

**IMPACT OF ADVERTISING ON SALES OF INSTANT
NOODLES IN NARAYANGARH CITY**

(With Reference to Wai-Wai and Mayos Brands)

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VIVA-VOCE SHEET

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I hereby proclaim that the thesis work entitled **Impact on Advertising on Sales of Instant Noodles in Narayangarh City (With Reference to Mayos and Wai-Wai Brand)** submitted to Birendra Multiple Campus, Faculty of Management, Tribhuvan University is my original work for the partial fulfillment of the requirement for the Master's Degree of Business Studies (MBS) under the supervision of Baikuntha Pd. Bhusal lecturer of Birendra Multiple Campus, Bharatpur, Chitwan.

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ABBREVIATIONS

%	:	Percent
&	:	And
AAAN	:	Advertising Agencies Association of Nepal
AMA	:	American Marketing Association
B.S.	:	Bikram Sambat
CV	:	Coefficient of Variance
Ed.	:	Edition
FM	:	Frequency Modulation
i.e.	:	That is
LTD	:	Limited
MBS	:	Master's Degree in Business Studies
No.	:	Number
P.	:	Page
SD	:	Standard Deviation
TU	:	Tribhuvan University
TV	:	Television
US	:	United States
USA	:	United States of America

PCHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The term advertising is derived from the original Latin word ‘adverto’ which means to turn the attention in a public medium in order to promote sales or audience. Every piece of advertising turns the attention of the readers, listeners or the viewers toward a product or a service or an idea. Therefore, it can be said that anything that turns, the attention about a product, service or an idea would be called advertising.

Advertising is one of the important tools of promotion and it is also most important aspect of marketing programme. Advertisements are made to sell goods and to persuade and influences customers to buy a product. Companies may want to give something away, seek or exchange or know what they offer or what customers need. Advertising is also necessary to make a brand image and position the product in the minds of the customers.

Advertising is a part of a marketing plan. A well-planned advertising program is continuous and has a cumulative effect. Advertising campaign is the creation and execution of a series of advertisements to communicate with a particular target audience and in this regard understanding specific problems of a consumer is often the key to developing an appropriate advertising campaign. (Koirala, 2009:56)

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas; goods and services to create exchange that satisfy individual and organizational objectives. (AMA, 2011:201)

Advertising is a paid communication of company message through personal media. It is one of the four major tools to target buyers and publics. It consists of activates advertising involved in presenting to a group a non-personal, oral or visual openly sponsored message called as advertisement, is disseminated through one or more media is paid for by identified sponsor. (Stanton, 2007:537)

The first stage is the ‘Age of Print’. Ads were primarily classified in format and print media carried them. The culmination of this age was the development of the newspaper. The second stage we label ‘The Industrial Revolution and Emergence of Consumer Society’, a period where advertising grew in importance and size because of numerous social and technological developments. The purpose of the advertising was to devise an effective, efficient communication system that could sell products to a widely dispersed market place. National media developed as the country’s transportation system grew.

i. Advertising Agencies

With the national daily Gorkhapatra churning out advertisements on a regular basis, the advertising sector caught momentum, and the next major development came in the form of an advertising agency, Laxman Upadhaya’s Nepal Advertisers. The main objective of the agency was to publish flashy and attractive advertisements in the print media. Three years later, following in the footsteps of Upadhaya, Keshav Lamichane started Nepal Printing and Advertising agency owned by Keshav Lamichane. This agency held the accounts of prime clients like Janakpur Cigarette Factory, Royal Nepal Airlines Corporation and Nepal Bank Limited.

ii. Radio

Nepal got a taste of yet another medium of mass communication through the introduction of radio broadcasting in 2002 B.S. Instituted by Prime Minister Padma Sumshere and run by Kashi Raj Pande from a powerhouse of Nepal Electricity Corporation in Tundikhel, the service was short lived and was discontinued due to protest from other Ranas. Regular radio broadcasting commenced on Magh 17, 2007 B.S. with the start of Nepal Radio (now Radio Nepal).

iii. Television

With the start of regular TV transmission by Nepal Television on Poush 14, 2042 B.S., a new era dawned in the context of Nepali Media. But unlike print and radio, the ushering in of TV did not bring about any dramatic changes or growth in the advertising sector, possibly due to various resource and technical constraints. The start of private TV channels have added to the choice of content before the viewers, but the medium is as yet a little charted domain as far as advertising possibilities and opportunities are concerned.

1.2 Focus of Study

The study will be mainly focused on impact of advertisement on sales of instant noodles in Chitwan especially in Narayangarh. That means how much people are aware about advertisement on purchasing instant noodles. In every sector competition plays a significant role so businessmen are devoting to present their products in the market for the sake of increasing sales. Each and every businessman is focusing their products to the consumer on the preference towards the specific brands. Advertisement plays a vital role to buy goods for customers. The sales of any product are directly depended on how well the product is advertised

in the market. Here we are interested to know about the impact of advertisement on sales of instant noodles. Noodles have not been long that it has been introduced in Nepal though it is essential ingredient at present. Before 2017B.S. Nepalese people those who went abroad used it in foreign countries. When Chinese and Tibetan businessmen came from China, they introduced noodles in Nepal. After that a few restaurants started to sell noodles. Due to the increase in noodles ,National Trading Limited imported the first lot of the equipments of plain noodles in 2032B.S. Noodles are made with a variety of ingredients like wheat flour, mung, beans, barley, soy beans, buckwheat, seaweed, and tapioca. Noodles may be added to soups, boiled and served with Soya sauce, serve with other ingredients in salad, stuffed with meat, cheese or vegetables and boiled. Today different kinds of noodles with different brand names are introduced in Nepalese market .So to cover more market area advertisement of any product is indispensable. The market for noodles is ever-expanding the manufacturers are emerging in a large number to quench customers demand. As a result, there is more competition in noodles industry than ever before. Therefore, every manufacturer is obliged to think about the brand name, quality and consumer's satisfaction to survive in this competitive market. Here we are choosing two brands of instant noodles i.e. Wai-Wai and Mayos for this study and the briefing for taken brand are mentioned below.

Wai-Wai: This brand is the leading brand of noodles in the Nepalese noodles market .It is produced by fast food (Nepal) Pvt. Ltd. Chaudhary Udhyog Gaun, in technical collaboration with Thai preserved food factory company Ltd, Thailand. The plant is located at Nawalparasi District. It is marketed By Chaudhary Group and described as “A quality product of Chaudhary’s”. It possess the quality standard certificate for the

product, the symbol of NS 138, which is certified by Nepalese Government. This brand is an instant seasoned noodles. It is available in vegetarian and non-vegetarian taste such as hot and sour, wai-wai quick, mutton flavour, chicken flavour etc. In this Package of noodles add the monosodium glutamate (max.1%) so the company has not recommended for infants below 12 months. It is best to consume within 9 months from the date of manufacturing. The company has export this brand more than 30 countries abroad including Asia, Europe and America.

Mayos: This brand name of Mayos is produced by Himalayan Snacks and Noodles Pvt. Ltd. This plant is located at Ugratara, Janagal VDC-1 Kavrepalanchowk District. It has produced under technical license of Thai president Food, Thailand. It is an instant seasoned noodle also available in vegetarian and non-vegetarian taste. This brand came to the market to compete with Wai-Wai Noodles. So obviously both these brands have same consumer price, technology, weight, Target Market taste diversification, same promotional tools and activities. Though having such similarities consumer have their own preference.

1.3 Statement of the Problem

Advertising has been one of the important parts of life. Everyday people are exposed to different advertising through different media. The world of modern business is complicated, complex and very elaborate. Competition is highly increasing in every sector. So in this context, organizations have been confronting a very situation to sell their products in the market without hurdles.

In the recent years there has been a down pour of advertisements of similar products thus these firms are finding it quite inaccessible and costly to reach and influence target customer's group.

At the same time, consumers are quite diverse, so are their attitudes and the behaviors than ever before, so it is quite a challenging job to know why these customers respond to certain advertisements and not to other.

Here, the focus of the study is to look after the effects on sales by advertisement. So, the prime concern of this study would be to find out the effectiveness of the advertisement in terms of the message understood by the customers and its effects on their buying behavior, the investment's productivity in advertisements due to the sales generated there on and to reach a conclusion regarding the accomplishment of the advertising campaign comparing it to its mission and the objectives.

The fundamental research questions of the study are following:

- i. What are the impacts of advertising on consumer's attitude and buying behavior?
- ii. In what way advertising helps to increase sales?
- iii. Whether the advertising expenses effect on sales or not?
- iv. Which is the best media for the noodles advertisement?

1.4 Objectives of the Study

The main objective of this study is to analyze the effects of advertising on sales of instant noodles in Narayangarh City. A Part from it some specific objectives of the study are:

- i. To analyze the impacts of advertising on consumer's attitude and buying behavior.
- ii. To examine the effectiveness of the advertising in terms of return in sales over its expenses.
- iii. To analyze comparative analysis of advertising expenses and sales.
- iv. To analyze the effective advertising media of noodles and their impact on the consumer.

1.5 Significance of the Study

Diminishing profit brackets and increasing competition has resulted the management to take a sincere care and planning about its expenditure including advertising expenses to secure at least a minimum acceptable level of return to operate the business, where the effects and the effectiveness of advertising on sales is an important issue. This study will be significant in finding the effects of the advertising in the communication part and in the sales part primarily through the structured questionnaire and from the responses of the different kinds of respondents.

At the same time, it helps to find out a measurement of advertising against the return generated from the sales due to that particular advertising campaign and to find suggestive ideas for these business houses regarding the impact of their advertisements on sales.

Finally, it is also aimed at exploring the feasibility and the suitability of the advertising about the products and providing necessary recommendations to the related departments of the company. This study is also important for the manufacturer dealers, retailers of noodles business and also other researchers who are related in the field of noodle business.

1.6 Limitations of the Study

The field of survey is confined to the Chitwan mainly in Narayangarh, so it may not be reflecting the exact case of whole Nepalese population. This study is first limited to only two instant noodles (Mayos and Wai-Wai). Both primary and secondary data have been used but basically primary data will be used. This study tries to link the effect of advertising on sales where it ignores other factors like price, place, quality, packaging, product features that influence sales. Following are the specific limitation of study:

- i. Data have been used for five fiscal years 2007/08 to 2011/12.
- ii. The research covers only Narayangarh market area of Chitwan.
- iii. Time is also limited during this study.
- iv. Most of the data in this study have obtained through questionnaire, interviews so most of data are primary based on sample survey.

1.7 Organization of the Study

According to the generally prescribed format, the entire study will organized into five different chapters as follows:

Chapter-1 Introduction

The First chapter deals about the Introduction that focuses on the background of the study, Focus of the study, Significance of the study, Statement of the Problem, Objectives of the study, Limitation of the Study and the organization of the Study.

Chapter-2 Review of Literature

The Second chapter is for Literature Review. This chapter includes the overview of previous related theses and theoretical concept of advertising.

Chapter-3 Research Methodology

The Third chapter deals about Research Methodology. This chapter includes the introduction of Research Methodology, Research Design, Nature and Source of data, Population and Sampling, Data Collection Procedure, Data Processing and Tabulation and Method of Analysis.

Chapter-4 Presentation and Analysis of Data

The Fourth chapter is vital part of this study. This chapter deals about the Presentation, Interpretation, Tabulation and Analysis of data. This chapter also presents major findings of this study.

Chapter-5 Summary, Conclusions and Recommendations

The Fifth and Final chapter the Summary, Conclusion and Recommendations will be presented.

CHAPTER TWO

REVIEW OF LITERATURE

This chapter provides, mainly, information regarding advertisement and its impact on sales. Moreover, the earlier studies related to research problem through different source, have been reviewed and it is a way to discover what other research in the area of the problem has uncovered so, the earlier studies related to the topic have been reviewed to develop a thorough understanding and insight so that it has been a point of departure for this study. For this purpose, various books, journals, past theses are reviewed. This study has reviewed the available national and international literatures.

2.1 Conceptual Review

Conceptual review assists to know the theories of the study area. Therefore the researcher has reviewed the following conceptual aspects.

- a. Meaning of Marketing and Advertising
- b. Definition of Advertising
- c. Role of Advertising
- d. Function of advertising
- e. Types of advertising
- f. Advertising as a Part of Communicating Information
- g. Methods of measuring advertising effectiveness
- h. Instant noodles business in Nepal.

2.1.1 Marketing and Advertising

Management usually divides the various functions of their business into three broad areas; production, finance, and marketing. Among these areas, marketing is one of the most important and critical area. It is about

connecting with people. Whether classify people as consumer, or ‘a target group’, or ‘a segment’, marketing is about understanding their needs, beliefs, behaviours, and aspiration. It is about the matching company’s capabilities with customer’s want. Thus, marketing refers to all business activities aimed at;

- a. Finding out who customers are and what they want
- b. Developing products to satisfy that customer’s need and desires.
- c. Getting those products on to the customer’s hands. In a simplest term, marketing is the process that companies use to satisfy their customer’s needs and make a profit.

“Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas; goods and services to create exchange that satisfy individual and organizational objectives”. (AMA, 2011:201) This definition has been widely accepted by academics and practitioners. In the above definition, there are many activities mentioned like pricing, promotion, and distribution. Among these, promotion is one of the important activities which give a way to communicate with the firm’s audiences to achieve certain sales. Promotion has been defined as ‘the coordination of all seller- initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea’. (American Marketing Association, 2011:202)

Advertising is defined as a paid non-personal communication from an identified sponsor using mass media to persuade or influence an audience. So, the standard definition of advertising has six elements. First, advertising is a paid form of communication. Second, not only is the message paid for, but the sponsor is identified. Third most advertising tries to persuade or influence the consumer to do something, although in

some cases the point of the message is simply to make consumers aware of the product or company. Fourth, the message is conveyed through many different kinds of mass media, and fifth, advertising reaches a large audience of potential customers. Finally, because advertising is a form of mass communication, it is also non-personal.

Many companies widely practice advertising. It is undoubtedly the most visible component of the promotion plan, but we should remember that advertising is just one type of promotion available to the firm.

In other words it refers to the marketing related communication between the seller and the buyer. In the words of Pickton and Broderick, promotion is usually replaced by the term marketing communication that also describes one of the key areas of marketing.

So, in short marketing communication is the conversation between a brand and its audience. So, this is a way in which a firm attempts to inform, persuade, incite, and remind consumers directly or indirectly about the brands they sell.

The components of a promotional mix are explained below though the focus of this study is being given for the advertising and its impact on the sales. Moving on in order, first of all advertising has been explained in the following way.

2.1.2 Definition of Advertising

Advertising is a paid communication of company message through mass media. It is one of the four major tools to target buyers and publics. Advertising involved in presenting to a group a non-personal, oral or visual openly sponsored message called as advertisement, is disseminated through one or more media is paid for by identified sponsor. (Stanton, 2007:537)

According to 'Oxford Advanced Learner's Dictionary' advertisement is a notice, picture or film about a product, job or service so this clearly depicts that this is an act of letting the target group know, hear or come across with the intentions behind the purpose of the advertising. Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. (Koirala, 2009: 259-260). Advertising is paid non-personal communication from an identified sponsor using mass media to persuade or influence an audience. Consumer generally buys a product only after knowing about the attributes of that particular product. So, advertising plays a vital role in marketing, especially, in purchasing and providing information to a large number of scattered masses of probable buyers in different regions of the country.

“Advertising that induces a change in sales of perception of the product is a milestone for brand.” (Kathmandu Post, 2010:1).

Advertising objectives can be classified according to their aim as it is to inform at the pioneering stage of product, similarly it is even done to persuade the buyers at the competitive stage of the product by informing more about the comparative advantages of the product over other similar product, and finally it is also done to remind and it is used at the maturity stage of the product or if the product is a market leader. Due to the rapid urbanization growth, there has been a significant change in the society, customer, economic status, awareness level and this has also cast a change in eating habits of Nepalese people. We have been witnessing a declining trend of consumption of rice or other cereal foods and that has opened a huge space for the growth of the instant noodles market due to being easy and fast to be consumed. The ease of cooking and availability

of various flavours in instant noodles have further garnered the acceptance process.

Sales Promotion

Sales promotion is a collection of selling activities like the use for contests, coupons, sample distribution, premiums, and price offs, sponsorship of special events, in store demonstrations, international trade fairs and exhibitions etc. So, all these activities are short term efforts directed to the consumer or retailer to achieve specific objectives such as:

- a. Consumer Product Trial and/ or Immediate Purchase
- b. Consumer Introduction to the Store
- c. Gaining Retail Point-of -Purchase Displays
- d. Supporting Advertising and Personal Sales

Public Relation

The basic philosophy of public relation is that if the image of the company is poor in society, no other marketing efforts including quality product and service can satisfy the customers. In order to gain a good image in society, a company must establish a good relation with publics. Publics are several groups of society, including customers, stockholders, staffs, dealers, the press, the financial community and the general community.

The main objective of public relation is to secure mutual understanding with the public and obtain goodwill from them. Besides than this it could be awareness building, credibility building, stimulating sales force and dealer, and to hold down promotion cost etc.

Personal Selling

Personal selling is sometimes called the 'last 3 feet' of the marketing function, because 3 feet is the approximate distance between the sales person and the customer on the retail sales floor as well as the distance across the desk from the sales representative to a prospective business customer. A bond or partnership between a sales representative and his or her clients can be one of the most valuable assets a company holds in the market place.

Personal selling is the most effective tool at later stage of the buying process, particularly in building up buyer preference; conviction, and action. Personal selling has three distinctive qualities

Personal Confrontation

Personal selling involves an immediate and interactive relationship between two or more persons. Each party is able to observe the other's reactions at close hand.

Cultivation

Personal selling permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship where sales representatives will normally have customer's best interests at heart. Sales people cultivate the customers personally.

Response

Personal selling makes the buyer feel under some obligation for having listened to the sales talk.

Direct Marketing

Direct marketing is marketing without middlemen. It is direct persuasion by manufacturer to specific customer to seek customer order. It is an

interactive marketing system to build long-term relationship with the customer. It is home shopping. It is non-personal. (Agrawal, 2010:367)

Direct marketing is vending products to customers without the use of other channel members. Direct marketing is rapidly changing field and its definition is evolving. However, it does have five basic characteristics:

- a. It is interactive, meaning the marketer and customer share information in real time.
- b. It provides a mechanism for a customer to respond.
- c. It can occur anywhere.
- d. It provides a measurable response from the customer and
- e. It requires a data base of consumer information.

Direct marketing is the fastest-growing-element in the marketing mix because it provides consumers with three things they want most convenience, efficiency and compression of decision-making time.

Internet Marketing

The internet is an ideal medium for direct marketing. Consumer and businesses now order directly from numerous companies through the internet. One of the major advantage of e-commerce over the brick and mortar of a retail store is the ability to reach consumers everywhere, even in other countries. Similarly, it is encouraging for customers to switch to it due to the convenience instead of making a trip to retail store; a consumer can place the order while remaining at home, which is a major reason why ATM became so popular.

So, in short it is time saving way of business transactions as well as cost saving way but still security issues like, the fears about a credit card number being stolen; fraudulent and the traditional purchasing habits i.e.

consumers still feeling comfortable when they buy merchandise at retail stores etc, are the barriers for a vertical and fast growth of internet marketing. And for the people of Nepal it is not suitable one for every consumer due to less developed technological aspects of our nation.

2.1.3 Role of Advertising

A product or a service, or an idea manufactured or generated are even it the best, cannot be sold on its own and advertising plays a pivotal role to make those products, services or ideas known to the target group. This lets people have all the information regarding the attributes of these products.

So, it plays an important role to generate awareness regarding the products, services, it helps to educate people to have the knowledge about the product and the services. It plays a significant role to uplift sales volume and helps to generate more profit there on as well. Advertising is an aim at the promotion of ideas, goods or services by an identified sponsor or the firm and thus, there will be some certain purpose to do so by that very firm or organization. And the belief in doing so is to create an impact of the intention of the sponsor through advertising among the target groups. And the intentions vary from one firm to another like awareness generation, educating people, or to generate more sales through advertising without any specific objectives no firms go for advertising and if the advertising campaign is successful then it imparts a favourable impact in the target groups and it retards the level of positive impact generation if it isn't a successful campaign.

Advertising helps target group buy remember the specific products and services and even it helps to bring A change in the attitude, and buying behaviour of the consumers. It is a basic tool of marketing for stimulating demand and influencing the level and character of demand. Besides these

roles, some other specific roles are performed by an advertising which are as follows:

Marketing Role:

It is all about developing connectivity with people. So, marketing is the process a business uses to satisfy customer's needs and wants through goods and services by understanding their needs, values, beliefs, behaviours, and aspiration. The particular consumers at whom the company directs its marketing effort constitute the target market. The tools available to marketing include product, its price, and means used to deliver the product or the place. Marketing also includes a method for communicating this information to the consumer called marketing communication. Marketing communication consists of several related communication techniques, including advertising, sales promotion, public relations, and personal selling. The role of advertising, within marketing, is to carry persuasive messages to actual and potential customers.

Communication Role:

Advertising is a form of mass communication. It transmits different types of market information to match buyers and sellers in the market place. Advertising both informs and transforms the product by creating an image that goes beyond straight forward facts.

The Economic Role:

There are two points of view about how advertising affects an economy. In the first, advertising is so persuasive that it decreases the likelihood that a consumer will switch to an alternative product, regardless of the price charged. By featuring other positive attributes, and avoiding price, the consumer makes a decision on these various non price benefits. The second approach views advertising as a vehicle for helping consumers

assess value, through price as well as other elements such as quality, location, and reputation. Rather than diminishing importance of price as a basis for comparison, advocates of this school view the role of advertising as a means to objectively provide price value information, thereby creating a more rational economy.

The Societal Role:

Advertising also has several social roles. It informs us about new and improved products and helps us compare products and features and make informed consumer decisions. It mirrors fashion and design trends and adds to our aesthetic sense. Advertising tends to flourish in societies that enjoy some level of economic abundance, in which supply exceeds demand. In these societies, advertising moves from being informational only to creating a demand for a particular brand. Despite the social roles it plays but the critics argue that advertising repeatedly has crossed lines of reflecting social values and creating social values influencing vulnerable groups, such as young teenagers, too strongly.

2.1.4 Function of Advertising

Inform: This kind of advertising is executed in the pioneering stage of a product category where the objective is to build primary demand.

Persuade:

This becomes important in the competitive stage, where a company's objective is to build selective demand for particular brand. For example, Chivas Regal attempts to persuade consumers that it delivers more taste and status than other brands of scotch whiskey. Some persuasive advertising uses comparative advertising, which makes an explicit comparison of the attributes of the two or more brands.

Remind:

It is important with mature products. A related form of advertising is reinforcement advertising, which seeks to assure current purchasers that they have made the right choice.

2.1.5 Types of Advertising**Brand Advertising:**

The most visible type of advertising is national consumer, or brand advertising. Brand advertising focuses on the development of a long term brand identity and image.

Retail or Local Advertising:

Agent deal of advertising focuses on retailers or manufactures that sell their merchandise in a restricted area. In the case of retail advertising, the message announces facts about products that are available in nearby stores. The objectives tend to focus on stimulating store traffic, and creating a distinctive image for the retailer. Local advertising can refer to a retailer or a manufacturer or distributor who offers products in a fairly restricted geographic area.

Political Advertising:

Politicians use advertising to persuade people to vote for them or their ideas, so it is an important part of the political process that permits candidate advertising. Critics worry that political advertising tends to focus more on image than on issues, meaning that voters concentrate on the emotional part of the message or candidate, often overlooking important differences.

Directory Advertising:

Another type of advertising is called directory advertising because people refer to it to find out how to buy a product or service. The best known form of directory advertising is the yellow pages, although there are other kinds of directories such as trade directories, organization directories, and so forth.

Direct Response Advertising:

Direct response advertising can use any advertising medium, including direct mail, but the message is different from that of national and retail advertising in that it tries to stimulate a sale directly. The consumer can respond by telephone or mail, and the product is delivered directly to the consumer by mail or some other carrier.

Business-to-business Advertising:

Business-to-business advertising includes only message directed at retailers, wholesalers, and distributors, and from industrial purchasers and professionals such as lawyers and physician to other businesses, but not to general consumers. Advertisers place most business advertising in publications or professional journals.

Institutional Advertising:

Institutional advertising is also called corporate advertising. These messages focus on establishing a corporate identity or winning the public over to the organizations point of view. Many of the tobacco companies are running ads that focus on the positive things they are now doing, and ads for America's pharmaceutical companies are also adopting that focus.

Public Service Advertising:

Public service announcements (PSAs) communicate a message on behalf of some good cause, such as driving under the influence or preventing

child abuse. These advertisements are usually created by advertising professionals free of charge and the media often donate the space and time.

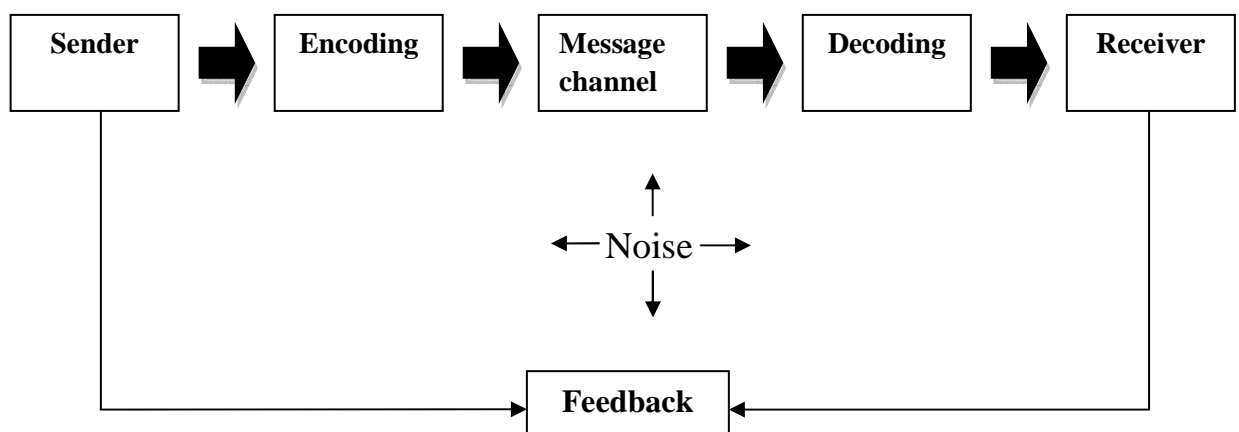
Interactive Advertising:

Interactive advertising is delivered to individual customers who have access to a computer and the internet. Advertisers use web pages, banner ads, and e-mail to deliver their messages. In this instance, the consumer can respond to the ad or ignore it.

2.1.6 Advertising as a Part of Communicating Information

Communication occurs when the messages that was sent reaches its destination in a form that is understood by the intended audience. Communication is defined as transmitting, receiving, and processing information. This definition suggests that when a person, group, or an organization attempts to transfer an idea or message, the receiver (another person or group) must be able to process that information effectively. A model of communication is presented below

Figure No. 2.1
The Communication Process



Source: Kenneth E. Clow, Donald Back,(2006) Integrated Advertising, Promotion and Marketing communications

An illustration can be useful in demonstrating the communication process used to market a variety of goods and services. Let us assume some one plan to buy a new pair of athletic shoes.

Sender:

The senders are companies that manufacture and sell shoes. New balance, Asics, Reebok, and Sketchers all try to garner the customer's attention. In most cases these firms hire advertising agencies to construct messages. An account manager serves as a major contact between the shoe company and the ad agency. In other situations the firm may have its own in house marketing group.

Encoding:

This message is the second step in the communication of a marketing idea. Someone must take the idea and transform it into an attention getting form, through an advertisement or some other verbal or non-verbal medium. An advertising creative usually performs this role.

Message Channel:

This channel travel to audiences through various transmission devices. The third stage of the marketing communication process occurs when a channel or medium delivers the message. The channel may be a television carrying an advertisement, a bill board, a Sunday paper with a coupon placed on it, or a letter to the purchasing agent of a large retail store. The shoe ads were transmitted through various magazines.

Decoding:

This occurs when the message touches the receiver's senses in some way. Some consumers will hear and see a television ad others will handle and read a coupon offer. It is even possible to smell a message. A well-placed perfume sample may entice a buyer to purchase both the magazine

containing the same sample and the perfume being advertised. Those interested in purchasing shoes pay closer attention to advertisements and other information about the shoes such as the brands being offered.

Receiver:

Quality marketing communication occurs when customer (the receivers) decode or understand the message as it was intended by the sender. In the case of shoe advertisements, effective marketing communication depends up on receivers getting the right message and responding in the desired fashion (shopping, buying, telling their friends about the shoes etc). So, communication refers to how the firm wants the target group to hear, listen, see or understand the specific advertisements in a way that firm expects it to be in relation to the exactness in the reciprocity of responses from the target group.

So, it is a most important part of the whole advertising campaign. It is really important to assess that what is said, how it is said without over stepping social and legal norms. Most marketer work hard to communicate openly and honestly with consumers but still abuses occur, and public policy makers have developed a substantial body of laws and regulation to govern advertising like, companies must avoid false or deceptive advertising the following table will explain the structure of communication mix.

Table 2.1
A Structure of Marketing Communications Mix

Marketing Communication Element	Objectives	Customer Contact	Time of Response
Advertising	Attention, attitude change, and behaviour change	Indirect	Moderate, Short
Personal selling	Sales	Direct	Short
Sales promotion	Sales	Semi direct	Short
Direct marketing	Behaviour change	Semi direct	Short
Public relations	Attitude change	Semi direct	Long
Point-of-sale and packaging	Behavior change	Direct	Moderate

Source: Wells, Burnett, Moriarty (2010), Advertising Principles and Practice

At the same time, this has been another fact that communication with consumers and other businesses requires more than simply creating attractive advertisements and eventually it has pushed an another promotional concept known as an ‘Integrated Marketing Communications’ (IMC). An effective IMC process integrates numerous marketing activities into a single package, making it possible for companies to reach their target markets and other audiences more effectively.

Although IMC program has been described in several ways, the consensus is to define them as follows Integrated Marketing Communication (IMC) is the coordination and integration of all marketing communication tools, avenues, and sources within a company

into a seamless program that maximizes the impact on consumers and other end users at a minimal cost. This integration affects all of a firm's business to business, marketing channel, customer focused, and internally directed communications. Integrated marketing begins with the development of a master marketing plan. The marketing plan is the basis of the total integrated communication design. The plan provides the coordination of efforts in all components of the marketing mix. The purpose of the plan is to achieve harmony in relaying messages to customers and other publics. According to the American Association of Advertising Agencies (four A's), IMC is a concept of marketing communication that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines for example, general advertising, direct response, sales promotion and public relations and combines these disciplines to provide clarity, consistency, and maximum communication's impact through the seamless integration of discrete messages.

Nevertheless, IMC does produce stronger message consistency and greater sales impact and it will improve the company's ability to reach the right customers with right messages at the right time and in the right place.

Advertising Program

Advertising is part of a sound marketing plan. A well-planned advertising program is continuous and has a cumulative effect. So, it should include in corporate planning. Advertising campaign is the creation and execution of a series of advertisements to communicate with a particular target audience. Understanding specific consumer problems is often the key to developing an appropriate advertising campaign. Advertising campaign represents an important means by which organizations communicate

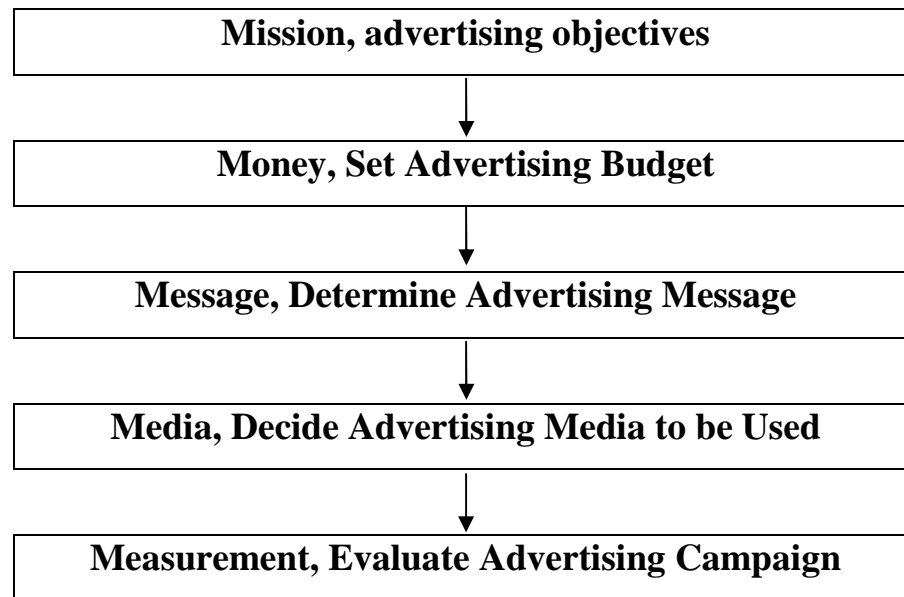
with their customers, both current and potential. The specific objectives of an advertising campaign may adopt many forms, e.g.

- a. To create success of a new product or brand
- b. Inform customers of a features and benefit of the product or brand
- c. Create the desired perception of the product or brand
- d. Create preference for the product or brand
- e. Persuade customers to purchase the product or brand

Such objectives are all aimed at a higher purpose of enhancing the buyers' response to the organization and its feelings so as to achieve profitable sales in the long run. All the managerial should give times and effort for planning and execution of advertising program as ideas and proper planning is what makes an effective advertisement. They should proceed to make the five major decisions in developing an advertising program known as the five Ms. (Kotler, 2009).

Mission	What are the advertising objectives?
Money	How much can be spent?
Message	What message should be sent?
Media	What media should be used?
Measurement	How the results should be evaluated?

Figure 2.2
Steps of Advertising Program



Sources: Kotler, 2009

a) Mission Advertising Objective

An advertising objective is a specific communication task to be achieved with a specific target audience during a specified period of time. Advertising objectives would be to inform, persuade and to remind.

b) Money Set the Advertising Budget

Marketer should remember that the role of advertising is to create demand for a product. The amount spent on advertising should be relevant to the potential sales impact of campaign. Setting the advertising budgets is not easy. How can a business predict the right amount to spend, which parts of the advertising campaign will work best and which have relatively little effect.

c) Message Determine the key Advertising Message

Spending a lot on advertising does not guarantee success. Research suggest that the clarity of the advertising message is often more important than the amount spent. The advertising message must be carefully

targeted to impact the target customer audience. A successful advertising message should have the following characteristic

- Meaningful** Message must be meaningful
- Distinctive** Capture the customer's attention
- Believable** A difficult task, since research suggests most consumer doubt the truth of advertising in general.

d) Media decide which Advertising Media to be used

There are a variety of advertising media from which to choose. A campaign may be one or more of the media alternatives. The key factors in choosing the right media include.

Reach What proportion of the target customer will be exposed to the advertising?

Frequency how many times will the target customers are exposed to the advertising message?

Media Impact where, if the target customer sees the message – will it have most impact? Another key decision in relation to advertising media related to the timing of the campaign. Some products are particularly suited to seasonal campaigns on television (e.g. Christmas hampers) whereas for other products, a regular advertising campaign throughout year in media such as newspapers and specialist magazines is more appropriate.

e) Measurement Evaluate Advertising Campaign

The evaluation of an advertising campaign should focus on two key areas.

The communication effect is the intended message being communicated effectively and to the intended audience.

The sale effect has the campaign generated the intended sales growth. This second area is much more difficult measures.

Among these five program, measurement i.e. testing the advertisement effectiveness is very important, yet every difficult part of advertising management. It is advertising research that determines gap between the promise and the result achieved. Most of the measure of advertising effectiveness is of an applied nature, dealing with specific advertisement and campaign. All major advertising campaign will be evaluated by research.

2.1.7 Methods of Evaluating Effectiveness of Advertising

Today, advertising finds itself in a serious bind. With a down economy, the tragedy of 9/11, and new technology that may threaten the way advertising operates, there is a need to rethink advertising as a strategic alternative. Advertising will only survive and grow if it focuses on being effective. All advertisers are expecting specific results, based on their stated objectives. Clients expect proof, and, for the most part, that proof must lead to or actually produce sales. It is no longer acceptable to tell a client, “Our ads work, we just don’t know how, when, and with what results”.

The advertiser’s objectives differ from the consumer’s. Ultimately, Advertisers want consumers to buy and keep buying their goods and services. To move consumers to action, they must gain their attention. They must then hold their interest long enough to convince them to change their purchasing behaviour, try their product, and stick with their product.

Three broad dimensions characterize effective advertising strategy, creativity, and execution. This study highlights these three dimensions

Strategy: Strategy Every effective ad implements a sound strategy. The advertiser develops the ad to meet specific objectives, carefully directs it to a certain audience, creates its message or speak to that audience's most important concerns, and runs it in media (print, broadcast, or the Internet, for instance) that will reach its audience most effectively.

Creativity: Creativity the creative concept is the ad's central idea that grabs your attention and sticks in your memory. A concern for creative thinking drives the entire field of advertising. Planning the strategy calls for imaginative problem solving the research efforts need to be creative, and the buying and placing of ads in the media require creative thinking. Advertising is an exciting field because of the constant demand for imaginative solutions to media and message problems.

Execution: Finally, effective ads are well executed. That means that the details, the photography, setting, printing, and the production values all have been fine-tuned. Many of these techniques are standard in the industry, such as the use of products created by Adobe, a popular computer graphics software manufacturer.

Understanding the various types of intended effects that typically are the goals of advertising is the way we evaluate whether an ad is effective. However, effectiveness only occurs to the degree that certain effects—such the impact or results of a message are accomplished. In order, then, to understand what effectiveness means in advertising, we need to have an idea of the key effects, or results, that advertising can typically accomplish.

i) Evaluating How far communication Tasks has been Accomplished

The methods used for this evaluation are the same as those employed in copy testing. In this test the effectiveness of advertising is evaluated in three phases-

a. Pre-test or Before test

Advertiser often prepares several copies and tests their effectiveness in order to select and launch the most effective copy through the campaign the copy test is executed by using consumer Jury, Rating scales, portfolio test, psychological test and recall test method.

b. Test during Campaign

Effectiveness test during the campaign is conducted usually one or two weeks after the launch. Some firms often launch two or three advertisement on the same product and like to find out which is effective. The most effective and its continued for the rest of the campaign period while ineffective ones are withdrawn.

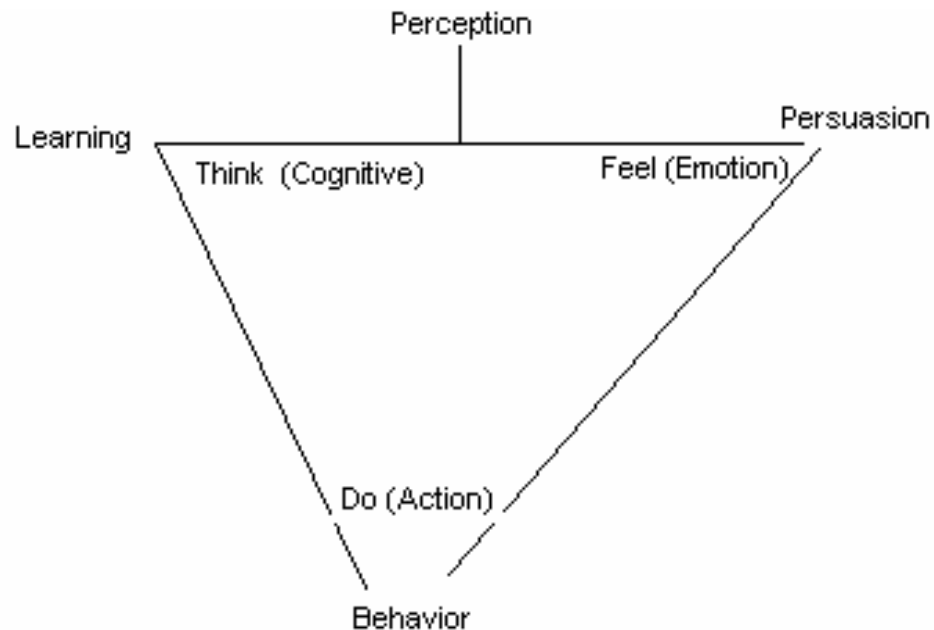
Advertising effectiveness is also conducted during the campaign period they are known as tracking studies. Advertisement tracking studies are conducted through inquiry and sales method.

c. Post after Tests

Post tests are conducted to measure the total effectiveness of the advertisement after the campaign over. Post test are measure the recall and recondition value of the advertisement. Two types of test as recall and recognition test are performed to measure the advertising effectiveness.

A simplified model of a set of typical effects that advertisers hope to achieve is presented below

Figure 2.3
Effectiveness Factors



Source: Wells, Burnett, Moriarty, 2010

In this model, first level is perception, which means the advertiser hopes the ad will be noticed and remembered. Then there are two categories of effects that are either focused on learning, which means the audience will understand the message and make the correct associations, or persuasion, which means the advertiser, hopes to create or change attitudes and touch emotions. The last major category of effects is behaviour getting the audience to try or buy the product, or perform some other action. In advertising strategy and planning, these effects are referred as objectives. Every advertiser, deep down inside, hopes or assumes that each ad will produce sales. however, we know that to get to the sale, there are communication activities that need to take place and these are often the best indicators of the success of an advertising message, because other marketing variables may have more impact on sales. It may also reflect the kinds of communication effects that messages can be expected to deliver, such as understanding or conviction.

The key effects from figure 2.3, which are used to determine the effectiveness of an advertisement, are further explained in table 2.2

Table 2.2
Message Effectiveness Factors

Key Message Effects	Surrogate Measures	Communication Tools
Perception	Exposure Attention Interest Memory Recognition/ Recall	Advertising Media, Public Relations Advertising; Sales Promotion Advertising; Sales Promotion; Public Relations Advertising; Sales Promotion; Public Relations
Learning	Understanding Image and Association Brand Links	Public Relations, Personal Selling; Direct Marketing; Advertising Advertising; Public Relations, Point of Purchase Ads
Persuasion	Attitudes Form of Change Preference/ Intention Emotions and Involvement Conviction Belief, Commitment	Public Relations; Personal Selling; Sales Promotion Advertising; Public Relations; Personal Selling Events Personal Selling; Direct Marketing
Behavior	Trial Purchase Repeat Purchase, Use More	Sales Promotion; Personal Selling; Direct Marketing Sales Promotion; Personal Selling; Direct Marketing Sales Promotion; Personal Selling; Direct Marketing

Source: Wells, Burnett, Moriarty, 2010

Here the key categories of message effects are listed down the left side. The second column is labelled ‘surrogate measures’ and refers to the way advertisers evaluate how well the advertising worked, how- effective the advertising was in meeting its objectives. The advertising industry, led by agencies, has developed a set of measures that are indicators of these key

effects. The exact terminology will vary, but the effectiveness of most advertising is evaluated based on such factors as consumers' exposure, attention, interest, and so forth.

The next column lists the communication tool or tools that may be most appropriate for achieving the objective. Even though this study focuses on advertising, we recognize that advertising is just one part of the market communication mix, along with sales promotion, public relations, direct marketing, events, and personal selling. There are communication objectives that are more effectively accomplished through advertising, but there are situations where other communication tools may be more effective.

An examination of Table 2.2 shows that advertising is effective in accomplishing several objectives; for instance, creating exposure, attention, and awareness. It is also good at providing a reminder to the customer and encouraging repurchase. However, other marketing communication tools, such as sales promotion, are better at getting people to respond with a purchase or other types of actions. Most advertisers try to measure the communication effect of an ad- that is, its potential effect on awareness, knowledge, or preference. They would also like to measure the ad's sales effect. And the main objective of this study is to measure the sales effects of the advertising.

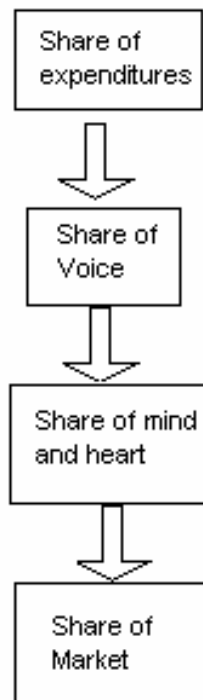
Communication- Effect Research: Communication- effect research seeks to determine whether an advertisement is communicating effectively. Called copy testing, it can be done before an ad is put into media and after it is printed or broadcast. There are three major methods of advertising presetting. The direct rating method asks consumers to rate alternative ads. These ratings are used to evaluate an ad's attention, read-through, cognitive, affective, and behaviour strength. Although an

imperfect measure of actual impact, a high rating indicates a potentially more effective ad. Portfolio tests ask consumers to view or listen to a portfolio of advertisements, taking as much time as they need. Consumers are then asked to recall all the ads and their content, aided or unaided by the interviewer. Recall level indicates an ad's ability to stand out and to have its message understood and remembered. Laboratory tests use equipment to measure physiological reactions – heartbeat, blood pressure, pupil dilation, perspiration- to an ad. These test measure attention getting power but reveal nothing about impact on beliefs, attitudes, or intentions.

Advertisers are also interested in post testing the overall communication impact of a completed campaign. If a company hoped to increase brand awareness from 20 percent to 50 percent and succeeded in increasing it to only 30 percent, then the company is not spending enough, its ads are poor, or some other factor has been ignored.

Sales-effect Research: Advertising's sales effect is generally harder to measure than its communication effect. Sales are influenced by many factors, such as the product's features, price, and availability, as well as competitors' action. The fewer or more controllable these other factors are, the easier it is to measure effect on sales. The sales impact is easiest to measure in direct-marketing situations and hardest to measure in brand or corporate-image-building advertising. Companies are generally interested in finding out whether they are overspending or under spending on advertising. One approach to answering this question is to work with the formulation shown in figure 2.4

Figure 2.4
Formula for Measuring Sales Impact of Advertising



Source: Kotler, 2011

2.1.8 Instant Noodles Business in Nepal:

Background:

Instant noodles when was launched for the first time in the country some two decades ago, it definitely took some time to make a space in our households. While urban population gradually started accepting it as one of the best packaged food – since it could serve as snacks as well as good meal – suburban population were found to be hesitant to accept it. Regards to great marketing strategies by noodles industries and awareness among people, now instant noodles play a vital role in every household across the country. As noodles industry has grown in the market reaching around Rs four hundred crore turnover annually, it is one of the most organized and largest industries in the country. While there are many players in the market now, each company produces a number of

varieties under different brand names. Instant noodles now find a substantial place in every kitchen.

i) Tracking Back

Noodles are foodstuff made from rice and other cereals and is eaten predominantly in Asia and is believed to have originated in the Arab countries in the eastern Mediterranean. But, in China its history is rather better documented. Noodles made from wheat appeared in the north where they were well established by AD 100, probably using technology imported from the Middle East. Chinese rulers were the first to enjoy them, but, as wheat-based noodles are nutritious, store well and are easy to prepare, they were quickly adopted and their popularity has never diminished. From China, noodles found their way into the cuisine of most Asian countries: Taiwan, Vietnam, Japan, Cambodia, Thailand, Laos, Malaysia, the Philippines, and Singapore.

In Asia noodles are differentiated more by what they are made from than their shape. They can be made from not only rice and wheat, but also mung beans, barley, soy beans, buckwheat, seaweed, and tapioca. Almost every country that cultivates either rice or wheat has developed a form of pasta or noodles. There are exceptions, though. Pasta has rarely been featured on the cuisines of either France or the UK, and noodles are not widely found on the Indian subcontinent. Instant noodles are eaten around the world 50 billion servings annually. Instant noodles changed the food culture of the 20th century. Instant noodles were invented in Japan shortly after World War II. Back then, the Japanese Government obtained aid in the form of wheat-loads and loads of wheat from the United States. Lunches provided by schools often included bread, and the Japanese added more bread to their diet. It was realized that if the wheat was made into noodles then people could get a wholesome meal, because a bowl of

noodles offers a better nutritional balance when other foods are added to it.

Gradually the technique of making noodles so as to preserve it for long and to prepare it quickly developed. The trick was to steep the noodles in a seasoned broth to absorb the broth's flavour and moisture, deep-fry them, and then dry them. This way, the noodles could be preserved and the cooking time problem was solved as well.

ii) In the Country

In the last one decade Nepal has recorded the highest urbanization growth in South Asia. With urbanization booming, many major changes have been observed in the country – social, cultural, economic status, awareness, education, and apparently all aspects of life. A substantial change that became conspicuous was eating habits of people. While people still relish our traditional cuisine, the change of air has blown tremendously which has taught and raised awareness among people different new things and people have wholeheartedly accepted food items from diverse culture and from different countries and have incorporated them our regular platter.

And proffering easy cooking with wonderful flavour, noodles banged into the market. While Himshree Noodles played major role to introduce white noodles in the country with the brand Rara, later on Chaudhary Group's FMCG department started Wai Wai around 20 years ago which still remains one of the best-selling product in instant noodles genre. Wai Wai – brown noodles, then a new concept in the country – was an instant hit. Now along with Rara and Wai Wai; Mayos, Rum Pum, 2 PM are the major brands that lead the market. In the recent years, a number of noodles industries have stepped in and each of them are doing good

business which clearly shows the noodles industry is an ever-growing industry with lots to offer in the days to come.

2.2 Review of Previous Related Studies

In this section, related and appropriate studies to the title are reviewed.

Adhikari (2004) entitled “A study on promotional effectiveness through Television” found that most of the people i.e. 98% of people have their own T.V. set at their home and access to cable network and interested on watching news and then serials. In context of Nepali channel, Nepal Television is the biggest player with 56.3% of viewer ship and then come Kantipur 23.7% and Channel Nepal 8.3%. The objectives of this thesis were:

1. To identify the present situation of TV advertising of NTV.
2. To know what kind of advertising consumer prefer and
3. To know how the different groups of people perceive the advertisement from television and their reactions about advertising

Major findings of this study were

1. Mostly children young and old age people prefer musical advertisements where as other prefer good wording advertising.
2. Considering sex female consumer prefers musical advertisement considering the education with good wording and vice-versa while uneducated people prefer musical advertisements.
3. Advertisements help to recall the brand or product name while buying.
4. Repetition of advertisements attracts people attention and people prefer to choose advertised product if the price and quality are same.

Shrestha (2007) "The Role of Advertising in Sales" revealed that all the respondents mentioned that advertising has positive impact on total

performances of the company. Hundred percent respondents believe that advertising helps to increase the total sales of the company. Shrestha has following objectives:

1. To find out what promotional tools is more acceptable by the Nepalese customers.
2. To find out what mode is more wisely used by the marketers are sales promotional tools.
3. To find out which promotional tools are best to attract the customers.
4. To find out whether the sales promotion does impact on sales of bowling game.

Major findings of this study were:

- a. The person gets information from advertisements more than from their friends.
- b. People are aware of advertising as a promotional tool rather than other promotional tools. People listen, watch and read advertisement to get information and entertainments.
- c. Price discounts and cash price are two major sales promotions that attract the customer towards products or services.
- d. Advertising helps to aware the customers and includes them to play blowing game where as sales promotion includes them to play blowing game repeatedly.

Thapa (2008) studied on “A study in market situation of instant noodles”. The main objectives were as follows:

1. To analyze the popular media of advertising its strength and weakness.
2. To analyze the advertising appeal and relationship between customer behavior and advertising qualities of instant noodles.

The major findings were:

- a. Most of the uneducated people couldn't say anything about the advertisements.
- b. Advertising qualities of instant noodles have made no change in brand preference.

Maharjan (2008) titled 'A Study on Advertising Effectiveness in brand loyalty with special reference to soft drink' revealed the following objectives:

- a. To evaluate the role of advertising for brand loyalty in Nepalese market.
- b. To determine consumers important to advertising and other promotional tools while making selection decision.
- c. To analyze the effectiveness of advertising on brand loyalty of consumer product.

Major Findings of this study were:

- a. Business enterprises advertise when they launch new products, or offer discounts or cut the prices. But advertisers hardly measure the effectiveness and efficiency of their advertising programmers.
- b. Advertising is the main source of information about particular brand as well as sensitive subject in the country in the course of information.
- c. It is found that advertisement has a great contribution for the purpose of soft drinks.
- d. Consumer second reason for brand switching is advertising.
- e. The role of advertising in Nepal bottlers' ltd. and Pepsi Cola Co. Ltd. At Chitwan shows very interesting results, reminding and the

informative are the main roles of advertising. Advertising is partially responsible to change the consumer's consumption habit.

Adhikari (2009) entitled to "Effect of Advertising on Sales of Instant Noodles with reference to Kathmandu Valley" The basic objective of this study is to analyze the effects of advertising in sales comparatively in between Wai-Wai and Mayos Instant noodles. Similarly this study tries to fulfill these following objectives:

- a. To analyze the impacts of advertising on consumer's attitude and buying behavior.
- b. To analyze the effectiveness of the advertising in terms of return in sales over its expenses.
- c. To make comparative analysis of advertising expenses and sales in Himalayan Snacks and Instant Noodles Pvt. Ltd. and Chaudhary Group.

Major Findings of the Study:

- a. Most of the respondents (97%) watched advertisement and 87.5% of them thought that advertising is important
- b. To gain information about the goods (95%) was the main purpose for respondents to watch advertisement
- c. Quality was the main pursuit for the respondents (87.5%) to purchase these instant noodles after getting the information from advertising.
- d. Most of the respondents (82.5%) thought that there is a relation between the advertising and their buying behavior
- e. The S.D. and C.V. of advertising expenses of Wai-Wai and Mayos were 0.196, 9.59%, and 1.135, 29.27% respectively.

- f. The S.D. and C.V. of sales of Wai-Wai and Mayos were 1.75, 35.94% and 1.55, 41.95% respectively
- g. The correlation coefficient between advertising and sales for Wai-Wai and Mayos were 0.977 and 0.96 respectively which indicates that there is a high degree of positive correlation between advertising and sales of these two instant noodles

Pant (2011) entitled is “A study of brand loyalty of consumer products” and has the following findings:

1. Nepalese consumers give high importance to brand in both the consumer durable goods and the consumer non- durable goods.
2. Most of the consumers are found buying the products brand rather than by inspection.
3. Brand awareness of the Nepalese consumers is found to be high.
4. Brand loyalty is independent of the consumers store loyalty.
5. Brand loyal consumers are not to be influenced by special deals such coupons, free samples, discounts etc.
6. The brand loyal consumers are found to be least influenced by price activity and advertisement.

2.3 Research Gap

Definitely, a study is conducted to find out certain objectives and that is totally up to the intension of the researcher about what does he/she want to find out and to present those findings in a generalized way. So a research is done in an area where the things which are not covered before by any other studies or the areas may be a new one completely.

Diminishing profit brackets and increasing competition has resulted the management to take a sincere care and planning about its expenditure including advertising expenses to secure at least a minimum acceptable level of return to operate the business, where the effects and the effectiveness of advertising on sales is an important issue. This study will be significant in finding the effects of the advertising in the communication part and in the sales part primarily through the structured questionnaire and from the responses of the different kinds of respondents.

At the same time, it helps to find out a measurement of advertising against the return generated from the sales due to that particular advertising campaign and to find suggestive ideas for these business houses regarding the impact of their advertisements on sales.

Similarly to carry out this study has been also guided by a distinct objectives and it has some distinct features that has been the sole reason for this study to be undertaken. The basic features of this study are to present the impacts of advertising on consumer's attitude and behaviour, analyze the effectiveness of these advertisements over the expenses for these ads in terms of sales return generated by these advertising assess a comparative analysis of ads of these two business firms in terms of their performances in the market.

CHAPTER THREE

RESEARCH METHODOLOGY

Research Methodology is a way to solve the problems. This chapter presents the plan and framework of this study to attain the stated objectives in chapter one. Research Methodology refers to the various sequential steps to adopt by a researcher in studying a problem with certain objectives in view. (Kothari, 2009:45). In this study necessary and relevant data will be collected from the sample consumer.

The main objective of this study is to examine the impact of advertisement on the sales of instant noodles in Narayangarh. Besides this it also aimed at identifying the factors associated with preference and consumer behavior in this growing competitive market. In this study necessary and relevant data have been collected from the sample consumer. To achieve this objective the study follows a research methodology which has been described as the following.

3.1 Research Design

A research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the study purpose in a systematic and organized way with economy in procedure.

So, here in this step, the data information needed identified, secondary data has been analyzed, primary data has been collected through questionnaire, surveys and interviews from the respondents similarly, research design is descriptive for the qualitative aspects of the research and it is analytical for the quantitative aspects of the research. This study has been based on a survey research design. A limited scale survey was

conducted among the consumer of instant noodles in Narayangarh. A set of questionnaire has been conducted in order to generate data and other information related to the research questions adopted for this study.

3.2 Population and Sample

Research population for the study is the people and the business involved in those instant noodles in Chitwan. One hundred twenty five consumers were taken of different age groups, having different level of income, education, profession, attitudes and beliefs have been chosen as the sample respondents for the primary data inception and collection. Questionnaire served mainly Narayangarh city of Chitwan district. Both judgmental and convenience sampling method has been used for the selection of sampling for this study.

3.3 Sources and Types of Data

The companies chosen as the sample for the study are the sources for the data and the respondents are the sources for the primary data. So, primary and secondary both kinds of the data were used. The primary data have been collected through questionnaire, interviews surveys and direct meetings; whereas the secondary data have been taken mainly from annual reports of the concerned firms i.e. Himalayan Snacks and Instant Noodles Pvt. Ltd. and Chaudhary Group. The similar excerpts will draw from the other sources like Internet, websites and the advertising agencies etc.

3.4 Data Collection Techniques

A detailed review of literature have conducted in order to collect the relevant data and information. Such review materials has primarily collected from the library of College and Tribhuvan University. The data has been collected from primary as well as secondary source. The

primary data have been collected through questionnaires and interviews. The questionnaires have been distributed to the different consumers, to the personnel of the sample companies and interviews are performed with the managers and officers of the samples companies. The annual reports publications/journals of the concerned companies are used as sources of secondary data. Similarly, relevant periodicals, articles and the magazines like BOSS are also has been used to collect the needed data and information.

3.5 Data Analysis Procedure

The collected data, information, facts and figures have been processed by editing, tabulating, prior to their analysis in order to obtain proper results and shown in the form of percentage, simple averages, graphs, diagrams etc. for the clean presentation.

3.6 Tools Used

This step is a blue print for decoding the information of the data collected from the primary and the secondary sources. And to do so statistical and mathematical tools has been used. Tables, Charts and Graphs, as per the need, have been used to demonstrate the data. The statistical tools would be Average, Percentage, Standard Deviation, Variance, Correlation and Coefficient of Variance (CV) in needed areas of the study while drawing inferential conclusion.

3.6.1 Arithmetic Mean/ Average (A.M.)

Arithmetic mean or simply a ‘mean’ of a set of observations is the sum of all the observations divided by the number of observations.

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

3.6.2 Standard Deviation

Standard deviation is defined as the positive square root of the mean of the square of the deviations taken from the arithmetic mean. It is denoted by σ .

$$\text{Symbolically, } \sigma = \sqrt{\frac{\sum (X - \bar{X})^2}{N-1}}$$

3.6.3 Variance

According to William I Greenwald the variance is the mean of the square deviations about the mean of a series. Thus, variance is the square of the standard deviation and is denoted by σ^2 . For a frequency distribution variance is given by, (Gupta, 2007)

$$\text{Symbolically, } \sigma^2 = \frac{1}{N} \sum f(X - \bar{X})^2$$

3.6.4 Coefficient of Variance (C.V.)

The percentage measure of coefficient of standard deviation is called efficient of variation. It is used for comparing the homogeneity, uniformity, and variability of two or more distributions.

$$\text{Symbolically, } C.V. = \frac{\sigma}{\bar{X}} \times 100$$

3.6.5 Correlation Analysis

Correlation is the measure of relationship between two or more characteristics of a population or a sample. It simply measures the changes between the phenomenons. If two quantities vary in a related manner so that a movement in increment or decrease in one tends to accompanied by a movement in the same or opposite direction in the other, they are called correlated. If the relationship is direct they are called positively correlated and if the relationship is an inverse they are

called negatively correlated. If any change in one does not affect the other variable they are called uncorrelated. The correlation may be perfect, imperfect or zero.

$$r = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}}$$

Where,

r = Value of Correlation Coefficient

N = No. of observation

$\sum XY$ = Total population of items in two series

$\sum X$ = Total of X series

$\sum Y$ = Total of Y series

$\sum X^2$ = Total of the square of items in X series

$\sum Y^2$ = Total of the square of items in Y series

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 Presentation of the Primary Data

This segment consists of the presentation of the primary data collected through the questionnaires in the tabulated and graphical notation form with the description of each information gathered serially matching with the order of the objectives of this study. The primary data analysis normally from the detail of respondent the analysis begins with respect to:

4.1.1 Consume of Instant Noodles

Researcher tries to find out how many percent consumer use instant noodles so ask to respondents do you consume instant noodles. Researcher found following result.

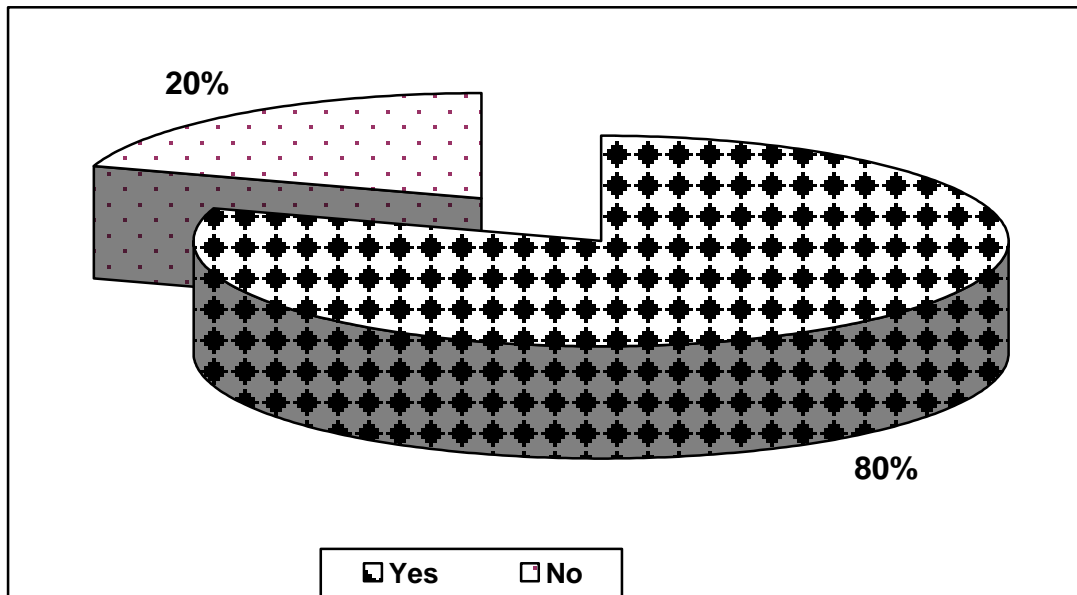
Table 4.1
Consume of Instant Noodles

Option	No. of Respondents	Percent
Yes	100	80%
No	25	20%
Total	125	100%

Source: Field Survey, 2070

The above table and below figure indicates that the majority of the respondents (significantly up to 80% of the total) consume instant noodles and very negligible number of the respondents (20%) does not consume instant noodles. So this clearly indicates that 100 respondents are exposed to this study. Above data are presenting in pie chart in below.

Figure 4.1
Consume of Instant Noodles



Source: Table No. 4.1

4.1.2 Use of Instant Noodles

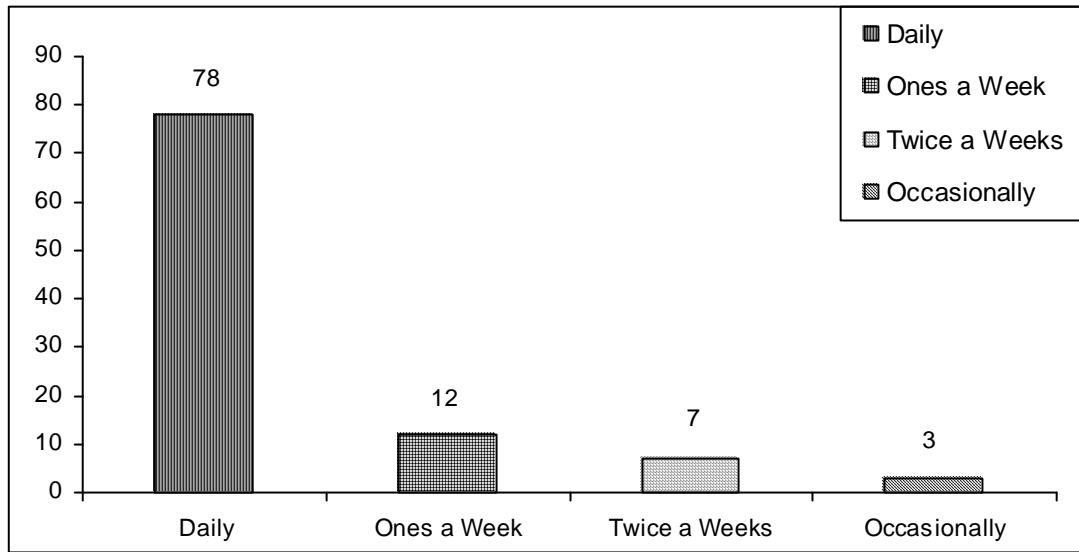
Researcher asked all respondents how often consume instant noodles. Researcher found following result.

Table 4.2
Use of Instant Noodles

Option	No. of Respondents	Percent
Daily	78	78%
Ones a Week	12	12%
Twice a Weeks	7	7%
Occasionally	3	3%
Total	100	100%

Source: Field Survey, 2070

Figure 4.2
Use of Instant Noodles



Source: Table No. 4.2

Above table and figure indicates that the majority of the respondents 78% are use instant noodles use daily and 12% respondents are use instant noodles ones a week, 7% respondents are use instant noodles twice a weeks and 3% respondents are use instant noodles occasionally. So this clearly indicates that most of respondents are use noodles showing to this study. Above data are presenting in bar diagram in below.

4.2.3 Importance of Advertising

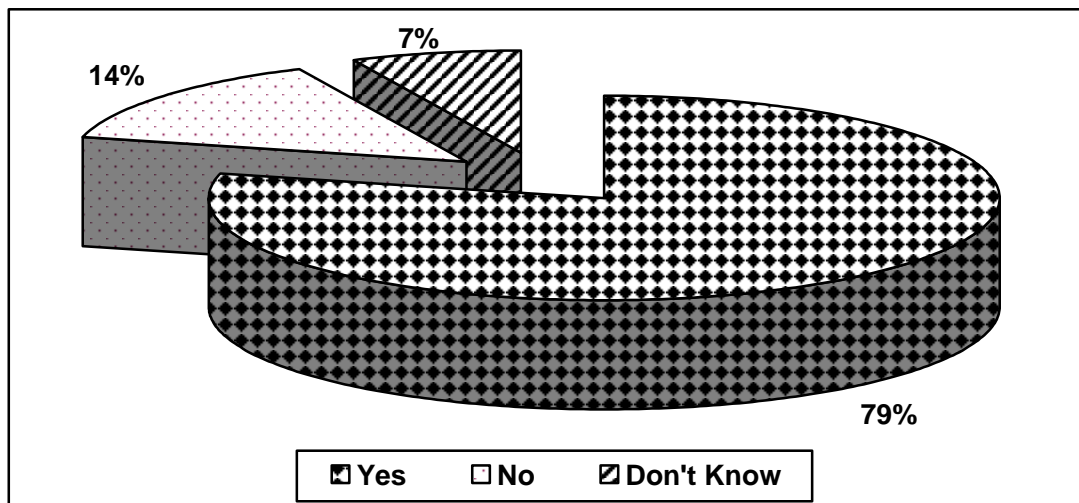
Advertisement is importance for sales increment. So, researcher ask to all respondent advertisement is necessary for the sales of product. Researcher found following result.

Table 4.3
Importance of Advertising

Options	No of Respondents	Percentage
Yes	79	79%
No	14	14%
I don't Know	7	7%
Total	100	100%

Source: Field Survey, 2070

Figure 4.3
Importance of Advertising



Source: Table No. 4.3

It is apparent from above table and figure that most of the respondents (i.e 79%) of the research sample consider advertisements are really important and very few 14% consider advertisement is not important and 7% respondents are do not have any idea about it. So it is a clear indicator that advertisements have a significant impression over the respondents.

4.2.4 Popular Media Preference of Consumer

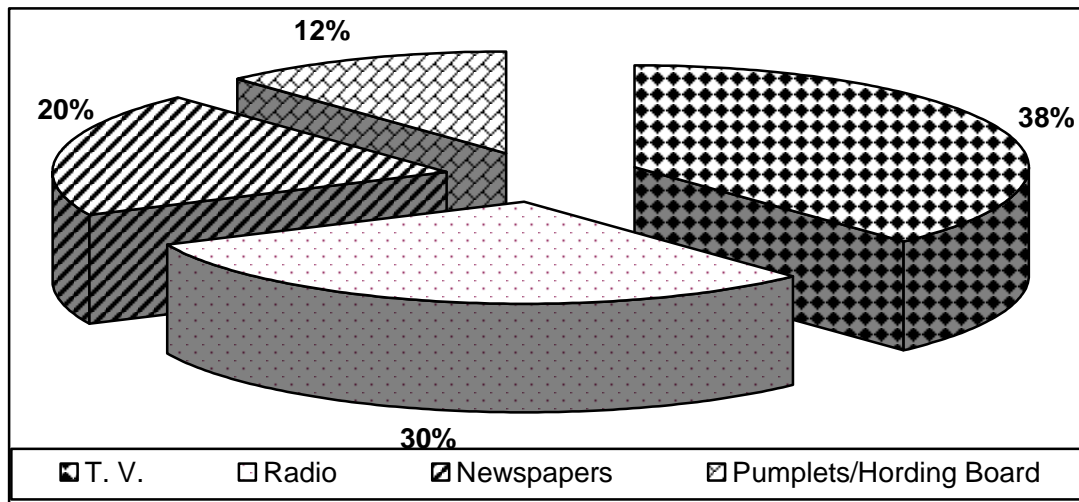
Researcher asked all respondent which is your popular advertising media, effective media following result are found.

Table 4.4
Popular Media Preference of Consumer

Options	No of Respondents	Percentage
T. V.	38	38%
Radio	30	30%
News papers	20	20%
Pumplets / Hording Board	12	12%
Total	100	100%

Source: Field Survey, 2070

Figure 4.4
Popular Media Preference of Consumer



Source: Table No. 4.4

Above table and figure shows that the advertising in the visual mode like T.V. advertising is most preferred by the respondents is 38% out of total respondents, where as other media of advertising such as audio media radio 30%, Newspapers media preferred by 20% and least preferred by the respondents are only 12% is supported by the pamplets or hording boards.

4.2.5 Expectation of Consumer from Advertising

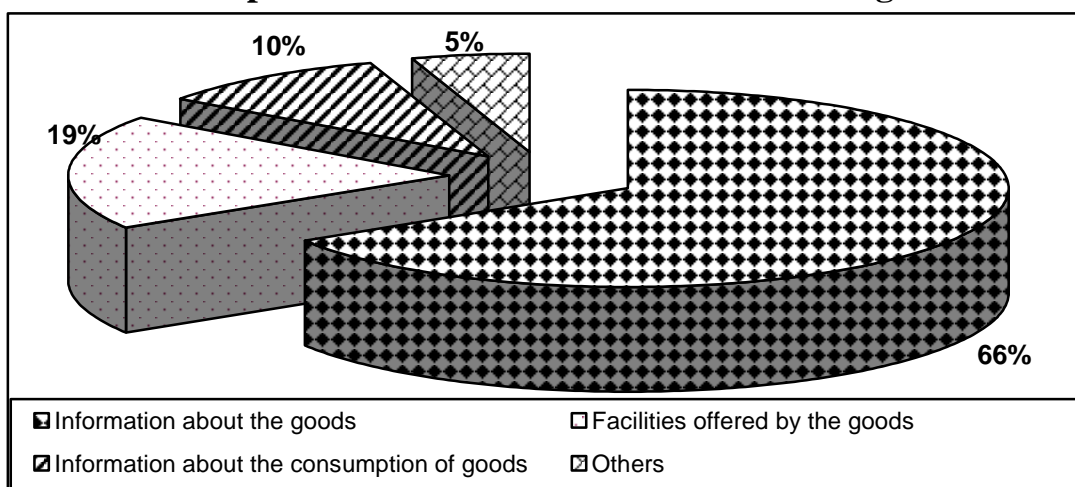
What types of advertisement is most important. Researcher asked all respondent what do you expect from advertisement following results are found.

Table 4.5
Expectation of Consumer from Advertising

Options	No of Respondents	Percentage
Information about the goods	66	66%
Facilities offered by the goods	19	19%
Information about the consumption of goods	10	10%
Others	5	5%
Total	100	100%

Source: Field Survey, 2070

Figure 4.5
Expectation of Consumer from Advertising



Source: Table No. 4.5

Above table and figure shows information about the goods has been the main quest for the respondents (66% of total sample) in an advertisement where as few of them, compared to above, prefer to know about the facilities offered by the goods and information about the way of consumption of that very goods in an advertisement viz.19% and 10% respectively but very few of them i.e. 5% of the respondents expect some other in an advertisement.

4.2.6 Factors Affecting Purchase Decision

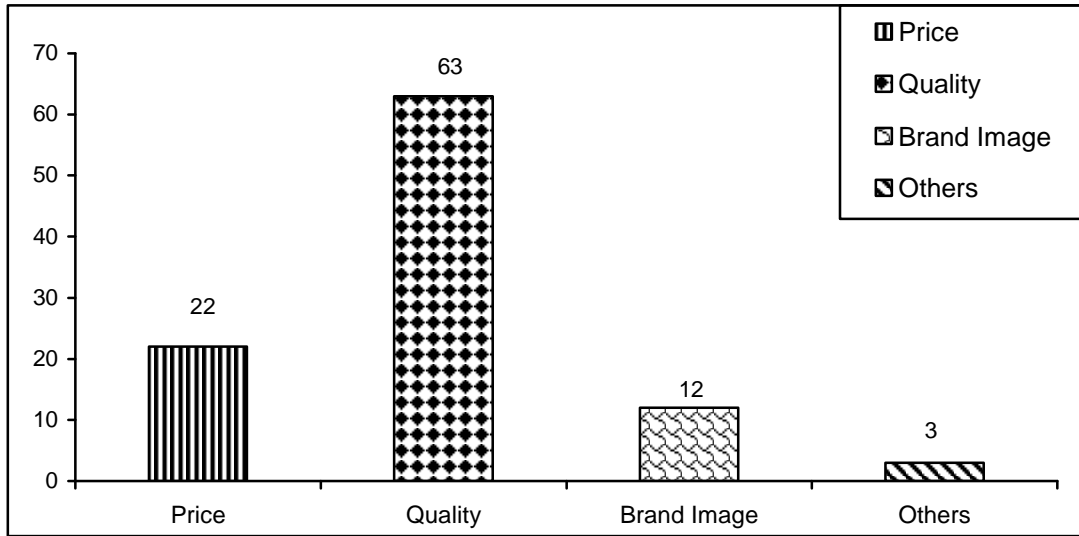
Researcher tries to find out which factor most effect purchase decision. Following results are found.

Table 4.6
Factors Affecting Purchase Decision

Options	No of Respondents	Percentage
Price	22	22%
Quality	63	63%
Brand Image	12	12%
Others	3	3%
Total	100	100%

Source: Field Survey, 2070

Figure 4.6
Factors Affecting Purchase Decision



Source: Table No. 4.6

Above table and figure shows quality has been the main concern for the respondents while purchasing a good which is signified by the 63% of the total respondents going for the quality rather than the price and the brand image of the goods which holds an insignificant count of 22% and 12% respectively in the sample surveyed. So this is a clear indication in the table that respondents prefer to the quality irrespective to the 3% are other factors of a goods.

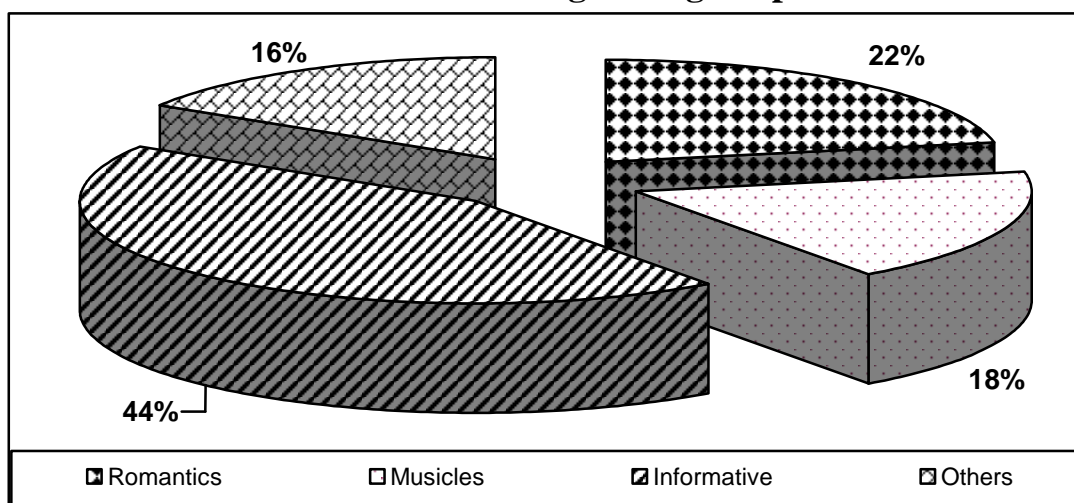
4.2.7 Preference of Advertising among Respondents

Table 4.7
Preference of Advertising among Respondents

Options	No of Respondents	Percentage
Romantic	22	22%
Musical	18	18%
Informative	44	44%
Others	16	16%
Total	100	100%

Source: Field Survey, 2070

Figure 4.7
Preference of Advertising among Respondents



Source: Table No. 4.7

The above table and figure shows that, information is the main expectation from an advertisement to most of the respondents (44% of sample) where as there are scores of respondents who prefer the romantic advertisement (22% of sample) to musical advertisement (18% of sample) and quite insignificant percentage of respondents out of the total sample prefer some other (16%) kind of advertising.

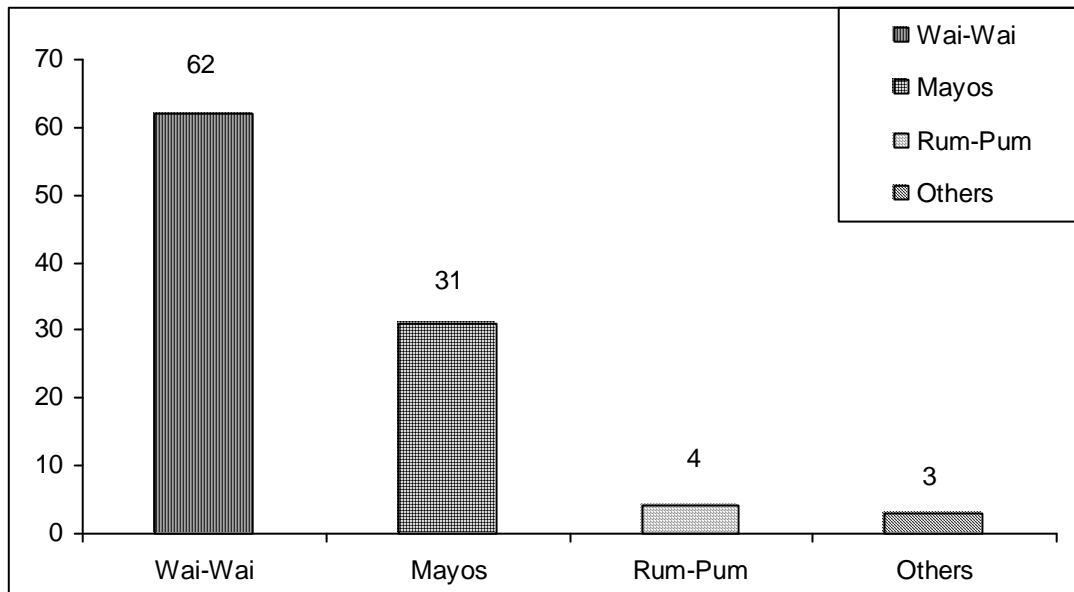
4.2.8 Attractive Advertisement of Instant Noodles

Table 4.8
Attractive Advertisement

Options	No of Respondents	Percentage
Wai-Wai	62	62%
Mayos	31	31%
Rum-Pum	4	4%
Others	3	3%
Total	100	100%

Source: Field Survey, 2070

Figure 4.8
Attractive Advertisement



Source: Table No. 4.8

Above table and figure shows that the Wai-Wai instant noodles has a comparatively better edge over the Mayos instant noodles in the mind of the respondents which is best supported by the figures like 62% and 31% respectively for these two brands where almost 4% of the respondents Rum-Pum and 3% respondents are other brands of the instant noodles. This expresses that first two brands have almost identical number of the respondents in a most attractive advertisement.

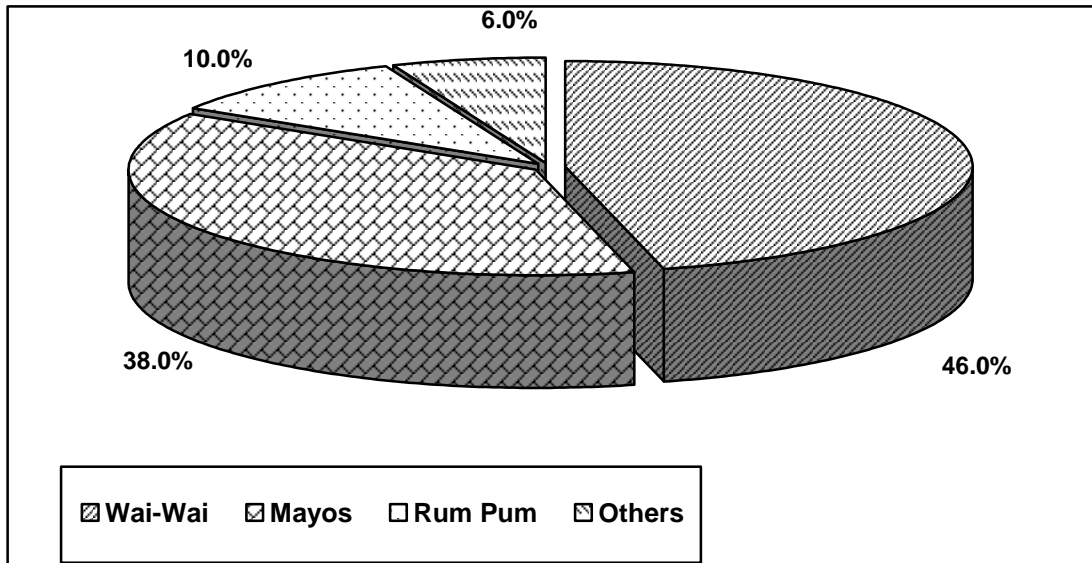
4.2.9 Recognition of Brand

Table 4.9
Recognition of Brand

Options	No. of Respondents	Percentage
Wai-Wai	46	46%
Mayos	38	38%
Rum Pum	10	10%
Others	6	6%
Total	100	100

Sources: Field Survey, 2070

**Figure 4.9
Recognition of Brand**



Source: Table No. 4.9

Above table and figure shows that the Wai-Wai instant noodles has a comparatively better edge over the Mayos instant noodles in the mind of the respondents which is best supported by the figures like 46% and 38% respectively for these two brands where 10% of the respondents recall Rum-Pum and 6% the other brands of the instant noodles. This expresses that first two brands have almost identical number of the respondents in a recall test.

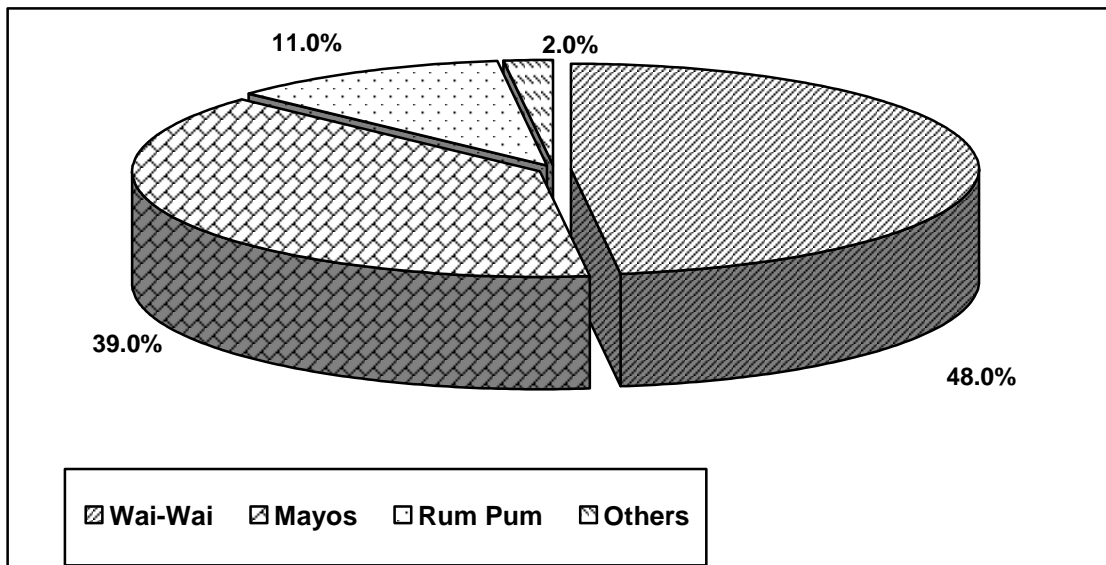
4.2.10 Consumers' Preference Regarding Noodles

**Table 4.10
Consumers' Preference Regarding Noodles**

Options	No. of Respondents	Percentage
Wai-Wai	48	48%
Mayos	39	39%
Rum Pum	11	11%
Others	2	2%
Total	100	100 %

Sources: Field Survey, 2070

Figure 4.10
Consumers' Preference Regarding Noodles



Source: Table No. 4.10

The above table and figure shows, once again, Wai-Wai is edging over the Mayos by the figure 48% of Wai-Wai to the 39% of Mayos. On the other hand there is significant volume of the respondents going for Rum Pum instant noodles (11%) as well which is insignificantly followed by the 2% of the respondents going for other brands. The data presented above shows that Wai-Wai instant noodles and the Mayos instant noodles are the market leaders and mostly preferred instant noodles.

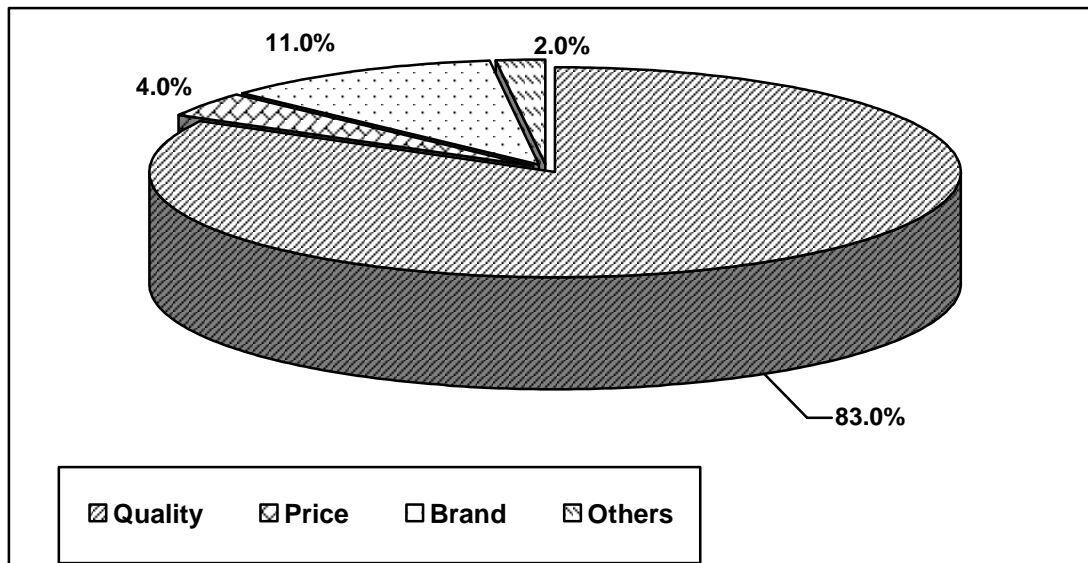
4.2.11 Preference of Product Attributes

Table 4.11
Preference of Product Attributes

Options	No. of Respondents	Percentage
Quality	83	83%
Price	4	4%
Brand	11	11%
Others	2	2%
Total	100	100

Sources: Field Survey, 2070

Figure 4.11
Preference of Product Attributes



Source: Table No. 4.11

Above table and figure shows most of the respondents (ranging up to 83% of the total sample) go for the quality while buying an instant noodle notwithstanding the price of those noodles because just 4% of the respondents are concerned about the price of the noodles but majority of them go for the quality. At the same time there are remarkable numbers of the respondents (11%) who seem to be the loyal to the brand. So this indicates that the respondents are much careful about the quality rather than other factors.

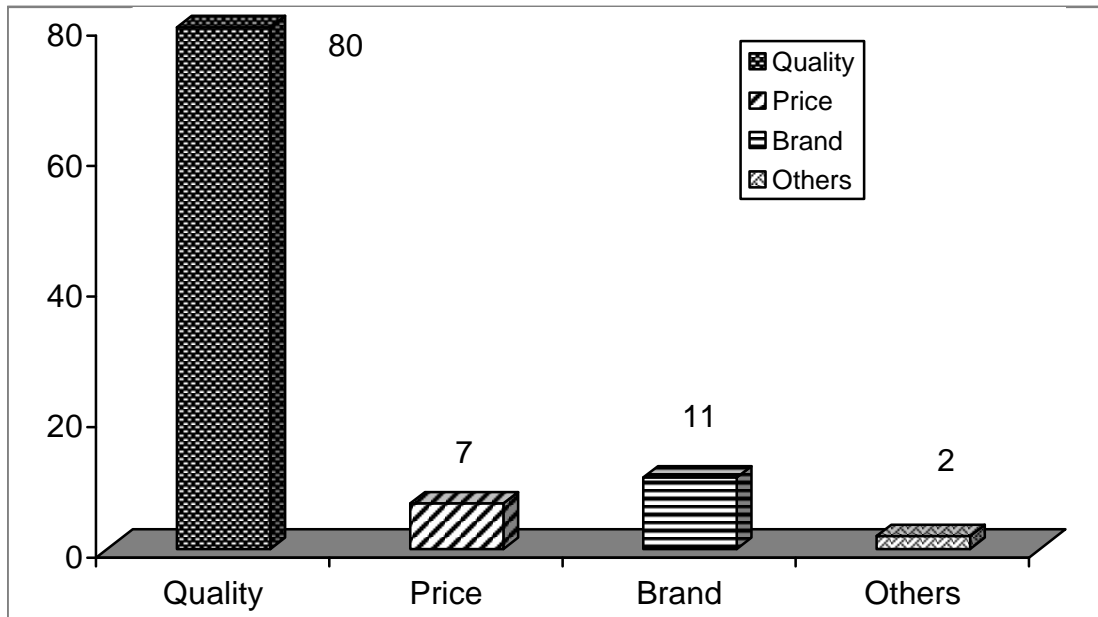
4.2.12 Consumers' Brand Loyalty:

Table 4.12
Consumers' Brand Loyalty

Options	No. of Respondents	Percentage
Quality	80	80%
Price	7	7%
Brand	11	11%
Others	2	2%
Total	100	100

Sources: Field Survey, 2070

**Figure 4.12
Consumers' Brand Loyalty**



Source: Table No. 4.12

Above table and figure clearly shows 80% of the total sample buy the products because of the quality of that product and quite unremarkably just 7% of the respondents in the sample go for the price when they purchase the products and yet remarkably 11% of the respondents in the sample stick to be the brand loyal. Once again the data presented above is a clear indicator that the majority of the respondents are quality seekers compared to other factors like price and the brand of the products.

4.2.13 Effects of Advertising on Consumer's Attitude:

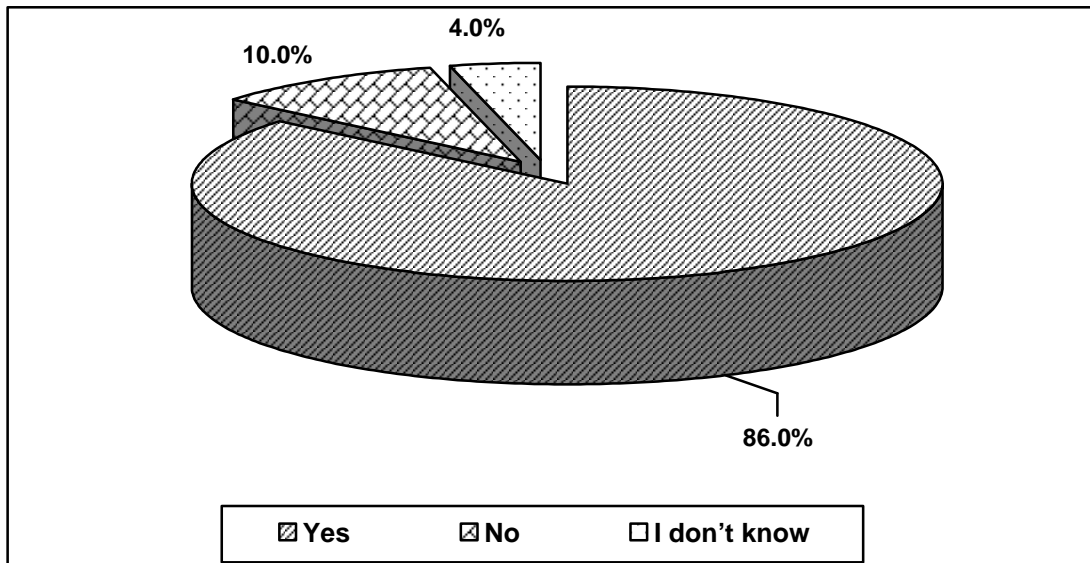
**Table 4.13
Effects of Advertising on Consumer's Attitude**

Options	No. of Respondents	Percentage
Yes	86	86
No	10	10
I don't know	4	4
Total	100	100

Sources: Field Survey, 2070

Figure 4.13

Effects of Advertising on Consumer's Attitude



Source: Table No. 4.13

Above table and figure shows most of the respondents (86%) think that the advertising has a great impact over their attitude and buying behavior where as remarkably 14% of them show rigidity over the influence of advertising to their attitude and buying behavior.

4.3 Presentation and Analysis of Secondary Data

Secondary data are presenting two install noodles company annual report of Chaudhary Group and Himalayan Snacks and Instant Noodles Pvt. Ltd. This thesis is based on Narayangarh city but advertisement cost provide the main company so, researcher presenting secondary data over the Nepal advertisement and sales volume. This segment provides a wise picture of the role of advertising and its expenses of these two instant noodles firms over their respective sales. The data collected from these two firms are presented from the fiscal year 2064/065 to 2068/069 i.e. the figures provided by these two firms over last five years. The analytical part of the secondary data has been put forward in the following way:

4.3.1 Analysis of mean of Advertising Expenses and Sales of Wai-Wai and Mayos Instant Noodles:

The below table shows the analysis mean of advertising expenses and sales of Wai-Wai and Mayos instant noodles.

Table 4.14
Average Advertising Expenses and Sales (Rs. in Thousand)

FY	Wai-Wai		Mayos	
	Advertising Cost	Sales	Advertising Cost	Sales
2064/065	20564	455478	37355	365478
2065/066	22089	595745	48125	485745
2066/067	22931	757594	52155	584578
2067/068	24228	905055	60678	697700
2068/069	25412	1056113	68078	807250
Total	115224	3769985	266392	2940752
Average	23045	753997	53278	588150

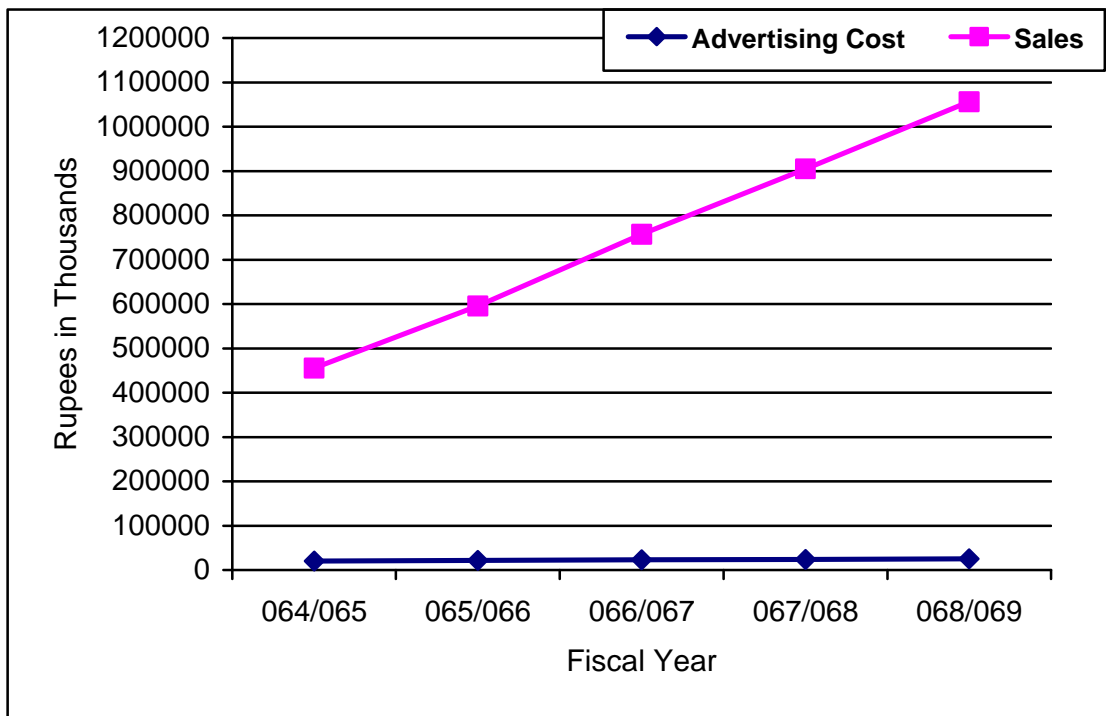
Source: Annual report of Chaudhary Group and Himalayan Snacks and Instant Noodles Pvt. Ltd.

As the advertising expenses increase, similar movement was seen in the sales volume of these two instant noodles firms which is in close connection with the fact that most of the respondents watched and considered advertising is important. On the other hand majority of the respondents found a positive relation between advertising and sales. So that an increment in advertising expenses caused in more advertising exposure thus, resulting in change in the attitude and buying behavior of the respondents towards the products leading to an enhanced sales volume due to more purchases of these two different brands of instant noodles shown by above table.

The same tabular information has been presented below.

Figure 4.14

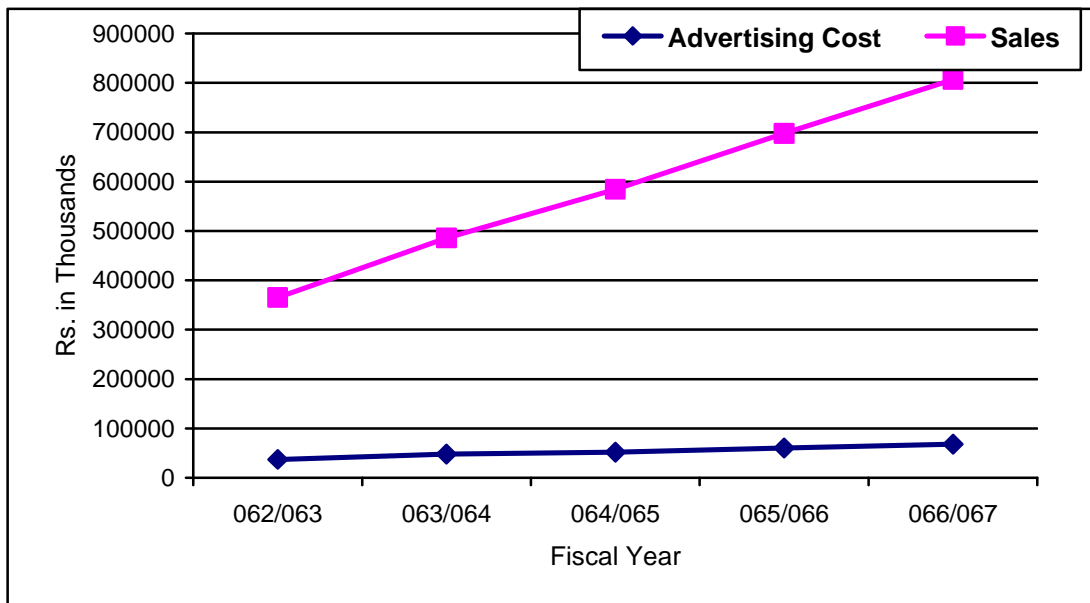
Advertising Expenses and Sales of Wai-Wai



Source: Table No. 4.14

Figure 4.15

Advertising Expenses and Sales of Mayos



Source: Table No. 4.14

4.3.2 Analysis of Effectiveness of Adverting in Terms of Return in Sales:

The focus of this section is to analyze the effectiveness of the advertising in terms of return in sales or the extent to which adverting affects in sales generation. The line graph presents the values of correlation coefficient (r) advertising expenses and sales of Wai-Wai and Mayos instant noodles.

Wai-Wai instant noodles shows that the correlation coefficient (r) is 0.99 (Annex II) which shows that there is a strong positive correlation between the advertising and the sales of Wai-Wai instant noodles. This indicates that if there is more advertising then there will be more sales. At the same time the value of r^2 is 0.98, this indicates that the 98.01% change in sales is caused by the advertising.

Similarly, Mayos instant noodles also shows that the correlation coefficient (r) and the value of r^2 are 0.995 and 0.99 (Annex III) respectively, which once again clearly shows that there is a strong positive correlation between the advertising and the sales of Mayos instant noodles and 99% of change in sales of Mayos instant noodles is caused by its advertising.

4.3.3 Comparative Analysis of Advertising Expenses and Sales Generation of Wai-Wai and Mayos Instant Noodles:

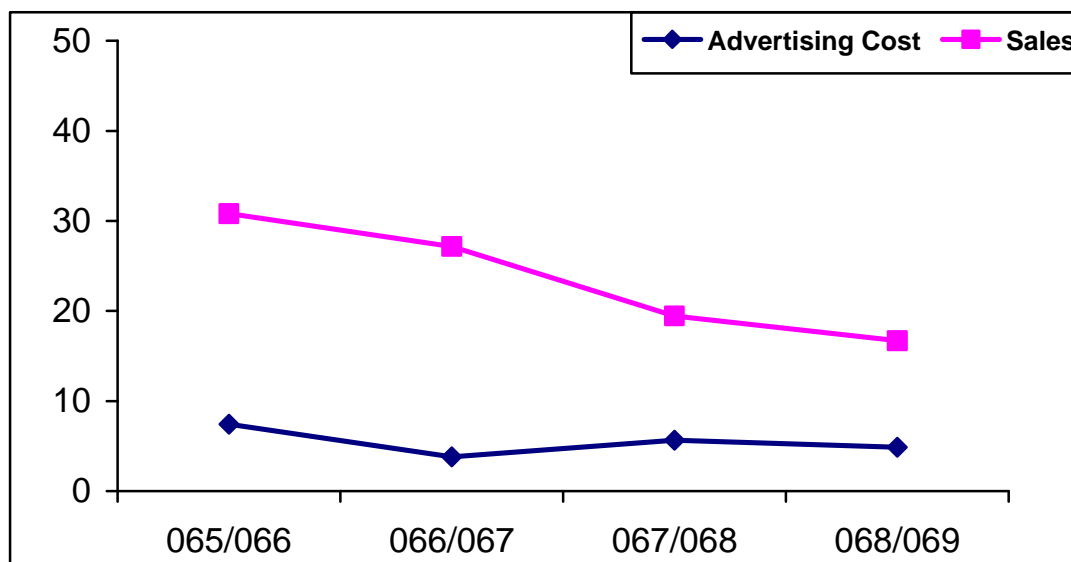
This section deals with a comparative study in between the advertising expenses and the sales of these two brands in a percentile incremental basis of the advertising expenses and sales. The below table presents a highlight of this:

Table 4.15
Comparative Analysis of Advertising Expenses and Sales
Generation of Wai-Wai and Mayos Instant Noodles

F/Y	Increment in Adverting Expenses of Wai-Wai (in %)	Increment in Sales Volume of Wai-Wai (in %)	Increment in Adverting Expenses of Mayos (in %)	Increment in Sales Volume of Mayos (in %)
065/066	7.42	30.80	28.83	32.91
066/067	3.81	27.17	8.37	20.35
067/068	5.66	19.46	16.34	19.35
068/069	4.88	16.69	12.20	15.70

Source: Annual report of Chaudhary Group and Himalayan Snacks and Instant Noodles Pvt. Ltd.

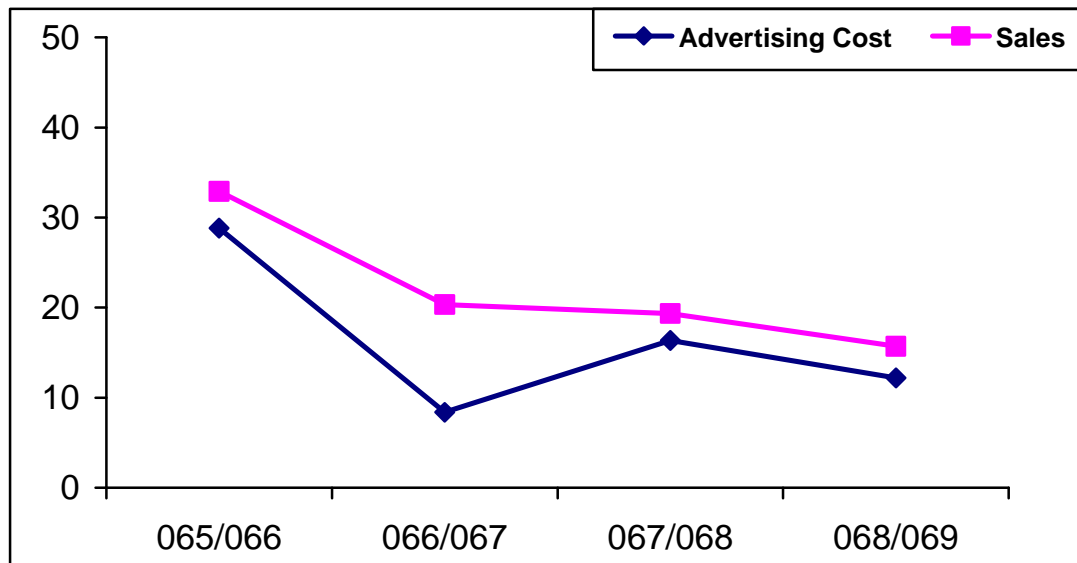
Figure 4.16
Increment of Advertising Expenses and Sales of Wai-Wai



Source: Table No. 4.15

Figure 4.17

Increment of Advertising Expenses and Sales of Mayos



Source: Table No. 4.15

The above table 4.15 indicates that the advertising expenses of Himalayan Snacks and Noodles Pvt. Ltd. is increased largely (28.83%) which has generated an increment in the sales by 32.91%. The huge increment in the advertising expenses in first year had a good coverage for it for the next year which is shown by the figure about decrease down in advertising expenses by 8.37% only but still resulting in a massive 20.35% in sales. But the sales volume was increase to 16.64% in the fiscal year 2067/068. Where as, the mode of increment in advertising expenses of Wai-Wai instant noodles did not show such a huge fluctuation ranging from the highest increment of 7.42% to the lowest 3.81%. At the same time it has been able to keep a steady level of increment in the sales ranging from the highest increment of 30.80% in the fiscal year 2065/066 to the lowest 16.69% in the fiscal year 2068/069.

4.3.4 Analysis of S.D. and C.V. of Advertising Expenses and Sales of Wai-Wai and Mayos Instant Noodles:

Further more the table 4.16 show a comparative study of these two instant noodles by using the statistical tools S.D. and C.V. about advertising expenses and the sales of these two instant noodles companies:

Table 4.16
Analysis of S.D. and C.V. of advertising expenses and sales

Option	Advertising Expenses of		Sales	
	Wai-Wai	Mayos	Wai-Wai	Mayos
S.D.	1876.46	11781.03	238884.29	173269
C.V.	8.14%	22.11%	31.68%	29.42%

The S. D. and C. V. of advertising expenses of Mayos instant noodles shows that there is a fluctuation in its expenses pattern compared to S.D. and C.V. of Wai-Wai instant noodles. Where as the S.D. of sales of Wai-Wai instant noodles seems to be little more fluctuating in comparison to the S.D. of the sales of Mayos instant noodles but the sales of Wai-Wai instant noodles seems to be consistent over the sales of Mayos instant noodles.

4.4 Major Findings of the Study

- i. Most of the respondents (80%) consume instant noodles and 20% are does not consume instant noodles.
- ii. The majority of the respondents 78% are use instant noodles use daily and 12% respondents are use instant noodles ones a week,

7% respondents are use instant noodles twice a weeks and 3% respondents are use instant noodles occasionally.

- iii. Most of the respondents 79% of the research sample consider advertisements are really important and very few 14% consider advertisement is not important and 7% respondents are do not have any idea about it.
- iv. Most of the respondents 38% found that T.V. advertising is the most effective form of advertising in Nepal. 30% respondent are thought radio is effective.
- v. Information about the goods has been the main quest for the respondents 66% in an advertisement. The facilities offered by the goods and information about the way of consumption of that very goods in an advertisement viz.19 % and 10% respectively but very few of them i.e. 5% of the respondents expect some other.
- vi. Quality was the main pursuit for the respondents (63%) to purchase these instant noodles after getting the information from advertising
- vii. Information is the main expectation from an advertisement to most of the respondents 44%. The romantic advertisement 22% to musical advertisement 18% and quite insignificant percentage of respondents out of the total sample prefer some other 16% kind of advertising.
- viii. Most of the respondents 62% though wai-wai advertisement is more attractive to others advertisement.
- ix. Wai-Wai instant noodles has a comparatively better edge over the Mayos instant noodles in the mind of the respondents which

is best supported like 46% and 38% respectively for these two brands where 10% of the respondents recall Rum-Pum and 6% the other brands of the instant noodles.

- x. 48% of the respondents revealed that they purchase Wai-Wai and 39% of the respondents purchased Mayos because of the quality these products serve.
- xi. Most of the respondents 83% go for the quality while buying an instant noodle notwithstanding the price of those noodles because just 4% of the respondents are concerned about the price of the noodles but majority of them go for the quality.
- xii. Most of the respondents thought that there is a relation between the advertising and their buying behavior.
- xiii. The average advertising expenses of Wai-Wai and Mayos were Rs.23045 and Rs.53287 respectively (in '000Rs.)
- xiv. The average sales of Wai-Wai and Mayos were Rs.753997 and Rs.588150 respectively (in'000Rs.)
- xv. The S.D. and C.V. of advertising expenses of Wai-Wai and Mayos were 1876.46, 8.14%, and 11781.03, 22.11% respectively.
- xvi. The S.D. and C.V. of sales of Wai-Wai and Mayos were 238884.29, 31.68% and 173269, 29.42% respectively
- xvii. The correlation coefficient between advertising and sales for Wai-Wai and Mayos were 0.997 and 0.995 respectively which indicates that there is a high degree of positive correlation between adverting and sales of these two instant noodles
- xviii. The pattern in increment in advertising expenses of Wai-Wai was more even compare to the increment pattern of Mayos.

- xix. The increment in sales of Wai-Wai shows a falling trend but not sharply which was 30.81% in the fiscal year 2065/066 to 16.69% in the fiscal year 2068/069.
- xx. The increment in sales of Mayos shows a continuous fall from 32.91% in fiscal year 2065/066 to 15.70% in the fiscal year 2068/069.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Effective advertising should generate awareness of both company and the product; it should help to create an interest and desire for product and stimulate regular and potential customers to purchase the products. The main purpose of this study was to analyze impacts of advertising on the sales of two sample firms comparatively. For this purpose, the data of the advertising expenses and the sales have been used as from primary and secondary sources. So, the excerpts of this study has been summarize in a following way:

Marketing is essential in today's market. Only those firms which have a sound marketing strategy can exist in market. Marketing is about understanding needs and wants of consumer. To know their needs and wants, communication is very important promotion is about the company's communication with customer. It has been a fact that products just can not be sold because of attractive prices alone, where to generate sales and profits, the benefits of the products have to be communicated to the customer.

Most of the respondents accepted that there is a positive relation between the advertising and the buying behavior which further indicates that the advertising is practiced properly in Nepal and people take advertising in a positive way. Wai-Wai instant noodles have a better margin over the Mayos instant noodles in terms of the sales and advertisement coverage.

On the other hand, visual means of advertising like T.V. advertising stood the most effective media of advertising compared to the other forms of

advertising like audio, print media. Again, the average advertising expenses of Wai-Wai instant noodles seems to be less than the advertising expenses of Mayos instant noodles remarkably but the sales volume of the Wai-Wai instant noodles was higher than that of Mayos instant noodles yet.

The beginning year of this study showed that there was a significant increment in the volume of advertising expenses of Mayos instant noodles compared to the Wai-Wai instant noodles. But in the subsequent years both of the firms have been reducing the advertising expenses gradually. The incremental part of the advertising expenses is, however, more uniform and even incase of Wai-Wai instant noodles than the increment trend of Mayos instant noodles. On the contrary, the increment in sales volume has been showing a declining trend but this trend is much sharper in case of Mayos instant noodles than Wai-Wai instant noodles.

5.2 Conclusion:

The findings of the whole study have been concluded in advertisement is the most effective media of promotion for these sample firms. Most of the respondents get information from the advertisement. Consumers pay more attention to quality while buying noodles. Consumers strongly agree on that there is a positive relation between the advertisement and their buying behavior and attitude which, in turn, justified that people take advertisement positively and the properness of the advertisement practices in Nepal. T.V. advertising stands as the most effective form of advertising in Nepal. More people watch the advertisement of Wai-Wai instant noodles than Mayos instant noodles.

The advertising expense of Mayos instant noodles is more than the advertising expenses of Wai-Wai instant noodles. Average sales of Wai-

Wai instant noodles is significantly higher than the average sales of Mayos instant noodles. S.D. and C.V. of the advertising expenses of Wai-Wai instant noodles shows less fluctuation than Mayos instant noodles which means Wai-Wai instant noodles maintains more uniformity in its advertising expenses than Mayos instant noodles. The sales of Wai-Wai instant noodles has a higher S.D. and C.V. compared to the Mayos which justifies the higher volume of the sales of Wai-Wai instant noodles in a positively fluctuating trend.

There is a strong positive correlation between the advertising and sales of these two firms which justifies the strong impact of advertising on sales and on the other hand it clarified that advertising helps to increase the sales. The incremental pattern of advertising expenses of Wai-Wai instant noodles showed uniformity compared to the highly increasing trend of Mayos instant noodles. The incremental trends in sales of both firms seems to be in a declining trend but this is, once again, quick and sharper in case of Mayos instant noodles than Wai-Wai instant noodles.

5.3 Recommendations:

- i. Both of these firms should continue with their advertising campaign to reach more and more possible number of consumers.
- ii. These firms should provide with more informative advertisement about their noodles.
- iii. These firms should maintain the quality of their respective instant noodles that should not be deteriorated.
- iv. Advertising should be focused in fulfilling the need of the consumers in a proper way to make them purchase their noodles by changing their attitude and buying behaviour.

- v. Both of these firms should focus more on T.V. advertising than other media of advertising.
- vi. Mayos instant noodles needs to upgrade the quality of advertising which Wai-Wai instant noodles advertisement seems to be better appreciated.
- vii. Wai-Wai instant noodles should go on with their current advertising campaign but with a constant scrutiny to the volume of the sales generated where as Mayos instant noodles should take an immediate action to control a rapid falling trend in incremental sales volume.
- viii. Mayos instant noodles should assess the effectiveness of the adverting expenses over its return in terms sales where as it seems better in case of Wai-Wai instant noodles.
- ix. Both of these firms should evaluate the performance of the advertisement in terms of the incremental trend of sales volume.

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B) Related Unpublished Thesis

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Thapa, S. (2008). *A Study in Market Situation of Instant Noodles*. An unpublished Masters Degree Thesis submitted to T. U.

C) Related Journals/Magazines

Annual report of Wai-Wai and Mayos Instant Noodles

The Boss Magazine

New Business Age

D) Related Web-site:

www.tutor2u™.com

www.google.com

www.fncci.org.np

www.cgnepal.org.np

ANNEX-I

Questionnaire:

Dear Respondents,

Kindly find enclosed herewith the questionnaires for facilitating the research to be conducted for the partial fulfillment of the requirement of the MBS degree. You are humbly requested to go through the questionnaire, put your view and handover the same to the undersigned after duly completed.

Description of Respondent

Name: _____ Age: _____

Gender: _____

1. Do you consume Instant Noodles?

a. Yes

b. No

2. How often you consume Instant Noodles?

a. Daily

b. Ones a Week

c. Twice a Week

d. Occasionally

3. Do you think that advertisement is necessary for the sales of product?

a. Yes

b. No

c. I don't know

4. Which media of advertising do you like the most?

a. T. V.

b. Radio

c. News papers

d. Pumplest/ Hording Board

5. What do you expect from advertising?

- a. Information about goods
- b. Facilities offered by goods
- c. Information about consumption of goods
- d. Others

6. What factors do you prefer in instant noodles?

- a. Quality
- b. Price
- c. Brand Image
- d. Others

7. What kind of advertising do you prefer?

- a. Romantic
- b. Musical
- c. Informative
- d. Others

8. Which Instant Noodles advertisement do you find more impressive?

- a. Wai-Wai
- b. Mayos
- c. Rum-Pum
- d. Others

9. Which brand name comes immediately in your mind?

- a. Wai-Wai
- b. Mayos
- c. Rum-Pum
- d. Others

10. Which Noodles are more concern by you?

a. Wai-Wai

b. Mayos

c. Rum-Pum

d. Others

11. Why do you buy a particular brand?

a. Quality

b. Price

c. Brand

d. Others

12. What factors helps the consumer to remain brand loyalty?

a. Quality

b. Price

c. Brand

d. Others

13. Do you know advertisement effect to consumer attitude?

a. Yes

b. No

c. I don't know

ANNEX-II

Correlation Relation between Advertising and Sales of Wai-Wai

FY	Advertising (X)	Sales (Y)	XY	X ²	Y ²
2064/065	20564	455478	9366449592	422878096	207460208484
2065/066	22089	595745	13159411305	487923921	354912105025
2066/067	22931	757594	17372388014	525830761	573948668836
2067/068	24228	905055	21927672540	586995984	819124553025
2068/069	25412	1056113	26837943556	645769744	1115374668769
	$\sum X$	$\sum Y$	$\sum XY$	$\sum X^2$	$\sum Y^2$
	115224	3769985	88663865007	2669398506	3070820204139

$$r = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}}$$

$$r = 0.99$$

ANNEX-III

Correlation Relation between Advertising and Sales of Mayos

FY	Advertising (X)	Sales (Y)	XY	X ²	Y ²
2064/065	37355	365478	13652430690	1395396025	133574168484
2065/066	48125	485745	23376478125	2316015625	235948205025
2066/067	52155	584578	30488665590	2720144025	341731438084
2067/068	60678	697700	42335040600	3681819684	486785290000
2068/069	68078	807250	54955965500	4634614084	651652562500
	$\sum X$	$\sum Y$	$\sum XY$	$\sum X^2$	$\sum Y^2$
	266391	2940751	164808580505	14747989443	1849691664093

$$r = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}}$$

$$r = 0.995$$

Thank You