Role of Advertising and its Impact on Consumer Buying Behavior

By: Bina Shrestha Shanker Dev Campus Roll No.: 2356/064 Second Year Roll No.: 391582 T.U. Regd No.: 7-1-278-40-2000

> Submitted to: Office of the Dean Faculty of Management Tribhuvan University

In partial fulfillment for the requirement of the degree of Master of Business Studies (M.B.S.)

> Kathmandu, Nepal May 2012

RECOMMENDATION

This is to certify that the thesis

Submitted by: Bina Shrestha

Entitled: Role of Advertising and its Impact on Consumer Buying Behavior

Has been prepared as approved by this department in the prescribed format of faculty of management.

Dr. N.K Pradhan Prof. Bisheshwor Man Shrestha Asso. Prof. Prakash Singh Pradhan (Thisis Supervisor) (Head of Research Department) (For Campus Chief)

VIVA-VOCE SHEET

We have conducted the Viva-voce examination of the thesis

Submitted by: Bina Shrestha

Entitled: Role of Advertising and its Impact on Consumer Buying Behavior

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of requirements for the degree of Master ob Business Study (M.B.S.).

Viva-voce Committee

Head, Research Department:
Member (Thesis Supervisor):
Member (External Export):

DECLARATION

I hereby declare that the work reported in this thesis entitled "**Role of Advertising** and its Impact on Consumer Buying Behavior" submitted to the Central Department of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Master of Business study under the supervision of Dr. Narayan Krishna Pradhan of Shanker Dev Campus, Putalisadak, Kathmandu.

••••••

Bina Shrestha (Resercher) Shanker Dev Campus T.U. Regd. No.: 7-1-278-40-2000 Roll No.: 2356/064

AKNOWLEDGEMENT

As the partial fulfillment of the M.B.S. degree, I have prepared this report. During the course, I worked with sincerity, honesty and diligently, as far as possible. But beside my efforts, I also got unforgettable support from different people and parties. I am extremely grateful and overwhelmed by their support while completing my work.

Firstly, I would like to express my cordial gratitude to my all teachers, who taught me up to now. For this dissertation, I would like to pay my sincere thanks to my thesis supervisor **Dr. Narayan Krishna Pradhan** of Shanker Dev Campus. His incessant suggestion and guidance from the beginning to the end is really an appreciable effort.

After this, I would like to express heartly thanks to the staff of Library Shanker Dev Campus, staff of Central Library of T.U. and I would also like to say thanks my colleagues who provide their help directly or indirectly in my study.

Last but not least, I would like to express my gratitude to all my friends, my family members who provided me invaluable and crucial support and Miss. Sunita Bhujel for typing, setting and printing the thesis within time.

> Bina Shrestha (Researcher)

TABLE OF CONTENTS

Recommendations

Viva-Voce Sheet

Decelerations

Acknowledgement

Table of contents

List of Table

List of Chart

Abbreviations

		Page No.		
Chapter I : Introduction				
1.1	Background of the Study	1		
1.2	2 Impact of Consumer Behavior			
1.3	Statement of the Study			
1.4	Objective of the Study			
1.5	5 Significance of the Study			
1.6	5 Limitations of the Study 9			
1.7	Organization of the Study	9		
Cha	apter II : The Review of Literature	11-54		
2.1	History of Advertising	11		
2.2	Development of Advertising in Nepal 14			
2.3	Consumer Behavior 15			
	2.3.1 Consumer Buying Behavior	17		
	2.3.2 Consumer Buying Process	17		
2.4	Meaning of Advertising 20			
2.5	5 Role of Advertising			
	2.5.1 Marketing Role	22		
	2.5.2 Communication Role	22		
	2.5.3 Economic Role	23		
	2.5.4 Societal Role	23		

2.6	Classification of Advertising		
	2.6.1 Classification by Target of Audience	23	
	2.6.2 Classification by Geographic Area	24	
	2.6.3 Classification by Medium	25	
	2.6.4 Classification by Function or Purpose	25	
2.7	Objectives of Advertising	26	
2.8	Marketing and Advertising		
2.9	Advertising and Consumers	29	
2.10	Reason for Advertising	30	
2.11	2.11 Advertising Media and their relative Advantages and Disadvantages		
	2.11.1. Newspaper	31	
	2.11.2. Magazines	32	
	2.11.3. Cinema	33	
	2.11.4. Radio	34	
	2.11.5. Direct Mail	35	
	2.11.6. Television	36	
	2.11.7. Frequency Modulation (FM)	37	
2.12 Advertising Media Available in Nepal			
	2.12.1. Nepal Television (NTV)	39	
	2.12.2 The Radio Nepal	41	
	2.12.3 The FM Programme	43	
	2.12.4 Other TV Channels (except NTV)	45	
	2.12.5 The Newspaper	47	
	2.12.6 The Magazines	48	
	2.12.7 Other Media (poster/pamphlets/billboard/hording board etc.)	49	
2.13	Review of previous studies	50	
Chapter III : Research Methodology 55-5			
3.1	Research Design	55	
3.2	Population and Sample Size	56	
3.3	Source of Data		

3.4	Data Collection Procedure	57
3.5	Analysis Techniques	57
3.6	Data Processing	58
Cha	pter IV : Presentation and Analysis of Data	59-78
4.1 C	Consumers Preference on Advertisement	59
4.2 0	Consumers Advertisement Watching/Reading/Listening Habits	60
4.3 0	Consumers Reaction to the Advertisement	61
4.4 I	Effect of Advertisement on Consumer's Purchasing Decisions	62
4.5 0	Consumers Preferences to the Product	63
4.6 I	Expectation of Consumer from Advertisement	64
4.7 I	mpact of Repeated Advertisement to Attract the Consumers Attention	66
4.8 0	Consumers Response to the Adequacy of Advertisement	67
4.9 0	Consumers Preference to the Product having same Quality and Price	68
4.10	Impact of advertisement on Consumers	69
4.11	Role of Advertisement to make the Purchase Decision	70
4.12	Factors Influence to Buy the Product	70
4.13	Effective Medium for Advertisement through Media People	71
4.14	Relationship between Advertising and Consumers Buying Behavior	
	from the point of view of Media People	72
4.15	Role of Advertising Media and Agencies in Advertisement through	
	Media People	74
4.16	Effective Promotional Activity for Product	75
4.17	Major Findings of the Study	75
Cha	pter V : Summary, Conclusion and Recommendation	79-83
5.1 \$	Summary	79
5.2 0	Conclusion	80
5.3 I	Recommendations	81

Bibliography

Appendix

LIST OF TABLES

Table No.	Title	Page No.
4.1 Consumers Prefe	erence on Advertisement	59
4.2 Consumers Adve	ertisement Watching/Reading/Listening Habits	60
4.3 Consumers Reac	tion to the Advertisement	61
4.4 Effect of Advert	isement on Consumer's Purchasing Decisions	62
4.5 Consumers Prefe	erences to the Product	63
4.6 Expectation of C	Consumer from Advertisement	65
4.7 Impact of Repeat	ed Advertisement to Attract the Consumers Attention	66
4.8 Consumers Resp	oonse to the Adequacy of Advertisement	67
4.9 Consumers Prefe	erence to the Product having same Quality and Price	68
4.10 Impact of adver	rtisement on Consumers	69
4.11 Role of Adverti	isement to make the Purchase Decision	70
4.12 Factors Influen	ce to Buy the Product	71
4.13 Effective Medi	um for Advertisement	71
4.14 Relationship be	etween Advertising and Consumers Buying Behavior	73
4.15 Role of Adverti	ising Media and Agencies in Advertisement	74
4.16 Effective Prom	otional Activity for Product	75

LIST OF FIGURES

Figure No.	Title	Page No.
4.1 Consumers Prefere	nce on Advertisement	60
4.2 Consumers Adverti	sement Watching/Reading/Listening Habits	61
4.3 Consumers Reaction	on to the Advertisement	62
4.4 Effect of Advertise	ment on Consumer's Purchasing Decisions	63
4.5 Consumers Prefere	nces to the Product	64
4.6 Expectation of Con	sumer from Advertisement	65
4.7 Impact of Repeated	Advertisement to Attract the Consumers Attention	on 66
4.8 Consumers Respon	se to the Adequacy of Advertisement	67
4.9 Consumers Prefere	nce to the Product having same Quality and Price	68
4.10 Impact of Adverti	sement on Consumers	69
4.11 Effective Medium	for Advertisement	72
4.12 Relationship betw	een Advertising and Consumers Buying Behavior	73
4.13 Role of Advertisir	ng Media and Agencies in Advertisement	74

ABBREVIATION

i.e.	:	That's
M.B.S.	:	Master of Business Study
FM	:	Frequency Modulation
TV	:	Television
NTV	:	Nepal Television
ATV	:	Avenues Television
STV	:	Sagarmatha Television
T.U.	:	Tribhuvan University
%	:	Percentage
etc.	:	Etcetera
B.S.	:	Bikram Sambat
A.D.	:	Ad domino
AMA	:	American Marketing Association
VAT	:	Value Added Tax
ACORAB	:	Association of Community Radio Broadcasters