THE ROLE OF ADVERTISEMENT IN TOTAL SALES IN KATHMANDU VALLEY

(With Special Reference to Coca-Cola)

A Thesis

SUBMITTED BY: Rita Kandel

Nepal Commerce Campus MBS II Symbol No: 1394/062 Campus Roll No: 389/060

T.U. Registration. No: 7-1-240-75-98

SUBMITTED TO:

Office of The Dean Faculty of Management Tribhuvan University

In Partial Fulfillment of the Requirement for the Degree of Master of Business Studies (MBS)

New Baneshwor, Kathmandu Janaury 2009

VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by

Rita Kandel

Entitled

"The Role of Advertisement in Total Sales in Kathmandu Valley"

(With Reference to Coca-Cola)

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Masters of Business Studies (M.B.S.)

VIVA-VOCE EXAMINATION COMMITTEE

Head of Research Department	:
Member (Thesis Supervisor):	
Member (External Expert)	:
Date:	

RECOMMENDATION

This is to certify that the thesis

Submitted by Rita Kandel

Entitled

"THE ROLE OF ADVERTISEMENT IN TOTAL SALES IN KATHMAND	U
VALLEY"	

Has been prepared as in the form as per the fulfillment of the partial requirement
for the Master's Degree in Business Studies of the Faculty of Management. Thi
thesis is forwarded for examination.

(Dr. Bihari Binod Pokharel) (Dr. Vishnu Khanal) (Mr. Diwakar Pokharel)	Head of Research Department	Thesis Supervisor	Campus Chief
	(Dr. Bihari Binod Pokharel)	(Dr. Vishnu Khanal)	(Mr. Diwakar Pokharel)

DECLARATION

I hereby declare that the work reported in this thesis entitled "The Role of Advertisement in

Total Sales in Bagmati Zone" with special reference to Coca-Sola submitted to Nepal

commerce campus, faculty of management, Tribhuvan university, is my original work done in

the form of partial fulfillment of the requirement for master's of business studies under the

supervision of Dr. Vishnu Khanal, Associate Professor, Tribhuvan University, Nepal commerce

Campus, Nepal.

Rita Kandel

Researcher

Nepal Commerce Campus

T.U. Regd. No: 7-1-240-98

Janaury, 2009

IV

ACKNOWLEDGEMENT

This study is the result of cooperation and support of many people. First of all I would like to extend my sincere gratitude to my thesis advisor Dr. Vishnu Khanal, Associate Professor, Tribhuvan University, Nepal Commerce Campus for his scholarly guidance despite his busy schedule. Without his valuable suggestions this thesis wouldn't come in this form. It is my great privilege to complete this thesis under the supervision of Dr.Vishnu Khanal, Associate Professor, Nepal commerce Campus, T.U. for his intellectual direction, supervision and inspiration during the preparation of thesis. It would not have been possible for me to complete this research work without his guidance.

I would like to extend my sincere thanks to Dr. Bihari Binod Pokhrel for his valuable suggestions.

I would like to express my many thanks to all respondents of Kathmandu Metropolitan including Nepal bottler's limited company for their valuable information and co-operation. All my colleagues staff of library and administration of Nepal commerce campus and central library of T.U. and library of Shanker Dev campus who helped me and providing various books, reports and other publication s directly and indirectly in this dissertation work.

I specially thank to my friends Mr. Binod Bishrawal, Mita Kandel, Tika Datta Pandey, Samita Kayasta, Sita Gaire for their insightful comments and suggestions.

I would like to express my sincere to Mr. Binod Bishrawal for typing my thesis that made useful suggestion about the format of my thesis.

I am indebted to my parents for their encouragement and moral support during the preparation of this thesis and who helped directly and indirectly contributed to accomplish the study.

> Rita Kandel Kathmandu, Nepal Janaury 2009

TABLE OF CONTENT

		Page No.
Rec	ommendation	I
Viv	a- Voce Sheet	II
Dec	laration	III
Ack	nowledgement	IV
Tab	le of Contents	V
List	of Tables	VIII
List	of Figures	IX
Abb	previations	X
CH.	APTER-1: Introduction	1-9
1.1	Background of study	1
1.2	Importance of the study	6
1.3	Objectives of the study	7
1.4	Limitations of the study	7
1.5	Statement of the problem	8
CH.	APTER-2: Literature Review	10-30
2.1	Concepts	10
2.2	Evolution of Advertising	11
2.3	Functions of Advertising	13
	2.3.1 Marketing Functions	13
	2.3.2 Communication Functions	14
	2.3.3 Economics functions	14
	2.3.4 Social Functions	14

2.4	4 Government and legal provisions of advertising in Nepal		16
2.5	Legal pro	visions in advertising expenses	17
2.6.	Some terr	ms and conditions of various government advertising media in Nepal	17
	2.6.1.	Some terms and conditions of radio Nepal	18
	2.6.2.	The F.M. (Frequency Modulation) programmers	20
	2.6.3	Television	20
	2.6.4	Some terms and conditions of N.T.V.	22
	2.6.5	Newspaper	23
	2.6.6	Direct mail advertising	24
	2.6.7	Outdoor advertising	25
2.7	Adver	tising as a tool of communication	25
	2.7.1	Advertising and personal selling	26
	2.7.2	Advertising and sales promotion	27
	2.7.3	Advertising and publicity	27
	2.7.4	Advertising and public relation	27
2.8	Sales	and advertising	27
2.9.	Revie	w of previous studies	29
2.10	Resear	rch gap	30
CH	APTER-3	3: Research Methodology	31-33
3.1	Introduc	tion	31
3.2	Research	n Design	31
3.3	Nature a	nd sources of Data	32
3.4	Data col	lection procedure	32
3.5	Population	on and sampling	32
3.6	Data pro	cessing and Analysis	33
3.7	Data Pre	sentation	33
СН	APTER-4	4: Presentation of Data Analysis	34-54
4.1	Impact o	f advertising sales in Nepal	34
4.2	Does adv	vertising help in increasing sales	35
4.3	Advertis	ing Practice	36

4.4 Promotional Situation In Nepal	37
4.5 Evaluation Of The Advertising Role On Sales	37
4.6 Analysis of Preferred Brand Soft Drinks:	38
4.7 Analysis of Essence of Effective Advertising: Soft Drinks	39
4.8 Analysis Of Adverting Believability of Soft Drinks:	40
4.9. Analysis of Adverting In Changing Brand of Soft Drinks:	41
4.10. Analysis Of Advertisement Influence On Sales According To Gender: Soft Drinks:	42
4.11 Which brand do you usually buy?	43
4.12 Product feature while buying soft drinks	44
4.2 Buying Decision of Consumers:	44
4.2.1. Who Usually Make The Decision To Buy A Particular Brand?	44
4.3 Media Recognition of Soft Drink.	45
4.3.1. Media Recognition of Soft Drink in Bagmati Zone:	45
4.3.2. The Advertisement Attractiveness of Various Brands in NTV:	46
4.3.3. The Advertisement Attractiveness Test In Radio Nepal:	46
4.3.4. The Advertisement Attractiveness In Newspapers:	47
4.3.5 Suitable Media For Soft Drinks Advertisement :	48
4.4. Quality Determination in Soft Drink By Consumer:	49
4.4.1 Ranking of Different Brands According To Quality:	49
4.4.2 Reaction of Consumers Towards The Price of Soft Drinks:	50
4.4.3 Taste Preference of Consumers Towards Soft Drinks:	51
4.4.4 Market Share of Soft Drink In Bagmati Zone:	52
4.4.5. What Scheme Is More Effective In Sales Promotions?	53
4.4.6 X^2 Test:	54
4.4.9 Major Findings:	54
CHAPTER-5: Summary, Conclusion and Recommendation	56-58
5.1 Summary	56
5.2 Conclusion	57
5.3 Recommendation	58

BIBLOGRAPHY

QUESTIONNAIRE

LIST OF TABLES

Table No.	Title	Pages
Table No. 1 :	Impact of Advertising on Sales in Nepal	34
Table No. 2:	Does Advertising Help In Increasing Sales?	35
Table No. 3:	Which advertising media do you use ?	36
Table No. 4:	Promotional Situation In Nepal	37
Table No. 5:	Evaluation Of The Advertising Role On Sales	37
Table No. 6:	Analysis of Preferred Brand of Soft Drinks.	38
Table No. 7:	Analysis of essence of effective advertising: Soft Drinks.	39
Table No. 8:	Analysis of Adverting Believability of Soft Drinks.	40
Table No. 9:	Analysis of Adverting in Changing Brand of Soft Drinks.	41
Table No.10:	Analysis of Advertisement that influence on sales according to gender	42
Table No.11:	Which Brand do you Usually Buy?	43
Table No.12:	Product Feature While Buying Soft Drinks:	44
Table No.13:	Who usually makes the decision to buy a particular brand?.	44
Table No.14:	Media Recognition of Soft Drink in Bagmati Zone:	45
Table No.15:	The Advertisement Attractiveness of Various Brands in NTV.	46
Table No.16:	The Advertisement Attractiveness Test in Radio Nepal	46
Table No.17:	The Advertisement Attractiveness in Newspapers	47
Table No.18:	The Advertisement Attractiveness in Newspapers	48.
Table No.19:	Quality Determination in Soft Drink	49
Table No.20:	Ranking of Different Brands According to Quality	49
Table No.21:	Reaction of Consumers Towards the Price of Soft Drinks	50
Table No.22:	Tests Preference of Consumers Towards Soft Drinks	51
Table No.23:	Market Share of Soft Drink in Bagmati Zone.	52
Table No.24:	What Scheme is More Effective in Sales Promotions?	53

LIST OF FIGURES

List of Figure	s Title	Pages
Figure No. 1:	Does Advertising Expenses have impact on Sales?	34
Figure No. 2:	Does Advertising Help In Increasing Sales?	35
Figure No. 3:	Which Advertising Media Do You Use?	36
Figure No. 4:	Which Promotional Method Do You Prefer?	37
Figure No. 5:	Analysis of essence of effective advertising: Soft Drinks.	39
Figure No. 6:	Analysis of Adverting Believability of Soft Drinks.	40
Figure No. 7:	Analysis of Adverting in Changing Brand of Soft Drinks.	41
Figure No. 8:	Analysis of Advertisement that influence on sales according to gender	42
Figure No. 9:	Which Brand do you Usually Buy?	43
Figure No.10:	Media Recognition of Soft Drink in Bagmati Zone:	45
Figure No.11:	The Advertisement Attractiveness Test in Radio Nepal	46
Figure No.12:	The Advertisement Attractiveness in Newspapers	47
Figure No.13:	The Advertisement Attractiveness in Newspapers	48
Figure No.14:	Quality Determination in Soft Drink	49
Figure No.15:	Reaction of Consumers Towards the Price of Soft Drinks	50
Figure No. 16:	Test Preference of Consumers Towards Soft Drinks	51
Figure No. 17:	Market Share of Soft Drink in Bagmati Zone.	52
Figure No. 18:	What Scheme is More Effective in Sales Promotions?	53

ABBREVIATIONS

A.D. : After death of Christ

B.S. : Bikram Sambat

Eg : Example

Etc: Etcetera

F.M. : Frequency Modulation

4Ps : Four Products

Govt. : Government

i.e. : That is

Km : Kilometer

Ktm: Kathmandu

Ltd : Limited

MBS: Master of Business Studies

NEPSE: Nepal Stock Exchange

NLL: Nepal Lever Limited

No : Number

Nos : Number of Consumer

NTV : Nepal Television

Pvt. : Private

Rs: Rupees

SDC : Shanker Dev Campus

Sq. : Square

T.U. : Tribhuwan University

U.K. : United Kingdom

U.S. : United States

VDC: Village Development committee

WTO: World Trade Organization

WBR: World Bank Report