

CHAPTER-ONE

INTRODUCTION

1.1 Background of study:

Present world is the advancement of science and technology. There are different scientific techniques which gives changes in our lives. Due to the advancement of science and technology different products are manufactured with best quality and it becomes more complexity in marketing management also. Development in information and communication technology, electronics, new materials and biogenetic and modern-technology advances will open up many new opportunities for marketing. Technological innovation accelerates the marketing process. Production and marketing are considered as the two most important economic activities of any economically developed as well as developing country or community. It is regarded that marketing is the accelerator of economic growth.

Modern marketing is a union of various activities in which varieties and quality of goods are determined. It also pays due attention to the interest and satisfaction of the consumer. So marketing pays a vital role in the modern society manufacturers and the consumers also. In fact it stands as a milestone of a country's national economy.

Now days, there is a trend of globalization. It is signaling that in coming near future, the trade is being a single home around the world. The legal provisions toward the business is making homogeneous in the country wise and all over the world i.e. competition net intellectual property right act, certification of origin, standardization and so on. To create a fair competitive market, subsidies and quotas provided by the government will be totally eliminated gradually within certain years. All the government handled businesses will be privatized and all the trade boundaries will be liberalized which makes free movement of product as well as resources and technologies. To eliminate all trade barriers and to monitor the world trade an umbrella organization has established almost 12 years ago named World Trade Organization (WTO), which is very democratic, participative and fair. Almost about 75 percent countries of the world has got membership of WTO yet and other remain countries are also in process to get membership that means one day will come that all the countries will be in the WTO regime. If the result of the continuous practices and efforts of all the countries, regional blocks and other organizations has been doing since more than 65 years ago

to liberalize and to globalize the trade through several conferences and various bilateral and multilateral treaties between the countries between the regional blocks, organizations and among the countries. Still there are so many trade restrictions but each and every conference of regional groups and international organizations are seeking how to liberalize the trade more and more as soon as possible.

Due to the globalize trend of world trade and business, tough competitive situation or environment is creating day by day whether it is in domestic market or in international market. No business organization can be isolated from influences of globalization. It is providing more and more opportunities as well as challenges. In this condition, business organizations have to conduct their activities strategically strong. A company can increase its market any other part of the world by setting or installed industries and by selling the product easily. So, the manufacturing companies are producing the several parts of product in several countries and assemble it in several countries to reduce cost and to improve the quality.

Now a day's consumer's view towards any product is quite different than previous time they give first priority to cost and quality, they mention not where the product is produce and where from imported. Consumer may easily move one product to another if they meet their priority. So, companies especially manufacturer are employing their several tactic and tools to make attention about their product and attract them. Vast competition among the manufacturers is happening in the field of marketing.

Advertisement, personal selling, publicity, trade fairs etc. are techniques, commonly used by all companies and it boosts up or hardly excited to consumers to consume the product and try a new product. It is because these techniques and tools make noise around people day-to-day life. It can make change the consumer's habits to consume product and it automatically increase in sales and sales activities. Product sale is an important aspect of marketing activities. Manufacturer's main aim is to increasing sales; increase market share and improvement of market position. Market position constitutes overall view of consumers/retailers towards a particular products, price, package, advertisement, delivery, extra benefits and market share occupied by the product.

Manufacturers are using sales promotion/consumer promotion techniques as early as 19th century therefore it is not a new technique,

recently, manufactures are attracting to the consumers by giving other extra monetary benefits attached with the purchase of the product. Buying behavior of consumers is changing; they are making attention is extra-attached benefits while buying a product. So, companies are providing different extra benefits to the consumers like, buy one get one free, other prizes, scratch card, coupon etc. Manufacturers don't want to hold more finished goods as inventory which increases cost also, so they attached a product with other which becomes tools to increase fastest sales.

Advertisement, purchase behavior, sales promotion etc. are the most considerable factors to increase market size that each and every company's goal. Without advertisement, a company can not sale the product in the market. So advertisement is also becomes one of the most important part of business. It can remind to each person's mind about the firm's and its products.

There are various advertising media options available to the advertiser like press media, Radio/F.M., Television, Film, Posters, Hoardings, Sky writing, Booklets, Catalogues, Window display etc. Spending/Amount is advertising and incremental sales have a positive relationship. Therefore every company spends significant amount of money in advertising and naturally sales will be increased as well as market position will be well.

In context of Nepal, most of people are in under the poverty line and most of the part of country is rural area. Being a country with rural markets, Nepal is far from modernized system. "Nepal is still following a traditional style of business and is not able to reach a high professional level. We need more human resources and business expertise in areas such as management, accounting and auditing. At the moment, Nepal is in a transition stage where industries are trying to take a big leap from traditional to modern style of handling business. However, the process is very slow and the major factor that is posing a hindrance in development of all sectors is corruption in public service, which needs to be curbed". (**Khetan, Rajendra**, "The Boss" p.22, June 2003)

Marketing and sales activities had started in Nepal relatively very late as compared to other countries. Nepalese consumers have habit to use imported goods since very long period due to not availability of products within manufacture in Nepal. After democracy B.S. 2046, some well-known multinational companies had come in the country and began to produce their

products in international standard. It contributes to develop marketing activities. Various communication media has been developing and advertising activities also becoming a part of business in the country. There are so many brands in product and domestic industries also making attention to improve market position by spending significant amount in advertisement, product differentiation and product lines. The domestic industries are facing competition with international products and multinational companies.

In context of Instant Noodles, Nepalese has been using Instant Noodles very late but consumption of Instant Noodles is increasing day by day due to urbanization. There are so many companies coming into Nepalese market like Asian Thai Food, Himalayan Snax & Noodles, CG Food (Nepal), Pokhara Noodles and Him-shree Foods (P.) Ltd. with different brand names such as Rum Pum, Ru-chee, Shakalaka Boom, Mayos, Wai wai. Position of Instant Noodles in the country especially Mayos in a municipality named in Nepalgunj is the main study of this study and packaging, price, delivery, advertisement, buyers or consumer view towards the Instant Noodles consumption habit of the consumers are the major subject factor of this study.

1.2 Significance of the study:

Proper information is the major materials of any management to formulate policies, strategies and decision-making. Marketing management is also not exception for it. Day to day, various incidences, new challenges and opportunities are accruing in the field of marketing. Consumers may change their consume pattern in any time especially about fast moving consumer goods products. To attract new consumers and to make loyal existing regular consumers the marketing management has to make several policies strategies and decisions. So, information from field of market through marketing research play crucial role in the marketing management

In context Nepal, there is poor decision making system and management. Due to lack of expertise in management sector, very few experts and managers can be seen in big corporate level business houses. So, researcher has chosen the topic to study practical based. Nepalese market and consumer behavior toward the fast moving consumer goods/ products is crucial to understand by producer of such kinds of product as well as marketer. The researcher has tried to find out the fact situation accrued in the market by paying preference to current market position of Instant Noodles special reference to Mayos. Which study may useful for all the marketers and manufacturers of fast moving consumer goods products especially Instant

Noodles concern to reformulate and review their policies as well as strategies. Besides, other firms whom seeing the proper market situation and structure will benefit trying to enter in the market. Moreover this study is concern partial fulfillment of the requirement for the degree of MBS.

1.3 Statement of problem:

During the past 25 years, there was not competition in Nepalese Instant Noodles market the reason was only single brand 'Rara' was available in the market. There was no choice or no alternative brands. Consumer of Instant Noodles was also not in large number. Gradually other manufacturing industries have been emerging with several brands like City noodles, Mayos, Wai wai, Rum Pum and Shakalaka Boom and so on. Therefore the situation of Instant Noodles market is quite different now. Most of people have been beginning to consume Instant Noodles due to the urbanization, busy life and easy availability of various Instant Noodles in the market. So, size of market as well as competition in the market is increasing day by day rapidly and almost 80% market share covered by them in Nepalese market.

In this situation, the companies are spending significance amount in ad. it is because without ad. the product can not be sold in the market. It provides the information about product services and even ideas and thus influences the choice that consumers make. It has become an integral part of the social and economic fabric of modern society. Strong concept about advertising is accompanied as with any other strongly held social concept, with strong prejudice. The manufacturers are seeking to mention their market position. Market position refers market size occupied by a particular product, ad. impacts, consumer's views towards company and its product etc.

If we consider above object, following problems are for discussion of the study.

1. What is the selling position of Instant Noodles in Nepalgunj?
2. What is consumers' view about the Mayos and other brand i.e. price/pack/delivery/quality?
3. What is the consumer's view of advertising of Mayos and other brands?
4. What is the overall marketing situation of Mayos?

1.4 Objectives of the study:

The main objective of the study is to find out current marketing position of instant noodles in Nepalgunj especially with reference to Mayos, and following are the specific objectives:-

1. To identify the selling position of Mayos in comparison to other brands.
2. To find out the consumers view about the Mayos and other brands i.e. price, pack, delivery and quality.
3. To find out consumers view about advertising of Mayos and other brands.

1.5 Limitations of the study:

There were some limitations during the research work. Here are some limitations during the research works:-

1. This study is done in Nepalgunj municipality only.
2. Data are based on the sample survey conducted in Nepalgunj City. So findings have been presented on the basis of respondents only.
3. The study covers small segment of Nepalese market.
4. The responses of the respondents are analyzed with percentile method and also graph chart in necessary places.
5. Time and budget is also limited during this study.

1.6 Rationale for selection of Nepalgunj City:

Nepalgunj municipality is head quarter of Banke district and Bheri zone. Nepalgunj is focused point of mid-western and far-western region for market area. Business for the most of area of mid-western and far-western region is done from this area. This area touches the boarder in the south called Rupaidiha. Leading companies have focused their marketing from this area. So, what is about the marketing position of Instant Noodles like Mayos and its image in the view of local customers of Nepalgunj municipality? Very few studies have been done out of valley in any subject especially in Nepalgunj, that is cause, the researcher has selected this area.

1.7 Organization of the study:

This research work is divided into five chapters as like:-

1. **Introduction chapter:-** This chapter will provide general introduction of marketing, market situation of present stage in the real field. Significance/objectives/limitation of the study, statement of the problems, and rationale for selection of area is also concerned with this chapter; Introduction of Himalayan Snax & Noodles Pvt. Ltd. is involved in first chapter.
2. **Review of literature:-** This chapter will provide information of different issues of marketing, which is related with topic by different books, journal, reports, and research.

3. **Research methodology:**- Third chapter is concerned with research methodology
4. **Date presentation and interpretation:-**
In data presentation and interpretation chapter, research data will be tabulated and showing in table, bar graphs and pie chart and it also contains major finding.
5. **Conclusion:** - And last chapter is concerned with summary and recommendation.

CHAPTER-TWO

REVIEW OF LITERATURE

The meaning and practices of marketing is modifying day by day. New and novel practices are practicing in the field of marketing with several tools and tactics. It is not sufficient that what is producing with the view to sell in current situation. Rather a clear understanding of social aspects, market place and more specifically the consumer behavior is significant very much. Due to changing behavior of consumer and competition, a company has to pay attention not only in the sale and adornment but also at the consumer attribute, buying behavior, packaging and pricing policy. So it is clearly seeing that marketing in today's business is facing more complexity.

If we talk about market position there is something comes in our mind that the effectiveness of sales promotion, advertisement, pricing and product attribute. Features are persuading to buy a specific product to the buyer and to sale the seller or the percentage occupied by a product in the overall market. So the market position deals with the overall effort and achievement in the field of marketing.

2.1 Meaning of Marketing Position:

There may be a number of products in the market to sale for the same purpose such products consumed by consumers may give priority to a specific product among the crowd of products due to several reasons. To keep first priority in mind of consumer, companies make effort in different way. There are so many products in instant noodles in the market. Market position of the instant noodles deals the major marketing components such as promotion, price, product distribution as well as advertisement and buying behavior of consumers. These major factors are influencing how much is total consumption of Mayos in the market and what is the percentage covered by the Himalayan Snax & Noodles Pvt. Ltd. in the total instant noodles market.

Influence of the major marketing factors help directly or indirectly to increase or decrease the sales to some extent, personal selling and publicity also one of the helpful components to increase sales but it is not possible for all kinds of products due to cost and time. Advertisement helps in the personal selling. Sales promotion is a short term strategy which encourages to consumer for use once or tries once the product by offering different prices or something extra incentives. It makes change the mind of potential

consumers and come to try the product. Due to this, sales promotion helps to maintain a sound market position of the product. Price is one of the most important factors in the marketing and to increase / decrease sales volume. Price must be affordable by various categories consumers. Product differentiation and product line can help to change price discrimination. Placement of product at right time in right place is one of the most important components of marketing. It helps to consume the product regular so frequent distribution channels must be maintained to achieve sound market position. To make regular brand awareness in marketing, advertisement is making significant role to market a product.

Advertising is not only one that makes to aware consumers. There are so many other tools but it is more costly as well as more effective and it pushes to buy the product to consumers while they are conformed or in confusion. Sales promotion seeks to show or once by consumer where advertising is indirectly hitting to potential consumer through public media regularly in mind. It is a long term strategy of creating brand awareness whereas promotional campaigns boost up sale of a product. Combine effort of sales promotion and advertising well increase sales in present as well as in future. Now a day's sales promotion campaign and advertising is going on with combining. There are many components, which directly affect the market position and sales. We can clarify these components in the following points.

2.2 Product

An identifiable form of tangible and intangible attributes, including quality, price, brand, trademark, packaging, color, and seller's service as well as reputation is known as product. It must transferable and payable. So a product may be a person, good, place, service, idea or technology. Consumers are purchasing need satisfaction in the form of the benefit they expect to receive from the product. Now we are talking about the consumer products which are not the purpose of business. Such products are indented for use by household consumer. In contest of consumer's products, brand plays vital role in consumption. Brand is not anything itself but it represents the entire attributes of the product so a consumer attracted by the brand name. Brand is one of the names, which helps to make and show something different from other product among the products having similar attributes. Consequently, some products are in the market that has very much popularity and image that consumers or people fill proud in the society by using such brands.

On the globalization perspective, “Products which are easily marketed in domestic markets may not be marketed in international market. More specifically, products, which are easily marketed in US market, may not be marketed in Asian or Nepalese market. In order to match products to the international markets, the marketers need to spend a lot of time, effort and money in planning and development of products in a systematic manner.” (**Dr. Shyam Shrestha**, 2005, p-119.).

Increasing of the global market area, companies should make branding strategy whether sell all over the world with the same brand name or separate brand name for separate market through distributors. Brand names with an eye to their global reach, the name of the product should be meaningful and pronounceable in the national languages. Otherwise companies will find it very difficult in selling their products in the distance places due to the geographical structure of various countries.

How brands influence people?

This first thing to recognize when we talk about brands is that they are not just names, symbols, terms, designs or combinations of these, although it is true to say that such things can and do differentiate certain products and companies from others. The additional ingredient that makes a successful brand is personality.

Today leading brands are personalities in their own right and are well known in all societies and cultures as film heroes, cartoon characters, sports stars, or great leaders. Thousands of people related to brand personalities in the same ways as they do to human personalities. There is of course, a psychological basis to this, and the psychology behind brands really stems from Carl Jung’s work where he described the four functions so mind-thinking, sensation, feeling and intuition. The secret to successful branding is the influence the way in which people perceives the company or product, and brands can affect the minds of customers by appealing to these four mind functions, or combinations of them.

Some brands appeal to the rational part of a person, to the elements of logic and good sense (the thinking dimension) such as instant noodles, which contains energy, proteins and cholesterol-free foods. Other appeal to sense of smell, taste, sight and sound such as fashion and cosmetic products. Some brands attract the emotional part of the people appealing to the feelings, dimension to which consumer react with feelings of warmth, affection and

belonging. Products such as Harley-Davidson motorcycles and companies like Benetton with its global village branding exemplify these.

Some of companies and products are attractive to people who intuitively feel comfortable with them, because they see these brands as extensions of themselves, a good fit to their personality, lifestyle, aspiration and behavior. Brands influence consumer decisions to buy in any of the above ways, or through combination of them, sometimes with tremendous persuasive appeal.

The Marlboro brand personality is a good example of how a company understands and combines the physical and emotional elements that appeal to certain customers who live or would love to live a certain lifestyle. Products such as good credit cards, watches or prestige items help people to express themselves to others by demonstrating that they are different and have achieved something. They act as extension of the personally, so it really is all in the mind. The key of brand management and development is a clear understanding of what benefits a customer is looking for. Time and again, research shows that the real driving force behind market leadership is perceived value not price or inherent product attributes.

People prefer to buy brands

Brands are also successful because people prefer them to ordinary products. Today's world is characterized by more complex technology, and this can be extremely confusing to people who are not technology minded. Brands can play an important role here by providing simplicity and reassurance to the uninitiated; offering a quick, clear guide to a variety of competitive products and helping consumers reach better quicker decisions. (Paul. Temporal. June 2003, P-44)

2.3 Pricing

Pricing is also one of the important components of marketing. Pricing strategy and pricing policy plays significant role to create a sound market position for the product. A company may follow different pricing methods. Price may determine on the basis of various factors i.e. cost, nature of the product, season, competition, rules of the government, geographic and so on. Pricing of the fast moving consumer goods products is sensitive very much. Most of the fast moving consumer goods products have to face tough competition from the different factors. To charge price for such a company

should understand consumers buying behavior, economic growth of the country, social aspects etc.

In the context of Nepalese consumers and Nepalese marketers/companies, we can see now that the prices charged for the any fast moving consumer goods / products on the basis of buying behavior as well as purchasing capacity of economic growth condition. Consumers are not mentioning weight of a packet of products like toothpaste, instant noodles, Coke, Pepsi and so on, but how much the price for a unit. Companies always fix the prices. Whether price of the goods or products is increasing but companies are introducing small packets for easy pronounceable price as well as low price on the view of consumers. Such pricing strategy follows by Coke, Pepsi, instant noodles and so on like Pouched Pepsi for Rs13, small packets of instant noodles for Rs5, Purnima pack of fair and lovely for Rs10, Rs1 or Rs2 for a shampoo pack.

“The contemplated price must be consistent with company pricing policies. Many companies set up a pricing department to develop pricing policies and establish or approved pricing decisions. Their aim is to ensure that the sales people quote the price that is reasonable to a customer and profitable to the company.” (Kishor Raj Aryal, 2002, P.14)

2.4 Promotion

Promotion includes all the activities undertaken to communicate and promote products to the target market. The components of promotion mix consist of advertising, sales promotion, personal selling, publicity and public relation. All the promotion activities have been conducted to communicate with the firm's audiences to achieve certain goals. The situation of the company, product nature, consumer behavior, etc. may play role to pay priority for a company's which element of promotion is most important. It is to substantially change the product mix in the short run. However, organizations can control and change price mix and promotion mix in the short run to meet the challenges of the changing environment.

2.4.1 Advertising

Advertising is directed at cognitive and emotional responses: building brand awareness & brand attitude overtime.” Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by and identified sponsor targeted at mass community at a single effort. Advertising is one of the most important promotional tools that companies see to direct

persuasive communications to target buyers and publics. Advertising is used to achieve various marketing goals of the firm. Some of these objectives include such as,

- To improve brand image or brand awareness;
- To inform and persuade the target audience;
- To achieve a desired sales level and improve company's profitability;
- To successfully launch the new product to the market;
- To support the personal selling;
- To win the competition:

Advertising may be done through various means or Medias such as: print Medias; audio advertising (Radios); visual advertising (Film slides); audio- visuals (Film, televisions, etc); displays (window display, sky display, hoarding boards, electric neon, etc. However, an effective advertisement is one, which can change the target audiences' attitudes in favor of the firm's offer. To achieve any attitudinal change, advertisement should possess several requirements; such as attract attention of target customers towards the company's offer, understand the target audience properly and convince the target customers effectively. (Dr. Shyam Shrestha, 2005, P 162&163)

In reality, consumers do not believe to a product, which is not seen in advertisement and cannot make decision to buy. Advertising becomes life partner of a product for marketing. Advertising cost is higher than production cost of some product. It seems that advertising is being strong components in promotion very much.

Now a day, stars from different field such as sports, music, movies etc. are using in advertising to attract consumer. However, there is controversial analysis whether it is effective or not but most of companies has been introducing them as a brand ambassador also.

2.4.2 Sales Promotion

Sales promotion is directed towards drawing an immediate response. This mode of marketing is efficient in attracting the attention of the consumer/potential customer.

According to American Marketing Association," Sales promotion consists of those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness,

such as display, shows and expositions, demonstrations and various non recurrent selling efforts not is the ordinary routine.”

Sales promotion is the third promotional tool. It is used to coordinate and supplement the advertising and personal selling programs. It is a program of limited duration that encourages sales by attraction of the price on perceived value of product.

“Sales promotion is some times described as the bridge between advertisement and sales.” says Frank Jefkins in his book “Advertising Today.”1977.

According to Dr. Kundan Datt Koirala, 2002, “It is (consumer promotion) often used to retaliate against a competitor’s sales promotions or to reduce a seasonal decline in sales. Consumer promotion is either aimed at reaching the consumer at his home or place of business or in the store.”

According to Phillip Kotler, 1974, “Sales promotion consist of a diverse collection of incentive tools, mostly short term, design to stimulate quicker or greater purchase of a particular product by consumer of the trader.”

To motivate middle channels between producer and consumer and customer/ real consumer to sale or to consumer at least once, various tactics are introducing company’s day by day such as giving extra margined/percentage discount to the sellers, buy two get one free for the consumers, display on retail sales stores and so on. Such kinds of promotional activities are introduced on the occasion of different festivals like New Year offer.

In case of Nepalese market, promotional tactics has been seeing but some extent, some sales stores are offering discount such as 50% off, buy one get one free etc. are not really discount. It is because; there is not identifiable price of the product. Such kind of practices can be seen on fashionable readymade clothes, which is making wrong impact on consumers mind towards sales promotion activities.

In case of Nepalese instant noodles market, various promotional programs has been seeing such as buy two get one free, and so on. All these promotional tactics are really sales promotion tools which help to sale the product in large scale.

2.4.3 Public Relation

Public relation is media attention without paying for it, usually generated through a product champion and involvement in stories, which are relevant, and of interest to news media. It gives an impression of objectivity since it is unpaid for. Marketer engage in public relation in order to develop a favorable of their organizations and products in the eyes of the public, so major objectives of public relation are to build awareness, to build credibility, to stimulates sales free and dealer, to hold down promotion cost and so on.

”Public relation has become an important marketing tool these days. The basic philosophy of public relation is that if the image of the company is poor in society, no other marketing efforts including quality product and service can satisfy the customers. In order to gain good image in society, a company must establish a good relation with the publics. Publics are several groups of society, including customers, stockholders, staffs or employees, dealers, the press, the financial community and the general community. A company must have good relations with these groups, if it really wants to promote its sales and develop an established market for its product and services. Public relation is defined as a social philosophy of management expressed in policies and practices, which, through sensitive interpretation of events based upon two- way communication with its publics, strives to secure mutual understanding and goodwill.” (Dr. Shyam Shrestha, 2005, P.168)

Now days, building public relation by organization in society are vital marketing tools to promote the product and to establish brand loyalty.

2.4.4 Publicity

Publicity means of promoting the mass market and similar to advertising except that it free, is found in the additional portion of the news media and pertains to newsworthy events. The most common type of publicity is news release (also known as press release), photographs and feature stories. Promotion can be directed towards final consumer’s middlemen or companies’ own employees.

“Public relations and publicity are the last two promotional methods. Public relations are the broad, overall promotional vehicle for improving or

maintaining an organization's image and its favorable relationship with its publics. Publicity, a part of public relations is any promotional communication regarding and organization and / or its products that are not paid for by company benefiting from it. Typically there two activities are handled in a department separate from the marketing department is a firm." **B. S. Rathor**, 2005, p.91&92)

2.5 Distribution

Distribution includes the various activities undertaken to make the product accessible and available to target customers in right time and place. Components of distribution consist of channels (direct or middlemen wholesaler, retailers etc.) physical distribution activities such as order processing, warehousing and location, material handling, inventory management, transportation.

According to Dr. K. D. Koirala, 2002, "Distribution is concerned with all business activities revolving around the problem of getting the product from the place of manufacturing to the final consumer. Distribution deals with two aspects of product movement: marketing channels and distribution logistics. Marketing channels or channels of distribution is the system of relationship among the various persons and institutions involved in the process of movement and ownership of products and facilitating exchanges. Distribution logistic is concerned with the physical movement of products."

Most of producers do not sell their products directly to consumers. There may be two or more than two intermediary's stands between consumers and producers. These are the marketing channels which play vital role to distribute the product. So, marketing channel decisions are among the most critical decision facing management.

According to William J. Staton, "A distribution channel consists of the set of people and firms involved in the transfer of title to a product as the product moves from producer to ultimate consumer or business user." The distribution channel includes several individuals and institutions such as producers, suppliers, industrial users, brokers, agents, wholesalers, retailers and consumers. It also consist several flows in the system which is forward flows and backward flows. The forward flows more from producers to the market. There are three forward flows: product flow, communication flow and ownership flow. The backward flow is money from sales, orders for products and market information.

For the distribution of consumer products, we can introduce four options channels design such as producer may distribute directly to final users, the producer may use retailers to reach consumers, the producer may reach consumers through wholesalers and retailers and producer may go through agents and retailers. In the context of Nepal, especially in instant noodles marketing, most of the instant noodles production companies are following the producer through distributor, retailer and consumers.

2.6 Origin, History and Popularity of Instant Noodles

Everyday importance of instant noodles is increasing. The instant noodles are found all over the world in different variety, shape and size. Billions of people in the world eats instant noodles in different flavors and manufactured in various countries. A mainly instant noodle is very popular in north East Asia like Korea, China, Singapore, Thailand, Japan etc. Korean used to take highly spiced, Chinese used to take Szechwan flavor, Singaporean used to take spices with seafood flavor, Thai used to take hotly in Tom Yom flavor, and Japanese used to take mild in seafood flavor instant noodles. American prefers to eat meat, mushroom or oriental flavor instant noodles.

Originally instant noodles came from China. Chinese people were known to have eaten noodles as before the HAN dynasty that from five thousand years ago. In the late 13th century Marco Polo traveled China and brought noodles back to Italy in the form of pasta and macaroni. In Chinese language noodles are called “lo mein” which mean boiled noodles. The Chinese style noodles are popular in Japan. The process of turning the traditional noodles into the new familiar instant packaged noodles, was pioneered by **Momofuku Ando** began the company in 1948 with families, producing a Ramen noodles. The first time maker of instant noodles in huge quantity is Japan in 1958 and spread through out the world after 1972 when Nissan Food Company brought to the USA. After 1972 Mr. Ando’s new food concept were accepted of instant noodles gained popularity all over the world because of fast convenient in preparation and good taste.

The world is fast and busy now a days. Every body in the world is busy that they couldn’t get enough time to eat well. Due to constraints, people are attracted to taking well-processed foods, which is easy to cook and consume. In this time in the world introduce new concept foods i.e. instant noodles. So the popularity of the instant noodles is increasing day by day due to saving of

time because instant noodles can be ready in a little time. Instant noodles gaining more popularity in the world that it cannot be replaced by other fast foods. Every body in the cities or in any rural are using instant noodles whenever available and necessary. In the city it is popular due to saving of time but in rural are it is popular for style and fashion like “Oh! I eat noodles today.”

2.7 Instant Noodles industries and marketing in Nepal

In the contest of Nepal, the concept of noodles is developed just three decades old. First noodles are introduced by Tibetan refugees in Nepal. They open different restaurant and mention noodles in the name of chaumin in menu. They teach Nepali to eat noodles.

In the marketing way, the concept of noodles in Nepalese market is introduced by Indian company named Nestle India Ltd. They launched Maggi as a white instant noodles giving concept of “2 minutes noodles”. They increase the market and done monopoly business for few years. After some year due to heavy demand of noodle in Nepal, Gandaki Noodles Ltd. established noodles industries in 1980. They produce noodles in the name of RARA with Japanese technology. Gandaki Noodles Ltd. is established as the first company that introduce instant noodles in Nepal and done a good business and became brand leader in the market. After grand success of Gandaki Noodles Ltd. in instant noodles, in 1984 Chaudhary Group entered in instant noodles market and introducing Wai Wai as precooked instant noodles (Brown Noodles) that can be eaten directly from the packet. In a few time Wai Wai become a brand leader in the market of instant noodles. After this in the few year many companies introduce different products like Yum Yum, Wai Wai Tenz, Hits, Ramba, Rum Pum, Big MiMi, Mayos, Sathi, Gol Mol, U-Key etc and fighting to be a brand leader in Nepalese market. Wai Wai, Mayos and Rum Pum are doing export to India also. Wai Wai and Mayos have high share of market both in Nepal and India in the compare of other noodles.

The total size for noodles is expected to be above Rs1250 million in Nepal. Total sales of instant noodles in Nepal in quantity are expected about 3.92 million cases. Every year the market of instant noodles is growing by 10 percent to 15 percent. Every company is searching new market for the instant noodles. It means they are growing the consumer of instant noodles day by day. Instant noodles can be divided into two groups:

a. White Instant Noodles:

This type of Noodles is uncooked. It has to be cooked for two minutes to make ready to eat. The first introducing noodle as a white noodle in Nepal is Rara by Gandaki Noodles Ltd. Before that it was imported from third country like India and Thailand. The popularity of white instant noodles is increasing day by day. It is very much popular in mountain and hilly areas. In the plain areas it is not so popular. It captures about 18% of market area of instant noodles. That means about 0.63 million cases per annum.

b. Brown Instant Noodles:

This type of noodles is pre-cooked. It can either eat directly or by cooking. This type of noodles is very much popular in hilly area. People of plain area also use this type of noodles. Least number of people uses Brown Instant noodles in mountain area. Wai Wai is the first brown instant noodles introduced in Nepal by Chaudhary Group. Later many companies introduce different types of brown instant noodles in Nepal.

2.8 Review of Previous research works

There has been no research on the instant noodles marketing in Nepal. So, only related some topic of marketing have been revised below.

2.8.1 Parajuli Sanjay, 2001 “A study of loyalty on branding” SDC.

From the interpretation and analysis of the data and information collected from the consumer, it is found that brand awareness of Nepalese consumers are high and most of them are brand loyal in each of the product selected for this study. Similarly, it is also found that the factors such as the consumer's sex, age, marital status, income, family system etc. also affect brand loyalty.

2.8.2 Aryal Kishor Raj, 2002 “The study on market share of Colgate is comparison with other brand” SDC.

In summary, sales promotion works as a starter to the toothpaste users. People, who are not so educated, are not loyal towards any particular brand. Due to this, sales promotion, advertisement easily attracts attention of those toothpaste consumers and as result the sales of that particular toothpaste will increase. The sales promotion is very powerful, which can easily boost up the sales and market share will be increased.

2.8.3 Baral Nara Nath, 2002 “Milk Product Marketing in Pokhara (A case study of PDDP)” PNC.

In summary, PDDP distributes milk and milk products in Pokhara area. The quality of milk is affected in different seasons. In flush seasons, when PDDP has less milk collection, then quality of milk is not found satisfactory. In peak seasons milk becomes excess and PDDP stops collecting milk from farmer for a few days that is called milk holiday. In false seasons the required amount of milk falls short.

Though it is the largest dairy product company, still other private dairy companies are creating tough competitions to PDDP.

2.8.4 Sharma Vijay Anand, 2002 “Measuring Advertising Effectiveness: The Active Response Scale (A study Of Low Involvement Products: Instant Noodles, Toothpaste & Washing Soaps) T. U.

Results of this study showed that though advertisements were able to generate Rudimentary Response (tentative belief and recall) they are not doing so well in terms of emotionally associating (Emotional Response) themselves with consumers. To have favorable market share (Active Response) brands extensively resorted to special promotion campaigns (Noodles) or to magnify out of promotion miniscule brand differences (Toothpaste and Washing soaps). In other words, advertisements are limited merely to the task of disseminating information.

2.8.5 Bhandari Subash, 2059 “A study on consumer preference towards various brands of instant noodles with emphasis on WAI WAI” T.U., Kritipur.

On the basis of major findings the study has reached to the following conclusions:

Most of the consumers of instant noodles are male. It's about 50 percent more than female. The instant noodle is more popular in children and teenagers. About 43.33 percent of the consumers of instant noodles are lies on 5-20 age groups. Secondly young people between the age group of 20-35 use the instant noodles. The consumers of instant noodles are in huge number in city of Kathmandu than in city of Lalitpur and Bhaktapur.

The packet of 75 gm instant noodles is popular. Most of the consumers prefer packet of 75 gm of instant noodles than that of 50 gm and 60 gm. About 43.33 percent consumers prefer to have Wai Wai.

CHAPTER-3

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is a scientific technique or art of inquiry in order to collect necessary dates or information. It produces knowledge systematically and scientifically.

“Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how the research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods / techniques but also the methodology. When we talk of research methodology we not only talk of the research methods but also consider the logic behind the method we use in the contest of our research study and explain why we are using the particular method or technique and why we are not using others so that research results are capable of being evaluated either by the researcher himself or by them.” (C. R. Kothari, 2000, P.10 &11)

“Research methodology is a way to solve the problems. Market research specifies the information required to address these issues, designs the methods of collecting information, manages and implements and data collection process, analyzed the results and communicate the findings and their implications.” (New marketing research definition approved, P.1)

In the context of marketing,” Marketing is the principal revenue generating activity while other is revenue consuming. Marketing research deals with the production and distribution problems, marketing institutions, marketing policies and practices. It is better established than production research part because of not closely interwoven with technology. It covers the issues like production planning, development, pricing, promotion and distribution.” (P. R. Joshi, 2002, P.17)

All above mentioned views deals that the research methodology covers the objectivity, reliability and validity of study. It seems that variable used in the study as well as data collection and analysis.

3.2 Research Design

This research is basically exploratory in nature. The main aim of this study is to find out the instant noodles market position in Nepalgunj municipality especially with reference to Mayos. This study suggests to the company to make strength the market position. To fulfill this purpose, related information from different aspects is collected through the structured questionnaire for consumers and channels of distribution such as retailers and wholesalers. For the study, the survey research design is adopted to collect raw data and descriptive type of survey research design has been followed to evaluate and analyze the study.

3.3 Nature and Sources of Data

Most of the data used in this study are primary in nature. Some secondary data has also been used for the purpose of the study. All the primary data were collected from shops and consumers and some information are taken from authorized distributors of the companies as well as concerned company. The sample size is categorized in different professions, age groups, areas, educational background, and sex and so on.

3.4 Data Collection Procedure

The questionnaire developed in structure form for different aspect according to objectives of the study and marketing complications are applicable to different aspect of marketing practices. Three different sets of questionnaires were prepared for the real consumer, shop owner (retailer) and dealer (distributors). The questionnaire distributed through personal contact one by one and requested respondent to fill it and researcher also filled the questionnaire by personal interview with shop owner (retailer) who were stocking instant noodles.

3.5 Population

The population of the study includes consumers, shopkeepers and distributors of Nepalgunj Municipality.

3.6 Sampling

As the above mentioned population, it is impossible to include the total population in the study. So out of total population 300 consumers, 100 shops and 8 distributors were surveyed randomly which are based on area wise

sampling the researcher took there areas and the sample size in his both shop and consumer research as follows.

Table-3.1
Sampling for data collection

S. N.	Area	Sample size for Consumers	Sample size for shop	Sample size for distributors
1.	Puspalal Chowk	20	10	-
2.	Bus park	15	10	-
3.	Birendra Chowk	15	5	-
4.	B. P. chowk	15	05	-
5.	Khajura Road	15	05	-
6.	Gharbari tole	15	10	-
7.	Eklaine	10	05	-
8.	Sadarline	20	10	-
9.	Charbahini	15	05	-
10.	Bhrikutinagar	20	05	-
11.	Adarshanagar	20	05	-
12.	Traffic chowk	15	03	-
13.	Karkando	15	07	-
14.	Laxmi Hall Road	15	05	-
15.	Belaspur	20	05	-
16.	Bankegaun	15	05	-
17.	Insurance companies	10	-	-
18.	M. M Campus Nepalgunj	30	-	-
19.	Distributors	-	-	8
	Total	300	100	8

(Source: Field Survey)

3.7 Data Processing and Analysis

All the questionnaires were distributed and collected by the researcher himself so there was not any delay in collection of questionnaires, which were distributed among the respondents. Every questionnaire was thoroughly checked after the collection and was found correct in style of fillings the same response of the collected questionnaires were put into one place under the respective headings and the total responses were counted. The total response was presented in one master table with the help of the data master table. Necessary adjustment has made for attaining the objective of the study. Analysis has been made by percentile method.

CHAPTER-FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Current instant noodles consumption & market Scenario

Due to rapid growth of population, the demand of basic needs of human being like food, shelter and cloths are increasing day by day. At the same time, urbanization is also in increasing trend as well as other needs like cosmetics goods, toothpastes, luxurious goods, home appliance goods etc. Peoples of urban area and rural area are using food and breakfast by cooking themselves. But due to busy life people have no longer time to cook and eat. So, people are taking alternative way for food and breakfast which will take no longer time, which saves the time. That's why; the trend of using instant noodles in urban and rural area is increasing day by day. Now, there are so many brands of instant noodles in Nepalese market and tough competition exists. Wai Wai, Mayos, Rum Pum, Wai Wai Tenz, Gol Mol, Jo Jo, Ra Ra, Ruchi etc. are well known brands in the market. But most of market share lead by Wai Wai, Mayos, Rum Pum and Gol Mol.

4.2 Market Position Study

To conduct the study in Nepalgunj Municipality, researcher developed three types of separate questionnaires consumer behavior survey, retailer survey and distributor survey. The responses collected from 300 real consumers, 100 shopkeepers and 8 authorized distributors of the different instant noodles manufacturing companies in Nepalgunj Municipality. Researcher has always tried to reach more accuracy; questionnaires were distributed on the basis of sex, age, income level, education, profession and area wise that can represent the population for randomly selected samples.

Collected responses are converted in several tabular form and analyzed in different aspects, which the study needs.

4.3 Consumer Behavior

Consumers are always the most important for marketer. To understand consumer habit towards instant noodles, 300 questionnaires were distributed to real consumers and returned back all. The following tables give the details.

4.3.1 Detail of Consumers

Table-4.1
No of Response received

Place	Response received	Percentage
Nepalgunj Municipality	300	100
Total	300	100

(Source: field survey)

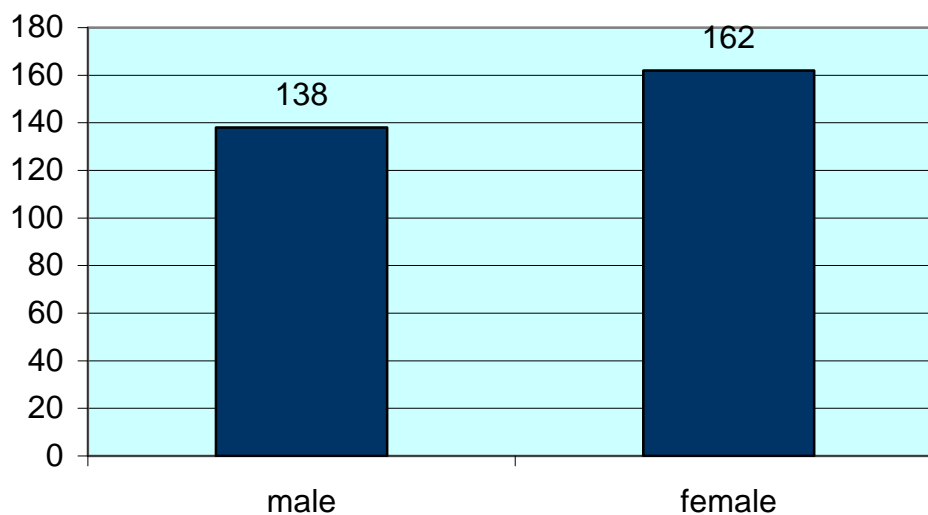
All the distributed questionnaires were received i.e. 100 percent received.

Table-4.2
No of Male / female respondents

Sex	Respondents	Percentage
Female	162	54
Male	138	46
Total	300	100

(Source: field survey)

Figure-4.1
No of Male / female respondents



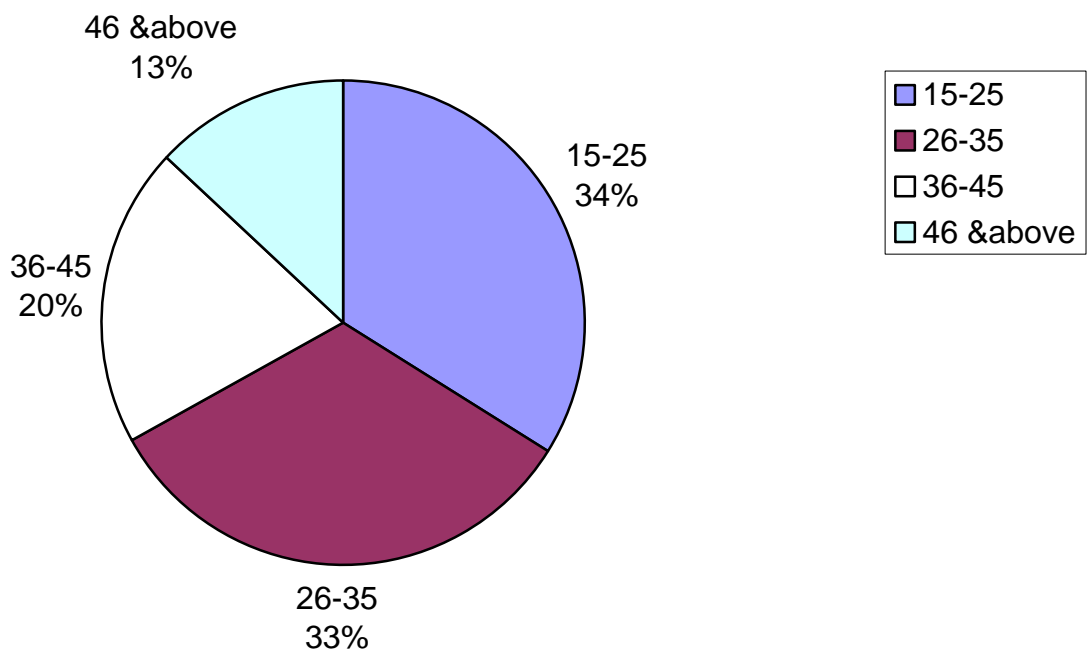
Comparatively numbers of female respondents are more than male. Researcher took questionnaire to housewife is the reason behind it.

Table-4.3
Consumer's age group in years

Age group	No of Respondents	Percentage
15-25	102	34
26-35	99	33
36-45	60	20
46 & above	39	13
Total	300	100

(Source: field survey)

Figure-4.2
Consumer's age group in years



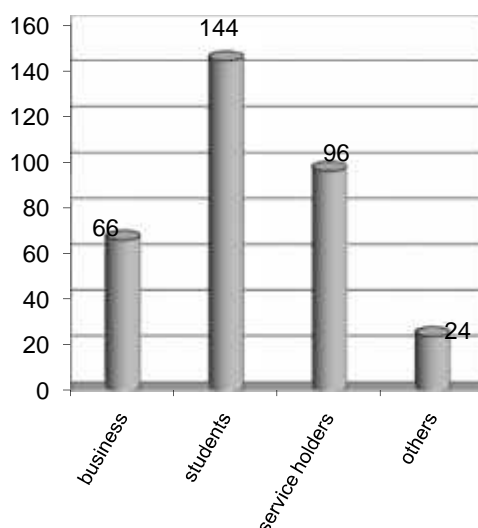
Most of the samples were taken from age groups 26-35 years & 15-25 years. These age groups represent most of consumers' behavioral determinants.

Table-4.4
Profession of the consumers

Profession	No. of Respondents	Percentage
Business	66	22
Students	144	38
Service holders	96	32
Others	24	8
Total	300	100

(Source: field survey)

Figure-4.3
Profession of the consumers



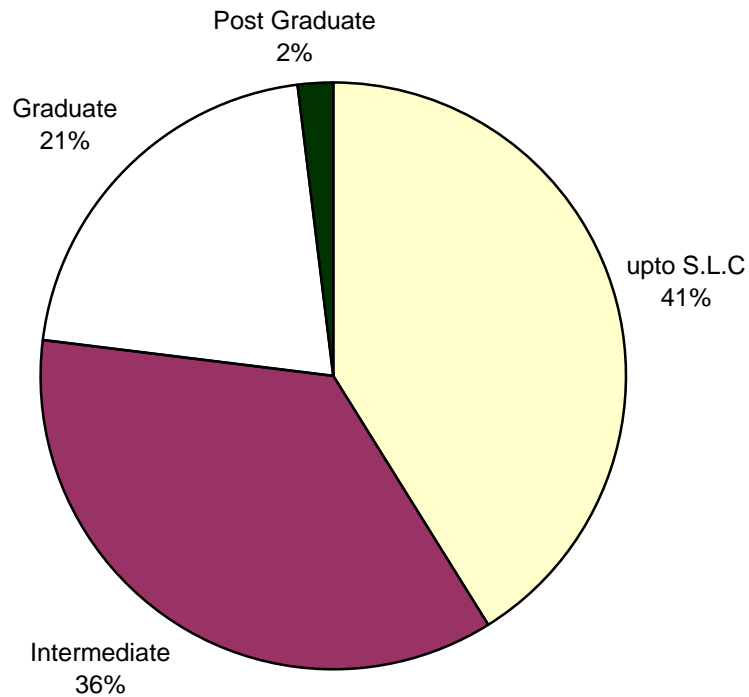
Among the respondents, 22 percentages involve in their own business. 38 percentage respondents are students which is the highest level of profession, 8 percent respondents are dependents upon agriculture and semi-agriculture profession.

Table-4.5
Education level of respondents

Academic level	No. of Respondents	Percentage
Up to S.L.C.	123	41
Intermediate	108	36
Graduate	63	21
Post Graduate	6	2
Total	300	100

(Source: field survey)

Figure-4.4
Education level of respondents



Most of the housewives are up to S.L.C and Intermediate academic level. To collect accurate response frequently such level of respondents were found very interesting and easy. Post graduate level responses few in nature and they are busy also.

Table-4.6
Respondent's family size

Member of family	No. of respondents	Percentage
1-3	39	13
4-6	177	59
7 & above	84	28
Total	300	100

(Source: field survey)

Figure-4.5
Respondent's family size

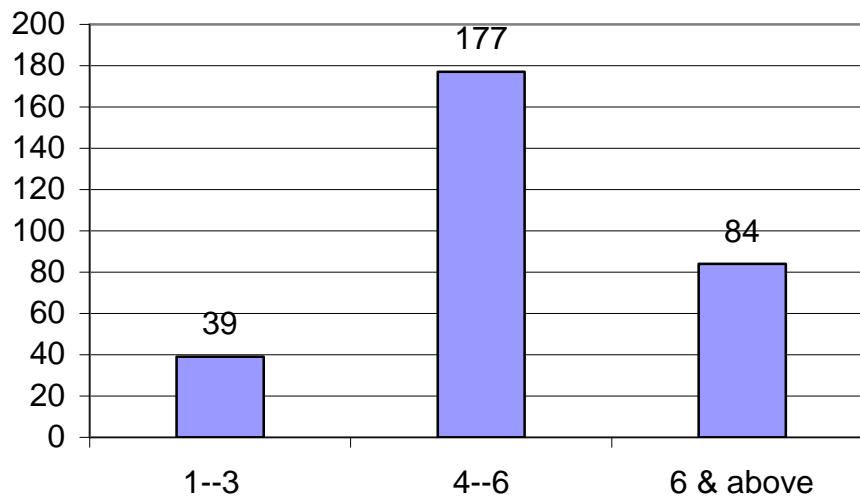


Table no. 7 and above figure indicates that 59 percent respondents have 4-6 members in their family. It means maximum respondents were from member with 4-6. Minimum member of family like 1-3 is less or 13 percent only and above 6 member's family size is also significant.

Table-4.7
Monthly family income of respondents

Income (Rs)	Respondents	Percentage
2000- 5000	39	13
5000- 8000	84	28
8000- 11000	138	46
11000- 15000	27	9
15000 & above	12	4
Total	300	100

(Source: primary data)

Figure-4.6
Monthly family income of respondents

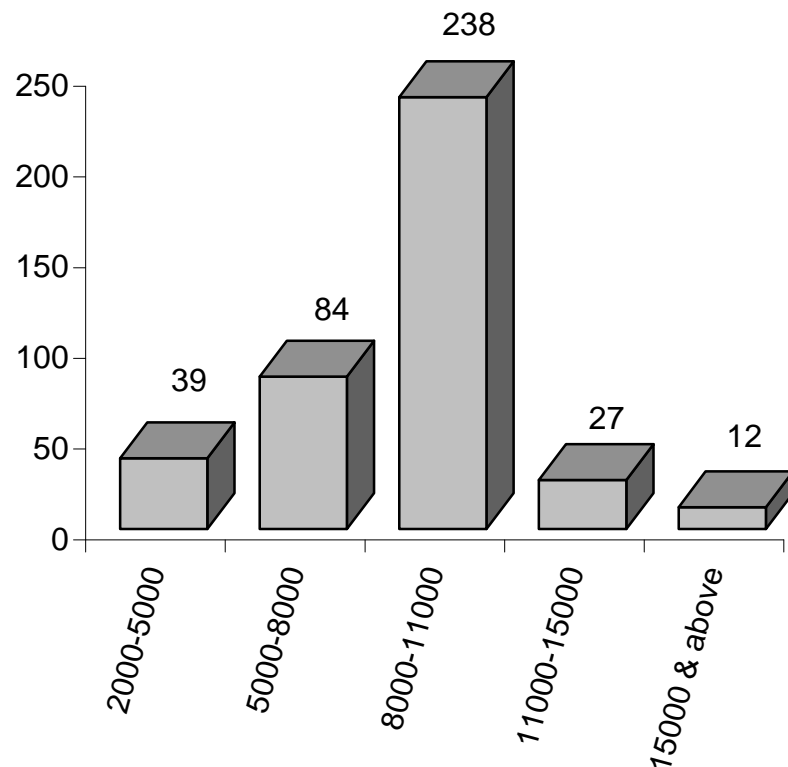


Table no. 8 and figure no.6 shows that the most of respondents have their monthly family income lies between Rs.8000 to Rs.10000. Least income level of respondents is few as well as highest income level respondents are lower in number. Most of respondents don't like to show their actual income

due to different reasons so that the respondents having monthly income more than Rs.15000 may be seen in least size.

4.3.2 Buying behavior of consumers

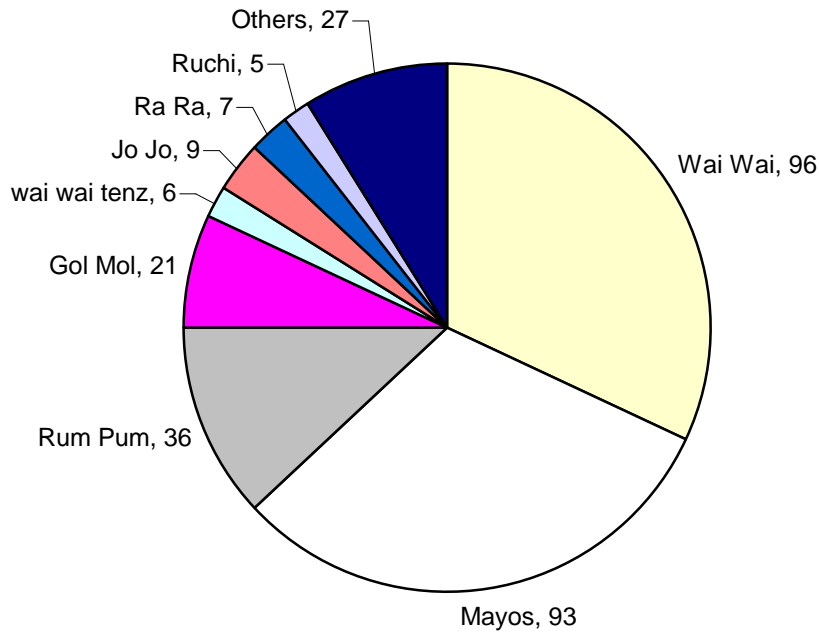
Consumers buying habit is a significant determinants to determine market situation. To explore the hidden matter, researcher kindly asked to respondents with so many brand names of instant noodles through his structured questionnaire that usually they buy as well as about specific brand and considerable factors while buying. The following details obtained from respondents as:

Table-4.8
The brands consumers usually buy

Brand name	Respondents	Percentage
Wai Wai	96	32
Mayos	93	31
Rum Pum	36	12
Gol Mol	21	7
Wai Wai Tenz	6	2
JO JO	9	3
Ra Ra	7	2.33
Ruchi	5	1.67
Others	27	9
Total	300	100

(Source: field survey)

Figure-4.7
The brands consumers usually buy



Above mentioned responses on the table no.9 and figure no.7 shows that Wai Wai and Mayos brands have bought by most of the consumer. Likewise, only 9 percent consumers buy the different imported other brands. Most of people like Wai Wai and Mayos and other brands are liked by people according to response mentioned above.

Table-4.9
No of respondents who use of specific brand

Brand Name	Respondents	Percentage
Specific	158	52.67
Any available brand	142	47.33
Total	300	100

(Source: field survey)

Figure-4.8
No of respondents who use of specific brand

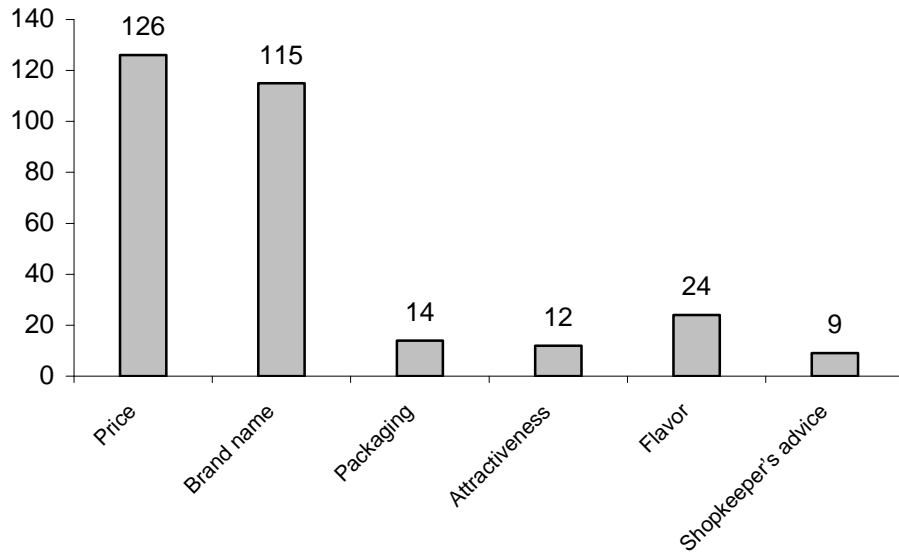
The responses show that still there is many consumers are not loyal to specific brand but most of them are within the two or three brands consuming. It seems that there is more possibility to increase sales by attracting them by launching different campaigns. It is because 47.33 percentage of consumers means there waiting large market size for any instant noodles manufacturing company.

Table-4.10
Factor that consumer consider while buying instant noodles

Considerable factors	Respondents	Percentage
Price	126	42
Brand name	115	38.33
Packaging	14	4.67
Attractiveness	12	4
Flavor	24	8
Shopkeeper's advice	9	3
Total	300	100

(Source: field survey)

Figure-4.9
Factor that consumer consider while buying instant noodles



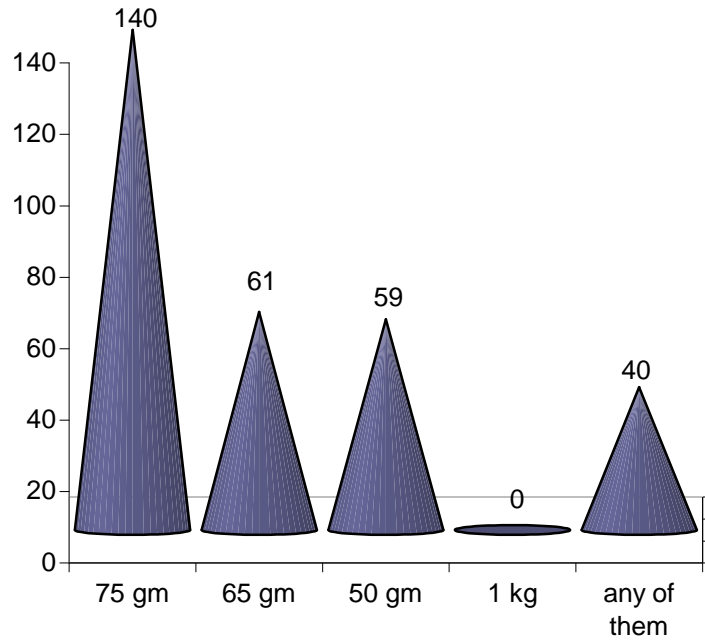
Presentations of above responses show that 42 percent consumers directly mentioned to make decision to buy instant noodles where as 38.33 percent are following brand names. It seems that price and brand image significant for and company to attract buyers. Other factor like flavor, more foaming etc. are also to some extent influencing factors but its presence is very low.

Table-4.11
Size of packet usually consumers prefer

Packet size	Respondents	Percentage
75 gm	140	46.67
65 gm	61	20.33
50 gm	59	19.67
1kg	0	0
Any of them	40	13.33
Total	300	100

(Source: field survey)

Figure-4.10
Size of packet usually consumers prefer



From the above mentioned data, it shows that most of the people prefer 75 gm packet of instant noodles which takes 46.67 percentages of the respondents. No one likes to take 1 kg packet. That may be the reason 1 kg packet of instant noodles does not found in the market.

Table-4.12
Reasons for taking instant noodles

Reasons	Respondents	Percentage
For fun	30	10
Easy to cook	80	26.67
Enough for meal	25	8.33
Can be eaten directly	165	55
Total	300	100

(Source: Field survey)

Figure-4.11
Reasons for taking instant noodles

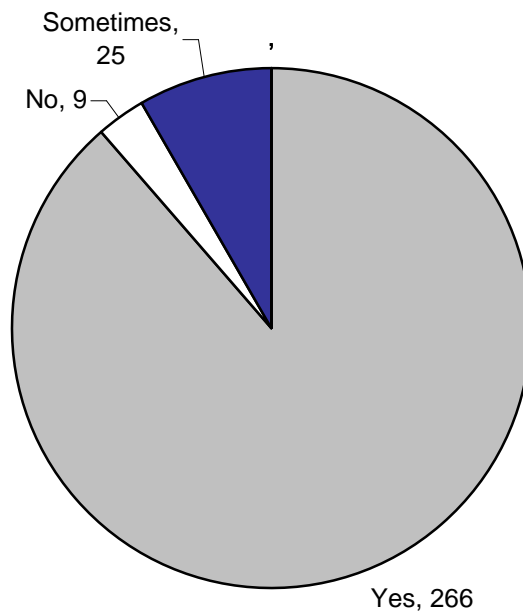
Most of respondents about 55 percent take instant noodles since it can be eaten directly without cooking. 26.67 percent respondents take instant noodles due to easy cooking and only 10 percent take instant noodles for fun.

Table-4.13
Easy availability of preferred brand

Availability	Respondents	Percentage
Yes	266	88.67
No	9	3
Sometimes	25	8.33
Total	300	100

(Source: field survey)

Figure-4.12
Easy availability of preferred brand



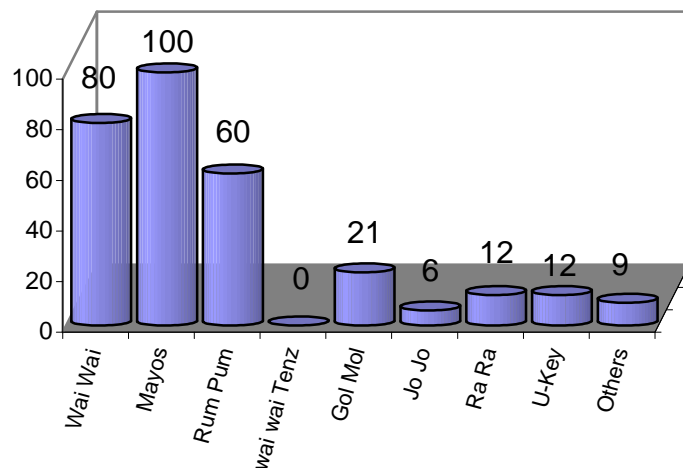
Above table and figure try to show that 88.67 percent respondents among response get what they like the brand. 8.33 percent respondents are not getting regular i.e. sometimes available and sometimes not. Still 3 percent respondents are not getting easily.

Table-4.14
Brand's best advertisement of instant noodles

Brand	Respondents	Percentage
Wai Wai	80	26.67
Mayos	100	33.33
Rum Pum	60	20
Wai Wai Tenz	0	0
Gol Mol	21	7
Jo Jo	6	2
Ra Ra	12	4
Ruchi	12	4
Others	9	3
total	300	100

(Source: field survey)

Figure-4.13
Brand's best advertisement of instant noodles



From the above table it can be analyzed that 26.67 percent consumers like the advertisement of Wai Wai, 33.33 percent consumers like the advertisement of Mayos, 20 percent like the advertisement of Rum Pum, no one like the advertisement of Wai Wai Tenz., 7 percent like the advertisement

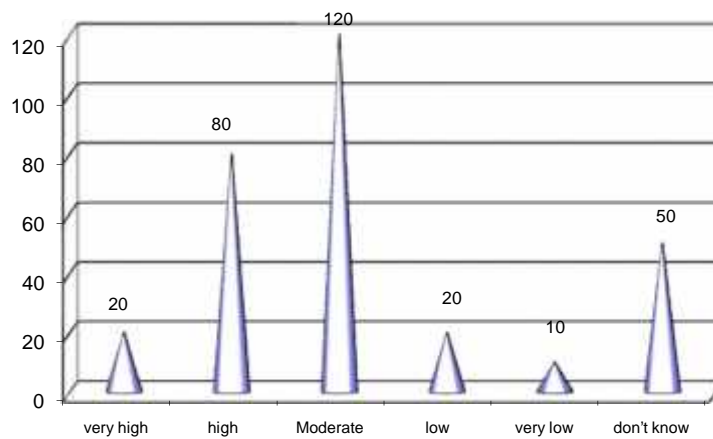
of Gol Mol, 2 and 4 percent like the advertisement of Jo Jo and Ra Ra respectively. Similarly, only 3 percent consumers like the advertisement of Jhilke, Hurya, Le- Kali etc. others brands.

Table-4.15
Quality awareness of consumer toward instant noodles

Quality	No. of respondents	Percentage
Very high	20	6.67
High	80	26.67
Moderate	120	40
Low	20	6.67
Very low	10	3.33
Don't know	50	16.66
Total	300	100

(Source: field survey)

Figure-4.14
Quality awareness of consumer toward instant noodles



From the above table, it can be analyzed that 6.67 percent consumers are very aware in quality, 26.67 percent are highly aware, 40 percent are moderately aware, 6.67 percent are lowly aware, 3.33 percent are very lowly aware and 16.66 percent consumers are unknown about the quality of instant noodles.

From that above analysis, it can be concluded that most of consumers are moderately aware about the quality of the instant noodles, then after highly, very highly, lowly and very lowly aware about the quality of the instant noodles. Some of the consumers are unknown about the quality of the instant noodles.

4.4 Retail sales / shopkeeper behavior:

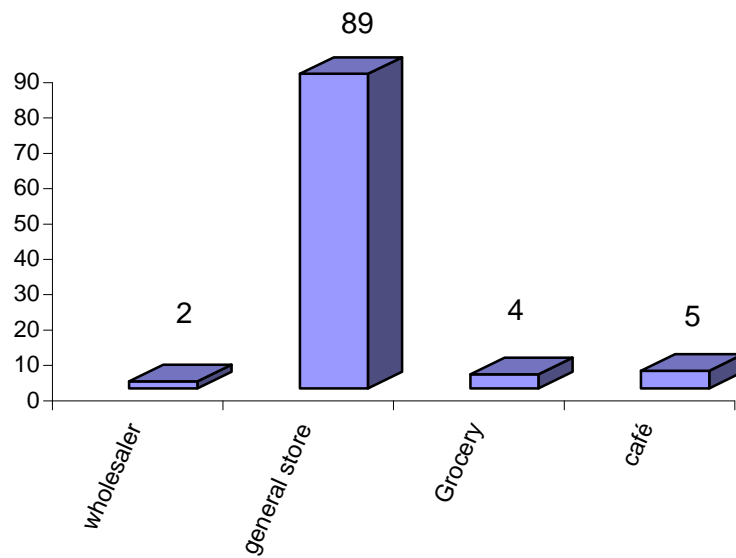
Shopkeepers are nearest mediator with consumers for any fast moving consumers' goods manufacturers. Their behaviors and attitude towards a brand have significant effect on sales. So their preference towards a brand helps to determine sales of a product. Here, researcher includes a study due to importance of their behavior with instant noodles brand. Researcher develops 100 questionnaires for retail sales survey and responses are obtained as follows.

Table-4.16
Shop categories from where various brands are sold

Type of shop	Quantity	Percentage
Wholesaler	2	2
General store	89	89
Grocery	4	4
Café	5	5
Total	100	100

(Source: field survey)

Figure-4.15
Shop categories from where various brands are sold



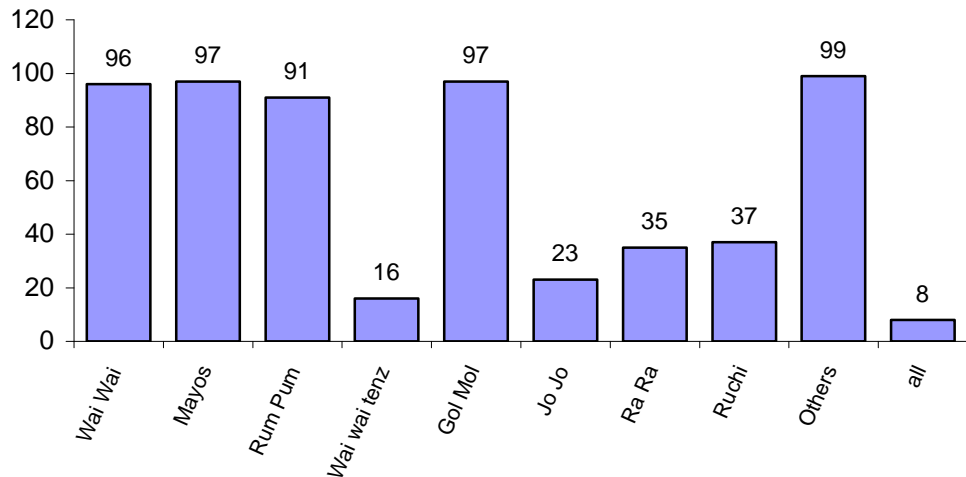
Above table and figure signal that instant noodles is being sold by general stores in large scale. This categories show that 89 percent represents general stores, 2 percent represent wholesaler, 4 percentages from grocery shop and 5 percent café shop.

Table-4.17
No of shops for stocking the different brands for sale

Brands name	No. of shops
Wai Wai	96
Mayos	97
Rum Pum	91
Wai Wai Tenz	16
Gol Mol	97
Jo Jo	23
Ra Ra	35
Ruchi	37
Others	99
All	8

(Source: field survey)

Figure-4.16
No of shops for stocking the different brands for sale



Above table and figure shows that the sales of instant noodles in Nepalgunj and that most of the shopkeeper have stock the brands Wai Wai, Mayos, Rum Pum and Gol Mol. In 96 shops there is the stock of Wai Wai. Similarly, in 97 shops there is the stock of Mayos and Gol Mol. In 91 shops Rum Pum is in stock. All the shops have stock of more than two brands of instant noodles. Almost all shops have other brands of instant noodles and only 8 shops have all brands of instant noodles which have been asked.

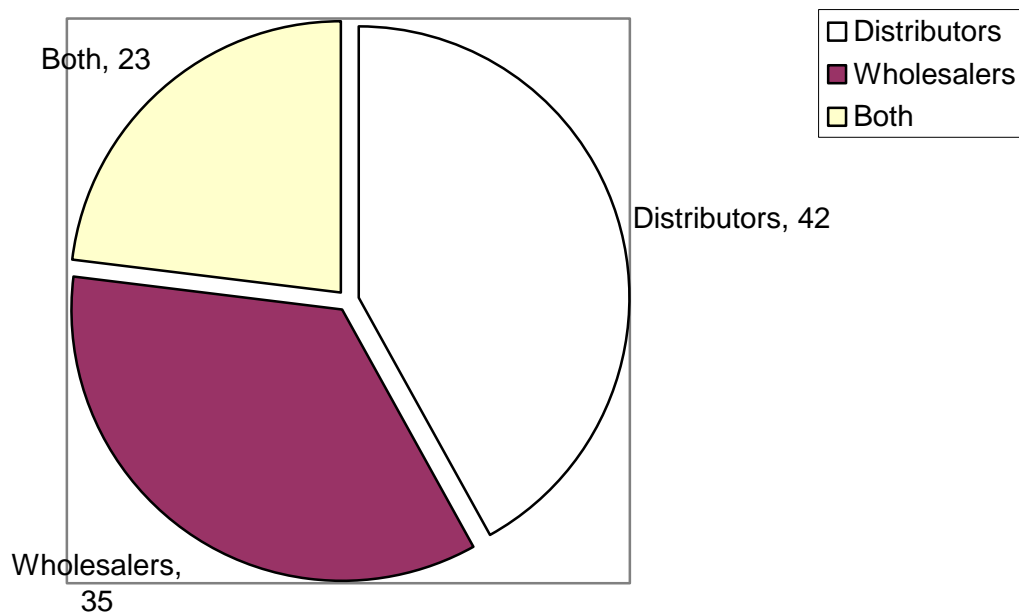
Table-4.18
Shopkeeper's buying behavior

Source of buying	No. of shops	Percentage
Distributors	42	42
Wholesalers	35	35
Both	23	23
Total	100	100

(Source: field survey)

Figure-4.17

Shopkeeper's buying behavior



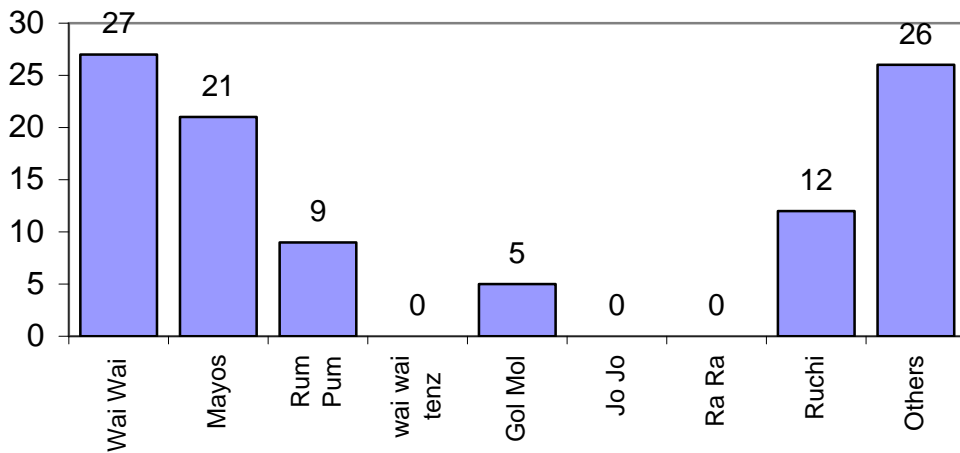
Most of the shopkeepers i.e. 42 percent buy instant noodles from distributors only and 35 percent shopkeepers purchase from wholesaler only. Remaining 23 percent are buying from distributors as well as wholesaler.

Table-4.19
Which brand has more sales from your shop?

Brand name	No. of shops	Percentage
Wai Wai	27	27
Mayos	21	21
Rum Pum	9	9
Wai Wai Tenz	0	0
Gol Mol	5	5
Jo Jo	0	0
Ra Ra	0	0
Ruchi	12	12
Others	26	26
Total	100	100

(Source: field survey)

Figure-4.18
Which brand has more sales from your shop?



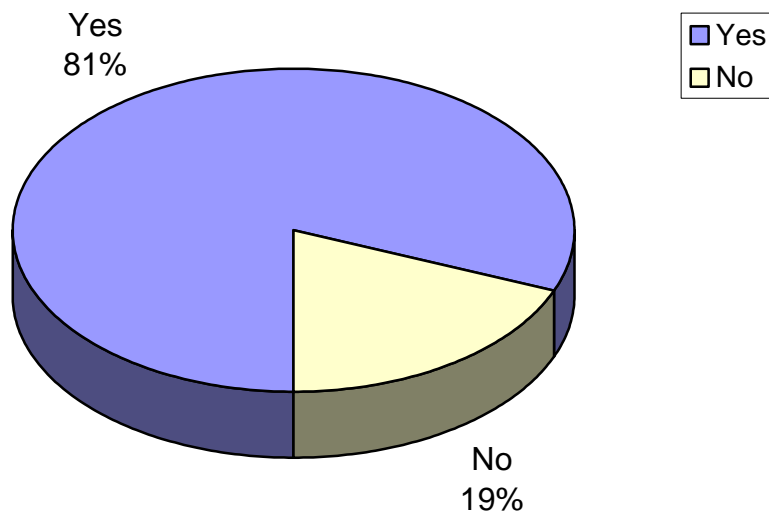
Wai Wai and Mayos has more sales from the shops 27 percent and 21 percent respectively. From some shop Rum Pum and Gol Mol and other brands like Shakalaka Boom, MaMa, 2 PM etc have more sales. It seems that the brands Wai Wai and Mayos have tough competition.

Table-4.20
Convincing behavior of shopkeepers

Convince	No. of shopkeepers	Percentage
Yes	81	81
No	19	19
Total	100	100

(Source: field survey)

Figure-4.19
Convincing behavior of shopkeepers



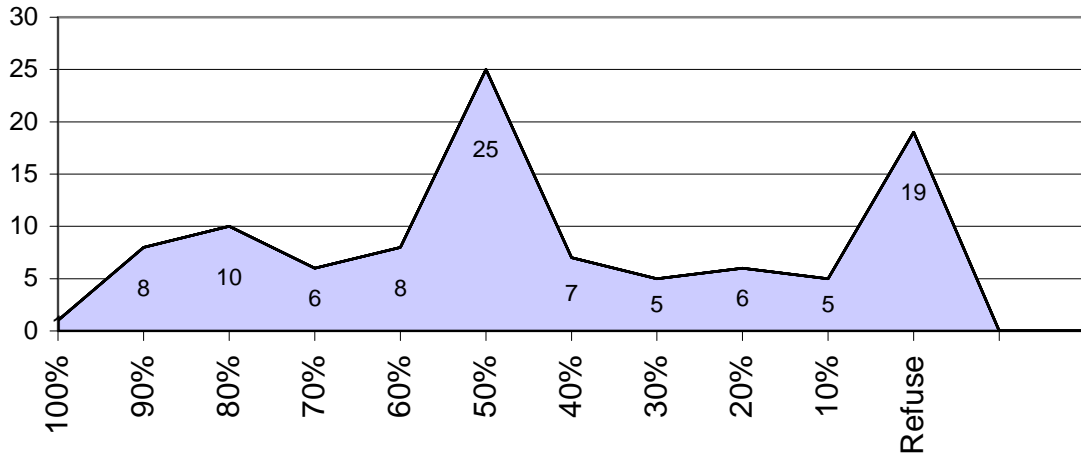
Above table shows that 81 percent shopkeepers convince their consumers if they don't ask a specific brand and 19 percent shopkeepers mention not. It seems that sales may be depended on seller's convincing behavior at some extent.

Table-4.21
No of Followers of shopkeeper's advice

Followers	No. of shopkeepers	Percentage
100%	1	1
90%	8	8
80%	10	10
70%	6	6
60%	8	8
50%	25	25
40%	7	7
30%	5	5
20%	6	6
10%	5	5
Refuse	19	19
Total	100	100

(Source: field survey)

Figure-4.20
No of Followers of shopkeeper's advice



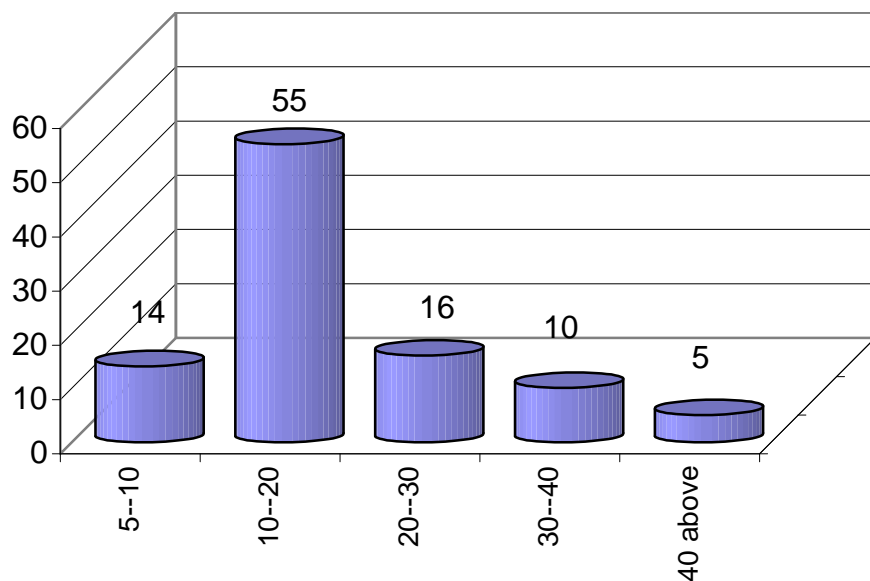
Above mentioned data on the table show that how much percentage customers convinced by sellers. So push sell is also influencing factor to increase sales by giving extra benefit to sellers.

Table-4.22
Age groups who come to buy instant noodles in retails

Age group	No of retailers	Percentage
5-10	14	14
10-20	55	55
20-30	16	16
30-40	10	10
40 above	5	5
Total	100	100

(Source: field survey)

Figure-4.21
Age groups who come to buy instant noodles in retails



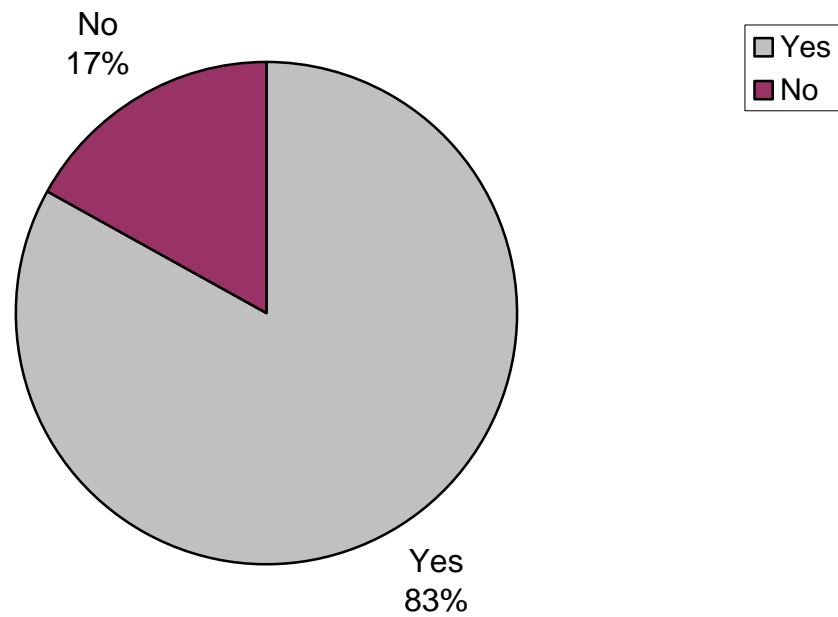
The researcher has studied the age group of consumer who buy the instant noodles in retail. From the above table and figure it can be analyzed that the buyers of instant noodles in retail, 14 percent of the consumers are in the age of 5-10, similarly 55 percent are in the age of 10-20, and 16 percent from the age of 20-30, 10 percent from the age of 30-40 age group and 5 percent from the age group 40 above. From the above analysis, it can be inferred that retailers feel that most of the consumers who buy the instant noodles fall in the age 10-20.

Table-4.23
Effects of advertisement on selling of instant noodles

Option	No of retailers	Percentage
Yes	83	83
No	17	17
Total	100	100

(Source: field survey)

Figure-4.22
Effects of advertisement on selling of instant noodles



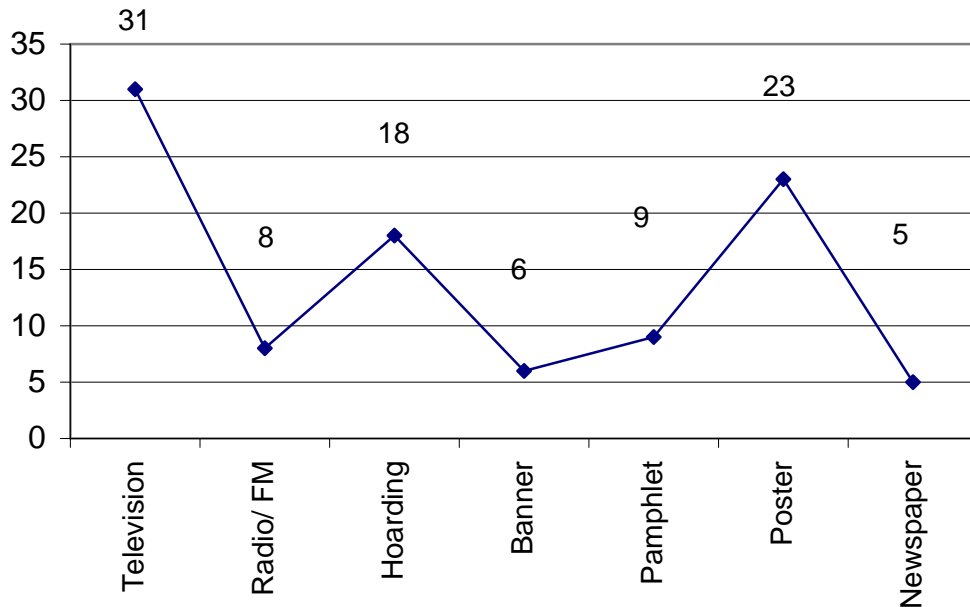
Above that shows that 83 percentages of the retailers noticed the advertisement of different brands of instant noodles and only 17 percentages of the retailers did not notice the advertisement of different noodles. So it can be concluded that advertisements also have effects on most of retailers and which also affect on selling of instant noodles.

Table-4.24
Advertisement noticed on different media by retailers

Media	No. of Retailers	Percentage
Television	31	31
Radio / FM	8	8
Hoarding	18	18
Banner	6	6
Pamphlet	9	9
Poster	23	23
Newspaper and Magazines	5	5
Total	100	100

(Source: field survey)

Figure-4.23
Advertisement noticed on different media by retailers



Above table and figure shows that different media of advertisement also have effect on selling. Most effective media for advertisement is Television. Then poster and hoarding board has the second and third position in advertising effectiveness.

Table-4.25
Best brand in the contest of advertisement in the view of retailers

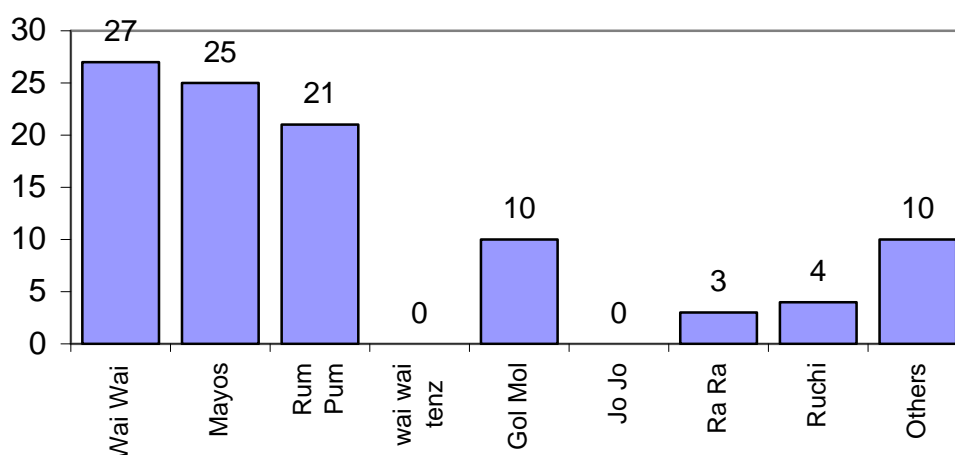
Brands	No. of shopkeepers	Percentage
Wai Wai	27	27
Mayos	25	25
Rum Pum	21	21
Wai Wai Tenz	0	0
Gol Mol	10	10
Jo Jo	0	0
Ra Ra	3	3

Ruchi	4	4
Others	10	10
Total	100	100

(Source: field survey)

Figure-4.24

Best brand in the contest of advertisement in the view of retailers



Above table and figure show that advertisement of different brands has effects on the shopkeepers also. Wai Wai has best advertisement in the view of 27 percent shopkeepers. While in the view of 25 percent shopkeepers, Mayos' advertisement is the best. Similarly 21 percent shopkeepers say Rum Pum has best advertisement.

Table- 4.26

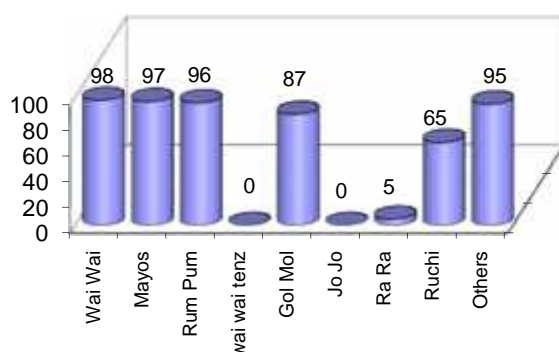
Major competing brands of instant noodles in Nepal

Brands	No of shopkeepers
Wai Wai	98
Mayos	97
Rum Pum	96
Wai Wai Tenz	0
Gol Mol	87
Jo Jo	0
Ra Ra	5

Ruchi	65
Others	95

(Source: primary data)

Figure-4.25
Major competing brands of instant noodles in Nepal



In the contest of competing brands of instant noodles in Nepalese market, most of the shopkeepers say Wai Wai, Mayos, Rum Pum and Gol Mol have the better market position in the Nepalgunj.

4.5 Distributors survey

4.5.1

Table-4.27
Distributors of instant noodles in Nepalgunj

Brand names	Name of Distributors	Numbers
Wai Wai	Ambeswori trade house	1
Mayos	Zenath suppliers	1
Rum Pum	Monalisa enterprises	1
Gol Mol	Subarna Trade & Suppliers	1
Ruchi	Manish Brothers& Suppliers	1
Ra Ra	Bimarsha General order & Suppliers	1
Jo Jo	Lok Shree Enterprises	1
Wai Wai Tenz	Faisal General store	1
Total		8

(Source: field survey)

All the main instant noodles manufacturer companies have authorized distributor to distribute in the Nepalgunj market.

4.5.2 What are the channels of distribution?

To reach product on the hand of consumers all the distributors distribute through wholesalers and retailers

4.5.3

Table-4.28
Demand of instant noodles in Nepalgunj

Demand	Quantity	Percentage
Increasing	8	100
Decreasing	0	0
Constant	0	0
Total	8	100

(Source: field survey)

On the view of distributors, the demand of instant noodles is increasing in the market.

4.5.4

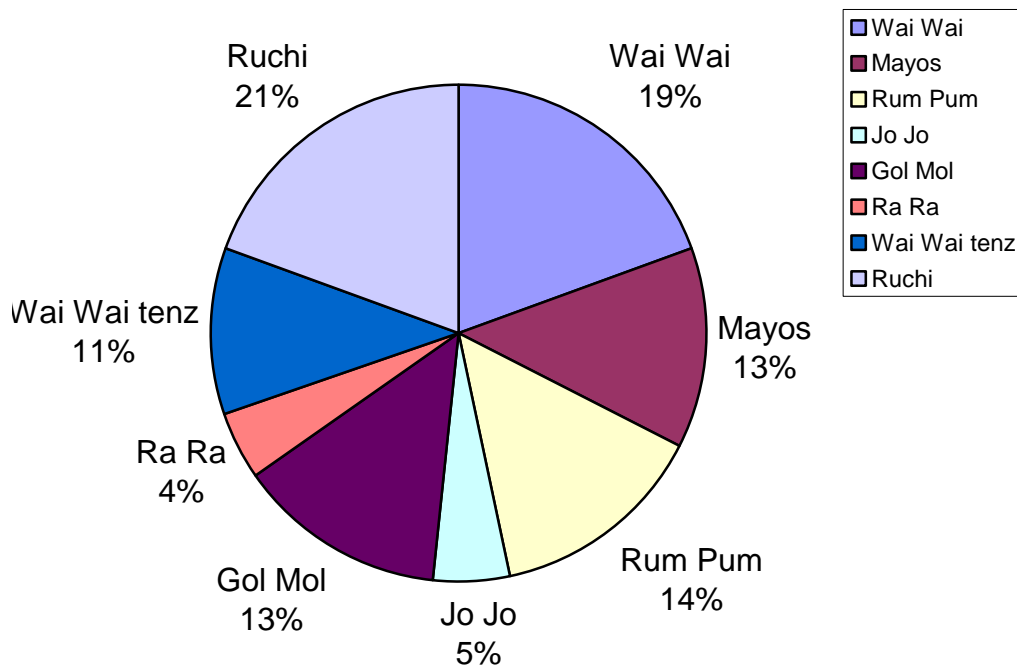
Table-4.29
Sales of the different brands of noodles from the sales book of concern distributors in 2008(In 000)

Month	Wai Wai	Mayos	Rum Pum	Jo Jo	Gol Mol	Ra Ra	Wai Wai Tenz	Ruchi
Jan.	432	160	595	132	495	141	350	850
Feb.	432	480	560	145	550	144	400	720
Mar.	648	160	502	320	520	144	325	685
Apr.	648	-	468	360	460	234	450	690

May	648	-	315	215	325	216	425	715
June	648	320	265	130	250	162	300	550
July	720	820	450	96	355	58	325	598
Aug.	792	740	680	102	468	72	435	650
Sep.	630	660	720	192	740	144	375	750
Oct.	675	558	650	170	695	162	380	860
Nov.	900	778	410	145	455	155	435	582
Dec.	945	758	325	155	329	166	340	515
total	8118	5434	5940	2162	5642	1798	4540	8165

(Source: field survey)

Figure-4.26
Sales of the different brands of noodles from the sales book of concern distributors in 2008



Above sales record and figure shows that Ruchi and Wai Wai are in the first and second position. Similarly Rum Pum is in the third position. Like wise Gol Mol and Mayos are in the fourth and fifth position. The sum of sales for 2008 is Rs41799000 only except other some brands.

4.5.5

Table-4.30

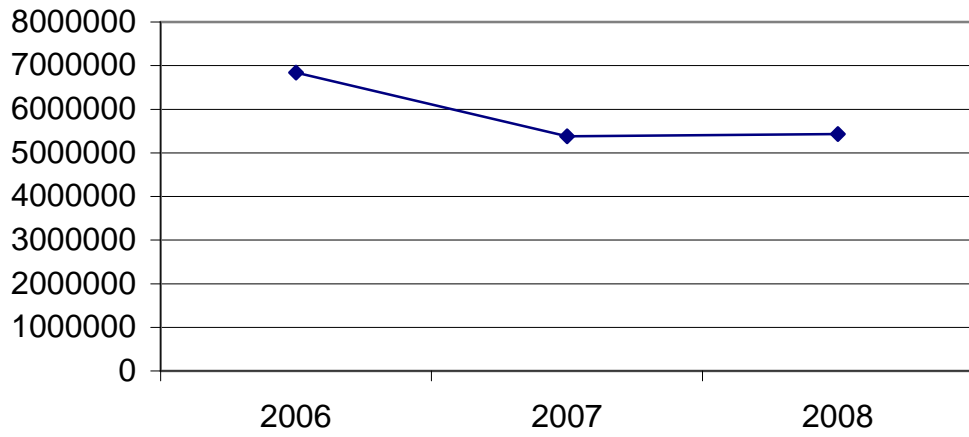
Yearly sales of Mayos from the sales book of distributor from 2006 to 2008

Year	Total Sales Amount
2006	6838000
2007	5377000
2008	5434000

(Source: field survey)

Figure-4.27

Sales of Mayos from the sales book of distributor from 2006 to 2008



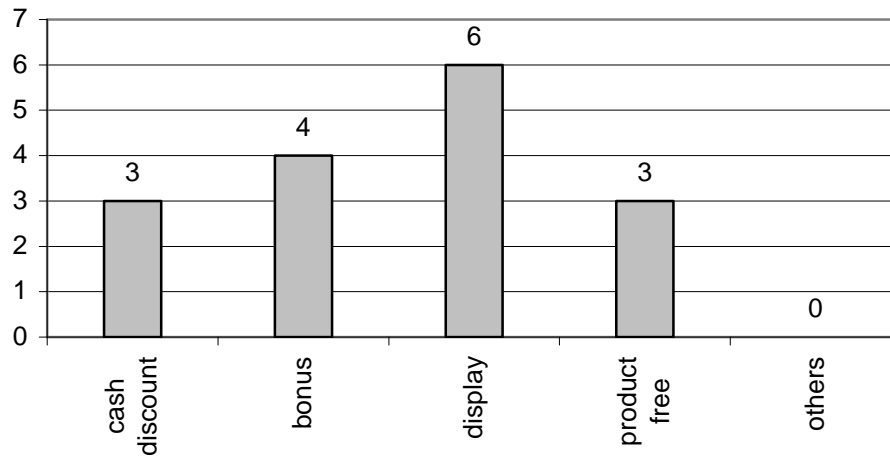
4.5.6

Table-4.31
Incentive scheme for sellers

Incentives	Quantity
Extra cash discount	3
Bonus	4
Display	6
Product free	3
others	0

(Source: field survey)

Figure-4.28
Incentive scheme for sellers



Distributors provide various incentives scheme to encourage sellers. Some of them (3 distributors) provide extra cash discount, 4 distributors provide bonus for certain amount of sales, 6 distributors display scheme, and 3 distributors provide product free scheme.

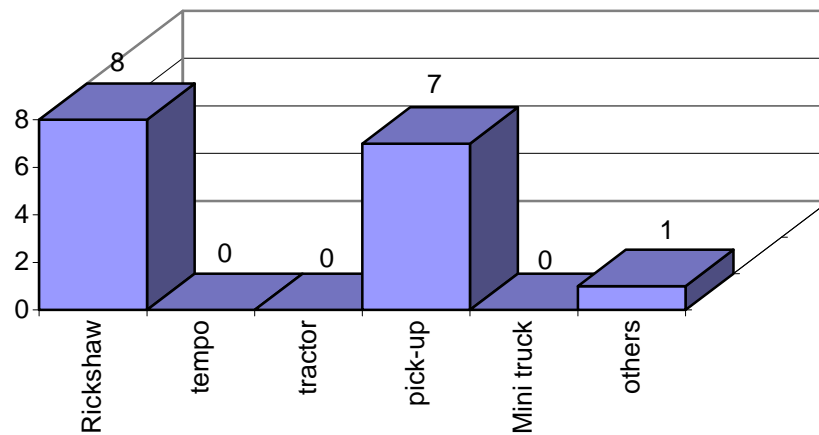
4.5.7

Table-4.32
Means of transportation used for supply

Options	No. of distributors	Percentage
Rickshaw	8	100
Tempo	0	0
Tractor	0	0
Pick- up	7	87.5
Mini truck	0	0
Others	1	12.5

(Source: field survey)

Figure-4.29
Means of transportation used for supply



Above responses indicate that distributors use the means of transportation for daily distribution activities. All distributors have Rickshaw, 7 distributors have Pick-up. No one has tempo, tractor and mini-truck. 1 distributor uses other means of transportation like bus, aeroplane etc since it sends other districts from Nepalgunj.

4.5.8

Table-4.33
Visit for a seller by distributors

Times	Quantity	Percentage
Everyday	8	100
Twice in a week	-	-
Thrice in a week	-	-
Four times in a week	-	-
Once in a week	-	-
Total	8	100

(Source: field survey)

Above response shows that every distributor has the reply for times of visit for a seller is everyday.

4.5.9 Sales in terms of payment

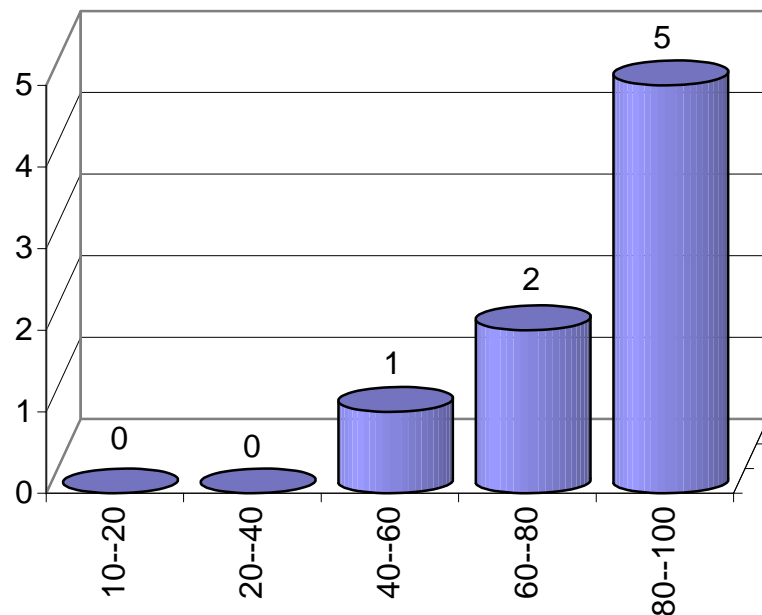
Among the options that are all cash, all credit, and both cash and credit sales, all the distributors are selling in both cash and credit.

Table-4.34
Part of credit sales

Credit sales	Quantity	Percentage
10—20	0	0
20—40	0	0
40—60	1	12.5
60—80	2	25
80—100	5	62.5
Total	8	100

(Source: field survey)

Figure-4.30
Part of credit sales



Above mentioned response and indicates that 1 distributor's credit sales is 40—60 percent. Likewise, another 2 distributors' credit sales 60—80 percent. And other 5 distributors have credit sales of about 80—100 percent.

Only cash sales may not be accepted by the market so distributors bear a large amount on credit sales.

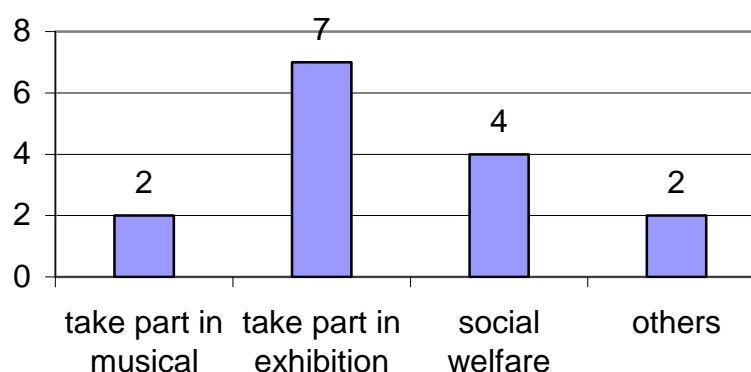
4.5.10

Table-4.35
Activities for publicity and public relation

Programs	Quantity	Percentage
Take part in musical	2	25
Take part in exhibition	7	87.5
Social welfare	4	50
others	2	25

(Source: field survey)

Figure-4.31
Activities for publicity and public relation



Above responses show that most of the distributors take part in exhibition for the publicity and public relation. 50 percent of the distributors take part in social welfare programs. 25 percent of the responses take part in musical program for the publicity. 25 percent of the responses also sponsor for the games and other programs.

4.6 Major findings of the study

On the basis of presentation and analysis of the field survey and subsequent analysis, the study has following outcomes.

1. The people have age of 15—35 purchased instant noodles mostly.
2. Mostly students buy instant noodles. Businessman and service holders are also mostly the consumer of instant noodles. Family income of people is mostly the same i.e. between Rs8000 to Rs11000.
3. In Nepalgunj Municipality mostly consumers buy Wai Wai, Mayos, Ruchi and Rum Pum.
4. Most of the consumers are not loyal towards any specific brand.
5. Most of the consumers consider price and brand name while buying instant noodles.
6. Size of packet that usually consumers prefer is 75 gm packet.
7. Mostly people like to have instant noodles since it can be eaten directly or it is easy to cook.
8. There is easy availability of the brand which people prefer. But sometimes there is difficult to get.
9. Most of the people or consumers like the advertisement of Mayos in different media. Advertisement of Mayos attracts more people although more people buy other brands.
10. In Nepalgunj municipality, most of people are not conscious about quality. They mostly prefer flavor.
11. General (Kirana) stores are dominant sellers of instant noodles.
12. Almost all shopkeepers have stock to sale Wai Wai, Mayos, Rum pum, Gol Mol brands.
13. Shopkeepers bought from distributor and wholesaler but more from distributors.
14. In shopkeepers' view, Wai Wai, Mayos, and Ruchi have more sales from their shop.
15. Most of the shopkeepers convinced their customers to buy, so push sell has more power to increase sales of any brands.
16. In shopkeepers' view, advertisements of instant noodles also help in selling.
17. Most of the shopkeepers noticed advertisement of instant noodles in Television and poster. In their view, Television and poster are most effective advertising media.
18. In the view of most of shopkeepers, Wai Wai, Mayos, Rum pum, Gol Mol and Ruchi are most of competing brands.
19. According to distributor, demand of instant noodles is increasing each year.

20. Distributors distribute their products almost every day for a seller by using different vehicles or means of transportations.
21. Distributors provide to shopkeepers as incentives to sell more like extra cash discount, display, bonus and product free.
22. Flexibility of monthly sales of instant noodles is high.
23. Sales of Mayos fluctuate due to different technical problems of the factory but the demand of Mayos is increasing every year gradually.
24. In Nepalgunj, overall demand of instant noodles is more than Rs50,000,000 (fifty millions) yearly.

CHAPTER- FIVE

SUMMARY, CONCLUSION AND RECOMENDATION

5.1 Summary:

Research on marketing is fruitful to marketer for each step of marketing activities. Though competition and responsibility towards society both controversial situations have to face a marketer in current environment. Marketing management or a marketer has to understand exactly whether the company stands up in the overall market position and what will do for future to make further steps ahead.

Instant noodles market is a fast moving consumer goods market which product has become a part of needs of people in the society. In context of Nepalese consumers, they also have interest very much to have the instants noodles among the various brands. Now so many brands of instant noodles are in the market around the country. Among the brands, Wai Wai, Mayos, Rum Pum, Gol Mol, Jo Jo, Ra Ra, Ruchi etc. are familiar brands with Nepalese consumers. There are different companies like Gandaki noodles Pvt. Ltd, Himalayan Snax & Noodles, Asian Thai Foods, CG foods Pvt. Ltd. etc.

This research was conducted to find out the current market position of instants noodles in market and whether the brand Mayos is stand. Consumers, sellers and distributors in Nepalgunj are main source of data for the study. Questionnaires were distributed and collected data. All the responses were analyzed by only percentile method on tabular form and figures.

The study indicates that overall demand of instant noodles is increasing. Therefore expenditure on sales promotion and advertising campaigns can expand market by instant noodles company.

Most of the consumers are not loyal for any specific company or brand; therefore cash prizes are generally effective for instant noodles as promotional tools.

5.2 Conclusions:

From the major finding of the study, following conclusions can be made:

1. Mostly students buy instant noodles. Businessman and service holders are also the consumer of instant noodles. Family income of people is mostly the same i.e. between Rs8000 to Rs11000.
2. Although most of the consumers are not loyal towards any specific brand, most of the consumers consider price and brand name while buying instant noodles.
3. Size of the packet that usually consumers prefer is 75 gm packet. And people like to take instant noodle since it can be eaten directly and also it can be cooked in short time since people are busy.
4. Advertisement also affects the consumers in buying decisions. Most of the consumers like the advertisement of Mayos in different media. Advertisement of Mayos attracts more people although more people buy other brands.
5. Quality of instant noodles like Wai Wai, Ruchi, Rum Pum and Mayos is good. Their flavor is also good.
6. Selling of instant noodles like Wai Wai, Ruchi, Rum Pum and Gol Mol are more in amount than Mayos. It is in the fifth position according to sells although most of the consumers like to have Mayos. Sales are less due to technical problems like in distribution channels and production.

5.3 Recommendations

Achieve and continue of sound market position is priority of any organization. Instant noodles market has a good market potential in the company as compare as other consumer goods. An instant noodle is being the most necessary things in man's life. Since man is busy and there is not enough time for him to make the food. He wants easy way of getting food for that instant noodle is the best option. Because it can be eaten directly or it is easy to cook in few time. Therefore, good quality as well as reasonable price having instant noodles may achieve large market size.

On the basis of above study, following recommendations have been made:

1. Consumers feel bore to have same kind of flavor and test of instant noodles. Here in the market only few types of flavors added in the instant noodles like Chicken and Vegetables etc. So if any company introduces other flavor like Mutton or other special, they can easily take the market.

2. The company should give attention in packing. Packing should be attractive, comfortable and compact. In the packing there should be manufactured date and expire date as well. The content of the instant noodles should be according to the weight mentioned in the packet.
3. The companies should not use any harmful ingredients like artificial color, artificial flavor etc, which make bad effect in the health of users. Using more monosodium glutamate (*Ajinamoto*) can harm the health of people so minimum quantity of the monosodium glutamate should be used.
4. Every company should be very careful in quality of the instant noodles. It takes vital role in the sales of instant noodles. The company should not compromise in the quality. To grab the market the companies should maintain their quality.
5. To preserve their consumers every company should research the market regularly. To make new consumers they should bring different kind of activity like attractive advertisement campaign, attractive scheme, good prizes etc.
6. From the study it is found that TV and poster is the most effective media for the advertisement of the instant noodles. So the companies should be telecast there advertisement in the TV and should publish poster and distribute to different parts.

This study is emphasis on Mayos. So some recommendations to the Mayos producing company (Himalayan Snax & Noodles) are as follows:

1. There are some irregularities in the production and supply of company. So there is fluctuation in the sales volume. So company should improve in the production and supply policy to make the sales regular and to increase the market position.
2. Mayos has good scheme. Scheme directly affects the sales. So they should continue scheme to maintain the market.
3. Mayos has good advertising policy. That is the reason it more popular in the Nepalgunj area. It should increase the criteria for the sales to improve its market position.
4. Quality of Mayos is good than other brands. So Mayos should maintain their quality in the future also. The test and flavor is good than other instant noodles. In test also they have to maintain.

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Appendix-1

- a) For fun b) Easy to cook c) Enough for meal
- d) Can be eaten directly without cooking.

7. Where do you usually buy instant noodles?

- a) Wholesaler b) general store c) grocery shop
- d) Café

8. Do you get brand easily which you want?

- a) Yes b) No c) Sometimes

9. Which brand do you suggest to buy and why?

.....

10. Which brand's advertisement you like most?

- a) Wai Wai b) Mayos c) Rum Pum d)
- Min Min e) Gol Mol f) Jo Jo g)
- Ra Ra h) Ruchi i) Others

11. In the purchase of Instant noodles do you aware in quality?

- a) Very high b) high c) Moderate
- d) Low e) very low d) don't know

Thanks
Appendix-2

- a) 100%
- b) 90%
- c) 80%
- d) 70%
- e) 60%
- f) 50%
- g) 40%
- h) 30%
- i) 20%
- j) 10%

7. What age of people usually comes to buy instant noodles in your shop?

- a) 5—10
- b) 10—20
- c) 20—30
- d) 30—40
- e) 40 above

8. Have you noticed the advertisement of different brands of instant noodles?

- a) Yes
- b) No

9. If yes, in which media have you noticed?

- a) Television
- b) Radio/ FM
- c) Hoarding
- d) Banner
- e) Pamphlet
- f) Poster
- g) Newspaper and Magazines

10. Among the various brand advertisement which one is the best?

- a) Wai Wai
- b) Mayos
- c) Rum Pum
- d) Min Min
- e) Gol Mol
- f) Jo Jo
- g) Ra Ra
- h) Ruchi
- i) Others

11. In your opinion, which are the major competing brands of instant noodles in Nepalese market?

- a) Wai Wai
- b) Mayos
- c) Rum Pum
- d) Min Min
- e) Gol Mol
- f) Jo Jo
- g) Ra Ra
- h) Ruchi
- i) Others

12. How much do you spend for instant noodles in a month?

- a) Rs (0—25)
- b) Rs (25—50)
- c) Rs (50—100)
- d) Rs (100—200)

Thanks
Appendix-3

Questionnaire for Distributor's survey

Dear respondents,

I am a student of MBS from Tribhuvan University and going to conduct a survey for partial fulfillment of master's level. So, I request you to take a few minutes time, I assure you that all your response will be kept confidentially and will be used only for my study.

Name of distributors: _____

Questions

1. Which company's authorized distributor is you form for?
a) _____
2. What is the demand of instant noodles in market?
a) Increasing b) decreasing c) constant
3. There are so many channels to reach the consumers, who are your mediator?
a) retailers b) wholesalers c) sales persons
d) others
4. What kinds of incentive scheme providing to the sales?
a) extra cash discount b) bonus c) product free
d) display e) others
5. Which means of transportation have used for delivery?
a) Rickshaw b) tempo c) tractors
d) pick-up e) mini truck f) others
6. How many times do you visit for a seller?
a) everyday b) twice in a week c) thrice in a week
d) four times in a week e) once in a week

7. How do you sell in terms of payment?
- a) all cash b) all credit c) both
8. If you are selling in credit, what percentage of sales is in credit?
- a) 10—20 b) 20—40 c) 40—60
- d) 60—80 e) 80—100
9. What kinds of programs have you introduced for publicity and public relation?
- a) musical program b) exhibition c) social welfare
- d) others
10. May you provide the sales of the year 2008?

.....

Thanks