largest and most complicated accounts. Such teams might include personnel from sales, marketing manufacturing, finance and technical support.

### **2.6.3 Sales Promotion**

The purpose of sales promotion is to supplement and coordinate advertising and personal selling; this has become increasingly important in marketing. While advertising helps build brand image and long-term value, sales promotion builds sales volume. Sales promotion are designed to persuade consumers to purchase immediately by providing special incentives such as cash rebates, prizes, extra product, or gifts. Promotions are an effective way to spur sales, but because they involve discount coupons and contests with valuable prizes, they are also expensive and so reduce profits.

### **2.6.4 Relationship Building**

In the past, most advertising and promotional efforts were developed to acquire new customers. But today, more and more advertising and promotional efforts are designed to retain

current customers and to increase the amount of money they spend with the company. Consumers see so much advertising that they have learned to ignore much of it. As a result, it has become more difficult to attract new customers. Servicing existing customers, however, is easier and less expensive. In fact, it is estimated that acquiring a new customer costs five to eight times as much as keeping an existing one.

To retain current customers, some companies develop loyalty programs such as the frequent flyer programs used by many airlines. A marketer may also seek to retain customers by learning a customer's individual interests and then tailoring services to meet them. Amazon.com, for example, keeps a database of the types of books customers have ordered in the past and then recommends new books to them based on their past selections. Such programs help companies retain customers not only by providing a useful service, but also by making customers feel appreciated. This is known as relationship building.

### **2.6.5 Distribution of the Product**

Some products are marketed most effectively by direct sale from manufacturer to consumer. Among these are durable equipment such as computers, office equipment, industrial machinery and supplies, and consumer specialties such as vacuum cleaners and life insurance. The direct marketing of product such as cosmetics and household needs is very important. Formerly common "door to door products", these are now usually sold by the more sophisticated "house party" technique.

Television is a potent tool in direct marketing because it facilitates the demonstration of product in use. Direct sale of all kinds of goods to the public via home-shopping clubs broadcasting on cable television channels is gaining in popularity. Some companies also use telephone marketing,

called telemarketing, a technique used in selling to businesses as well as to customers. Most consumer products, however, move from the manufacturer through agents to wholesalers and then to retailers, ultimately reaching the customer. Determining how products should move through wholesale and retail organizations is another major marketing decision.

Wholesalers distribute goods in large quantities, usually to retailers, for resale. Some retail businesses have grown so large, however, that they have found it more profitable to bypass the wholesaler and deal directly with the manufacturers or their agents. Wholesalers first responded to this trend by changing their operations to move goods more quickly to large retailers and at low prices. Small retailers fought back through cooperative wholesaling, the voluntary banding together of independent retailers to market a product. The result has been a trend toward a much closer, interlocking relationship between wholesaler and independent retailer.

Retailing has undergone even more changes than wholesaling. Intensive reselling by manufacturers and the development of minimum-service operations, such as self-service in department stores, have drastically change the retailer's way of doing business. Supermarkets and discount stores have become common place not only for groceries but for product as diversified as medicines and gardening equipment. More recently, warehouse retailing becomes a major means of retailing higher-priced consumer goods such as furniture, appliances and electronic equipment. The emphasis is on generating store traffic, speeding upon the transaction, and rapidly expanding the sales volume. Chain stores-groups of stores with one owner-and cooperative groups have also proliferated. Special types of retailing, such as vending machines and conveniences stores, have also developed to fill multiple needs.



Transporting and warehousing merchandise are also technically within the scope of marketing. Products are often moved several times as they go from producer to consumer. Products are carried by rail, truck, ship, airplane and pipeline. Efficient traffic management determines the best method and timetable of shipment for any particular product.

#### **2.6.6 Service and Marketing**

Marketing efforts once focused primarily on the selling of manufactured products such as cars and aspirin. But today the service industries have grown more important to the economy than the manufacturing sector. Services, unlike products, are intangible and involve a deed, a performance, or an effort that cannot be physically possessed. Currently, more people are employed in the provision of service than in the manufacture of products, and this area shows every indication of expanding even further. In fact, more than eight in ten U.S. workers labor in such services areas as transportation, retail, health care, entertainment and education. In the United States alone, service industries now account for more than 70 percent of the gross national product.

Services, like products, require marketing. Usually, service marketing parallels product marketing with the exception of physical handling. Service must be planned and developed carefully to meet consumer demand. For example, in the field of temporary personnel, a service that continues to increase in monetary value, studies are made to determine the types of employee skills needed in various geographical locations and field of business. Because services are more difficult to sell than physical products, promotional campaigns for service must be even more aggressive than those for physical commodities.

Businesses must strive daily to outdo competitors. The methods available to businesses for distinguishing their commodity from others in the market are subject only to their ingenuity. Such

methods may include product improvement, a unique promotional campaign, a new twist in servicing, a change in distribution channel or an enticing price adjustment.

## **2.7 Advertising as a part of Marketing Activities**

“Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others” (Kotler, 2006:6).

Marketing consists of activities that facilitate exchanges such as selling, buying, product planning, production, branding, pricing, packaging, advertising, sales promotion etc. For an exchange to happen four conditions must be satisfied. Firstly, there must be two or more individuals, groups or organization. Secondly, each party must have something of value to exchange with other party.

Thirdly, there must be willingness on part to give up its “something of value” in exchange for the “something of value” held by the other party. This something of value can be product, service or idea or it can be financial resources like money or credit. Lastly, there must be communication between the two or more parties.

Advertising is one of the components of marketing. There are four Ps in the marketing mix i.e. product, place, promotion and price. Advertising falls under promotion mix.

## **2.8 Review of Previous Studies**

The related literatures which are similar to advertising have been reviewed. One study was on “The communication Effect of Advertising and Brand Preference of Instant Noodles” the main objectives were the advertising appeal and relation between brand preference and advertising qualities of instant noodles. Of all media available in Nepal, the radio has proved itself a leading one to create awareness in customers about the advertised product, especially edible goods like instant noodles. After that the film cine slide comes orderly. Most of the educated people of

Kathmandu are aware of brand (The Rara and the Maggi) of instant noodles because of their advertisements. Most of the uneducated people of Kathmandu could not say anything about the advertisement. Advertising qualities of instant noodles have made no change in brand preferences. In case of the newspaper advertisement, the Rara has attracted many of customers because of its style of photo presentation while the Maggi has attracted to its customers with the help of layout headlines.

Thakur's (2001:33), study on "The role of advertising in brand loyalty" (with special reference to soft drink) had analyzed popular of advertising on brand loyalty of consumers product. Advertising is the main source of information about particular brand as well as sensitive subject in the country in the course of promotion.

Most of the consumers like entertaining advertisement than other types of advertisement. It is found that advertisement has a great contribution for purchasing soft drink. Consumers' second reason of brand switching is advertising. The effective advertising in time is regarded as the best tool for brand loyalty. Most of the consumers have given first preference to the taste of the product while the quality of the product is considered as second important factor in the case of soft drink.

Shrestha K.N. (1993:47), on his dissertation "The role of advertising in brand choice and product positioning with soft drink" which has mentioned that advertising has been established as an important promotional tool both in high involvement and low involvement goods. The importance of advertising to consumer goods is comparatively weightier than industrial goods. Consumers get knowledge about products through different media of advertising. Advertising is considered as the primary source of information. Television is the mostly favorite medium for advertisement and radio stands in second position. At the same time, F.M. Board casting is also becoming popular in the Kathmandu Valley among young generation. The advertisement which presents the product as better quality and advertisement which is

entertaining in style is liked. The major reasons of brand switching are the taste of the product.

Giri (2000:40), on “A study on the Communication Effect of Advertising and Brand Preferences of Instant Noodle the following objectives were set both consumers and advertisers recognize the need of advertising (Especially radio media) in the present context of Kathmandu market.

For promotion of product advertising is only a main method used by the producer. Of all the advertising Medias available in Nepal, radio advertising is ranked at top on the list. Most of the advertiser’s fixed advertising budget on the basis of last year budget. They have not considered about percentage of total sales volume. All respondents (advertisers) are in a common view that effect of advertising is that recognized.

Popular of advertising can only be here in between two weeks to four weeks and advertising media available in Nepal cinema advertising is the cheapest. When analyzing the response of consumer effective forms of media are Radio, TV and cinema periodically ranked first, second and third respectively?

Aryal (2002:48) had been conducted on the topic “An examination on female role portrayal in print advertising” and has identify the noticing behavior of individuals on product categories been advertised portraying female models in print advertisement. The individuals’ reasons of notice in female featured print advertisements and likes/dislikes of overall expression of female models in print advertisements.

The perception of individual towards the female models and self, family response of female models of print on their portrayed roles, interested roles, their profession, inspiration to fall into the profession, the degree of satisfaction and family response of their profession.

# **CHAPTER – III**

## **RESEARCH METHODOLOGY**

### **3.1 Introduction**

This section deals with research design, population & sample, nature & sources of data procedure, data analysis techniques and data presentation & analysis tools.

This study attempts to study the impact of Radio advertising toward the buying behavior of consumer. To get this objective the relationship between three independent variables, i.e. consumer attitude perception and credibility towards advertisement which dependent variable consumer buying behavior is analyzed. Besides these prime objectives there are two subsidiary objectives of the study, i.e. to know about the factor that affects consumer buying behavior. It is very hard to choose the research design to best fit to the study without error to achieve. This chapter has been presented as follows.

### **3.2 Research Design**

This chapter deals with the various methodologies pick up for the conduction of the field work at the study. For the achievement of the stated objectives basically it followed survey type of research design perusing. It has included data collect from the management of company and survey questionnaire for primary data collection. For the purpose of analysis, the data were tabulated and analyzed using mostly descriptive and analytical tools. The following section contains the designs of the study, various sources of data, a descriptive and analytic of research instruments and the methods to collection data.

### 3.3 Population and Sample

The population of the study comprised all the consumer of 2PM noodles in Biratnagar city. Among them 100 respondents were selected as the convenience sample for the study on the basis of convenience including both male and female from different areas of Biratnagar City. Questionnaire method is followed to collect data and respondents are interviewed when necessary. Consumers of Biratnagar who are also the viewers of radio are sources of data. The secondary data were collected from different books unpublished thesis and so on.

### 3.4 Nature and Sources of Data

In this study two kinds of data were, used primary and secondary data. Primary data are those data which is collected first time by researcher from the field by using several kinds of techniques like questionnaire technique, observation technique interview and Secondary data are those data which is obtained by other person and which is taken in count by researcher from other sources. The sources of secondary data are unpublished research, published research book, journal etc.

### 3.5 Data collection procedures

As already mentioned both primary and secondary data were used in this study.

- i) **Primary data:** For collecting primary data and information, the different method had been adopted they were:
  - a. **Questionnaire method:** During the course of the research study different questionnaire had been designed as per the requirement of the research study. The questionnaire had been distributed among 100 respondents of the city Biratnagar randomly to receive information accurately.
  - b. **Interview method:** The interview is a method allowing the researcher to ask question which enable him/her to answer research options in order to get information for the introductory from work at research study. Structured and

unstructured interview had been conducted to the different people of different age groups.

**ii) Secondary data and information:**

Secondary data are actually the results and data collected by previous investigations. It provides the researchers with a considerable amount of useful information.

With reference to research study the different secondary information had been collected from different sources. The different sources were books, magazines, newspaper, FM Listeners survey and dissertation submitted to the institute of management and manuals and papers.

### **3.6 Data Analyzing Technique**

In order to fulfill the objectives of study various graphs diagrams including pie-chart had been applied for the purpose of analysis. The result of analysis had been properly tabulated compared analyzed and science the proper data the study had become more completed. For collecting data structured questionnaire were sent out to limited person respondent and got proper answer. So structure, multi-choice, open-ended as well as closed questionnaires were constructed for data collection. Some questions were designed to collect the personal information like name, age, sex, education, family, life cycle, and occupation. Some questions were designed to collect the information on factors that affect consumer buying decision process; some questions were designed to collect the data on consumer attitude towards advertisement and buying behavior. Three kinds of analysis technique were use in the research:

- a. Multiple bar diagram and graph**
- b. Pie diagram**
- c. Percentage**

### **3.7 Data presentation and analysis tools**

The consistency of answer provided by respondent was checked and tabulated according to age, sex and education status. Different set of tables had been prepared for every important questionnaire. Simple listing method was used for tabulation of data and different responses made by them were presented on percentages basis as well.

The responses were categorized, tabulated, processed and analyzed using different methods to present in the understandable for pie-chart and simple bar diagram were used. The sample data collected covering the various backgrounds are presented in the table.



## **CHAPTER-IV**

### **DATA AND PRESENTATION AND ANALYSIS**

#### **4.1 Introduction**

This chapter highlights the objective-wise data presentation & analysis and interpretation which had been mentioned in the introduction chapter. The presentation and analysis of data consists of organizing, tabulating and analyzing mathematical and statistical result. Different tables and diagrams were drawn to make result simple and easily understandable.

It is a pictorial presentation of data to understand the further analysis at a glance. It is presented here to given idea on the factors affecting buying behavior, consumer attitude and buying pattern. It also helps to understand the general attitude towards advertising. It can prove or disprove the fact by the data presented in graphs, but it help to get insight into the nature and direction of the data. The prime objective of this presentation is to provide the background to understand the next part of the analysis easily to present the factors considered under study and to give an insight in to the nature of the data studies.

##### **4.1.1 Popular of the media**

In this section the researcher tries to find out that which media is more popular among the consumer. There are several types of medias i.e. Television, Radio, Newspaper, Hording board etc. The table below shows the effect of advertisement.

**Table 1**  
**Popularity of media**

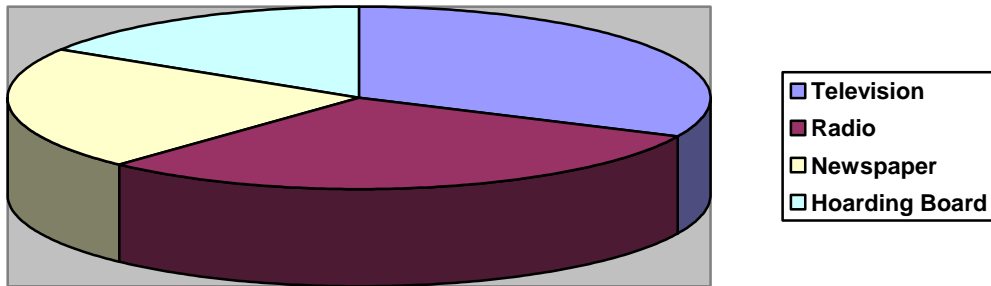
<b>Types of media</b>	<b>No of respondents</b>	<b>Percentage</b>
Television	32	32
Radio	30	30
Newspaper	22	22
Hoarding Board	16	16
<b>Total</b>	<b>100</b>	<b>100</b>

*Source: Field Survey, 2012*

It is found that 32 person (32%) reorganization those advertisement which telecast throw T.V. 30 people (30%) people reacting for those advertisement which is board casting throw the Radio/FM. 22 people (22%) people reacting for the those advertisement which publish in Newspaper and 16 people (16%) get their attention towards hoarding board. These data clearly indicate that most of the people reacting about those produce which advertisement is pass throw F.M./Radio. It means Radio / F.M. is more effective then other media. The above table shown with the help of following pie-chart.

**Figure 1**

**Popularity of media**



**4.1.2 Consumer habit of hearing radio advertisement:**

It is no meaning of advertisement if consumers have not interest on hearing. Radio advertisement so in this chapter we try to test consumer habit of hearing and hearing Radio Advertisement. The table below presents the consumer habit of hearing advertisement.

**Table 2**

**Consumer habit of hearing radio advertisement**

<b>Description</b>	<b>Sample Size</b>	<b>Hearing</b>	<b>%</b>	<b>Not hearing</b>	<b>%</b>
Male	50	40	80%	10	20%
Female	50	42	84%	8	16%
<b>Total</b>	<b>100</b>	<b>82</b>		<b>18</b>	

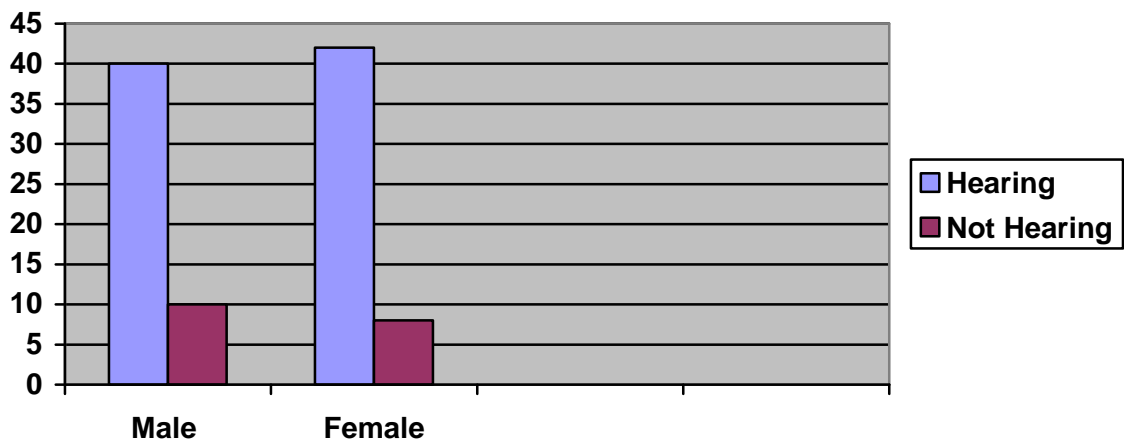
*Source: Field Survey, 2012*

Living in Ilam, out of total sample population 82% of people are found to have the habit of hearing Television advertisement of analyze the figure of male and female. (80% male & 84% female). The percentage of women hearing

advertisement seem to higher by 4% like wise (20% male and 16% female) 4% higher male have habit of not hearing advertisement. The statistics is presented below thought multiple bar diagram.

**Figure 2**

**Consumer habit and hearing radio advertisement**



#### **4.2 Impact of advertising on consumer**

It is very important to know that what kind of impact advertisement provides to consumer. Some advertisement creates positive impact among the consumer regarding the advertised product while sometime it creates negative impact. So this survey is for the test. The impact of advertisement and result is presented at table 3.

**Table 3**

**Impact of advertisement on consumer**

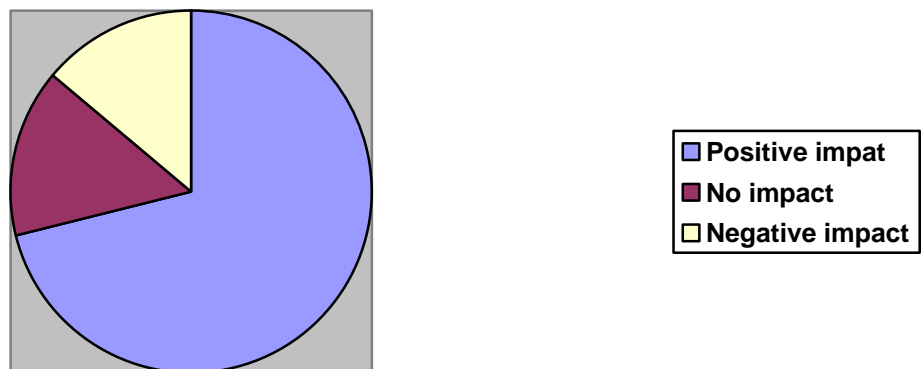
<b>Descript</b>	<b>No. of Sample</b>	<b>No. of Respond</b>	<b>%</b>
Positive Impact	100	71	71%
No Impact	100	15	15%
Negative impact	100	14	14%
	<b>100</b>	<b>100</b>	<b>100</b>

*Source: Field Survey, 2012*

The above table shows the impact of advertisement out of 100 sample 71 people (71%) said that the advertisement made their decision easy while purchasing good. They said easily recall those product which has good advertising out of 100 sample 15 people 15% people said they have no impact for advertisement i.e. they purchase those good which they purchase further out of 100 sample 14 people (14%) said they didn't purchase those good which advertise highly. The above result presented in pie-chart below.

**Figure 3**

**Impact of advertisement on consumer**



#### 4.2.1 Impact of frequency of advertisement:

Frequency of advertisement plays great role to influxes consume consumer friezes different product by considering various factor advertisement is also one of the important factor which affect. They result of the consumer preference to various types of product is presented in the table below.

**Table 4**  
**Impact of frequency of advertisement**

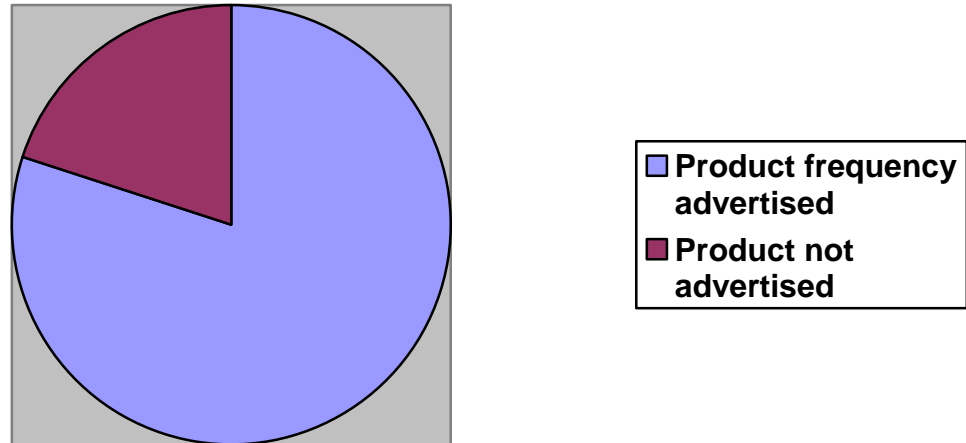
<b>Description</b>	<b>No of respondents</b>	<b>Percentage</b>
Product frequency advertised	81	81%
Product not advertised	19	19%

*Source: Field Survey, 2012*

The above figure clearly shows that the majority of people believe on those advertisement which advertised frequently 81% people says that they appreciate for frequently advertised advertisement and only 19% says that they understand advertisement of one time. The above information nearly shows in pie-chart below.

**Figure 4**

**Impact of frequency of advertisement**



The above figure clearly shows that the majority of people believe on those advertisement which advertised frequently 81% people says that they appreciate for frequently advertised advertisement and only 19% says that they understand advertisement of one time. The above information nearly shows in pie-chart below.

**4.3 Adequacy of advertisement**

Consumer can be receiving various useful information regarding the product usefulness or benefits, suing techniques and its effect on their daily life etc. from the advertisement. The situation of consumer's response regarding the adequacy of advertisement is presented below:

**Table 5**

**Adequacy of advertisement**

<b>Description</b>	<b>No. of respondent</b>	<b>Percentage</b>
See information for additional	62	62%
Adequate information	38	38%
Total	100	100%

*Source: Field Survey, 2012*

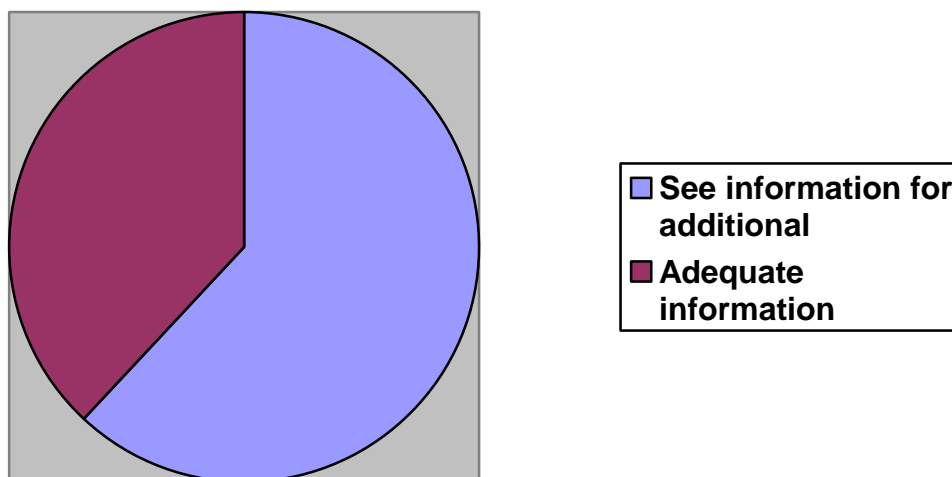
The above table shows in brief the consumers reaction to the adequacy of the advertisement. Among the total 100 respondent 62% wanted some more information to be added in the advertisement whereas 38% responded that the context of the advertisement are adequate i.e. they are fully satisfied with the information received from advertisement of particular product.

Therefore, from the analysis it can be concluded that noodle it's of consumer are willing to add additional information in the advertisement so that the advertisement would be adequate enough to accomplish the demand of the consumer. The above information clearly shows in pie-chart below.



**Figure 5**

**Adequacy of advertisement**



**4.3.1 Consumer's preference to the product having same price and quality**

The consumer may give different preference to the product having same price and quality due to effect of advertisement. The result of the consumer's preferences towards such product due to the impact of advertisement can be presented as follows:

**Table 6**

**Consumer's preference to the product having same price and quality**

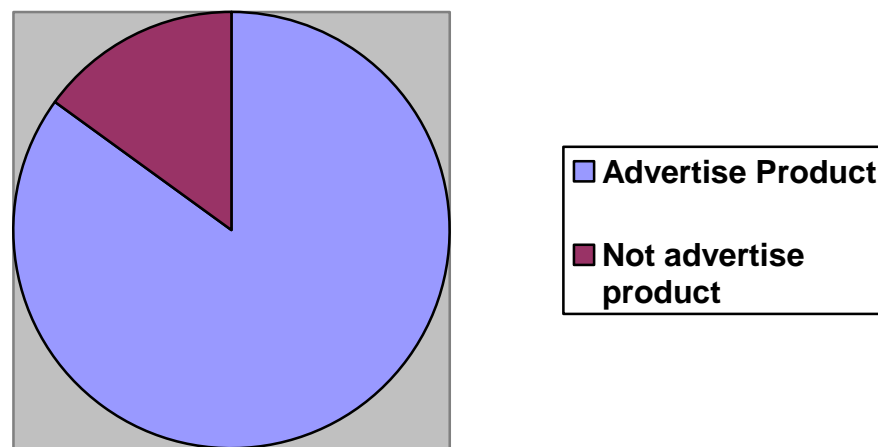
Description	No. of respondent	Percentage
Advertise Product	85	85%
Not advertise product	15	15%
Total	100	100%

*Source: Field Survey, 2012*

The above table shows the preference of consumer to the product having same price and quality act of the total 100 respondent 85% given preference to the advertised product whereas 15% given reference to non advertised consumer. The following result is shown in pie-chart below.

**Figure 6**

**Consumer's preference to the product having same price and quality**



**4.4 Age wise consumer preference on advertisement**

The total shows the age level and their advertisement preference the sample size of total people was divided into five groups of 20 people. The detail situation has been presented in below:

**Table: 7**

**Age wise consumer preference on advertisement**

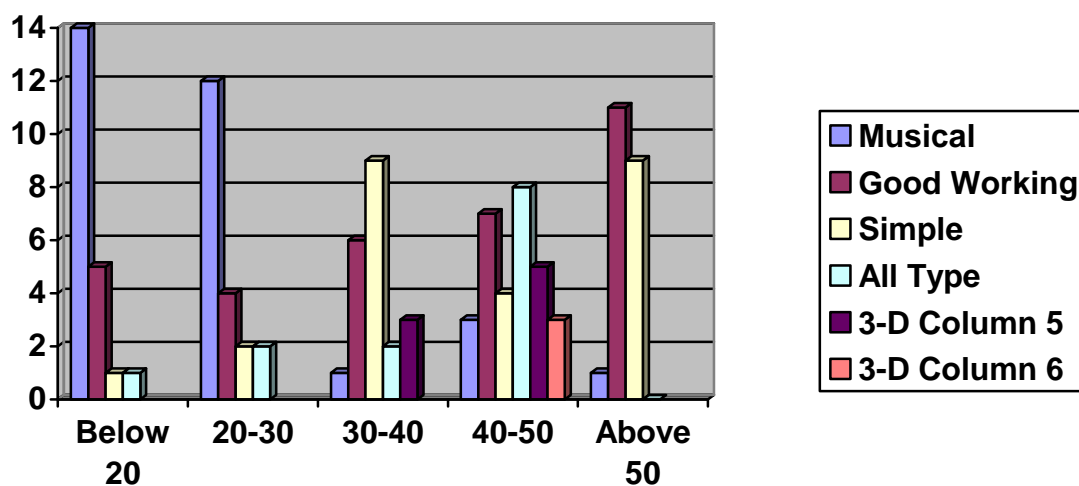
<b>Description</b>	<b>Sample size</b>	<b>Musical</b>	<b>Good wording</b>	<b>Simple</b>	<b>All type</b>
Below 20	20	14	5	1	1
20-30	20	12	4	2	2
30-40	20	6	9	2	3
40-50	20	4	8	5	3
Above 50	20	1	11	9	0
Total	100	37	37	19	9

*Source: Field Survey, 2012*

From the above table, it was found that out of 20 people of age group below 20, 14 people preferred musical advertisement 5 people found to prefer good wording, 1 people of below 20 preferred simple and 1 people also prefer all types. The reaction of people those fall in age group 20 to 30, 12 people preferred musical advertisement, 4 people preferred good wording and 2 people simple advertisement and 2 people preferred all type. Simple which clearly means that majority of age group prefer musical advertisement taking about of age group 30 to 40, 6 people preferred musical advertisement, 9 people preferred good wording. 2 people preferred simple and 3 people preferred all type of advertisement. At the age of group of 40 to 50, out of 20 people 4,8,5,3 preferred musical, good wording simple, all types of respectively. It means that majority of people preferred good wording advertisement at the age of group of above 50, only 1 people preferred musical advertisement. 11 people preferred good wording. 9 people preferred simple and zero people preferred all types of advertising the data are clearly show on multiple bar diagram below.

**Figure 7**

**Age wise consumer preference on advertisement**



**4.5 Literacy wise consumer’s preference on advertisement**

The table below shows the literacy level and their advertisement preference. The sample size of total people is divided into five group or respondent in each group. The detail situation has been presented in the following table.

**Table 8**

**Literacy wise consumer’s preference on advertisement**

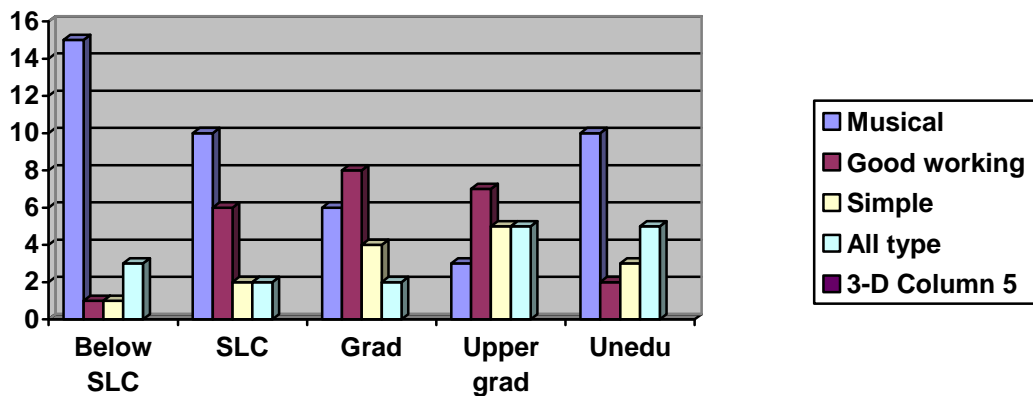
Description	Sample size	Musical	Good working	Simple	All type
Below SLC	20	15	1	1	3
SLC	20	10	6	2	2
Graduate	20	6	8	4	2
Upper Graduate	20	3	7	5	5
Uneducated	20	10	2	3	5
Total	100	44	24	15	17

*Source: Field Survey, 2012*

The above table shows that lower educated respondent's people preferred to musical advertisement regarding musical advertisement 15 people preferred musical advertisement where as 10 people SLC preferred it. Likewise 6 graduate people preferred it 3 upper graduates preferred it and 10 uneducated people preferred it. Similarly, regarding advertisement with good working, 2 uneducated people preferred advertisement with good working, considering simple advertisement 1 below SLC. 6 SLC level, 8 graduate, 7 upper graduate preferred it. And for all types 3, 2, 2, 5, 5 people of below SLC, SLC pass, graduate, upper graduate preferred it. Similarly 1, 2,4,5,3 people of below SLC, SLC pass, graduate, upper graduate preferred it. The meaning of that calculation upper graduate and graduate people are more focus about good working. While lower educated people focus on musical advertisement to understand the above information properly the below multiple bar diagram is presented.

**Figure 8**

**Literacy wise consumer's preference on advertisement**



**4.5.1 Preference of advertising according to gender**

The situation of preference of consumer on advertising according to the gender is presented below:

**Table 9**

**Preference of advertising according to gender**

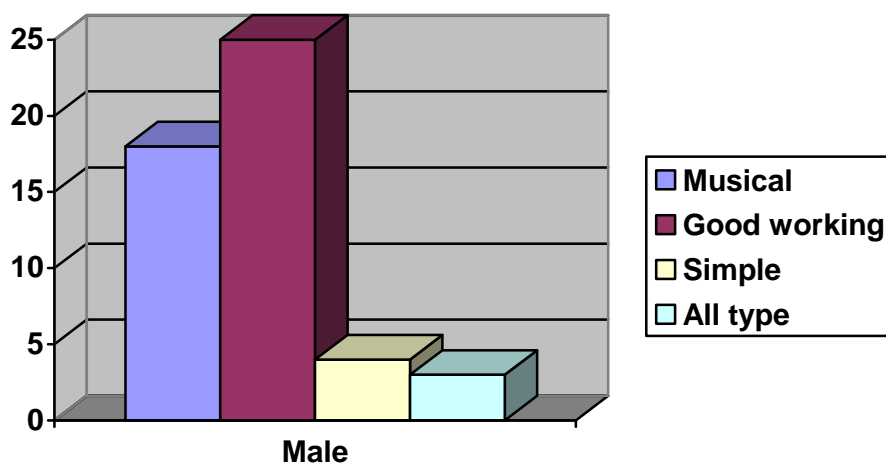
Description	Sample size	Musical	Good wording	Simple	All type
Male	50	18	25	4	3
Female	50	25	16	4	5
Total	100	43	41	8	8

*Source: Field Survey, 2012*

The above table show preference of advertisement according to gender of 50 male, 18 responded are found to like the musical advertisement, 25 respondent preferred good wording, 4 respondent preferred simple advertisement and 3 like all type of advertisement. Regarding no female respondents 25 preferred for musical advertisement, 16 good wording, 4 simple, 5 all type preferred advertising respectively for more clarity the above information presented with the help of the pie-chart.

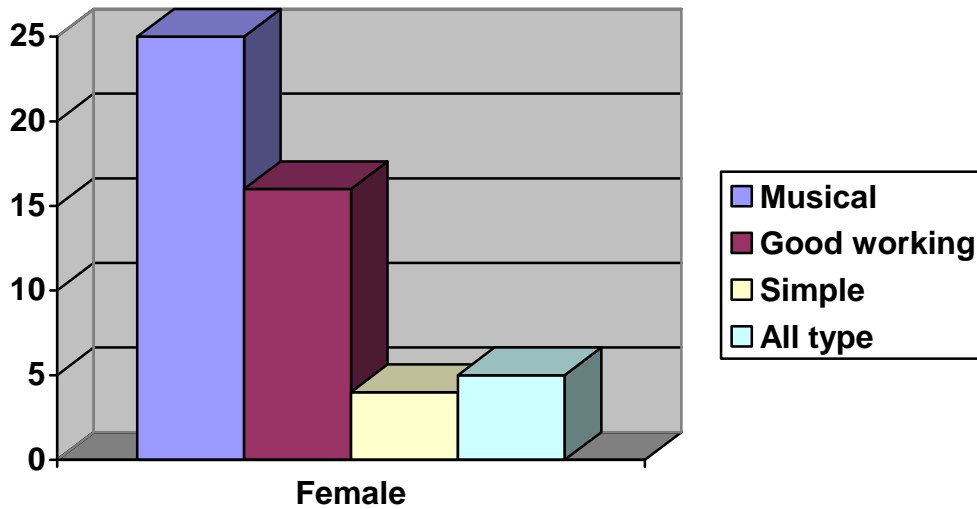
**Figure 9.1**

**Preference of advertising according to gender male**



**Figure 9.2**

**Preference of advertising according to gender female**



**4.5.2 Age wise consumer's reaction to the advertisement**

The different age group recall to advertisement differently like some of them tries to know what advertisement meant some of them may be uninterested about advertisement, whereas, some just watch or hear advertisement. The situation of consumer reaction according to the age group is presented in table below.

**Table 10**

**Age wise consumer's reaction to the advertisement**

<b>Description</b>	<b>Same size</b>	<b>Try to know</b>	<b>Curious</b>	<b>Just hearing</b>
Below 20	20	8	2	10
20-30	20	11	6	3
30-40	20	5	11	4
40-50	20	10	2	8
Above 50	20	3	8	9
Total	100	37	29	34

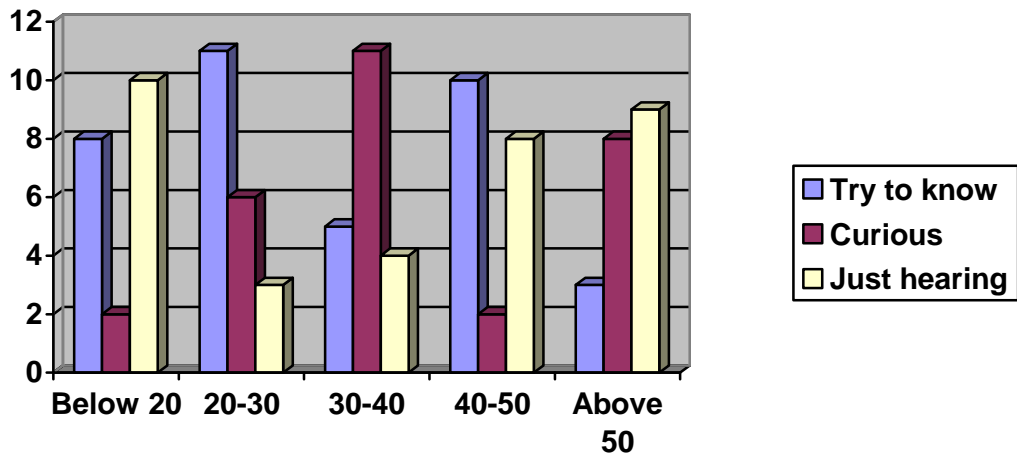
*Source: Field Survey, 2012*

The above statistics shows that the total sample population belonging to different age group does not have the same opinion about advertisement. The result regarding the consumer opinion on advertisement indicate that 8 respondent belongs to tryst age group want just to know the literal meaning of advertisement. 2 respondents are really curious about advertisement whereas 10respondents are passive advertisement audience. Likewise, among the respondent belonging to age group of 20 to 30, 11 respondents are conscious only with the meaning of advertisement 6 are highly inquisitive to the advertisement while 3 responded are more audience. Analyze the third group 30 to 40 out of 20 respondent 5 people are try to know the meaning of advertisement 11 people are curious about advertisement and 4 people are more audient hen other. In the fourth age group out of 20 people 10 are interested on the meaning of advertisement 2 person curious about to advertisement and 9 people are just hearing. In the fifth age group majority of people 9 people are curious about advertisement than after 8 people are just passing their time by hearing advertisement, 3 people are conscious of meaning i.e. they try to know the meaning. The above analysis is more clearly presented in the following chart.



**Figure 10**

**Age wise reaction to the advertisement**



**4.6 Education wise reaction to the advertisement**

The reaction to the advertisement according to their education it presented in the table below.

**Table 11**

**Education wise reaction to the advertisement**

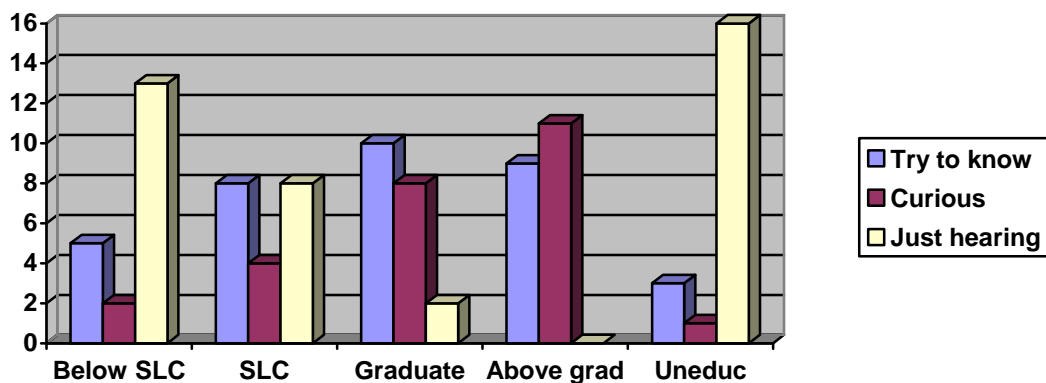
Description	Same size	Try to know	Curious	Just hearing
Below SLC	20	5	2	13
SLC	20	8	4	8
Graduate	20	10	8	2
Upper Graduate	20	9	11	0
Uneducated	20	3	1	16
Total	100	35	26	39

*Source: Field Survey, 2012*

The above table indicated the reaction of respondents in term of their education status 5 respondent having qualification below SLC opined that they want to know only the meaning of advertisement, 2 out of total 20 respondent are found to be highly interested to the advertisement where as 13 respondent are found to be more audience. The group of SLC passes qualification 8 respondent want to know the advertisement mean , 4 respondents are curious about advertisement while 8 people are just watch or hearing. Taking about the third group having graduate degree 8 respondent viewed that they are conscious to the meaning of advertisement 10 people are inquisitive to the advertisement where as 1 people found to be only audience. In the fourth group i.e. having qualification of above graduate degree 9 people are found to be aware of the meaning of advertisement, 11 are excited about advertisement while zero people are found to be inactive audience. To see the uneducated people 3 people want to know the meaning of advertisement. 1 people are highly interest where as 16 are dull audience. The above calculation can be presented with the help of multiple bar diagram given below.

**Figure 11**

**Education wise reaction to the advertisement**



#### 4.7 Gender wise reaction to the advertisement

The situation of gender wise reaction to the advertisement is presented in the following table:

**Table 12**

**Gender wise reaction to the advertisement**

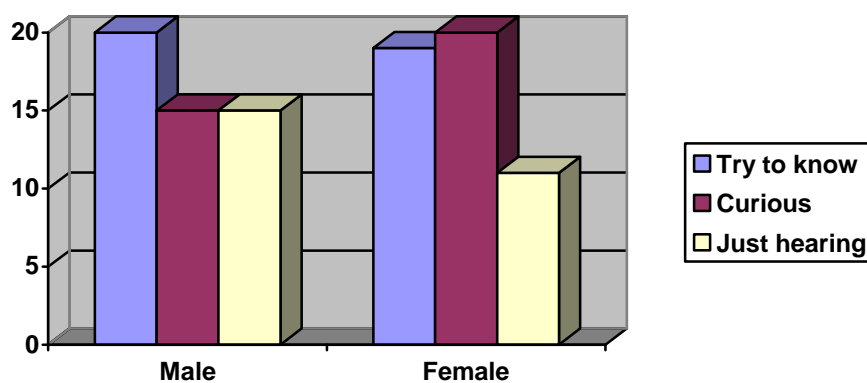
<b>Description</b>	<b>Same size</b>	<b>Try to know</b>	<b>Curious</b>	<b>Just hearing</b>
Male	50	20	15	15
Female	50	19	20	11
Total	100	39	35	26

*Source: Field Survey, 2012*

The above show the gender wise reaction of advertisement out of total 50 male 20 respondent views that they are particular only to the meaning. 15 are curious to advertisement and 15 found to be more audience. To see the female population 19 people are found to be concerned of the meaning of advertisement out of 50, 20 female are curious about advertisement and only 11 are found to be one audience. The above calculation can be presented with multiple bar diagram.

**Figure 12**

**Gender wise reaction advertisement**



#### 4.8 Factor that influences consumer to buy the product

Many factors influence the consumer to buy the product like quality price advertisement etc. The results of the factor that affect the consumer to purchase the noodle are presented in the following table.

**Table 13**

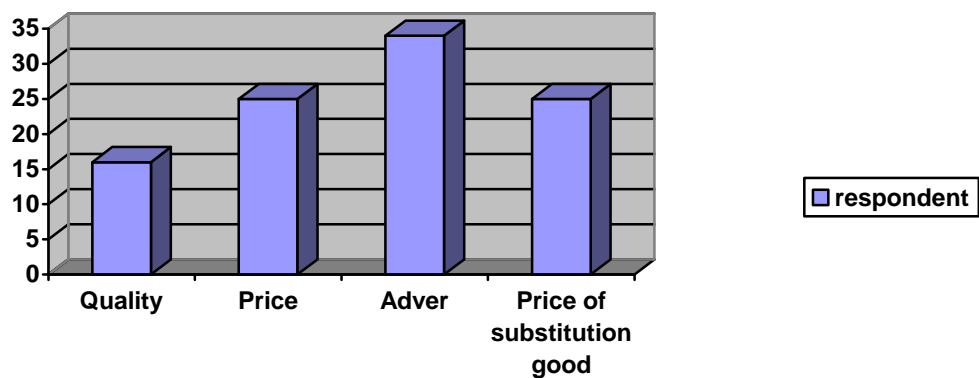
**Factor that influences consumer to buy the product**

Description	No. of respondent	Percentage
Quality	16	16%
Price	25	25%
Advertisement	34	34%
Price of substitution Good	25	25%
Total	100	100%

*Source: Field Survey, 2012*

**Figure 13**

**Factor that influences consumer to buy the product**



The above table and figure show the factors which influence customer to buy the product from the table it is clear that majority of people 34% respondent that are influenced by the advertisement 25% respondent by the substitution product

price 25% respondent by the price and only 16% people responded by the quality that due to ignorance of the quality.

#### 4.9 Comparison cost media

Because of the cost which charged by the media of advertisement it is more important to know which media is suitable for small production house. It is most important to know that which cost is less among the two media of advertisement from the table below it shows the cost of all media.

**Table 14**  
**Comparison cost media**

<b>Description</b>	<b>Cost of Media</b>	<b>Cost of Radio</b>
Annually	1,00,000	6000
Semi-Annually	60,000	4000
Monthly	12,000	2000

*Source: Field Survey, 2012*

The above table shows that the cost of television is much higher than cost of Radio for the small production house, it is less expensive to advertising throe Radio. This cost not include the cost which charged by agency of marketing.

#### 4.10 Sales and advertising expenses of company

From the table below, it clearly shows the sales and advertising cost of company.

**Table 15**  
**Sales and advertising expenses of company**

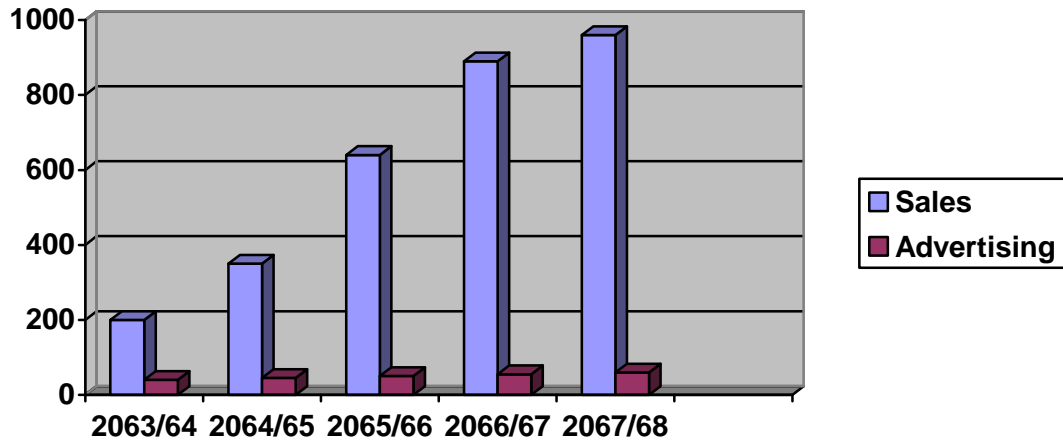
Year	Sales	Advertising expenses
2063/64	200	40
2064/65	350	45
2065/66	640	50
2066/67	890	55
2067/68	960	60

*Source: Field Survey, 2012*

The above table shows that company sales and advertising expenses, the year 2063/64. The company pays 40000 for advertising expenses and the company make sales or 200 thousand similarly, in year 2064/65 the sales is 350 and advertising expenditure 45000. 2065/66, sales 640 and advertising expenses is 50000, 2066/67 sales was 890 and advertising expenses 55000, in year 2067/68 sales in 960 and advertising expenses was 60000. From the table above, it is found that it advertising expenses is increased the sales is also increased. So, it is clear example of effect of advertisement.

**Figure 14**

**Sales and advertising expenses of company**



#### **4.11 Major findings of the study**

The major finding of this research work has been presented below:

- ) From the survey it is found that out of 50 male 18 prefer musical advertisement and 25 like good wording advertisement and 4 male like simple and 3 like all type of advertisement .For the case of female out of 50, 25 person prefer musical, 16 people good wording, 4 women like simple and 5 all type.
- ) From age wise consumer's reaction to the advertisement sample, it was found that the below 20 age group, 50% people are just hearing the advertisement. 55% people of 20-30, try to know the advertisement. 55% people of 30-40 age group people are curious about advertisement. 50% people of 40-50 age groups are trying to know about advertisement. 45% people of above 50 age group are just hearing the advertisement.
- ) In the context to education wise reaction on advertisement, it's found that most of uneducated people just heard advertisement 80%. Among the SLC and above SLC test watch and curious 65% and 40% respectively. Among the graduate and upper graduate people heard the advertisement to know or curious 50% and 55% of nears.

They are serious about the advertisement and they try to know the advertisement.

- ) This test made to know the reaction of advertisement gender wise and the situation of gender wise reaction to advertisement shows that out of 50 male 40% try to know, 30% curious and 30% just watch it means majority of male 1<sup>st</sup> heard the advertisement they have no mean to know anything but in the context of women 38% women try to know, 40% curious and only 22% to watch it means that women are bit sincere about the advertisement.
- ) Advertisement is main factor that influences customer to buy the product and secondly price and then after quality and so on.



# **CHAPTER-V**

## **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Summary**

Advertising presents the most persuasive possible selling message to the right prospects for the product or service at the lowest possible cost. This is a professional definition, which emphasizes that advertising should be planned and created to achieve the most result for the lowest costs. The main objective of advertising is to sell. But unlike the salesman who sells in a face to face, or even voice to voice situation, advertising sells in a broadcast fashion to numbers of prospects whose identity may or may not be known, and who may be close at hand or at a distance.

The message is reached to the large number of prospective buyers at a time. Advertising has remarkable flexibility and range of operation. This versatile and flexibility of the advertisement does not have to be used intelligently. This is lacking in Nepal. In this regard the present study will be helpful. Before there is any expenditure on advertising, there must first be an assessment of the likely return, and one method or medium should be judged against another on a cost benefit analysis. This study surveys the impact of radio advertising on consumer behavior. Thus, this study will be very important for the advertiser. It will help them to improve their advertising policy.

In Nepal, advertising is growing day to day. Advertising is widely used by business, government and social organization. Banks extensively use it to issue notices for repayment of overdue loans. The use of advertisement by private airlines is increasing every year. However, the impact of advertisement to the various consumers is unknown. Thus, the study to analyze the impact of radio advertisement on consumer behavior is essential in Nepalese context.

The main objective of the study is to analyze the impact of radio advertisement on consumer behavior is reference to noodles but the specific objectives are:

- (a) To examine the consumers' preferences on radio advertisement.
- (b) To identify the consumers' reaction to the radio advertisement.
- (c) To examine the popularity of the radio advertisement.
- (d) To analyze the popular of the advertisement of noodles product.
- (e) To examine the factors that influence to buy the noodles product.

Advertisement is one of the most important components to influence consumers form making them familiar about the product. The study regarding the impact of radio advertisement in consumer behavior is perhaps is first in Nepal. To achieve the objectives of the study required data are collected from primary sources through questionnaire. In total, 80 questionnaires covering the different age groups, different gender and educational background are collected and various statistical tools are used to analyze the data to achieve the objectives of the study.

## **5.2 Findings of the Study**

The major finding of this research work has been presented below:

- ) This first test was made to test the efficiency of the media. There are four different kinds of media. Among them television media was more effective. Out of total 100 respondent 32% were in favor of television.
- ) Likewise at other popular media is newspaper out of 100 respondent, 22% were in favor of newspapers. Next media is radio out of 100 people 30% responded toward it last is hoarding board 10 people are in favor of that.

This test was made for testing whether consumers have habit or hearing or not from that test it was clear that consumer (male and female) educate interested to hearing advertisement.

- ) The sample size of 100 divided into two groups male and female and it found that 40 male and 42 female has habit of hearing advertisement. It clearly indicate that the consumer have habit of hearing advertisement.
- ) This test was made to know the impact of advertisement. It is found that out of 100 respondent 71 people 71% people get positive impact and 15 people 15% people says that hey have no impact and 14% people says that they have no impact. This test was made to testing the impact of frequency at product advertised.
- ) The role of frequency of advertisement and it found that 81 out of 100 responded are in favor of frequently advertised product and 19 responded that they refer those product which not advertised. It means that majority of people think that the frequently advertisement made their decision easy to purchase.
- ) This test was made to testing the consumer need form advertisement some consumer hearing from the advertisement from this test it found that 62(62%) people out of 100 are seeking for additional information from advertisement and 38 (38%) are satisfied whatever they achieved from advertisement.
- ) The cost which taken by the media of advertising from this test it is found the television media is much higher the radio media. For annual telecasting average of media taking 1, 00,000 p.a but for that same time Radio media charging only 12000.
- ) The sample of consumer's preference to the product having same price and quality, it is found that costumer give preference to advertised product than not advertised product.

### **5.3 Conclusions**

According to the findings of the analysis section it can be concluded that majority of the people have habits of listening radio and out of them, women are more curious in listening radio than men which indicates that radio advertisement is more popular means of advertisement than all other types of advertisement but most of them just listen rather than to know any new information.

In addition to this majority of the people of differing are group as well as different educational class and gender prefers to the musical programs as compared to other types of radio programs which indicates that musical programs are more popular among the people than other programs. Similarly, majority of the people prefers the product which is frequently advertised rather than non-advertised products though the products are of similar nature. But most of them purchase the product due to their necessity and not due to the influence of advertisement.

Likewise, the advertisement of noodles product like 2PM is very much effective to make the customer familiar about the product but majority of them are influenced by the equality of product and not by the advertisement though they know about that product from advertisement. Thus, in conclusion it can be concluded that radio advertisement seems to be the most popular means or media which plays crucial role to enhance the market of the goods manufactured.

### **5.4 Recommendations**

On the basis of the findings of the study, following suggestions or recommendations are recommended:

- ) They study shows that majority of respondents of different age groups and various educational backgrounds prefer musical backgrounds programs rather than other programs.

So, the produce as well as advertisers either makes their advertisement in musical form of they should broadcast the advertisement in musical program.

- ) They study shows that majority of the respondents have habit of listening radio and it is more popular with women consumers. So, the advertisers and producers should give preference to the radio advertisement by focusing more to the women advertisement.
- ) The analysis shows that the information included in advertisement are not sufficient and majority of the respondents are willing to get the additional information from the advertisement regarding various aspects of the product. Thus, advertisers, manufactures and producers should include sufficient information so that consumer can be satisfied regarding the matter.
- ) They study indicates that the advertisement of any product leaves the good impact to consumer behavior regarding the product but to some extent their purchasing depends upon the need of the consumers.
- ) So the manufacturers and advertisers should also try to create the necessity of the product through advertisement using effective presentation of product, and product related information in their advertisement.
- ) The advertisement of noodles product is very much effective to leave a positive impact upon consumer regarding the product rather than other variables. So, all the manufacturers of noodles product should produce a product having good quality and advertise their product effectively such that their market share increases rapidly.
- ) They study indicates that the 2PM instant noodles are more popular product than other noodles product. So, the firm should try to maintain this strength in future too. In the study, majority of the respondents stated that the price of Rum Pum is comparatively higher than other noodles product.

) So, the producer of 2PM instant noodles should address this weakness and the price of the product should be comparatively reasonable as other competitive product.

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# Appendix

## Questionnaire to consumer of 2PM Noodles towards radio advertisement to Biratnagar -16.

Name: -

Address:-

Sex: -

1. What kind of advertisement do you prefer?  
a) Musical  b) Good wording  c) Simple  d) All Types
2. Do you generally hear advertisement?  
a) Yes  b) No
3. What is your reaction when you hear advertisement?  
a) Try to know what it means  b) Curious about it   
c) Just hear it  d) Switch of Radio
4. Does repetitive advertisement attract your attention?  
a) Yes  b) No
5. For you advertisement is source of  
a) Information  b) Entertainment
6. Does entertaining advertisement influence your opinion about the product?  
a) Yes  b) No
7. Does information provided in advertisement affects your opinion about the product?  
a) Yes  b) No
8. What product do you prefer?  
a) Frequently advertised  b) No Advertised

9. Does advertising help you take right decision to sale commodity?  
 a) Yes  b) No  c) Cannot say
10. Have you heard food advertisement?  
 a) Yes  b) No
11. If yes have you hear the advertisement of 2pm noodles?  
 a) Yes  b) No
12. Do you like the advertisement of 2PM noodles?  
 a) Yes  b) No
13. What factor influences you to buy that product?  
 a) Quality  b) Price  c) Scheme  d) Advertisement
14. Do you think most advertisement has what it want to say?  
 a) Yes  b) No
15. If an advertisement interests you what it want to say?  
 a) I look and read for more information   
 b) What I receive is enough
16. If there are similar kind of product in the market in term of price and quality which product would you choose?  
 a) Advertised  b) Not advertised
17. Have you brought any product after getting information from advertisement?  
 a) Yes  b) No  c) Cannot say
18. Which kind of media would prefer?  
 a) Newspaper  b) Radio   
 c) Television  d) Hoarding board

19. What suggestion would you like to give to improve the product's features and schemes being provided from the company? Please mention them.
20. Please tick on right box
- a) Age
- Below 20  20-30  30-40  40-50  above 50
21. Would you tell me your education status?
- a) Below S.L.C  b) S.L.C.
- c) Graduate  d) Above graduate
- e) Uneducated
22. What kind of advertisement you found more effective? Please tick any point.
- a) Informative  b) Reminding
- c) Persuading
23. How far do you think advertisement can help you in purchasing a product?
- a) Helps a lot  b) Doesn't help
24. To increase the purchasing decision, which of the following factor would you follow?
- a) Reasonable price  b) Qualities product
- c) Effective advertising  d) Aggressive sales promotion
25. What do you prefer most?
- a) Pre testing  b) Post testing
- c) Current testing
26. Are you loyal towards and aware of the brand which you buy?
- a) Yes  b) No
27. Have you heard the name of noodles 2PM?

- a) Yes  b) No
28. Do you think 2PM is one of the best noodles in Nepal?
- a) Yes  b) No
29. What do you think is the close competitor of 2PM noodle?
- a) Wai Wai  b) Rara  c) Yum Yum  d) Mayoos
30. What is your opinion about the advertisement of 2PM noodle?
- a) Excellent  b) Good  c) Bad
31. Mark on the following scale how much you believe in the advertising message delivered to you by sponsors through various means of advertising?
- a) 100%  b) 75%  c) 50%
- d) 25%  e) 0%
32. Do you think that schemes are important to attract customer towards product?
- a) Very much  b) Quite important
- c) Not so important  d) Not important at all
33. Are you satisfy by the information provided by the advertisement?
- a) Yes  b) No
34. What do you except from advertisement?
35. Can you give your idea about advertisement?
36. Can you list the name of your favorite advertisement?
37. What do you think of advertisement?
- a) It wastes a time
- b) It is a good way to attract consumer
38. When did you recently buy 2PM noodles?

- a) Yesterday  b) Today
- c) Week ago
39. Have you bought the product after getting information from advertisement?
- a) Yes  b) No
40. Have you found any difference between other noodle and 2PM noodle?
- a) Yes  b) No
41. If yes in what term it is different from other noodle?
- a) Quality  b) Price
- c) Schemes  d) Advertisement
42. Do you think old age people prefer food like noodle?
- a) Yes  b) No
43. If no, can you please explain the reason to dislike it?
44. Do you buy the product because?
- a) Advertisement include to buy
- b) Need it
- c) Both of them
45. How many hours a day you hear advertisement?
- a) Less then an hour
- b) 1 hour
- c) Doesn't watch at all
46. Does repetition of advertisement attracts your attention?
- a) Yes  b) No
47. Do you think advertisement enhance sale of product?
- a) Yes  b) No
48. Is advertisement popular way to make product popular?

- a) Yes  b) No
49. Does advertisement able to communicate right think about product?  
a) Yes  b) No  c) Not sure
50. How many members in your family love to eat noodle?
51. How many of them like to have 2PM noodle?
52. Can you please give the reason why do they like to have it?
53. Which factor do you suggest in more important to increase sale of product?  
a) Good profit margin  b) Effective advertising   
c) Attractive sale promotion
54. Which form of advertisement do you like more?  
a) Still image (magazine/newspapers)   
b) Moving Image (TV/internet)