

**A STUDY OF SALES AND PROMOTION OF
L.G. TELEVISION
A CASE STUDY OF DHANGADHI MUNICIPALITY**

A thesis submitted to:
**Office of the Dean
Faculty of Management
Tribhuvan University**

Submitted By:
**Sailendra Basnet
KAILALI MULTIPLE CAMPUS
TU Regd. No: 7-2-327-356-2003
Roll No. 1509/2066**

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

2010 August

DECLARATION

I here by declare that the work reported in this thesis entitled **A STUDY OF SALES AND PROMOTION OF L.G TELEVISION , A CASE STUDY OF DHANGADHI MUNICIPALITY ”** submitted to Kailali Multiple Campus, Faculty of Management, is my original work done in the form of partial fulfillment of the requirement for the Master’s Degree in Business Study (M.B.S.) under the supervision of Mr. Padam Kant Joshi(Reader), Associate professor Dr. Padam Raj Joshi of Kailali Multiple Campus.

.....
Sailendra Basnet
TU Regd. No: 7-2-327-356-2003
Roll No. 1509/2066

Date:.....

Acknowledgement

It is my great privilege to compete this thesis under the supervisor of Mr. Padam Kant Joshi (Reader), Associate professor Dr. Padam Raj Joshi of Kailali Multiple Campus, 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 am very much grateful to my teacher Dr. Padam Raj Joshi, for providing me his valuable suggestions generously for the completion of this work project. I would like to express my many thanks to all respondents of Dhangadhi Municipality including Mayas Trading for their valuable information and cooperation. I am very much grateful to Campus Chief Mr. Surendra Chand & All my colleagues, staff of Library and Administration of Kailali Multiple Campus. Who helped me directly and indirectly in this dissertation work.

Similarly, I would like to their Mr. Tiru Chaudhary of Mayas Computer Center for editing for the provision of neat and clean computer typing and printing. I also extend my special thanks to my friends Mr. Deepak, Mr. M.B., Mr. Madan.

Finally, I would like to express my sincere gratitude to all the members of my family-my father Mr. Netra Bahadur Basnet, my mother Saroj Basnet and my brother for being the source of inspiration and encouragement of complete my studies.

Sailendra Basnet
Kailali Multiple Campus
Dhangadhi, Kailali

Abbreviation

- L.G - Life Good
- C.D - Compact Disk
- NTV - Nepal Television
- MCS - Multi Channel Satellite
- SBS - Strategic Business Unit
- CSF - Critical Success Factors
- CG - Chaudhary Group
- LCD - Liquid Crystal Display
- Fig - Figure Number
- Adv - Advertisement
- C.E. - Chaudhary Electronics

TABLE OF CONTENTS

Acknowledgement

List of Tables

List of Figures

	Page No.
CHAPTER I INTRODUCTION	
1.1 Background	1
1.2 Company Profiles	2
1.3 Authorized Dealer Profiles	3
1.4 L.G. Television	4
1.5 Focus of the Study	5
1.6 Statement of the Study	6
1.7 Importance of the Study	6
1.8 Objective of the Study	7
1.9 Limitation of the Study	8
1.10 Organization of the Study	8
CHAPTER II REVIEW OF LITERATURE	
2.1 Concept of Marketing	9
2.2 Core Marketing Concept	11
2.3 Marketing Mix	13
) Product	13
) Price	15
) Place	15
) Promotion	16
2.4 Integrated Marketing Communication	16
2.5 The Communication Process	17
2.6 Advertising and Positioning	19
2.7 Advantages and Limitation of Medium of Advertising	20
2.8 The Nature of Promotional Tools	21
) Advertising	21

) Personal Selling	22
) Sales Promotion	22
) Public Relation	22
) Direct Marketing	23
2.9 Relation of Product Advertising to Product Life Cycle	23
2.10 Ethics in Advertising	24
2.11 Evaluating Advertising Effective	25
2.12 Role of Advertising in Modern Business World	26
2.13 Advertising in Nepal	28
2.14 Evolution of Advertising	30
2.15 Sales Promotion	33
2.16 Purpose of Sales Promotion	33
2.17 Reason for Growth of Sales Promotion	34
2.18 Objective of Sales Promotion	36
2.19 Major Sales Promotional Tools	36
) Consumer Promotion	36
) Trade Promotion	37
) Business Promotion	37
2.2 Review of Some Previous Related Studies	37
CHAPTER III RESEARCH METHODOLOGY	
3.1 Introduction	40
3.2 Research Design	40
3.3 Population and Sample of the study	41
3.4 Date Gathering Procedures	41
3.5 Date Analysis Tools	41
CHAPTER IV PRESENTATION AND ANALYSIS OF DATA	
4.1 Product Classification of Television	42
4.2 Product Life Cycle and Customer's Adoption of L.G. Television	42
4.3 Marketing Mix of L.G. television	43
▪ Product	43

▪ Price	45
▪ Promotion	45
▪ Consumer Promotion Activities of L.G.	46
▪ Trade Promotion Activities of L.G.	47
4.4 After Sales Service	48
4.5 Description of Customer Survey	49
4.5.1 Market Share of Types of Television Brand	49
4.5.2 Market Share of Types of Television	50
4.5.3 Market Demand of Television in Nepal	51
4.5.4 Market Potential of Television Brand	52
4.5.5 Market Potential of Types of Television	53
4.5.6 Awareness of L.G. Television	54
4.5.7 Brand Royalty on L.G.	55
4.5.8 Awareness of L.G. Scheme “Scratch Coupon”	56
4.5.9 Opinion on the Scheme “Scratch Coupon”	57
4.5.10 Source of Information	58
4.5.11 Level of Quality Consciousness	59
4.5.12 Effects of Schemes on Customer Buying Decision	60
4.5.13 Effect of Advertising on Sales of Television	61
4.5.14 Feasibility of Installment System in Television Market	62
4.5.15 Popular Means of Advertisement	63
4.5.16 Impact of warranty on Customer	65
4.5.17 Warranty on L.G. Television with Compare to other Brands	66

CHAPTER V: SUMMARY, CONCLUSION, FINDING AND RECOMMENDATION

5.1 Summary	68
5.2 Conclusion	69
5.3 Major Finding of the Study	70
5.4 Recommendations	71

Bibliography

Appendices

LIST OF TABLES

TABLES	Page No.
4.5.1 Market Share of Television Brand	49
4.5.2 Market Share of Types of Television	50
4.5.3 Market Demand of Television in Nepal	51
4.5.4 Market Potential of Television Brand	52
4.5.5 Market Potential of Types of Television	53
4.5.6 Awareness of L.G. Television	54
4.5.7 Brand Royalty of L.G.	55
4.5.8 Awareness of L.G. Scheme Scratch Coupon”	56
4.5.9 Opinion on the scheme “Scratch Coupon”	57
4.5.10 Source of Information	58
4.5.11 Level of Quality Consciousness	59
4.5.12 Effect of Scheme on Customer Buying Decision	60
4.5.13 Effect of Advertising on sales of television	61
4.5.14 Feasibility of Installment System in Television Market	62
4.5.15 Popular Means of Advertisement	63
4.5.16 Impact of Warranty on Customers	65
4.5.17 Warranty on L.G. Television with Compare to other Brands	66

LIST OF FIGURES

Figures	Page No.
4.3.1 Consumer Promotion Activities of L.G.	47
4.5.1 Market Share of Television Brand	49
4.5.2 Market Share of Types of Television	50
4.5.3 Market Demand of Television in Nepal	51
4.5.4 Market Potential of Television Brand	53
4.5.5 Market Potential of Types of Television	54
4.5.6 Awareness of L.G. television	55
4.5.7 Brand Royalty of L.G.	56
4.5.8 Awareness of L.G. Scheme Scratch Coupon”	57
4.5.9 Opinion on the scheme “Scratch Coupon”	58
4.5.10 Source of Information	59
4.5.11 Level of Quality Consciousness	60
4.5.12 Effect of Scheme on Customer Buying Decision	61
4.5.13 Effect of Advertising on sales of television	62
4.5.14 Feasibility of Installment System in Television Market	63
4.5.15 Popular Means of Advertisement	64
4.5.16 Impact of Warranty on Customers	65
4.5.17Warranty on L.G. television with Compare to other Brand	66

CHAPTER I

INTRODUCTION

1.1 Background

Today marketing must be understood not in the sense of making a sale “telling and selling”-but in the new sense of satisfying customer needs. If the marketer does a good job of understanding consumer needs, develops products that provide superior value, and price, distributes and promotes them effectively, these products will sell very easily. Thus, selling and advertising are part of a large marketing mix .a set of marketing tools that work together to satisfy customer needs and build customer relationship. The company must also decide how it will serve targeted customer, how it will differentiate and position itself in the market place.

Modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customer. Company must also communicate with current and prospective customer. Good communication is important in building and maintaining any kind of relationship; it is crucial element in a company’s efforts to build profitable customer relationship. To do this they must skillfully use the mass-promotion tools of advertising, sales promotion and public relations.

Advertising is any paid form of non-personal presentation and promotion of idea, goods, or services by an identified sponsor. Advertising can be traced back to the very beginning of recorded history. Archaeologists working in the countries around the Mediterranean sea have dug up signs announcing various events and offers, the Roman painted walls to announce gladiator fights and the Phoenicians painted picture promoting their walls to announce gladiator fights and Phoenicians painted picture promoting their waves on large rock along parade routes. Modern advertising however, is far advance from this early effort.

Advertising often works closely with another promotion tools, sales promotion, it consists of short-term incentives to encourage purchase or sales a product or service. Advertising offers reasons to buy a product or service, sales promotion offers reasons to buy now.

Important of advertising and sales promotion is increasing in marketing, as the market place is being more and more complex and competitive day by day. In the modern competitive market advertising and sales promotion is playing an essential role in wining the market share over the competitors. Today, companies are investing huge amount of money in advertising and sales promotion not just to make sales of their product but also to create position in the mind of customers.

This trend has also seen in the television market in Nepal also. From last few years, the number of television's brand has been increasing day by day. The companies are fighting for their market share in the market in different ways. Advertising has become their major tools to communicate and differentiate their product from competitors' product. Companies are also engaging in different types of sales promotion activities to attract the customers to buy the product and to motivate the dealers to sale the company's product.

1.2 Company Profiles

L.G. is a South Korean Multination Company. L.G. is the new undisputed champion of the global TV market. The South Korean base manufacturer was the largest in terms of both revenue and unit shipped during the first quarter of the year 2010.

US based research consultancy Display search announced of 45.5million TVs shipped worldwide in the first quarter of 2010, more than L.G. made five million or 11.2 %. The company's share of the \$24.9 billion revenue generated by TV manufacture was even higher at 15.2 percent. Revenue and unit

shipment were up compared to the previous quarter. Mean while L.G.'s closest rival LG saw the revenue and shipment slip.

L.G.'s success can be attributed to its financial strength, which has allowed it to remain technologically diverse, while other market leaders have narrowed their focus to two or three technology. L.G. remains focused on all major technologies LCDs, PDTs and MD (reflective micro display) RPTVs.

Strong sales growth in china and the US drove a seven percent increase in the number of TVs sold worldwide compared to the previous quarter.

However, Europe and Japan were down 16 per cent and seven per cent year – on year following poorer than expected world Cup TV sales and worries about over stocking.

While L.G. currently leads the market by a few percentage points, no company could be said to dominate, as five major players each have around 10 per cent of the global market in revenue or unit shipment. In terms of brand share, L.G. led the global TV market in the third quarter on both a unit and revenue basis.

1.3 Authorized Dealer Profiles

Chaudhary Group organization is one of the largest business houses of the Nepal. It has currently operating more than 50 businesses in Nepal. It is also the one of the first multi national Company in Nepal. It has invested in different sector just like real state, Hydropower, Hospitality. Currently they have agreement with Hotel in Srilanka. Its products range from beverage to Daily Consumption and to television. Its production is Noodles which is popular in more than fourty country. This noodles company is establish with the collaboration with Thai Noodles Company Thailand.

L.G. electronics is a SBS of Chaudhary Group organization. It was established in 1990 as a consumer electronics manufacturer, it is now the market leader in this segment showcasing internationally renowned CE brands as well as

indigenous one. L.G. electronics focuses largely on quality products, consumer oriented services and innovative marketing strategies with one of the largest and most technologically advanced production capacity in the country. The L.G. electronics infrastructure consists of factories, exclusive outlets and a large service network covering more than 45 cities. Committed to enhancing the lifestyle of customers. L.G. electronics offers the best both in terms of product and services.

It has been appointed as authorized dealer of L.G. Electronics product for Nepal. It assembles L.G. television in Nepal. It deals with product range of L.G. electronics and home appliances like television, refrigerators, air conditioner, washing machine, vacuum cleaners, Micro oven, DVD etc. L.G. electronics is assembling L.G. television in Nepal.

L.G. electronics is located at Kamaladi, Kathmandu, Nepal. It has its business Network all over the Nepal. It has more than 90 regional dealers dealing with L.G. product and has service center in all major cities of Nepal.

1.4 L.G. Television

L.G. has become a rising brand in television market. It is due to the advanced technologies in the production, attractive design of product, quality of the product, latest function in product, reliability in after sales service and its marketing strategies.

It has just introduced the Advance Vision technology in the television. L.G. company claims that the technology consists of color engine which analyzes the color across various parameters and achieves the right saturation of red, blue, green, yellow, pink and white tones. Contrast engine, which uses advanced algorithms to eliminate noise and blurring without the slightest damage to the original signal, giving crystal clear action visual. "3D" motion engine, which automatically analyzes up to 70000 local images within a frame leading to blacker blacks and whiter whites. Detail engine, which analyzes the

portion of the signal to be amplified, detecting and reprocessing any noise or defect to reproduce natural details. So, the company claims that L.G. televisions are four steps ahead of normal flat televisions.

Beside the quality of product the L.G. television is also provided with five years warranty service. The company is also providing the home service for the comfort of customers.

1.5 Focus of the Study

The study will focus on the effectiveness over all Market Study of advertising and sales promotion of L.G. television in Nepal. In today's competitive market there are many products and services, which are operating in same market to satisfied same unsatisfied demand. So, it has become very challenging for any organization to differentiate their products and services with competitors' products and services. To Make its Sales Large L.G Company has Expense More than 120 million per year in its advertisement & Promotion.

Today, marketer are seeking the answer of how they could tell their customers in better way about their products, suggest new uses for a product, informing the market of price change and explaining how the product work.

In order hand building brand preference, changing customer's perception of product attributes, maintaining the awareness in the mind of customer are the major concern of today's marketers. Advertising and sales a promotion has become an effective marketing tool to the solution of these problems to some degree and differentiate the products with competitors' products in the mind of customers. So, effective advertising and sale promotion strategy has become a core competence of the organization that provides competitive advantage to the organization.

Hence, the study is to describe the effectiveness of advertising and sales promotion especially concentrating on television market. The study will focus on the advertising and sales promotion behavior of business houses that are

handling television business in Nepal. And how they are being active in attaining and retaining the market share here in Nepal.

1.6 Statement of the Study

Moving toward developing in both national and international prospective has increased the types of the products as well as their alternative brands of these product in the Nepalese market. Today one can use the products produced in any corner of the world sitting at own home or town. Nepalese market also has given much more freedom to choose the brand. Now Nepalese consumer are not compelled to buy any particular brand rather they are provided with different brand and they are quite free to choose the brand they think the best.

The questions here arise are how they choose the brand or product? From what source they get information about product or brand and what factors affect them to choose the brand? These are the burning question of Nepalese market. However no attempt has been made so far to answer this question.

So, the basic problem area of this study is “Sales and promotion of L.G. television in Nepal”.

1.7 Important of the Study

Marketing management has becomes a complex and challenging job due to globalization, advance information technology and rapid change in customers preference. Introduction of new products, modification of existing products, penetration into new market segment, withdraw from declining market has become a day to day activities of today’s sophisticated market. For the survival and growth in such a complex and competitive market, advertising and sales promotion is playing a vital role in creating push and pull demand in market.

The modern market is depending on advertising. Without it, producers and distributors would be unable to sell, buyers would not knows about and

continue to remember products or service, and the modern industrial world would collapse.

If factory output is to be maintained profitably, advertising must be powerful and continuous. Mass production required mass consumption, which in turn, requires advertising to the mass market through the mass media.

Advertising and sale promotion are playing informative, persuasive, and reminder role in the market. It is helping to capture high customer equity by attracting potential customer and retaining royal customer of an organization.

The objective of advertising may be different in different stage of product life cycle. But it is essential in all stage of product life cycle for its growth and survival in the market.

Hence, Advertising and promotion activities have become a most important and effective marketing tools to gain market share and to communicate the product with Customer. Effective Advertising and promotion Strategy has become the critical success factors (CSF) of an organization, which underpin the Strategic advantages of organization.

1.8 Objective of the Study

- a) To evaluate the effectiveness of sales & promotion for attaining and retaining the market share of television business.
- b) To analyze the important of sales promotion in building company's reputation.
- c) To review the market status of L.G. television.
- d) To examine the brand awareness of customers.

1.9 Limitation of the Study

- a) The general study focuses on the study of sales and promotion of L.G. television as states the title.
- b) Other television will be studied only to find out the market share.
- c) Sample size is very small in comparison to the population of the study.
- d) This study is entirely base on the views and responses of consumers and interview with marketing executives of respective brands.

1.10 Organization of the Study

The study will be divided mainly into five chapters. First chapter, i.e. introduction chapter deals with the general background of television, company profile, introduction of the subject i.e. L.G. television, focus of study, statement of problem, objective of the study, significance of the study, limitation of study and organization of the study.

Second chapter is review of literature. It includes conceptual framework of the subject matter, i.e., sales and promotion. It studies role and effectiveness of sales and promotion management of L.G. television. It will include a brief review of previous research work.

Research methodology will be discussed in chapter three and deal with research design, population and sampling, sources of date collection, data analysis tools and data analysis method.

In the fourth chapter collected data and information will be analyzed and presented in a pleasant manner. It mainly will consists the analysis of market of L.G. television, analysis of 4ps of L.G. television in its marketing, role of advertising in building brand image, effect of promotional activities on sales of L.G. television, brand loyalty, and some focus will be given on competitors' moves. The last chapter presents the summary, conclusion and recommendations of the study.

The bibliography and appendices are also presented at the end of the study report.

CHAPTER II

REVIEW OF LITERATURE

2.1 Concept of Marketing

It is obvious that the concept of marketing is being applied in every field of the society along with the business. Marketing is getting increasing importance with the necessity of it in every field. So, we can say that this is the age of the marketing. Today's market is sensing the hyper competition since the business is being operating in globalize economy.

Marketing is typically seen as the task of creating, promoting and delivering goods and services to consumers and business. Marketing are skilled in stimulating demand for a company's products. Marketers are responsible for the demand management. Marketing managers seek to influence the level, timing and composition of demand to meet the organization's objectives.

Marketing deals with identifying and meeting human and social needs. Marketing efforts help to achieve organizational goals. It helps organization to find out what their customers need and want and to decide what product or service to offer so that the customer's need and want can be best satisfied. It is concerned with attaining and retaining customers and winning long-term customer loyalty.

According to American Marketing Management association: "marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational goals."

According to Philip Kotler: "Marketing is social and managerial process by which individual and group obtain what they need and want through creating, offering and exchanging products of value with others."

According to Peter Drucker: “There will always, one can assume, be need for some selling, but the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits and sell itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.”

Marketing people are involved in marketing 10 types of entities: goods, services, experience, events, persons, places, properties, organization, information and ideas.”

Goods: physical goods constitute the bulk of most countries’ production and marketing effort, so marketing people are busy in the marketing of tangible objects or products (Kotler, 2003:5).

Services: It includes the marketing of the services like airlines, hotels, barbers and beauticians, maintenance and repair people, professionals working within or for companies, such as accountants, lawyers, engineers, doctors, software programmer and management consultants. Today’s many market offering consists of the variable mix of goods and services.

Experience: By orchestrating several services and goods, a firm can create stage and market experiences.

Events: marketers promote time- base events, such as the Olympics, company Anniversaries, major trade shows, sports events and artistic performances.

Persons: Celebrity marketing is a major business today. It is advised that each person should become a “brand” by marketing L.G.self or herself.

Place: Cities, states, regions and whole nations- compete actively attract tourists, factories, company headquarters and new residents.

Properties: Properties are intangible right of ownership of either real property (real state) or financial property (stocks and bonds). The marketing of the property involves here.

Organization: Organizations actively work to build a strong, favorable image in the minds of their target publics; companies spend money on corporate identity ads.

Information: Now a day, information can be produced and marketed as a product; Encyclopedias and most nonfiction books market information.

Ideas: Every market includes a basic idea. Products or services are the platforms for delivering some idea or benefit.

Marketing is the art of selling products and at the same time it is the delivery of a higher standard of living to the society. Marketing thinking should start even before there is a product to offer. It is concerned with identifying existing needs and then converting them into a product or service. Besides, even after the product has reached the customer or user, the marketing effort does not come to an end.

They're a question out of his purchase. After sales services are essential to keep the customer satisfied and become repetitive customer.

In marketing concept, the most important thing is to forecast where customers are moving and to be in front of them the right product they want and need to delight them since it is no longer enough to satisfy them.

2.2 Core Marketing Concept

Here is the definition of several core concept of marketing (Kotler, 2003:9-15).

Target markets and Segmentation: It is not possible to satisfy everyone in a market. So, marketers start by dividing the market. They identify and profile distinct group of buyers. Examining demographic, psychographics, and

behavioral differences among buyers can identify market segment. The marketer then decides which segment presents the greater opportunity-which is its target market. For each target market, marketer develops the offerings.

Marketplace: Business people often use the term market to cover various groupings of customers. They talk about need markets, product markets, demographic markets and geographic market.

Marketers and Prospects: A marketer is some one seeking response (attention, a purchase, a vote, a donation) from another party, called the prospect. If two parties are seeking to sell something to each other, we call them both marketers.

Need, Wants and Demand: A marketer must try to understand the needs, wants and demands. Needs are the basic human requirements. These needs become wants when directed to specific objects that might satisfy the need. Likewise demands are wants for specific products backed by ability to pay. Companies must measure not only how many people want their product but also how many would actually be willing and able to buy it.

Product, Offering and Brand: Offering can be combination of products, services, information and experiences. A brand is an offering from a known source. All companies strive to build brand strength – that is, a strong, favorable brand image.

Value and Satisfaction: The offering will be successful if it delivers value and satisfaction to the target buyers. Value can be seen as a combination of quality, service and price.

Exchange and Transactions: It is also one of core concept of marketing. It is the process of obtaining a desired product from someone by offering something in return.

Relationships and Networks: Relation marketing has the aim of building mutually satisfying long-term relation with key parties- customers, suppliers, and distributors- in order to earn and retain their business. Marketer accomplishes this by promising and delivering high quality products and services at fair price to the other parties over time. Relationship marketing builds strong economic, technical and social ties among the parties.

Marketing Channels: Marketing channels are the essence of whole marketing process. Marketers use communication channel, distribution channel and services channels.

Competition: Competition includes all the actual and potential rival offering and substitutes that a buyer might consider.

Marketing Environment: It includes the task environment or immediate actors like company, suppliers, distributors, dealers, and the target market. The broad environment includes economic, political- legal, social- culture, technological, demographic, and natural environment.

Marketing Program: The marketer's task is to build the marketing program or plan to achieve the company's desired objectives. The marketing program consists of numerous decisions on the mix of marketing to use.

2.3 Marketing Mix

Marketing mix is the set of marketing tools the firm uses to pursue its marketing objectives in the target market. Mc Carthy classified these tools into four broad groups that he called the four Ps of marketing: product, price, place, and promotion.

) Product

Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want and need. Product is a key in the market offering. Marketing mix planning begins with formulating an offering

that brings value to target customers. This becomes the basic upon which the company builds profitable relationships with customers (Kotler, 2006:252).

The most basic level of product is the core benefit, which address the question what is the buyer really buying? When designing products, marketers must first define the core, problem solving benefits or services that consumers seek. At the second level. Product planners must turn the core benefit into an actual product.

They need to develop product and service and services features, design, a quality level, a brand name and packaging. Finally, product planners must build an augmented product around the core benefit and actual product by offering additional consumer services and benefits.

Product falls into two broad classes based on the types of consumers that use them-consumer products and industrial Products. Broadly defined, products also include other marketable entities such as experience, organizations, persons, place, and ideas.

Consumer product: Final consumer for personal consumption buys Consumer products. Consumer product includes convenience product, shopping product, specialty product, and unsought products. These products differ in the ways consumers buy them and therefore in how they are marketed.

Convenience product: Consumer product that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort.

Shopping product: consumer good that the customer, in the process of selection an purchase, characteristically compares on such bases as suitability, quality, price, and style.

Specialty product: consumer product with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

Unsought product: consumer product that the consumer either does not know about or knows about but not normally thinks of buying.

Industrial product: Product bought by individuals and organization for use in conducting a business.

) **Price**

The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or services. Price is the only element in the marketing mix that produces revenue; all other elements represent costs. Price is one of the most flexible elements of the marketing mix. Unlike product features and channel commitments, price can be changed quickly.

At the same time, pricing is the number one problem facing many marketing executives. Yet many companies do not handle pricing well. One frequent problem is that companies are too quick to reduce price in order to get a sale rather than convincing buyer that their product are worth a higher price. Other common mistake includes pricing that is too cost oriented rather than customer value oriented and pricing that does not take the rest of the marketing mix into account.

) **Place**

To attain the formulation marketing and sales objective along with the overall corporation goal, product must be accessible to the target market. Distribution may be the biggest constraint in the successful sale of product if the product is not shipped to the right place at the right time with the right price. Inadequacies within the distribution channels must be overcome to sell the intended product in the target market successfully at lower price.

The distribution process includes the physical handling and distribution of goods, the passage of ownership. It is the buying and selling negotiations

between producers and middlemen and between middlemen and customers. Each market contains a distribution network with many channel choices whose structures are unique and in the short run fixed.

) **Promotion**

Advertising: advertising, sales promotion, personal selling and public relations, the mutually reinforcing elements of the promotion mix, have as their common objective, the successful sale of a product. Once a product is developed to meet the market needs, intended customers must be informed of the product's value and availability. The promotion mix is the basic ingredient in the marketing mix.

Sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion (samples, coupons, cash refund, offers, prices off, premiums, prizes, patronage rewards, free trials, warranties and demonstration); trade promotion (prices off, advertising, and display allowances and free goods); business and sales-force promotion (trade shows and conventions, contests for sales reps and specialty advertising). Sales promotions enable manufacturers to adjust to short-term variations in supply and demand.

2.4 Integrated Marketing Communications

The shift from mass marketing to targeted marketing, and corresponding use of a larger, richer mix of communication channels and promotion tools, poses a problem for marketers. Customers don't distinguish between message sources the way marketers do. In the consumer's mind, advertising messages from different media and different promotional approaches all become part of a single message about the company. Conflicting messages from these different sources can result in confused company images and brand positions.

All too often, companies fail to integrate their various communication channels.

The result is a hodgepodge of communication to customers. Mass media advertising say one thing, while a price promotion sends a different signal and a product label creates still another message. Company sales literature says something altogether different and the company's web site seems out of sync with everything else (Kotler,2006:499).

Integrated marketing communication involves identifying the target audience and shaping a well- coordinated promotional program to obtain the desired audience response. Too often, marketing communications focus on immediate awareness, image, or preference goals in the target market. But this approach to communication is too shortsighted. Today, marketers are moving toward viewing communications as managing the customer relationship over time. Because customers differ, communications programs need to be developed for specific segments, niches, and even individuals. And given the new interactive communications technologies, companies must ask not only, “ How can we reach to our customers?” but also, “How can we find ways to let our customers reach us?” (Kotler,2006:461).

2.5 The Communication Process

Integrated marketing communication involved identifying the target audience and shaping a well-coordinated promotional program to obtain the desired audience response. Too often, marketing communication focus on immediate awareness, image or preference goals in the target market. But this approach to communication is too shortsighted. Today, marketers are moving toward viewing communications as managing the customer relationship over time.

Because customers differ, communications programs need to be developed for specific segment, niches and even individuals. And, given the new interactive communications technologies, companies must ask not only, “How can we reach our customers?” but also, “How can we find ways to let our customers reach us?”

Thus, the communications process should start with an audit of all the potential contacts target customers may have with the company and its brands. For example,

Some purchasing a new kitchen appliance may talk to others, see television advertisement, read articles and advertisement in news papers and magazines, visit various Web sites, and check out appliances in one or more stores. The marketer needs to assess what influence each to these communications experience will have at difference stages of the buying process. This understanding will help marketers allocate their communication budget more efficiently and effectively.

To communicate effectively, marketers need to understand how communication works. Communication involves the nine elements, which are as follows.

Sender: The party sending the message to another party.

Encoding: The process of putting thought into symbolic form. Advertising agency assembles words and illustration into an advertisement that will convey the intended message.

Message: The set of symbols that the sender transmits- the actual copier advertisement.

Media: The communication channels through which the message moves from sender to receiver.

Decoding: The process by which the receiver assigns meaning to the symbols encoded by sender.

Receiver: The party receiving the message sent by another party.

Response: The reactions of the receiver after being exposed to the message.

Feedback: The part of the receiver's response communicated back to the sender.

Noise: The unplanned static or distortion during the communication process, which results in the receiver's getting a different message than the one the sender sent.

2.6 Advertising and Positioning

Research has shown that there is a very real limit to how much a mind set can handle. According to George A. Miller, Harvard psychologist, the average person can rarely name more than seven brands. The set of brands that the consumer has in mind during the purchasing process is called "evoked set". This is where positioning comes in. Advertising has to establish the brand in a commanding position in the mind-sets of consumers.

The image and appeals must be related to the way consumers possibly think about a brand and thus position it in their minds. In order to develop a clear position, the communicator must somehow put together all aspects of product, consumer, trade, and competition and communication situation in a distinctive way for that brand. Good positions are difficult to maintain, and a company must be prepared to defend its position sometimes at great cost.

Positioning doesn't require a head-on collision with the leading competing brand. This is quite risky. It is better to maneuver around the leader's position.

Sacrifice is the essence of positioning for effective positioning, a brand has to stand for one quality or benefit in the mind of consumers, instead of being all things to all people. This involves sacrifice of opportunity to different market segments.

Positioning in the consumer's mind is the end product of the process of filtering information about the product and the packaging. The price and the image of the product created by advertising. This may be different from the product's function or physical attributes. This subtle distinction is increasingly

important in a competitive market place where thousands of advertisement fight for the attention of the consumer.

2.7 Advantages and Limitations of Mediums of Advertising

The message of advertisement is transmitted through some channel from the source to the receiver. The channel in an advertising communication system consists of one or more kinds of media, such as radio, television, newspaper, magazines and so on. The impact of the communication can be different for different media. Some of advantages and limitations of mediums of advertisement are as follows.

Medium	Advantages	Limitations
Newspaper	Flexibility; timeliness; good local market coverage; broad acceptability; high believability	Short life; poor reproduction quality; small pass-along audience
Television	Good mass-market coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses	High absolute costs; high clutter; fleeting exposure; less audience selectivity
Direct mail	High audience selectivity; flexibility; no as competition with the same medium; allows personalization	Relatively high cost per exposure, “junk mail” image
Radio	Good local acceptance; high geographic and demographic selectivity; cost	Audio only, fleeting exposure, low attention (“the half-heard” medium”); fragmented audiences
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership	Long ad purchase lead time; high cost; no guarantee of position

Outdoor	Flexibility; high repeat exposure; low cost; low message competition; good positional selectivity	Little audience selectivity; creative limitations
Internet	High selectivity; low cost; immediacy; interactive capabilities	Small, demographically skewed audience; relatively low impact; audience controls exposure

2.8 The Nature of Promotional Tools

Each promotion tools has unique characteristics and costs marketers must understand these characteristics in selecting their mix of tools.

) Advertising

Advertising can reach masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times. For example, television advertising can reach huge audiences. An estimated. Beyond its reach, large-scale advertising says something about the seller's size, popularity, and success. Because of advertising's public nature, consumers tend to view advertising products as more legitimate. Advertising is also very expressive – it allows the company to dramatize its products through the artful use of visual, print, sound, and color. On the one hand, advertising can trigger quick sales.

Advertising also has some shortcomings. Although it reaches many people quickly, advertising is impersonal and cannot be as directly persuasive as can company salespeople. For the most part, advertising can carry on only a one-way communication with the audience, and the audience does not feel that it has to pay attention or respond. In addition, advertising can be very costly. Although some advertising forms, such as newspaper and radio advertising can

be done on smaller budgets, other such as network TV advertising, require very large budgets.

) **Personal Selling**

Personal selling is the most effective tools at certain stages of the buying process, particularly in building up buyers' preferences, convictions, and actions. It involves personal interacting between two or more people, so each person can observe the other's needs and characteristics and make quick adjustments. Personal selling also allows all kinds of relationships to spring up, ranging from matter-of-fact selling relationships to personal friendships. The effective salesperson keeps the customer's interests at heart in order to build a long-term relationship. Finally, with personal selling, the buyer usually feels a greater need to listen and respond, even if the response is a polite "No thank you."

These unique qualities come at a cost, however. A sales force requires a longer-term commitment than does advertising – advertising can be turned on and off. But sales force size is harder to change. Personal selling is also the company's most expensive promotion tool.

) **Sales Promotion**

Sales promotion includes a wide assortment of tools –coupons, contests, and percents-off deals, premiums, and others – all of which have many unique qualities. They attract consumer attention, offer strong incentives to purchase, and can be used to dramatize product offers and to boost sagging sales. Sales promotions invite and reward quick response – whereas advertising says, "buy our product," sales promotion says, "buy it now." Sales promotion effects are often short-lived. And often are not as effective as advertising or personal selling in building long run brand preference.

) **Public Relation**

Public relation is very believable – news stories, features, sponsorships, and events seem more real and believable to reader than ads do. Public relations can

also reach many prospects who avoid salespeople and advertisements- the message gets to the buyers as “news” rather than as a sales directed communication. And, as with advertising public relations can dramatize a company or product. Marketers tend to under use public relations or to use it as an afterthought. Yet a well thought – out public relations campaign used with other promotion mix elements can be very effective and economical.

) **Direct Marketing**

Although there are many forms of direct marketing- telephone marketing, direct mail, online marketing, and others- they all share four distinctive characteristics. Direct marketing is nonpublic: the message is normally directed to a specific person. Direct marketing is immediate and customized: messages can be prepared very quickly and can be tailored to appeal to specific consumers. Finally, direct marketing is interactive: it allows a dialogue between the marketing team and the consumer, and message can be altered depending on the consumer’s response, thus, direct marketing is well suited to highly targeted marketing efforts and to building one-to- one customer relationships (Kotler,2006:461-463).

2.9 Relation of Product Advertising to Product Life Cycle

Informative product Advertising builds up an initial demand for the product at the introductory stage. Mostly all new products are promoted this way. The basic objective is to create awareness about the existence and availability of the product.

Persuasive product Advertising aims at building up the demand for a specific product or brand. It is used in the growth stage. It is a competitive type of promotion. It is used at the maturity stage of the product.

Reminder oriented product Advertising aims at strengthening the previous promotional activity by keeping the brand name before the eye of the public. It

is used at the maturity stage as well as the declining phase of the product life cycle (Chunawalla, 1997:108).

2.10 Ethics in Advertising

Ethics is a choice between good and bad, between right and wrong. It is governed by a set of principals of morality at a given time and at a given place. Ethics is related to group behavior in ultimate analysis, setting thus norms for an individual to follow in consistence with the group norms.

Advertising, too, has ethical values. Advertising communication is a mix of art and facts subservient to ethical principles. In order to be consumer- oriented, an advertisement will have to be truthful and ethical. It should not mislead the consumers. If it so happens, the credibility is lost.

Ethical advertising requires that when a seller advertises goods at discounted prices they must able to supply those goods for a reasonable length of time. If the special offer is on for only a limited period or if stocks are genuinely low, this must be made clear in the advertisement.

The truth about bait and switch advertising is that the store never actually intends to sell the advertised special. . The idea is to “kill” your desire of buying what is advertised and then trying to get you to buy a similar but more expensive item.

Though clearly declared illegal in many countries, bait and switch advertising is widely practiced in Nepal. Three or four year ago, Singh PC had advertised the “Free PC offer” in many newspapers. If you helped sell three computers through

Singh PC, you’d get one PC free. After some time, the company was closed down due to the low quality computer parts used and the failure to fulfill their promise to give away free PCs.

In various trade fairs, some companies quote fantastically low price for their products but when you go to their shop, they say that the lower priced stock has been sold out and you are offered a higher priced substitute. For Example, many companies in CAN Info –Tech demonstrate their computer as working fast (by using fast Intel Processors, the latest 2.6hz, and Intel Original Motherboard). The customer is impressed by the computer and when he buys it from the company's store, the computer cannot perform as well as was shown in the CAN Info –Tech, because an Intel Celeron Processor are used instead of the original Intel(Shrestha,2005).

2.11 Evaluating Advertising Effectiveness

Good planning and control of advertising depend on measures of advertising effectiveness. Yet the amount of fundamental research on effectiveness is appallingly small. According to Jay forrester, “probably no more than 1/5 of 1% of total advertising expenditure is used to achieve an enduring understanding of how to spend the other 99.8%.” Most measure of the money is spent by agencies on retesting ads, and much less is spent cities first and its impact evaluated before rolling it out nationally. One company tested its new campaign first in phoenix.

The campaign bombed, and the company saved all the money that it would have spent by going national.

Most advertisers try to measure the communication effect of an ad- that is, its potential effect on awareness, knowledge, or preference. They would also like to measure the ad's sales effect.

Communication- Effect research seeks to determine whether an ad is communication effectively. Called copy testing, it can be done before ad is put into media and after it is printed or broadcast.

There are three methods of advertising retesting. The consumer feedback method asks consumers for their reactions to a proposed ad they respond to such questions as these:

- a) What is the main message you get from this advertising?
- b) What do you think they want you to know, believe, or do?
- c) How likely is it that will influence you to undertake the implied action?
- d) What works well in the ad and what works poorly?
- e) How does the ad make you feel?
- f) Where is the best place to reach you with the message?
- g) Where would you be most likely to notice it and pay attention to it?
- h) Where are you when you make decisions about this action?

Portfolio tests ask consumers to view or listen to a portfolio of advertisements, taking as much time as they need, consumers are then asked to recall all the ads and their content, aided or unaided by the interviewer. Recall level indicates an ad's ability to stand out and to have its message understood and remembered.

Laboratory tests use equipment to measure physiological reaction-heartbeat, blood pressure, pupil dilation, galvanic skin response, perspiration – to an ad; or consumers may be asked to turn a knob to indicate their moment-to-moment liking or interest while viewing sequenced material. These tests measure attention getting power but reveal nothing about impact on beliefs, attitudes, or intentions.

2.12 Role of Advertising in Modern Business World

Advertising is primarily a means by which sellers communicate to prospective buyers the worth of their goods and services. Advertising is not a game, toy or a racket. It is a basic tool of marketing for stimulating demand and for influencing the level and character of the demand. It has economic, social and psychological function (Chunawalla, 1997:30).

Economic Function: All that advertisement has to do is to sell a product or service. This the advertisement accomplishes by communicating properly and effectively, by communicating to the right people, by communicating the right

message, put across through brilliant and persuasive language, making use of appeals to different human motives. Advertisement sometimes does the sales job in a subtle and indirect manner. They incline us favorably to the products, affect our attitudes. So advertising performs the economic function by being an art of persuasion. It also is helped by a science of layout, visualization, and print reproduction. Special effects on films etc. Advertising has created wide markets.

Sales information is conveyed to millions of people far and wide. This makes mass production and distribution possible. Advertising establishes a direct rapport with the buyer, with no middlemen in the way.

Social Function: Advertising has affected not the core cultural values but the subsidiary cultural values. For example, to get married is a core cultural value. Advertising cannot effectively change it by telling people that you do not marry. Yes, to marry late and not at an early age is a subsidiary cultural value. Advertising can definitely affect it. It can persuade people to marry late. Advertising is a mirror of the society in which it operates. It reflects the cultural values of the society.

Advertising has improved our standards of living. We realized how comfortable we could be in presence of AC, pressure pans and cookers, compact discs (CD) and music system, autos and two-wheelers, polyesters and pop corns, ballpoint pen and antibiotics. We used these articles after getting interested in them through advertising. We've accepted some new ideas contributed to our standard of living substantially.

Advertising invests a new product with confidence – confidence about its function, quality, price and availability. Advertising promise a quality, and forces manufactures to live up to the promised quality. So advertisement brings about consumer welfare by two – fold method:

a) By improving standard of living.

b) By improving product quality.

Psychological function: Advertising is closely linked to consumer behavior. So it affects personality of the consumers, his concept of self, his attitudes, beliefs and opinions, his life – cycle and life – style etc. advertising appeals to our physiological and psychological motives. Its appeals may be rational or emotional.

Advertising is an icon of our times: advertising is not mere sellers. They reflect the contemporary society. Whatever is used in the society is reflected in advertising.

Women are not only as sexual symbols in advertisements: there are others- beds, bathroom fittings, cars and what not. Yes, the use of woman's anatomy in a childish manner is transitory phase, which we will soon grow out (Chunawalla, 1997:30).

2.13 Advertising in Nepal

In Nepal, advertising has been playing important role for promotional work. However, it has not reached at the optimum level and other means are still playing more for promotion business. Between those personal selling and sales promotion are important. Complex geographical constitution of land, illiteracy among general people, political instability and slow economy growth etc. are responsible for it. But in the urban area and some extent in rural area, advertising has been taken as important means of communication.

In Nepal at the present time, with the development of modern means and technology, various means of advertising are used. The emphasis and preference of Nepal Government for private sector participation in economic development and economic liberalization has increased the importance of advertising.

The historical background of advertising system of Nepal is not so old. The establishment of advertising system of Nepal is corporation has big foundation for some commercialization in advertising system. Now a day, in Nepal, different media like print, audio, audio-visual display and others are used for advertisement.

Before restoration of democracy, Radio Nepal and Gorkha Patra and The Rising Nepal were the common means of advertisement. But with the formation of democratic government more media has started. In print media among with Gorkha Patra and The Rising Nepal, other media like Kantipur Daily, The Kathmandu Post, Himalayan Times, many weekly newspapers and other commercial magazines are available.

Radio Nepal has been playing as an important means of audio media. It has been using as a common means of providing information advertisement it has been using as a common means because of lack of and better transportation and communication facilities and high rate of illiteracy prevail in society. Recently, in radio Nepal, a separate FM 100 channel has established and sponsored by private enterprises.

Nepal television has been playing important role for audio-visual advertisement. The extension of NTV programmed through out the kingdom has increased its importance. Recently NTV has also some of its time for private enterprise. This is helpful for betterment of entertainment programmed and also for commercial purpose i.e. for advertisement. Besides, NTV other multi- channel satellite and cinema are also prevail in urban area.

Beside above-mentioned media, other media like display, bill board, electric display, transit advertising, direct advertising etc. are also used in limited manner. Although, advertising has been playing crucial role for promotion in Nepal. But its effect is remaining limited up to the urban area and among limited number of population, except radio Nepal. It is essential to do more to cover largest customers (Paudyal, 1998:159).

2.14 Evolution of Advertising

There was also the need and existence of advertising in the ancient period. The difference is that there were not the mass media at that time. It is said that the development of the advertising started with the civilization and started to communicate with each other. "Advertising by word of mouth is probably the earliest form of advertising because verbal skills were developed first. Advertising was given the commercial status the day man entered into the process of exchange."

Since the knowledge of advertising and art of printing were not developed, in early days advertising was passive and was in limited use. The earliest forms were signboards and writing on the walls of prominent buildings. Shouting loudly about the price and description of the article to be sold was the only method of attracting public attention. The effect of the old type of advertising was not attractive and dynamic as it is today. With the publication of newspapers and development of the modern techniques in printing, advertising work got a boost.

It is said that the first printed advertisement in English appeared in London in about 1473 by the writer William Cocks ton, which was tacked on church doors announcing a prayer book for sale. Similarly the first newspaper advertisement appeared on the back of London newspaper in 1650 offering a reward for the return of 12 stolen horses. Then illustrated advertisements appeared for coffee in 1652, chocolate in 1657 and tea in 1658 and again the direction of the advertisement was limited.

During the 16th century, newspaper was the longest form of carrying advertising and these newsletters were first published in the form of news letter. "The first newsletter was started in 1622 in England. The second half of the 16th century witnessed newspaper in the form of news books. It can be said that by the middle of the 17th century, there were special advertising periodicals. It has been recorded that excellent news books were published

around 1675. By the end of 17th century newspapers were well established in England, under carrying advertisement as a regular basis” (Sotakki, 2001; 29).

“Modern advertising is a product of industrial revolution of the 18th century in 1760. Before transportation and communication were developed, means of public expression were limited. But the desire to broadcast ideas were analyzed there, although early attempts to influence the action of his fellows go back to the beginning the off-recorded history.” By the year 1920 advertising in America and England had been developed well and professional somehow. Another significant milestone in the field of advertising was noticed when advertising was introduced in broadcasting media. Though Macorny invented radio in 1895, broadcasting of advertising in radio had to wait another 25years. So, the first radio advertisement had been broadcasted in 1920. Then in the same year first professional advertisement has been broadcasted from the KDKA radio station established in Petersburg (Coolers, 1976:106).

Television was invented in the mid of 19th century as the most powerful communication tools. In 1949, first television commercial was telecasted in England. Television was working as the most powerful medium for advertisement until few years back when the computer technology has not been reached to this stage. But today, in the developed country, Internet advertisement has become even more popular and it can after some year probably could take the place of television medium. But again, television still more effective medium for advertisement than press and radio due to its audio-visual facility.

Increasing attention and interest in this direction. Gave rise to a class of advertising experts who were specialized to advice about the technique of advertising to the businessman regarding their advertising programmers. Remarkably huge amount of money was spent in both the purchases of advertising space and developing suitable advertising materials. The progress was further accelerated by modernization of the newspapers with huge

circulation. Which created political and social consciousness among the people. Every available space, every form and every opportunity was used for advertising purpose. Illustrations were made to make it aesthetically pleasing.

“The age old principle of “cavet emptor” prevailed among the consumers and hence the advertising was thought to be untruthful. People did not believe the advertisement message. Buyers were cautious in buying goods. To counteract this feeling manufactures highlighted brands to the consumers. So 19th century saw the concept of brand advertising. This magazine started to catch the imaginations of the people by popularizing the brands. This the period that welcomed window and counter display exhibitions and trade fairs.”

Up to First World War, the newspaper and magazines were considered as the principal media of advertising. During the period of Great Depression of 1930s, there were less business activities and it is known as the slump period. After Second World War there was a keen competition between manufactures. On one hand, it tried to generate internal economy and on the other hand it tried to seek newer methods of developing markets. Man new forms involved with advertising came into existence during this period. Advertising was developed on systematic lines. Widespread use was made of modern photography and art printing. The most development was cinema slides and electric signs.

“During the Second World War people were informed of war developments through short films, and thus, a new form of advertising was developed. Now film advertising has become popular and it has got a huge significance in developing countries like India, Burma, and Pakistan and even in Nepal also.”

“Television has a powerful means of advertising from 1950, it has grown in its importance with its color presentation and it is going to rule advertising world. There are major indoor colorful advertising media. The outdoor advertising similarly here has been development in traveling displays, sky-writing, in addition to the earlier means like poster, printed displays and sandwiched-men.”

2.15 Sales Promotion

Sales promotion, a key ingredient in marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade.

Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion e.g. sample coupons, cash refund offers, price off, premiums, prizes, patronage reward free trials, warranty, tie-in promotion, cross-promotion, point-of-purchase display allowances, and free goods. And business and sales force promotion e.g. trade shows and conventions, contests for sales reps, and specialty advertising. These tools are used by most organizations.

A decade ago, the advertising – to – sales promotion ratio was about 60:40. Today, in many consumer packaged companies, sales promotion accounts for 65 to 75 percent of the combined budget. Sales promotion expenditures have been increasing as a percentage of budget expenditure annually for the last two decades. Several factors contribute to this rapid growth, particularly in consumer markets. Promotion is now more accepted by top management as effective sales tools; more product managers are qualified to use sales promotion tools; and product managers are under greater pressure to increase current sales. In addition, the number of brands has increased; competitors use promotions frequently; many brands are seen as similar; consumers are more price – oriented; the trade has demanded more deals from manufacturers; and advertising efficiency has declined because of rising costs, media clutter, and legal restraints.

2.16 Purpose of Sales Promotion

Sales promotion tools vary in their specific objectives. A free stimulates consumer trial, whereas a free management advisory service aims at cementing a long-term relationship with a retailer.

Sellers use incentive type promotions to attract new trials, to reward loyal customers, and to increase the repurchase rates of occasional users. Sales promotions often attract brand switchers, who are primarily looking for low price, good value, or premiums. Sales promotions are unlikely to turn them into loyal users. Sales promotions used in markets of high brand similarity produce a high sales response in the short run but little permanent gain in market shares permanently.

Sales promotions enable manufacturers to adjust to short-term variations in supply and demand. They enable manufacturer to test how high a list price they can charge, because they can always discount it. They induce consumers to try new products instead of never straying from current ones. They lead to more varied retail formats. Such as the every day low price store and the promotional pricing store. They promote greater consumer awareness of price. They permit manufacturers to sell more than they would normally sell at the list price. They help the manufacturers to sell more than they would normally sell at the list price. They help the manufacturer adapt programs to different consumer segments. Consumers themselves enjoy some satisfaction from being smart shoppers when they take advantage of price specials.

2.17 Reasons for Growth of Sales Promotion

Sales promotion has grown enormously in recent years, and sales promotion consultancies have reported record business. The chief reasons for this are outlined below (Jefkin, 1994:136).

- a) The desire of advertisers, often worried by the high cost of media advertising (e.g. TV), which has increased faster than the rate of inflation, to find more cost-effective forms of promotion.
- b) The growth of huge supermarket chains and out-of-town superstores and the need for aggressive on-the-shelf competitive promotions, both to sell in and to sell out.

- c) The opportunities provided by supermarkets, hypermarkets and large-scale mixed retailing to promote on the premises.
- d) The need to propel sales, both to satisfy the cash flow of retailers and to maintain output from high volume production plants.
- e) The availability of greater expertise in creating sales promotion schemes, as demonstrated by the emergence and growth of successful sales promotion consultancies. They have filled the gap left by traditional advertising agencies, which were reluctant to indulge in other than commission –paying above –the –line media advertising.
- f) The goodwill aspect of sales promotion, which tends to bring the manufacturer closer to the retailer. Media advertising tends to be remote whereas sales promotion is more personal, linking the manufacturer with the customer at the place of sale wherever this may be.
- g) The introduction of a certain fun and excitement into promotions which customer can enjoy as participants. This, again, is quite different from media advertising with its strident glamour to buy.
- h) The extension of sales promotion into new area such as financial institutions promotion. (E.g. banking and charge cards), and to promotion of consumer durables from cameras to motor –car, plus many services such as holidays, travel, hotels and restaurants. It is by no means limited to the supermarkets and High street stores. It has also been extended to the multinational and international marketing of products such as beer.
- i) The growth of direct response marketing which often uses sales promotion devices and gimmicks as inserts in mailings or as rewards and bonuses to buyers.

2.18 Objectives of Sales Promotion

Sales promotion objectives vary widely. Sellers may use consumer promotion to increase short-term sales or to help build long-term market share. Objectives for trade promotion include getting retailers to carry new items and more inventories, getting them to advertise the product and give it more shelf space, and getting them to buy ahead. For the sales force, objectives include getting more sales force support for current or new products or getting salespeople to sign up new accounts. Sales promotions are usually used together with advertising, personal selling, or other promotion mix tools. Consumer promotions must usually be advertised and can add excitement and pulling power to ads. Trade and sales force promotions support the firm's personal selling process.

In general, rather than creating only short-term sales or temporary brand switching, sales promotions should help to reinforce the product's position and build long-term customer relationships. Increasingly, marketers are avoiding "quick fix" price-only promotions in favor of promotions designed to build brand equity.

2.19 Major Sales Promotional Tools

Many tools can be used to accomplish sales promotion objectives. Description of the main consumer, trade, and business promotion tools follow.

) Consumer Promotion

The main consumer promotion tools include samples; coupons; cash refunds; price packs; premiums; advertising specialties; patronage rewards; point-of-purchase displays and demonstrations; and contests, sweepstakes and games (Kotler,2006:490).

) **Trade Promotion**

Manufacturers direct more sales promotion dollars toward retailers and wholesalers (78percent) than to consumers (22 percent). Trade promotion can persuade resellers to carry a brand, give it shelf space, promote it in advertising and push it to consumers. Shelf space is so scarce these days that manufacturers often have to offer price- offs, allowances, buy- back guarantee, or free goods to retailers and wholesalers to get products on the shelf and, once there, to stay on it (Kotler,2006:493).

) **Business Promotion**

Companies spend billions of dollars each year on promotion to industrial customers. These business promotion tools are used to generate business leads, stimulate purchases, reward customers and motivate salespeople. Business promotion includes many of the same used for used for consumer or trade promotions. Here we focus on two additional major business promotion tools convention and trade shows and sales contests.

Many companies and trade associations organize conventions and trade shows to promote their products. Firms selling to the industry show their products at the trade show. Vendors receive many benefits, such as opportunities to find new sales leads, contact customers, introduce new products, meet new customers, sell more to present customers and educate customers with publications and audiovisual materials.

2.20 Review of Some Previous Related Studies

There are some similar studies, which had been conducted previously about advertising and sales promotion. The advertising research has very short history in Nepal. Professionalism and highly advanced marketing and advertising practices have not institutionalized here in Nepal. However the Nepalese business environment is also influenced and the entrepreneurs have recognized the need of advertising. For this some research studies are conducted on Advertising and sales promotion.

Pandey P.R(1980), the study named as “Advertising in Nepal” is focused on the objectives of identifying the existing position of advertising practices in Nepal. The other objective of this study were to find out the existing pattern and blends of advertising and the constraints prevailing in advertising practices in Nepal. His study was confined to the descriptive analysis of then situation of advertising business. It was natural to undertake such research on advertising field at that time as the advertising was still on infant stage of development. Thus, his study did not touch the creative aspect of advertising.

The major finding of the study state that the advertising is a method of promotion practiced in the country. Advertising in the company is handled by persons at the senior level. When there is a separate advertising department in the company.

Regarding to the services rendered by the advertising agencies, none can offer full services properly. A few adversities and other specialists services such as block makers, printers, artists etc. publication media, radio and cinema are the most used media for commercial advertising, But there are few alternatives. The advertising programs are not well coordinated with the other elements of marketing and promotional strategy. The effects of advertising are generally not evaluated.

Upadhyay S.K (1981), on “Radio advertising and its impact on purchasing acts in consumer goods” conducted a study. As radio was only the reliable medium of advertising in Nepal, he conducted the research on the radio advertising and its lively impact on purchasing acts in consumer goods. In his study were to study the availability and comparative cost of different forms of advertising in Nepal to find out the impact of radio advertising on consumer buying behaviors and to study the influence of radio advertising on sales of the advertised product. Thus his study is strictly confined to the impact of advertising on sales and consumer buying behavior.

Sharma Aabhi (2002), in the title “Role of Promotion Activities/ Advertising in Building Brand image of production and reputation of a company(in the context of Gorkha Brewery Pvt. Ltd).has been conducted to find out the Promotion activities and advertising in Building Brand image of Beer. The objective of the study was to examine the beer market and important of brand image in consuming beer by customers. The study has tried to benchmark the information regarding product and promotion.

Parajuli Sanjeev(2001), “Study of Loyalty on Branding”. His Study has been contributed to the evolution of brand consciousness of the Nepalese consumer. The Objective of the study was to find out the number of brand loyal consumer or percentage of brand loyal consumer and to recommend measure helpful or important for developing marketing strategies. His Finding from the study was that the Nepalese consumer gave high importance to brand in the consumer durable goods and the consumer non –durable goods.

Rai Rita (2003), on “Advertising and Sales Promotion of Car in Nepal; with special reference to Hyundai Santro Zip Plus Toyota. The Study was concentrated in effectiveness of advertising and promotion in covering market share in car market. The result of finding was that the promotion scheme should be brought according to the changing need of desire of the customer.

The above are the research studies found in the field of marketing specially related to the advertising and sales promotion through the Tribhuvan University faculty of management, Kailali Multiple Campus in Marketing Studies.

Even there are many previous research reports found on marketing field. There are no previous research reports found on marketing studies of television in Nepalese market. Researcher has attempted to prepare and present this report with his fullest effort. All possible primary and secondary sources of data are collected, analyzed and presented here in suitable manner.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is an art of scientific inquiry. In other words, it's systematic product of knowledge. C.K. Kothari Defines. "Research methodology is a way to systematically solve the research problem". It may be understood as a science of studying how 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 methods we use in the contest of our research study and explain why we are using a particular methods 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. It includes wide range of methods including quantitative technique for data analysis and presentation.

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 implication.

The present study has its objective to analyze and sales promotion strategies and techniques. The research methodology will be followed to attain the basic objective and goals of this research work.

3.2 Research Design

This study is an exploratory type of study. The main aim of this study is to find out the sales and promotion of L.G. television in Dhangadhi. For the study, the

survey research design is adopted, on the basis of information analysis. Objective of the study is to evaluate effectiveness of sales and promotion for attaining and retaining the market and to review the market status of L.G. television and research design is developed to fit the study.

3.3 Populations and Sampling

Population consists of the customer of L.G. television in Dhangadhi for this study. Sample is selecting certain number of respondents out of population. Sample is taken out of whole population. The respondents in sample are believed to be the true representative of the population. As the above stated Population is small. It is almost impossible to include the total population in the study.

3.4 Data Gathering Procedure

The questionnaire developed for different aspects according to objectives of the study and marketing complications are applicable to different aspects of marketing practices. Both primary and secondary data and other Sources are used for the research study. Primary data are collected from field survey, questionnaire and personal interview. Secondary data are gathered from the published materials, books, booklets, journals, magazines etc.

3.5 Data Analysis Tools

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. Graphs, tables, chart and percentage are used to analyze and present the collected data and information to make it more easily understood. Noble descriptive analysis and presentation will be made.

CHAPTER IV

PRESENTATION AND ANALYSIS OF DATA

In this chapter the data, which have been collected from questionnaires, are tabulated, analyzed and presented in a reasonable manner. The data are presented and analyses are based on primary and secondary sources of information with customer and marketing executives of respective brands. The main objective of the study is to find out the effect of advertising and sales promotion on buying behavior of customers and contribution of advertising and sales promotion on enhancing brand awareness.

4.1 Product Classification of Television

Television can be considered as the Shopping consumer products and its marketing consideration is as follows:

- 1) **Customer buying behavior:** Televisions are less frequently purchased consumer product. Customers compare carefully on suitability, quality, price, and design. When buying television, customers spend much time and effort in gathering information and make comparison between brands.
- 2) **Price:** Price of television is higher than convenience consumer products.
- 3) **Distribution:** Television is distributed through fewer selected outlets.
- 4) **Promotion:** Advertising, sales promotion and personal selling are carried out by both producer and reseller.

4.2 Product Life Cycle and Customer's Adoption of Television

- 1) **Normal Television:** Normal televisions are in declining stage of product life cycle. Sales of normal television are decreasing as the introduction of

Flat television. L.G. has completely drops the normal television from market.

- 2) Flat Television: L.G. Flat televisions are in maturity stage of product life cycle. Many competitors have interred the market and sales growth rate is slow. The late majority adopter customers are buying the Flat television.
- 3) LCD Television: L.G. LCD televisions are in the introduction stage of product life cycle. Price of LCD televisions are very high with the compare to Flat television. Only the innovator adopter customers are buying the LCD television.

4.3 Marketing Mix of L.G. Televisions

) Product:

L.G. introduces the Advance technology in L.G. television, which makes the L.G. television four steps ahead of Normal flat Television. Advance technology includes: Color engine, which analyzes the color across various parameters and achieves the right saturation of red, blue, green, yellow, pink and white tones. Contrast engine, which uses advanced algorithms to eliminate noise and blurring without the slightest damage to the original signal, giving crystal clear action visuals. 3D motion engine which automatically analyzes up to 70,000 local images within a frame leading to blacker black and whiter whites.

Detail engine, which analyzes the portion of the signal to be amplified, detecting and reprocessing any noise or defect to reproduce natural details.

It has wide range of television:

Model	Size	Features
15K30MJ	15"	-250WPMPO- 200Channels Memory-ZoomMode-5 Mode Picture- Turbo Search-Digital Noise-2 Band Equalizer-Turbo Sound- Auto Volume Leveler- Stereo-Games- Child Lock- DVD Component in.
15K30ML	15"	-500W PMPO- 200Channels- Zoom mode- 4Picture Mode- 4H Digital Com Filter- Turbo search- Digital Noise reduction- Turbo sound- Pseudo stereo- 5 Band equalizer-Auto velum leveler – Melody- A2 Stereo-Games- Child lock- Clock- ON/Off timer- DVD component in.
21K44MA	21"	-250W PMPO-200 Channel Memory-Zoom mode-5Mode Picture-Turbo search- Sleek and Stylish Design like FPTV
21K16	21"	-350W PMPO-200 Channel Memory-4Mode Picture-PAL, SECAM, NTSC4.43 &3.58 color system-Zoom Mode-4Hdigital comb filter-Turbo search-Digital noise reduction-5 band graphic equalizer- Auto Volume Leveller-Melody-A2 stereo-Game-Child lock-DVD component in
21K40ML	21"	-250W PWPO-200 Channel- Zoom Mode-5 mode Picture-Digital noise reduction-2 band graphic equalizer-Turbo sound- Auto Volume leveler stereo –game-Child lock-DVD component
21T40MA	21"	-500W PMPO-200 Channel-Zoom Mode- 4 Mode Picture-turbo search-4H digital Comb Filter-Digital Noise Reduction- 5 band Graphic Equalizer Turbo Sound-auto volume leveler-melody-game-DVD component in.
21Z30MA	21"	-250W PMPO- DNIE- Plug &play-color tone-turbo sound-5band equalizer-dual tone-DVD component in
29Z30MA	29"	-250W PMPO- DNIE- Plug &play-color tone-turbo sound-5band equalizer-dual tone-DVD component in
29K40ML	29"	-250W PWPO-200 Channel- Zoom Mode-5 mode

		Picture-Digital noise reduction-2 band graphic equalizer-Turbo sound- Auto Volume leveler stereo –game-Child Lock-DVD component
29T40MA	29”	500w PMPO-200w channel memory-zoom mode-4mode picture-4H digital comb filter-turbo search-pseudo melody- DVD component in

(Source: L.G. electronic Pvt. Ltd.)

) Price:

L.G. has priced the products according to the size and model. L.G. has tried to give the different range of price to same size of television through differentiating the model of the Television.

Model	Size	Price
15K30MJ	15”	Rs.13290
15K30ML	15”	Rs.13990
21K44ML	21”	Rs.18990
21K40ML	21”	Rs.20990
21M16	21”	Rs.18490
21T40MA	21”	Rs.24990
21Z30MA	21”	Rs.23990
29T40MA	29”	Rs.46990
29Z30MA	29”	Rs.42990

(Source: L.G. Electronics Pvt. Ltd.)

) Promotion:

L.G. has become successful to gain large market share in television market. One of the reasons behind the success of L.G. is his effectiveness advertising and Promotion activities. L.G. has investing large budget for the advertising and promotion activities. As a result L.G. has becomes Successful to creates brand image in the mind of customers.

Top Television Band of 2010

- 1) Samsung TV
- 2) LG TV
- 3) Sony TV
- 4) Philips TV

(Source: boss magazine, 15 MAY 2010)

) Consumer Promotion Activities of L.G.

On the fiscal year 2064-2065

- 1) L.G. introduces the programmed “LG Ko Dhamaka”.
- 2) On the Occasion of the Dashain, Came up with the Scheme of Thailand tour for one customer by lucky draw.
- 3) Gold coin on the purchased of every product.
- 4) Watch on the purchased of Every L.G. Flat TV

On the fiscal year 2065-2066

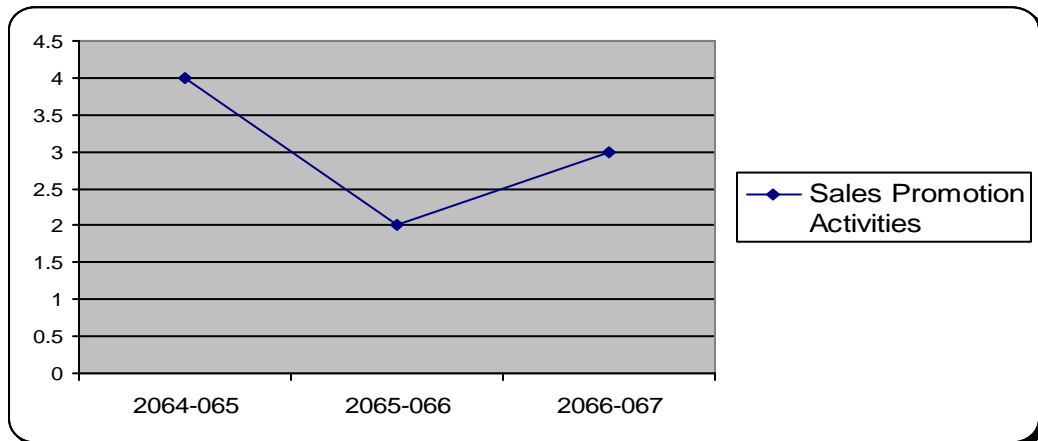
- 1) On the Occasion of the Dashain came up with the scheme of gold pendent in the purchased of every product.

On the fiscal year 2066-67

- 1) On the occasion of Dashain provided the special discount.
- 2) On the occasion of lunching New Model TVs, provided with Dinner set Worth Rs.2500 on the purchased of every 21” TV and 29”TV.Juice set Worth Rs.950 on the purchase of 15” Flat TV.
- 3) On the occasion of New Year 2067 Introduces “Scratch the coupon” scratch offer.
- 4) On the occasion of World Cup, provided heavy discount on television.
- 5) "LG ko sath ma world cup hatma" On the occasion of World Cup

Consumer Promotion Activities of L.G

Fig.: 4.3.1



(Source: L.G. Electronics Pvt. Ltd)

The above figure shows that on the year 2064-2065 the numbers of sales promotion activities are more compared to last three years. In year 2065-2066 L.G. became weak in Lunching sales promotion activities because of which, L.G. had to loose the power of marker capture to some degree. Realizing the loosing of market capture, L.G. increases the sales promotion activities in 2066-2067.

Trade Promotion Activities of L.G

L.G. is also aggressive in dealer promotion activities. L.G. provides attractive gift to its dealer at the end of every fiscal year. Gifts are distributed on the base of the points gain during the sales of whole year. It motivate the dealer to sale the products.

Gift scheme

Point range		Gift items
From	Till	
4500	7400	230-250Lts Refrigerator
7500	10499	350-380Lts Refrigerator
10500	13499	500-530Lts Refrigerator
13500	164900	Tour to Thailand
16500	19499	Thailand Tour + 180Lts Refrigerator
19500	22499	Thailand Tour + 25" Flat TV
22500	25499	Thailand Tour for two
25500	28499	Singapore Tour for one
28500	31499	Singapore Tour for 1+15"flat TV
31500	34499	Singapore tour for 1+25"flat TV

34500	37499	Singapore tour for 1+29" flat TV
37500	44999	Singapore tour for 1+1.5 TON AC
4500	52499	Singapore tour for 1 +2TON AC
52500	59999	Singapore tour for1 +Bajaj motorcycle
60000	67499	Singapore tour for two
67500	74999	Singapore tour for 2 +350-380Lts Refrigerator
75000	82499	Singapore tour for 2 +29"Flat TV
82500	89999	Singapore tour for 2+ Bajaj Motorcycle
90000	97499	Singapore tour for 2+ 43"PJ TV
97500	104999	Singapore tour for 2+ 54"PJTV
105000	112499	Singapore tour for 2+62"PJTV
112500	119999	Singapore tour for2 +Bajaj Motercycle+43" TV
120000	ABOVE	Singapore tour for2 +42"PDP TV

(Source: L.G. Electronics Pvt. Ltd.)

The above table shows the gift provided by L.G. to its dealers according to the sales points gain by them during the fiscal year 2066-2067.

4.4 After Sales Service

After sales service has become a major sales promotional activity to attract the customers. Warranty has become threat hold competences to survive in market. L.G. provides five years warranty on its product with picture tube. L.G. service Plaza:

Address	Phone Number
Kathmandu, Kamaladi	4260666
Birtamode, Aduwa Bridge, Main Road	(023)542928
Itahari, Aitabare chock, ward no.1	(025) 580493
Biratnagar, Main road, Matrika park	(021) 527963
Janakpur, Shiva chock-2	(041) 525586
Birgunj, Adarshanagar-13	(051) 528243
Narayanghat, Shahid Path-5	(056) 520283
Butwal, Nepalgunj Road	(071) 547872
Pokhara, Durbarthjok Chock, Newroad	(061) 524307
Manakamana Electronics Dhangadhi	(081) 526113
Mayas Trading Dhangadhi, Main Road, L.N Chowk	(091) 520807

(Source: L.G. Electronics Pvt. Ltd.)

4.5 Description of Customer Survey

The first hand information are collected by researcher from the customers are tabulated, presented and analyzed in a suitable manner. It can be believed that the needs, wants and demand of the brand customers are similar to the need, wants and demand of other brands.

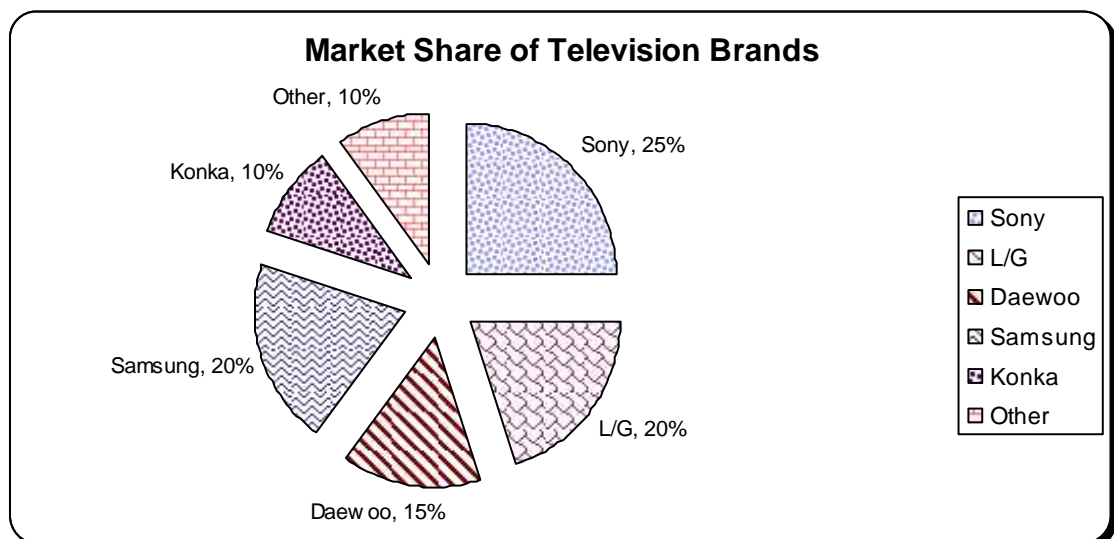
4.5.1 Market Share of Television Brands:

Table: 4.5.1

Brand	No. of respondent	Percentage
Sony	10	25%
L.G	8	20%
Daewoo	6	15%
Samsung	8	20%
Konka	4	10%
Other	4	10%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.1



The above table shows the market share of television brands. According to which Sony television Covers 25% of market share, Daewoo covers 15% of market share, L.G covers 20% of market share, Samsung covers 20% of marker

share, Konka Covers 10% of market share and others cover 10% of market share. This table shows that Sony televisions is a leading brand of yesterday and still have good market capture in television market. L.G and Samsung are the market Challengers of market that are fighting hard to increase the market shares. Daewoo is in the third position in the market with compare to the television share own by Sony, L.G and Samsung. Samsung needs to have very good marketing strategy and aggressive promotional activities to create position in the market.

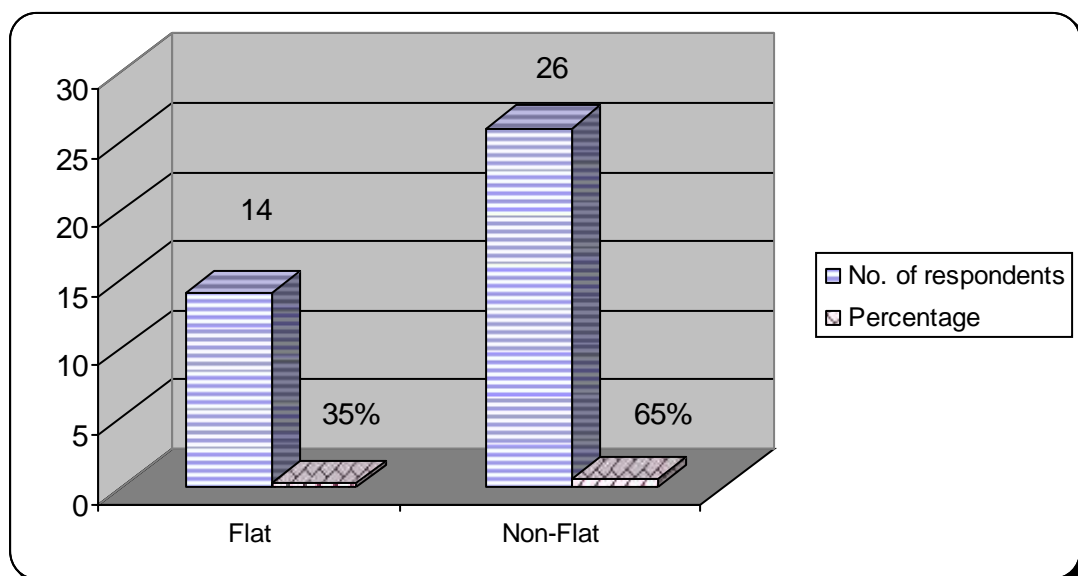
4.5.2 Market Share of Types of Television

Table: 4.5.2

	No. of respondents	Percentage
Flat	14	35%
Non-Flat	26	65%
Total	40	100%

(Source: Primary data)

Fig.: 4.5.2



The above table shows that 65% of customers are still watching Non-Flat television. Only 35% of people have Flat television in their house. Almost customers who have bought Non-Flat televisions are five to ten year old. As the

introduction of Flat television in the market, customers begin to buy Flat television. Most of the customers, who had flat television in their house, are bought within last five years.

It means that most of people are still watching the old televisions, which are 5 years to 10years old. And it also reflects demand for new Flat television in the market. Because only 35% of people are using Flat television and almost all major television brand has started to reduce the price of Flat television.

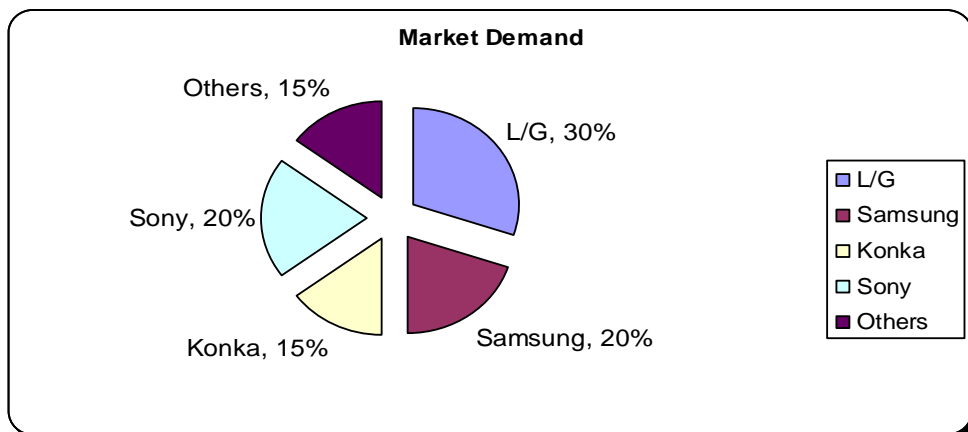
4.5.3 Market Demand of Television in Nepal

Table: 4.5.3

Brands	Market shares
L.G	30%
Samsung	20%
Konka	15%
Sony	20%
Others	15%

(Source: Primary data)

Fig.: 4.5.3



The above table shows that the two companies L.G and Samsung. covers 50% of total market demand. L.G has covers 30% of market total market, Samsung. covers 20%, Konka covers 15%, sonny covers 20% and others brands cover rest of 15% market demand.

The coverage of market demand is affected by the advertising and sales promotion of respective brand. L.G has become success to cover 30% of the market because of its effective advertising and sales promotion. L.G is the most advertising brand of television and bring sales promotion activities very frequently. L.G. is the rising brand of television in Nepal. It covers 20% of total market. Advertising and sales promotion has great contribution in covering market demand of L.G. television.

The next rising brand in television is Konka. It penetrates with low price – high promotion strategy into market .It success to cover 15% of total market segment in very short period challenging the market demand of L.G and Samsung..

Sony, a leading brand of yesterday is loosing the market share day by day. Today, it covers 20% of the market in Nepal. Because of lack of effective marketing it has become unable to deliver perceptual value to the customer.

Above market demand of brand reflects the importance of advertising and sales promotion in winning the mind of customers. Beside the quality, price and distribution system, advertising and sales promotion activities plays vital role in attracting and retaining customers. E.g. the new brand KONKA has success to gain 15% of total market demand where as Sony is loosing its market share even being a pioneer brand of T.V in Nepal.

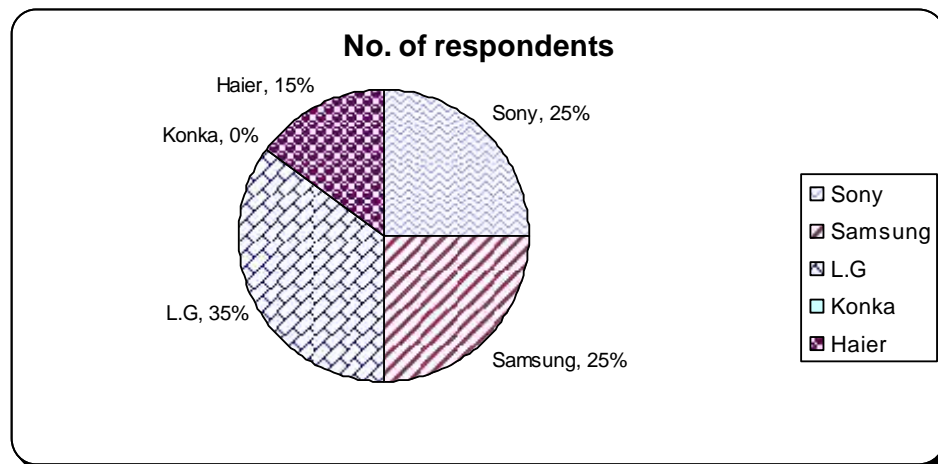
4.5.4 Market Potential of Television Brand

Table: 4.5.4

	No. of respondents	Percentage
Sony	10	25%
Samsung	10	25%
L.G	14	35%
Konka	0	0%
Haier	6	15%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.4



The above table shows that L.G. has 35% of market potential. Samsung has 25% of market potential and Sony has also 25% of market potential, Haier has 15% of market potential and the Konka has no more market potential.

L.G., Samsung and Sony are the main player in the television market. Comparing the above table with table 4.5.1, Sony is success to maintaining its market share of yesterday but could not increased the its capture in market where as the main competitors, L.G. successes to increase its market potential to 35% from 20% and Samsung is success to increase its market potential to 25% from 20%. And Konka loses the market potential completely.

Even the L.G. has 35% of market potential; there are a lot of challenges for L.G. because Samsung and Sony are still holding 50% of total market. Any strategic change in these three major players can change the position of these brands.

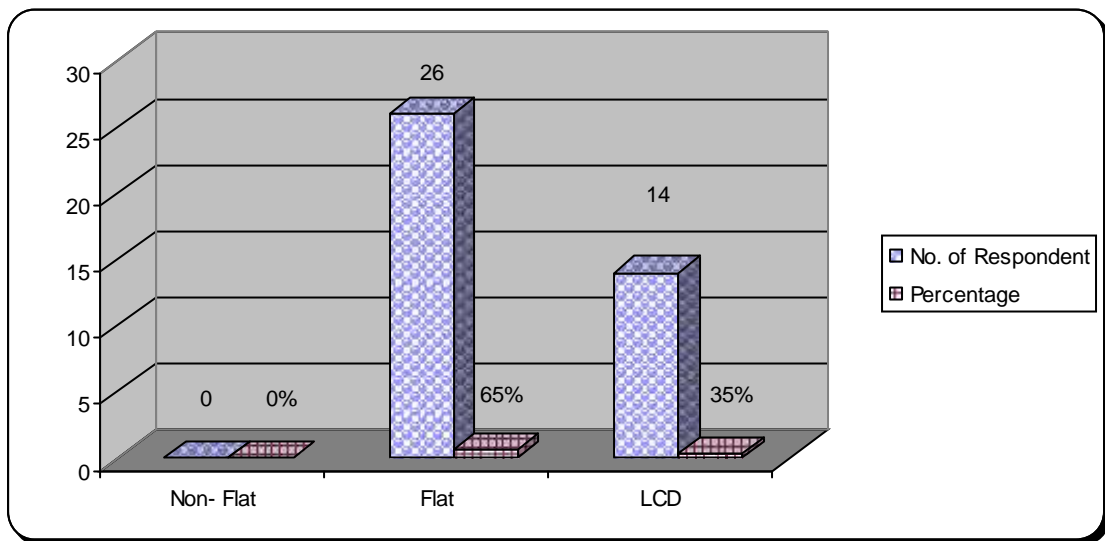
4.5.5 Market Potential of Types of Television

Table: 4.5.5

	No. of Respondent	Percentage
Non- Flat	0	0%
Flat	26	65%
LCD	14	35%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.5



The above table shows the market potential of types of television in market. According to the table 65% of market potential is goes to Flat television and 35% of market potential to LCD television. It gives the sign of breaking the yesterday's market of Non- Flat television.

As the introduction of Flat television, the demand for Non- Flat television stared to decreasing. When the price of Flat television had decreased in market, the demand for Flat television has risen to maturity stage. Today, Non-Flat television is totally replaced by Flat television. Because of decreased in the price of Flat television, late adopter customer are also buying flat television. In the last movement LCD television has also introduced in the market. And begin to cover some market of challenger and early adopter customers.

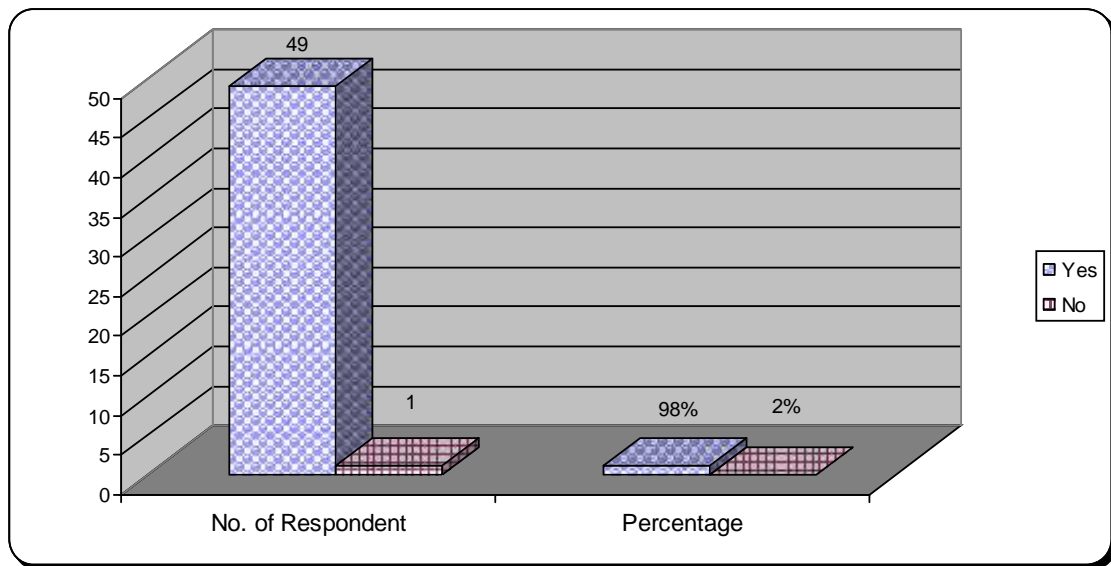
4.5.6 Awareness of L.G. Television

Table: 5.4.6

	No. of Respondent	Percentage
Yes	49	98%
No	1	2%
Total:	50	100%

(Source: Primary data)

Fig.: 4.5.6



In the above table, out of 50 respondents 49 respondents are aware of L.G brand. It means 98% of respondents are aware of available of L.G television in market. It is very good sign of market potential of L.G television. The main challenge for the company is to convert this awareness of brand into demand of the brand through creating more interest in the L.G television.

Persuasive advertising can play a vital role in creating interest on product so that the maximum market share could be capture out of 98% of awareness. Informative advertising should be done targeting 2% of not aware group to make awareness of available of L.G television in market.

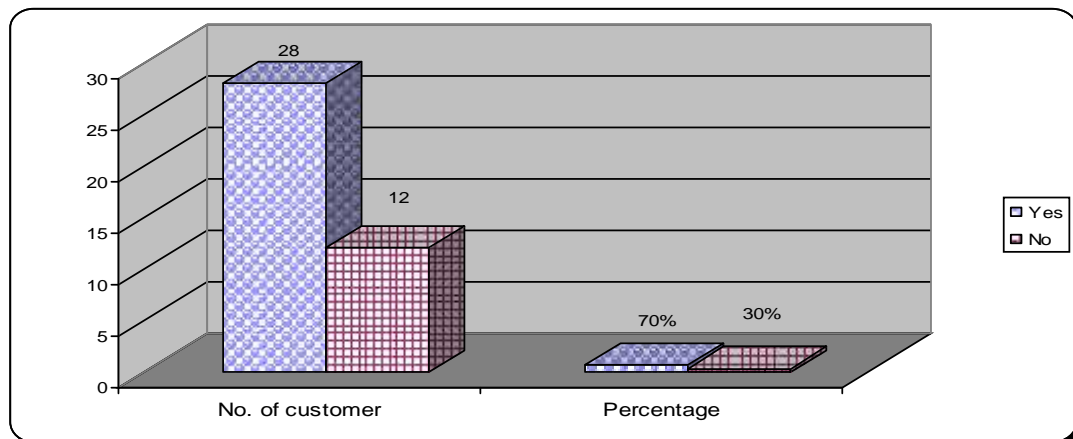
4.5.7 Brand Royalty on L.G.

Table: 4.5.7

	No. of customer	Percentage
Yes	28	70%
No	12	30%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.7



The above table shows the brand royalty of L.G. The above data shows that 70% of customer shows brand royalty on L.G. They are satisfied customer of L.G. products. L.G. is enjoying the customer equity from the satisfied customers. While, 30% of L.G. customers are not royal to the brand. They are using the product of L.G. but are not so satisfied that they buy the next product without comparing with other brands. They may shift to other brand.

The brand royal of 70% of customers is not so bad in the country like Nepal, where the brand consciousness of customer is low. But 30% of customers of L.G. are not so satisfied with the L.G. product they are using. The main challenge for the L.G. is to retained the royal of customer of the brand. And another big challenge is to find out the cause of unsatisfactory of customer and increasing the level of brand image so the company can retain the customer of the brand.

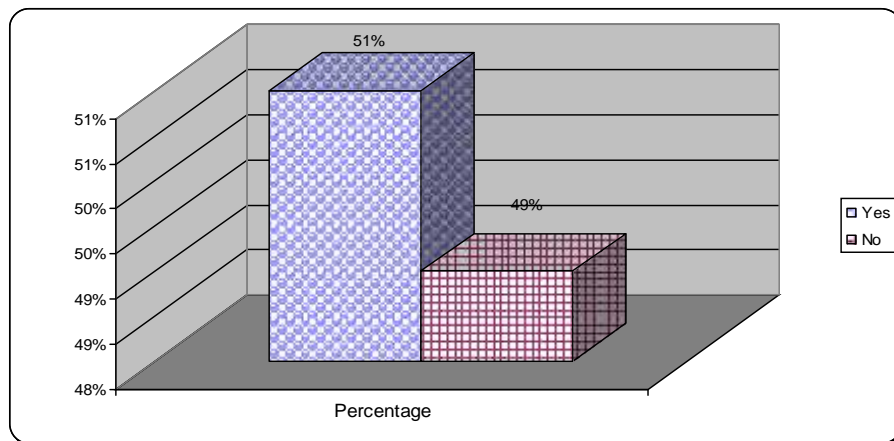
4.5.8 Awareness of L.G. Scheme “Scratch Coupon”

Table: 4.5.8

	No. of Respondent	Percentage
Yes	23	51%
No	22	49%
Total:	45	100%

(Source: Primary data)

Fig.: 4.5.8



The above table shows the awareness of the L.G. scheme “Scratch Coupon”. Only 51% of customers are aware about the scheme of the L.G. The rest of the 49% of customers are unknown about the scheme of the L.G.

The above data shows that customer are not getting information about the scheme on the product, they are buying. On the other hand the companies are also not so effective to flow the information about their scheme. As the result customers are missing the benefit from the scheme. On the other side the company is not success to increase the sales in the ratio of scheme cost.

L.G. needs to increase the effectiveness of means of advertising for consumer promotion activities and motivate to area dealers to communicate the consumer promotion activities with customers so the popularity of the consumer promotion is increased.

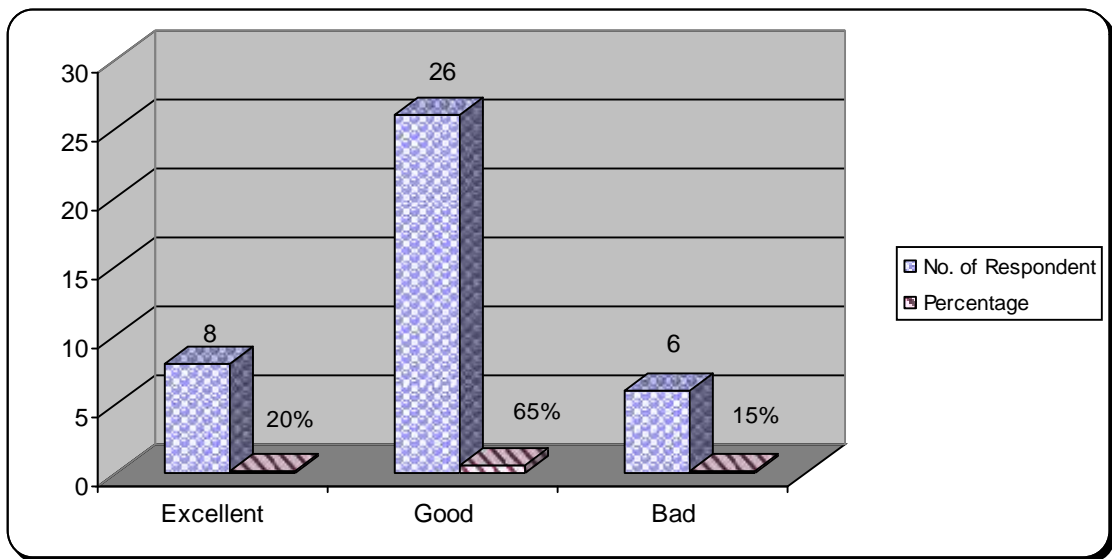
4.5.9 Opinion on the scheme “Scratch Coupon”

Table: 4.5.9

	No. of Respondent	Percentage
Excellent	8	20%
Good	26	65%
Bad	6	15%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.9



The above table shows that 20% of customer like the Scheme very must, 65% of Customer think it's Ok and 15% of Customer don't like the Scheme given to them by L.G

It is success of L.G that it can satisfy 85% of its customer with the scheme provided to customers. The challenge for L.G is to maintain this satisfactory level of customer through introducing various kind of scheme in market, understanding customers' wants and market environment.

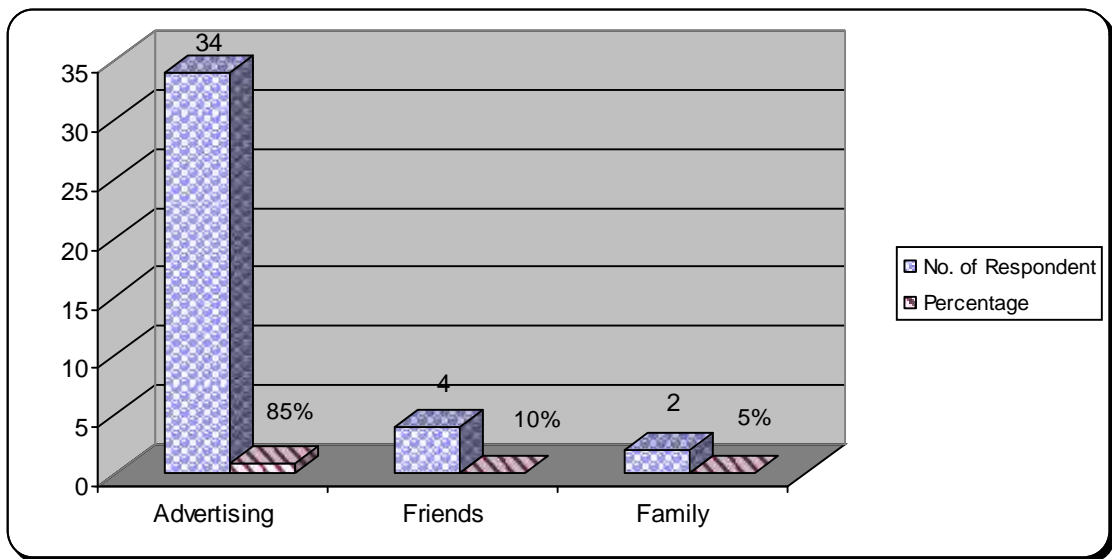
4.5.10 Source of Information

Table: 4.5.10

	No. of Respondent	Percentage
Advertising	34	85%
Friends	4	10%
Family	2	5%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.10



The Above table shows the source of customer about the information of scheme of L.G. “Scratch Coupon”. 85% of the customers get information about the scheme from the advertising and only 10% of customer got information through their friends. And 5% of Costumers gets information about scheme from Their Family.

The above data shows the important of advertising in making awareness to customers. It reflects the increasing trend of the Nepalese society to response to advertisement. So, advertising strategy of the company is the most important to make aware to the customers and well as to capture the market share.

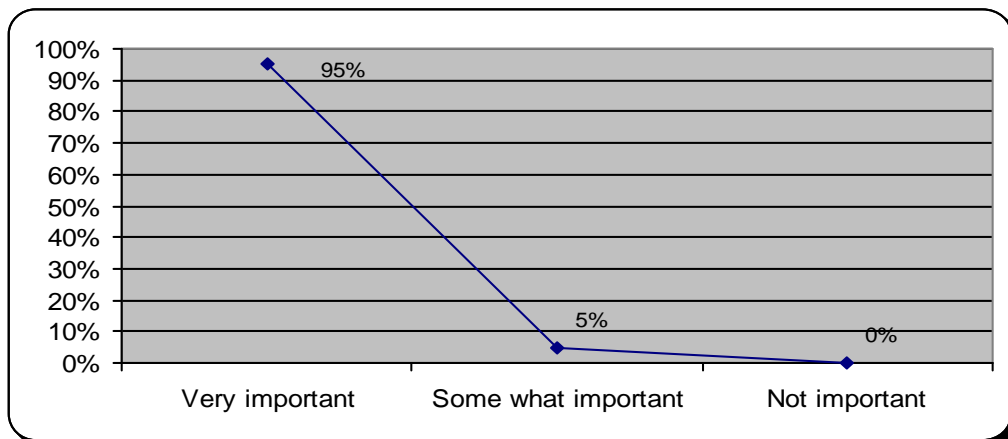
4.5.11 Level of Quality Consciousness

Table: 4.5.11

	No. of Respondent	Percentage
Very important	38	95%
Some what important	2	5%
Not important	0	0%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.11



The above table reflects the quality consciousness of customer in buying television. The table shows that 95% of television customers are very must conscious about the quality of the television they are buying. Only 5% customers of television are same what quality conscious. From the above table we can say that quality of the television is the threshold factors that need to be met by all brands to stay in the market.

The above data shows that Nepalese television customers are being more quality conscious these days. Advertising has great contribution on creating awareness of quality on customers. Today all print and electronics media are full of advertisement of television. The advertisements are mostly persuasive and focus on quality. This helps a lot to increasing the awareness of quality of television customer of Nepal.

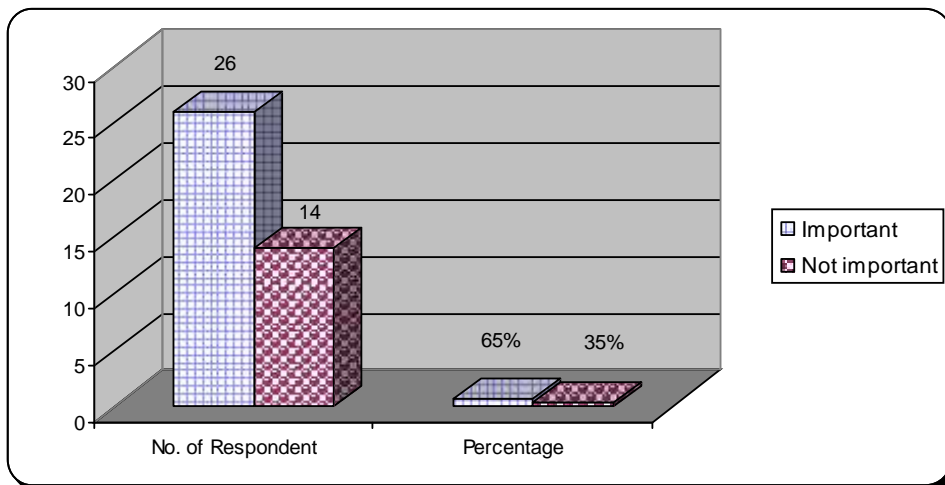
4.5.12 Effect of Scheme on Customer Buying Decision

Table: 4.5.12

	No. of Respondent	Percentage
Important	26	65%
Not important	14	35%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.12



The above table shows the effect of consumer promotion on the customer buying decision. 65% of customer consider scheme while buying television. They are happy to buy the television with some schemes. They thought they got something on complimentary. While 35% of customers think schemes are not important while buying a television. They don't give any important to any kind of scheme.

As the competition increase in the television market in Nepal, the television marketer has increased the exercise of different kinds of promotional tools. The television brands are not only attracting customer through their product attribute but also using different kinds of scheme to attract customer toward their product. Somehow, the brands are success to attract customer through this kinds of exercises.

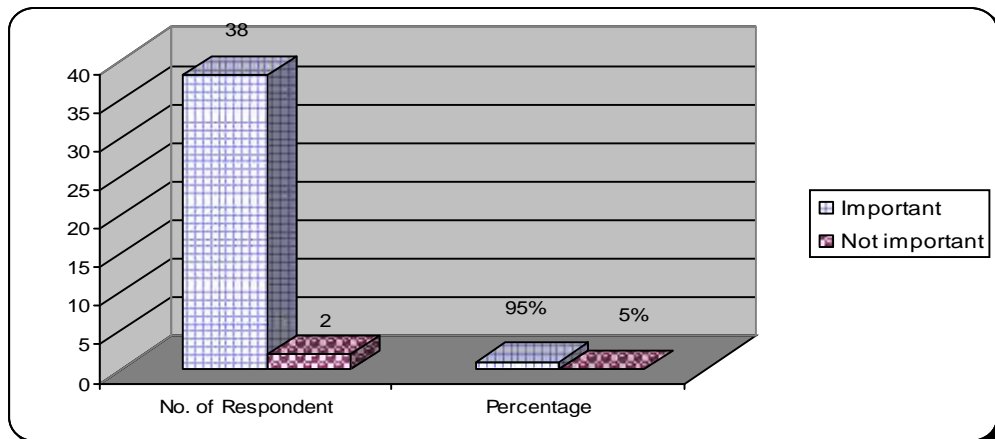
4.5.13 Effect of Advertising on Sales of Television

Table: 4.5.13

	No. of Respondent	Percentage
Important	38	95%
Not important	2	5%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.13



The above table shows the effect of advertising on the sales of television. Advertising motivates 95% of the customers' buying decision. They consider advertising as a very important mean of information of availability of television brands in the market. And 5% of customers are not giving important for advertisement.

The above data reflects the important of advertisement in the television business. Advertisement plays vital role in the buyer decision process. Once the customers decided to buy a television, the customer pay attention to advertisement of television to gather information. So, this is the stage of customer's buying process where the brands have to work hard to attract the attention of the customers toward their brand. It needs a well blend of advertising mix to win the target customer which result in sales for the company.

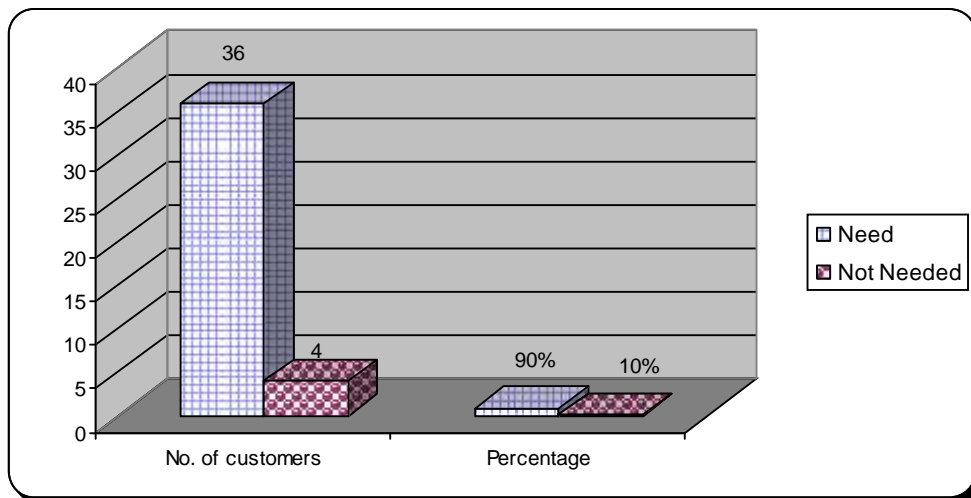
4.5.14 Feasibility of Installment System in Television Market

Table: 4.5.14

	No. of customers	Percentage
Need	36	90%
Not Needed	4	10%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.14



The above table shows that feasibility of installment system is high in Television market. 90% of customer used to make enquiry of installment and they have positive opinion for the installment system to buy television. And 10% of customers have negative opinion on installment.

The above data gives the sign of increasing trend of purchasing television on installment system in Nepal. Financial institutes have great contribution in the development of installment system. Most of the television brands are doing alliance with finance to provide their product on installment.

For the L.G. it's a good opportunities to attract the customer of low income segment who have to prefer the low quality television because they can't afford the price for quality television.

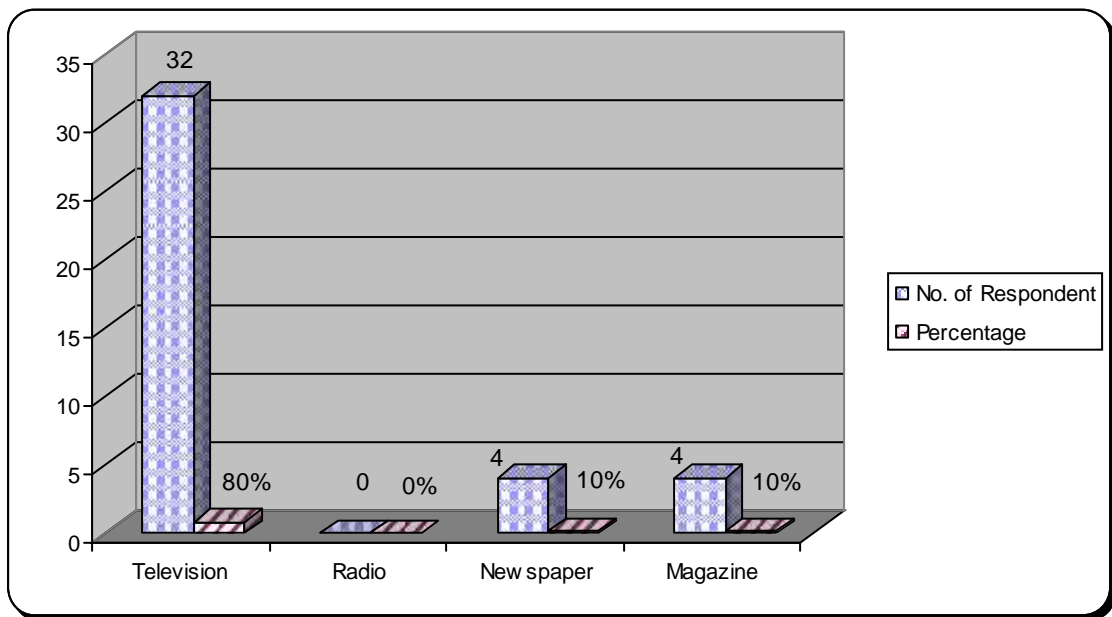
4.5.15 Popular Means of Advertisement

Table: 4.5.15

	No. of Respondent	Percentage
Television	32	80%
Radio	0	0%
Newspaper	4	10%
Magazine	4	10%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.15



The above table shows the popularity of television advertisement in the advertising field. Out of 40 respondents, 32 said that television is the most effective to them to attain attention and 4 respondents said magazine and News paper is the effective means of advertising to them. It means 80% of customers refers the advertisement in television than in other means of advertisement.

The data reflects the success of television advertisement to attract the attention of customers. The one reason behind the success of television to establish as the most popular means of advertising is the technology developed in the presentation of material in television. And another is that the television advertisements reach to the rooms of customers.

Today, all the successful companies want to give their advertisement in the television than in press and radio. In other hand customers also like to watch advertisement in Television than in press and radio.

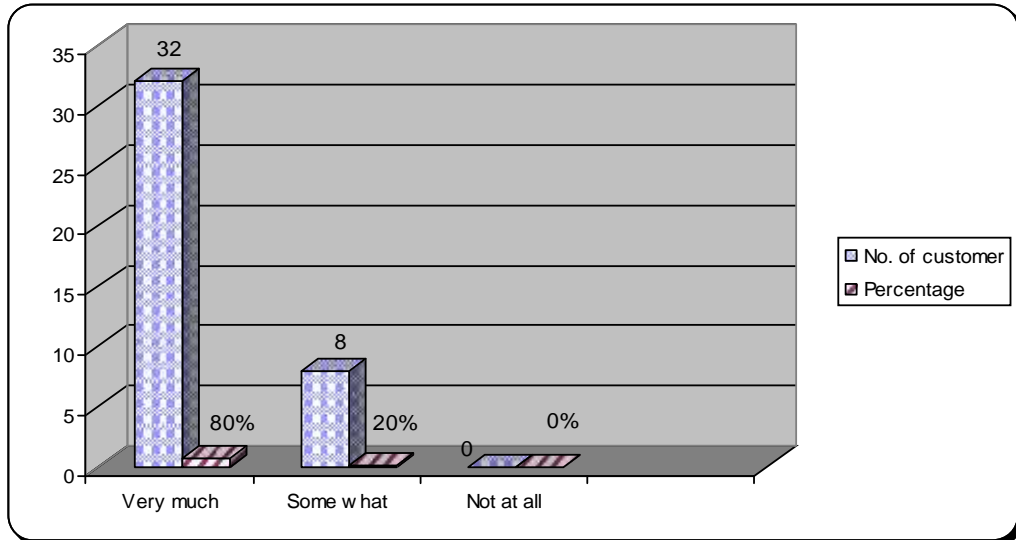
4.5.16 Impact of Warranty on Customers

Table: 4.5.16

	No. of customer	Percentage
Very much	32	80%
Some what	8	20%
Not at all	0	0%
Total:	40	100%

(Source: Primary data)

Fig.: 4.5.16



On the base of above table 80% of customer are very must conscious about Warranty on television. And 20% of customers are somewhat conscious about the warranty. The table shows that all the customers feel warranty is important on the television, which they are buying.

It is a sign of customer awareness and market development. The television market of Nepal has become very competitive. The expectation of customers from the company and the responsibility of company toward customers both have increased. Today every customer looks the warranty period before buying television. The success of any brand is much depends on the service provided

to the customers. The television brand cannot survive in the market without providing warranty on television.

Warranty has become a measuring standard of reliability of quality to customer and in other hand it has become a promoting tools to marketer. The major television brands are competing on extending the warranty period of their television. It has both positive and negative impact on customer and market.

Positive impact of this is, the customer is getting more quality service from company and the market is moving towards service oriented. But it also has negative impact like some companies are misleading the customer by providing more warranty on less quality product.

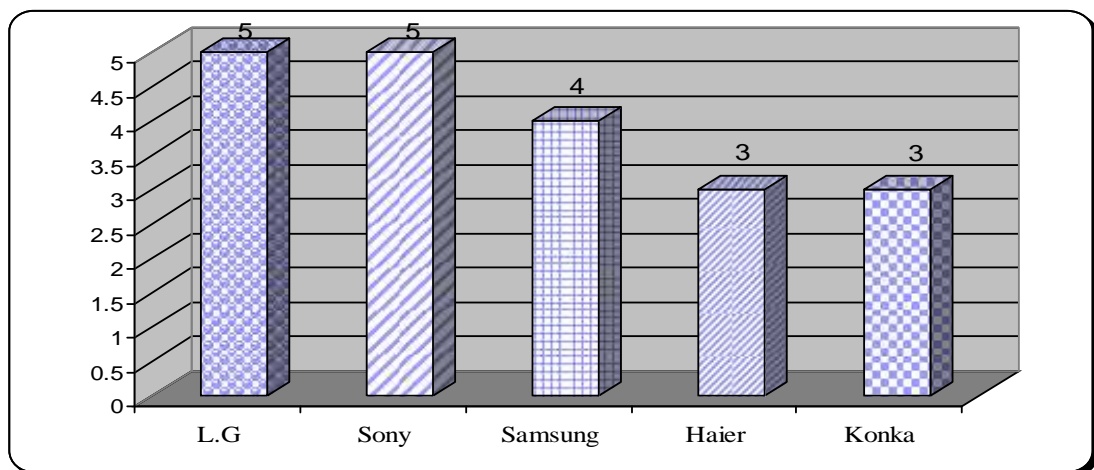
4.5.17 Warranty on L.G. Television with Compare to other Brands

Table: 4.5.17

Brands	Years
L.G	5
Sony	5
Samsung	4
Haier	3
Konka	3

(Source: Primary data)

Fig.: 4.5.17



The above table shows the warranty period provided by different television brands to their customers. L.G. and Sony provide five years warranty on their television. Samsung provides four years warranty on their television, Konka and Haier provide three years warranty on their television. According to the data L.G. and Sony are in 1st position, which provides longest warranty period. Samsung is 2nd position; Konka and Haier provide 3rd position.

L.G. is more conscious than other brands on providing warranty to their customers. L.G. is not only providing longest warranty but also providing quick service and quality service to their customers. Reliable after sales service is one of the factors that make the L.G. different from other brands in the market.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Marketing has gained the new dimensions in the recent years and passed through different stages to reach at the present stage of marketing concept. Which aims at maximizing social welfare through delivering goods and services are produced to satisfy social wants and produced according to consumer preferences. Simply, Marketing is managing profitable customer relationship. The aim of marketing is to create value for customer and capture value in return. Marketing management has taken an important place in business management. Today all successful companies have one thing in common, they are strongly customer focused and heavily committed to marketing. These companies share a passion for satisfying customer needs in well-defined target market.

In today's Global business environment, smart marketers look beyond the attribution of the products and service they sell. They all engage in creating conception value to differentiate and brand image on market. Advertising and sales promotion has a great contribution to fulfill this interest of companies.

Today every objects around us are filled with advertising message, concern of the main cities are filled with shining advertising Poster and hoarding boards, every products are attach with attractive gifts and offers and every business gets more than core profit on the sales of products.

Television business in Nepal is also very much effect from this trend of business. Almost all newspaper, magazine, television network are fill with advertisement of television. Each and every television brands in Nepal look for a reason to bring attractive offer on their product to attract the attention of customer.

Besides advertising and sales promotion, different types of facilities are also being provided to customer. The television business is moving toward service-oriented business. Before sales service and after sales service has been provided by almost all television brand in the market and they are competing for the better and longer after sales service to the customers.

The television brands are also providing financial facility to their customer and there is a competition among the major player of television market to provide financial facility on 0% interest. Nepalese market of television has become so competitive that some major players of television market are providing exchange offer to their customer.

L.G. electronics Pvt. Ltd. is engages in creating Pull demand through aggressive advertisement as well as Push demand through trade promotion activities. The company believes that advertisement is an effective source of providing information to customer about the company's products, whereas dealers are the true friends in enhancing brand image in the market.

L.G. has become a major play of the television market in Nepal. It has success to established good level of brand awareness in the market and increasing royal customers by its quality products.

To retain the customer and increase the brand royalty, the company is regularly engaged in research and development activities to improve quality of product and introducing new design and function in the product.

5.2 Conclusion

Today, the market has provided both opportunities and threats to L.G. The opportunities are that, it has good level of brand awareness in the market, which is a good sign of market potential. And market share is also increasing year by year.

But there are still a lot of challenges. Leading brand of yesterday like Sony and the most demanding brand like Samsung are still aggressive in the market and they are success to capture good market share. On the other side many Chinese television brands have entered the market. So the market has become more competition. The main challenges for L.G are to compete on price with Chinese brands and to maintain quality for its brand image and to compete with brand like Sony and Samsung.

Beside the success of L.G electronics Pvt. Ltd. in marketing and distributing of L.G television in Nepal, some weakness which has been recognized on the base of survey will be pointed in recommendation section.

5.3 Major Finding of the study

- 1) Nepalese television customers are more quality conscious.
- 2) Television market in Nepal is being more and more competitive day by day.
- 3) Advertising has great impact on the sales of television.
- 4) Television is the most attractive means of advertising to Nepalese customers.
- 5) Nepalese customers' response to the advertising is increasing day by day.
- 6) Trade Promotion is more effective to increase the sales of company.
- 7) Business Promotion tools like convention, tradeshows, sales contest are vary less used by companies in Nepal.
- 8) L.G has wide range of television interns of model and size.
- 9) L.G introduces LCD technology in television for first time in Nepal.
- 10) L.G has its own Service Center Net work all over the country.
- 11) Sales Promotion activities of L.G are increase with compare to the last year.
- 12) L.G is introducing aggregative trade promotion activities to motive retailer to sales company's product.

- 13) Awareness of availability of L.G television is satisfactory.
- 14) L.G is a rising television brand in Nepalese television market.
- 15) L.G has a highest market potential in Television market in Nepal.
- 16) L.G is success to convert its fifty percent customer into its brand royal.

5.4 Recommendations

Here are some recommendation points which are found to be considered for the future better sales and marketing performance so that the product can attain and retain the share in the market.

- 1) The target market should be well define and concentrate on the target market.
- 2) The advertisement should come out regularly, informing about the features, benefits and price of the product.
- 3) Well blend of sales promotional mix is necessary to get optimal benefit from investment on sales promotion.
- 4) Advertising media should be select carefully, which can reach to the target customer.
- 6) Company also must decide on the media impact. When choosing media alternative.
- 7) Ethic of advertising should be maintained as a responsible part of society.
- 8) Before-sales service and after-sales service should be well maintained since service means a lot for the television customers.
- 9) The sales promotion activities should be brought according to the changing wants of customers and competitor's moves.

- 10) Trade promotion activities should be increase to enhance push sales because dealers want to sales the product, which gives them more profits.
- 11) Business promotion tools should be use to promoting brand awareness and enhancing brand image.
- 12) Financing facility should be well managed through associated with financial institutions for customer convenient.
- 13) Price of the products should be changed according to the change in the industry.
- 14) Marketing executives and service technician mush be well trained about their authority and responsibility.
- 15) Marketing executives must be well informed about the competitor's moves product's features and specification.
- 16) Company's policies should be communicated with dealers and suggestion of dealers' must be reflecting on the company's policies.

BIBLIOGRAPHY

Books

Agrawal, Dr. Govinda Ram (2001). *Marketing Management in Nepal*, M.K

Publication and Distribution”.

Batra, Rajeev Myers, John G., Aaker, David A.(2001). *Advertising Management*, Prentice Hall, New Delhi, 5th edition.

Chunawalla, S.A.(1997). *Foundation of Advertising theory & Practice*, L.G.alayan Publishing House, Mumbai, 4th edition.

Cateora, Philip, R., graham, John, L (2001). *International Marketing*, Tata Mc Graw-Hill, New Delhi, 10th edition.

Jetkin, Frank (1994). *Advertising Management*, 3rd edition.

Johnson, Gerry, & Scholes, Kevan (2004). *Exploring corporate strategy*, Pearson education, New Delhi, 6th edition.

Kotler, Philip, & Armstrong, Gary (2006). *Principal of Marketing*, 11th edition.

Kothari C.K. (2000) *Research Methodology* Reprint edition.

Pant, Prem (2002). *Social science research and thesis writing*, 3rd edition.

Shrestha, Shyam (2003). *International marketing decision* Buddha Academic Publisher and Distributors, 1st Edition.

W.Boyd, Harper, Westfall, Ralph, & F.Stasch Stanley (2004). *Marketing Research*, Delhi, 6th Edition.

Magazines, Papers and Thesis

Annapurna Post, Daily newspaper, Nepal

Boss Magazine, Monthly magazine, Nepal

Kantipur Daily, Daily newspaper, Nepal

New Business Age, Monthly magazine, Nepal

Bhatta, Shree Chandra (1998). “*Sales promotion and its effect on sales: a case study of beer market in Nepal.*”, An Unpublished Master’s degree Thesis, Tribhuvan university.

Pandey, P.R. (1980). “*Advertising in Nepal.*”, An unpublished Master’s degree Thesis, Tribhuvan University.

Parajuli, Sanjeev (2001). “*Study of loyalty on Branding.*” An Unpublished Master’s degree Thesis, Tribhuvan University.

Rai, Rita (2003). “*A study on advertising and sales promotion of car in Nepal, with special reference to HYUNDAI Car.*” An Unpublished Master’s degree Thesis, Tribuvan University.

Sharma, Aabhi(2002).“*Role of Promotion activities/ Advertising in building brand image of product and the reputation of a company. (In the context of Gorkha Brewery Pvt. Ltd)*”, An Unpublished Master’s degree Thesis, Tribhuvan University.

Shrestha, Binod Kumar (2000). “*Study of Advertising Activities of Botters Nepal limited and Pepsi Cola Co. Ltd.*”, An Unpublished Master’s degree Thesis, Tribhuvan University.

Upadhyya, S.K. (1981). “*Radio Advertising & its impact on purchasing acts in consumer goods.*”, An Unpublished Master’s degree Thesis, Tribhuvan University.

APPENDIX-A

Questionnaire for customers:

- 1) Do you know “L.G” is a brand of television?
Yes No

- 2) Which brand of television does your family own?
 Samsung Sony L.G Konka Haier other

- 3) Which types of Television do you have?
 Non –Flat Flat: LCD:

- 4) If you were to purchase television, which brand would be your first choice?
Samsung L.G Sony Konka Haier
other

- 5) If you were to purchase television, which types would be your choice?
Non –Flat Flat LCD

- 6) Check your agreement with the following statement. “L.G is considered as one of the best brand of Television.”

Agree	Agree	Don’t	Disagree	Disagree
Completely	Some what	know	some what	completely
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 7) How important was each of the following in your purchase - decision, while buying television?

	Very	Same what	Not very	Not at all
	Important	Important	Important	Important
a) Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Features	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Warranty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- d) Installment
- e) Scheme
- f) Advertising

8) Do you know about the New Year 2064/2065 scheme of L.G “L.G Ko Dhamaka”?

- Yes No

9) How did you know about the scheme of L.G “Scratch offer”?

- Advertising Friends Family Other

10) What is your opinion about the advertisement of “Scratch offer”?

- Excellent Good Bad

11) Which means of advertising is more attractive to you?

- Television Radio News – paper Magazine

13) Mark on the following scale how much you belief in the advertising message delivered to you by sponsor /companies through various means of advertisement.

- 100% 75% 50% 25% 0%

14) Do you think that schemes are important to attract customer towards products?

- Very much important Quite important Indifferent
Not so important Not important at all

APPENDIX-B

Questionnaire for Marketing Executive

- 1) Who are the target customers of your brand?
 Low class Meddle class high class
- 2) Who is the nearest competitor of your brand?
 Haier Sony Samsung Konka other
- 3) Where do you found your brand in term of market share among following brands? Please mark according to order 1 being 1st position and 5 being 5th position.
 Sony Samsung L.G Haier Konka
- 4) What types of advertisement you found more effective that resulted high sales?
 Informative Reminding Persuading
- 5) Which of the following scheme, you think will give more incentive to customer to buy television? Please mark in preferential order 1 being top priority and 3 being the Least priority.
 Exchange facility Installment facility Cash discount
- 6) To increase the sales volume, which of the following factors would you follow? Please mark against each factor in preferential order, 1 being top priority and 5 being the least priority.
 Reasonable price Quality Product Effective advertising
 Aggressive sales promotion Good before and after sales service
- 7) Check your agreement with the following statement. "Advertising and sales promotion has become a major tools to gain marker share in television market"
Agree Agree Don't Disagree Disagree
Completely Some what know some what completely

- 8) What types of Sales Promotion do you think is more effective that resulted high sales?
- Business Promotion Trade promotion Consumer promotion
- 9) Which factor do you suggest is more important to motive dealer that increase the sales of Television?
- Good after sales service Good Profit margin
- Effective Advertising Attractive Sales Promotion
- 10) How many dealers do you have in Dhangadhi and out of Dhangadhi?
- In Dhangadhi
- Out of Dhangadhi
- 11) How much does your brand spend annually on advertisement?
-
- 12) How much is your annual sales of television in unit?
-

APPENDIX – C

Questionnaire for Retailer

- 1) Which brands of television have more enquiries in your shop? Please mark according to order 1 being 1st position and 6 being 6th position.

Sony L.G Samsung Konka Haier Other

- 2) If you were to sell television, which brand would be you first, second and third preference? Why?

Brand:	Reason:	
First		
Second		
Third		

- 3) How important was each of the following in customer’s purchased decision?

	Very Important	Some what Important	Not very Important	Not at all Important
a) Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Features	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Warranty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Installment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 4) Check your agreement with the following statement.

“Advertising and sales promotion has become a major tools to gain marker share in television market”

Agree	Agree	Don’t	Disagree	Disagree
Completely	Some what	know	some what	completely
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5) What types of Sales Promotion do you think is more effective that resulted high sales?

Business Promotion Trade Promotion Consumer Promotion

6) Which of the following scheme, you think will give more incentive to customer to buy television? Please mark in preferential order 1 being top priority and 3 being the Least priority.

Exchange facility Installment facility Cash discount

7) which of the following brand do you think is more aggregative in Advertising and sales promotion? Please rank 1 being more aggregative brand and 5 being least aggregative brand?

Konka L.G Sony Haier Samsung

8) Which factor do you suggest is more important to motive dealer that increase the sales of Television?

Good after sales service Good Profit margin

Effective Advertising Attractive Sales Promotion

9) Which dealership do you prefer, if you were given the choice between following Brands?

L.G Samsung

10) What is you average sales of television in a day?

If scheme is given

If scheme is not given