

MARKETING STRATEGIES OF BIO-GAS
COMPANY IN NEPAL

A Case Study of National Bio-Gas Company Pvt. Ltd.

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TABLE OF CONTENTS

Acknowledgements

Chapter	Page
I. INTRODUCTION	1-7
Background of the study	1
Statement of the Problem	6
Objectives of the Study	6
Importance of the Study	6
Delimitation of the Study	7
Organization of the Study	7
II. REVIEW OF LITERATURE	8-40
Conceptual Review	8
Review of Related Studies	29
III. RESEARCH METHODOLOGY	41-44
Research Design	41
Population and Sample	42
Nature and Sources of Data	42
Data Collection Procedure	43
Data Analysis Tools	43
Statistical Tools Used of the Study	43
Limitation of the Methodology used	44
IV. PRESENTATION AND ANALYSIS OF DATA	45-62
Data Presentation and Analysis	45
Major Findings of the Study	59
V. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	65-68
Summary	63
Conclusions	65
Recommendations	66
<i>BIBLIOGRAPHY</i>	
<i>APPENDICES</i>	

LIST OF TABLES

Table	Page
4.1 Promotional tools used by the company	46
4.2 Promotion Mix Tools used by NBG	47
4.3 Use of Promotional tools and their reasons	48
4.4 Planning period of promotional activity	49
4.5 Execution of Promotional Program	50
4.6 Time of launch of promotional programs	51
4.7 Methods of maintaining Public Relation	52
4.8 Monthly amount allocation on Promotion	53
4.9 Promotional Cost out of total marketing cost	54
4.10 Total number of Employees	56
4.11 Strengths and Weakness of National Bio Gas	58
4.12 Potential opportunities and threats for the Company	59

LIST OF FIGURES

Figure		Page
4.1	Promotional Tools Used by the Company	45
4.2	Best reason for choosing the promotional tools	47
4.3	Decision before Promotion	49
4.4	Execution of Promotional Program	50
4.5	Launching Promotional Plan	51
4.6	Methods of maintaining Public Relation	53
4.7	Promotional cost out of total marketing cost	54
4.8	Total number of employees	55
4.9	Effect of Promotional Expenses on Sales	56
4.10	Effect of Promotional Expenses on profit	57

ACRONYMS

ADB	:	Agricultural Development Bank
AEPC	:	Alternative Energy Promotion Center
BCCs	:	Biogas Coordination Committee
BSP	:	Bio Gas Support Program
DIG	:	Directorate General for International Cooperation
Fig.	:	Figure
FM	:	Frequency Modulation
FM	:	Frequency Modulation
FY	:	Fiscal Year
GGC	:	Gobar Gas Company
HMG	:	His Majesty's Government
IAP	:	Indoor Air Pollution
KFW	:	Kreditanstalt für Wiederaufbau
NBG	:	National Bio Gas
NBL	:	Nepal Bank Limited
NBPG	:	Nepal Bio Gas Promotion Group
NBSP	:	Nepal Biogas Support Program
NDO	:	Netherlands Development Organization
NEDIO	:	Nepal Energy Development Company
NGO	:	Non Governmental Organization
NS	:	Nepal Standard
NTFP	:	Non Timber Forest Product
RBB	:	Rastriya Banijya Bank
RET	:	Renewable Energy Technologies
SGP	:	Small Grunt Program
UNDP	:	United Nation Development Program
VDC	:	Village Development Committee
WB	:	World Bank
WHO	:	World Health Organization

CHAPTER

INTRODUCTION

1.1 Background of the study

Since the beginning, energy has been the basic need of humanity. Human life can hardly subsist without the use of energy. The global need is increasing rapidly with expansion of population and industrialization. Shortage of energy is a serious constraint to the achievement of sustainable development. Traditional energy sources such as, fuel wood, agriculture residue animal wastes characterizes the energy scenario of Nepal. Poorly managed forests have to shoulder this immense burden to meet the increasing demand for energy caused by both the rising population and the lack of development of alternative sources of energy. One of the alternative sources of energy for cooking in the rural areas is Bio-Gas. Nepalese agriculture is dominated by a mixed farming system in which crop and livestock husbandry is combined. This necessitates that every household maintains a few animals. The household having cattle's and buffalos are the potential users of Bio-Gas.

In Nepal, as per the availability of cattle holding households it is estimated that there is a technical potential of about 1.3 million household Bio-Gas plants. Among which 60% of the plant can be installed in Terai where as 37% in hills others potential in remote hills.¹ Bio-Gas technology is more popular for household use as it is not only give directly benefits to the farmers as cooking energy but also it helps to improve health, sanitation, time saving, cooking and using compost fertilizer.² Nepal's physio-geographical condition packs an extremely varied landscape in 147181 sq. km. in area. The country has nearly 885km length (east to west) and 193 km breadth (north to south). Ecologically Nepal is divided into three regions called the mountain region, hill region and terai region. The Himalayan range makes up the northern border of the country and represents 16% of the total land areas of Nepal. The hill

¹ BSP Nepal, *Annual work plans*, 2009.

² National Biogas Company Pvt. Ltd., *Annual report* (2008/2009).

region covers 65% of the total area of the country and the terai cover 17% of the total land area of Nepal. Over 85% of 23 million people of the country live in rural areas.

There is a great challenge to the nation eliminating the massive poverty in the country and to provide basic needs to people. Looking at the nation's energy demand and people's buying capacity biogas technology is one of the reliable alternative energy sources. Keeping in view these challenges, efforts are under way to improve quality of life of Nepalese people and Biogas program is one of such effort that give direct benefits to the farmers to improve health, sanitation, time saving, cooking and using compost fertilizer. Biogas technology has proved to be very successful since it not only produces gas for household purpose but also provides good fertilizer in the form of digested slurry.

Based on the report of DCAST, the agriculture stalks produced each year are about 2500 million tons the world over.³ It will be a great amount of income in economy if reasonably utilize and fully develop the value of this great quantity of organic waste. Moreover, it is of great significance in promoting the good recycle of organic substances and ecological balance of agriculture. Therefore, quite a number of countries in the world and United Nations paid great attention to the reasonable utilization of agriculture stalks. As a result, various types of research institutes have sprung up engaging in the research in this field.

The hydraulic (i.e. fixed dome) Biogas digester has a history of many years and is now the main design being popularized in rural areas of the country. It is characterized by reasonable force-bearing, simple structure, locally available building materials, easy construction, lower cost, good suitability and other advantages and is feasible to the current rural situation of technology and natural resources.⁴ This type of Biogas digester has been accepted by masses and drawn international attention. Therefore, we first set the pattern and fix the norm for hydraulic Biogas digesters. With the development of Biogas scientific research the other types of digester will also be standardized. The design collection contains three patterns of digesters, i.e. cylinder-domed, spherical and ellipsoidal. The

³ DCAST/China, *Biogas Training Course*, 2007

⁴ NBG, *Field Survey Report*, 2065.

common features of the above three are as follows. Gas storage chamber is inside the fermentation chamber and the hydraulic chamber (i.e. outlet tank). This design collection is suitable to rural areas all over the country. When making plans, it is necessary to put the following factors into consideration population of family, operation requirements, fermentation raw materials, gas production rate topography, geology, ground water level, building materials, construction technique etc. so as to select the digester design and volume reasonably. The promotional activities regarding this kind of fixed dome biogas digester in rural and urban area can enhance the business of the company.

Nepal is one of the least developed countries of the world. There is a great challenge to the nation to eliminate the massive poverty in the country and provide basic needs to the people.⁵ Keeping in view these challenges, efforts are under way to improve quality of life of Nepalese people and Biogas program is one such effort that give direct benefits to the farmer to improve health, sanitation, time saving, cooking and using compost fertilizer. Biogas technology has proved to be very successful. Since it not only provides gas for household purpose but also provides good fertilizer in the form of digested slurry. In our country, Biogas technology is more popular for household use and adoption of technology depends upon family decisions. So Biogas extension and promotion activities are the best efforts to influence this family i.e. to adopt technology.

Biogas, a reliable alternative source of energy, was introduced in 1955 through the effort of father B.R. Sauboll, a Belgian teacher at St. Xavier's School, Godavari, Katmandu, the first plant that he installed in the school was mainly for making people aware of the Biogas technology through demonstration.⁶ There is only 114579 Biogas plant installed by the end of May 2003, which is only 8.8% of technical potential, in this fiscal year there is a great challenge to install 24500 Biogas plant all over Nepal.⁷ This target is only possible if there is good cooperation and networking between the Biogas stakeholders and net working between the Biogas stakeholders and similarly effective promotion and extension method is the marketing of Biogas in the potential areas.

⁵ Biogas Support Program (BSP), Phase-IV: *Annual Work Plan* (Jan – Dec 2009)

⁶ Prashun Bajracharya, "*Market Survey of Biogas*" (Research report, NBPG, 2009)1-3.

⁷ BSP Nepal, *Annual Work Plan*, 2009.

Alternative Energy Promotion Center (AEPC), an autonomous body supports Biogas program in policy making, coordinates Biogas related activities mobilizes fund and liaison with other donor agencies, approves annual work in respect to donor funded projects and monitors the program. Biogas Support Program (BSP) as a donor implementing agency supports in making annual plan, setting targets, involving in technical back stopping, coordinating Biogas program mobilizing funds and monitoring the program users to install plants. Banks specially Agriculture Development Bank (ADB/N), Rastriya Banijya Bank (RBB) and Nepal Bank Limited (NBL) have been involved in the programs by providing loans to the users. HMG/N channeled the subsidies through Biogas Support Program to the owners. Biogas plants are either in cash or in loans. Nepal Biogas Promotion Group (NBPG) working as an umbrella organization supports Biogas program in the promotion, coordination, research, training and standardization of Biogas technology in the kingdom.⁸ Some NGO's are also involved in promoting the technology through marketing.

The Biogas support program (BSP) started in July 1992 with funding from the Directorate General for International Cooperation of the Netherlands (DGI) of the Netherlands Government through the Netherlands Development Organization in Nepal (SNV/N). His Majesty's Government of Nepal (HMG/N) and the Kreditanstalt Fur Wiederaufbau of Germany also started funding the BSP from the phase- , which started in March 1997 and lasted till June 2003. Until the phase- , BSP was directly implemented by SNV/N. The BSP, phase-IV, (July 2003 – June 2009) is being implemented after successful completion of the first phases. The six year BSP phase –IV, is part of the larger program called the Renewable Energy Sector Support (RESS) Program. The overall objective of the RESS program is to improve the living conditions of rural households and reduce environmental pollution through further development and dissemination of Biogas, improved water mills and other Renewable Energy Technologies (RET) such as, improved cooking stoves, solar etc. in Nepal. The BSP phase-IV, is the largest component of the RESS program. The program had originally aimed to install 200000 Biogas plants during

⁸ NBPG, "Gobargas Sangako Basibiyalo", *Market Survey Report*, 2005.

the program period. This is also a target envisaged in the tenth plan (mid July 2002 to mid July 2007) of the HMG/N.⁹

The Biogas Sector Partnership – Nepal (BSP/N), a non Governmental Organization (NGO), is executing the BSP-IV, with the financial and technical support from Alternative Energy Promotion Centre (AEPC) and SNV/N. The subsidy component for BSP-IV, has been co-funded by KfW, DGIS and HMG/N. The program has reached 66 districts and some 2593 Village Development Committees (VDC) till December 2005, out of nearly 4000 VDCs in Nepal. The total number of plants constructed under the program till December 2005 was 140549¹⁰.

This study focuses on the marketing strategy regarding promotional activities of the Company NBG (National Biogas Company). The promotional strategies will help to anticipate new challenges, trends and opportunities in the market place it provides firms a lead time to access resources and technology and use them more efficiently than its competitors. Through the help of marketing strategy specific marketing goals can be defined and different programs can be defined to achieve the defined goals with different kinds of promotional activities that can enhance the business of the company. Marketing promotional strategies are the game plan for achieving the broad corporate objectives of the company. The company is using different promotional strategies like advertisement on radio, f.m, newspaper, distributing brochure and pamphlets and other kinds marketing activities like training to the farmer, demonstration and research on efficient utilization of Biogas technology.¹¹ The study is also focused on the findings of new marketing strategies that fit the company.

Marketing strategy will outline the basic strategy related to product, price, promotion and distribution and is related to the company market scope and different marketing mix variables. How company is conscious in competitive action of marketing strategy based on promotional activities, these strategies are focused on profits in the long run and is confined by economic limitation and also affected by the technical abilities and personnel preference of the management.

⁹ BSP Nepal, *Annual work plan*, 2008.

¹⁰ BSP Nepal, *Annual work plan*, 2009.

¹¹ National Biogas Company Pvt. Ltd., *Annual report (2008/2009)*

1.2 Statement of the problem

The main concern of the study is to identify the marketing strategy of Biogas Company with special regards to NBG. In this 21st century no more can stand forever without marketing concept. Without marketing tools applied the company will be like a skeleton. Marketing tools and strategy are the backbone for the organization. The concern here is how National Biogas Company is using marketing strategy in the field, what kind of strategy they are using, what strategy will be suitable for the organization etc. the study will here will try to identify solution for these different questions.

The study will seek the answer of the following question

1. What is the promotional strategy of the company?
2. What promotional mix is used by the company?
3. How the company executes their promotional activities?
4. What are the strength, weakness, opportunities, and threats for the company with regard to promotional activities?

1.3 Objectives of the study

Based on the discussion, the general objective of the study is to analyze the promotional strategies of the company, the specific objectives of the study in connection with foregoing problems. The main objectives of the study are as below

1. To identify the promotional strategy of the company.
2. To assess the promotional mix used by the company.
3. To analyze promotional planning and execution process of the company.
4. To assess the strengths and weakness, opportunities and threats for the company with regard to promotional activities.

1.4 Importance of the study

1. The research will help for the upcoming researcher in the MBS dissertation.
2. It will help the upcoming researcher to study on the particular area of the study.
3. As such not more study has been done on the related field, it could be helpful for the others Biogas company in Nepal to identify different strategy.

4. This study also provides guidelines to formulate marketing strategy to achieve organizational objectives and also provide useful feedback to the management of the company.

1.5 Delimitation of the study

1. The study will focus only on the marketing strategy of NBG.
2. The study will concern only on marketing aspect of the company, other aspects of the company are not studied.
3. The study will based on five fiscal year B.S 2061 to B.S 2065.
4. The derived promotional marketing strategy may not fit other type of organization like banking and insurance etc.

1.6 Organization of the study

The purposed will be organized in different chapter as follows

Chapter I	Introduction
Chapter II	Literature Review
Chapter III	Methodology
Chapter IV	Analysis and presentation of data
Chapter V	Summary, Conclusion and Recommendation

CHAPTER

LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Introduction

This chapter presents the theoretical frame work and research review. The former section presents the relevant aspect of the study and latter on deal with related research report. This chapters covers the review of literature related to review of various literature concerned with the study. The study is based on promotional marketing concept of NBG, so far no one has study on the promotional aspect of NBG, therefore in the absence of such written articles, it becomes necessary to study about the historical background, past trend of the company and some articles prepared by other organization with reference to there marketing concept.

Nepal has higher opportunity in the development of Biogas plant, many companies are working in this field since many years, but it seems that there is no rapid growth of Biogas plant in Nepal. The study thus tries to find out the impact of promotional aspect relating the growth of Biogas construction in Nepal. The different possible causes will be calculated in this study.

2.1.2 Historical Background of Biogas in Nepal

Biogas is a reliable alternative source of energy, it was introduced in 1955 through the effort of father B.R. Saubolle, a Belgian teacher at St. Xavier's School Godavari, Katmandu, and the first Biogas plant that he installed in the school was mainly for making people aware of Biogas technology through demonstration.¹² There is only 114579 Biogas plant installed by the end of may 2003, which is only 8.8% of the technical potential, in this fiscal year there is great challenges to install 24500 Biogas plant allover Nepal.¹³ This target is only possible if there is good cooperation and networking between the Biogas stakeholders and similarly effective promotion

¹² Prashun Bajracharya, "*Market Survey of Biogas*" (Research report, NBPG, 2004) 1-3.

¹³ BSP Nepal, *BSP Year Book*, 2007.

and extension activities have to be launched. One of the extension methods is the marketing of Biogas in the potential areas.

In Nepal Biogas seems to be the best way to create energy through less effort prioritized to remote areas, since many years Biogas construction practices has been done, but only after B.S 2032 Biogas technology was publicized to the people of Nepal. B.S 2032 was recognized as the Agricultural year to promote the Biogas construction in Nepal. With regard to Agriculture Development Company for the first time in Nepal Agriculture Development Bank started providing loan to the customer, and also provided loan without interest in the year B.S 2032. In the same year, with the help of Agriculture Development Bank, Timber Corporation and United Mission to Nepal jointly established a company and started providing Biogas construction and services to the people of Nepal and named Gobar Gas Tatha Krishi Yantra Vikas Pvt. Ltd. The company launched the Biogas plant in a drum type and constructed 190 Biogas plant and started to promote and provide information of Biogas technology to the people of Nepal.

One study says that there is an opportunity of 19 lac Biogas plant in Nepal, but in last 30yrs only one lac twenty eight thousand Biogas plant has been constructed, which seems to be very slower in growth. In B.S 2044 also the drum type of Biogas plant was on demand, but due to its higher cost and difficulties transportation and other problems, company started and launched the Dome type of Biogas plant in market which was easier and reliable than drum type plant.

Gobar Gas Tatha Krishi Yantra Vikas Pvt. Ltd. was established before democracy in Nepal and was only the company which provides different program related to Biogas plant construction and its use to the grass hood level. After the democracy there was establishment of Biogas Company in private sector also. Today there are altogether more or less 65 Biogas company working and providing service in this field in Nepal. With the view of achieving the planned targets the tenth plan has laid stress on the agriculture development, sustainable management of natural resources and Bio-Diversity the development of village infrastructure and rural energy and population management together with the development o capabilities of rural people. Emphasis is to put on humans resource development and women empowerment, targeted programs for the socio-economic development of deprived disadvantage

and poorest people in addition to the development of remote areas and so on.¹⁴ The Nepal Biogas Support Program (BSP) is a successful model of development cooperation, technological innovation, financial engineering and market development that have helped address some of the social, economic, energy and environmental needs of the rural areas of Nepal. The BSP also represents a working partnership between His Majesty's Government of Nepal (HMGN/N), the Dutch Development Cooperation (DGIS), the German Financial Cooperation through the German Development Bank (KfW), the agriculture Development Bank of Nepal (ADB/N), the Netherlands Development Organization (SNV), the Gobar Gas Company (GGC), the private sector of Nepal and the rural farmers of Nepal.

The principal objective is to promote the wide-scale use of Biogas as a substitute for wood, agriculture residues, animal dung and kerosene that is presently used for the cooking and lighting needs of most households. The rising demand for fuel wood, agricultural residues and dung, by the rapidly increasing population of Nepal, has helped accelerate the rates of deforestation, soil degradation and environmental decline in the densely inhabited areas of Nepal. In addition, use of biomass fuels and kerosene has significantly impacted the health and welfare of especially women and children who are most often subjected to the smoke and fumes associated with the use of the fuels.

Biogas system provides multiple benefits at the household, local, national and global level. The key benefits are related to gender environment, health and institutional strengthening.

2.1.3 Market opportunities of Biogas in Nepal

Biogas technology was introduced in Nepal some 30yrs. ago. About 65 companies are being involved in the construction of Biogas plants these day, more than 4000 people have been directly involved in Biogas promotion of the companies in 61 districts. By the end of July 2008 about 168878 family sized Biogas plant (mostly 4 to 10 cubic meter total volume capacity) have been installed in the country.¹⁵ This has been possible due to standardization of design as well as Biogas appliances, an

¹⁴ NUTA Journal (vol.2 sept. 2003) Dr. BP Dhamala

¹⁵ BSP Nepal, "*BSP Year Book*", 2008.

extensive system of quality control and financial incentive provided to potential users for the installation of Biogas plants. Livestock plays an important role in the Nepalese farming system. According to the Agriculture Sector Census of 2001/02, the total cattle population in Nepal was estimated to be 2.2 million heads, while 1.6 million heads of buffaloes were registered. Based upon the study of the technical and geographic feasibility, it is estimated that 1.9 million Biogas plant systems can be installed in Nepal, 57% in terai, 37% in hills and 6% in mountain regions. When taking economic factors into consideration, the potential of the smaller fixed dome design (4 and 6 m³) in Nepal is estimated at about half of million units. With innovative financing (subsidy structures, co-operatives) and delivery structures (self help building), the potential can be doubled to one million units. Besides the above small domestic Biogas systems, there is huge potential of cold climate, institutional as well as municipality systems. The current fixed dome design works well at altitudes up to 1500m. However, during the winter months the gas production decreases, especially above the 1500m. When the fixed design is built at altitudes of 2000m or higher, special adjustment to the design are required such as thermal insulation and warm water feeding to maintain gas production during the winter.

Typical Biogas plant consists of an inlet, outlet, dome, digester, turret, water drain pit, compost pit, pipe fittings and Biogas appliances such as stove, lamp etc. Since Biogas is highly quality fuel, it can be used for much purpose besides cooking and lighting, such as fuel for running dual fuel engine, for agro- processing, pumping water and for generating electricity. The application of the slurry from the Biogas plants and their impact on agriculture production both on cereal and vegetables could not be quantified. However, it is estimated about 10% - 15% agricultural production could be increased with proper composting and application of the slurry in the field.¹⁶ The Biomass fuel contributes on overwhelming share of energy consumption on the rural areas. About 90% of the energy demands of the country are met by biomass of which about 78% come from fuel wood has been a cause for depletion of forests and degradation of the environment.

¹⁶ BSP Nepal, *BSP Year Book*, 2008.

The Biogas Support Program (BSP) started in July 1992 with funding from the Directorate General for International Cooperation of the Netherlands (DGIS) of the Netherlands government through the Netherlands Development Organization in Nepal (SNV/N). Government of Nepal (GoN) through Alternative Energy Promotion Centre (AEPC) and the Kreditanstalt für Wiederaufbau of Germany (KfW) also started funding the BSP from the phase-III, which started in March 17 and lasted till June 2003. Until the Phase-III, BSP was directly implemented by SNV/N. The overall objective of the BSP-IV has been accordingly revised to reflect the new elements and the changed context. The revised overall objectives of BSP-IV is to further develop and disseminate Biogas plants as a mainstream renewable energy solution in rural Nepal, while better addressing poverty, social inclusion and regional balance issues and at the same time ensuring enhanced commercialization and sustainability of the sector. The achievement of BSP has also created a strong advantage for Biogas Companies through which opportunities in the market for Biogas installation are increasing and different promotional activities like sales promotion, advertisement are taken into consideration to make more people aware for the installation of bio gas plant throughout the country.

The report of BSP 2008 declares that there is an opportunity for more than 19 lac Biogas plants to be installed in Nepal, of which only 8.8% is only installed; the remaining 91.2% is an opportunity for Biogas Companies.¹⁷

Technical potentiality of Biogas plants – 1.9 million

Total economic potential	- 1,000,000 plants
Total constructed	- 140,549 plants (under BSP)

2.1.4 Importance of Biogas

Biogas is an easier and reliable source of energy which can be used for more than thirty years and is a permanent source of energy, there are different importance of Biogas which are listed below.

¹⁷ BSP Nepal, *BSP Year Book*, 2008.

1. Non use of fuel wood and kerosene

Due to the use of Biogas there is no need to collect fuel wood from the forest, thus help in forest conservation and time saving. Through Biogas lightning can be installed inside the room, so thus Biogas will definitely save in purchase of kerosene.

2. Improvement in health

Using Biogas for cooking has no negative effect to health, as earlier due to the smoke of fuel wood, housewives were having negative effect on health. There is no smoke produce from Biogas stove so has no bad effect on health. Latrine/toilet can be installed on the same dome (storage wastage)/septic tank, so that the environment of the whole house be neat and clean.

3. Time saving

There is no need to collect fuel wood, Biogas is faster in cooking, so the time saved can be used for income generation, education or for other good purpose.

4. High quality fertilizer

The wastage from the outlet of Biogas plant will be the high quality fertilizer for the farmers. This fertilizer help in good agriculture production and there will be decrease in purchase of chemical fertilizer, or also by selling this fertilizer income can be generated.

5. Money saving

Biogas help in saving money like saves money to purchase kerosene, fuel wood, chemical fertilizer and also saves in purchasing medicines. In the same dome latrine can also be installed, so that it saves money to build new dumping for septic tank. If calculated the money saved from using Biogas will recover within two years, so that with no any charge farmers can enjoy for more than twenty years.

6. Other importance's

) The fertilizer from the outlet of Biogas plant is a very good diet for fish and birds, so farmer can start fish farming and thus help in income generation.

-) Reduction of the workload, mainly women and girls by about 3 hours/day/household. The saved time is used for education, income generation activities and leisure.
-) Annual savings of:
 - Fuel wood used for cooking to the extent of 176,744 tons (@2 tons/plant).
 - Agriculture waste to the extent of 30,390 tons (@0.35 tons/plant).
 - Dung cakes to the extent of 53,023 tons (@0.60 ton/plant).
 - Annual saving on kerosene of 2.0 million liters (@25litres/plant).
-) Annual reduction of GHG emissions to the extent of 530,232 tons CO₂-equivalent (@7tons/plant).
-) Annual production of 142,975 tons- dry weight (@1.75 tons/plant) bio-slurry and bio-compost.
-) Proper usage of bio-slurry and bio-compost in 79,535 (90%) households (currently it is about 80%).
-) Improved agriculture yields and reduced use of chemical fertilizers.
-) Improvement of rural sanitations by connecting 66,280 toilets in 75% plants
-) Reduction of indoor air pollution due to kitchen smoke in 88,372 households.
-) Reduced incidence of illness and expenses on health.
-) Generation of direct and indirect employment to some 12000 persons by June '09.

Source: BSP Report 2008

2.1.5 Alternative options for subsidy support to Biogas

The subsidy support provided for Biogas systems has played a very important role in making Biogas systems affordable to most poor rural farmers and at the same time allowing the SNV/BSP to enforce its quality control program with the BCCs. With the expected termination of the subsidy support from SNV and KfW after phase-IV, alternative options for raising the finances for this subsidy support must be

considered. A number of possible options that are currently being considered include:

-) Capitalizing, through the CDM, on the value of avoided GHG (i.e., carbon credits) that result from the use of Biogas to supplement declining Government and donor subsidies. Current discussions with the World Bank are based on the payment of USD 5 per year per new Biogas system. For the coming ten years this will be USD 50 or NRs 3500 per system or about 50 percent of the current subsidy.
-) Monetizing health benefits, the economy and comfort that will be derived from a better health and less health expenses is not always clearly expressed. Because of the strong reduction in Indoor Air Pollution (IAP), funding sources may be tapped from health conscious agencies. Health studies are difficult to realized, but many World Health Organization (WHO) studies indicate the obvious and significant health improvements through reduced IAP. These include in better physical resistance, lesser eye infections, less cancer or chronicle lung diseases.
-) Monetizing reduced deforestation benefits, available time can be utilized in education and in productive activities such as Non Timber Forest Products (NTFP) and those products can be marketed. The better exploitation of the large forest may generate millions of dollar in timber and timber products.

Because of the saving of about 3 tones of fuel wood per year by each Biogas user, that biomass constitutes in growth of other forests and better access to biomass for non biomass users. Monetizing the additional farm produce realized through better farm management, for remote people this requires the organization cooperatives to market the produce or try the crops for longer shelf life and reduced transport costs.

2.1.6 Outline of National Biogas Company Private Limited

National/Rastriya Biogas Company Private Limited was established in B.S. 2049 to promote Biogas, Solar energy and other alternatives energy in Nepal. The company is registered according to the company act 2021, with national standard (limit responsibility) company. Every promoters of this company are more than 25yrs well experienced in this field. The company is providing easier, reliable and high quality service in 42 districts with an opportunity for more than 500 job holders/employers

in Nepal. The company, since past is linking with India, China and America and other alternative energy groups to exchange technology and to promote and develop Bio and Solar energy in Nepal. The company is also linking with UNDP, GEF, SNV, GTZ, KfW, ITDG, DANIDA, Plan Nepal, conservation groups and others to promote Bio and Solar energy in Nepal.¹⁸ Due to the overall activities of the company, the company is internationally recognized and ‘A’ grade company in Nepal with National Standard.

“National Biogas Company is a profit oriented company working for a profit through mobilizing people and technology and providing quality service in the country in the field of alternative energy”.

National Biogas Company is a reputed company in the field of alternative energy, after it’s great success in Bio technology in Nepal, it started providing service in the field of Solar energy since B.S 2053 as a sister organization of National Biogas Company and named as Nepal Energy Development Company (NEDCO) for lightning purpose prioritized to the villages due to absence of electricity. In future the company is interested for the investment in micro hydro power in Nepal and currently project on micro hydro power at Khotang and other district are running. The company is great conscious in its quality and service, the aim is to be always ‘A’ grade company with national standard in Nepal.

2.1.7 Objectives of the Company

-) To promote and develop Biogas technology in Nepal and bring reliable and efficient ideas for construction and use through regular research activities.
-) To increase the construction of Biogas plant, after sales service and guarantee to the users and to decrease the consumption of other energy like kerosene, fuel wood etc.
-) To increase in conservation of forest through reduce in use of fuel wood, so that good environment will stable in country.
-) To provide employment opportunities for the unemployed people and provide training for the use and construction of Biogas plant in Nepal.

¹⁸ NBG, *Annual report*, 2007.

- J To increase in use of marketing aspect to increase in construction of Biogas plant and always make company 'A' grade company with national standard in Nepal through research and marketing activities.
- J Nepal as being agriculture country, the company is focused on the use of cattle's, so that stalks/sewage or the fertilizer from the outlet of the Biogas plant will increase in farming production and also the fertilizer is used as good diet for fish and birds as well.

2.1.8 Marketing Strategy (Promotional activities)

National Biogas Company as being reputed company in the sector of alternative energy uses various marketing tools to promote its product and services in the market, different research activities are done to find out new ideas to promote alternative energy in Nepal. The different marketing strategies related to promotional activities of the company are defined as below;

2.1.8.1 Promotional strategy:

The company links with the local clubs, dairy production houses, mother groups, local villagers, financial institutions, government related organizations, schools, farmers to promote Biogas installation in there village through demonstrations and informing them about the advantage of the product after the installation, and with there help the company makes the huge promotion. The company also makes an promotional activities through the help of local F.M, and Radio programs, banners and pamphlets, and through the help of sales representative and also word of mouth plays vital role in the promotional activities of the company.

Promotional strategy is the planning, implementing and controlling of communication from an organization to its customers and other target/prospect customer. The function of promotion in the marketing mix is to achieve various communications objectives, the components of promotion mix include advertising, personal selling, sales promotion, public relation. An important marketing responsibility is planning and coordinating in integrated promotion strategy and selecting strategies for the promotion components.¹⁹ The planning, implementing

¹⁹ David W. Cravens, *Strategic Marketing*, 4th ed.(Irwin Publisher,1994)p.505

and controlling strategy is determined by the way of strategy they want for marketing their services. It may be push or pull strategy.

A) Push/ Pull Strategy

Producers aim their promotional mix at both middleman and end users. A promotion program aimed primarily at middleman is called push strategy and a promotion program directed primarily at the end uses is called a push strategy.²⁰

Another element that marketer should consider when they plan a promotion mix whether to use a push policy or a pull strategy, with the push policy the producer promotes the product only to the next institution down the marketing channel. A push policy is usually relies heavily on personal selling. Sometimes sales promotion, advertising are used in conjunction with personal selling to push the products.

A push strategy means a channel member directs its promotion primarily at the middlemen that are the next link forward in the distribution channel. The producer will promote heavily to wholesalers, which then also use a push strategy to retailers. A push strategy usually involves a lot personal selling and sales promotion, including contests for sales people, this promotional strategy is appropriate for many manufacturers of business products as well as for various consumer goods.

A pull strategy, promotion is directed at end users usually ultimate consumers. The intension is to motivate them to ask retailers for the product. The retailer in turn, will request the product from wholesaler and wholesalers will it from the producer. In effect promotion to consumer is designed to pull the product through the channel. This strategy relies on heavy advertisement and various forms of sales promotion such as premium, samples or in store demonstrations. There are little incentives for retailers to provide shelf space for minor variations of existing brands unless they are confident that they will sell. So manufacturers of consumer packaged goods often use a pull strategy to get new products stocked on super market shelves.²¹

²⁰ Michael J. Etzel Bruce J. Walker William J. Atanton, Fundamental of Marketing, 10th ed.(New Delhi: Tata Mc Graw-Hill Publishing Company Ltd.,2004) p.466

²¹ Etzel, Walker & Stanton, *Fundamentals of Marketing*, p.466.

2.1.8.2 Promotional Planning

In many organizations marketing communication represent the most visible face of the organization. The question of how the communication program is to be managed is therefore a fundamental part of strategic marketing task.²² A firms communication effort is drawn from four basic types of promotion: advertising, sales promotion, public relation, publicity and personal selling.

In developing the communication program the marketing planner needs to take into account of eight areas

1. The nature of the target customer
2. The short term and long term communications objectives
3. The message that are to be used
4. The communication channels that will carry the message
5. The budget
6. The promotion mix
7. The ways in which the element of the promotion mix is to be integrated with the marketing mix and,
8. How the results of the campaign

Although these eight areas are laid out subsequently, it needs to be recognized that, almost inevitably, a level of iteration will be involved in arriving at a firm decision in at least some of these areas. This is perhaps most obvious in terms of constraints which might be imposed by the budget.²³

After a firm has gained an understanding of communication process, it is ready to develop an overall promotion plan. The plan consists of three parts objectives, budget and mix of promotion elements. Promotional activity is always been guided by some objectives and are mentioned below.²⁴

1. Promotion Objectives

A target audience can be in any one of six stages of buying readiness. These stages awareness, knowledge, linking, preference, conviction and purchase are called the

²² Richard Ms Wilson and Collin Gillingan, *Strategic Marketing Management*. 2nd ed.(Britian: The Bath Press Publisher,2002)p 461.

²³ Wilson and Gillingan, *Strategic Marketing Management*, p.461.

²⁴ Joel R.Evans and Barry Berman, *Marketing*. (New York: Macmillian Publishing Company,1982)p.411.

hierarchy of effects because they represent stages a buyer goes through in moving towards a purchase, with each also describing a possible until the person has moved through the earlier stages.

1. Awareness
2. Knowledge
3. Linking
4. Preference
5. Conviction
6. Purchase

Promotion is concerned with ensuring that customers are aware of the products that the organization makes available to those customers. Some of the roles of promotion in marketing mix areas follows.

Role of promotion in marketing mix

More specifically, the objectives of any promotional strategy will be drawn from an appropriate mixture of the following roles of promotion to:

1. Increase sales
2. Maintain or improve market share
3. Create brand recognition
4. Create a favorable climate for future sales
5. Inform and educate the market
6. Create a competitive advantage, relative to
7. Competitors products or market position
8. Improve promotional efficiency

Objectives are selected for the entire promotional program and for each promotion component certain objectives such as sales and market share targets are shared with other marketing components. An appropriate promotional mix is created in order to meet the promotional objectives of any given promotion strategy.²⁵

²⁵ Jennifer Rowley, "Promotion and Marketing Communications in the Information Marketplace," *Library Review*, 47.8 (1998):383. Jan 27, 2007 <http://www.emerald.com/Insight/ViewContentServlet?Filename=Published/emerald_full_text_article/pdf/08902205.pdf>.

All the types of promotional tools cannot be brought into use. It is always guided by some factors. Each of the components of the promotional mix has strengths and weakness. Each element of promotion mix has significant role in promotion. Each of them is used for different purpose in different situation. However, selection of type of promotion is affected by several factors.

Factor affecting determination of promotion mix.

- A) Nature of market
- B) Nature of product
- C) Stage of the product life cycle
- D) Availability of funds

2.1.8.3 Promotion Budget

Establishing promotional budget is extremely challenging because management lacks reliable standards for determining how much to spend altogether on advertising or personal selling and how much of the total budget to allocate to each promotional mix elements. Basically there are four common promotional budgeting methods; these methods are frequently discussed in connection with the advertising budget but they may be applied to any promotional activity as well as to determine the total promotional budget

- a) **Percentage of sales:** The promotional budget may be related in some way to company income, as 5% of anticipated or past sales.
- b) **All available funds:** A new company or a firm introducing a new product frequently plows all available funds into its promotional program. The objective is to build sales and market share as rapidly as possible during those early, critical years.
- c) **Follow competition:** A weak method of determining the promotional budget, but one that is used occasionally is to match the promotional expenditure of competitors or to spend in proportion to market share.
- d) **Task or objectives:** The best objectives for establishing the promotional budget is to determine the tasks or objectives the promotional program must accomplish and then decide what they will cost. The task method forces management to realistically define the goals its promotional program.²⁶

²⁶ Etzel, Walker & Stanton, *Fundamentals of Marketing*, 470.

After establishing a total promotion budget, the company must determine its promotion mix. The promotional mix is the overall and specific communication program of the firm, consisting of a combination of advertising, sales promotion, personal selling and public relation.

2.1.8.4 Tools of Promotional mix

Promotion mix is a combination of all elements or types of promotion includes advertising, sales promotion, personal selling and public relation/publicity used by a company to communicate with its customer, below explained in details;

a) Advertising

Advertising is the commercial promotion of goods, services, companies and ideas, usually performed by and performed through a variety of media. Marketers see advertising as part of an overall promotional strategy. There are different types of advertising and some of them are discussed below;

Types of Advertising

Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers, radio, cinema and television ads, web banners, web popups, skywriting, bus stop benches, magazines, newspapers, town criers, sides of buses, taxicab doors and roof mounts, musical stage shows, subway platforms and trains, elastic bands on disposable diapers, stickers on apples in supermarkets, the opening section of streaming audio and video, posters and the backs of event tickets and supermarket receipts. Any place an identified sponsor pays to deliver their message through a medium is advertising.²⁷ Yet the following qualities of advertising can be noted:

1. **Public presentation:** Advertisings public nature confers a kind of legitimacy on the product and also suggests a standardized offering. Because many persons receive the same message, buyers know that motives for purchasing the product will be publicly understood.
2. **Pervasiveness:** Advertisement permits the seller to repeat a message many times. It also allows the buyer to receive and compare the message of various competitors. Large scale advertising says something positive about the seller's size, power and success.

²⁷ Wikipedia, the free encyclopedia. Aug 4,2006 <http://en.wikipedia.org/wiki/Advertising/>.

3. **Amplified expressiveness:** Advertising provides opportunities for dramatizing the company and its products through the artful use of print, sound and color.
4. **Impersonality:** The audience does not feel obligated to pay attention or respond to advertising. Advertising is monologue in front of not dialogue with the audience.

Advertising can be built up a long term for a long term image for a product or trigger quick sales. Advertising can efficiently reach geographically dispersed buyers. Advertising might have an effect on sales simply through its presence. Consumers might believe that a heavily advertised brand must offer good value.²⁸

B) Sales promotion

Sales promotions are non personal promotional efforts that are designed to have an immediate impact on sales. Sales promotion is media and non media marketing communications employed for a predetermined, limited time to increase consumer demand, stimulate market demand or improve product availability, examples like

1. Coupons
2. Discounts and sales
3. Contests
4. Point of purchase displays
5. Rebates
6. Free samples
7. Gifts and incentive items
8. Free travel

Sales promotion can be directed at the customer, sales staff, or distribution channel members (such as retailers). Sales promotions targeted at the customers are called consumer sales promotions. Sales promotions targeted at the retailers and wholesale are called trade sales promotions.

²⁸ Philip Kotler, *Marketing Management*, The Millennium ed. (New Delhi: Prentice Hall of India Pvt. Ltd, 2001)p 564.

Consumer sales promotion techniques:

1. **Price deal:** A temporary reduction in the price, such as happy hour
2. **Loyalty rewards program:** Consumer collect points, miles or credit for purchases and redeem them for rewards. The two most famous examples are Pepsi stuff and advantage.
3. **Cents-off deal:** Offer at brand at a lower price. Price reduction may be a percentage marked on the package.
4. **Price pack deal:** The purchasing offers a consumer a certain percentage more of the product for the same price.
5. **Coupons:** Coupons have become a standard mechanism for sales promotion.
6. **Loss leader:** The price of a popular product is temporarily reduced in order to stimulate other profitable sales.
7. **Free standing insert (FSI):** A coupon booklet is inserted into the local newspaper for delivery.
8. **On shelf couponing:** Coupons are present at the shelf where the product is available.
9. **Checkout dispensers:** On checkout the customer is given a coupon based on products purchased.
10. **On line couponing:** Coupons are available on line. Consumers print them out to the store.
11. **Rebates:** Consumers are offered money back if the receipt and barcode are mailed to the producer.
12. **Contests/sweepstakes/games:** The consumer is automatically entered into the event by purchasing the product.

Trade Sales Promotion Techniques:

1. **Trade allowances:** Short term incentive offered to induce a retailer to stock up on a product.
2. **Dealer loader:** An incentive given to induce a retailer to purchase a display a product.
3. **Trade contests:** A contest to reward retailers that sells the most products.
4. **Point of purchase displays:** Extra sales tools given to retailers to boost the sales.

5. Training programs: Dealer employees are trained in selling the product.

Push money: An extra commission paid to retailers.²⁹

a) Personal selling

Personal selling is the direct, personal communication of information, in contrast to the indirect, impersonal communication of advertisement, sales promotion and other promotional tools. This means that personal selling can be make flexible than these other tools. Sales person can tailor their presentations to fit the needs and behavior of individual customers. They can see their customer's reactions to a particular sales approach and make adjustment on the spot.

Some of the objectives of personal selling are as follows:

1. Situational suitability
2. Identifying potential buyer
3. Convincing prospects to buy
4. Keeping customer satisfied
5. Relationship building
6. Profit objectives.³⁰

Personal selling requires strategy decisions. It deals with any customer; the sales persons must be very sensitive to influence the customers and other factors that might affect communication. Personal selling considers some of the following factors while establishing the sales force.

1. Number and kind of sales person needed
2. Sales technology support
3. Selection and training procedure
4. Compensation and motivation approach
5. Personal selling techniques

Sales force performs some activity through which the sales get generated Kotler describes six main activities of a sales force.

) Prospecting - trying to find new customers.

²⁹ **Wikipedia, the free Encyclopedia.** Aug 4, 2006 <<http://en.wikipedia.org/wiki/salespromotion/>>

³⁰ Prakash Shrestha, Fundamentals of Marketing, 1st ed.(Taleju Prakashan, 2062 BS.)p. 321.

-) Communicating – with existing and potential customers about the product range
-) Selling – contact with the customer, answering questions and trying to close the sale
-) Servicing – providing support and service to the customers in the period up to delivery and also post sale.
-) Information gathering – obtaining information about the market to feedback into the marketing process.
-) Allocating – in times of product shortage, the sales force may have the power to decide how available stocks are allocated.³¹

b) Public relation/ publicity

A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives. Public relations involves a variety of programs designed to promote or protect a company's image or its individual products.

Publicity is the spreading of information to gain public awareness in a product, service, candidate, etc. It just one technique of public relations means of using an external entity to increase the awareness levels of the product, company, goods etc amongst the public and buying segment.³²

Public relations are the art and science of managing communication between an organization and its key publics to build, manage and sustain its private image. Some of the methods, tools and tactics are mentioned below.

1. Audience targeting: A fundamental technique used in public relations is to identify the target customer and to tailor every message to appeal to that customer.
2. Press conferences: Press conferences provide an opportunity for speakers to control information and who gets it.
3. Press releases: A press release is a written statement distributed to the media; it is a fundamental tool of public relations.

³¹ William D. Perreault and Jr. E. Jerome McCarthy, **Essential of Marketing- A Global Approach**, 9th ed. (New Delhi: McGraw- Hill, 2003)pp 330-331.

³² Wikipedia, the free encyclopedia. Aug-4, 2006 < <http://en.wikipedia.org/wiki/Publicity//.html>>.

4. Lobby groups: Lobby groups are established to influence government policy, corporate policy or public opinion; these groups purport to represent a particular interest.
5. Astroturfing: Creating an artificial grass roots movement is known as astroturfing, example like writing of letters to multiple newspaper editors under different names to express an opinion.
6. Spin: A public relations is used to present information in a favorable manner. When a presentation uses deceptive and highly manipulative tactics, it is referred as spin.
7. Others:
 - Publicity events/stunts
 - Talk show circuit
 - Books and other writing
 - Direct communication
 - Personal appearance, speeches to constituent groups and professional organizations, receptions, seminars and other events.³³

To promote any business organization a company must be very clear about its strength, weakness, opportunities and threats. Without this knowledge company cannot promote themselves in a better way. So they must know what are their strengths, weakness and the available opportunities for them and what are the threats that they have to ace, so that they can prepare themselves to overcome on those problems.

2.1.8.5 Strength, weakness, opportunity and threat analysis (SWOT)

The overall evaluation of company's strengths, weakness, opportunities and threats is called SWOT analysis.³⁴

In general, a business unit has to monitor key macro environment forces (demographic, economic, technological, political-legal and social-cultural) and significant macro environment actors (customers, competitors, distributors, suppliers) that affect its ability to earn profit. The business unit should set up a

³³ **Wikipedia, the free Encyclopedia.** Aug 4, 2008 <http://en.wikipedia.org/wiki/Public_relation//>.

³⁴ Kotler, *Marketing Management*, p.76.

marketing intelligence system to track trends and important developments. For each trend or development, management needs to identify the associated opportunities and threats.

A marketing opportunity is an area of buyer need in which a company can perform profitably. Opportunities can be classified according to their attractiveness and their success probability. The company's success probability depends on whether its business strengths not only match the key success requirement for operating in the target market but also exceed those of its competitors.

An environment threat is a challenge posed by an unfavorable trend of development that would lead in the absence of defensive marketing action, to deterioration in sales or profit.³⁵

Changes in the external environment may also present threat to the firm. Some of the examples of such threats include:

-) Shift in consumer tastes away from the firm's products
-) Emergence of substitute products
-) New regulations
-) Increase trade barriers.³⁶

As we have learned that promotion is a communication activity which helps to promote the business firm and its product and services. But still there is some of the criticism by the experts.

2.1.8.6 Criticism and defenses of Promotion

Promotion is probably the most heavily criticized area of marketing.

Detractors feel that promotion

1. Creates an obsession with material possessions
2. Is inherently dishonest
3. Raises the price of product or services
4. Overemphasize symbolism and status
5. Causes excessively high expectations'

³⁵ Kotler, *Marketing Management*, p.77.

³⁶ *Strategic Management*, April 20, 2007. <http://www.quickmba.com/strategy/swot.html>.

In defense of promotion, marketers offer these rebuttals

1. Respondents to consumer desires for material possessions. In an affluent society, these items are plentiful and paid for with discretionary earnings.
2. Is inherently honest. The great majorities of companies abide by all laws and set strict self regulations. A few dishonest firms give a bad name to all.
3. Hold down the prices of products and services. By increasing summer demand, promotion enables manufactures to utilize fully mass production and reduce per unit costs. In addition, employment is higher when demand is higher.
4. Differentiate products and services through symbolic and status appeal consumer desire distinctiveness and product benefits.
5. Keep expectations high; it thereby sustains consumer motivation and worker productivity in order to satisfy expectations.³⁷

2.2 Review of Related Studies

The purpose of reviewing is to figure out what studies has already been carried out and where any possibilities for conducting any new research. Since every limited research found on promotional strategies, sales promotion telecommunication, alternative energy are presented as these terms are related to the concept of promotion.

For the regards, remarkable study is done by regmi, in the year 1998 on *“Promotional strategies in cigarette industry in Nepal”*. The study aims to assess the promotional strategies in cigarette industry of Nepal. All the four cigarette companies in Nepal constitute the universe of the study but only the 3 enterprise were selected as the sample for the study. Of the three cigarette companies surveyed, 67% of the companies were found to be using affordable method and the rest 33% the objective and task method of setting promotion budget. The companies studied were based on their promotion mix strategy on advertising and sales promotion, adopting hardly any strategy regarding personal selling and public relation. The average ratio of total promotional expenditures to advertising and sales promotion was 60:40 in Surya Tobacco Company and 35:65 in Janakpur Cigarette for the

³⁷ Evans and Berman, *Marketing*, p. 411.

period of 2043 through 2050. Finally the researcher has not analyzed the relationship between promotion sales of Nepal Tobacco Company due to the unavailability of data.³⁸

Adhikari carried out a study on *“Effect of sales promotion on brand choice with special reference to motorbike”* submitted in the year 2059. The basic objective of the study was to examine the effect of sales promotion on brand choice of motorbike. For this, primary data was collected assisted by secondary data to make the research more informative. Primary data was collected from the dealers and the buyers, whereas secondary data was collected from publications and newspapers. It was found that the sales of motorbike were increase by 1-10% with the use of brand promoting scheme. Buying incentive played moderate role in marketing of motorbike. Sales promotion scheme was less important than the attributes like technological competence of brand, fuel efficiency of brand and price of the product. But these tools keep positive relation with aesthetic looks of brand, resale value of brand and after sales service given by the dealers.³⁹

Next study had been done by Subedi Feb, 2001 on *“Promotion strategy of domestic airlines in Nepal (A comparative study of Buddha Air and Necon Air)”*. The main objective of the study was to see the promotional strategy of domestic airlines in Nepal. The study reveals that sales promotion technique as most effective as other marketing techniques for certain service. Buddha air has comparatively high range of promotion expenses afforded mainly on advertising, agent promotion and trade fair but has very less effort upon consumer promotion by using different kinds of tools. Necon air has pays attention much in consumer promotion by using different kinds of tools like seasonal discount and discount for children and old, but Buddha Air has afforded its much effort only on group discounts and trade fair. The prime reason behind the sales of Buddha Air is not others than the proper attention paid on the agent promotion. The compensation of all the airlines is somehow similar to each other, there slightly high and low but these are negligible. The incentive given by Necon Air is satisfactory than of Buddha Air. Most of the travel agents are

³⁸ Udaya Raj Regmi, :Promotional Strategies in Cigarette Industry n Nepal”, (Master diss., Tribhuvan University, 1998).

³⁹ Liladhar Adhikari, “Effect of Sales Promotion on Brand Choice (with special reference to motorbike)” (Master dissertation, Tribhuvan University, 2059).

motivated by regular service and high rate of profit as well as promotional activities. So agents promotion activity plays the supporting role to capture the market position⁴⁰.

Shrestha conducted a research on *“Role of Advertising activities of Bottlers Nepal Limited and Pepsi Cola Company Limited”*, A Comparative study in the year Feb 2002. The objective of the study was to compare the role of advertising for bottler Nepal Ltd. and Pepsi cola Ltd. Primary source of data was used to gather information. The Primary objective of the study was to find out most of the advertisement is to stimulate the users to buy a particular product offered for sales by advertiser. Secondly to study the role of advertising activities of Bottlers Nepal and Pepsi Cola Ltd. To evaluate the effects of advertisement of both products on the customer. The researcher found that advertising in Nepal Bottlers Ltd. And Pepsi Cola Ltd. at Kathmandu valley shows very interesting results. Reminding and informative are the main roles of advertising. Most of the consumers of the different age group are informed about the product through advertising. Advertising is partially responsible to change the consumers consumption habit. Mostly consumers believe in quality rather than the advertisements. For Pepsi Cola’s T.V and F.M is more popular media advertisement in the Karhmandu Valley.⁴¹

“A comparative study of adverting media selection and usage practices of manufacturing and service industries in Pokhara” was conducted by Yadav in April 2002. The objective of the study was concerned with the usage of pattern and selecting of advertising media and analyzing the effectiveness of it in creating awareness, generating and pushing up sales and building goodwill having comparative evaluation of service and manufacturing industries with the total sample size 100 which includes 50 manufacturing and 50 service industries. The author concluded that the effectiveness of the advertisements even depends upon the availability of professional advertising agency.⁴²

⁴⁰ Sukrit Subedi, “Promotion Strategy of Domestic Airliness in Nepal: A Comparative Study of Buddha Air and Necon Air”, (Master diss, Tribhuvan University, 2001).

⁴¹ Binod Kumar Shrestha, “Role of Advertising of Bottlers Nepal Limited and Pepsi Cola Company Limited” (Master diss., Tribhuvan University, 2002).

⁴² Umesh SinghYadav, “A Comparative study of Advertising Media Selection and Usage Practice of Manufacturing and Service Industries in Nepal” (Master Diss., Tribhuvan University, 2002).

Gurung conducted o research on *“Promotional Strategies of Internet Service Providers in Pokhara”*, a comparative study in the year 2008. The objective was to find out the promotional strategy used by the ISP of Pokhara including promotional planning and execution. The study reveals that most common tools used by the entire ISP are sales promotion and public relation, sales promotion includes participation in trade fair and public relation, most promotional tools users are PINet and FewaNet. The new opportunities for ISP’s are that, they can expand their services to new geographic areas and serve the additional customer group. ISP’s are open to exploit new technologies. There is also chance of transferring skills to and from technical personal’s in the market.⁴³

“The annual report of NBPG 2008”, NBPG working as an umbrella organization supports Biogas program in the promotion, coordination, research, training and standardization of Biogas technology, focuses on the marketed survey of Biogas plant, the activity was done to create awareness to asses the relevancy of the technology and finally to assist them to make decision for adoption of Biogas plant.⁴⁴

The study of Nepal Biogas Promotion Group (NBPG) on, *“Market Survey of Biogas in low Penetration District Saptari”*, declares that there is a technical potential of 49988 plants in Saptari District. The market survey was conducted in four VDC and one NP (Nagar Palika). Out of 100 surveyed households only 68% shows their willingness to install Biogas plant. In the surveyed households there were adequate number of cattle’s to install the plants and calculated the potentiality as per the availability of dung kg per day, there found the potentiality of installing 176 Biogas plants of 4 cubic meters. At least one branch of commercial bank offices are located to provide loans for the installation of Biogas plants. The study also shows that all most of all the surveyed areas have access to motor able road for transportation of appliances and construction materials to install the plants. The study also shows fuel wood and dung cake are the main source of energy for cooking purpose. The actual expenditure done in the fuel cost about Rs.737 per month which is almost 17% of the annual average expenditure of that household.

⁴³ Sobha Gurung, “Promotional Strategies of Internet Service Providers in Pokhara” (Master diss, Tribhuvan University, 2008).

⁴⁴ NBPG, *Annual report 2008*.

The study revealed that there is no paucity of land for the plants and supply of water is satisfactory in the surveyed area. This survey has disclosed the fact that the people in the districts have lack of information on Biogas technology and subsidy program⁴⁵.

The report of NBPG on, “*Market survey of Biogas in Pokhara Valley 2007*”, declares that there is a technical potential of 100,000 plants in Kaski District where only 6923 household plants have been installed from 1992 to 2001, which is only 6.9% of technical potential, however more than 86% of survey potential households from three VDCs (Kalika, Armala and Kristi) are willing to install Biogas plants. In an sample area Agriculture Development Bank are providing loan for the installation of Biogas plants. The study also shows that the potential users have adequate income to install the Biogas plants which can greatly replace the consumption of fuel wood and kerosene. The study also shows that among potential users about 75% of the surveyed areas have access to appliances and construction materials to install Biogas plant, but during rainy seasons the villagers are facing problem of muddy and slippery road which makes difficult for transportation, but in case of Biogas users all most all of the household access to transportation which is 10-15 minutes walking distance from roadside. The study revealed that there is no paucity of land for the plants and supply of water is satisfactory in the surveyed area, it was noted that in Kalika and Kristi VDCs almost all the survey households used fuel wood for cooking purpose, the study also realized that average expenditure for fuel per month of potential users is 33% higher than that of Biogas users and also disclosed fact that Radio and Television are the best media for the dissemination of Biogas program in the valley.⁴⁶

The Market Analysis of BSP by Sundar Bajgain in “*Institutional Marketing of Biogas Plants*” concludes that institutional marketing leads towards combined efforts on promoting Biogas throughout the country including different kinds of promotional activities through out the country. The market analysis declares a large market of 1.9 million households, highly successful and popular technology with

⁴⁵ Prashun Bajracharya, “*Market survey of Biogas in low penetration District, Saptari*” (Market survey report, NBPG, 2008)

⁴⁶ Prashun Bajracharya, “*Market survey of Biogas in Pokhara Valley*” (Market survey report, NBPG, 2008)

guaranteed technology, highly beneficial to the users (social, economical, environmental and health), create strong institutional image and participating in social development activities.⁴⁷

According to the study of WECS, if all available dung (11 million tons per year) is to be used for Biogas, the potential Biogas production would be around 12,000 million m³ per year, which is equivalent to 29 million (about 10% of the present energy consumption), use of this dung for Biogas production would not negatively affect agricultural productivity.⁴⁸

“The Biogas training course (based on Biogas technology) of International Exchange Center, Chengdu Xingguang Development Corporation for appropriate Science and Technology (DCAST)”, determines the characteristics of the nutrient composition in agriculture stalks, the new way of utilizing agricultural stalks in rural areas of China and a new way in increasing the exploitation rate of stalks.⁴⁹ The overall course determines the comprehensive utilization of agriculture stalks

“A successful Model of Public Private Partnership for Rural Household Energy Supply” by The Nepal Biogas Support Program, declares the key indicators of SNV/BSPs success, principle benefits of Biogas system and challenges and opportunities for the installation of Biogas plants in Nepal.⁵⁰

“The Annual Work Plan report of Biogas Sector Partnership on Biogas Support Program and microfinance”, declares that for poor persons there will be more subsidies for the installation of Biogas plant, Rs.1500 for the poor people of Terai, Rs.2500 for the poor people of Hilly region and Rs.3500 for the poor people of remote Hilly region of Nepal.⁵¹

“The English text of the National Standard of the Peoples Republic of China 1985”, defines the collection of designs for household hydraulic Biogas digester in rural areas, the standard for check and acceptance of the quality for household

⁴⁷ Sundar Bajgain, *“Institutional Marketing of Biogas”* (Research Report, BSP, 2008)

⁴⁸ Water and Energy Water Secretariat, *Research Report*, 1996.

⁴⁹ DCAST/China, *“Biogas Training Course”*, 1992.

⁵⁰ NBSP Journal (vol.1 Dec. 2005) Bajgain and Shakya

⁵¹ Biogas Support Program (BSP), Phase-IV: *Annual Work Plan*, (Jan- Dec 2006)

hydraulic Biogas digesters in rural areas and the operation rules for construction of household hydraulic Biogas digester in rural areas.⁵²

Adhikary mention that the smokeless Biogas has greatly benefited that plants owners by contributing to a significant reduction in eye related troubles (problem of respiratory and other diseases). People felt better in terms of removal of eye irritation, eye pain, eye role, headache, coughing etc., other benefits realized by the plant owners were remarkable reduction in fuel wood collection, cooking and cleaning utensils, the study also focused that Biogas has also benefited by reduce in indoor pollution and it improved the health condition of rural people, in addition attachment of toilet in Biogas plant can help much better to the users.⁵³

WECS propounded research based on “*Alternative Energy Technology And Overview Assessment*”, and argued that by the use of Biogas there was an increase in agriculture productivity through increased soil fertility from the slurry, moreover the time saved and money saved through improve healthy and hygienic e.g. reduced cases of eye and respiratory illness and the number burning cases can be considered as other direct positive impact on the economy, the report also shows that the increasing awareness in health and sanitation among rural and sub urban population are considered as the social contribution of Biogas technology which is feasible for rural people.⁵⁴

Devpart Nepal has carried out the study of the impact of Biogas on users and also taken non Biogas household for the study. Syangja, Nuwakot, Chitwan and Morang districts were taken as the study area representing high hills, mid-hills and terai region of the country. The outcome of the study has shown that the whole quantity of dung produced is not collected by the Biogas users and collected amount is also not entirely fed into the plant which reduced the plant efficiency. However, the plant efficiency was found to be increased with the latrine attachment. This study has also

⁵² National Standard of the People Republic of China, *English Text Book*, 1985.

⁵³ P.K Adhikary, “*Effect of Biogas Plants on Family Health, Sanitation and Nutrition*” (Research Report, BSP/SNV/N, 1994),

⁵⁴ Water and Energy Commission Secretariat, “*Alternative Energy Technology and Overview Assessment*”, (Research Report, WECS, 1994/1995),

shown the comparatively greater benefits to Biogas users than non Biogas users household with regarded to cooking food because of time saved.⁵⁵

Karki have focused the study in Dhading district on “*Response to Bio-slurry Application to Maize and Cabbage in Lalitpur District*”. The study was mainly focused on the adoption of Renewable Energy Technology (RET) and its impact on income generating activities. The outcome of this study shows that three among the five of Biogas users reported an increase in crops production by 5 to 10 percent due to the application of bio-slurry. However, uses of other types of Renewable Energy Technology (RET) did not report in increase in crops production as experienced by the Biogas users, the Biogas users household’s main income generating activities are agriculture based like vegetables, butter and local wine production and also the fertilizer required for vegetable production has reduced and so the amount of money spending on chemical fertilizer.⁵⁶

Mathew and Wim J. Van. Nes on “*Elements of Success in Rural Household Energy Supply*” has discussed the benefits of Biogas which includes gender benefits, environmental benefits and health benefits. It presents financial and economical assessment of the BSP, which illustrate economical attractiveness of the program. The paper depicts the energy consumption pattern and states the following;

-) Petroleum and coal are entirely imported requiring 35% of Nepalese export earning but meeting only 8% of the total energy demand.
-) Wood is used mostly 72% in the residential sector to meet energy demand.
-) The technical potential of Biogas in Nepal is estimated at 1.9 millions units.
-) The Biogas plants till July 1998 are estimated to displace the use of 100,000 tons of fuel wood.

He argued that there are two possible constraints regarding the acceptance of Biogas. Firstly, Hindu people because of the considered impurity of night soil might

⁵⁵ Water and Energy Commission Secretariat, “*Alternative Energy Technology and Overview Assessment*”, (Research Report, WECS, 1994/1995),

⁵⁶ “*Response to Bio-slurry Application to Maize and Cabbage in Lalitpur District*”

resist the attachment of toilet to Biogas plants, secondly, the role of women immediate beneficiaries of Biogas in decision making is limited.⁵⁷

Sigdel and Das surveyed Biogas plant in a rural context, “*Biogas Development in Kaski District*”, the survey was done in Lekhnath village near Pokhara and found the there was growing awareness in this technology as a forest saver and people felt it would be more applicable in a semi-urban area where people were richer, but the village people suffered from different problems of finding capital to repay loans and installation cost was found to be high, there is a need for strong government subsidy.⁵⁸

“*An Analysis of the Socio-Economic Impact of Biogas Plants in Nepal*”, Karmacharya has shown the comparative analysis of installation of Biogas plants under the hill and terai context. Dadhikot village of Bhaktapur district for hill site and Phoolbari village of Chitwan district for terai site were chosen for the study. The study has taken economic approach and the analysis is focused on the various type of benefits obtained and savings made through the installation of Biogas plants. An energy situation in global and Nepalese context has been dealt in detail. No significant differences of impacts were noticed between hills and terai, however, some noticed differences include;

-) Lamp uses pattern was zero in terai but 27% in the hill.
-) Gas production was less in hills.
-) Use of slurry as fertilizer was low in hill.⁵⁹

Ghimire in his study “*Social Impact of Biogas on Users in Nuwakot District*”, has tried to document the benefits of Biogas produced by harvesting the more popular and appropriate renewable energy resource cattle dung and assessed the immediate impact of Biogas on respective users. The outcome of the study revealed that the main benefits of Biogas plants to its owner was for cooking and lightening facilities that saved a considerable amount of money, the study dealt with the general impact

⁵⁷ S.M Mathew and Wim, J. Van. Nes, “*Elements of Success in Rural Household Energy Supply*” BSP Nepal, 1999.

⁵⁸ S.K Sigdel and A.K Das, “*Biogas Development in Kaski District*” (BSC. diss., Tribhuvan University, 1990).

⁵⁹ Rajshree Karmacharya, “*An Analysis of the Socio-Economic Impact of Biogas Plants in Nepal*” (Master diss., Tribhuvan University, 1992).

of the Biogas plant on the users. In general, Biogas plants are found to have very positive impact on the users which is well appreciated by them. The total time saving of 1.22 hours/day/family on an average from the installation of Biogas plants suggests that it has been successful to lower the family workload.⁶⁰

Adhikary argued on “*Impact Study of Biogas, A Case Study of Chhang VDC of Tanahun District*”, that the promotion of Biogas is necessary in the context of Nepal due to the lack of energy situation; there should be provision of special package of subsidy for the poor farmer of the country because they cannot install Biogas plant due to the high initial cost. The study was done in Chhang village of Tanahun district, it also give emphasis on the importance of social awareness programs and also found that the workload of plant owners of the study area seems to be decreased but they could not use the leisure time for income generating activities, so, the related agency or government should provide an opportunity to utilize that leisure time. The observation concludes that the slurry of Biogas has not been used properly, so, the BSP or government related agencies should offer special package for the proper utilization of the slurry.⁶¹

Upreti on his study on “*Economic Impact of Biogas, A Case Study of Khairahani VDC of Chitwan District*”, has shown economic impact of Biogas in Khairahani village development committee of Chitwan District. The study revealed that

-) all the plant owners have used Biogas for cooking purpose.
-) saved time has been used in agriculture activity.
-) 90% has installed latrine, out of that 20% are negligible to the connected latrine.
-) medical expenses has been decreased due to control in indoor air pollution.
-) most of the households have saved fuel wood Rs.812 per month and kerosene by 0.25 and 0.19 liters per day per household in summer and winter respectively.
-) the use of traditional stoves has been decreased significantly by 54%.⁶²

⁶⁰ Suresh Ghimire, “*Social Impact of Biogas on Users in Nuwakot District*” (Master diss., Tribhuvan University, 1999).

⁶¹ Kalyan Adhikary, “*Impact Study of Biogas, A Case Study of Chhang VDC of Tanahun District*” (Master diss., Tribhuvan University, 2004).

⁶² Shreekrishna Upreti, “*Economic Impact of Biogas, A Case Study of Khairahani VDC of Chitwan District*” (Master diss., Tribhuvan University, 2004),

Sapkota in her study on *“Effect of Biogas on Forest Conservation: A case Study form Kaski District”*, argued that after the installation of Biogas has reduced the fuel wood consumption considerably in Kaski District, thus proving to have a positive impact on forest conservation. The study also focused that Biogas has a positive effect on improvement of user’s health as well as in indoor and outdoor sanitation, installation of Biogas has decreased the workload of women by two hours and seventeen minutes per day due to ease in cooking and cleaning utensils as well as saving of time previously spent in searching firewood. The study recommend that an integrated program of Biogas plant installation, livestock improvement, income generation, better farming technique, forest conservation etc. should be launched with the close coordination and cooperation among different organizations like BSP, ADB/N, SNV/N, BSP/N so that all the problems of the people are addressed and Biogas plant installation be made very easy so that more and more people have access to it and also new design plants should be developed and also the present subsidy scheme should be further increased giving emphasis to low income group, backward communities, with the loan scheme also being more easily accessible to the economically backward people. The study also describes that many biomass energy projects ignore the importance of social factors. For instance, bio energy may not be a priority to poor rural communities who have much more pressing requirements and are unable to take longer term view towards generally rehabilitating their biomass resources. The social factors should also be taken into consideration while implementing biomass energy projects.⁶³

In spite of the enormous potential of Biogas in Nepal, it hasn’t been sufficiently implemented to realize its full capacity. To promote Biogas, the main driving factors for its adoption as the alternative source of energy should essentially be explored. The financial subsidy provided by the government to install Biogas along with its associated socioeconomic benefits is one of the main driving factors. There is a need for the examination of these associated socioeconomic benefits of Biogas so that the Biogas program can be effectively implemented in other parts of the country. As there has not been well studied in the marketing aspect of National Biogas Company, the first attempt is done to find out the promotional strategy of the

⁶³ Prativa Sapkota, *“Effect of Biogas on Forest Conservation: A case Study form Kaski District”* (BSC. diss., Tribhuvan University, 2005),

company including marketing promotional mix variables and finally the study will try to find out the promotional problems faced by the company and new suitable promotional strategy for the company.

CHAPTER III

RESEARCH METHODOLOGY

The study attempts to have an insight into the marketing strategy adopted by NBG and evaluate its performance. In order to reach and accomplish the objective of the study different activities were carried out and different stages were crossed during the study period. For this purpose the chapter aims to present and reflect the methods and techniques adopted and followed in this study. It includes the research design, population and sample, sources of data, data collection techniques, data analysis tools and limitations of the methodology.

Research refers to looking for something more out of the systematic investigation. Research methodology is the way to solve systematically about the research problem⁶⁴. It is a systematic and organized effort to investigate specific problems that needs a solution. The process of investigation involves a series of well through-out activities of gathering, recording, analyzing and interpreting the data with the purpose of finding answers to the problem. In simple words research can be define as the entire process by which we attempt to solve problems or search the answers.

3.1 Research Design

Research design is an integrated framework of the whole study that guides the framework of the whole study that guides the researcher in formulating, implementing and controlling the research work. To achieve the set objective of this study, it emphasis upon comparative analytical method and studies the changes in the key variable overtime. The study is designed within the framework of case study research design; a case study research seeks to employ several techniques and sources of data for examining the current aspects of the phenomenon over study, in order to make any type of research which fulfills the objective of the study. Generally, research design means, definite procedure and technique, which guide to

⁶⁴ C.R Kothari, Research Methodology, Method and Analysis, (Bombay: Vikash Publishing House,1992) p34,

study and propounds ways for research viability. The problem that follows in the task of defining the research is the preparation of design, is the plan structure and strategy of investigation concerned to obtain answer to research question and to control variance. The plan is the overall scheme of program of the research. Research design is a plan to obtain the answer of research question through analysis for knowledge. The main objective of the study is to find out different promotional strategy of NBG, to analyze this, descriptive tools are used. It also assesses the opinion and characteristics of a given population and describes the situation and events occurring at present, the analysis are done by using case study approach.

3.2 Population and sample

The term population for research means all the members of any well defined class of objects or events. It refers to the industries of the same nature and its services and product in genera. Similarly, the sample is only the portion or subset of the universe / population. Here all the groups, individuals and elements under study is the population and unbiased representation of the population is sample invest same for the study purpose total Bio Gas company are the population of the data and NBG under study constitutes the sample for the study, this study being a case study of a single unit, NBG has been selected as the sample for the study.

3.3 Nature and source of data

The study is based on both primary and secondary source of data. Primary data are collected through the interview with the top level management. On the other hand, secondary data are collected from regular time intervals and analyze the trend in the past and used such trends in order to make future prediction. Supplementary data and information are collected from other regulating authorities like:

1. Annual report
2. Organization bulletin
3. BSP reports and journals
4. NBPG reports and journals
5. Related websites

Formal and informal talks / conversation with concerned authorities of the Biogas sector were also helpful to obtain the additional information for the related problem.

3.4 Data collection procedure

For effective research work, data plays very important role and especially for analytical research, data are life blood for the study. Authentic data are most important for the reliability of research findings, there to fulfill the objectives of the study; the required data are collected through self administered questionnaires and interview with the Managing Director of the company. Similarly, secondary data were collected from various sources as published statements, official reports, and annual report of NBG, published & unpublished related documents etc.

3.5 Data analysis tools

The data are main raw materials for the study. All the data are the input for the research process, so the data available should be first manage, arrange, accumulate and prevented in appropriate table and formats in a systematic manner and a systematic processing requires appropriate analytical and descriptive tools, here in research study available data are analyzed and processed. Data has been analyzed with the help of Ms Excel program. For this, a descriptive analysis has been done. Descriptive study has been done by presenting it in charts, tables and percentage.

3.6 Statistical Tools Used for the Study

3.6.1 Percentage method (%)

It is a mathematical tool, which represent the proportion of any variable in terms of its total. It has universal understanding and applicability. In the present study, percentage has been used to obtain the actual number of views and opinions on the questions being asked.

3.6.2 Tables and Graphs

Tables effectively present the general characteristics of the data and can also indicate the general category to which a number (frequency) lies. It provides the basic structure on which further statistical analyses can be performed.

Graphs are visual tool for analyzing and presenting the general characteristics and movement of the data. These are picture tools, which clearly depicts the true picture. It is easy to understand and the simplest way to express the data.

3.7 Limitation of the Methodology used

1. The analysis is based upon both the primary and secondary data. Hence it may suffer from the limitation of both.
2. The method adopted for retrieving information from the online website sources may get changed or updated on time to time. Hence, the coming researcher may not find the exact information as it is stated in the research.
3. Simple tools and techniques were used to analyze the data for the study.
4. Insufficient research done so far on Bio Gas Industry in Nepal.

CHAPTER IV

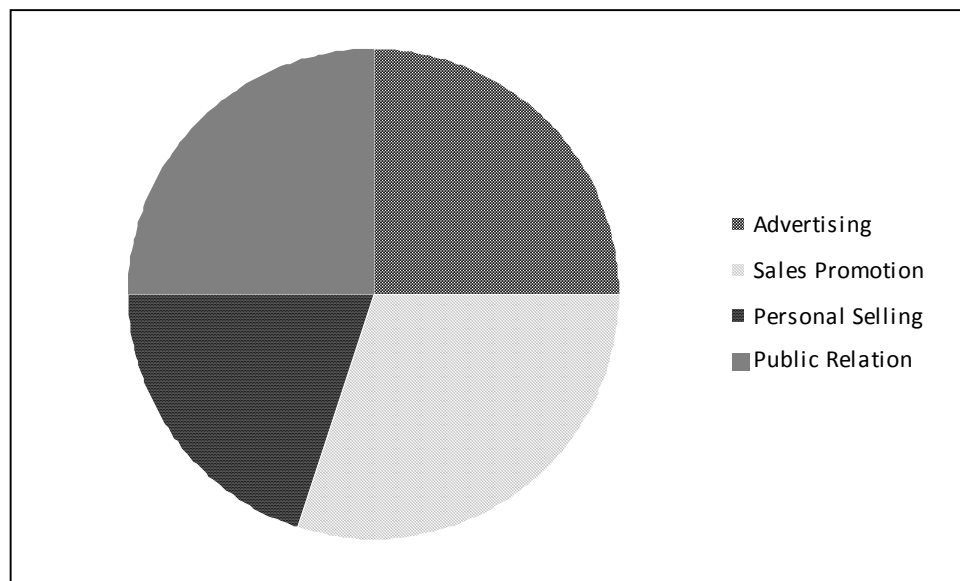
DATA PRESENTATION AND ANALYSIS

In this chapter, the data is derived from the top management points of views and are presented, analyzed and interpreted according to the objective wise of the study. The first section of the chapter incorporates the profile of the company under study and objective wise analysis and interpretation of the data. The second section of the chapter presents the major findings of the study.

4.1 Data Presentation and Analysis

4.1.1. Promotional Tools Used by the Company

Fig. 4.1: Promotional Tools Used by the Company



As the above Fig 4.1 reveals that the company follows the promotional tools but the maximum promotional tool has been utilized by the company on sales promotion 30%. This may be because, technical service provider organization which is based on the relationships and mutual understanding. Public relation, Advertisement occupies 25% respectively. Personal selling occupies 15%. This shows that the

company is using all kinds of promotional tools, more used tools is found to be sales promotion.

Table. 4.1
Promotional tools used by the company

Promotional tools	%
1. Advertising	25%
2. Sales promotion	30%
3. Personal selling	15%
4. Public relation	<u>25%</u>
Total	100%

Source: Field Survey, 2010.

Table 4.1 reveals that the company follows the promotional tools but the maximum promotional tools have been utilized by the company on sales promotion is 30%. This may be because, technical service provider organization which is based on the relationships and mutual understanding. Public relation and advertisement occupies 25% respectively, likely personal selling occupies 15%. This shows that the company is using all kinds of promotional tools, more used tool is found to be sales promotion.

4.1.2 Promotion Mix Strategy

In business total marketing communications program is called the “Promotion mix” and consist of blend of advertising, personal selling, sales promotion and public relation tools. With the help of promotion mix strategy the company has to increase their market share, popularize their service and generates sales through these promotional tools. Table 4.2 represents the different promotional tools have been used by the company.

Table 4.2
Promotion Mix Tools used by NBG

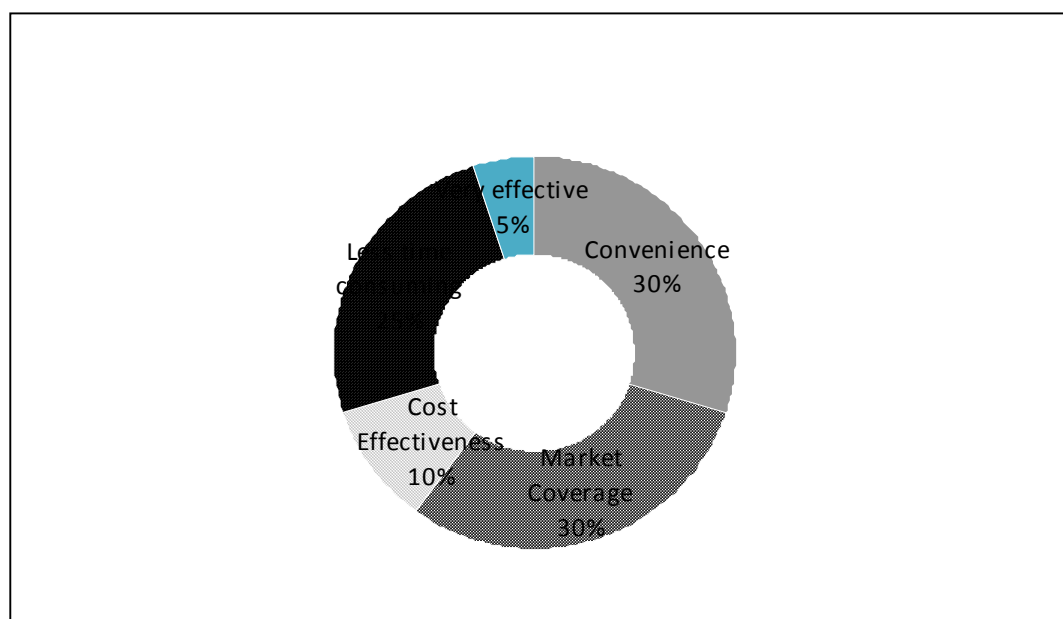
Promotional tools	Status
Advertising	
) Newspaper	
) Magazines	X
) Radio/ FM	
) TV/Cable	X
) Websites	
Sales Promotion	
) Discount price	X
) Bonus	X
) Incentives	
) Trade fair	
) Coupon/ Contest	X
Personal Selling	
Public Relation/ Publicity	

Source: Field Survey, 2010.

From the above table 4.2, it is clear the applications of promotional tools in NBG

1. **Promotional tools used by NBG:** The promotional tools used by the entire company are Public relation, Advertisement and Sales promotion.
2. **Many promotional tools:** The many promotional tools are used by the company..
3. **Combination of promotional tools most commonly used:** The promotional tool most common are Sales promotion includes participation in trade fair and public relation.

Fig. 4.2: Best reason for choosing the promotional tools



Source: Field Survey, 2010.

In the service organizations the business runs on the basis of Public relation or how the organizations serve to the public. If the organization serves well and good to its subscribers then its strategy remains for the longer period of time in the market and it will be easier for them to sell the service in a better way. The use of advertisement and sales promotion strategy is just because of market coverage and convenience 30% respectively to generate the desire message to the large public, less time consuming holds 25% of total activities. Hence, companies use their three major tools to cover the mass public. The cost effective and very effective reasons occupies 10%, 5% respectively in Fig 4.2.

Table 4.3
Use of Promotional tools and their reasons

Promotional tools	Reasons
5. Advertising	Market coverage, less time coverage
6. Sales promotion	Market coverage, generates sales
7. Personal selling	Cost effective, Convenience, Very effective
8. Public relation	Cost effective, Convenience

Source: Field Survey, 2010.

Table 4.3 reveals some facts about the promotional tools being used in the company. The company prefers advertising just because it covers the market in short period of time. The sales promotion covers the market and also generates sales. Cost effective and convenience are the reasons of personal selling and public relation. It is very effective in nature in case of personal selling.

4.1.3 Planning and Execution

Whenever any organization wants to promote their firm they go for planning. So when the company MD was questioned about when they generally plan your promotional activities, he respond the following presented in table 4.9.

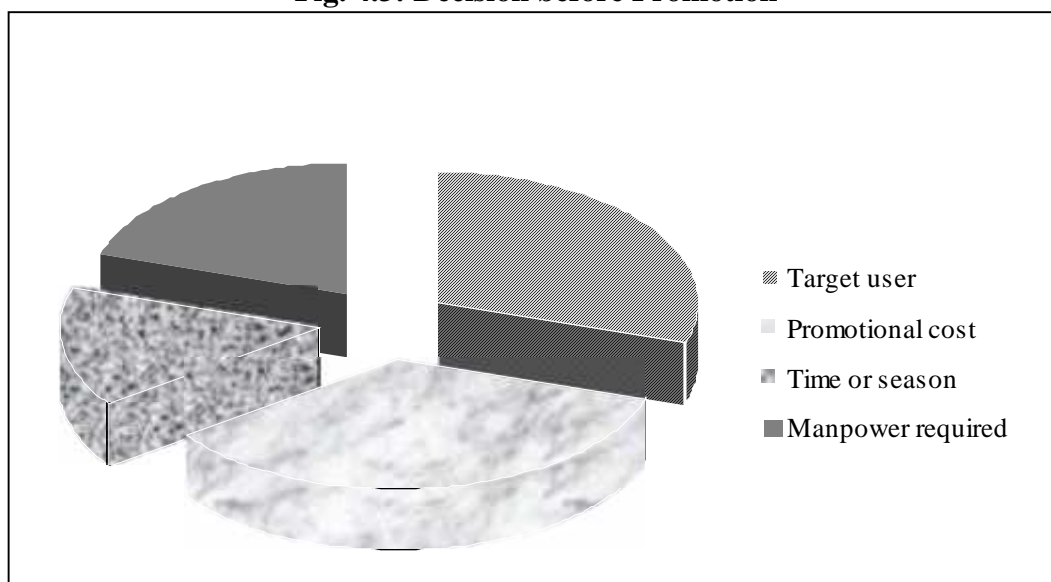
The below table 4.4 reveals that generally the company plan for their promotion during trade fair (30%), the company plans for their promotion during expansion of business (25%), planning period of promotional activity during off seasons (20%) and the company plans for its promotional activities under new schemes (15%) and festival season (10%).

Table 4.4
Planning period of promotional activity

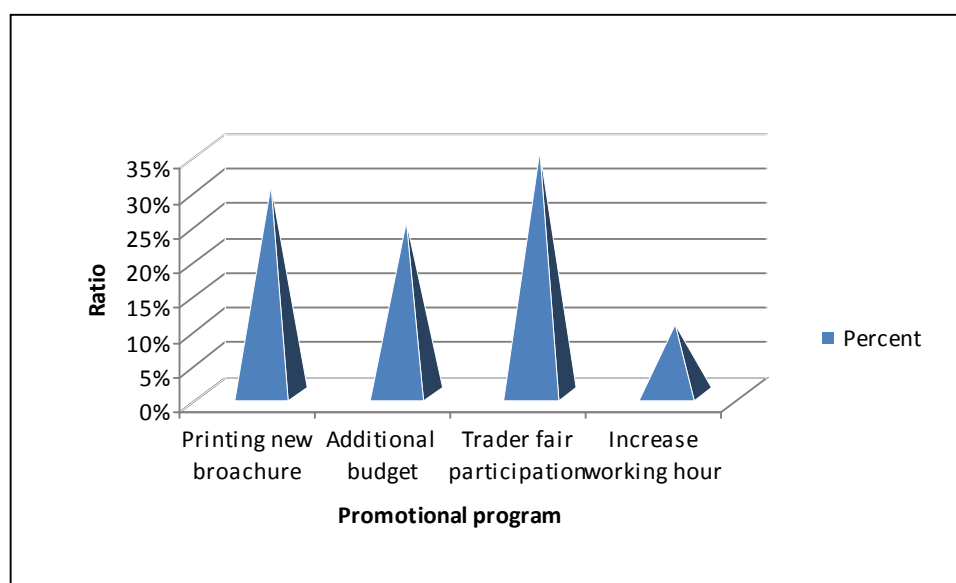
Factors	%
Under new schemes	15%
Trade fair	30%
Festive season	10%
Off season	20%
Expansion of business	25%
Total	100%

Source: Field Survey, 2010.

Fig. 4.3: Decision before Promotion



The company decide for the target users or clients first when they first think for any promotional program (30%). Simultaneously, they also think about the promotional cost (35%). The promoter and the technical personal may have to visit the places which increase their total cost. Then, they decide about the number of manpower (technical and non technical) will be required to promote (20%) and at last (15%) as a time or the season for promotion which increases their sales at least for the short period in Fig 4.3.

Fig. 4.4: Execution of Promotional Program

For executing the promotional program the company takes many actions. Figure 4.4 reveals that the company takes part in trade fair (35%), goes for printing new brochures (30%), allocate additional budget (25%), and increase in working hour (10%).

Table 4.5**Execution of Promotional Program**

Factors	%
Printing new broachers	15%
Additional Budget	30%
Trade Fair participation	10%
Increase working hour	20%
Total	100%

Source: Field Survey, 2010.

For executing the promotional program the company takes many actions. Table 4.5 reveals that the company takes part in trade fair (35%), goes for printing new brochures (30%), allocate additional budget (25%), and increase in working hour (10%).

4.1.4 Launch new promotional program

Whenever any organization wants to promote their firm they go for launching of new program. So when the company MD was questioned about when they generally plan for launching your promotional activities, he responds the following presented in table 4.6.

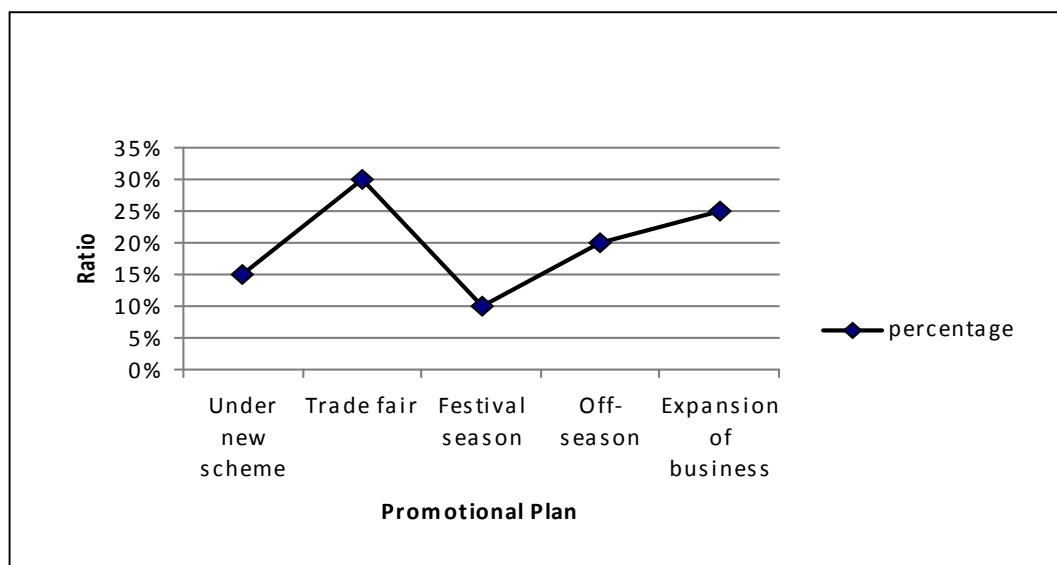
Table 4.6
Time of launch of promotional programs

Factors	%
Festive season	10%
Off season	20%
Under new schemes	15%
Expansion of business	25%
Trade fair	30%
Total	100%

Source: Field Survey, 2010.

The table 4.6 depicts the information that the company launch the promotion program generally at the time of trade fair (30%), during expansion of business is (25%), during off season (20%), under new schemes (15%), and during festival season (10%).

Figure: 4.5: Launching Promotional Plan



The Fig. 4.5 depicts the information that the company launch the promotion program generally at the time of trade fair (30%), during expansion of business is (25%),

during off season (20%), under new schemes (15%), and during festival season (10%).

4.1.5 Public Relation/Publicity

Public relation involves a variety of program designed to promote or protect the company's image or its individual's products.

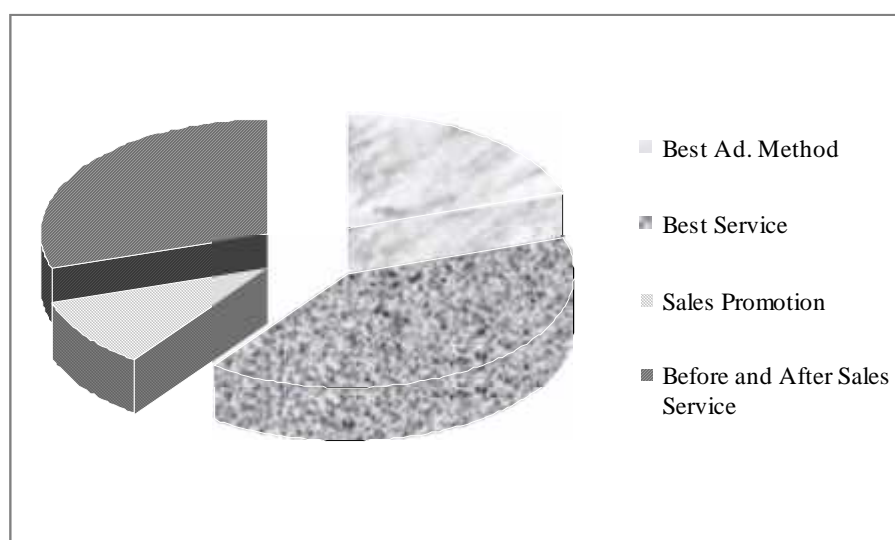
The company being the service organization is also based on the public relation that they maintain with their customer or subscribers. Therefore, the business organizations must be very careful for maintaining the public relation because the good public relation helps to increase the number of users and generates more sales. Every organization uses different tools to maintain their relationships with the customers. Some of the methods are mentioned out here which is also followed by the company to maintain proper relationships.

Table 4.7
Methods of maintaining Public Relation

Factors	%
Best Ad. Method	20%
Best Service	40%
Sales Promotion	10%
Before and after sales service	30%
Total	100%

Source: Field Survey, 2010.

From the above Table 4.7, we can conclude that best service 40% (quality and reliability) is the best method to maintain the relationships with the customers forever. Without the best service the company can't sustain in long period. 30% is occupied by the before and after sale service to the bio gas users which includes home service and telephonic service and others. The best advertisement method occupies 20% and the sales promotion strategy 10%.

Fig. 4.6: Methods of maintaining Public Relation

From the above Fig. 4.6, we can conclude that best service 40% (quality and reliability) is the best method to maintain the relationships with the customers forever. Without the best service the company can't sustain in long period. 30% is occupied by the before and after sale service to the bio gas users which includes home service and telephonic service and others. The best advertisement method occupies 20% and the sales promotion strategy 10%.

4.1.6 Monthly Amount Allocation for Promotional Activities:

The entire company allocates less than Rs 5,000 as a promotional expenditure per month. There are some bases behind allocating the expenditure. The allocation of promotion expenditure is based on the following, presented in the table 4.8.

Table 4.8
Monthly amount allocation on Promotion

Promotional Tools	Monthly Expenditure
Sales Promotion	below 5000
Personal Selling	below 5000
Public Relation	below 5000
Advertising	below 5000

Source: Audit report 061-066.

The company ratio of promotional expenses is below than Rs. 5000.00, the company can increase its business activities through increase in promotional activities with different promotional strategy and tools according to the need and

demand at the right time with right choice. Table 4.8 is the analysis of monthly amount allocation on promotion.

Table 4.9
Promotional Cost out of total marketing cost

No. of Years	Promotional Cost (%)
2061/2062	14.75%
2062/2063	31.48%
2063/2064	11.25%
2064/2065	19.38%
2065/2066	15%
Total	100%

Source: Field Survey, 2010.

Table 4.9 makes us clear that the company on the year 061/062 promotional expenses is 14.75% out of total marketing cost, 062/063 promotional expenses is 31.48%, in the year 063/064 promotional expenses is 11.25%, in the year 064/065 promotional expenses is 19.38% and in the year 065/066 promotional expenses is 15% of the total marketing cost respectively of their business which is low, there expenses is very less on the promotional activity and hence promotional cost is less than average to 18% on these five fiscal year which is very low.

Fig. 4.7: Promotional cost out of total marketing cost

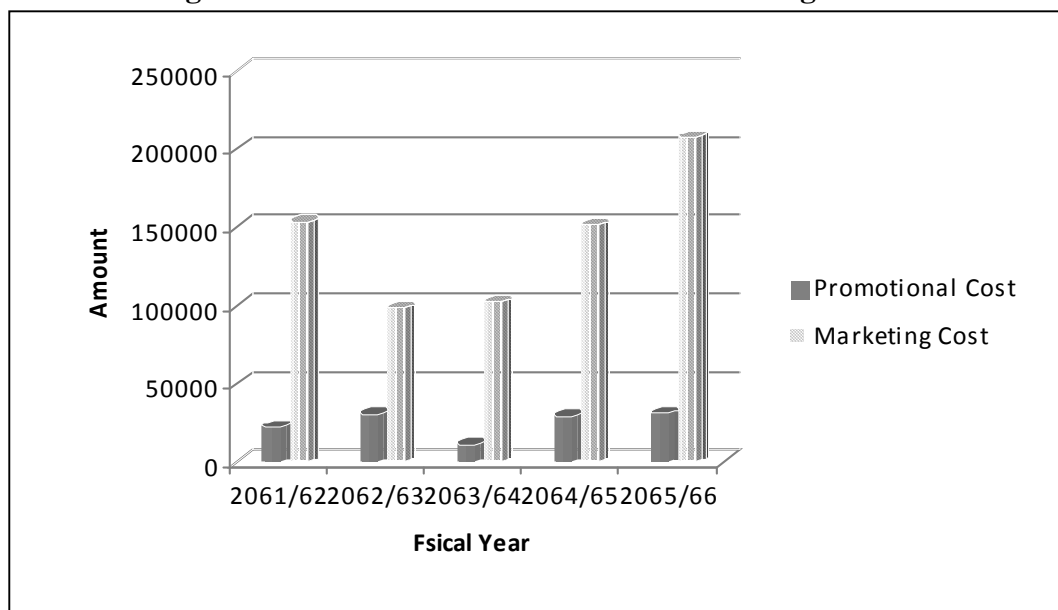
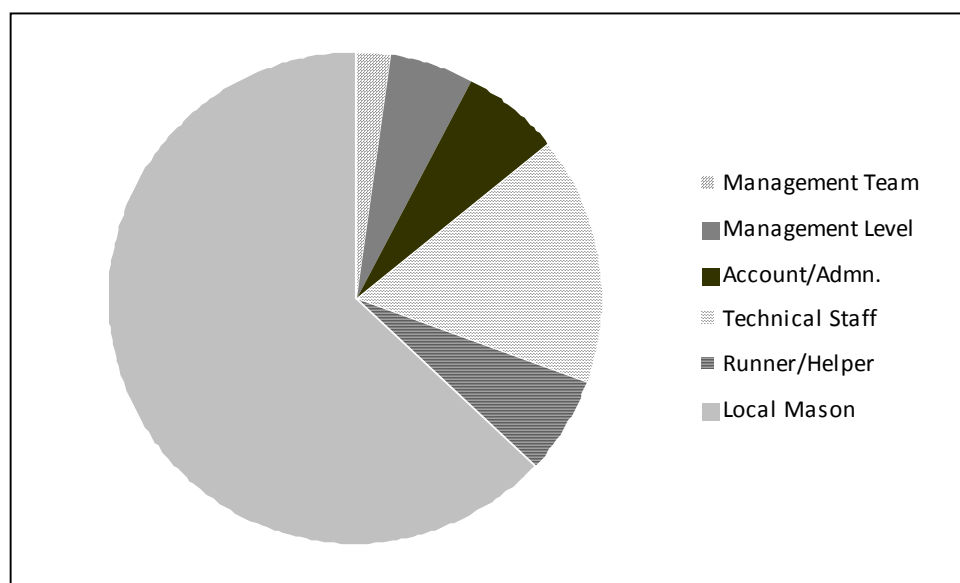


Fig 4.7 makes us clear that the company on the year 061/062 promotional expenses is 14.75%, 062/063 promotional expenses is 31.48%, in the year 063/064 promotional expenses is 11.25%, in the year 064/065 promotional expenses is 19.38% and in the year 065/066 promotional expenses is 15% of the total marketing cost respectively of their business which is low, there expense is very less on the promotional activity and hence promotional cost is less than average to 18% on these five fiscal year which is very low.

4.1.7 Number of employees

Fig 4.8: Total number of employees



The Fig. 4.8 shows that there are 7 out of 317(2.21%) as management team, directors are self working as a staff at this level, 18/317 (5.68%) staffs working as management level staff, 20/317(6.31%) staffs as accounts/administration level staffs, 52/317 (16.4%) are working as technical level staffs, 20/317(6.30%) as runner/helper level staffs and remaining 200/317 (63%) working as local mason (technical) level staffs. The overall scenario of staffs shows that there is more importance of lower level staff for the organization, basically to construct bio gas plant local mason are used.

Table. 4.10
Total number of Employees

Status	No. of employees (%)
1. Management Team	2.21%
2. Management Level	5.68%
3. Account/Administration	6.31%
4. Technical Staffs	16.4%
5. Runner/helper	6.31%
6. Local Mason	<u>63%</u>
Total	100%

Source: Company Profile

Table 4.10 reveals that 2.21% is management team staffs, 5.68% management level staffs, 6.31% staffs are working in account/administration department, 16.4% technical level staffs, 6.31% runner/helper and 63% local level mason staff for constructing of biogas plant.

Fig. 4.9: Effect of Promotional Expenses on Sales

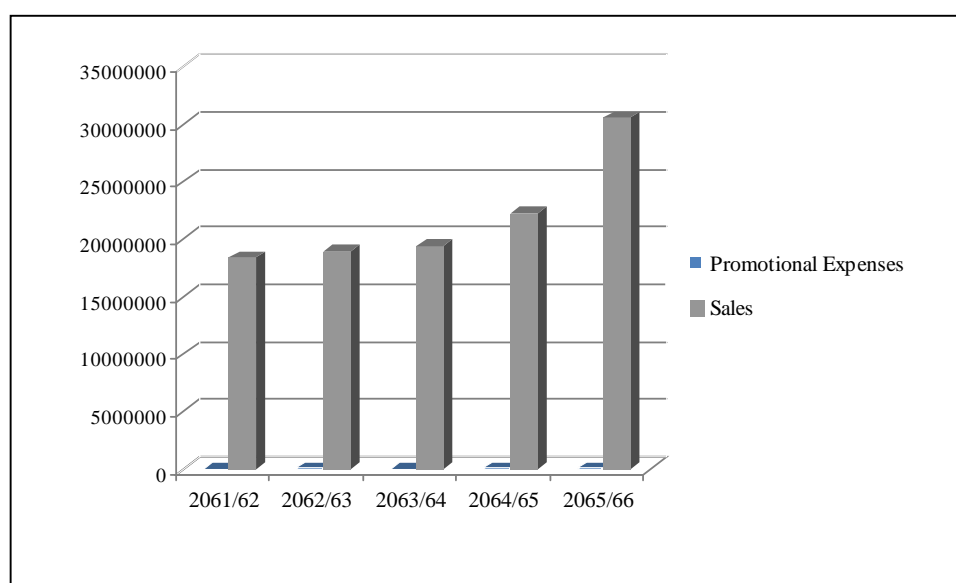


Fig. 4.9: shows that there is very less effect of promotional expenses on sales during last five years (061-066), in the year 2061/062 the total effect of promotional expenses on sales is 0.12%, in the year 2062/063 the total effect of promotional expenses on sales is 0.16%, in the year 2063/064 the total effect of promotional expenses on sales is 0.05%, in the year 2064/065 the total effect of promotional expenses on sales is 0.13%, and in the year 2065/066 the total effect of promotional

expenses on sales is 1.02%, gradually there is increment in promotional expenses as increment in sales after the third year of above five fiscal year as per audit report of the company. This figure also shows that if there is increment in promotional expenses, sales will also increase. The company needs to increase its promotional expenses in order to increase its sales.

Figure 4.10: Effect of Promotional Expenses on profit

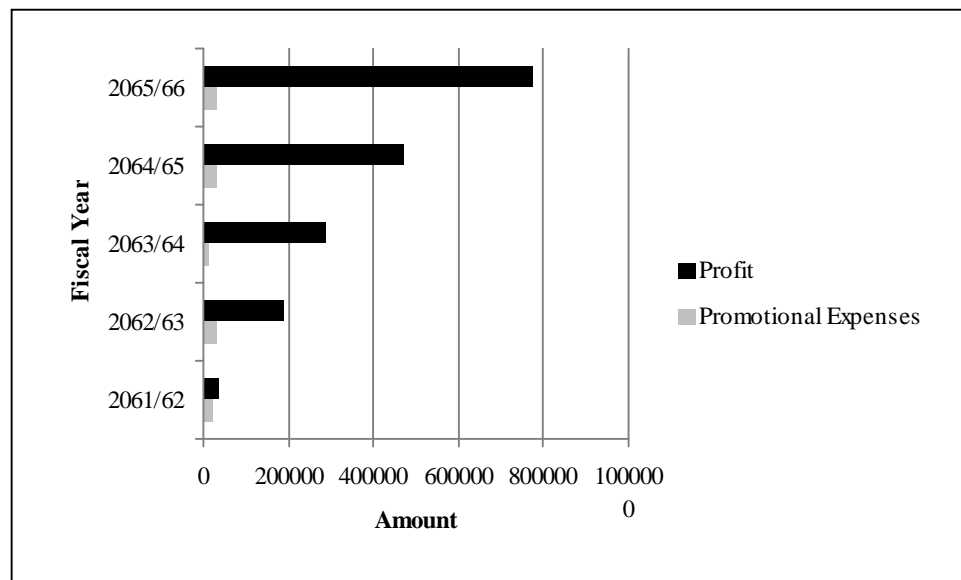


Fig.4.10: reveals that there is slightly effect of promotional expenses on profit, in the year 2061/62 the ratio of promotional expenses and profit is very nearest, in this year the total effect of promotional expenses on profit is 60%, in the year 2062/63 the total effect of promotional expenses on profit is 16.5%, in the year 2063/64 the total effect of promotional expenses on profit is 4.01%, in the year 2064/65 the total effect of promotional expenses on profit is 6.2%, likely in the year 2065/66 the total effect of promotional expenses on profit is 4.04%, gradually the ratio of promotional expenses is decreasing as profit increases in each year. The company can increase its profit through increase in promotional activities in coming days.

4.1.8 SWOT Analysis of National Bio Gas Company Pvt. Ltd.

The Organizations image in the market and its strength helps to promote the business more effectively and efficiently. From the Interview with the managing director and directors, staffs (technical and non technical) and observation analysis we have found the results.

Table 4.11
Strengths and Weakness of National Bio Gas

NBG	Major Strength	The company is internationally recognized with A grade company and Nepal Standard, the company holds its network to 42 districts of Nepal, well experienced management team, lots of recognition, business affiliation with Biogas Research and Training Centre (BRTC) under the Agricultural Ministry of Peoples Republic of China, organization partnership with UNDP, GTZ, PLAN International, Biogas Sector Partnership Nepal, NEDCO, and different Government and non government organizations.
	Weakness	Traditional management policy and strategy, absence of total computerized system within the organization, lack of professional manpower's and technical staffs.

Source: Field Survey, 2010.

From the above table 4.11 it is clear that all the company feels that they are technically sound and efficient and internationally recognized company, partnership with other NGO, INGO and other organization are their major strength and to survive in the market for the longer period of time by providing quality service and without interruptions with effective and efficient managerial policies. Traditional management policy and strategy, absence of total computerized system within the organization, lack of professional manpower's and technical staffs, non use of office programming software, old design and layout of the organization are the weakness of the company.

Opportunities provide the organization with a chance to improve its performance and its competitive advantage. Some opportunities may be anticipated, others arise unexpectedly.

Threats can be an individual, group, or organization outside the company that aims to reduce the level of the company's performance. Every company faces threats in its environment.

Table 4.12
Potential opportunities and threats for the Company

Potential opportunities	Potential Threats
1. The company can expand their service to new geographic areas and can serve the additional customer group.	1. There is always a danger of entry of new competitors. Hence, acquisition of rivals.
2. There is a chance of transferring skills to and from the technical persons.	2. Some of the existing as well new companies are fighting on price of biogas installation rather than the quality of the construction.
3. Opportunities of research and development.	3. Political instability has greater effect in the construction of biogas plant.
4. Since political situation is being stable in the country. Therefore the company has greater opportunity to serve the customer.	4. Change on demographic and geographical area of the country, decrease in subsidy by the government.

Source: Field Survey, 2010.

Therefore, the company has got the good potentiality of serving the public over 42 district in Nepal. On the other hand, at the same time it has the danger of acquiring new rivals in the market, politically instability and decrease in subsidy by the government may be the potentials threats for the company.

4.2 Major Findings of the Study

- 4.2.1 The most common promotional tools used by the company are sales promotion, public relation, advertising and personal selling. The most promotional tool used by the company is sales promotion includes participation in trade fair and public relation.
- 4.2.2 The best reason for choosing the advertising as a tool is because of the market expansion and less time consuming. The sales promotion because

of market coverage and sales generation, the public relation and personal selling because of the cost effectiveness and conveniences reasons.

- 4.2.3 In advertising, the company makes use of all media's locally and sometime in national media also. The use of magazines is found very less. The priorities are given to local radio and newspapers. However, the company has their own websites to promote their business tool. The use of hoarding and banner are also found in use.
- 4.2.4 The company allocates less than Rs 5,000 per month as an advertisement budget. The allocation of budget is typically on the basis of previous years advertisement expenses of own business sales and according to the market requirement. Promotional cost occupies between 10%-20% total marketing cost according to the financial data of five fiscal year of the company.
- 4.2.5 As a sales promotion the company would like to take part in the trade fair to promote their business which includes demonstration of biogas plant free counseling to the trade fair visitors.
- 4.2.6 Personal selling as promotional tool is not followed regularly because of its nature and the company does not believe in personal selling rather they believe in quality and service. In some cases they are using these kinds of tools also.
- 4.2.7 Public relation is found highly effective tools for the company in the long run because NBG is a service oriented business and for it public relation plays very important role. The company also focuses on advertisement and mainly on sales promotion.
- 4.2.8 The company takes part at different trade fair and makes people aware about biogas plant through demonstration. Along with this they make use of hoarding and banner at different places and other promotional tools like public relation/publicity and advertisement tools are followed by the company.
- 4.2.9 The company 2.21% is management team staffs, 5.68% management level staffs, 6.31% staffs are working in account/administration department, 16.4% technical level staffs, 6.31% runner/helper and 63% local level mason staff for constructing of biogas plants. The overall scenario of staffs

shows that there is more importance of lower level staff for the organization, basically to construct bio gas plant local mason are used.

- 4.2.10 The company financial data shows that there is very less effect of promotional expenses on sales during last five years (061-066), in the year 2061/062 the total effect of promotional expenses on sales is 0.12%, in the year 2062/063 the total effect of promotional expenses on sales is 0.16%, in the year 2063/064 the total effect of promotional expenses on sales is 0.05%, in the year 2064/065 the total effect of promotional expenses on sales is 0.13%, and in the year 2065/066 the total effect of promotional expenses on sales is 1.02%.
- 4.2.11 The company financial data also shows that there is slightly effect of promotinal expenses on profit, in the year 2061/62 the ratio of promotional expenses and profit is very nearest, in this year the total effect of promotional expenses on profit is 60%, in the year 2062/063 the total effect of promotional expenses on profit is 16.5%, in the year 2063/064 the total effect of promotional expenses on profit is 4.01%, in the year 2064/065 the total effect of promotional expenses on profit is 6.2%, likely in the year 2065/066 the total effect of promotional expenses on profit is 4.04%, gradually the ratio of promotional expenses is decreasing as profit increases in each year. The company can increase its profit through increase in promotional activities in coming days.
- 4.2.12 The company prefers advertising just because it covers the market in short period of time. The sales promotion covers the market and also generates sales. Cost effective and convenience are the reasons of personal selling and public relation. It is very effective in nature in case of personal selling.
- 4.2.13 The company ratio of promotional expenses is below than Rs. 5000.00, the company can increase its business activities through increase in promotional activities with different promotional strategy and tools according to the need and demand at the right time with right choice.
- 4.2.14 The company financial data makes us clear that the company on the year 061/062 promotional expenses is 14.75% out of total marketing cost, 062/063 promotional expenses is 31.48%, in the year 063/064 promotional

expenses is 11.25%, in the year 064/065 promotional expenses is 19.38% and in the year 065/066 promotional expenses is 15% of the total marketing cost respectively of their business which is low, there expense is very less on the promotional activity and hence promotional cost is less than average to 18% on these five fiscal year which is very low.

- 4.2.15 The best method the company feels to maintain the relationships with the customers forever is the best service which occupies 40% (quality and reliability) of the total portfolio. Without the best service the company can't sustain in long period. 30% is occupied by the before and after sale service to the bio gas users which includes home service and telephonic service and others. The best advertisement method occupies 20% and the sales promotion strategy 10%.
- 4.2.16 The company decide for the target users or clients first when they first think for any promotional program (30%). Simultaneously, they also think about the promotional cost (35%). The promoter and the technical personal may have to visit the places which increase their total cost. Then, they decide about the number of manpower (technical and non technical) will be required to promote (20%) and at last (15%) as a time or the season for promotion which increases their sales at least for the short period.
- 4.2.17 For executing the promotional program the company takes many actions. Table 4.10 reveals that the company takes part in trade fair (35%), goes for printing new brochures (30%), allocate additional budget (25%), and increase in working hour (10%).
- 4.2.18 Political and economical environment, decrease in subsidy, new competitors are the major environment which highly affect the company. Political instability brings changes in the whole pattern of business and economic status of the people as well as the business environment of the company. The company have very slowly or no reaction towards the promotional strategy of their competitor. They feel that have their separate markets and run their business in their own way.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter is divided into three parts. The first part provides a brief summary of the complete study undertaken. Following next is the conclusions which are extracted on the basis of the findings. And at last is the recommendations offered, guide lined by the findings of the study.

5.1 Summary

Promotion is any method of informing, persuading or reminding consumers, wholesalers, retailers, users or final consumers about the marketing mix product, place and price which has been assembled by the marketing manager. It includes all aspects of the marketing mix designed to communicate with an influence target market. In other words, promotion is any marketing effort whose function is to perform or persuade actual or potential consumers or users about the merits of a product or service for the purpose of introducing a consumer either to continue or to start purchasing the firms product or service at a given price.

Thus, promotion is a sales appeal. It is the art of telling and selling. It denotes communication message about the firm and its products to the target market. It consists of marketing communications that inform individuals, groups and organizations. It is the combination of advertising, sales promotion, personal selling and public relation/publicity. The sales will not take place automatically until it is not known by people. Hence, to sell any product or service it is necessary to promote it on regular basis to remind the existing users and to introduce it to the new users.

For the study purpose National Biogas was taken into consideration to know their promotional strategies. The company is well established and providing better service in the field of alternative energy through installation of Biogas plants in different place of the country which directly reduces the consumption of fuel wood, kerosene and other energy. It is important for peoples from all walks of life and for growth and development of the country. There is a great challenge to the nation eliminating the massive poverty in the country and to provide basic needs to people. Looking at

the nation's energy demand and people's buying capacity biogas technology is one of the reliable alternative energy sources. Keeping in view these challenges, efforts are under way to improve quality of life of Nepalese people and Biogas program is one of such effort that give direct benefits to the farmers to improve health, sanitation, time saving, cooking and using compost fertilizer. Biogas technology has proved to be very successful since it not only produces gas for household purpose but also provides good fertilizer in the form of digested slurry.

The study was conducted with the general objective to examine the promotional strategies of the company. The specific objectives of the study is to assess the promotional mix of the company, the impact level of promotional expenses on sales and profit, to identify the problems faced by them in the field of promotion, planning and execution of their activities and also to assess their SWOT analysis with regards to promotion.

To make more depth study about the concept of promotional strategy, various website and academic and non academic materials were reviewed. The conceptual review started with reviewing concept of Biogas Company, development of bio industry, history and present scenario in Nepal basically related to National Bio Gas Company. Then Company Structure, Objectives, Significance and Contribution, Problems, Potential Opportunities and Hindrances in the growth of Biogas Industry in Nepal. As the study, is about the promotional strategy so, this chapter also discusses about the promotion concept, promotional strategy, promotional planning and promotional mix tools. Simultaneously, review of international journals and master level dissertations were also included in research review section of the study.

Further moving to the research section a study examining the promotional strategies of National Biogas, followed by the profiles of the company as well. The most common promotional tool used by the company is the sales promotion which includes trade fair participation and public relation/publicity. The company allocate below Rs.5,000 as a promotional budget per month. The impact level of promotional expenses on sales is significant, in last fiscal year as there is increment in promotional expenses there is increase in sales. Hence, it can be understood that promotional activity helps in generating sales. Lack of awareness in use of biogas technology and in some places it becomes very difficult and more costly to install

biogas plant are the prior problem that affects the sales of the company. The company is technically sound and they have the greater opportunities for expanding their market in new geographic areas with the use of high tech equipments and as a threat there is a chance of acquisition of rivals giving serious competition.

Apart from this, political and economical environment also affects the business. To some extent geographical environment also plays a decisive role in expansion of the business. The data collected for the study purpose was primary in nature. For this, questionnaire method and interview question was done with top management (Managing director) of the company. As the study was done as a case study of National Biogas so the single company was taken as a population and sample and selected for the study purpose. Along with this a separate set of unstructured questionnaire were designed for the top management.

The data thus, collected were analyzed descriptively as well as statistically with the help of Ms- Excel. For graphical presentation of data including diagram and tables, Ms-Excel and Ms Word were used. Other statistical tool coefficient of correlation was also used to calculate the affect of promotional expense on sales of ISP's.

5.2 Conclusions

On the basis of findings of the study, following conclusions have been drawn:

- 5.2.1 The main strategies used by the company are sales promotion and public relation but advertising is used for its nature of less time consuming, sales promotion for better market coverage and generates more sales. Likewise public relation and personal selling are used for convenient and cost effective reasons.
- 5.2.2 The company makes use of newspaper, radio and other advertising tools for their service locally and nationally. The mostly used promotional tools is sales promotion, they take part in trade fair as a sales promotion scheme and also provides information to the people through demonstration and make aware about the use of biogas technology. Personal selling is less used tools followed because of its nature and the best method of maintaining public relation is the quality service (reliable and fast) to attract the new customer and retain the old ones.

- 5.2.3 Lack of awareness about the proper use of biogas technology and difficulties to install biogas plants in remote area are the major problem and subsidy by the government also plays vital role in the installation of biogas plant.
- 5.2.4 The company does planning for promotion under new schemes, trade fairs, expansion of business, and introduction of new technology and decides about the target users, promotional cost and manpower will be required. They launch the program during the trade fair and introduction of new schemes and for executing this promotional program they prints new brochures, take part in trade fair, increase the working hour of staffs, also provides different related facilities and also allocate additional budget.
- 5.2.5 The company is technically sound and efficient and these are their strengths to survive in the market for longer period of time by providing quality service. Similarly they have their internal minor weaknesses. The company has the new opportunities to expand their services to new geographic areas and serve the additional customer groups but there are some major threats as well. There is a danger if entry of new competitors which will slow down their business since.
- 5.2.6 Actually the promotional activity for the company may not require. It is a customer oriented service. If customer is in need of it, they will automatically come to the company for the installation of biogas plant. But the promotional activity is required to perform to make the customer brand loyal and expansion of the business.

5.3 Recommendations

On the basis of the conclusion, following recommendations have been made:

- 5.3.1 Promotional activity should not be assumed as a seasonal task. It should be on regular basis to remind the users about the kind of service and usage pattern. The company suggested to make use of all the promotional tools including public relation and personal selling. Since public relation is highly effective tool in long run whereas personal selling is highly effective tool in convincing users and generating sales.

- 5.3.2 Promotional activity is performed only by the marketing executive. This task also should be assigned to technical staffs, since the biogas users believe the technical personals more than the marketing personals in this kind of service organization.
- 5.3.3 Since the company is expanding business in different parts of districts and till date there is network of forty two branches all over Nepal, the company should generate such kind of promotional program which will cover the whole parts of districts with the effective allocation of economical and technological factors.
- 5.3.4 There expenses on the promotional activities out of marketing cost are very low as derived from the provided data of the five fiscal year. So it is recommended to continue the promotional activity and make it balance with the total marketing cost and also it is advised to start the promotional activity on regular basis. So that their sales can increase at higher rate.
- 5.3.5 The awareness of biogas installation and its usage pattern should bring among the users, limited users and non users. So, that every one can be benefited from this bio energy within the village, remote part of the country as well as to the people of city area so that sales could be increased. Again, the other company's seems very close competitors of each others with the unhealthy competition. Therefore this kind out environment should be avoided or removed from the market to sustain in the market for longer period of time. The company should utilize the available opportunities at the optimum level and should overcome from the external threats in the market.
- 5.3.6 The company should set some sales target and the planning and execution of promotional program should be measured with the standard of sales and they should regularly follow up and give feedback to control over these activities.
- 5.3.7 With the increase in the number of competitor in the market, the power of customer has also increased. They have now greater choice. Therefore, the company should consider on the customer needs and interest, so that the customer will be motivated towards the utilization of facilities and services provided and the customers can become more brand loyal.
- 5.3.8 Money of customer is not a big matter but creating demand is significant. Therefore the company must position its service in a best way possible, so that the maximum customer can be satisfied and retained for a longer period

of time in coordination with the others company's also and effective communication and corporation with the government and other related sectors.

- 5.3.9 Government policy towards the biogas industry, service in the country does not seem very liberal. Effective government policy can help the overall industry to reduce the price and increase the number of users in the country and the country will develop economically, technically, socially and the standard of living of people will also increase and the people will also directly health benefited due to the use of bioenergy mostly in remote part as well as different part of the country.
- 5.3.10 Since, the company is using traditional management policy and manual record keeping, this should be changed and total computerized system should be updated as well as more professionals manpower and skilled technical staffs seems necessary to grab the more opportunities which is flying in the environment..
- 5.3.11 For further research directions, it is suggested to conduct research from the point of view of bio industry and its usage as a Product, Price and distribution system.

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APPENDIX I

Questionnaire with the Top Level Management

Respected Sir/Madam

I am a student of PNC Pokhara solicit your active support in providing the following information for the fulfillment of my master degree. I request you to provide true information's of the questions to the best of your knowledge keeping in mind the service you provide and without being any biased. I assure you that all the information provided will be treated as strictly confidential and will be used for my educational purposes only. I wish the following mentioned tools will also assist you in promoting your esteemed organization.

1. Which promotional tool you been using?
 - a. Advertising
 - b. Sales Promotion
 - c. Personal Selling
 - d. Public Relation

2. Which promotional tool is most preferred one? plz. Rank according to your preference.
 - a. Adv ertising
 - b. Sales Promotion
 - c. Personal Selling
 - d. Public Relation/ Publicity

3. Check the best reason behind selecting the particular promotional strategy.
 - a. Convenience
 - b. Market coverage
 - c. Cost effective
 - d. Less time consuming
 - e. Very effective
 - f. Others.....

4. On what basis do you set the promotional budget?
 - a. On the basis of previous year and experience
 - b. An amount equal to similar service
 - c. Certain percentage of own business sales
 - d. Others.....

5. Monthly amount allocation for the following individually

	NIL	0-5000	5001-10000
10001 & +			
a. Sales Promotion			
b. Personal Selling			
c. Public Relaion			
d. Advertising			

6. Promotional cost out of total marketing cost
 - a. More than 75% of total marketing cost
 - b. 50%-75% of total marketing cost

- c. 25% - 50% of total marketing cost []
 d. Less than 25% of total marketing cost []
7. Did you evaluate the effectiveness of last year promotion?
 a. Yes [] b. No []
8. Does your company use hoarding and banner?
 a. Yes [] b. No []
 How much it is effective for the company?

9. Does your Company take part in the trade fair to promote the business?
 a. Yes [] b. No []
 Plz. Mention the name of trade fair of your participation

10. How do you try to maintain good relationship with the customer?
 a. By using the best advertisement method []
 b. By providing the best service []
 c. By using sales promotional strategy []
 d. By using before and after sales service []
 e. Other
11. In your opinion how effective is public relation for your organization?
 a. High effective []
 b. Effective []
 c. Moderate []
 d. Ineffective []
 e. Highly ineffective []
12. What type of problem do you face in making effective business promotion?
 Plz. Rank them in order according to your preference
 a. Small market []
 b. Lack of education and awareness []
 c. Lack of business promotional measures []
 d. Means of promotions are very expensive []
 e. Lack of experienced advertisement agency []
 f. Other, plz. Specify.....
13. Market competition faced by the company.
 a. Very high []
 b. High []
 c. Moderate []
 d. Low []
 e. Very low []
14. When do you generally plan to launch new promotional program? Please check the option.

- a. Under new schemes
- b. Trade fair
- c. Festive season
- d. Off seasons
- e. Expansions of business
- f. Others.....
15. What is the first thing you decide before promotional program? Plz. Check the option.
- a. Target users
- b. Promotional costly
- c. Time or season factor
- d. Manpower required
16. When do you generally plan for your promotion? Plz. Check
- a. Festive season
- b. Off season
- c. Expansion of business
- d. Trade fair
- e. Other.....
17. What you do for executing your promotional planning?
- a. Printing of new brochures'
- b. Allocation of additional budget
- c. Trade fair participation
- d. Increase in working hour
- e. Other.....

Thank you for your kind cooperation

APPENDIX II

Questionnaire with the Management

Interview questions

1. What is the main objective of Biogas Company?
2. What is the importance of Biogas Company?
3. What is the today's current status of National Bio Gas Company in Nepal?

4. What are the problems faced by National Bio Gas Company in marketing aspect?
5. What macro environment highly effects to the National Bio Gas Company?
6. How effective do you find the promotional tools used by the Company?
7. What are the strengths and weakness of the Company (NBG)?
8. What are the oppotunities and threats for the Company (NBG)?
9. What are the promotional planning and execution process of the company?
10. What is the promotional mix used by the company?
11. What new promotional strategy should the company implement in order to increase its sales?
12. Any comments, suggestions and recommendations

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Name: