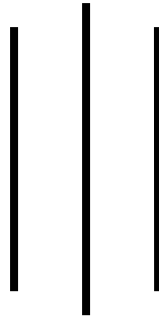


THE ROLE OF ADVERTISING
IN
BRAND LOYALTY

(With special preference to Soft Drink)



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Acknowledgement

This study entitled “*The Role of Advertising in Brand Loyalty*” (with special reference to soft drinks) is carried out for the partial fulfillment of the Master of Business Studies from Balkumari College, Narayanghat, Chitwan.

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.....
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Declaration

I hereby declare that the work reported on the thesis entitled “*The Role of Advertising in Brand Loyalty*” (with special reference to soft drinks) submitted to Balkumari College is my original work. It is done for the partial fulfillment of the requirements for the Master of Business Studies (M.B.S) under the supervision and guidance of Mr. Bharat Khanal Lecturer of Balkumari College.

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ABBREVIATIONS

AAN	Advertising Association of Nepal
AMA	American Marketing Association
B.S	Bikram Sambat
FM	Frequency Modulation
F.S	Family Size
SD	Soft Drink
T.V	Television

CHAPTER - I

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Marketing can be defined in a simpler manner as the activities done by a company to deliver the product from the place of production to the place of consumption. So marketing is the sum total of activities that a company performs to sell their product and services or to transfer the ownership of the product or services in exchange of value of something.

Different authorities have defined the term marketing in different ways:

Marketing is a societal process by which individual and group obtains what they need and want through creating, offering and freely exchanging products and services of value with others. (*Kotler, 2004, Page No. 21*)

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. The marketing concept focuses on consumer satisfaction rather than profit maximization. In other words organization should be consumer oriented and should try to understand consumer requirement and satisfy them effectively. (*American Marketing Association*)

W.J. Stanton defines marketing as the total system of business activities design to plan, price, promote and distribute want to satisfying goods and services to present and potential consumer. (*Stanton,1981, page no. 62*)

Consumers are the core element of marketing process and in absence of them none of the marketing activity can be performed. In order to perform marketing activity smoothly it is necessary to know and understand consumer. To know and understand consumer means to observe how they make purchase decision in their purchase situation.

Advertising plays a crucial role in the promotion of a business organization. Advertising consists of non-personal presentation of products or services through paid media like radio, television, newspaper, magazines, Internet etc.

Albert Lasker, who has been called the father of modern advertising said that advertising is “salesmanship in print”. That may well be. But he gave us that definition long before the advent of radio and television and at a time when the nature and scope of advertising were considerably different from what they are now.

Today, we all have strong concepts of what advertising is, and we also tend to have very strong opinion and prejudices about it. The definitions of advertising are many and varied. It may be defined as a communication process, a marketing process, an economic and social process, a public relation process, or an information and persuasion process, depending on the point of view.

“Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services, or ideas by identified sponsors through the various media.”(*Courtland/William* ,p.38 *2nd Edition*)

“Advertising is the printed, written, spoken or pictured representation of a person product services or movement openly sponsored by the advertiser and

at his expose for the purpose of influencing sales, uses, votes or endorsement”.

“Advertising is any paid form of non-personal presentation and promotion of ideas goods or services by an identified sponsor.” (Kotler2004 p.21)

Advertising is the main tool of informing, convincing, influencing and persuading to the targeted segments and plays significant role on Brand loyalty of the consumer products. The advertiser needs comprehension of psychology. The effective advertising needs to be familiar with certain effects that lead to certain response. It is a method of communication, which is one of the most important aspects of human behavior.

“Advertisement is a paid communication of company message through impersonal media.”⁶(Vern, Terpstra, Sarathy, p.450)

It is a major form of promotion in international as well as domestic marketing. People generally buy a product only after knowing about it. That is why advertising plays a vital role in marketing especially in purchasing and providing information to a large number of scattered masses in different regions of the country. Advertising as a tool of the mass selling is an indispensable medium. It can bring the message to millions of people at the same time while it is not so in case of personal selling, store display, etc.

This definition emphasis to communication the information consists with products, services and ideas for the purpose of presenting and promoting them, which is designed by the related expert from the side of owner and paid some charges instead of using various media which is non-personal.

Today business organization, non-business social organization, political

Organization and governmental and non governmental organizations are also using advertising as a tool of promotion and presentation of goods and services as well as political candidates for votes.

Consumer is regarded as the king in business. The success or failure of any business owes to firm's marketing strategies. Consumer's response to goods or services is in response to the stimuli generated by a company through advertising.

Advertising can be understood as a form of communication which aims at bringing about some change in the behavior of the target audience particularly the potential buyers towards the product or services advertised. Generally, theoretical model seeks to identify a step-wise behavior progression of non buyers towards buying action. This is the progression from awareness to comprehension, from comprehension to conviction. From conviction to desire and finding actual purchase of the product concerned, this can be presented in the diagram to answer, now advertising cover form potential to an actual action.

Figure 1.1: The Advertising Pyramid



Source: AAN

It is opened to question if this model represents what actually happens in real life for one thing actual purchase occurs as a result of many factors and advertising can do its job and bring the customer to the retail outlets, but if

the distribution plan of the company is uneven and retail doesn't have stocks of the products purchase may not result. Simply advertising stimulates the potential buyers to go to the store to buy actual advertised products. In general, advertising is done in expectation of tangible gains such as favorable attitudes, better image of the firm and increased sales. The techniques of advertising depending upon the situation however, it is the matter of decision of the marketing manager to blend all promotional tools- advertising, personal selling, publicity and sales promotion to arrive at a right mix. Each of the promotional tools have got unique characteristics and complementary.

It is true that sometimes the effect of advertising can not be measured directly in terms of sales. Therefore, advertising objectives could be stated in terms of communication goals, such as awareness of the product or favorability of attitude towards it. This assumption relates to sales stated in terms of communication, measurement against such goals can always be possible.

A company can create good and effective stimuli through advertising. A consumer may impress himself by advertising and then motivate himself by advertising and then motivate himself to purchase goods. Advertising is only one among others several selling tools, which businessman have used for centuries to assist them in getting their wares into the hands of consumer. Its early use was distinctly a minor supplement to other forms of selling; perhaps some form of advertising has existed as long as we have had buying and selling.

The history of advertising, we have found it during the mid time of 15th century, where signs over shops and stalls seem naturally to have been the first effort in the direction of advertisement.

The history of advertising in Nepal is recent one, but even in this short span of time, it has remarkable grown up where the first news-paper of the country was started on 1958 B.S. Jestha. Prior to this only the medium of advertising was word of the mouth, now different daily, twice weekly, weekly, fortnightly, monthly, quarterly, four-monthly, half yearly, yearly and other so many periodicals have given significant contribution for its brightness to the coming future as well as to the present.

The establishment of Radio Nepal, Television channels (Nepal Television, Kantipur Channel, Image Channels etc) F.M. Stations all over Nepal broadcasting from some hours to present condition where , the advertisement broadcast in the prime hours. This indicates the importance of advertising in modern marketing process.

Television Channels and now most popular FM radio are playing important role in this field. In fact, some other media (Print media and Internet) are also doing their job according to the expectation. Among them the FM program which was introduced on Poush 15, 2052 B.S is become much more popular in Kathmandu valley and all over Nepal.

Almost all of the product today have got brand. Brand is prominent feature of almost all products. In the modern business world brand has become so strong that hardly anything goes unbranded.

A major goal of marketer interested in how consumer learns to encouraged brand loyalty. Brand loyal consumers provides the basis for stable and growing market share and can be a major intangible assets reflected in a purchase price of company. A study of consumer purchases habits reported that brand with larger market share has proportionately larger group of loyal buyers.

Brand loyalty is not simple concept. A basic issue among researcher is whether to define the concept are terms of consumer behavior or consumer

attitudes. To Cognitive learning theorists behavioral definition lack precision because they do not distinguish between the 'real' brand loyal buyers who is intentionally faithful, and the spurious brand loyal buyer who repeats a brand purchase because it is the only one valuable at the stores. Such theories say that brand loyalty must be measures by attitudes towards a brand, rather than by purchase consistency.

In simple brand loyalty means consumer's strong faith or belief on a particular brand to as a result, an intention to purchase the same brand. When a consumer develops positive attitudes towards a brand and buys the same brand again and again he is said to be brand loyal.

Jacob Jacoby and Robert W. Chestnut defined brand loyalty as:

- The biased (i.e. non random)
- Behavioral response (i.e. purchase)
- Expressed overtime
- By some decision making unit
- With reference to one or more alternative brands out of a set of such brand, and is
- Function of Psychological (decision making, evaluative) process.

Brand loyalty behavior of consumer is based on the learning theory. Behavioral loyalty is expresses either in terms of repeat purchase behavior of customers or the share of the brand in the total purchase of the customer. In other words, it relates to how often do.

Customers purchase the brand and how much do they purchase? The life time value of behavioral loyalty is enormous. The endorsement value of behavioral loyalty is an added benefit to the company.

Brand loyalty is one of the extensively researched subjects in marketing. Brand loyalty has been studies from so many angles that the concept has

been defined on the basis of the measurement methods used. There are four types of measurement of brand loyalty.

Brand choice Sequences

The method (George Brown, 1952) uses a household's last five purchases as a measurement device for brand loyalty and differentiates between the different types of behavioral loyalty. This method is useful in measuring brand loyalty on frequently purchased items.

The choice sequence may provide the following four types of loyalty:

- Undivided (Full) loyalty: Household bought brand A in the sequence of AAAAAA
- Divided loyalty: Brand A and B were purchased in the sequence of ABABAB
- Unstable loyalty: Brands A, B, C and D were purchased in the sequence of AAABBBCCCDDD
- No loyalty: Household purchased five different brands in the sequence ABCDEF

“Brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase”.⁷ (*Schiffman, Kanuk, 6th Edition*)

In the real sense brand loyalty is the leading to a strong brand preference and repeat purchase behavior. Some studies have indicated those brand loyal consumers are older, have high incomes, and experience greater perceived risk.

“The company will enjoy reduced marketing costs because of the high level of consumer brand awareness and loyalty”.⁸ (*Kotler, 8th Edition*)

But quite naturally all the consumers do not deal or behave with the brands exactly in the way marketers want. In spite of availability of different brands, there are some consumers who keep on striking up to particular whereas some are indifferent in selection of brand.

Every brand has certain image in the market, every brand known for its own feature and quality. So, the consumers, according to their faith or trust on quality prefer one brand to others. If they think a brand is good in terms of quality or price or social status or any other, they develop a positive attitude towards that brand and make repeat purchases of the same brand and when this happens i.e. known as Brand Loyalty.

In simple term, brand loyalty means consumer strong faith or belief on a particular brand and as a result, an intention to repurchase the same brand.

Brand loyalty is something more than repeat purchase. To be truly brand loyal, the consumer must hold a favorable attitude towards the brand in addition to purchasing it repeatedly. Merely repeating purchase of a brand does not necessarily mean brand loyalty. A consumer may repeat purchase of the brand due to unavailability of other alternative brands or due to his ignorance about the availability of other alternative brands or due to the fact that the brand is more attractively displayed in the store than other alternative brands. The consumer must be intentionally faithful to the brand to be said a true brand loyal. Thus, there exists a clear difference between a

real brand-loyal who is intentionally faithful and a spurious brand loyal buyer who repeats a brand purchase not because of his/her faith on the brand but because of unavailability of other brands in the market or because the brand is displayed more prominently or attractively than others.

The company will have more trade leverage in branding with distributors and retailers since the customers expect them to carry the brand. The company can charge a higher price than its competitors, because the brand

has higher perceived quality. The company can more easily launch brand extensions since the brand name carries high credibility. Yet every powerful brand really represents a set of loyal customers. Brand loyalty gives sellers some protection from competition and greater control in planning their marketing program.

If consumers think a brand is good in comparison with other available brands in terms of fulfillment needs, wants and other pre-judicious, then they develop positive attitudes towards a brand and purchase them if this action is repeatedly happened with a specific brand that is known as brand loyalty. To find out brand loyalty frequently purchasing action of a product class must be required. Brand Loyalty is a great asset of a company which is not expressed in numerical form of the balance sheet. It is completely unseen but gives result of full enjoyment.

In the modern marketing world, cut-throat competition is the main characteristics and Nepal too is not exception to this completion. It has been found that Nepalese consumer market increase in the number of units of industries producing different types of goods. Today, dozens or probably more brand even a specific product category are being sold in the Nepalese market. Consequently, Nepalese consumers have wider choices while buying most of the products. They are no more compelled to buy any particular brand; rather they are free to choose whatever they like among different brands. This in turn has increased the promotional activities in the country. Every seller is trying to prove his product as the best. This can be witnessed from the promotional efforts sellers are making by bombarding the consumers with TV commercials, Radio ads, newspapers, magazines, posters, pole banners, hoarding boards, and many tools appealing to buy their products. Consumer buys a specific brand to satisfy their psychological stimuli aware by different promotional campaign including advertising.

No research has been carried out in Nepal to find out the role of advertising in brand loyalty of low involvement products. This study focuses on the following issues: are their brand loyalty completely partially or not impressed through advertisement/does it play any supportive role in brand loyalty decision? Do other promotional tools have more weight in brand loyalty decision then advertising?

Soft Drink Business in Nepal

With the change in the lifestyle of the people and modernization getting vogue, Nepalese market has become a battle field of soft drinks.

In fact, international companies/brand is entering in different forms. Some of them are coming through Joint Venture collaboration, licensing, franchise and some of them have appointed agents and dealers in Nepal. Some of the international brands have already been established as market leaders in soft drink business in the country. A live example is the situation of Coca-Cola and Pepsi. “Coca-Cola (Coca-Cola family) seems to be unbeatable and governing around 80% market share while Pepsi-Cola (Pepsi-Cola family) has just around 20% market share, whereas both the brands boast of international fame having tough competition everywhere.” One thing we should overlook is that Pepsi is ahead in some of the markets. It is ahead in neighboring markets India and Pakistan. Why is Pepsi-Cola lagging behind Nepal? The major factor is due to the lack of localization and brand loyalty. The prestigious birth in the market between these Cola giants has been growing ever since Pepsi came to Nepal in 1986. Coke had a sort of monopoly in the market till then. And the war in the market between the two global giants is going on to benefits Nepalese consumers

1.2 STATEMENT OF THE PROBLEM

In the present day situation advertising is a compulsion to any business organization because of high competition and sophistication. Advertising plays a vital role in promotion efforts by familiarizing, awareness, informing and influence the consumers to buy the products and help them in buying decision. In developed countries huge expenditure is made on it, and a market without it is unimaginable. However, in the countries like Nepal, where the development of market is still at preliminary stage, the role of advertising will play an important role for the promotion of the products.

The main advertising media available in Nepal are Radio, TV, Newspapers, and Magazines. Introduction of satellites channels are playing an important role in advertising.

Advertising has become an integral part of the budget. Business organizations always measure cost benefits in relation to their investment. If the advertisement programs do not give any benefits to the organization, then it is better to eliminate the whole program.

An effective advertising program is that which can accomplish the assigned promotional task. Advertising by its definition, is persuasive communication and its objective is to turn the potential buyers into the actual one. Advertising should add to the marketability of the product.

In Nepal most of the manufactures advertise their products without measuring its effectiveness. But in real sense, the effectiveness has direct relation with purchasing act of a specific brand.

Following questions will be analyzed in this study:

- Do consumers choose a specific brand because of advertising?
- Does advertising contribute to brand loyalty?

- Do consumers give more weight to advertising rather than any other promotional tools while making products selection decision?
- What is the best promotion way for brand loyalty?

1.3 OBJECTIVE OF THE STUDY

The main objective of the study is to analyze and overlook the advertising impact in brand. The specific objectives are as follows:

- To know whether consumer choose specific brand due to advertising or not.
- To know the contribution of advertising in brand loyalty.
- To know whether any promotional tools affects consumer in selection of the products.
- To examine the best promotional way for brand loyalty

1.4 IMPORTANCE OF THE STUDY

In the Nepalese market, competition has been increasing day by day, where marketers are facing the problem of not getting target market share, over stocking and rough competition. Although a marketing manager may prefer to use any personal selling, it can be expensive and mass selling can be cheaper. It is not a pin pointed as personal selling but, it can reach large number of potential customers at the same time. In fact, today most production blends contain both personal selling and mass selling.

“Advertising’s job might be to build brand preference- as well as help purchasers to confirm their decisions.”⁹ (*The Economic Survey,94-95*)

Sometimes the advertising may be able to describe that our product is differ from current and potential competitors. Advertising could be made useful

assistance and create an image about product in consumers perception which direct effect on brand loyalty.

In the Nepalese market competitive advertising tries to develop selective demand for a specific brand rather than a product category. Competitive advertising is a successful tool in brand loyalty of consumer products.

This study shall contribute to generate a data as to what extent advertisement helps in brand loyalty exist in the Nepalese consumer market while purchasing consumer products (i.e. soft drink)

1.5. RESEARCH HYPOTHESIS

Based on findings of the past study and characteristics of the Nepalese product market and consumers researcher hypothesis about some of the major characteristics of strategies consumer use. These are as follows-

H1: All types of brand of soft drink are equally chosen by the consumer

H2: Advertisements of soft drinks have equal essence of effectiveness.

H3: Consumer prefers all advertisement equally.

H4: Consumers switch brand of soft drink for same reason.

H5: Advertisement play equal role in changing brand loyalty of soft drink.

1.6. LIMITATION OF THE STUDY

None of the research works is incomplete in them. They may contain some limitation due to the various factors that is unavailable during the research process. This study may also have some limitation. Some of them are listed below:-

- The product selected for this study is soft drinks. Therefore, the finding of the study will not necessarily be applicable to other products.
- The sample size will be very small in comparison to the population
- The study will be entirely based on the views and responses of the consumers.
- Unavailability of time, money, resources and effort is also a limitation of the study
- Respondent hesitation toward giving the answer of questionnaire and lack of time of the respondent will also be the limitation of the study.
- This study is only confined to Kathmandu city. Since all the respondents are of Kathmandu city, the result obtained from this study cannot be generalized.

1.7. ORGANIATION OF THE STUDY

The study has been organized into five chapters namely:

- I. Introduction
- II. The Review of Literature
- III. The Research Methodology
- IV. The Analysis and Interpretation
- V. Summary, Major Findings, Conclusion and Recommendations

The first chapter that is introduction will be focused on general introduction. It introduces the research problem and objectives as well as points of significance of the study. This chapter gives brief picture of what is going to be studied, why the study is important and what the study is going to seek.

The second chapter Review of Literature will include the study of relevant literature to this study and review of previous studies. This chapter discusses about the theoretical concepts of advertising. In this concept of advertising the matter presented is the definition of advertising, the historical background, various advertising media available in Nepal and present advertising situation.

Research Methodology will be the third chapter of this study. In this chapter research design, sources of data, population and sample, data collection method, data analysis method to be used in this study are described.

The fourth chapter will be the data presentation and analysis. This section will contain the representation of raw data into tabular and systematic form and analyzing these data by using different types of statistical tools and techniques.

Finally the fifth chapter will summarize the whole study, derive conclusion there from and provide recommendation and further research direction.

An extensive bibliography and appendix will also be included at the ends.

CHAPTER – II

THE REVIEW OF LITERATURE

In the previous chapter, background of the study is sketched, problem and objectives were defined and hypotheses were formulated. While in this chapter essential review of literature is done which is helpful to the researcher for the entire study and helps to conduct the effective research to the researcher.

Review of literature is an essential part of all studies. It is a way to discover what other research in the area of our problem has uncovered. It is also a way to avoid investigating problems that have already been definitely answered.¹⁰ Review of literature helps in establishing a point of departure in future research avoids needless duplication of costly research efforts and reveals areas of needed research. Review of literature is basically a “stock taking” of available literature in one fields of research. It provides the researcher with the knowledge of status of their field of research. The purpose of literature review is to build up a sound footing of a research for the area selected .¹¹ (*Paudel., 2004.*)

The purpose of literature review is to find out what research studies have been conducted in ones chosen field of study and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework form which hypothesis and sound methodology both for collection of information (primary and secondary) can be developed .¹² (*Wolf and Pant, 2004*)

This chapter is mainly divided into two sections, first is Conceptual\Theoretical framework and the second is Review of related studies.

2. Conceptual Review

Under this heading different theories and models related to the advertising and its effect on brand loyalty decision of the consumer are described and explained. It explains the brand choices as well as brand switch behavior of the consumer. An attempt has been made to explain the formation of attitude toward certain product due to advertisement and brand switching nature of consumer. This section includes the major aspects of advertisement such as its role, function etc and its relation with the brand loyal behavior of the consumer.

2.1 NEEDS AND EVALUATION OF ADVERTISING

For the promotion point of view, the main users of advertising are business enterprises. They advertise because they find it a convenient means of communication for their consumers.

“In the idealized model of an efficiently acting market mechanism, consumers are supposed to be well informed. They recognize low quality and avoid it; they never buy drugs that turn out to be poisonous or ineffective. Most important of their desires are supposed to represent genuine “wants” and “needs” and “tastes”. But in actual life, as Galbraith never tires of representing, business firms spend much money on advertising to shape and some insist distort consumer demands”.¹³ (*Samulson, 8th Editio*)

Economist presumes that there is no brand differentiation and that there is complete knowledge in the buyers. The buyers in their turn act rationally. But products are never undifferentiated. There are differences in quality, place where it is stored or bulk, offered in cash or credit.

“A need arose to extend markets geographically and the manufacturer had to find a way communicating the value of his products to people who knew nothing of his reputation, as was the case when goods were made to order by local craft workers”.¹⁴ (*Wright 4th Edition*)

It is fact that, manufactures who have to be active to inform the consumers of the availability and want satisfying qualities of their product. The buyers then become aware of the product. Only the awareness as to the existence of the product is not enough. A man aware of so many brands, to satisfy one of his needs that he must be persuaded to buy the manufacturer’s brand, in addition, as the most buyers have got discretionary incomes and it is not sure where that will go, business expediency demands that the marketer should try to funnel this to his own products, the customer must continually be reminded to reinforce their brand loyalty.

“Though advertising in its present form is the product of the current century, as a business force, it is not a new tool. It has a longest history taking us back to the history of mankind the human civilization. Though one fails to answer the question as to the exact age of advertising, it can be said that advertising began the movement the man discovered the art of communication, historical documents and archeological researches have confirmed the existence of advertising in the ancient times. Advertising by “word” of mouth is probably the earliest form of advertising, because oral skills were developed before reading and writing. Advertising was given the commercial status the day man entered into the process of exchange”.¹⁵ (*Sontakki, 1st Edition*)

Advertising has more important position in the United States then any where else. Great Britain is the second, and non English speaking nations are poor in the field of advertising. The knowledge of psychology and art of printing were not developed. Hence, in old days advertising was more passive and

extremely limited in its scope. The earliest form were sign board and writing on the wall of prominent building. Shouting loudly the price and description of the articles to be sold was the only method of attracting public attention. The field of the old type of advertising was not so active and dynamic as it is today, with the publication of newspaper and development the modern techniques of printing, a new era dawned for advertising which now become more colorful and attractive. The popularity of this art was delayed till education made progress and the reading habit had made sufficient progress. The means of communication had to be developed before advertising over a wide area could become possible. “Modern advertising is a product of the industrial revolution of the 19th century. Before transportation and communication were developed, means of public expression were limited. But the desire of broadcast ideas was always there, although early attempts to influence the action of his fellows go back to the beginning of the recorded history”. The industrial revolution had secured a tremendous change in marketing. Manufacturing of printing machines made possible the selection of suitable types of tender effective appearance to advertisement.

The new advertising media and first forms of mass advertising including printed poster, hand bills and newspaper advertisements in the year 1275, when the Chinese invented paper and Europe built the first paper mill. In London in about 1472 the first printed advertisement in English, tacked on church doors, announced a prayer book for sale. The first newspaper advertising which appeared on the back of the London newspaper in 1650 offered a reward for the return of 12 stolen horses. Later advertisement appeared for coffee, chocolate, tea, real estate and medicines as well as “personal ads”. Actually, advertising at that time was directed to a limited number of people who were customers of coffee houses.

Another major technological breakthrough was invention of photography in the late 1880s. Before this time products in printed advertisements could be

illustrated only by drawings photography added credibility to advertising because it showed products as they are rather visualized by an artist.

“During the 16th century newspapers were the largest among the prints, and these newspapers were in the form of news letters. The first news letter was started in 1622 in England. Latter half of the 16th century witnessed newspapers in the form of news books and by the middle of the 17th century there are special advertising periodicals. By 1675, newspaper published excellent news books. By the end of 17th century, newspapers were well established in England undertaking advertising on a regular basis”.

“During the 19th century, it was marked by a new fried of brand advertising, magazines both weeklies and monthlies started catching the imagination of the people by popularizing the brands. This is the period that welcomed window and counter displays, exhibitions and trade fairs”. (Ibid)

When advertising entered in the 20th century there are so many miracles happened then before on October, 29, 1929 the stock market crashed, the great depression began and advertising expenditure were drastically reduced. However, perhaps, due to depression, false and misleading advertising continue to thrive. At the same time several best selling books exposed advertising as an unscrupuloiter of consumers, giving role to the consumer movement and resulting in further government regulation.

Because of consumer sales resistance during the depression and the budget cutting attitude of management, advertising turned to research to regain its credibility and effectiveness.

At the time of broadcasting, advertising had added another significant milestone in the field of advertising. A major powerful new advertising medium, Radio started on November, 2, 1920 in Pittsburgh, Pennsylvania, National advertisers used radio extensively because they could reach large captive audiences that turned into popular programs in fact it was their

advertising agencies that produced the first radio, become the primary means of mass communication.

In the year 1941, at the end of Second World War, the use of television advertising grew rapidly. In 1955 color television was born and today television is the largest advertising medium in terms of total money spent by advertisers.

In the year 1970's, a new kind of advertising strategy formulated, where the competitors strengths become as important as the advertisers. This was called the positioning era. Acknowledging the importance of products features and image. They consisted that what was really important and how the product ranked against the competition in the consumer's mind.

A brief look at the history of advertising shows the development of modern advertising. It shows that advertising reflects the world we have in just as advances in technology are changing our lives so will the action and attitudes of special interest. It has become a variable boon to the world of business a noon of public relation and loon of public service.

2.2 MEANING OF ADVERTISING

To accomplish the business objectives marketing programs give stress to various elements such as product, price, distribution channels, and promotion. This concept of marketing mix is very useful in determining the significance of advertising in the total marketing program. Advertising is one of the elements of promotion.

Promotion is the company's attempt to stimulate by directing persuasive communication to the buyer. In addition to advertising, personal selling, sales promotion, publicity are the elements of promotion mix.

The word advertising is derived from the two Latin words “ad” means “towards” and “verto” means “turns”. So, the meaning of advertising is to turn people’s attention to the specific thing. In other words advertising is to draw attention of people to certain goods or services. Most advertising is to stimulate people to buy a particular branded product offered for sale by a particular seller. It is an important element in modern marketing process, but it can produce consistently results only when the entire structure is sound and co-ordination. The main difference between advertising and other promotional tools is that advertising is controllable to a large extent and reaches a diverse group of audience at a same time. Thus, it is felt that advertising is more suited to mass marketed products.

Albert Lasker, who has been called the father of modern advertising, said that advertising is “salesmanship in print” may be well for long ago. But he gave us that definition long before the invention of radio and television and at a time when the nature and scope of advertising were considerably different from what they are now.

Today, we all have strong concepts of what advertising is, and we also tend to have very strong opinions and prejudices about it. In this connection, it (advertising) consists of activities 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 and is paid by identified sponsor.

The above description clearly states that, it is the process includes programming the series of activities which are necessary to plan and prepare the message and get it to the intended market. Another point is that the public knows who is behind the advertising because the sponsor is openly identified. Payment should also be made by the sponsor for the media which carry message. Advertising is used to help sell product and service, a glance at the buying stops in worth taking.

“Advertising is one of the most widely used promotion tools. It is used by business, non-government organizations, charities and service institutions”.¹⁶
(Agrawal, 2000)

Advertising basically encompasses communication paid space or time, presentation and promotion products, and persuasion and promotion of the consumer in a communication process. There is a source of message the medium through which the message travels to the receiver.

Advertising present's products and services to the buyers but simple presentation will not serve the marketers purposes through the customers may get the information he has bought. So, advertising is used for promotion of the sales and salability of the products. Advertiser seeks to persuade the consumers to try his products through advertising and as such as it is regarded as persuasive communication. It only helps to sell by creating different foundation requires for promotion and presentation.

“Advertising is one of the most important reinforcing elements of the promotional mix for the objectives of successful sale of a product.”¹⁷
(Cateora, 9th Edition)

In the real sense, advertising is any paid form “Non personal presentation of ideas, goods or services by an identified sponsor.

“Advertising consists of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product, service, or idea. This message called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor”.¹⁸
(Stanton, 5th Edition)

Products are mentioned favorably in the media only when it is presumed to provide information and entertainment for the audience in such a case no payment is made and is regarded as publicity. Advertising on the other hand is published or broadcast when the advertiser purchase time or space to tell his story. However, all advertising is not paid for by the advertiser. Some advertisement may be without charge and the advertising agency creates social service for which these do not appear paid space or time.

Advertiser is controlled by the sponsor the salesman may direct the message to the people. It is referred as non-personal presentation because non-personal media are used to convey the message. The media of Mass communication viz. Publications, Electronic transmitter the radio and television. Thus, it is evident that advertising program is controllable by the sponsor and can be easily manipulated by him.

“..... Clearly advertising includes the following forms of message, the message carried in newspapers and magazines, or outdoor boards, or street cars, buses and trains, cards or posters, in radio and television broadcasts, and in circulation of all kinds, weather distributed by mail, by person, through trade men, or by inserts in package; dealer help materials; windows display and country materials and efforts; stone signs; houses organs when directed to dealers and consumers, notion pictures used for advertising and novelties, bearing advertising message or signature of the advertiser”.¹⁹

(Borden and Marshall, 7th Edition)

The above definitions except the last one, tells that advertising which can be presented as non-personal communication, targeted to the customers which is paid, influence and persuade towards products message is delivered in the form of visually or orally by identified sponsor. In other words, it is a mass communication media which helps to sell goods.

2.3. FUNCTION OF ADVERTISING

The basic function of advertising is to create a positive psychological image about the product. However, its function is to bring something deliberately to the notice of some one else. Generally advertising has to perform different functions, categorized as marketing, communication, and education functions, as well as economics and social functions which are described in brief as follows.

2.3.1. Marketing Function

To make money, companies manufacture and sell products that compete in the marketplace. To increase their sales and profits, companies develop marketing strategy. The marketing strategy is determined by the particular way companies combine and use various marketing elements. The marketing mix includes a variety of options known as the four P's and generally categorized under the headings of product, price and promotion.

Advertising falls in the promotion category and is part of the promotional mix along with personal selling, sales promotion, and public relations all of which are used to sell or win acceptance of the company's products, service, or ideas.

Advertising involves presenting the message, usually through the mass media, to a large group of people known as the target audience. Through advertising, the cost of reaching a thousand people in your target audience is usually far less than the cost of reaching one prospect through personal selling.

2.3.2. Communication Function

Advertising, by its objective communicate some message to a group of people. As communication function, advertising had its beginnings in ancient civilizations. Most historian believe the outdoors sign carved in clay, wood, or stone and used by ancient Greek and Roman merchants were the first form of advertising. Since the population was unable to read, the signs were symbols of the goods for sale, such as a boot for a shoemaker's shop.

Today the communication of information is still one of the basic functions and objectives of advertising. Such as advertising used primarily for communication are, ads in telephone directories, newspapers, classified ads, and legal notices published by various organizations and government bodies. Following functions are included under the heading of communication functions:

2.3.3. Education Function

People learn from advertising. They learn about the products that are available to them, and they learn how they can better their lives. Advertising, as an educator, speeds the adoption of the new and untried and, in so doing, accelerates technological advances in industry and hastens the realization of a fuller life for all. It helps reduce accidents and waste of natural resources and contributes to build a better understanding and appreciation.

Advertising must be more than educational to be successful. It must also be persuasive to move people to action.

2.3.4. Economic Function

Advertising makes people aware of products services and ideas to promote sales and there by commerce. In the same way it provides consumers, knowledge about new products or prices and gives industrial buyers important evidence or information about available products and services. Advertising greatly reduces the cost of distribution and means of personal selling. This leads to lower costs and higher profits. It accelerates the success of good products.

2.3.5. Social Function

Advertising is one of the modern society's most visible aspects. It is one of the major forces that have helped to improve the standard of living in the country and around the world by publishing the material, social and cultural opportunities of a society.

Advertising has encouraged for increasing productivity of manage men and labor both at the same time. Advertising enables people to select the product that best matches the social needs. Finally, it effects on society for important social and legal changes.

“In brief, the function of advertising according to Bovee and Arens are as follows:

- To identify products and differentiate them from others
- To communicate information about the products, its feature and its location of sale
- To induce consumers to try new products and to suggest reuse
- Stimulating the distribution of a product
- To increase product usage
- To build brand preference and strengthened brand loyalty.²⁰ (*Bovee 2nd Edition*)

2.4. CLASSIFICATION OF ADVERTISING

The word advertising is often preceded by an objective that indicates the kind of advertising being discussed. To understand what advertising is, it is classify-and there-by learn some basic technology.

2.4.1. Classification by Target Audience

Advertising is always aimed at a particular segment of the population. When you see ads that don't appeal to you, sometime it is because the ad is aimed at a group of people to which you do not belong. For example, an advertising on television for a new launching detergent cake might have no meaning to the teenager rather housewives. On the other hand a low level civil service holder might not interest about the ads of motorbike and car.

There are many classifications of targets audiences. The two major are consumers and business.

2.4.1.1 Consumer Advertising

Most television, radio, newspaper and magazines ads are for consumers. They are sponsored by the manufacturer of the product or the dealer who sells the product. They are usually directed at the ultimate consumer of the product or at the person who will buy the product for someone else. For example, a magazine advertising for Coca-Cola may be aimed at both the purchaser and the consumer. A commercial for the baby food (Like Cerelacs) on television is aimed at the purchaser not the consumer of the product.

2.4.1.2 Business Advertising

Business advertising is often said to be invisible because, unless you actively involved in some business, you are not likely to see it. Business advertising, on the other hand, tends to be concentrated in specialized business publication or professional journals, in direct-mail pieces mailed to business establishment, or in trade shows held for specific areas of business.

People in business who buy or specify products for use in business comprise the target audience for business advertising. There are four distinct type of business advertising: Industrial, trade, professional, and agricultural.

a. Industrial advertising

Industrial advertising is aimed at individuals in business that buys or influence the purchase of industrial goods. Industrial goods include those products and services that are used in the manufacture of other good (plant, machinery, equipment, etc.) or become a physical part of another product (raw materials, semi-manufactured goods, components, etc)

b. Trade advertising

Manufacturers use trade advertising-the advertising of goods and service to middleman-to stimulate wholesalers and retailers to buy goods for resale to their customers.

c. Professional advertising

Individuals who are normally licensed and operate under a code of ethics or professional set the standards-such as teachers, accountants, doctors, dentists, architects, engineers, and lawyers-are called professionals, and advertising aimed at them is called professional advertising.

d. Agricultural advertising

Farmers are consumers, of course, but they are businesspeople, too, and as such they make up the audience for agricultural advertising. The objectives of agricultural advertising are

- a. To establish awareness of particular brand of agricultural goods based on quality and performance.
- b. To build dealer acceptance of the product ,and
- c. To create a preference for the product by showing the farmer how the product will increase efficiency, reduce risks, and widen profit margins.

2.4.2 Classification by Geographical Area

The advertising for a dress shop would be most likely to run in the local area near the store. On the other hand, advertising for many other American products can be seen in foreign countries from America to Asia. There are four classifications of advertising based on geography.

2.4.2.1 International Advertising

International advertising is advertising directed to foreign markets. For example: Coca-Cola, Pepsi, LG, Philips etc.

2.4.2.2 National Advertising

Advertising aimed at customers in various regions of the country is called national advertising and its sponsor are called national advertiser. The majority of advertising we see on prime time network television is national advertising.

2.4.2.3 Regional Advertising

Many products are sold in only one area or region of the country. The region might cover several states but not the entire nation. Advertising of such kinds, we found in India and USA.

2.4.2.4 Local Advertising

Many advertisers such as department stores, automobile dealers, and restaurants have customers in only one city or local trading area. Local advertising is often called retail advertising simply because most of it is paid for by retailers. Although national and regional advertisements usually explain the merits and special features of a product, most local advertising tells consumers where to buy it. For local advertising media is selected like FM radio because of limited coverage.

2.4.3. Classification by Medium

Advertising can be classified on the basis of the medium used to transmit the message. An advertising medium is any paid means used to present advertising to its target audience. It does not, therefore, include “word-of-mouth” advertising. The principal media used in advertising are newspaper, magazines, radio, television, direct mail etc.

2.4.3.1 Product versus Non-product Advertising

Product advertising is intended to sell products and services. Non product advertising is designed to sell ideas. Advertising by companies that offer

insurance service are also products advertising. Ads of arts and charities are known as non-product advertising.

2.4.3.2 Commercial versus Non-commercial Advertising

A commercial advertisement promotes goods, services, or ideas for a business with the expectation of making a profit. A non-commercial advertisement is sponsored by or for a charitable institution, civic group, or religious or political organization. Many non-commercial advertisements seek money and are placed in the hope of raising funds. Other hopes to change consumer behavior.

2.4.3.3 Direct Action versus Indirect Action Advertisement

Some advertisements are intended to bring about immediate action on the part of the reader. A mail-order advertisement falls into the category of direct action advertising. Likewise, some advertisements include a coupon for the reader to use request catalogs or additional information. These ads are seeking an immediate, direct action from the reader.

Advertisements that attempt to build the image of the product or familiarity with the name and package are seeking an indirect action. Their objective is to influence readers to purchase a specific brand the next time they are in the market for that product. Most advertisements on television and radio are indirect action.

2.5 ADVERTISING AND OTHER MARKETING ACTIVITIES

One of the most important activities of marketing is to increase the sale of goods or services. The various kinds of activities are distinguished from this

goal. In personal selling for instance, the salesman relies in personal contact with the prospective customer. In sales promotion special inducement (usually monetary) are offered in return for business at a particular time or in particular quantities. Advertising, in contrast, attempts to inform and persuade a large number of people with single communication.

2.5.1. Advertising Compared with Salesmanship

The basic distinction between advertising and salesmanship can be stated as follows “When a persuasive communication is directed towards a single individual, it is an act of salesmanship. When it is directed towards a large group of individuals, it is called advertising.”²¹ A salesman spent much of his time deciding which people he see and tailoring his sales approach to each.

Individual, by contrast, broadcast commercial and print advertisements are presented to a group of people whom the advertiser doesn't know as individual. Many marketing actions are difficult to classify as either salesman decides that a form of letter containing information about his product should be sent to Mr. X is sending an advertisement? But his act is a one salesmanship because he is sending a communication to specific individual sending the same letter to a group of people on a mailing list would be an act of advertising.

It appears that personal sales call should be more effective for selling then advertising message. First a sales call is certain to have an audience as there is no assurance that an advertising message will have one. A person may read entire magazine without over noticing its advertising but it is unlikely that a salesman calling on him will go un-noticed. Second, salesman are more effective that advertisers in separating the prospect from the non-prospects. Third, there should be less confusion because a salesman can

answer question and clear-up misunderstanding on the spot. At the same time the advertiser may not even know that there has been misunderstanding in his message.

Advertising is often much more efficient in spite of its lesser effectiveness

21. *Kenneth A. Longman, 2nd Edition*

per individual reached that is the cost of delivering an advertising message to a group of people is considerably less than the cost of having a salesman call on the same number of people.

Advertising and salesmanship both are marketing communication methods. Advertising is a public communication where as salesmanship is a individually tailored one.

“The average cost of salesmanship per call was over \$40 when an advertising message is the mass media that costs as much as half a cent per individual”.

2.5.2 Advertising Compared with Sales promotion

In fact, advertising is usually addressed to a large group of people. Where as the distinction can be made as follows, “Sales promotion is the temporary offer of a material reward to customers or sales prospects, but advertising is the communication of information.”²² (*Longman, 2nd Edition*)

From this definition it is clear that advertising may well be the medium through which a sales promotion our distinction can be used with little difficulty. Free goods offer (one bottle coke with one case purchase) display allowances (price reduction in return for store display) and count/recount offers (price reductions) hosed on retail movement during a specified time periods all are temporary and they all offer a storekeeper a material reward,

likewise consumer promotion involving free samples, discount coupons, premium as the prospect or reward.

2.6 OBJECTIVES OF ADVERTISING

The objective of advertising is to stimulate to buy a particular brand of product offered for sale by a particular seller. The whole advertising campaign is concentrated basically to increase sales either by converting people from completing brands or by reducing the number of customers we lose to other brands and by increasing the size of market for the product class. It is an important element in modern marketing process but it can produce consistently profitable result only when the entire structure is sound.

“A sound conceived advertising campaign should have one or more objectives. Objectives help the marketing firm to determine what is to be accomplished through the advertising campaign. It is also facilitates the evaluation of the campaign through a comparison of results with the initial objective.”²³ (*Koirala, 4th Edition*)

The success of advertising is recognized when it wins the new customers. It is fundamental, therefore before any money can be wisely spent in advertising it must be ascertained that the product is right to the degree that it can win repeat purchases or recommendation from its users. To yield sound and profitable results from advertising a product must be well adapted to the needs, wants and pre-justice of its prospective consumers.

Basically the objectives of advertising are influencing, persuading, building image of product as well as company reminding for repurchase and communicating information related about products and company, even though for easy to understand we can trace out the objective of advertising as follows.

1. To announce a new product or service
2. To boost-up sales
3. To solicit the customer
4. To expand the market to new buyers
5. To announce modification
6. To announce a price change
7. To announce a new brand
8. To make a special offer
9. To invite inquires
10. To sell direct
11. To test a medium
12. To announce the location of stockiest
13. To educate customers
14. To maintain sales
15. To challenge competition
16. To remind
17. To retrieve lost sales
18. To please stockiest
19. To appoint distributors
20. To appoint staff
21. To please sales force
22. To attract investors
23. To export
24. To announce trading results, etc.

2.7. MARKETING AND ADVERTISING

The term marketing refers to all business activities aimed at: (1) finding out who customers are and what they want, (2) developing products to satisfy those customers's needs and desires, and (3) getting those products, into the

customer's hands. In its simplest terms, marketing is the process companies use to satisfy their customer's needs and make a profit.

In 1985 the board of directors of the American Marketing Association adopted a new definition of marketing reflecting the wide-ranging activities.

“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.”²⁴ (*Bovee 2nd Edition*)

American Marketing Association (AMA) Board

Advertising has been called mass or non-personal selling. As we discussed earlier, it is the tool marketers can use to inform, persuade, and remind customers about their products or services. To become successful, those advertising depend upon the adequate performance of the other marketing activities.

2.8. PUBLICITY AND ADVERTISING

Publicity is an effort to make available certain information to the public. It is the sum total of all these activities that are directed to the flow of information to the knowledge of public. Perhaps the best definition is one given by the association of teachers of marketing and advertising of America.

According to its terminology, “Publicity is any form of non personal presentation of goods, services or ideas to a group; such presentation may be or may not be sponsored only be the one responsible for it and it may or may not be paid for.”²⁵ (*Sontakki, 1st Edition*)

In this sense, advertising is only a type of publicity. That is, the term publicity is more comprehensive than the word advertising itself. Therefore, it can be said that all advertising is publicity but all publicity is not advertising.

Both the words are similar in three respects. First they deal with the

conveying the information regarding the goods or services or ideas. Secondly, both are the attempts to present information impersonally. Thirdly, both being the components of mass communication, they use mass communication media.

2.9. MANUFACTURERS AND ADVERTISING

The manufactures or the producers who make available the goods with a clear intention of disposing them at profit have to address the satisfaction to consumers. They take full advantages of advertising as a major weapon to popularize their products or series. Manufactures are prepared to spend a lot on advertising because it pays to do so. Advertising helps manufactures to get three clear benefits.

- “(1) it increases and stabilizes the sales turnover,
- (2) It maintains the existing market and explores new, and
- (3) It controls product prices.”

2.10. ADVERTISING AND CONSUMERS

The ultimate aim of marketing efforts is to satisfy the needs and wants of consumers by transforming the benefits of productive efficiency to the final users.

The role of advertising can not be under-estimated in intelligent or selective buying. The present day complex world of industry has been able to provide with the largest possible varieties of products to such an extent that consumers are at sea to decide. Further each producer's claims that his product is far superior to others. Let's take a simple case of cold drinks that we use. The question is which is the best? Is it the Coke or Pepsi? It is advertising concerns to the rescue of a consumer to select the best by providing him with comparative account of each where he is to decide by his judgment.

It is often said that advertiser often the limits of reasonableness and gives false promise, and introduce unbelievable descriptions to excite the curiosity of the people, who are easily led away by such false heard. That is, of course, not advisable, in the interest of the advertisers. Such exaggerations of merits and superlative claims might induce some to make wrong judgments of facts, but these advertisements do not secure any lasting effect and prove eventually wasteful.

In fact, today advertising has not only an informative device. Its purpose is not only to inform but also to persuade. Hence, these two things are interlinked. It is very difficult to separate them. The statement in the advertising appears to be more informative but the tone is suggestive of certain action and sometimes the language used in advertising is so forceful as to create a curiosity to see the product and keen desire to buy it. As the effect and the success of advertising is judged from the favorable reaction that it can create on the customers.

2.11. REASON FOR ADVERTISING

The main reason of advertising is to stimulate primary demand. Where as it helps to boost-up the direct sells and at the same time the image of the company or business firms.

Companies advertisers because they have something they want to sell and someone else has something to buy. They may want to give something away, seek or exchange or invite donor or gifts. They advertise, or make known our offers or needs. They bring together people who would not otherwise know our offer or needs. They bring together people who would not otherwise know of the existence of those able to supply and those with a demand.

2.12. ADVERTISING MEDIA

The advertising media carries, the advertiser's message is the vital connection between the company the manufactures a product and the customer who wishes to buy it. It is the link in the communication chain. The advertising media that are available today include the traditional print electronics, out-of home, and a variety of new, often untried, media that have been born of exploding technology. Due to recent advertising media trends, those media are beginning to overlap.

For the student of advertising, it is important to understand the relationship of those media to the advertising business and the significance of current trends in the media world.

In addition, most advertising media can help the advertiser with production assistance, market research, sales promotion, or merchandising services. In fact, the media, advertising suppliers are crucial to the growth of the industry.

2.13. SELECTION OF MEDIA

As always, budgets are limited, while selecting media, we must consider these facts. It is performed only after the media strategy is developed. At the time of selecting advertising media numerous factors influence the process:

- 1) Campaign objectives and strategy
- 2) Size and characteristics of each medium's audience
- 3) Geographic coverage
- 4) The attention, exposure and motivation value of each medium
- 5) Cost efficiency
- 6) The intended selection approach

In addition, while launching advertisement campaign business people surely should be rational enough to select the media. They should know the following details prior to their selection of the right media:

- 1) Circulation (for magazines/newspapers) ;
- 2) Readership (for magazines/newspapers);
- 3) Viewers/Listeners (for TV and Radio);
- 4) Distribution (for magazines/newspapers);
- 5) Editorial quality (for magazines/newspapers);
- 6) Whether back-up by the professional or not?(for both media);
- 7) Mileage (for both media);
- 8) Reputation of the media (for both media);
- 9) Regularity and punctuality of publication, and
- 10) Response from the people etc.

2.13.1. The Advertising Agency

Advertising agencies are independent organizations of creative and business people who specialize in the development and preparation of advertising plans, advertisements, and other promotional tools on behalf of clients. To

accomplish their task, agencies provide a wide range of services to their clients. These include research, planning creative services print and broadcast production, coordination of media and suppliers, account management and the accounting services.

“When a company does not intent to organize a separate advertisement department or wants to organize it on a small scale with a skeleton staff, it may adopt to assign its advertising job to an outside professional intermediary known as advertising agency”

Almost all large agencies, but whether or not an agency is used, the alternative type of organizations are relevant. Advertising agency is the core of advertising profession and industry. It is unique type of business organization specializing in the creative line of advertising providing counsel relative to the advertising and allied operations of its clients and actually preparing, buying space part of the advertising of its clients and actually preparing, buying space part of the advertising of its clients. In fact, “it is that organization which provides specialized knowledge, skills and experience needed to produce effective advertising campaigns.”

- “Advertising agency is an independent organization of creative people and business people who specialize in the development and preparation of advertising plans, advertisements and other promotional tools. The agency also arranges or contracts for the purchase of advertising space and time in various media. It does all this on behalf of different sellers, who are referred to as its clients, in an effort to find customers for their goods and services.”²⁶ (Bovee, 2nd Edition)

The definition gives us some good clues as to why so many advertisers hire advertising agencies

Winning Strategies for Advertising Agencies

- Concentrate on creativity than on plan media releases
- Develop a creative team consisting of specialists such as concept visualize, copy writers, graphic developers, directors, etc.
- Diversify from print into other unexplored areas such as electronic media.
- Offer specialized services such as publicity campaigns, event management, and survey based concept development.
- Upgrade the existing technology for producing high quality ads.
- Enter written contracts with clients and retain the ownership rights of the concepts/designed created.
- Promote a strong AAN to safeguard the clients, agency rights and promote advertising industry.
- Create an information bank especially on consumer (tastes, preference, habits, brand –loyalty, consumption behavior, etc.) readers, TV viewers, and listeners profile.”

2.13.1.1. Development of Advertising in Nepal

Previously, in Nepal, Government used public announcer to communicate information and orders. Even in the late Rana period public announcers went through the streets announcing the opening and closure of gambling periods during the Laxmipuja and on the other occasions. There used to be such announcement if somebody was going to be sentenced to the capital punishment. Perhaps the announcers came with an instrument and beat that while making announcements.

Written government orders and information's were also used for communication purpose. These were pasted at the place, where the public was apt to seen them. Though inscriptions have not been found in

advertising in Nepal, it is difficult to say the real existence of advertising in Nepal. But with the passage of time, things have changed, Nepali newspapers, magazines, Radio Nepal broadcasts, Nepal Television, Kantipur TV, Image Channel, Channel Nepal and development of advertising agencies are the causes of development of advertising in Nepal.

“The first advertising agency was established in 2017 B.S, and then only the advertising business got the path of development. The advertiser’s were very few at that time. The advertising was only about the official notices and information. Advertising was seldom done in private newspapers. The advertisement from the Radio Nepal was not in practice. The organized advertising agencies were not felt necessarily by the Radio and newspapers. The Nepal Advertisers, established in 2017 B.S. had to limit its services only in the press cutting service instead of artistic and attractive advertising news, magazines. For the press cutting it used to take Rs. 76 for a year.”

In order, Nepal printing and Advertising was the second which was established in 2020 B.S. This advertising agency started advertising service to the Nepal Bank Limited, Nepal Airlines Corporation, and Janakpur Cigarette Factory and some official and semi-government offices. It also started printing service as well as sponsoring advertising which were a difficult task at that time. There was scarcity on said of qualified manpower, servicing facilities for shorting the advertisement.

Table 2.1: The Growth of Advertising Agencies in Nepal

Year (B.S.)	Numbers
2024	2
2026	3
2027	1
2029	6
2031	4

Source: Advertising Association of Nepal (AAN)

“The advertising agencies were developed according to the number of industries and tradition increased, once, these agencies increased heavily, 50 agencies were registered in 2043 B.S., where as 52 were registered in 2047 B.S., 500 agencies were registered by the end of Jestha 2052, 1035 agencies were registered by the end of Jestha 2057 B.S.

2.13.2. Television

Television broadcasting in Nepal started on regular basis on 2041 B.S. (1985). Television broadcasting services of NTV which started with limited resources, now broadcast its program 24 hour per day.

The popularity of electronic media in Nepal has given opportunity for new channels to establish them. Kantipur T.V, Image Channel, Nepal 1, Channel Nepal, Sagarmatha T.V and Avenues T.V are the example of popularity of television channels.

Initially NTV began its first transmission there was hardly one minute of advertising in a two hours transmission and now we can see the advertising is on air in every channels and the maximum advertisement during the prime time. T.V. channels are the popular means of advertising.

2.13.3. Radio/F.M.

The Radio Nepal was established on 20th Chaitra 2007 B.S. (1st April 1951). Initially, the transmission covered duration of 4.5 hours through 250 watt transmitters. Over the years, the Radio Nepal has strengthened its institutional capacity and diversified itself in terms of program format, technical efficiency and nation wise coverage. The Radio Nepal's broadcasting service transmitted through short-wave covers the whole

country as well some part of India and the medium-wave transmission in use covers 80% of the population.

In consonance with the policy of forgoing ahead in tune with the changing broadcasting scenario, the Radio Nepal launched the test transmission of the first FM channel in Nepal on the 30th of Kartik 2052 B.S. (16th November 1995). The FM channel airs programmed on 100 MHz on the FM band through a 1 K.W. transmitter installed at Kathmandu.

The FM transmission began initially with an one hour 45 minutes breakfast show on an experimental basis for a one and half month and went on six hours regular programming for the 15th of Poush. Due to the popularity of the FM radio there are more than 20 FM stations are in Kathmandu valley and more than 100 FM stations all over Nepal and some of the FM stations are on airs for 24 hours.

2.13.4 Newspapers

The Newspaper has become an integral part of the life. It is really hard to imagine life without newspaper. It takes its place alongside office, school, campus, bank and departmental store as a necessary adjunct for living.

“Newspaper is one that gives news, views, ideas, interpretation, opinions, comments and explanations regarding the social, economic, political, educational, moral, cultural, ecological, methodological developments and the like”.²⁷ (*Sontakki, 2001, p.no.162*)

The newspaper entertains and enlightens of all the media, it is considered as the backbone of advertising program as it has continued to remain the most powerful message carrier. Out of its total space, 45% goes to advertisements and the other and rest for textual matters.

2.13.5. The Magazines

This medium can seldom be used for strictly local coverage. But it is more suitable to regional and national advertising programs, magazines offer different advantages. They are flexible in both readership and advertising. Through magazines advertiser can reach any market segment in terms of different demographic variables like age, income, occupation, education

level, sex and so on. They offer different color, excellent reproduction quality, believability and authority, permanence, and prestige at an efficient cost. However, they require long lead time, they have problems offering reach and frequency and they are subject to heavy advertising competition and the cost of advertising in some magazines are very high.

In the same way, magazines are selective in nature of their audience, since each magazine or groups of magazines appear to reader with a particular interest. Advertising can be designed to reach farmers, bankers, teachers in face hundred of groups with special interest.

Magazines are more selective in the nature of their audience. In selecting magazines for advertising, the media buyer must consider the publications circulation, its readership and its cost and mechanical requirements. A magazine's rate may be determined by several factors; its primary and secondary readership, the number of subscription and vendor sales, and the number of copies that are guaranteed versus those that are actually delivered.

“The chief advantages of magazine advertising are: The manner in which magazines select their audiences; simultaneous, uniform coverage of the entire nation; thoroughness with which the magazine is read, coupled with its longer life and its multiple readership; opportunities offered the advertiser to reproduce in life like fashion, in full-color if he chooses, his product in use and its consumer advantages; and completeness of presentation.”

2.13.6. Websites

Nepal is taking giant steps in the field of IT and the introduction of Internet in Nepal it become popular among all age group and especially in teenagers. We can see lots of advertisement in the websites. So it is the popular medium for advertisements.

2.14 ADVERTISING AND BRAND LOYALTY

Advertising is one of the marketing activities that can affect on Brand Loyalty. It tends to bring about more enduring shifts of allegiance as well as to increase the effectiveness of other inducements to switch brands.

Most of the advertising campaigns are designed to influence consumers to buy a particular brand. “A name term, sign, symbol or design or a combination of them, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.” In the past, the goods were produced and then the consumers were to select from available stock or range of products. It happens in many underdeveloped countries even today. The marketer’s concentration to the target groups needs, want and preferences to deliver the desired satisfaction; beyond this the main task of the company is to generate consumers’ satisfaction and long-run consumer’s social well-being. The consumer’s like preferences, attitudes, opinion etc. have been respected in the production program by producers. Every producer has to take into account these individual requirements of consumers, while producing the goods or services and advertising the same for successful selling. It’s wrong to say advertising as the end of selling. Advertising never sells itself however; advertising has the super power to create positive response and can sell anything. The

audiences, predispositions, their attitudes, beliefs, motives, and values are largely determined by the media the consumers select, the advertisement they see, the messages that they accept and the product that they buy.

The modern marketing concepts consumer as the king, because he has the purchasing power and no force on the earth would compel him to buy a particular product or service. Many marketers believe it is more difficult to establish brand loyalty for a particular product because of competition. They are concerned with actual consumer purchasing patterns, with consumer beliefs and opinions concerning their brand and competing brands, and with knowing how important the product is to consumers. Developing a highly consistent market share of brand-loyal consumer is the ultimate goal of marketing strategy. Discovering how consumers learn about brands becomes attached to certain brand assists marketers in achieving this goal. In fact, every consumer wishes and tries to preserve his sovereignty. A producer or a marketer succeeds when he wins the favor of the consumers by providing what they want. This consumer's sovereignty has two significant implications:

1. He has the fundamental freedom to spend or not to spend his disposable income on goods or services these are available in the market place. No one can force the individual in the society to spend as per their calculations, that is, the consumer may spend now or postpone the purchase to future date.
2. Once, he decided to spend on a particular product or service, he has again full freedom to choose from the available products or services in the market. Buying product is one thing but buying the best among the wide range of varieties to get maximum satisfaction from reasonable price. Advertising does the job of enhancing consumer's ability by providing varieties of required information

Advertising affects favorably the consumer's choice, because it helps the consumers to exercise his power of sovereignty. In the most appropriate way, advertising acts counselor or a guide to the consumers for brand loyalty. Advertising provides detailed and up to date information, regarding the various products available in the market so that the consumers would decide to buy wisely and intelligently. Advertising as a mass media helps the consumers in preserving and promoting their sovereignty in the following form:

In the first place it "informs". It informs the consumer about all products and services available for sale-as to when they are available under what condition? At what price? And so on. Secondly, it "explains". It explains the features relative merits of each product or service so that he can have comparative account for making wise selection. Thirdly, it "educates". It provides good deal of information regarding products or services whether a person is interested to buy or not. This useful knowledge enlightens him as to what a product is? How it differs from other in line? What it does for him? At what cost? It speaks not only of the existing products but also the product that will be produced in near future. It makes him well-informed member of a society. This knowledge is available without payment. He pays, of course, if he buys the product or service. For instance, while introducing for the first time, Coke or Pepsi, the purpose's simply to educate. Fourthly, it acts as a "guide" of consumer today. The consumers are really at sea because the present markets are flooded with too many varieties of products. There are many products with wide range which are trying to meet the variable needs of consumers. It is pertinent to note that consumers needs differ in terms of quality, quantity, price and time factors.

It is the advertising which solves consumer's problem of coming to the conclusion. It is so because; advertising makes him more needs conscious

and directs him to the point of most accurate decision of selection in the best way.

To sum up, advertising is a very powerful and successful mass media communication that makes possible for the consumers brand loyalty through rational selection. The knowledge rendered through advertising is useful in selection of the best brand at reasonable price. Through advertising the consumer finds himself as rational and intelligent purchaser.

2.15. THE RELATED STUDIES IN NEPAL

“Nepalese producers seem to be keen at selling low quality products at higher price. Unfortunately, they seem to be ignorant of the importance of marketing mix in consumer’s satisfaction. There is lack of innovation and creatively in the arena of marketing segmentation is virtually unknown.”

(G. R. Agrawal)

“Environmental factors seem to have constrained the growth of modern marketing management in Nepal. The agricultural base of the economy has kept the country industrially backward. The shortage of industrial raw materials has added heavily to the cost of production. Inventory cost tends to be high. The geographical diversity of the country and the absence of a national wide transportation network have kept many segments of Nepalese market isolated from the main centers of business activities. Above all, the Nepalese market is fragmented and this has adversely affected the effective application of modern marketing concepts for brand loyalty.”

The other objectives of this study were to find out the existing patterns and blends of advertising and the constraints prevailing in advertising practice in Nepal. This study will be confined to the descriptive analysis of the situation of advertising business. It was natural to undertake such research work at that time as the advertising was still at infant stage of development.

When the total scenario of the country changed after the restoration of democracy further study has been done by the researcher. These studies are important because these studies have been done under the changing condition where the government has adopted the economic liberalization and privatization policy by which many industries are opened in the country by national and international investors as well as in collaboration.

Brand Loyalty for Products

“If consumers think a brand is good in comparison with others available brands in terms of fulfillment needs, wants and other pre-judies, then they develop positive attitudes towards a brand and purchase them. If this actions are repeatedly happened with a specific brand that is known as brand loyalty. To find out brand loyalty frequently purchasing action of product class must be required. Brand loyalty frequently purchasing action of product class must be required. Brand-loyalty is defined as (1) the biased (i.e. non-random) (2) behavioral response (i.e. purchase) (3) expressed over time (4) by some decision making unit (5) with reference to one or more alternative brands out of a set of such brands, and (6) a function of psychological process (i.e. decision making evaluative).”²⁸ (*Jacob & Chestnut, 1981, p.no.98*)

This study is conducted and mainly focused to find out whether or not brand loyalty exists in the Nepalese consumer market while purchasing products (i.e. Coke and Pepsi). Despite of this the objective of the study is to analyze and overlook what is brand? What are correlates of brand loyalty and how far these correlate decisive to make a consumer brand loyal in Nepalese market? What are the strategies further to be taken for making consumers brand loyal?

For this research work products are taken such as Coke and Pepsi. Which are the leading soft drinks in Nepalese market? Through this study it is found that consumer give high importance to brand name at the moment of

purchasing. They do emphasize in brand even though Brand-awareness to the Nepalese consumer is found to be high and majority of Nepalese consumer about mentioned products are found Brand loyal.

From the analysis of the collected data it is found that brand awareness of consumer is high and most of them are found brand loyal. Similarly, it is also found that the factors such as age, sex and family size do not influence brand loyalty but the degree and direction of relationship varies across products.

Nepalese consumers market is rapidly growing for competition. Understand about brand loyalty is very important for the achievement of competitive strength.

The major recommendation of the study branding which is necessary for the product benefits, quality of the products, localization of the product, effective advertisement in right time. Brand loyalty is absolutely a great asset of company. For the achievement of Brand-Loyalty the marketing strategy of the company into product, price, place and promotion should be sound and well fitted.

Review of Related Studies

Review of previous study means the review of other research, dissertation and thesis related to the researcher own study. It helps the researcher to know what have been conducted in the field of study and what remains to be done. Such type's studies that help the research work directly or indirectly are described below:

A study by P.R.Pandey ¹

The major findings of the study are

- 1) Advertising is the main method of promotion practiced in the country.
- 2) An effect of advertising is generally not evaluated.
- 3) Advertising is the company is handled by persons in the senior position, when there is a separate advertising section in the company.

- 4) The advertising programs are not well coordinated with other elements of marketing and promotional strategy.
- 5) In regard to the services rendered by the advertising agencies none are full service agencies and except a few agencies concentrating on inserting the advertisements prepared by the advertisers and specialists service groups such as block makers, printers, artists etc.
- 6) Publication media, radio and cinema are the most used media for commercial advertising. But there are few alternatives. The Gorkhapatra is the only medium with any significant circulation.
- 7) Advertising related to business are presented in simple language and are found to be more effective.
- 8) Both the advertisers and the advertising agencies recognized the need for advertising in the present context of their markets in Nepal.
- 9) The advertisers, advertising agencies, and the mass media are yet to create an environment of mutual understanding and help.

Advertisers think that advertising has favorable impact on their customers, sales and profits. Customers responds are favorable to advertising through most of them are economically backward and uneducated. (Pandey, "*Advertising in Nepal*".)

A thesis by S.K. Upadhyaya²

The major findings of the study are

- i. Both consumers and advertisers recognize the need of advertising (especially media) in the present context of the Kathmandu market.
- ii. For promoting product, advertising is a main method used by the producer.

- iii. All the advertising business is conducted by the senior personnel. But there is no separate section for conduction advertising.
- iv. Of all the advertising media available in Nepal, the radio advertising is ranked top in the list.
- v. Most of the consumers consider utility aspect while buying the products.
- vi. The major percentages of listeners listen to radio advertising seldom. The percentage of regular listener's is very few.
- vii. The effect of advertising is to be been on new products rather than on old or existing products

The effective forms of media to reach the hearts of consumers are radio, cinema and periodicals, which ranked first, second and third respectively.

(Upadhyaya, *"Radio advertising and its impact on purchasing act in consumer goods"*)

A study by R.P.Giri ³

The major findings of the study are

- i. Most of the educated people of Kathmandu are aware of brands (Wai-Wai, Mayos, and Rampum etc.) of instant noodles because of their advertisements.
- ii. Of all the advertising media available in Nepal, the FM, Radio and Television have proved itself a leading one to create awareness in customers about the advertised product, especially edible goods like instant noodles.
- iii. In case of the newspaper advertisements, the instant noodles attracted many customers because of their style of photo presentation.
- iv. In case of Radio advertisements, the instant noodles have attracted its customers mainly with the help of vocals. After then comes expression and music.

- v. Advertisement qualities of instant noodles have made no change in brand preference. (Giri, “A study on the communication effect of advertising and brand preference of Instant Noodles”)

A study by Yogesh Panta ⁴

The major findings of the study are

- i. Nepalese consumers give high importance to brand in both the consumer durable goods and the consumer nondurable goods.
- ii. Most of the consumer are found buying the products rather than by inspection.
- iii. Brand awareness of the Nepalese consumers is found to be high.
- iv. Brand-Loyalty is independent of the consumer’s store loyalty.
- v. Brand-loyal consumer is not to be influenced by special deals such as coupons, free samples, discounts etc.

The brand-loyal consumers are found to be least influenced by price activity and advertisements. (Pant, “A study of Brand-Loyalty”)

A study by G.R.Sharma ⁵

The study based on primary data which is taken in the age group of 16-27

The major findings of the study are

- i. The youth of the selected soap brands are highly aware of the brand endorsed by movie-stars on Non endorsed brands
- ii. Message of recall is highly associated with movie stars endorsement advertising.
- iii. The product quality of advertised brand is found major factor contributing to the believability of the message. The believability of message is depended upon consumers perception and among of the brand.

- iv. An effective advertisement creates association of feelings with certain events or certain ways of life styles.

The advertisers have ignored the matching of the product personality with the requirement of the life styles of the stars.

An effective advertisement is supposed to create positive attitudes towards it among the audiences. (Sharma, "*The Movies-Stars Endorsement in Advertising*")

Because of high association of brand awareness and movie-stars endorsement in advertising, the manufactures of new products will be fruitful to endorse movie-stars in product advertising. The product quality and movie-stars endorsement in advertising can enhance the believability of advertisement message.

A study by Mr. Laxmi Prasad Baral ⁶

The major findings of the study are

- i. Instant noodles are in different product life cycle and they require different media techniques of advertising in different stage.
- ii. There is a high degree of association between brand preference and advertisement qualities.
- iii. The advertisements are still traditional and ordinary in nature and style.
- iv. It is necessary that advertising should be more attractive, informative and enjoyable both readers as well as listeners.
- v. Advertising should be constructed for the long term impression by making moral and social responsibility.
- vi. While selecting advertising media the marketer should clearly analyze the objectives of advertisement.
- vii. The message and media should be unique and distinctive according to the requirements of the target market.

(Baral , "*Communication Effects of Advertising and Brand Preference*")

These are the major research works done by the different researches on the topic of advertising through Central Department of Management, T.U. in marketing subject.

“The Role of Advertising in Brand Loyalty” is to find out how consumers behave with the different brands of soft drink available in the market. Whether or not brand loyalty in soft drink business is still unknown. This study therefore, conducted mainly to find out the role of advertising in brand loyalty for soft drink business in Nepal.

2.16. RESEARCH GAP

The review of literature helps the researcher to be understandable with the research problem of the area of the study. By reviewing the literature, the researcher of this study was also able to know the major them of the study and how to conduct it to get the major objective of the study.

There is no so much study conducted in the area of marketing. It does not mean that no research studies are conducted but only few studies are conducted. The studies that have been conducted have many weaknesses such as they can not show the proper relation between the marketer and the consumer decision process of consumer in buying goods and services. So to find out the appropriate solution this study has been conducted. The area of marketing is increasing and changing gradually. So the study conducted before can not meet the changes that have been taken place in the market as well as in the consumer. In order to fill up the gap that has been created due to the different kind of changes, new research in the area of marketing should be conducted. The researcher in this study also tries to voice out such type of problems which has been created due to some type of gaps. The researcher here tries to point out some problem that the previous study were unable to point out them.

CHAPTER – III

RESEARCH METHODOLOGY

The chapter discussed ahead provides the concept of this study. This chapter shows the plans and methods of this study.

Research methodology is a way to systematically solve the research problem. It explains the method, used in the study including presentation of the research design.²⁹ (*Wolf and Pant, 2003*)

C.K. Kothari defines research as a scientific and systematic search for potential information on a specific topic.³⁰ (*Kothari, 1998, p.1*)

Redman and Moray defines Research Methodology as a systematized effort to gain new knowledge.³¹ (*Redman, and Moray, 1923, p.10*)

This passage discusses the procedure employed in the study including data collection and analysis. Further it deals with the variables used in the study, the necessary relevant data has been successfully collected from the consumer personality, purchasing pattern of different brand of the products and consumer decision making process.

The big companies are now-a-days employing the most modern methods of advertising to boost the sale of their goods. Advertising is a purchased publicity directed according to definite plan to secure, maintain and increase the distribution and the consumption of the product. It is indispensable in modern marketing. Every stage of product life cycle needs advertising

depending upon the nature of the product. In Nepal, the importance of advertising has increased with the development of marketing activities.

Hence, to study, “The Role of Advertising in Brand Loyalty” this section contains Research Design, population, sample, sampling procedure, data collection procedure, data analysis procedure, uses of Chi-square test and hypothesis possessed.

3.1. THE RESEARCH DESIGN

This research examines the role of advertising in Brand-Loyalty with special reference to soft drink. The survey design is used for this study. It is useful to generate information on question raised in the first chapter.

3.2. POPULATION

The population of this study consists of 150 audience exposed to different audio and visual advertisements of concerned or mentioned products. However, this study has taken the consumers of 17-40 years of age exposed to different audio and visual advertisements as its population.

The respondents were identified and served a set of structured questionnaire of 16 questions. The respondents are from different academic background which is from intermediate level to master level. The respondents represent the resident of Kathmandu valley. People residing in Kathmandu for a period of more than a year have been included in this study.

3.3. SAMPLE: RESPONDENT'S PROFILE

Table 3.1: Segmentation by Age

Age	17-25	26-40	Total
Male	40 (52.63%)	36 (48.65%)	76 (50.67%)
Female	36 (47.37%)	38 (51.35%)	74 (49.33%)
Total	76 (100%)	74 (100%)	150 (100%)

Table 3.2: Profession

Student	67 (88.16%)	36 (48.65%)	103 (68.67%)
Service	8 (10.52%)	27 (36.49%)	35 (23.33%)
Business	1 (1.32%)	11 (14.86%)	12 (8%)
Total	76 (100%)	74 (100%)	150 (100%)

Table 3.3: Segmentation by Sex

Sex	Male	Female	Total
	76 (50.67%)	74 (49.33%)	150

Table 3.4: Segmentation by Family Size

Family Size	Age			Sex		
	17-25	26-40	Total	Male	Female	Total
Living Alone	23 (30.26%)	15 (20.28%)	38 (25.33%)	21 (27.63%)	17 (22.97%)	38 (25.33%)
With Family	20 (26.32%)	19 (25.68%)	39 (26%)	21 (27.63%)	17 (22.97%)	38 (25.33%)
Small Family	17 (22.37%)	20 (27.02%)	37 (24.67%)	17 (22.37%)	20 (27.03%)	37 (24.67%)
Large Family	16 (21.05%)	20 (27.02%)	36 (24%)	17 (22.37%)	20 (27.03%)	37 (24.67%)
Total	76 (100%)	74 (100%)	150 (100%)	76 (100%)	74 (100%)	150 (100%)

Source: Consumer survey 2064

3.5. SAMPLING PROCEDURE

For the research process the respondents from the different sectors have been selected on personal contact. A set of questionnaire served to them. The respondents were selected from different place of Kathmandu valley. Some of them were selected from different professions like government service, Business and others, some were from financial institutions and some of them were from private organizations.

3.6. DATA COLLECTION PROCEDURE

In this study exploratory research design is used which requires the primary data. That is sources of data required for this study is primary in nature. In order to test the significance of hypothesis proposed by the present study, all information's are collected directly from the buyer of the product.

A set of structured questionnaire was developed for the purpose of collecting data from the consumers. Advertising is highly exposed through different media in different forms in the market. The questionnaire contained subjective as well as objective. The questionnaires were distributed through personal contact, in which the respondents were requested to fill up the questionnaire. The totals of 150 respondents were served.

3.7. DATA ANALYSIS PROCEDURE

In the process of analysis the data the sample percentage has been used, along with the statistical tools (i.e. χ^2 -test of independence and Chi-square test of goodness of fit) have been applied to find out the effect of advertising for brand loyalty.

In the course of tabulation, the collected data has been presented by giving them different ranking which is remarked as No. 1 upto 7, this means where

the total weight in numerical forms is small that is highly important factors while considering specific brand as brand loyalty.

3.7.1. Uses of Chi - Square Test

Chi-square test is used to test whether more than two populations can be considered equal. Actually, Chi-square test allows us to do a lot more than just for the quality of several proportions. If population are classified into several categories with respect to two attributes (For example, advertisements and brand loyalty), one can then use a Chi-square test to determine if the two attributes are independent of each other.

Step1: Complete the expected frequencies E_1, E_2, \dots, E_n corresponding to the observed frequencies O_1, O_2, \dots Under some theory or hypothesis.

Step 2: Compute the deviation $(O - E)$ for each frequency and then square them to obtain $(O - E)^2$

Step 3: Divide the square of the deviation $(O - E)^2$ by the corresponding expected frequency to obtain $\frac{(O - E)^2}{E}$

Step 4: Add the values obtained in step (3) to compute

$$(\chi^2) = \sum \left[\frac{(O - E)^2}{E} \right]$$

Step 5: Under the null hypothesis that the theory fits the data well, the above statistic follows, $(\chi^2 - \text{distribution}) = (n-1)$ d.f.

Step 6: Look up the tabulated (critical) values of χ^2 for $(n-1)$ d.f. at certain level of significance, usually 5% from the table (Significance values of ' χ^2 ' given in the table).

If the calculated value of χ^2 obtained is less than the corresponding tabulated value obtained in step (6) than it is said to be non significant at the required level of significance. This implies that the discrepancy between observed values (experiment) and the expected values (theory) may be attributed to change, i.e. fluctuations of sampling. In other words, data of not provide any evidence against the null hypothesis [given in step (5)], which may therefore, be accepted at the required level of significance and we may conclude that there is good correspondence (fit) between theory and experiment.

On the other hand, if calculated value of χ^2 is greater than tabulated value, it is said to be significant. In other words, the discrepancy between the observed and expected frequencies can not be attributed to change, and in the situation, null hypothesis can be rejected. Thus, one can conclude that the experiment does not support the theory.

3.7.2. Pie Chart

Circle diagram is in the form of circle whose area represents the total value. The circle diagram dividing into different section by radial lines such that the area of each of the sector representing the component value of total value is said to be the pie diagram is used to show the relation between the components with one another and also to the total. In this study also different components are compared with the help of pie diagram.

3.7.3. Bar Diagram:

Bar Diagram are the one of the most used and easiest method of presenting data in the graphical form. Bar diagram consists of a set of rectangles one for each set of data in which the magnitude or values are represented by the length. There are various types of bar diagram, among them multiple bar diagram is used by the researcher in this study.

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA

The previous chapters incorporated introduction of the study, review of literature and the research methodology employed in the study respectively. This chapter incorporates analysis and interpretation of data. The data presentation and analysis is most skilled task in the research process. It calls for the researcher own judgment. Data are collected in the raw form and they are coded edited and then after they are presented in the tabular form. The data and information collected from the consumers are presented analyzed and interpreted in this chapter for attaining the stated objectives of the study. The data and information collected from the consumers are presented interpreted and analyzed according to the research question formulated for this study.

150 respondents responded for the study gave the full information required for the study from the questionnaire. In the country like Nepal, demand of soft drink is not constant throughout the year. Most of the Nepalese people take it in hot season, so its demand is very high in hot season in comparison to cold season. The present research however is conducted in cold season, therefore, it is expected that the consumer's responses may slightly vary in hot season.

The following tables give the consumers preference and purchase behavior relating to soft drink of different brands in Kathmandu valley refers "The Role of Advertising in Brand Loyalty".

4. Analyses of Data

4.1 Income Level of Consumers

The following heading describes the income level of the consumers who are involved in this survey.

The table presented below shows the income level of the 150 respondent of Katmandu Valley.

Table No. 4.1.1: Income level of consumers

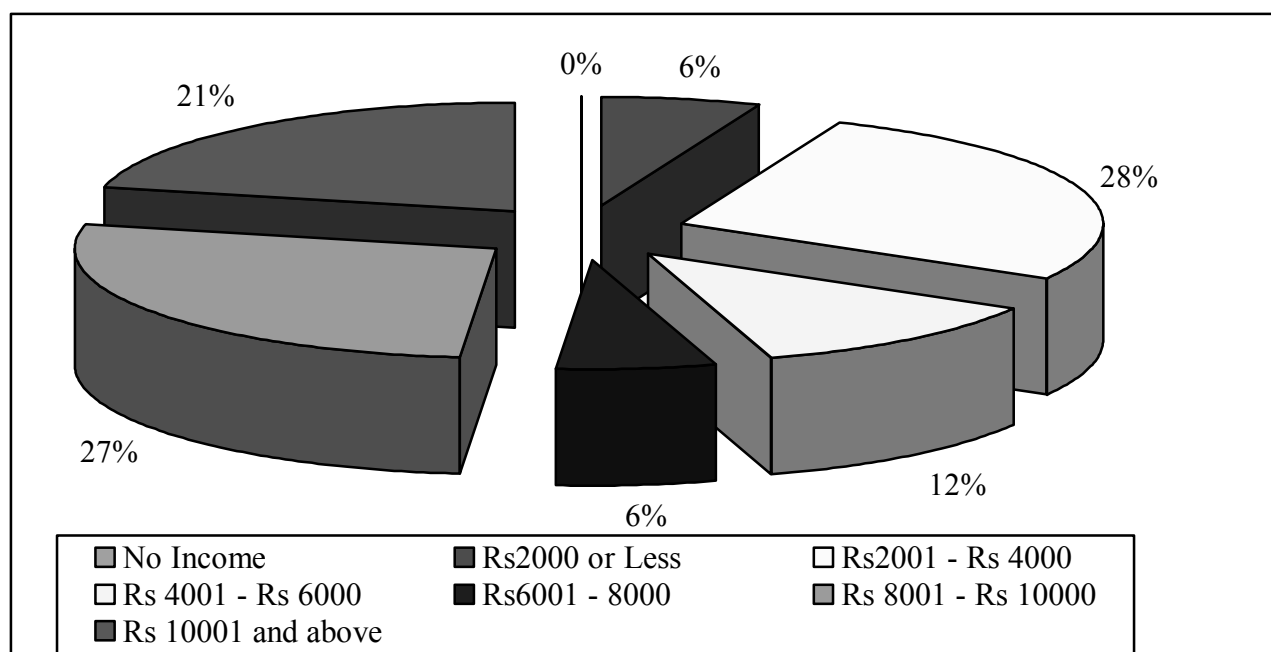
Income Volume	No. of Respondent	Percentage (%)
No Incomes	-	-
Rs.2000 or less	9	6.00
Rs.2001-Rs.4000	41	27.33
Rs.4001-Rs.6000	18	12.00
Rs.6001-Rs.8000	9	6.00
Rs.8001-Rs.10000	41	27.33
Rs.10001 and above	32	21.34
Total	150	100

(Source: Consumer Survey 2064)

The table no 4.1 shows the income level of the sampled respondents. Among 150 respondents 6% of the respondents have the income up to 2000, 27.33% have the income up to 4000, 12% have the income up to 6000, 6% have the income up to 8000, 27.33% have the income up to 10000 and 21.34% respondents have the income more than 10000. And none of the respondent has the zero income. The table shows the variation in the income of the respondents as they vary across high income to the low income.

The income volume of the respondent is presented in the pie chart diagram below:

Figure No. 4.1.1: Income Level of Consumers



(Source: Table No. 4.1)

4.2. Consumption of Drinks

Above mention heading describes the consumption of the soft drink by the consumers.

Table 4.2.2: Consumption of Drinks

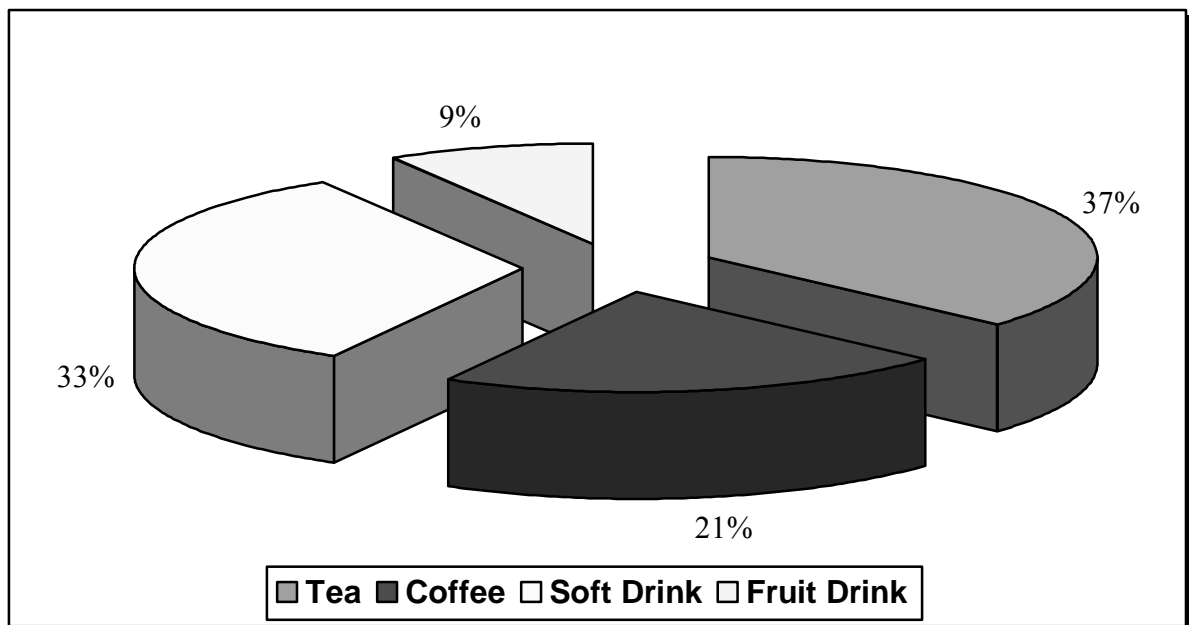
Items	No. of Respondent	Percent (%)
Tea	55	36.67
Coffee	32	21.33
Soft Drink	50	33.33
Fruit Drink	13	8.67
Total	150	100

(Source: Consumer survey 2064)

Table 4.2 presents the consumption of different drinks of persons living in Kathmandu valley. The consumption affects the brand loyalty of soft drinks. The table shows that 36.67% of consumers consume tea, 21.33% consumes coffee, 33.33% consume soft drink, and 8.67% consume fruit drinks.

The consumption of drinks by respondent is presented in the pie chart diagram below:

Figure No. 4.2: Consumption of Drink



(Source: Table No. 4.2)

4.3. Participants in Buying Process of Soft Drink

This segment describes the buying process of soft drink of the consumers

Table 4.3.1: Participants in Buying Process of Soft Drinks

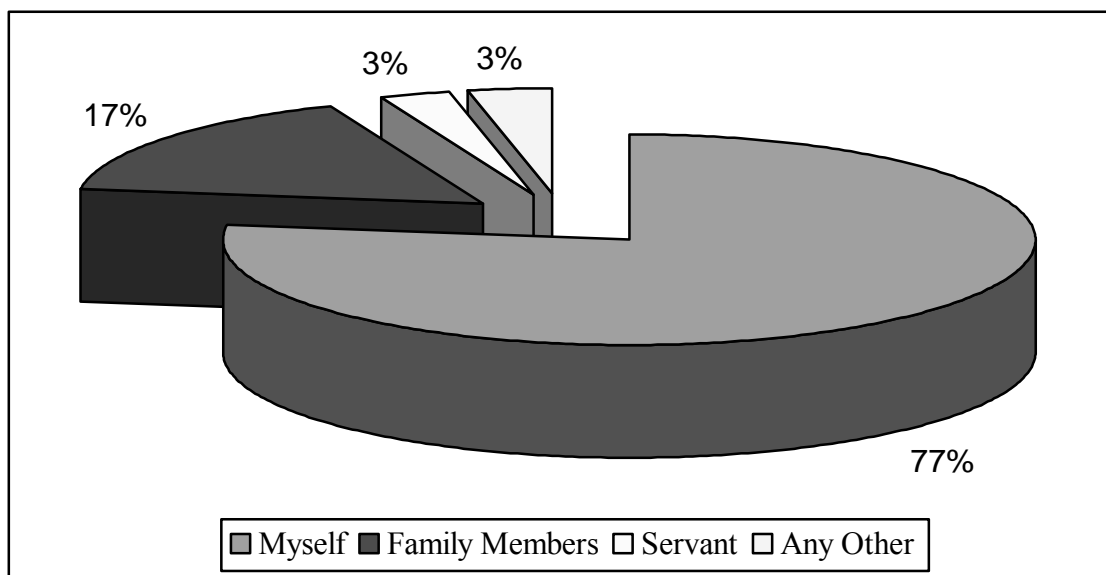
Involvement	No. of Respondents	Percent (%)
Myself	116	77.33
Family members	25	16.67
Servant	4	2.67
Any other	5	3.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.3 presents the participation of persons in the purchasing process. The process affects the brand loyalty of the soft drinks. The table shows that 77.33% of consumers purchase themselves, 16.67% consumers purchase through their family members, 2.67% buy through the help of their servant and 3.33% soft drink are bought by other people (i.e. friends, colleague, contemporary, employee etc.).

The participation of consumers in buying process of soft drink is presented in the pie chart diagram below:

Figure No. 4.3.1: Participants in Buying Process of Soft Drinks



(Source: Table No. 4.3.1)

4.4. Role in Purchasing Decision of Soft Drink

Purchasing decision is very crucial in purchase of goods. This segment describes the role in purchasing decision of soft drink.

Table 4.4.1: Role in Purchasing Decision of Soft Drink

Involvement	No. of Respondents	Percent (%)
Myself	120	80
Family members	25	16.67
Servant	2	1.33
Any other	3	2
Total	150	100

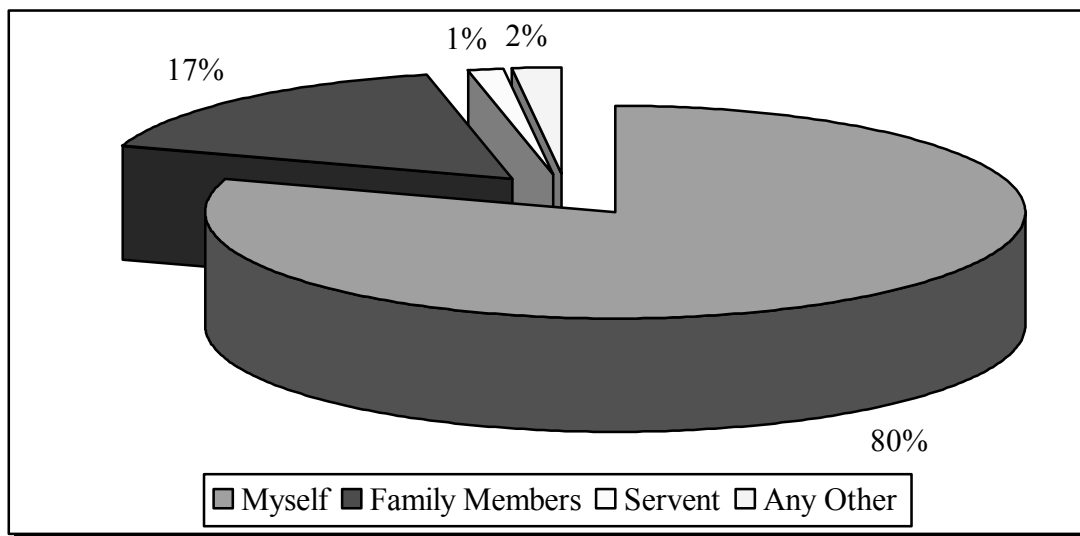
(Source: Consumer Survey 2064)

The decider is the person who ultimately determine any parts of the entire buying decision- whether to buy, how to buy, where to buy? While buying soft drinks (Table 4.4) 80% consumers decide themselves about specific

brand selection, whereas 16.67% consumers use that brand which is bought by their family members. Likewise 1.33% consumer hand over this decision to their servant and 2% consumers depend on brand choice of others.

The role of consumers in purchasing of soft drink is presented in the pie chart diagram below:

Figure No. 4.4.1 Role in Purchasing Decision of Soft Drink



(Source: Table No. 4.4.1)

4.5. Preferred Brand of Soft Drink as 1st Choice

This segment describes what brand of soft drink consumer preferred as 1st choice.

Table 4.5.1: Preferred Brand of Soft Drink as 1st Choice

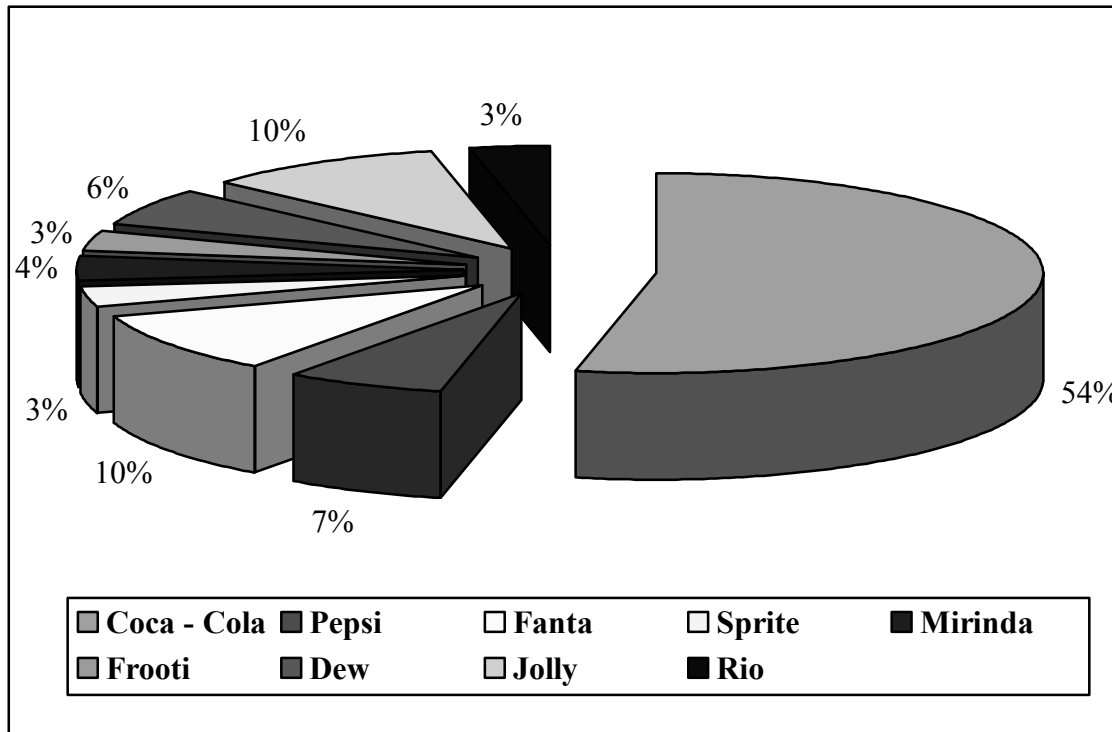
Products	No. of Respondent	Percent (%)
Coca-Cola	80	53.33
Pepsi	10	6.67
Fanta	15	10
Sprite	5	3.33
Mirinda	6	4
Frooti	5	3.33
Dew	9	6
Jolly	15	10
Rio	5	3.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.5 shows the brand as the 1st choice of consumers. According to the quality of the product Coca-Cola is selected by 53.33% of consumers, Pepsi is selected by 6.67% of consumers, Fanta by 10%, Sprite by 3.33%, Mirinda by 4%, Frooti by 3.33%, Dew by 6%, Jolly by 10%, and Rio by 3.33%.

The preferred brand of soft drink is presented in the pie chart diagram below:

Figure No. 4.5.1 Preferred Brand of Soft Drink as 1st Choice



(Source: Table No. 4.5.1)

Hypothesis No. 1

H0: All types of brand of soft drink are equally chosen by the consumer.

H1: All types of brand of soft drinks are not equally chosen by the consumer.

As per Chi square test, the tabulated value of χ^2 at 5% level of significance for 8 degree of freedom is , while the calculated value of χ^2 from Appendix A is 215.66. So the calculated value of χ^2 is greater than the tabulated value which means that the above stated null hypothesis is rejected. That is, the consumer does not choose equally all types of brand of soft drinks.

4.6. Preferred Brand of Soft Drink as 2nd Choice

This segment describes what brand of soft drink the consumers preferred as the 2nd choice

Table 4.6: Preferred Brand of Soft Drink as 2nd Choice

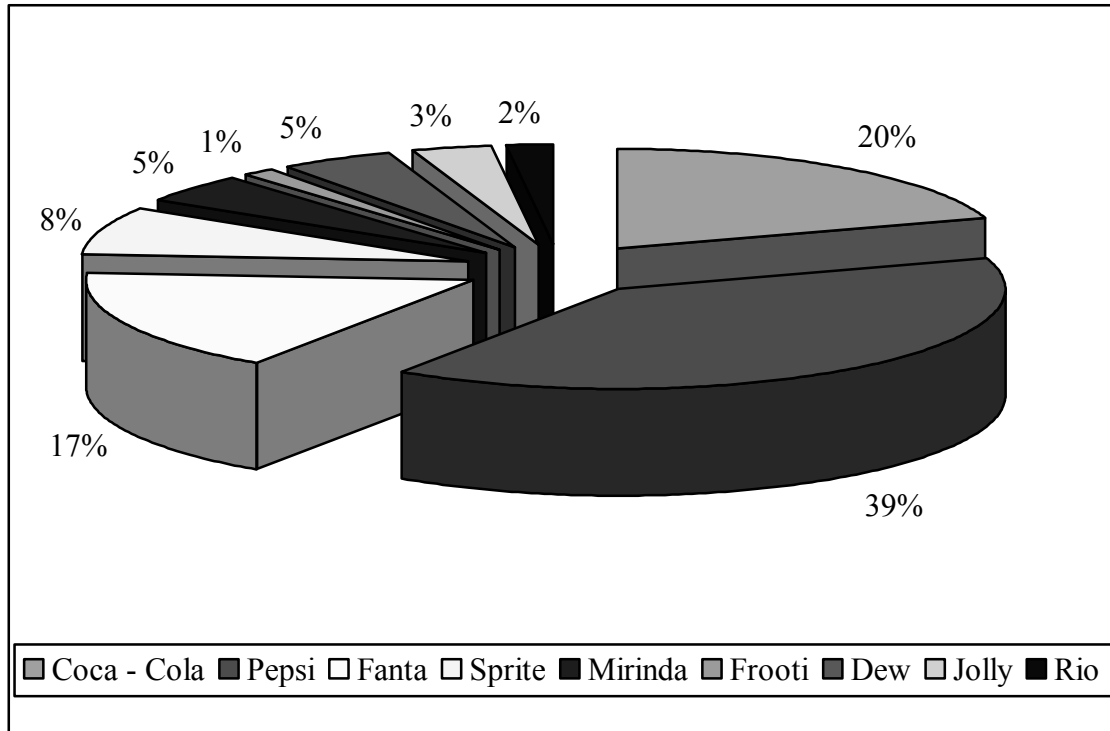
Products	No. of Respondent	Percent (%)
Coca-Cola	30	20
Pepsi	59	39.33
Fanta	25	16.67
Sprite	12	8
Mirinda	7	4.67
Frooti	2	1.33
Dew	7	4.67
Jolly	5	3.33
Rio	3	2
Total	150	100

(Source: Consumer Survey 2064)

Table 4.6 shows the preference of soft drinks as 2nd choice. According to table Coca-Cola is preferred by consumer as 2nd choice by 20%, Pepsi by 39.33%, Fanta by 16.67%, Sprite by 8%, Mirinda by 4.67%, Frooti by 1.33%, Dew by 4.67%, Jolly by 3.33% and Rio by 2%. In this study, it is found that Pepsi holds first position among the consumers for their 2nd choice.

The preferred brand of soft drink as second choice is presented in the pie chart diagram below:

Figure No. 4.6 Preferred Brand of Soft Drink as 2nd Choice



(Source: Table No. 4.6.1)

4.7. Essence of Effective Advertising for Soft Drink

This segment shows the essence of effective advertising for soft drink on consumers.

Table 4.7.1: Essence of Effective Advertising for Soft Drink

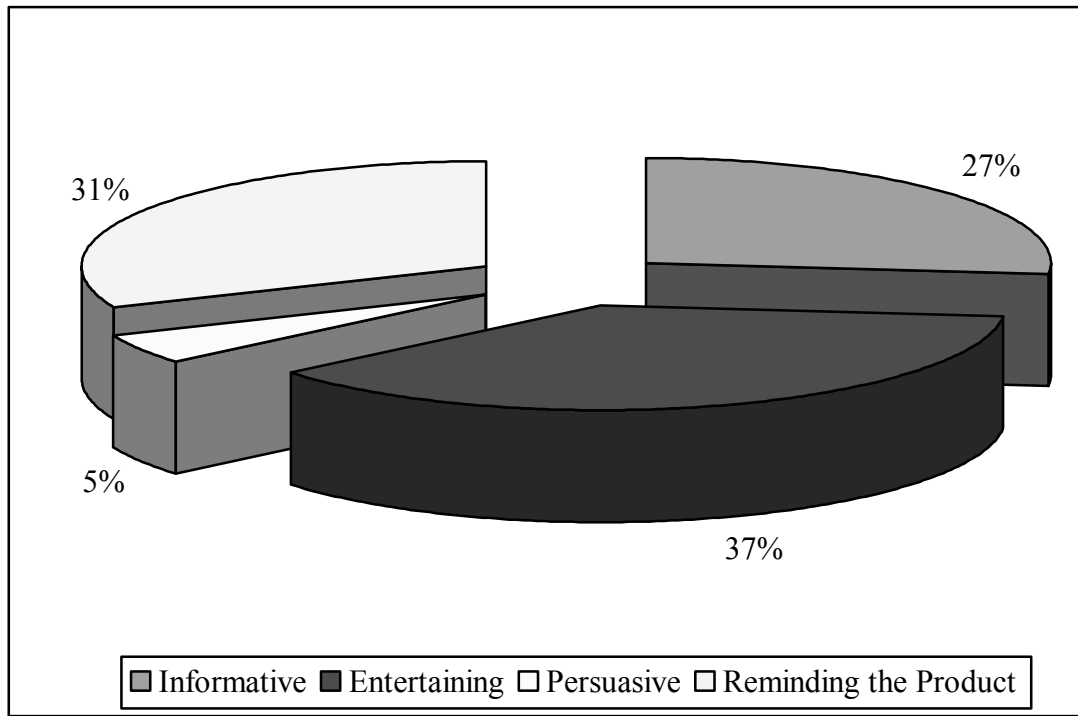
Advertisement	No. of Respondent	Percent (%)
Informative	40	26.67
Entertaining	56	37.33
Persuasive	7	4.67
Reminding the Product	47	31.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.7 shows that 26.67% respondents are in favor of informative advertising. 37.33% are in favor of entertaining advertising. Likewise 4.67% liking is towards persuasive advertising and at the same time another 31.33% consumers stress their view in favor of reminding the product style of advertising.

The essence of effective advertising for soft drink is presented in the pie chart diagram below:

Figure No. 4.7: Essence of Effective Advertising for Soft Drink



(Source: Table No. 4.7.1)

Hypothesis No. 2

H0: Advertisements of soft drinks have equal essence of effectiveness.

H1: Advertisements of soft drinks do not have equal essence of effectiveness.

As per Chi square test, the tabulated value of χ^2 at 5% level of significance for 3 degree of freedom is 7.82, while the calculated value of χ^2 from Appendix B is 42.709. So the calculated value of χ^2 is greater than the tabulated value which means that the above stated null hypothesis is rejected. That is, advertising of soft drinks do not have equal essence of effectiveness.

4.8. Advertising Believability of Soft Drink

The following heading highlight about believability of advertising of the soft drink.

Table 4.8: Advertising Believability of Soft Drink

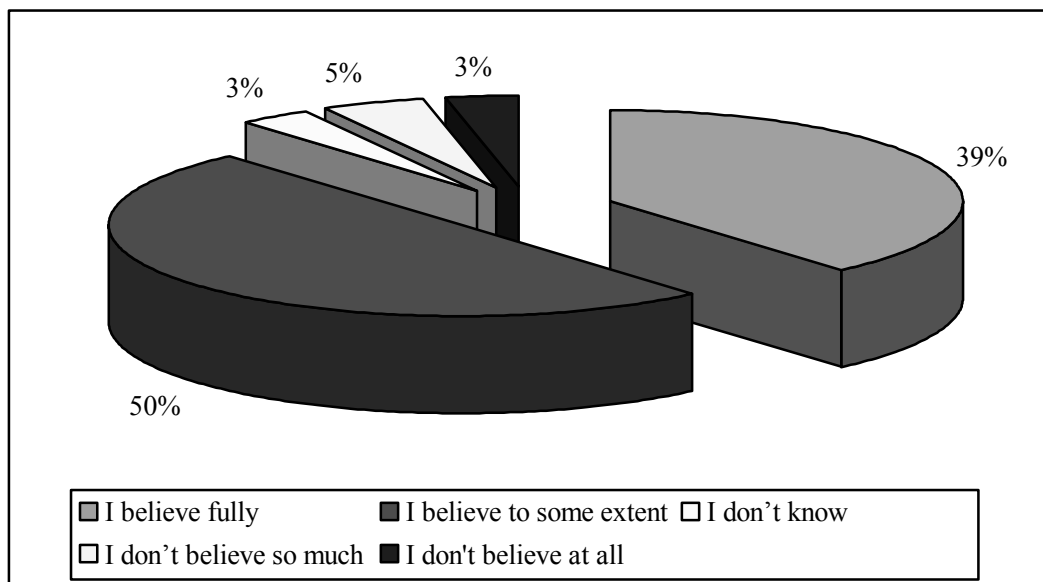
Response Degree	No. of Respondent	Percent (%)
I believe fully	58	38.67
I believe to some extent	75	50
I don't know	5	3.33
I don't believe so much	7	4.67
I don't believe at all	5	3.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.8 is related to the advertising believability where 38.67% believe fully, 50% believe to some extent, 3.33% are indifferent, 4.67% don't believe so much, 3.33% don't believe at all to the soft drink advertisement. This means the advertisement contribution to them is remarkable factor.

The advertising believability for soft drink is presented in the pie chart diagram below:

Figure No. 4.8: Advertising Believability of Soft Drink



Hypothesis No. 3

H0: Consumer prefers all advertisement equally.

H1: Consumer does not prefer all advertisement equally.

As per Chi square test, the tabulated value of χ^2 at 5% level of significance for 4 degree of freedom is 9.448 while the calculated value of χ^2 is 152.92, which is shown in appendix C. So the calculated value of χ^2 is greater than the tabulated value which means that the above stated null hypothesis is rejected. That is the consumer does not equally believe all types of advertising.

4.9. Contribution of Advertising for Purchase of Soft Drink

Above given heading analyze the contribution of advertising in purchase of soft drink.

Table 4.9.1: Contribution of Advertising for Purchase of Soft Drink

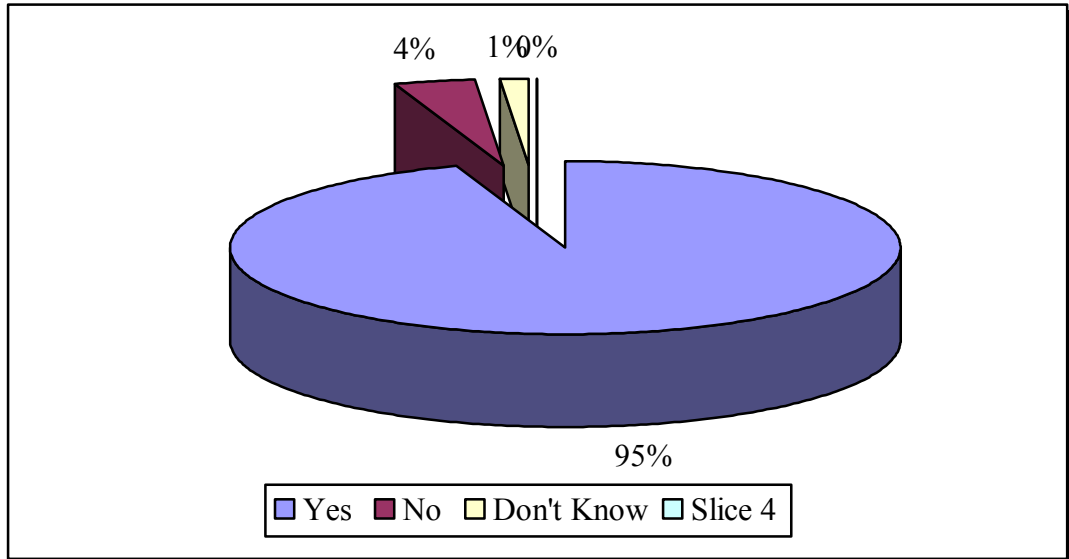
Contribution	No. of Respondent	Percent (%)
Yes	142	94.67
No	6	4
Don't Know	2	1.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.9 shows the advertisement contribution for purchase of soft drink. 94.67% of consumers agree in favor of contribution, 4% of consumer against the contribution, and at the same time, contribution about don't know is 1.33%. By the table is concluded that advertisement actually contributes for purchase of soft drink.

The contribution of advertising for purchase of soft drink is presented in the pie chart diagram below:

Figure No. 4.9.1: Contribution of Advertising for Purchase of Soft Drink



(Source: Table No. 4.9.1)

4.10. Preference of Advertising

This segment shows the preference of advertising of the brands of soft drinks.

Table 4.10.1: Preference of Advertisement

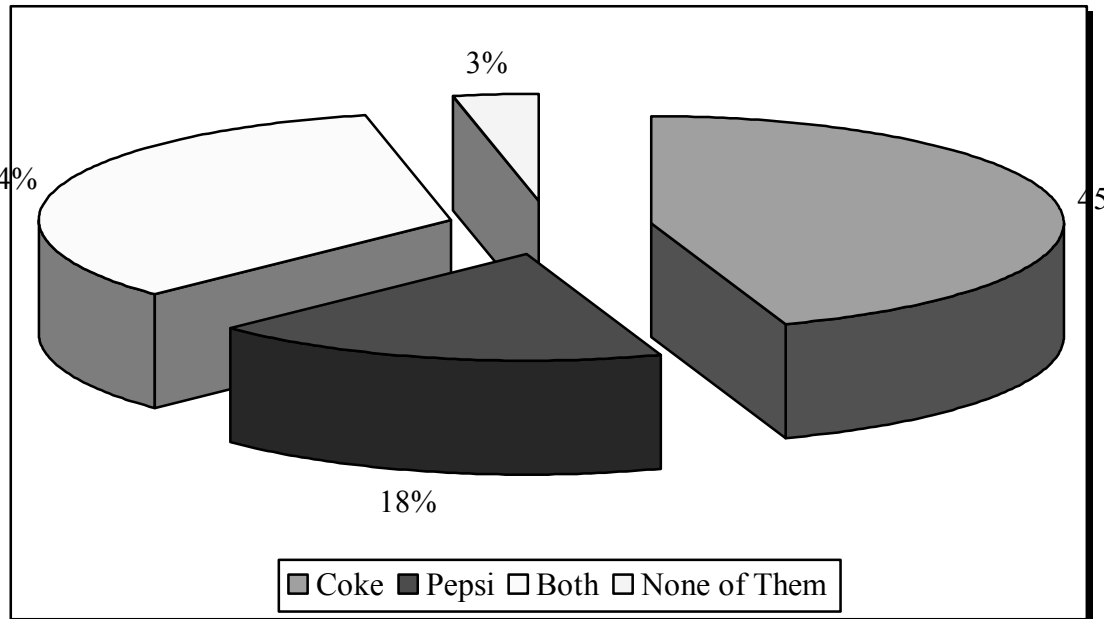
Prefer	No. of Respondent	Percent (%)
Coke	67	44.67
Pepsi	27	18
Both	51	34
None of them	5	3.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.10 shows the advertisement preference of soft drink. The consumers who prefer the Coke's advertisement is 44.67%, Pepsi's advertisements are 18%, both products' advertisement are 34% and preference about none of them are 3.33%. From the study it is found that most people prefer the advertisement of Coke than advertisement of Pepsi.

The preference of advertisement is presented in the pie chart diagram below:

Figure No. 4.10: Preference of Advertisement



(Source: Table No. 4.10.1)

4.11. Duration of Using Brand

This shows the duration for using the current brand of soft drink. The consumer who has been using the current brand of soft drink from different span of time.

Table 4.11.1: Duration of Using Brand (Current)

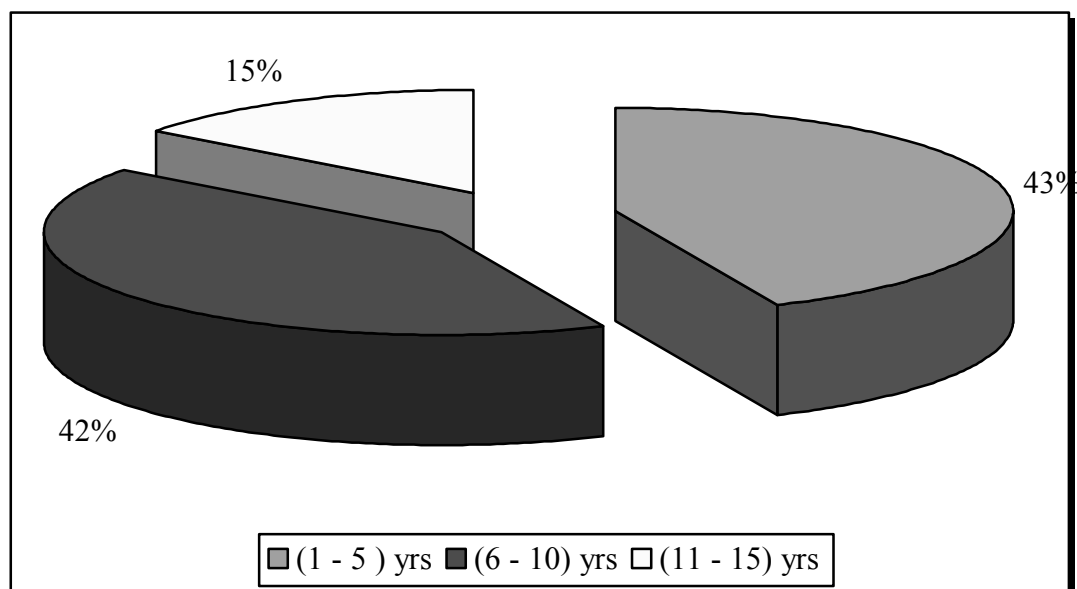
Duration	No. of Respondent	Percent (%)
(1-5) Years	65	43.33
(6-10) Years	63	42
(11-15) Years	22	14.67
Total	150	100

(Source: Consumer Survey 2064)

Table 4.11 shows the duration (period) for using the current brand of soft drink. The consumers who have been using the current brand of soft drink form (1-5) years are 43.33%, in the same way from (6-10) years are 42% and long duration of (11-15) years are 14.67%. The study results that most of the soft drink consumers have been using the current brand for the long period of time.

The duration of using brand is presented in the pie chart diagram below:

Figure No. 4.11: Duration of Using Brand (Current)



4.12. First Reason for Brand Switching of Soft Drink

This shows the major reason for brand switching of a particular brand of soft drink with their different aspects.

Table 4.12: First Reasons for Brand Switching of Soft Drink

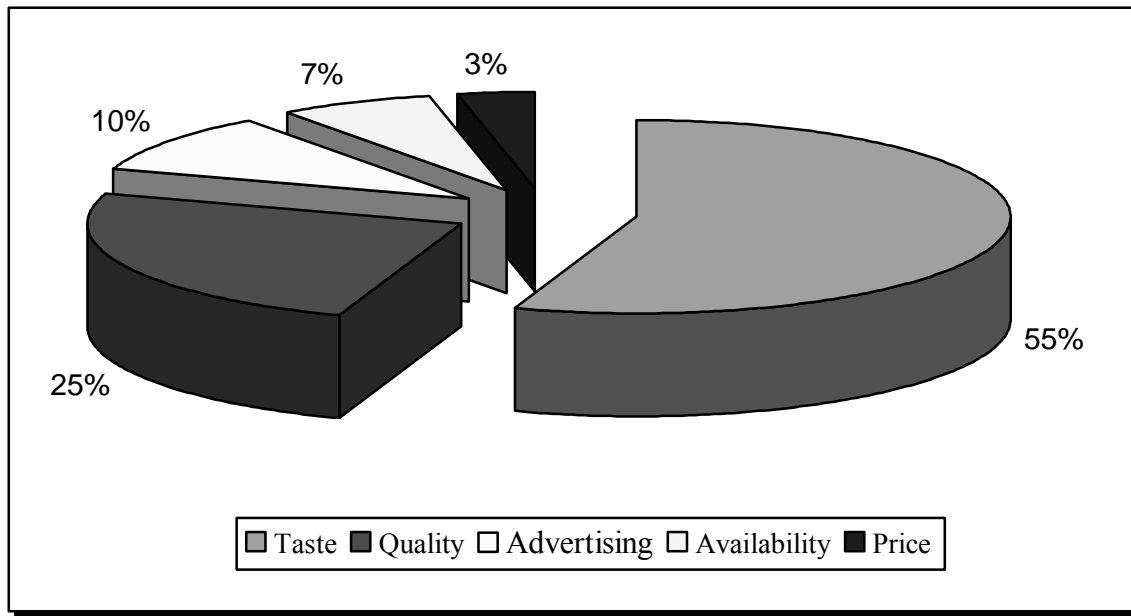
Reasons	No. of Respondents	Percent (%)
Taste	83	55.33
Quality	37	24.67
Advertising	15	10
Availability	10	6.67
Price	5	3.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.12 shows the major reasons for brand switching of soft drink. To the question why did they switch towards the current brand of soft drink, 55.33% respondents switched their brand because of taste, 24.67% because of quality, 10% because of advertising, 6.67% because of availability and 3.33% because of price factor. It is observed that most of the consumer's major reasons for brand switching of soft drink are taste, quality than after only advertising, availability and price respectively.

The reason for brand switching of soft drink is presented in the pie chart diagram below:

Figure No. 4.12: First Reasons for Brand Switching of Soft Drink



(Source: Table No. 4.12)

Hypothesis No. 4

H0: Consumer switched brand for same reason.

H1: Consumer switched brand for different reasons

As per Chi square test, the tabulated value of χ^2 at 5% level of significance for 4 degree of freedom is 9.448 while the calculated value of χ^2 from Appendix D is 136.92. So the calculated value of χ^2 is greater than the tabulated value which means that the above stated null hypothesis is rejected. That is the consumer switched brand for different reasons.

Table 4.13: Second Reasons for Brand Switching of Soft Drink

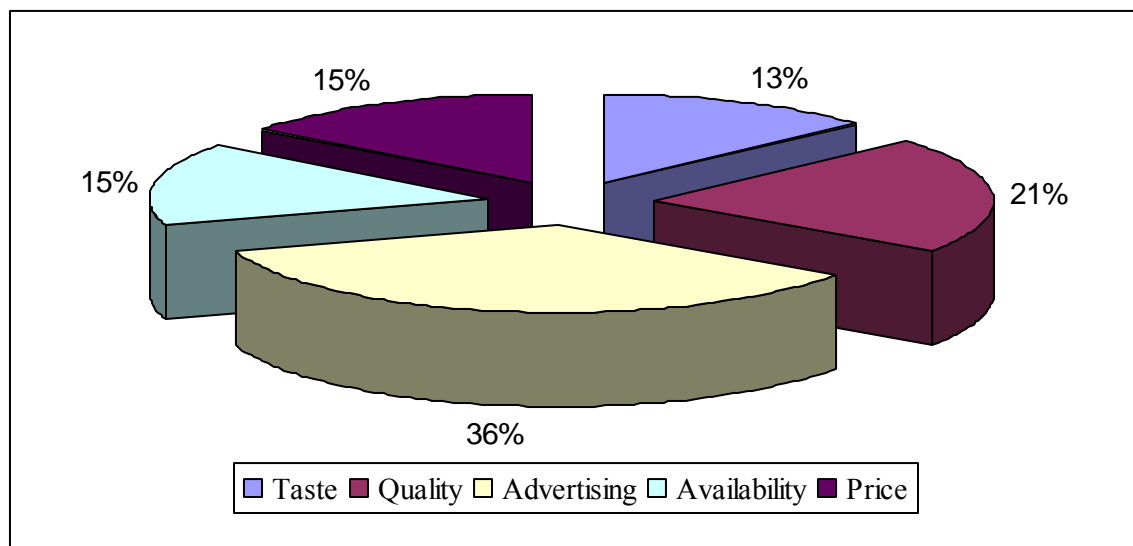
Reasons	No. of Respondent	Percent (%)
Taste	20	13.33
Quality	32	21.33
Advertising	53	35.33
Availability	23	15.33
Price	22	14.67
Total	150	100

(Source: Consumer Survey 2064)

Table 4.13 shows the second reasons for brand switching of soft drink, where 13.33% responded taste as the second reasons, 21.33% to the quality of the product, 3533% advertising of the product, 15.33% to the availability of the product and 14.67% to the price of the product. It is concluded that the second reasons for switching the brand of soft drink is advertising, which is responded by most of the respondents in the course of study.

The 2nd reason for brand switching of soft drink is presented in the pie chart diagram below:

Figure No. 4.13: Second Reasons for Brand Switching of Soft Drink



(Source: Table No. 4.13)

4.14. Role of Advertising in Changing Brand of Soft Drink.

The following heading presents the role of advertising brand loyalty behavior of consumers in soft drink.

Table 4.14.1: Role of Advertising in Changing Brand of Soft Drink

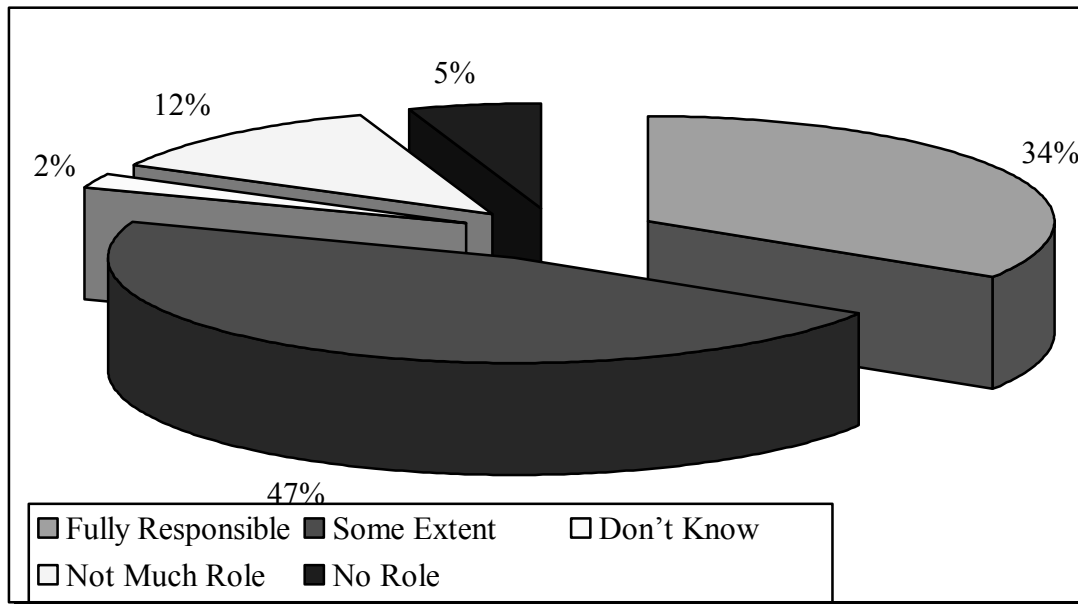
Response Degree	No. of Respondents	Percent (%)
Advertisement is fully responsible	51	34
Advertisement is responsible to some extent	70	46.67
I don't Know	3	2
Advertisement played not much role	18	12
Advertisement played no role at all	8	5.33
Total	150	100

(Source: Consumer Survey 2064)

Table 4.14 presents the role of advertising in brand loyalty behavior of consumers in soft drink. The total 150 consumer were asked as what do they think about the role of advertising to change brand. In which 34% replied that advertisement is fully responsible in course of changing brand, likewise 46.67% believe that its role up to some extent while 2% responded that they don't know which factors played important roles in changing brand. 12% responded that the role of advertising is less significant than any others marketing variables in changing the brand. Eventually 5.33% believed that advertising does not play any roles in changing the brand. This indicates that advertising has important role in brand loyalty behavior of consumer in the case of soft drink.

The role of advertisement in changing brand of soft drink is presented in the pie chart diagram below:

Figure No. 4.14.1: Role of Advertising in Changing Brand of Soft Drink



(Source: Table No. 4.14)

Hypothesis No. 5

H0: Advertisement play equal role in changing brand loyalty of soft drink.

H1: Advertisement does not play equal role in changing brand loyalty of soft drink.

As per Chi square test, the tabulated value of χ^2 at 5% level of significance for 4 degree of freedom is 9.448 while the calculated value of χ^2 is 113.26 shown in appendix E. So the calculated value of χ^2 is greater than the tabulated value which means that the above stated null hypothesis is rejected. That is advertisement does not play equal role in changing brand loyalty of soft drink.

4.15. Essence of Effective Advertising of Soft Drink by Age

The related heading describes the advertising effectiveness on age groups.

Table 4.15.1: Essence of Effective Advertising of Soft Drink by Age

Advertisement	Age (17-25)		Age (26-40)	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Informative	23	30.26	17	22.97
Entertaining	22	28.94	35	47.29
Persuasive	2	2.63	5	6.76
Reminding the Product	29	38.17	17	22.98
Total	76	100	74	100

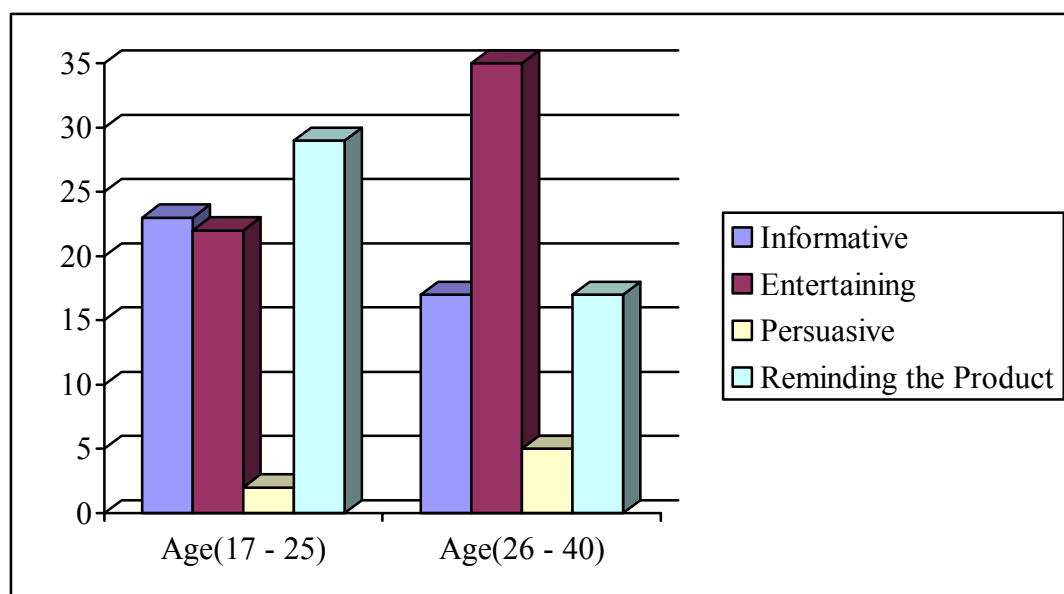
(Source: Consumer Survey 2064)

Table 4.15 is related to the advertising effectiveness. The respondents with age of 17-25 responded that 30.26% like informative advertisement, 28.94% entertaining, 2.63% persuasive, 38.17% reminding the product.

In the same way Table 4.15 is related towards the advertising style like by the respondents of the age of 26-40, where 22.97% consumers like informative types of advertisement, 47.29% entertaining, 6.76% persuasive and 22.98% reminding the product types of soft drink advertisement.

The responses obtained from the respondent on essence of effective advertising of soft drink can be presented in the bar diagram as shown below:

Figure No. 4.15: Essence of Effective Advertising of Soft Drink by Age



(Source: Table No. 4.15.1)

4.16. Advertisement Believability of soft Drink by Age

This is related with how much a consumer according to age group believes in advertisement of soft drink.

Table 4.16.1: Advertisement Believability of Soft Drink by Age

Advertisement	Age (17-25)		Age (26-40)	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
I believe fully	22	28.94	37	50
I believe to some extent	45	59.22	30	40.54
I don't know	1	1.32	3	4.06
I don't believe so much	5	6.58	2	2.7
I don't believe at all	3	3.94	2	2.7
Total	76	100	74	100

(Source: Consumer Survey 2064)

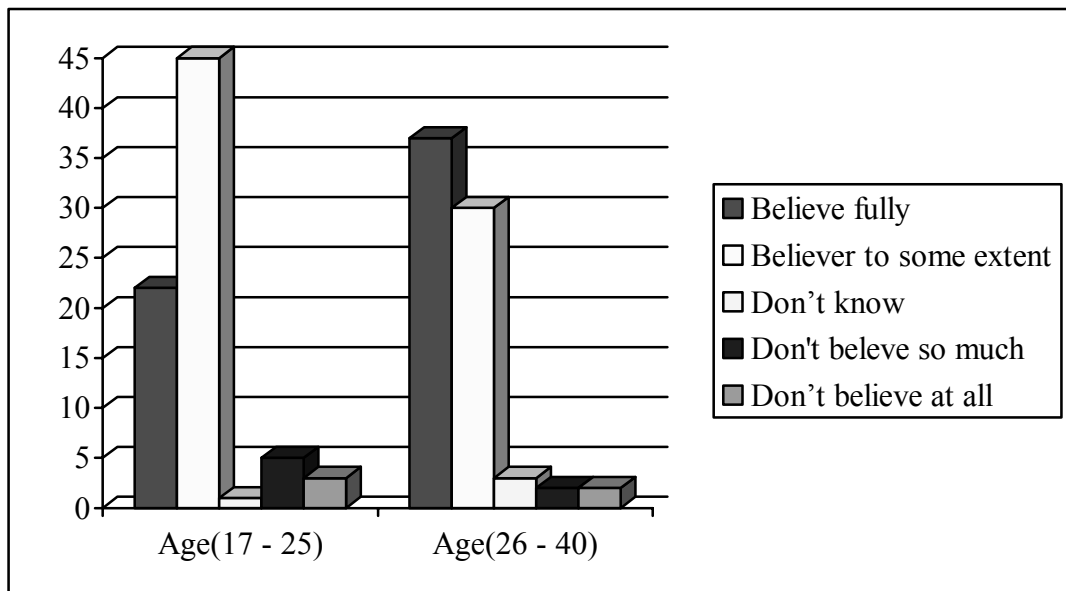
Table 4.16 is related with believability of advertisement, which represents the respondent of age 17-25 and it is observed that 28.94% believe fully,

59.22% consumers believe in the advertisement up to some extent, 1.32% reply that they don't know how far they believe in the advertisement of their preferred brand. At the same time 6.58% responded that advertisement is less effective or other promotional marketing variables have strong influence them and eventually 3.94% have shown negative attitude towards advertisement.

Table 4.16 is related to advertisement believability of soft drink and their responses. The respondent of 26-40 age groups where 50% believe fully, 40.54% believe to some extent, 4.06% don't know, whether they believe or not, 2.7% don't believe so much and 2.7% don't believe at all to the advertisement.

The responses obtained from the respondent on advertisement believability of soft drink can be presented in the bar diagram as shown below:

Figure No. 4.16: Advertisement Believability of Soft Drink by Age



(Source: Table No. 4.16.1)

4.17. Advertisement Preference of Soft Drink by Age

The above heading deals with the advertisement preference of soft drink according to the age group.

Table 4.17.1 Advertisement Preference of Soft Drink by Age

Advertisement	Age (17-25)		Age (26-40)	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Coke	38	50	28	37.84
Pepsi	10	13.16	17	22.98
Both	25	32.90	27	36.48
None of them	3	3.94	2	2.7
Total	76	100	74	100

(Source: Consumer Survey 2064)

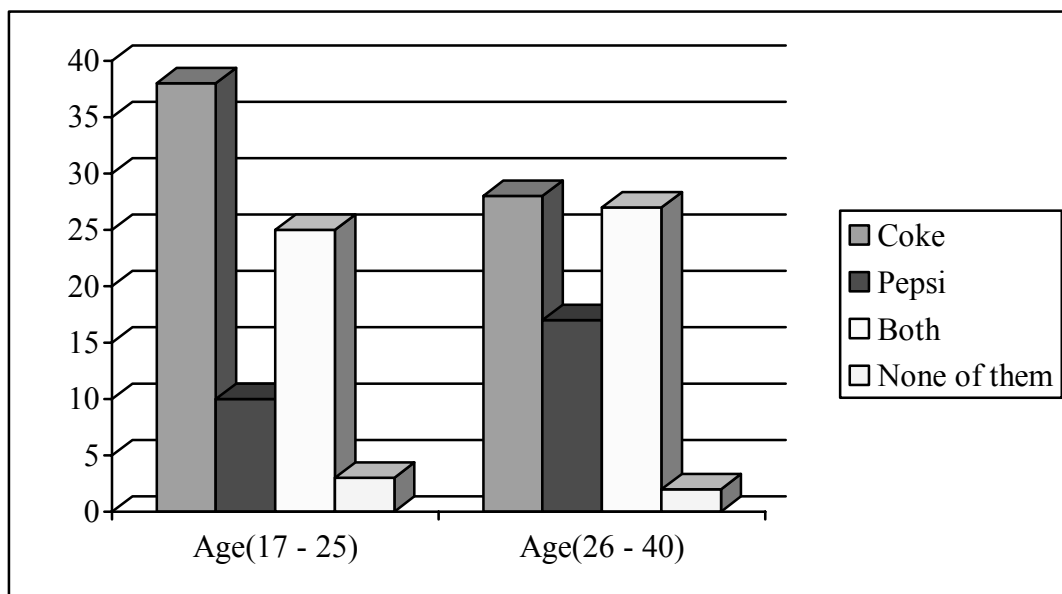
Table 4.17 is related to the advertisement preference of soft drink. It shows the preference of advertisement of the respondents at the age of 17-25, where 50% of the consumers like Coke's advertisement, 13.16% like Pepsi's advertisement, 32.90% like advertisement of both and 3.94% like none of their advertisement.

Table 4.17 is related to the advertisement preference of soft drink. The respondents of age 26-40 responded their preference where advertisement of Coke is preferred by 37.84%, advertisement of Pepsi by 22.98%, advertisement of both by 36.48% and advertisement preferred none of them by 2.27%.

By the above, it can be concluded that most of the consumers preferred the advertisement of Coke then of Pepsi at any age group.

The responses obtained from the respondent on advertisement preference of soft drink can be presented in the bar diagram as shown below:

Figure No. 4.17: Advertisement Preference of Soft Drink by Age



(Source: Table No. 4.17.1)

4.18. Major Reason for Brand Switching of Soft Drink by Age

This is concerned with the major reason of brand switching with the different age group.

Table 4.18.1 Major Reasons for Brand Switching of Soft Drink by Age

Reasons	Age (17-25)		Age (26-40)	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Taste	50	65.79	33	44.6
Quality	18	23.68	17	22.97
Advertisement	3	3.95	13	17.56
Availability	2	2.63	10	13.51
Price	3	3.95	1	1.36
Total	76	100	74	100

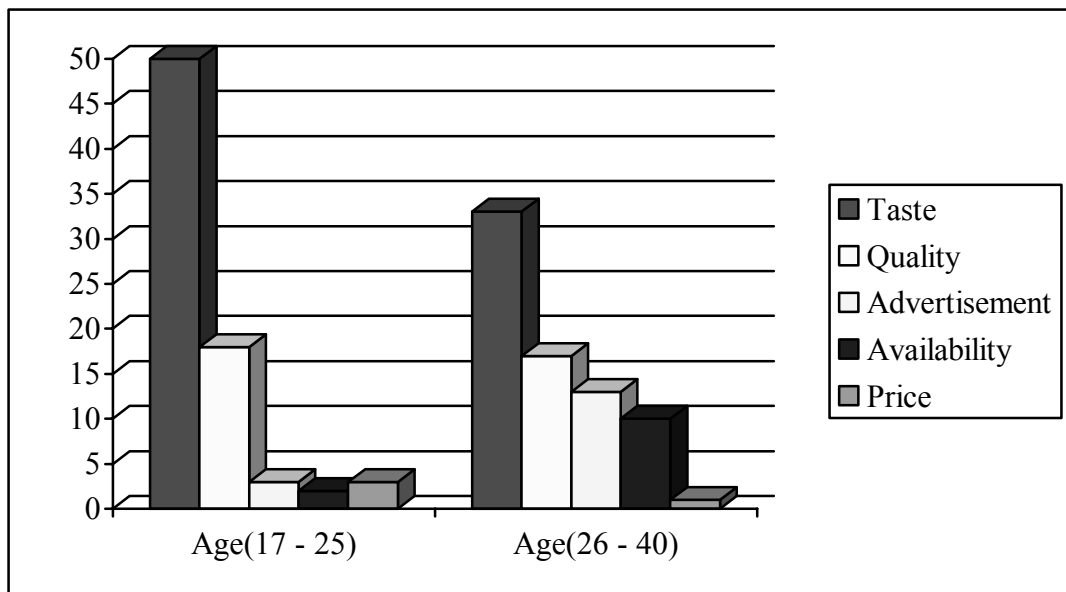
(Source: Consumer Survey 2064)

Table 4.18 is concerned about the major reasons of brand switching with age 17-25; hence 65.79% switched their previous brand due to taste, 23.68% because of quality, 3.95% because of advertising, 2.63% because of availability and 3.95% because of price factor.

By the same Table 4.18, in case of consumers of age group 26-40, where 44.6% switched previous brand because of taste, 22.97% because of quality, 17.56% because of advertising, 13.51% because of availability and 1.36% because of price factor.

The responses obtained from the respondent on major reason for brand switching of soft drink by age can be presented in the bar diagram as shown below:

Figure No. 4.18.1 Major Reasons for Brand Switching of Soft Drink by Age



(Source: Table No. 4.18.1)

4.19. Second Reason for Brand Switching of Soft Drink by Age

This is concerned with the consumer switching brand for second reason according to age group.

Table 4.19.1 Second Reasons for Brand Switching of Soft Drink by Age

Reasons	Age (17-25)		Age (26-40)	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Taste	10	13.51	8	10.81
Quality	20	26.31	7	9.46
Advertising	35	46.05	27	36.49
Availability	8	10.52	16	21.62
Price	3	3.95	16	21.62
Total	76	100	74	100

(Source: Consumer Survey 2064)

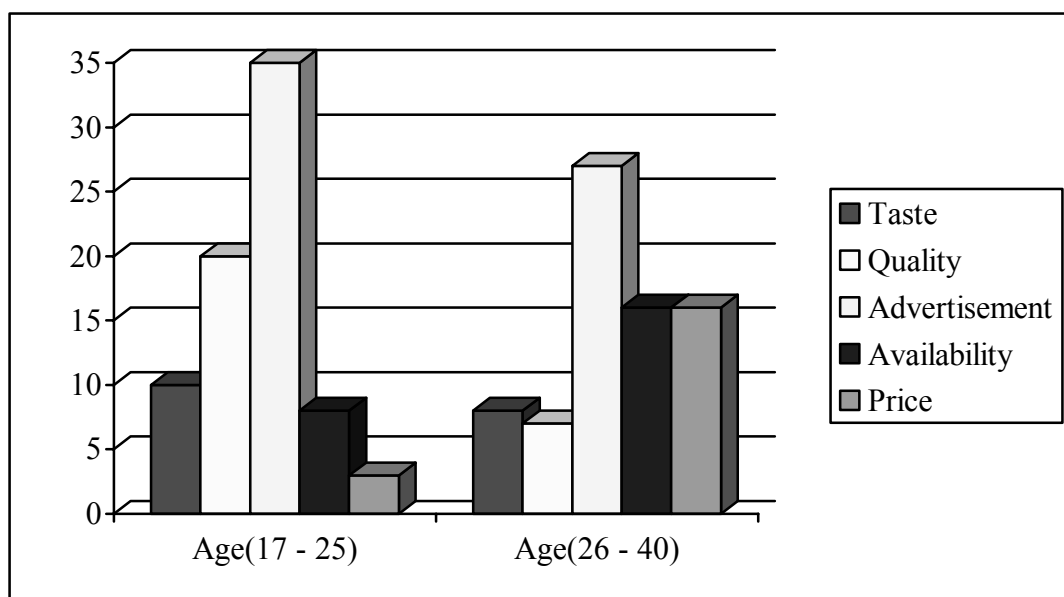
Table 4.19 is about the second reasons of brand switching. There are two integrated age groups. In the first age group 17-25, where, 13.51% switched the brand because of taste, 26.31% because of quality, 46.05% because of advertising, 10.52% because of availability and 3.95% because of price factor.

In the second age group 26-40, where 10.81% expressed their second reasons of brand switching because taste, 9.46% because of quality, 36.49% because of advertising, 21.62% because of availability and 21.62% because of price factor.

By the above study, it is concluded that most of the consumer's second reasons for brand switching is advertising than any other factors by the age group.

The responses obtained from the respondent on 2nd major reason for brand switching of soft drink by age can be presented in the bar diagram as shown below:

Figure No. 4.19.1 Second Reasons for Brand Switching of Soft Drink by Age



(Source: Table No. 4.19)

4.20. Role of Advertising in changing Brand of soft Drink by age

The mention heading is related with the role of advertising in changing brand of soft drink by age.

Table 4.20.1 Role of Advertisement in Changing Brand of Soft Drink by Age

Reasons	Age (17-25)		Age (26-40)	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Advertisement is fully responsible	22	28.95	30	40.54
Advertisement is responsible to some extent	43	56.58	27	36.48
I don't know	-	-	4	5.4
Advertisement played not much role	10	13.16	8	10.81
Advertisement played no role at all	1	1.31	5	6.76
Total	76	100	74	100

(Source: Consumer Survey 2064)

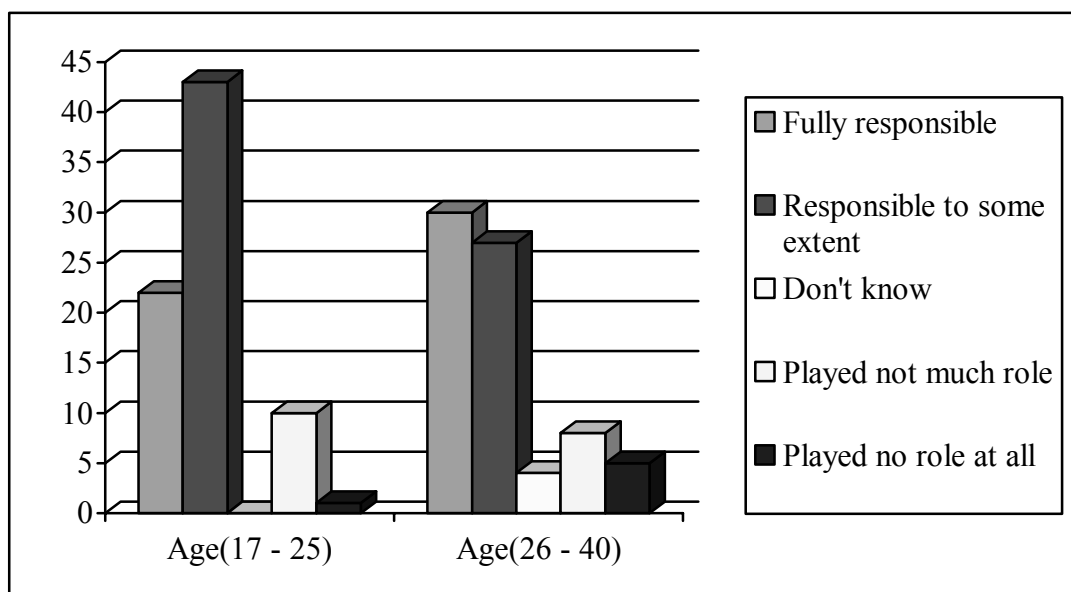
Table 4.20 indicates the role of advertisement in changing brand of soft drink. In the first case the respondent age of 17-25 where, 28.95% have expressed advertisement is fully responsible, 56.58% supposed its role up to some extent, none of them are indifferent, 13.16% expressed that advertisement played not much role and 1.31% in favor of advertisement played no role at all.

From the same Table 4.20, in the second case the respondents age of 26-40, where, 40.54% accepted the role of advertisement positively, 36.48% agreed to accept its role up to some extent, 5.4% don't know the role of advertisement, 10.81% expressed that advertisement played not much role and 6.76% in favor of advertisement played no role at all.

By the above table, it is concluded that advertisement plays an important role in changing brand of soft drink.

The responses obtained from the respondent on role of advertising in changing brand of soft drink by age can be presented in the bar diagram as shown below:

Figure No. 4.20: Role of Advertisement in Changing Brand of Soft Drink by Age



(Source table 4.20.1)

4.21. Essence of Effective advertising for S.D according to gender

The above mentioned heading deals with the essence of effective advertising for S.D according to gender.

Table 4.21.1. Essence of Effective Advertising for Soft Drink According to Gender

Advertisement	Male		Female	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Informative	22	28.95	18	24.32
Entertaining	26	34.21	30	40.55
Persuasive	3	3.95	3	4.05
Reminding the Product	25	32.89	23	31.08
Total	76	100	74	100

(Source: Consumer Survey 2064)

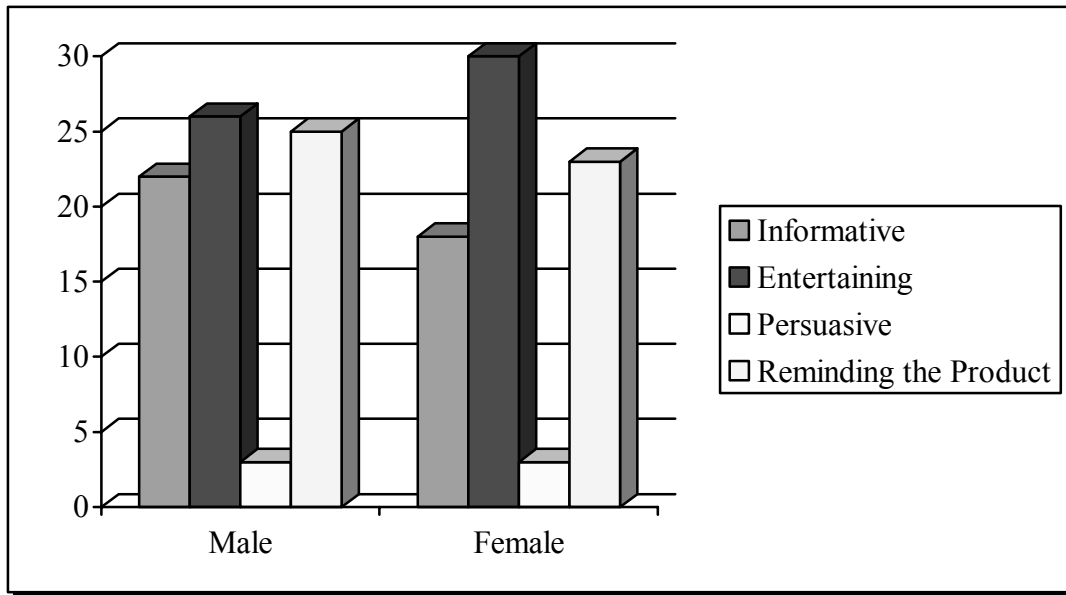
Table 4.21 is related to the essence of effective advertising for soft drink according to gender. In the case of male respondents the table shows that 28.95% like the informative type of advertisement, 34.21% like entertaining type of advertisement, 3.95% like persuasive type of advertisement and 32.89% like reminding the product type of advertisement.

The same table shows that 24.32% female respondents like informative advertisement, 40.55% entertaining, 4.05% persuasive and 31.08% like reminding the product type of advertisement.

In both case most respondents like entertaining advertisement than other type of advertisement.

The responses obtained from the respondent on essence of effective advertising of soft drink according to gender can be presented in the bar diagram as shown below:

Figure No. 4.21: Essence of Effective Advertising for Soft Drink According to Gender



(Source: Table No. 4.21.1)

4.22. Advertisement Believability of S.D according to gender

The above mention deals with the believability of advertising
According to gender.

Table 4.22.1 Advertisement Believability of Soft Drink According to Gender

Advertisement	Male		Female	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
I believe fully	23	30.26	35	47.3
I believe to some extent	45	59.21	30	40.55
I don't know	2	2.63	3	4.05
I don't believe so much	3	3.95	4	5.4
I don't believe at all	3	3.95	2	2.7
Total	76	100	74	100

(Source: Consumer Survey 2064)

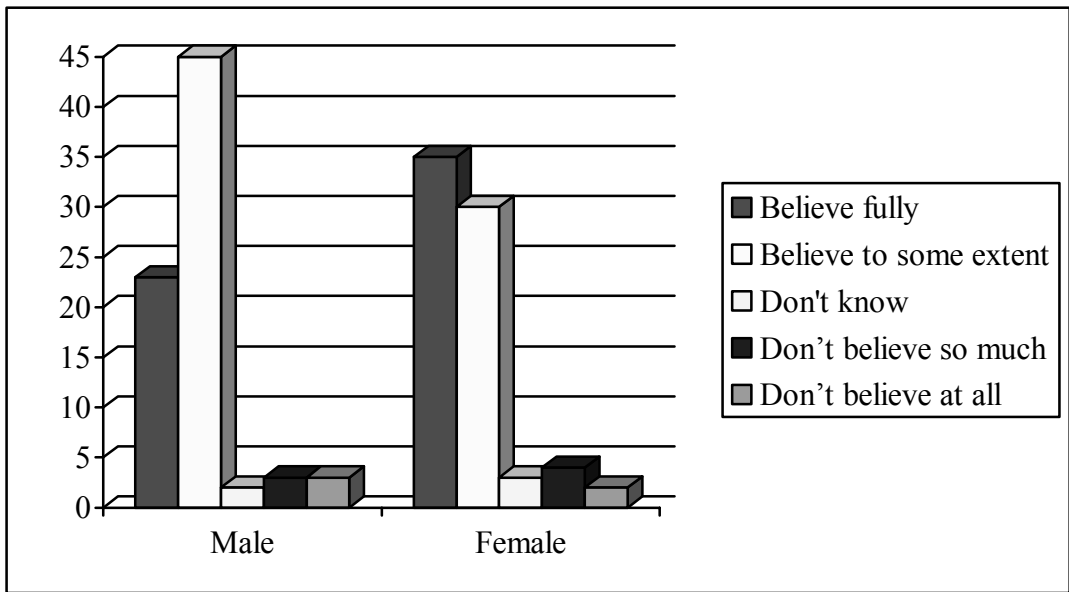
Table 4.22 shows the advertisement believability of soft drink according to gender. It is found that 30.26% believe fully in the advertisement, 59.21% believe to some extent, 2.63% don't know how far they believe , 3.95% show lower degree of believability and 3.95% don't believe in the advertisement in case of male respondents.

The same table indicates that 47.3% female respondents believe fully, 40.55% believe to some extent, 4.05% haven't expressed any view, 5.4% show lower degree of believability and 2.7% don't believe at all the role of advertisement in course of brand selection.

In both case advertisement believability is satisfactory since most respondents believe on it.

The responses obtained from the respondent on advertisement believability of soft drink according to gender can be presented in the bar diagram as shown below:

Figure No.4.22.1. 1Advertisement Believability of Soft Drink According to Gender



(Source: Table No. 4.22.1)

Table 4.23.1 :Advertisement Preference of Soft Drink According to Gender

Advertising	Male		Female	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Coke	28	36.84	38	51.35
Pepsi	22	28.95	5	6.75
Both	23	30.26	28	37.85
None of Them	3	3.95	3	4.05
Total	76	100	74	100

(Source: Consumer Survey 2064)

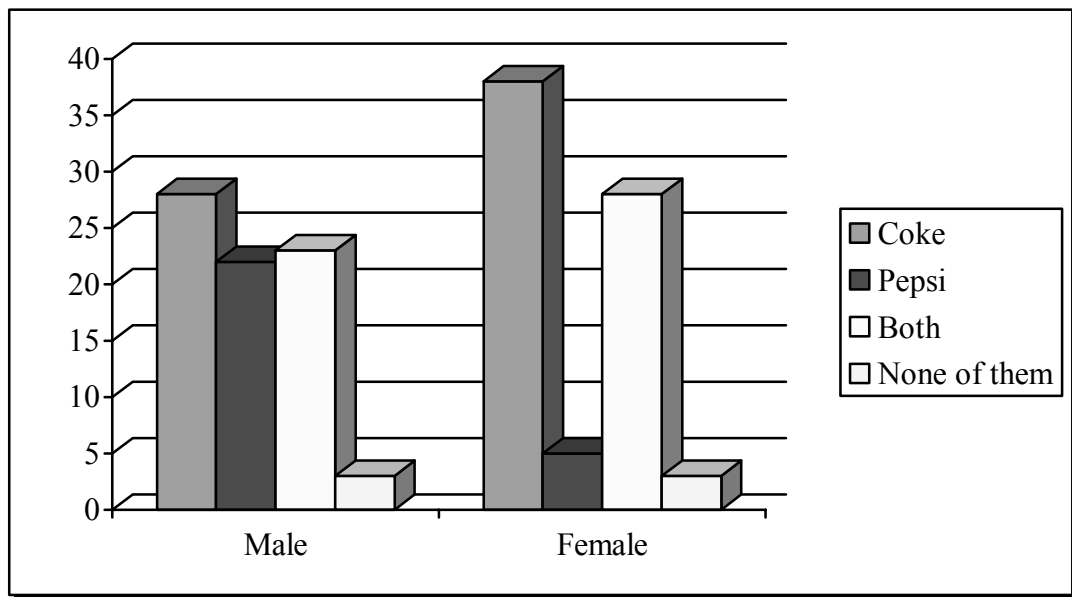
Table 4.23 shows the advertisement preference of soft drink according to gender. Where it found that from the male respondents 36.84% prefer the advertisement of Coke, 28.95% prefer the advertisement of Pepsi, 30.26% prefer the advertisement of both the products and 3.95% prefer none of their advertisement.

The same table indicates that from the female respondents 51.35% prefer the advertisement of Coke, 6.75% prefer the advertisement of Pepsi, 37.85% prefer the advertisement of both the products and 2.27% prefer none of their advertisement.

In both cases, it is found that most of the respondents prefer the advertisement of Coke than of Pepsi.

The responses obtained from the respondent on advertisement preference of soft drink according to gender can be presented in the bar diagram as shown below:

Figure No. 4.23.1. Advertisement Preference of Soft Drink According to Gender



(Source: Table No. 4.23.1)

4.24 Major reason of Brand Switching of S.D according to gender

This is related with the major reason of brand switching of soft drink according to gender.

Table 4.24.1: Major Reasons of Brand Switching of Soft Drink According to Gender

Reasons	Male		Female	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Taste	40	52.63	43	58.11
Quality	21	27.63	13	17.57
Advertising	8	10.52	9	12.16
Availability	5	6.58	5	6.76
Price	2	2.64	4	5.4
Total	76	100	74	100

(Source: Consumer Survey 2064)

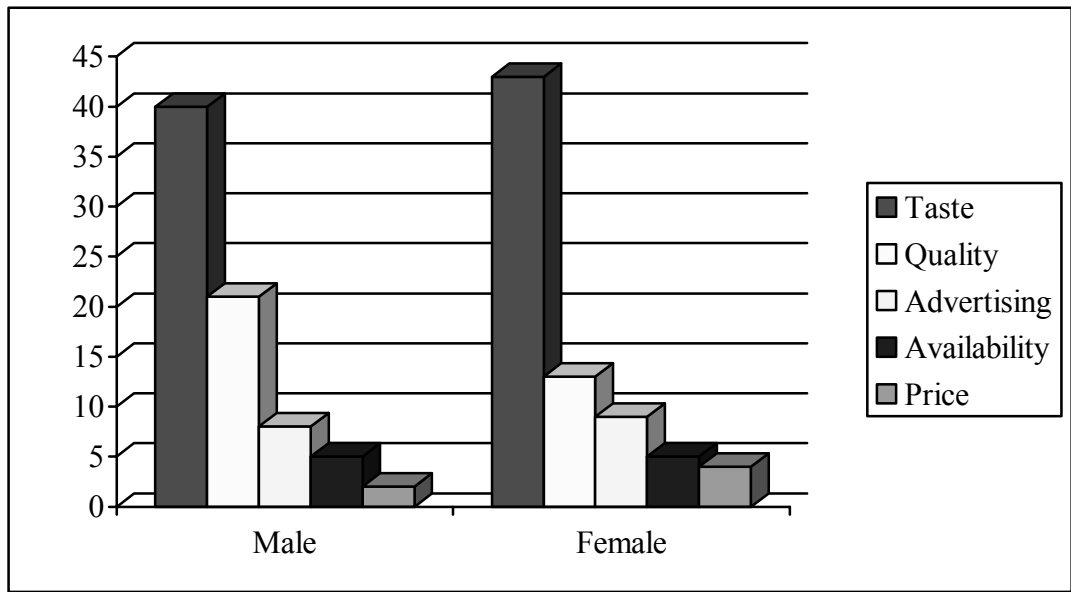
Table 4.24 related to the major reasons of brand switching of soft drink according to gender. In view of male respondents 52.63% switched to current brand because of taste, 27.63% because of quality, 10.52% because of advertising, 6.58% because of availability and 2.64% because of price factor.

From the same table, in case of female respondents 58.11% switched to current brand because of taste, 17.57% because of quality, 12.16% because of advertising, 6.76% because of availability and 5.4% because of price factor.

In both the cases major reasons for brand switching is taste factor, which holds the greatest position by the respondents.

The responses obtained from the respondent on major reason of brand switching of soft drink according to gender can be presented in the bar diagram as shown below:

Figure No. 4.24.1: Major Reasons of Brand Switching of Soft Drink According to Gender



(Source: Table No. 4.24)

4.25. Second reason of Brand switching of S.D according to gender

This is related with second reason of brand switching of soft drink according to gender.

Table 4.25.1: Second Reasons of Brand Switching of Soft Drink According to Gender

Reasons	Male		Female	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Taste	7	9.21	10	13.51
Quality	13	17.11	14	18.92
Advertising	35	46.05	27	36.49
Availability	11	14.47	15	20.27
Price	10	13.16	8	10.81
Total	76	100	74	100

(Source: Consumer Survey 2064)

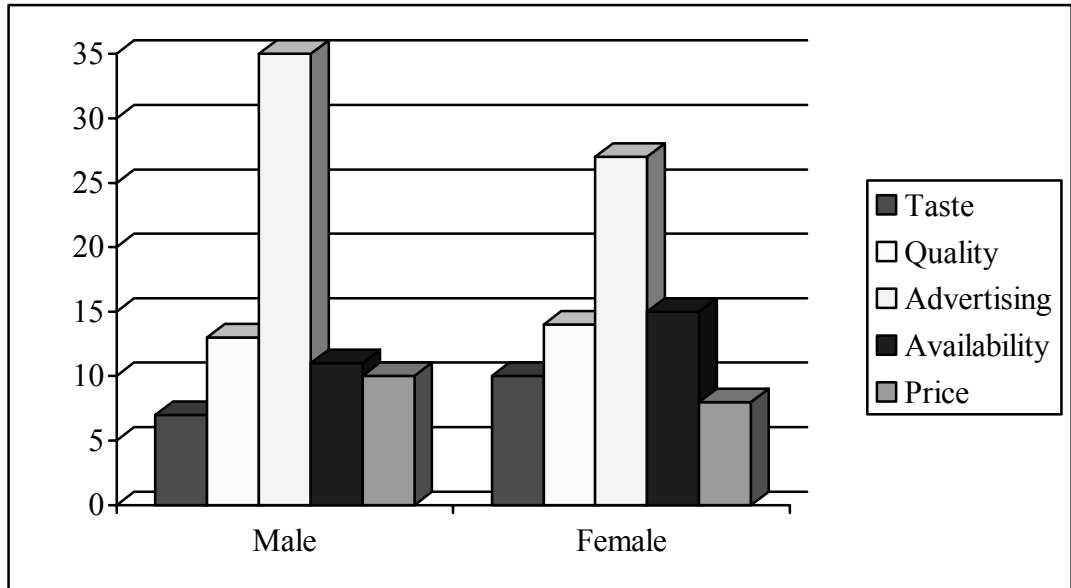
Table 4.25 shows the second reasons of brand switching of soft drink according to gender. In case of male respondents 9.21% switched their brand because of taste, 17.11% because of quality, 46.05% because of advertising, 14.47% because of availability and 13.16% because of price factor.

The same table shows that 13.51% of female respondents switched to current brand because of good taste, 18.92% because of quality, 36.49% because of advertisement, 20.27% because of availability and 10.81% because of price factor.

In both case advertising of the product is the main cause of the second reason for brand switching.

The responses obtained from the respondent on 2nd reason of brand switching of soft drink according to gender can be presented in the bar diagram as shown below:

Figure No. 4.25: Second Reasons of Brand Switching of Soft Drink According to Gender



(Source: Table No. 4.25)

4.26. Role of advertising in switching brand of S.D

The mention heading is related with the role of advertising in switching Brand of soft drink according to gender.

Table 4.26.1 Role of Advertising in Switching Brand of Soft Drink According to Gender

Advertisement Degree	Male		Female	
	No. of Res.	Percent (%)	No. of Res.	Percent (%)
Advertisement is fully responsible	27	35.53	23	31.08
Advertisement is responsible to some extent	30	39.47	40	54.05
I don't know	3	3.95	-	-
Advertisement played not much role	11	14.47	7	9.46
Advertisement played no role at all	5	6.58	4	5.41
Total	76	100	74	100

(Source: Consumer Survey 2064)

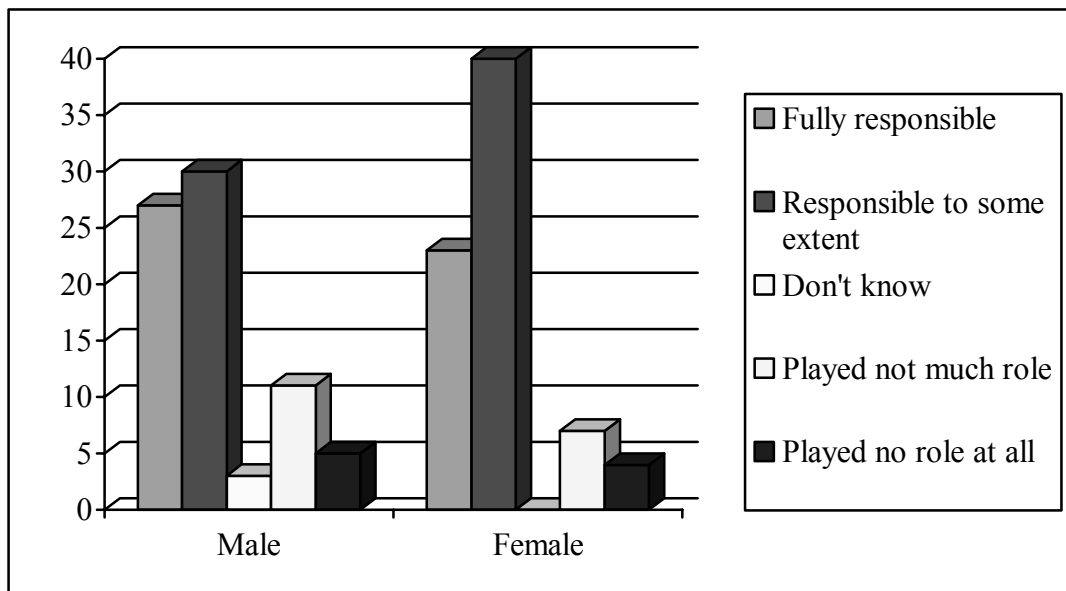
Table 4.26 is related to the role of advertisement in switching brand of soft drink according to gender. The table shows that 35.33% male respondents believe the role of advertisement as fully responsible, 39.47% believe it's role up to some extent, 3.95% don't know the role of advertisement, 14.47% don't believe so much role of advertisement and 6.58% don't believe at all the role of advertisement.

From the same table the female respondents, 31.08% believe the role of advertisement as fully responsible, 54.05% believe it's role up to some extent, no response for don't know the role of advertisement, 9.46% don't believe so much role of advertisement, and 5.41% don't believe at all the role of advertisement.

In both the cases, the role of advertisement in changing brand habits is found effective.

The responses obtained from the respondent on role of advertising in brand switching of soft drink according to gender can be presented in the bar diagram as shown below:

Figure No. 4.26.1: Role of Advertising in Switching Brand of Soft Drink According to Gender



(Source: Table No. 4.26.1)

4.27. Advertising believability of soft drink according to family size

The above mention topic is related with the advertising believability of soft drink according to family size.

Table 4.27.1: Advertising Believability of Soft Drink According to Family Size

Response Degree	Living Alone		With friends		Large Family		Small Family		Total
	Res. No.	(%)	Res. No.	%	Res. No.	%	Res. No.	%	
I believe fully	15	39.47	12	31.57	18	48.65	13	35.14	58
I believe to some extent	15	39.47	20	52.63	17	45.95	24	64.86	76
I don't know	5	13.16	-	-	-	-	-	-	5
I don't believe so much	3	7.90	3	7.9	-	-	-	-	6
I don't believe at all	-	-	3	7.9	2	5.4	-	-	5
Total	38	100	38	100	37	100	37	100	150

(Source: Consumer Survey 2064)

Table 4.27 shows the advertisement believability of soft drink according to family size. In the case of consumer living alone 39.47% believe fully, 39.47% believe up to some extent, 13.16% don't know whether they believe or not, 7.90% don't believe so much and no response for don't believe at all.

Similarly among the respondent who live with friends 31.57% believe fully, 52.63% believe to some extent, no response for don't know whether they believe or not, 7.9% don't believe so much and 7.9% don't believe at all.

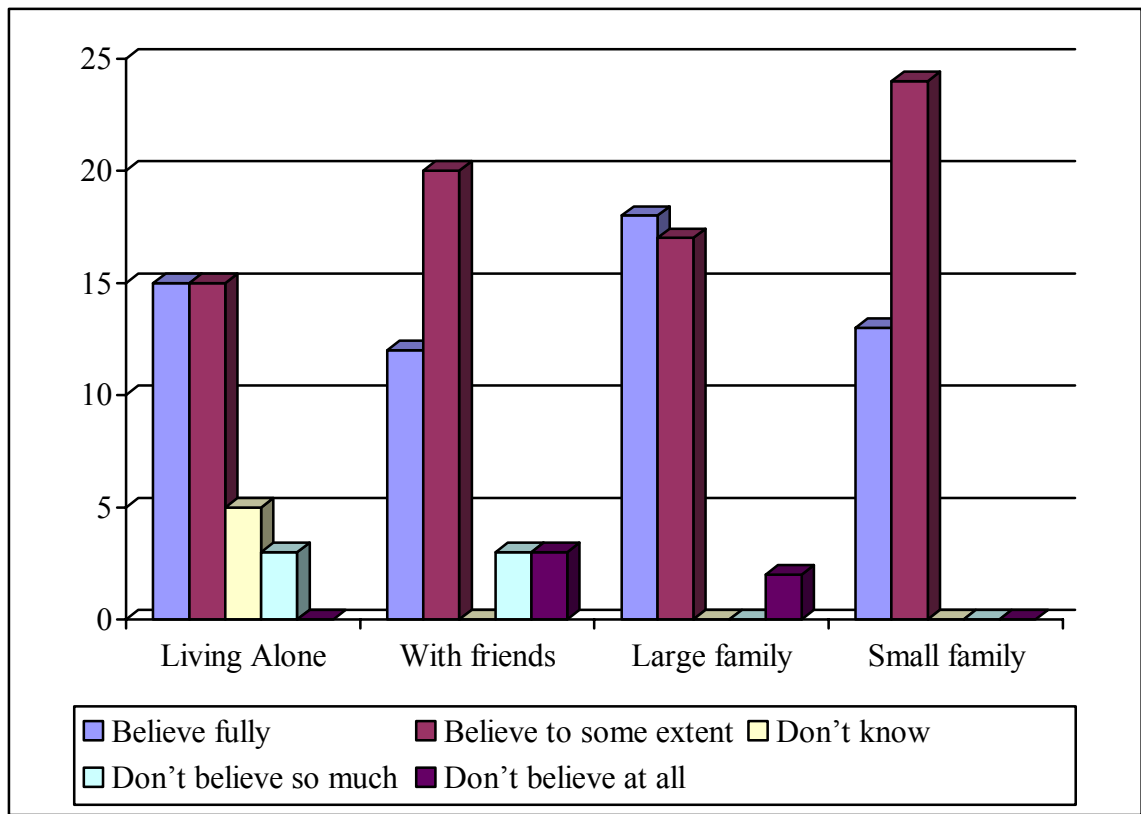
Likewise, the respondent of small family responded that 48.65% believe fully, 45.95% believe to some extent, no response for don't know whether they believe or not, no response for don't believe so much and 5.4% don't believe at all.

Among the respondents who are from large family 35.14% believe fully, 64.86% believe up to some extent, no response for don't know whether they believe or not, no response for don't believe so much and no response for don't believe at all.

In all the cases most of the respondents have shown advertising believability fully and up to some extent. So, it can be regarded as the role of advertisement positively.

The responses obtained from the respondent on role of advertising believability of soft drink according to family size can be presented in the bar diagram as shown below:

Figure No. 4.27.1: Advertising Believability of Soft Drink According to Family Size



(Source: Table No. 4.17)

4.28. Advertisement Preference of S.D according to Family Size

The mention heading deals with the advertisement preference of soft drink according to family size.

Table 4.28.1: Advertisement Preference of Soft Drink According to Family Size

Prefer	Living Alone		With friends		Small family		Large family		Total
	Res. No.	%	Res. No.	%	Res.No.	%	Res. No.	%	
Coke	13	34.21	16	42.10	20	54.06	17	45.94	66
Pepsi	5	13.16	8	21.05	7	18.92	7	18.92	27
Both	18	47.37	12	31.58	8	21.62	13	35.14	51
None of them	2	5.26	2	5.26	2	5.4	-	-	6
Total	38	100	38	100	37	100	37	100	150

(Source: Consumer Survey 2064)

Table 4.28 shows the advertisement preference of soft drink according to family size. In the case of consumer living alone 34.21% prefer the advertisement of Coke, 13.16% Pepsi, 47.37% both the products and 5.26% prefer none of their advertisement.

Similarly, among the respondents who live with friends 42.10% prefer the advertisement of Coke, 21.05% Pepsi, 31.58% both the products and 5.26% prefer none of their advertisement.

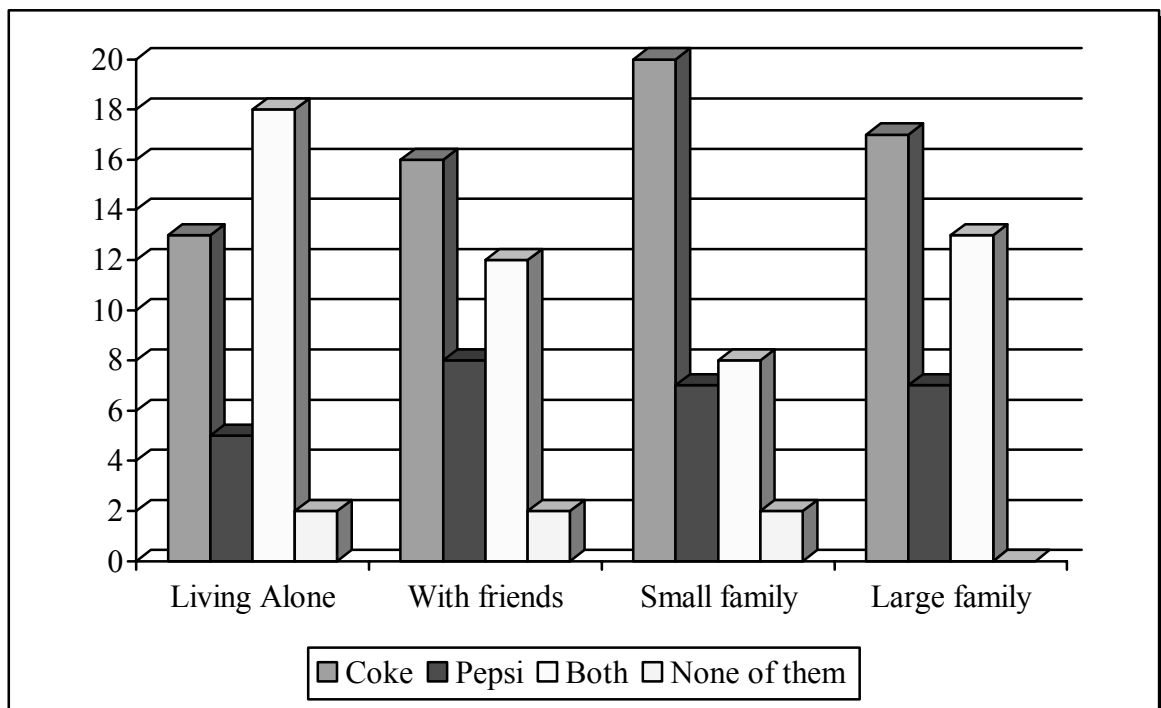
Likewise, the respondents of small family responded that 54.06% prefer the advertisement of Coke, 18.92% Pepsi, 21.62% both the products and 5.4% prefer none of their advertisement.

Among the respondents who belong to large family 45.94% prefer the advertisement of Coke, 18.92% Pepsi, 35.14% both the products and no response for preference of none of their advertisement.

In all the cases most of the respondents prefer the advertisement of Coke than Pepsi. So, the advertisement of Coke is regarded as the best tool for brand loyalty.

The responses obtained from the respondent on role of advertising preference of soft drink according to family size can be presented in the bar diagram as shown below:

Figure No. 4.28.1: Advertisement Preference of Soft Drink According to Family Size



(Source: Table No. 4.28.1)

4.29. Major reason for brand switching of S.D according to family size

The mention heading deals with the major reason for brand switching according to family size.

Table 4.29.1: Major Reasons for Brand Switching of Soft Drink According to Family Size

Reasons	Living Alone		With friends		Small family		Large family		Total
	Res. No.	%	Res. No.	%	Res. No.	%	Res. No.	%	
Taste	25	65.8	26	68.42	23	62.16	9	24.32	83
Quality	5	13.16	10	26.32	7	18.92	13	35.16	35
Advertisement	3	7.89	-	-	5	13.51	8	21.62	16
Availability	3	7.89	2	5.26	2	5.41	5	13.51	12
Price	2	5.26	-	-	-	-	2	5.4	4
Total	38	100	38	100	37	100	37	100	150

(Source: Consumer Survey 2064)

Table 4.29 deals with the major reasons of brand switching of soft drink according to family size. In the case of respondents living alone 65.8% switched to current brand because of taste, 13.16% because of better quality, 7.89% for advertising, 7.89% because of availability, and 5.26% for price factor.

Similarly, among the respondents living with friends 68.42% switched to current brand because of its good taste, 26.32% because of its better quality, no response because of advertising, 5.26% because of availability and no response for price factor.

Likewise, respondents living in small family switched to current brand 62.16% because of its good taste, 18.92% because of its better quality,

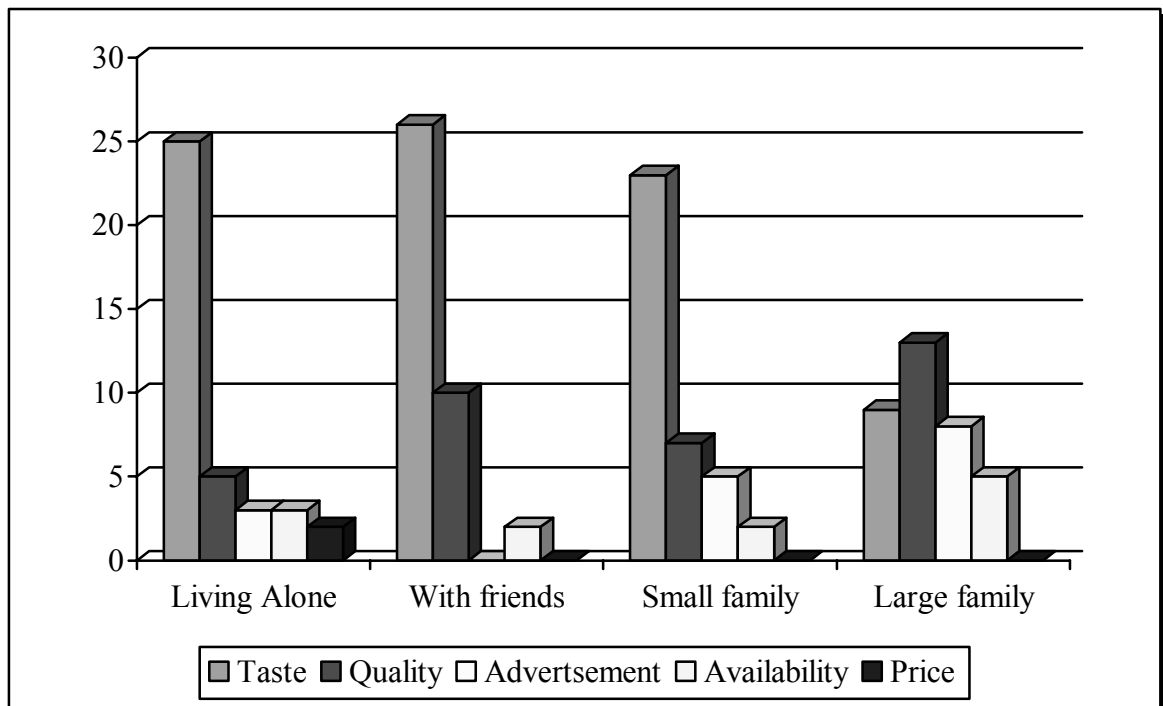
13.51% because of effective advertising, 5.41% because of availability and no response for price factor.

The same table shows 24.32% respondents who are from large family switched to current brand because of taste, 35.16% because of quality, 21.62% because of advertising, 13.51% because of availability and 5.4% because of price factor.

In all the cases most of the respondents' major reasons switching to current brand is taste and quality. So, taste and quality are the major considerable factors for brand loyalty.

The responses obtained from the respondent on major reason for brand switching of soft drink according to family size can be presented in the bar diagram as shown below:

Figure No. 4.29.1: Major Reasons for Brand Switching of Soft Drink According to Family Size



(Source: Table No. 4.29.1)

4.30. 2nd reason for brand switching of S.D. according to family size

The mention heading deals with the 2nd reason for brand switching of soft drink according to family size.

Table 4.30.1: 2nd Reasons for Brand Switching of Soft Drink According to Family Size

Reasons	Living Alone		With friends		Small family		Large family		Total
	Res. No.	%	Res. No.	%	Res. No.	%	Res. No.	%	
Taste	2	5.26	7	18.42	8	21.62	3	8.10	20
Quality	8	21.05	5	13.16	8	21.62	10	27.03	31
Advertisement	17	44.74	14	36.84	12	32.44	12	32.44	55
Availability	6	15.79	6	15.79	5	13.51	5	13.51	22
Price	5	13.16	6	15.79	4	10.81	7	18.92	22
Total	38	100	38	100	37	100	37	100	150

(Source: Consumer Survey 2064)

Table 4.30 shows the second reasons of brand switching of soft drink according to family size. In the case of respondents living alone 5.26% switched to current brand because of taste, 21.05% because of quality, 44.74% because of effective advertising, 15.79% because of availability and 13.16% because of price factor.

Similarly, among the respondents living with friends 18.42% switched to current brand because of taste, 13.16% because of quality, 36.84% because of effective advertising, 15.79% because of availability and 15.79% because of price factor.

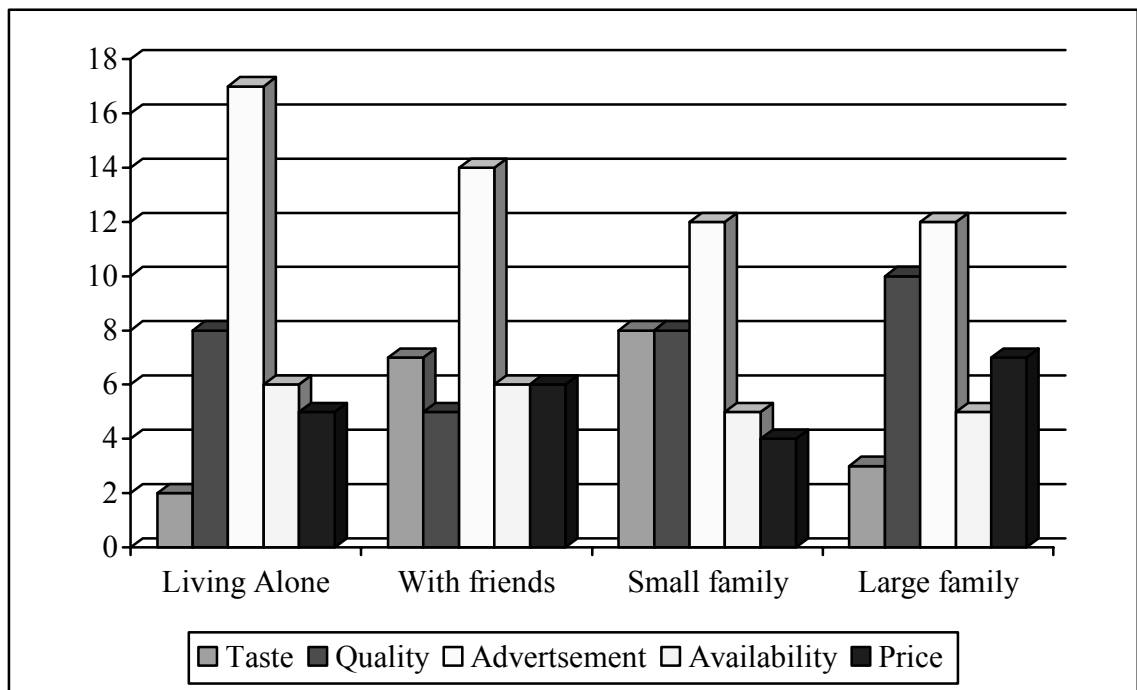
Likewise, respondents living in small family switched to current brand 21.62% because of taste, 21.62% because of quality, 32.44% because of effective advertising, 13.51% because of availability and 10.81% because of price factor.

Among the respondents who are belong to large family 8.10% switched to current brand because of taste, 27.03% because of quality, 32.44% because of effective advertising, 13.51% because of availability and 18.92% because of price factor.

In all the cases most of the respondents second reason of switching to current brand is effective advertising. So, effective advertising is regarded as the best tool for brand switching and brand loyalty as well.

The responses obtained from the respondent on 2nd reason for brand switching of soft drink according to family size can be presented in the bar diagram as shown below:

Figure No. 4.30.1: Major Reasons for Brand Switching of Soft Drink According to Family Size



(Source: Table No. 4.30.1)

4.31. Role of advertising in changing of S.D according to family size

The above mention heading deals with the role of advertising in changing of soft drink according to family size.

Table 4.31.1: Role of Advertising in Changing of Soft Drink According to Family Size

Advertisement Degree	Living Alone		With friends		Large Family		Small Family		Total
	Res. No.	(%)	Res. No.	%	Res. No.	%	Res. No.	%	
Advertisement is fully responsible	10	26.32	16	42.10	18	48.65	7	18.92	51
Advertisement is responsible to some extent	20	52.63	16	42.10	12	32.44	22	59.46	70
I don't know	-	-	2	5.26	-	-	2	5.4	4
Advertisement played not much role	5	13.16	4	10.54	7	18.91	3	8.11	19
Advertisement played no role at all	3	7.89	-	-	-	-	3	8.11	6
Total	38	100	38	100	37	100	37	100	150

(Source: Consumer Survey 2064)

Table 4.31 shows the role of advertising in changing brand of soft drink according to family size. In the case of respondents living alone 26.32% believe the role of advertisement fully, 52.63% believe up to some extent, no response for don't know whether they believe or not, 13.16% believe not so much, and 7.89% don't believe in the role of advertisement in changing brand.

In case of respondents living with friends 42.10% believe fully the role of advertisement in course of changing brand, 42.10% believe up to some extent, 5.26% don't know whether they believe or not, 10.54% believe not so much, and no response for don't believe the role of advertisement in changing brand.

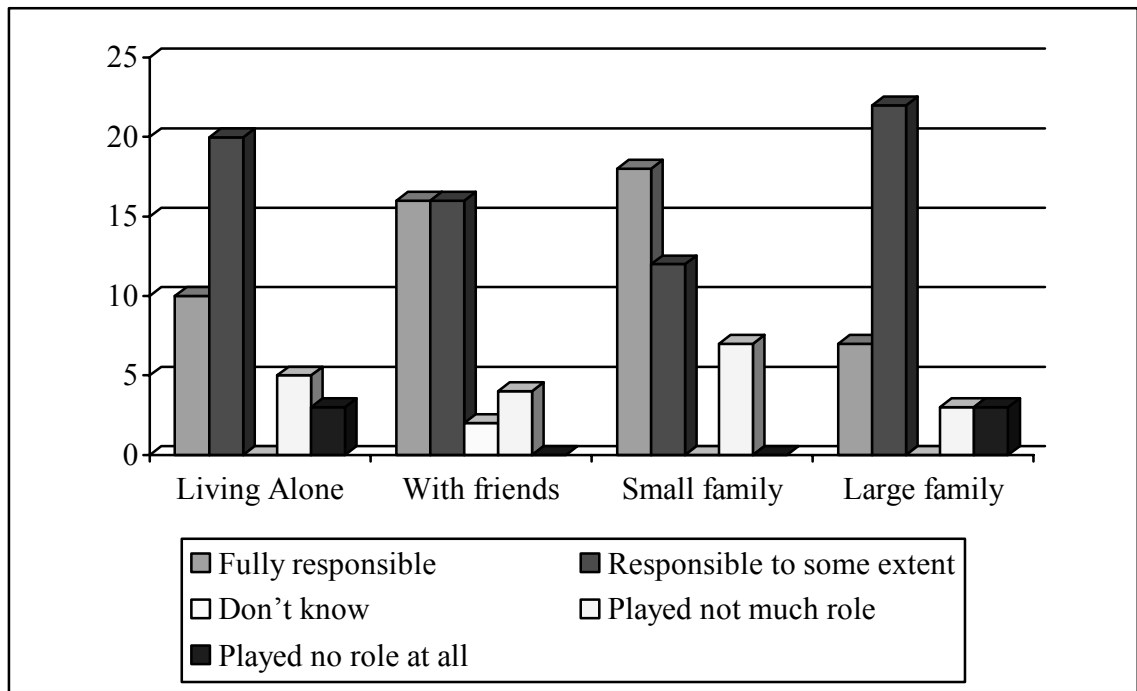
Among the respondents of small family 48.65% believe the role of advertisement as fully responsible, 32.44% believe up to some extent, no response for don't know whether they believe or not, 18.91% don't believe its role so much and no response for don't believe the role of advertisement in changing brand.

Likewise, among the respondents who are from large family 18.92% believe the role of advertisement fully, 59.46% believe up to some extent, 5.40% don't know whether they believe or not, 8.11% don't believe so much and 8.11% don't believe the role of advertisement in changing brand of soft drink. Advertising has super power in course of changing brand than any other promotional tools.

In all the cases most of the respondents believe fully and up to some extent in the role of advertisement for changing brand of soft drink. So, the role of advertising is regarded important for brand loyalty in course of soft drink.

The responses obtained from the respondent on role of advertising changing of soft drink according to family size can be presented in the bar diagram as shown below:

Figure No. 4.31.1: Role of Advertising in Changing of Soft Drink According to Family Size



(Source: Table No. 4.31.1)

MAJOR FINDINGS OF THE STUDY

- Both Coca-Cola and Pepsi-Cola realize the essence of advertising in the present situation.
- Advertising is the main source of information about particular brand as well as most sensitive subject in the country in the course of promotion.
- Advertising plays an important role in changing brand of soft drink.
- Soft drink holds the second position in consumption after tea among the drinks in Nepalese market.
- Brand awareness of the Nepalese consumers is found high.
- Majority of Nepalese consumers are found brand loyal.
- Mostly consumers are involved by themselves in purchasing of soft drink.
- Most of the consumer's brands choices decisions about mentioned products are depend on themselves.
- Most of the consumer's have given first preference to the taste of the product while the quality of the product is considered second important factor in case of soft drink.
- Most of the consumer's first choice as soft drink is Coke than others.
- Pepsi holds the second position among consumers in Nepalese market.
- Most of the consumers like entertaining advertisement than other types of advertisement.
- Most of the consumers have shown satisfactory level of reaction about advertisement believability.
- It is found that advertisement has a great contribution for purchase of soft drink.
- Most of the consumers prefer the advertisement of Coke than of Pepsi.
- Consumers' first reasons of brand switching are taste and quality of the product.

- Repeating an advertisement more frequently than the competitor affects brand loyalty.
- Consumers' second reason of brand switching is advertising.
- Advertising plays an important role in brand loyalty behavior of consumers in case of soft drink.
- Role of variables are independent with age, sex, and family size while selecting soft drink.
- The role of advertising in changing brand habits is found effective.
- The taste and quality of the product are the major considerable factor for brand loyalty.
- The role of advertising is regarded important for brand loyalty in the course of soft drink.

CHAPTER – V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 SUMMARY

The big companies are now-a-days employing the most modern methods of advertising and sales promotion to boost the sales of their products. Through advertisement an interest in the buyers is created in favor of the product. So, every manufacturer wants and tries his best to make the consumers ‘loyal’ to the brand of his products. Consumers according to their faith or trust on quality prefer one brand to others. In fact, today a product to be sold successfully needs better promotion and presentation. Before launching advertising campaign advertisers should be careful in the analysis of his product, market trade, channels and competitions. He must study the character of trade, the territory to be covered, the media available, the audience to be reached and the other sales force that are to be utilized in conjunction to the advertising. An effective advertisement results consumers to be brand loyal and at the same time, an important tool for developing a positive attitude towards particular brand.

It is found that Nepalese market has not yet reached its full potential growth although the essence of advertising is well recognized as an important promotional tool of persuasion to the mass. However, it is observed that there is a great scope for the advertisement in Nepal. When we compared advertising with other progressive countries Nepal is much lagging behind in the field of constructive advertising. Therefore advertising should be developed as the foundation of business than a luxury. The manufactures must convince of its effectiveness in selling products in Nepalese market.

Nepalese consumers of soft drink from Kathmandu Valley are considered population of this study. 150 respondents responded for this study and gave the full information required for this study on the basis of judgmental sampling. A well set of questionnaire is the main source of information, which are served, collected, and tabulated for analysis. At the time of data analysis possible statistical tools and percentile methods have been uses so as to attain the stated objectives of the study.

By the interpretation and analysis of data and information collected from the consumer's it is found that advertising is the main source of information and key tool to motivate and persuade consumers for brand loyalty. Advertising supports, motivates and excites consumers on their decision making process. It results consumers' strong faith or belief on a particular brand so that they repurchase the same brand. It is life blood of modern marketing, especially in course of promotion. Being alone, advertising never does the expected job. To make advertising more effective, co-ordination and good integration among promotional variables are required. First time purchase generally occurs because of advertising but to make consumers frequent purchasers the role of taste and quality hold upper position than advertising.

5.2 RECOMMENDATIONS

Consumers are the sovereign power of the modern marketing world. The products manufacturer today are not the ones that the manufactures want to sell but the ones that the consumers want to buy. The consumers are always right. Every successful product in the modern marketing world is an embodiment of the consumers' needs, wants, prestige, preference, satisfaction, inspiration and mental horizon. Hence, understanding the consumer's needs, wants, satisfaction, preference, inspiration and mental horizon or understanding the consumers in total is the secret of success today.

Knowledge of brand loyalty makes it easier to understand the consumers. Brand loyalty exposes the consumers' preference attitude and purchasing pattern relating to different brands available in the market. These factors like preference, attitude, purchasing pattern etc. are to great extent directly or indirectly related with the consumers' satisfaction, social status, earning aspiration and ambition.

The Nepalese consumers market is growing rapidly. Competition is being tough day by day. So, understanding the role of advertising in brand loyalty is a very effective measure to increase the competitive strength of manufactures. The following recommendations are made on the basis of findings of the study.

1. **Use popular media for advertising:** Consumers are highly aware of brands through advertising at the pioneering stage, it is only one tool which reaches to the mass economically, so marketers are suggested to advertise their products through popular media i.e. television.
2. **Encourage Consumers to use brand:** As a whole advertising believability is found satisfactory, it tells people about the facts related with products and services. But unfortunately, there is too much of untruthful, misleading, deceptive and exaggerated advertising to attract the consumers. Advertising effectiveness depends a great deal upon consumer's belief. So, to make the advertising more believable and effective, it should be primarily concentrated towards the well being of consumers by providing truthful and acceptable message. Interest has been shifting from how consumers choose brands to how they use brands. Advertising can best encourage consumers to use a brand.

3. **Realization of Local market needs:** Being an international brand is just not sufficient to make a brand sell. International image does definitely carry some value but it is not a rule that every international brand does have that image which can influence the local market. Though especially Pepsi should have to realize the importance of localization so that the local people can feel it is not a stranger.
4. **Effective advertisement necessary:** The role of advertising in course of brand loyalty is found to be quite effective, so to make the role stronger, other marketing variables such as product, price. Promotion and place should be forwarded soundly and coordinated integration among them as felt necessary.
5. **Influencing:** Advertising brings consumers to the store. Most of the consumers are found brand loyal even though their loyalty is not strong and entrenched. If they don't get the desired brand, they use the alternative brand; in this case, brand loyalty is broken due to unavailability of the product (brand). So, the marketers are suggested give proper attention on their distribution system.
6. **Entertaining:** At the time, when consumers are already familiar about product (brand) then marketers are suggested to provide entertaining type of advertisement which creates positive image towards brand.
7. **Qualitative advertisement:** As it is stated that the success of any products is depended on consumers frequent purchase behavior, and it is largely determined by the satisfaction received by consumption. So, to make advertising role more effective, the advertisement should be in time, more creative, unique in design or style with truthful information, furthermore a unique taste and excellent quality with reasonable price.

8. **Continuous study:** Studies on brand loyalty should be made on continuous basis, so that it will give effective guideline for developing successful marketing strategy.

5.3 CONCLUSIONS

After examining the present advertising situation it has shown that advertising has been established as an important tool for consumer's product. Consumers get knowledge about product through advertising, so it is considered as primary source of information.

The study shows that Nepalese consumers give high importance to brand in consumers' product. Most of the Nepalese consumers are brand loyal and advertisement believability is found satisfactory. The role of brand advertising in brand loyalty is important but not ultimate. Most of the consumers are in favor of entertaining type of advertisement.

The study also shows that the company has to apply the advertising with social dimension (non economic criteria). Brand loyalty varies across consumers. Some consumers are more brands loyal than other and vice versa. The major reasons of brand loyalty are the taste and the quality of the product. Consideration to different variables purchasing is not significantly different due to the age, sex and family size.

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APPENDIX - A

1. Calculation of Chi square test to show whether the consumer equally choose all types of brand of S.D

Preferred brand of Soft Drink

Preferred brand of soft drinks	No. (O)	E= N/n	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
Coca-Cola	80	16.67	63.33	4010.69	240.59
Pepsi	10	16.67	-6.67	44.49	2.67
Fanta	15	16.67	-1.67	2.79	0.16
Sprite	5	16.67	-11.67	136.19	8.17
Mirinda	6	16.67	-10.67	113.85	6.83
Frooti	5	16.67	-11.67	136.19	8.17
Dew	9	16.67	-7.67	58.83	3.53
Jolly	15	16.67	-1.67	2.79	0.16
Rio	5	16.67	-11.67	136.19	8.17
Total	150				$\sum \frac{(O-E)^2}{E} = 278.45$

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 278.45$$

Degree of freedom (d.f)=n-1=9-1=8

APPENDIX-B

1. Calculation of Chi square test to show the advertisement of soft drink has equal essence of effectiveness of brand of S.D.

Essence of Effective Advertising for Soft Drink

Essence of Effective Advertising	No. (O)	E= N/n	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
Informative	40	37.5	2.5	6.25	0.167
Entertaining	56	37.5	18.5	342.25	9.127
Persuasive	7	37.5	-30.5	930.25	31.008
Reminding the Product	47	37.5	9.5	90.25	2.407
Total	150				$\sum(\frac{(O-E)^2}{E}) = 42.709$

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 42.709$$

Degree of freedom (d.f)=n-1=4-1=3

Appendix - C

1. Calculation of Chi square test to show the advertising believability of brand of S.D.

Advertising Believability of Soft Drink

Response Degree	No. (O)	E= N/n	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
I believe fully	58	30	28	784	26.13
I believe to some extent	75	30	45	2025	67.5
I don't know	5	30	-25	625	20.83
I don't believe so much	7	30	-23	529	17.63
I don't believe at all	5	30	-25	625	20.83
Total	150				$\sum \frac{(O-E)^2}{E} = 152.92$

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 42.709$$

Degree of freedom (d.f)=n-1=5-1=4

Appendix-D

1. Calculation of Chi square test to show the reason for switching brand of S.D.

Reasons	No. (O)	E= N\n	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
Taste	83	30	53	2809	93.63
Quality	37	30	7	49	1.63
Advertising	15	30	-15	225	7.5
Availability	10	30	-20	400	13.33
Price	5	30	-25	625	20.83
Total	150				$\sum \frac{(O-E)^2}{E} = \mathbf{136.92}$

$$\chi^2 = \sum \frac{(O-E)^2}{E} = 136.92$$

Degree of freedom (d.f)=n-1=5-1=4

Appendix - E

1. Calculation of Chi square test to show the role advertising in changing of brand loyalty of S.D.

Response Degree	No. (O)	E= N\ <i>n</i>	(O-E)	(O-E) ²	$\frac{(O - E)^2}{E}$
Advertisement is fully Responsible	51	30	21	441	14.7
Advertisement is responsible to some extent	70	30	40	1600	53.33
I don't Know	3	30	-27	729	24.3
Advertisement played not much role	18	30	-12	144	4.8
Advertisement played no role at all	8	30	-22	484	16.13
Total	150				$\sum \frac{(O - E)^2}{E} = 113.26$

$$\chi^2 = \sum \frac{(O - E)^2}{E} = 113.26$$

Degree of freedom (d.f) = n-1=5-1=4