

**IMPACT OF ADVERTISING ON SALES OF HUNDAI AND
SUZUKI CARS IN PARSA AREA OF CHITWAN**

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RECOMMENDATION

This is to certify that the thesis

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**Entitled Impact of Advertising on Sales of Hundai and Suzuki
Cars in Parsa area of Chitwan**

has been prepared as approved by this department in the prescribed format
of faculty of management. This thesis is forwarded for evaluation.

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VIVA-VOCE SHEET

We have conducted the Viva-Voce examination of the
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and found the thesis to be the original work of the student and written
according to the prescribed format. We recommended the thesis to be
accepted as partial fulfillment of the requirement for

Master Degree in Business Studies (MBS)

VIVA-VOCE COMMITTEE

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DECLARATION

I hereby declare that the work done in this thesis entitled "Impact of Advertising on Sales of Cars in parsā area of Chitwan" submitted to People's Campus, Faculty of Management, Tribhuvan University is my original work. It is done in the form of partial fulfillments of the requirement of the degree of Master of Business Studies (M.B.S.) under the supervision and guidance of Rajan Bilas Bajracharya, Lecturer of People's Campus.

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ABBREVIATIONS

%	:	Percent
&	:	And
Ads	:	Advertising
AMA	:	American Marketing Association
B.S.	:	Bikram Sambat
CBS	:	Centre Beauru of Statistic
CV	:	Coefficient of Variation
Ed.	:	Edition
FM	:	Frequency Modulation
i.e.	:	That is
IMC	:	Integrated Marketing Communication
LTD	:	Limited
MBS	:	Master's Degree in Business Studies
MIS	:	Marketing Information System
No.	:	Number
NTV	:	Nepal Television
SD	:	Standard Deviation
SWOT	:	Strength, Weakness, Opportunity and Threats
TU	:	Tribhuvan University
US	:	United States
USA	:	United States of America

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Promotion is the effort of organization to inform, persuade and assure the potential customers of target market to buy the goods and services. Promotion helps to create the demand of goods and services of any organization.

Promotion is the element of marketing mix in an organization that serves to inform, persuade, remind the market regarding the organization's product and services.

Advertising is both a means of communication as well as important tool of promotions. Communications as an integral part of daily life of the human beings. In the business world effective transmission of communications is a vital need. A manufacturer needs to communicate with the existing and potential consumers. He/she has to have information about the market relating to what kind of product they need, at what time, at what price and at what terms as well as in which place.

Selling is the important function of marketing. Sales is the transferring the ownership of goods or services to the customers by taking price of the goods and services.

The basic principle is that a sale can only be recognized when the transaction is already realized, or can be quite easily realized. This means that the company should have already received a payment, or the chances of receiving a payment is high. Total amount collected for goods and services provided. While payment is not necessary for recognition of sales on company financial statements, there are strict accounting

guidelines stating when sales can be recognized. In addition, delivery of the good or service should have taken place for the sale to be recognized.

Advertising and sales can be stated as persuasive communication is directed towards single individual, it is act of salesmanship. When it is directed towards large groups of individuals, it is called advertising.

Marketing has the task of influencing the level, timing and composition of demand in a way that will help organization achieve its objectives. Marketing managers cope with this task by carrying out marketing research. Within marketing, planning, marketers must make decision on the target markets, Market positioning, product development, channel of distribution, physical distribution, communication and promotion (Shrestha, 2010).

With this information, he or she could inform the consumers about the availability of the products. In the absence of this, information, producer cannot produce as per the demand of the consumer who will only buy the products they already know.

Advertising affects favorably the consumers' choice, because it helps the consumers to exercise his power of sovereignty in the most appropriate way, advertising acts as a counselor or a guide to a consumer.

Advertising is one of the important tools of promotion and it is also most important aspect of marketing programme. Advertisements are made to sell goods and to persuade and influences customers to buy a product. Companies may want to give something away, seek or exchange or know what they offer or what customers need. Advertising is also necessary to make a brand image and position the product in the minds of the customers (Kotler, 2010).

1.2 Statement of Problems

It is the common saying in Nepalese society that the person who pleads may sell wheat flour and the person who cannot persuade may not sell rice. Present day is an era of tough competition and sophistication. Without appealing, it is very difficult to sell even better or qualitative goods. Advertising is essential for brand preferences to customer. As such advertising plays a vital role in promotion efforts by familiarizing, awaring, informing and influencing the consumers to buy the products and helps them in making buying decisions.

Nepal is developing country and facing a number of problems in the field of advertising. Nepalese business environment has been witnessing the introduction of a variety of products in the market but they are heading toward failure due to the lack of sound and fair advertising activities. The message about the product doesn't reach the consumer. This may be due to low interest of consumers or inappropriate framing of the message, even sometimes selecting the inappropriate channel.

This study is mainly concerned with the impact of advertising on sales of cars in parsa area of Chitwan. Further, following issues were analyzed in the study:

- i. What are the impacts of advertising on sales of cars in Parsa area of Chitwan?
- ii. What are the effects of the advertising in terms of return in sales over its expenses?
- iii. What is the comparative situation of advertising expenses and sales in both cars companies?

1.3 Objectives of the Study

The primary objective of most advertisement is to stimulate the user to buy a particular brand of product offered for sales by the advertiser. Similarly, this study tries to fulfill these specific objectives.

- i. To analyze the impacts of advertising on sales of car in Parsa Area of Chitwan.
- ii. To analyze the effectiveness of the advertising in terms of return in sales over its expenses.
- iii. To make comparative analysis of advertising expenses and sales of cars in Parsa area of Chitwan.

1.4 Significance of the Study

Now a days marketing is not an easy job. There are numerous manufactures with a variety of products in the market. Most of the manufacturing enterprises are suffering from poor performance due to lack of proper management of advertising activities. So, proper advertising activities is most important for every enterprise to earn profit. No organization can run without profit for long time.

By advertising suitable brand preference is possible. Advertising makes wide spread distribution possible. Though personal selling is an effective means for establishing a product and preference in the market; however, it is the costlier means in comparison to mass selling. It is not as pin pointed as personal selling but, it can reach large number of potential customers at the same time. In fact, today most promotional activities blend both personal selling and mass selling. This may bring a company to a profitable it's product in the market.

Advertising is paid form of non-personal communication from an identified sponsor using mass media to persuade or influence an audience or target group.

Many companies are involved in importing different brands of cars. All the companies are using almost same marketing strategies for selling the product. Due to the cut throat competitions in the market, it is necessary

to try new strategies to capture and expand the market. In this ground, it is felt necessary to make research while marketing of the cars.

In the context of Nepalese market competitive advertising tries to develop selective demand for a specific brand rather than product which may satisfy the ego. Competitive advertising is a successful tool in brand choice of consumer products.

1.5 Limitation of the Study

- i. The study has been covered only five years data i.e. FY 2015/16 to 2019/20.
- ii. The respondents were residents of parsa area of Chitwan as well as retailer and wholesaler.
- iii. This study has been based on the response of different customers to whom questionnaires were served.
- iv. The study has been based on information received from respondents selected with random sampling methods.

1.6 Organization of the Study

This study has been organized into five different chapters, which are defining below:

1. Introduction

The first chapter and its include general concept of advertising, statement of the problems, objectives of the study, significance of the study and limitation of the study.

2. Review of literature

The second chapter that deals with review of literature and review of related study. This chapter discusses the theoretical concept of advertising, definition of advertising, historical background and various advertising media available in Nepal and their role of present advertising situations and other related matters.

3. Research Methodology

The third chapter deals with introduction of research design, nature and source of data, population and samples, data gathering procedure, analytical tools used and limitation of research methodology.

4. Presentation and Analysis of Data

The fourth chapter deals with presentation of related data collection from different sources and analysis of them to reach closer to the actual result by using financial and statistical tools and technique. The received data has been analyzed, and way of analysis. This chapter mainly deals with the issues in the light of the theoretical prospective.

5. Summary, Conclusion and Recommendations

The last chapter provides summary, conclusion and recommendation. The finding has been discussed and conclusion shall be stated suggestions, with regards to the role of advertising in brand preference are put here.

CHAPTER TWO

REVIEW OF LITERATURE

This chapter mainly focuses on the literature and research finding, which are available to the topic. It is relevant to disclose here that no one has made study on the effect of advertising on sales of Hyundai and Suzuki cars in parsa area of Chitwan district. Therefore, in the absence of such written articles of present market, it becomes necessary to review the literature, articles, books and journals related to the field of the advertising of automobiles. The introduction chapter deals with general background of the study. This chapter mainly gives a brief picture of what is going to be studied, why the study is important and what the study is going to marketing of automobiles.

2.1 Conceptual Review

Advertising predisposes a person favorably for a product, service, idea moving his toward its purchase. Sales promotion takes over at this point it makes the consumers take a favorable decision by providing one or other kind of direct inducement, example, discount, price off, gift, coupon etc. it either informs or persuade or reminds about a product or service. Most of the times it is indirect in its approach and has a long term prospective, e.g. building up a company image or brand image.

2.1.1 Relationship between sales and advertising

Sales is short term approach, a direct approach and expect of sales. Advertising is more frequent and repetitive than sales. Distinction between advertising and sales promotion can be as, sales promotion is the temporary offer of a material reward to consumers or sale prospects, whereas advertising is the communication of the information (Longman, 2012: 288).

From above it is clear that advertising may well be medium through which a sales promotion is made. But it is not itself an act of promotion. The distinction also brings out an important fact about advertising. An advertisement by definition transmits a persuasive message, but the persuasive element is not necessarily the Ads itself when a sales promotion offered is the subject of an advertisement, the promotion is the persuasive element and the advertisement is an information channel. Through sale promotion is non recurrent selling efforts, they supplement the advertisement and personal selling. This research context the impact of advertising on sales of cars in Parsa area of Chitwan has been chosen as topic a whole research work has been based on two variables.

Advertising is defined as a paid non-personal communications form an identified sponsor using mass media to persuade or influence an audience. So, the standard definition of advertising has six elements. First, advertising is a paid form of communication. Second, not only is the message paid for, but the sponsor is identified. Third most advertising tries to persuade or influence the consumer to do something, although in some cases the point of the message is simply to make consumers aware of the product or company. Fourth, the message is conveyed through many different kinds of mass media, and fifth, advertising reaches a large audience of potential customers. Finally, because advertising is a form of mass communication, it is also non-personal (Kotler, 2013).

Management usually divides the various functions of their business into three broad areas; production, finance and marketing. Among these areas, marketing is one of the most important and critical area. It is about connecting with people. Whether we classify people as consumer or 'a target group' or 'a segment', marketing is about understanding their needs, beliefs, behaviors, and aspiration. It's about the matching company's capabilities with customer's want. Thus, marketing refers to

all business activities aimed at i) Finding out who customers are and what they want. ii) Developing products to satisfy those customer's need and desires and iii) Getting those products on to the customer's hands. In its simplest terms, 'Marketing is the process that companies use to satisfy their customer's needs and make a profit (Maharjan, 2012).

Many companies widely practice advertising. It is undoubtedly the most visible component of the promotion plan, but we should remember that advertising is just one type of promotion available to the firm. So, in short marketing communication is the conversation between a brand and its audience. So, this is a way in which a firm attempt to inform, persuade, incite, and remind consumers directly or indirectly about the brands they sell.

2.1.2 Components of promotion mix

The components of a promotional mix are explained below though the focus of this study is being given for the advertising and its impact on the sales. Moving on in order, first of all advertising has been explained in the following way.

Advertising:

Advertising is a paid communication of company message through personal media. It is one of the four major tools to target buyers and publics. It consists of non-personal forms of communication conducted through paid media under clear sponsorship (Kotler, 2013).

Advertising objectives can be classified according to their aim as it is to inform at the pioneering stage of product, similarly it is even done to persuade the buyers at the competitive stage of the product by informing more about the comparative advantages of the product over other similar product, and finally it is also done to remind and it is used at the maturity

stage of the product or if the product is a market leader. Due to the rapid urbanization growth, there has been a significant change in the society, customer, economic status, awareness level and this has also cast a change in eating habits of Nepalese people. We have been witnessing a declining trend of consumption of rice or other cereal foods and that has opened a huge space for the growth of the instant noodles market due to being easy and fast to be consumed. The ease of cooking and availability of various flavors in instant noodles have further garnered the acceptance process.

Sales promotion:

Sales promotion is a collection of selling activities like the use of contests, coupons, sample distribution, premiums, and price offs, sponsorship of special events, in store demonstrations, international trade fairs and exhibitions etc (Shrestha; 2010).

Public relation:

The basic philosophy of public relation is that if the image of the company is poor in society, no other marketing efforts including quality product and service can satisfy the customers. In order to gain a good image in society, a company must establish a good relation with public. Public are several groups of society, including customers, stockholders, staffs, dealers, the press, the financial community and the general community.

The main objective of public relation is to secure mutual understanding with the publics and obtain goodwill from them. Besides than this it could be awareness building, credibility building, stimulating sales force and dealer, and to hold down promotion cost (Kotler, 2013).

Personal selling:

Personal selling is sometimes called the ‘last 3 feet’ of the marketing function, because 3 feet is the approximate distance between the sales person and the customer on the retail sales floor as well as the distance across the desk from the sales representative to a prospective business customer. A bond or partnership between a sales representative and his or her clients can be one of the most valuable assets a company holds in the market place (Clow, 2010).

Personal selling is the most effective tool at later stage of the buying process, particularly in building up buyer preference; conviction, and action. Personal selling has three distinctive qualities:

Publicity:

Publicity is any communication about an organization, its products or policies through the communication media without any cost. Publicity helps to announce new product, new policies, technological development, report of performance and counter the negative publicity of the organization.

2.1.3 Role of advertising

A product or a service, or an idea manufactured or generated are even at its best, cannot be sold on its own and advertising plays a pivotal role to make those products, services or ideas known to the target group. This lets people have all the information regarding the attributes of these products.

So, it plays an important role to generate awareness about the products, services, it helps to educate people to have the knowledge about the product and the services. It plays a significant role to uplift sales volume and helps to generate more profit there on as well. Advertising is an aim

at the promotion of ideas, goods or services by an identified sponsor or the firm and thus, there will be some certain purpose to do so by that very firm or organization. And the belief in doing so is to create an impact of the intention of the sponsor through advertising among the target groups. And the intentions vary from one firm to another like awareness generation, educating people, or to generate more sales through advertising so without any specific objectives no firms go for advertising and if the advertising campaign is successful then it imparts a favorable impact in the target groups and it retards the level of positive impact generation if it isn't a successful campaign.

i) The marketing role:

It is all about developing connectivity with people. So, marketing is the process a business uses to satisfy customer's needs and wants through goods and services by understanding their needs, values, beliefs, behaviors, and aspiration. The particular consumers at whom the company directs its marketing effort constitute the target market. The tools available to marketing include product, its price, and means used to deliver the product or the place. Marketing also includes a method for communicating this information to the consumer called marketing communication. Marketing communication consists of several related communication techniques, including advertising, sales promotion, public relations, and personal selling. The role of advertising, within marketing, is to carry persuasive messages to actual and potential customers. One advertising campaign that has been very effective is the 'It's what's for dinner' campaign, started over 20 years ago when the America's Beef producer's trade association decided that the decline in beef consumption, due to consumer's concern for personal health, had to be reversed. Starting with TV commercial, featuring the voice of actor Robert

Mitchum, America learnt that beef went along mom and apple pie. Since that initial ad, beef consumption has stabilized and increased twelve percent (Bajracharya, 2012).

ii) The communication role:

Advertising is a form of mass communication. It transmits different types of market information to match buyers and sellers in the market place. Advertising both informs and transforms the product by creating an image that goes beyond straight forward facts (Ray, 2010).

iii) The economic role:

There are two points of view about how advertising affects an economy. In the first, advertising is so persuasive that it decreases the likelihood that a consumer will switch to an alternative product, regardless of the price charged. By featuring other positive attributes, and avoiding price, the consumer makes a decision on these various non price benefits. The second approach views advertising as a vehicle for helping consumers assess value, through price as well as other elements such as quality, location, and reputation. Rather than diminishing importance of price as a basis for comparison, advocates of this school view the role of advertising as a means to objectively provide price value information, thereby creating a more rational economy (Kotler, 2013).

iv) The societal role:

Advertising also has several social roles. It informs us about new and improved products and helps us compare products and features and make informed consumer decisions. It mirrors fashion and design trends and ads to our aesthetic sense. Advertising tends to flourish in societies that enjoy some level of economic abundance, in which supply exceeds demand. In these societies, advertising moves from being informational

only to creating a demand for a particular brand. Despite the social roles it plays but the critics argue that advertising repeatedly has crossed lines of reflecting social values and creating social values influencing vulnerable groups, such as young teenagers, too strongly (Ray, 2010).

Communication occurs when the messages that was sent reaches its destination in a form that is understood by the intended audience. Communication is defined as transmitting, receiving, and processing information. This definition suggests that when a person, group, or an organization attempts to transfer an idea or message, the receiver (another person or group) must be able to process that information effectively.

Encoding the message is the second step in the communication of a marketing idea. Someone must take the idea and transform it into an attention getting form, through an advertisement or some other verbal or non-verbal medium. An advertising creative usually performs this role. Messages travel to audiences through various transmission devices. The third stage of the marketing communication process occurs when a channel or medium delivers the message. The channel may be a television carrying an advertisement, a bill board, a Sunday paper with a coupon placed on it, or a letter to the purchasing agent of a large retail store. The shoe ads were transmitted through various magazines.

Quality marketing communication occurs when customer (the receivers) decode or understands the message as it was intended by the sender. In the case of shoe advertisements, effective marketing communication depends up on receivers getting the right message and responding in the desired fashion (shopping, buying, telling their friends about the shoes etc). So, communication refers to how the firm wants the target group to hear, listen, see or understand the specific advertisements in a way that

firm expects it to be in relation to the exactness in the reciprocity of responses from the target group.

So, it is a most important part of the whole advertising campaign. It is really important to assess that what is said, how it is said without overstepping social and legal norms. Most marketer work hard to communicate openly and honestly with consumers but still abuses occur, and public policy makers have developed a substantial body of laws and regulation to govern advertising like, companies must avoid false or deceptive advertising.

At the same time, this has been another fact that communication with consumers and other businesses requires more than simply creating attractive advertisements and eventually it has pushed an another promotional concept known as an 'Integrated Marketing Communications' (IMC). An effective IMC process integrates numerous marketing activities into a single package, making it possible for companies to reach their target markets and other audiences more effectively.

Although IMC program has been described in several ways, the consensus is to define it as follows: Integrated Marketing Communication (IMC) is the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost. (Kotler, 2013) This integration affects all of a firm's business to business, marketing channel, customer focused, and internally directed communications. Integrated marketing begins with the development of a master marketing plan.

2.1.4 Functions and types of advertising:

Advertising is complex because so many advertisers try to reach so many different types of audience. This clearly indicates that advertising shoulders important functions for the firms and some of the significant functions of it are presented below.

i) Function of advertising:

Even though each ad or campaign tries to accomplish goals unique to its sponsor, advertising performs these basic three functions given below.

a. Informing: This kind of advertising is executed in the pioneering stage of a product category where the objective is to build primary demand.

b. Persuading: This becomes important in the competitive stage, where a company's objective is to build selective demand for particular brand. For example, Chivas. Regal attempts to persuade consumers that it delivers more taste and status than other brands of scotch whiskey. Some persuasive advertising uses comparative advertising, which makes an explicit comparison of the attributes of the two or more brands.

c. Reminding: It is important with mature products. A related form of advertising is reinforcement advertising, which seeks to assure current purchasers that they have made the right choice (Kotler, 2013).

d. Reassuring

This is an important function of advertising which makes the customer assured in buying of selected products and purchase decision. This leads the customer re-purchasing of products again and changes the customer in to permanent customer.

ii) Types of advertising:

a. Brand advertising: The most visible type of advertising is national consumer, or brand advertising. Brand advertising focuses on the development of a long term brand identity and image.

b. Retail or local advertising: Agent deal of advertising focuses on retailers or manufactures that sell their merchandise in a restricted area. In the case of retail advertising, the message announces facts about products that are available in nearby stores. The objectives tend to focus on stimulating store traffic, and creating a distinctive image for the retailer. Local advertising can refer to a retailer or a manufacturer or distributor who offers products in a fairly restricted geographic area (Wells, 2012).

c. Political advertising: Politicians use advertising to persuade people to vote for them or their ideas, so it is an important part of the political process that permits candidate advertising. Critics worry that political advertising tends to focus more on image than on issues, meaning that voters concentrate on the emotional part of the message or candidate, often overlooking important differences.

d. Directory advertising: Another type of advertising is called directory advertising because people refer to it to find out how to buy a product or service. The best known form of directory advertising is the yellow pages, although there are other kinds of directories such as trade directories, organization directories, and so forth.

e. Direct response advertising: Direct response advertising can use any advertising medium, including direct mail, but the message is different from that of national and retail advertising in that it tries to stimulate a sale directly. The consumer can respond by telephone or mail, and the product is delivered directly to the consumer by mail or some other carrier.

f. Business-to-business advertising: Business-to-business advertising includes only message directed at retailers, wholesalers, and distributors, and from industrial purchasers and professionals such as lawyers and physician to other businesses, but not to general consumers. Advertisers place most business advertising in publications or professional journals.

g. Institutional advertising: Institutional advertising is also called corporate advertising. These messages focus on establishing a corporate identity or winning the public over to the organizations point of view. Many of the tobacco companies are running ads that focus on the positive things they are now doing, and ads for America's pharmaceutical companies are also adopting that focus.

h. Public service advertising: Public Service Announcements (PSAs) communicate a message on behalf of some good cause, such as driving under the influence or preventing child abuse. These advertisements are usually created by advertising professionals free of charge and the media often donate the space and time.

i. Interactive advertising: Interactive advertising is delivered to individual customers who have access to a computer and the internet. Advertisers use web pages, banner ads, and e-mail to deliver their messages. In this instance, the consumer can respond to the ad or ignore it.

2.1.5 Advertising program:

Advertising is part of a sound marketing plan. A well-planned advertising program is continuous and has a cumulative effect. So, it should include in corporate planning. Advertising campaign is the creation and execution of a series of advertisements to communicate with a particular target audience. Understanding specific consumer problems is often the key to developing an appropriate advertising campaign. Advertising campaign represents an important means by which organizations communicate with their customers, both current and potential.

2.1.6 Effectiveness of advertising

Today, advertising finds itself in a serious bind. With a down economy, the tragedy of 9/11, and new technology that may threaten the way advertising operates, there is a need to rethink advertising as a strategic

Alternative. Advertising will only survive and grow if it focuses on being effective. All advertisers are expecting specific results, based on their stated objectives. Clients expect proof, and, for the most part, that proof must lead to or actually produce sales. It is no longer acceptable to tell a client, “Our ads work, we just don’t know how, when, and with what results”.

Only the advertiser (and the supporting ad agency) knows whether the ad campaign reached its objectives, and whether the ad truly was worth the money. But are all award-winning ads effective ads? Not necessarily. In August 1996, Nissan launched one of the most memorable advertising campaigns in automotive history. Lively, music-filled commercials featured dogs, dolls, a grinning Japanese man, and the friendly tagline, “Enjoy the Ride”. One spot had an action figure pick up his Barbie-like date in a toy car to the tune of Van Halen’s “You Really Got Me”. Time Magazine named it the best commercial of the year. Nissan poured \$330 million into the campaign.

Too bad it didn’t sell cars. Nissan’s U.S. sales declined steadily during the first six months of the campaign, and, more alarmingly, the number of consumers planning to buy a Nissan was at its lowest point in six years. Dealers were irate because the campaign didn’t show the car. Nissan posted a \$518 million loss in fiscal 1998. Needless to say, the company cancelled the campaign (Wells, 2012).

Effective ads work on two levels. First, they should satisfy consumers’ objectives by engaging them and delivering a relevant message. And, as we said, the ads must achieve the advertiser’s objectives. Initially, a consumer may be interested in watching an ad for its entertainment value or to satisfy her curiosity. If the ad is sufficiently entertaining, she may remember it. However, she may then learn that the ad relates to a personal need and provides relevant information about how to satisfy that

need. The ad may also offer enough incentive for the consumer to risk change because it shows her how to satisfy her needs in a manageable way. Further, ads may reinforce her product decisions and remind her of how her needs have been satisfied.

The advertiser's objectives differ from the consumer's. Ultimately, Advertisers want consumers to buy and keep buying their goods and services. To move consumers to action, they must gain their attention. They must then hold their interest long enough to convince them to change their purchasing behavior, try their product, and stick with their product.

2.1.7 Impact of advertising:

i) On profit:

Profit is the base for the existence of any kind of the firm. For the corporate houses, business firms the surplus in between the total sales revenue to the total cost is termed as the profit and it is which that makes possible for the long-term survival and the growth of those firms.

Profit is the most for the survival and growth of any business entity but profit doesn't just happen or improve. They are managed, management of the profits require planning, activating, co-coordinating and controlling of divergent organizational activities bearing direct or indirect effects on profit. And the one that is being discussed is advertising and the level of the profit is also greatly affected by the success or the failure of the whole advertising campaign.

Thus, an advertising campaign has a significant contribution in the level of profit generation, so it should be systematically, planned, executed, monitored and evaluated so that it comes a great help for those firms to achieve the end results quite matching to the intended ones.

ii) On sales turnover:

As stated earlier, even the best product manufactured cannot sell in its own. Going to personal selling is almost an impossible task to carryout for the firms to sell their product services and the ideas in this competitive environment which has been growing on and on domestically and globally so advertising comes as a major weapon to fulfill all these necessities to promote and enhance the sales level. Consumers Impact through Electronic Media concluded that there is a positive relationship between advertisement and sales volume. Advertising not only helps to enhance the sales volume but also to maintain and improve the sales level further in the future.

It is said 'Good wine needs no bush'. This information about the products should reach those who are interested in buying such products. In a highly sensitive and competitive marketing mechanism, profits of the firm can be maximized not alone by reducing the costs but multiplying the sales turnover rate finally reflecting in maximum total profits. Sales of the firm can be multiplied by advertising that involves additional expenditure. Effective advertising programmed of a sponsor to cover additional expenditure of advertising as it results in favorably changing the consumer attitude. Quick turnover will mean reduced lock-up of capital, costs, wastages, and losses as the stock on the shelves is held for a shorter period.

The rate of sales turnover once achieved is not only to be maintained but also improved upon further Advertising does this by repeat sales. A regular, effective and frequent advertising helps to ensure a more loyal clientele by keeping the name, location and the products of the selling house constantly before the customers. Under the normal business conditions; advertising helps not only in maintaining but extending the

sales turnover. Even during the periods the depression, the sales profile of the firms advertising has not been adversely affected, during the depression period, the point lies in reducing the losses as losses are common to all firms where advertising has its helping hand.

iii) On public awareness and knowledge:

Advertising helps to generate awareness about the products, services or ideas to the target group of the customers by letting them know that such products, services or the ideas do exist around them. It plays so important role in the context of the people like Nepalese about awareness generation among the people as most of them are ignorant and inaccessible due to the situational, geographical and political adversities. It may be commercial awareness regarding the products, services or the ideas or non-commercial awareness like health awareness, educational awareness, awareness regarding their rights etc.

Which, eventually will help to educate the target group of the customers to enhance more knowledge about the products, services and the ideas? Where it helps them have more information regarding the attributes, features, price, availability of such products so that consumer can buy the best one that exactly fits the deficit and needs. Collectively advertising is one of the major tools to generate a public awareness and to educate more to have more knowledge about the products, services and the ideas.

2.1.8 The marketing concept

Marketing is concerned not only that attracting customers, but also with retaining customers by winning their loyalty. It is carried on long after the customer has bought the product. It aims to develop long term mutually satisfying relationship with the customer.

Many experts are there in the marketing world. According to them marketing is more than we thought because marketing not only attracting customers it is also demand management. It stimulates demand for products. It helps organization to find out what their customers need and want. It also helps to decide what product should offer to satisfy their needs and wants. Marketing is a total system of business activities design to plan, price, promotion, and distribute want- satisfying products to target markets to achieve organizational objectives.

Marketing is the process of planning and executing the conception, pricing, promotion and distribution of an ideas, goods and services to create exchanged that satisfy individual and organizational objectives (Stern, 2009).

Marketing consists of individual and organizational activities that facilitate and expedite satisfying exchange relationship in a dynamic environment through the creation, distribution, promotion and pricing of goods, services and ideas (Daver, 2007).

Marketing is social process by which individuals and groups obtain what they need and want through creating and exchanging product and value with others (Kotler, 2010).

Under new concept marketing should be viewed in the broad sense. Here are some definitions:

Marketing is the process or discovering and translating consumers' needs and wants into produce and service specifications, creating demand for these products and services and then in turn expanding this demand (Futrell, 2007; 412).

Marketing is a total system of business activities designed to plan, price, promotion and distribute want- satisfying goods and services to present and potential customer (Stanton, 2007).

Generally, marketing includes 4P's namely Product, Place, Price, and Promotion. Physical distribution bridges the gap between the places of production to the place of consumption. Physical distribution comprises material handling, inventory management, transportation, and warehousing. Physical distribution objectives are to make the smooth and regular flow of goods availability of goods, accessibility of goods, offering and consumer satisfaction.

In general, the term concept refers to the theory or philosophy. The marketing concept is a customer orientation backed by integrated marketing aimed at generating customer satisfaction as the key to satisfying organization goals. The marketing concept is a philosophy of business. It is also an attitude and course of business thinking which emphasizes to the success of organization through product, market, production, distribution and satisfying human needs. Business organization, perform their activities under different marketing concept.

2.1.9 Evolution of marketing concept:

Following five marketing concepts are developed over the year.

i) The production concept:

This concept is a management orientation that assumes that consumed will favor those products which are available and affordable and that therefore the major task of management is to pursue improved production and distribution efficiency. According to production concept consumer prefer widely available and low cost product. Low prices attract the customer. Under this concept manager concentrated on increasing

production volume and reduce in the cost. This concept is use where the company wants to expand the market. Most of the Nepalese companies are working under the production concept.

ii) The product concept:

This concept is a management orientation that assumes that consumer will favor those products that offer the most quality for the price and therefore the organization should devote its energy to improving product quality. According to the product concept manager concentrated on designing long lasting product and provided warranty for the long period. This concept ignores consumer needs, market competition, product cost. The sales person cannot sale the product easily because this concept ignores advertising, customers need and competition.

iii) The selling concept:

This concept is a management orientation that assumes that consumer wills either not buy or not enough of the organization's product unless the organization makes sustainable effort to stimulate their interest in its product. Under this concept managers focus on stimulating sales. They use promotional tools like advertising, public relation and personal selling. This concept implies orientation of the organization which aims to satisfy the seller's need. This concept is dominated in the Nepalese business organization.

iv) The marketing concept:

Marketing concept means developing a strategy to get the product in front of customers so they have the opportunity to buy it. This concept is a management orientation that holds that the key task of the organization is to determine the needs and wants of the target and to adopt organization to delivering the desired satisfactions more effectively and efficiency that

its competitors. It is the reorganization on the part of management that all business decisions of a firm must be made in the light of customer needs and wants. It focuses in consumer needs.

v) The societal marketing concept:

This concept is a management orientation that holds that the key task of the organization is to determine the needs and wants to target markets and to adopt the organization to delivering the desired satisfactions more effectively and efficiency than its competitor in a way that preserves or enhances the consumers and society's well-being. This concept implies social responsibility orientation of the organization to face the major environmental and demographic challenges.

vi) Holistic marketing concept

Holistic marketing concept is a part of the series on concepts of marketing and it can be defined as a marketing strategy which considers the business as a whole and not as an entity with various different parts. According to holistic marketing concept, even if a business is made of various departments, the departments have to come together to project a positive & united business image in the minds of the customer. Holistic marketing concept involves interconnected marketing activities to ensure that the customer is likely to purchase their product rather than competition.

2.1.10 Marketing Management:

Marketing Management is the process of planning and executing the conception. Pricing, Promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives (Shrestha, 2010: 25).

This definition again outlines the core marketing concepts- planning, implementation, and control: ideas, goods, and services: exchange satisfaction etc. The definition also highlights the concept of 4 Ps.

Marketing management relies heavily on research. Such research which help in setting marketing policies, in planning marketing operations and in controlling marketing operation and functioning of the sales units, is generally termed as "Marketing Research"

Analyzing marketing opportunities is one of the major activities carried out under marketing management. In this context, Prof. Philip Kotler clearly points out that to analyze marketing opportunities. It is necessary to:

1. Gather information and measure market demand
2. Scan marketing environment
3. Analyze consumer market and buyer behavior
4. Dealing with the competition
5. Identifying market segments and selecting target market

The marketing environment is changing at accelerating rate. So, the need for real time marketing information is greater than at any time in the past. Marketing information system (MIS) is important tool in the hand of management to gather information regarding market. And MIS consists of four components- internal record system, the marketing intelligence system, marketing decision system. Besides gathering information, measuring market demand is another task to analyze "Marketing Opportunities" Those organizations succeed better than other which can measure and forecast demand more accurately than others.

Companies undertake marketing research to identify market opportunities. Companies' measure and forecast the size, growth, profit potential of each market opportunity. There are different measures of

market demand and each demand measure serves a specific purpose. Distinction should be made between market demands and company demands which are different things.

Marketing research is the function, which links the customer and public to the marketer through information- information used to identify and define marketing opportunities and problems: generate, refine and evaluate marketing actions: monitor marketing performance and improve understanding of marketing as a process.

Marketing research specifies the information required to address these issues: designs, the method for collecting information managers and implements the data collection process analyze the result and communication the findings and their implications.

In the context of country U.S. surveys done by American Marketing Association in industrial and consumer products companies reported that almost every company used marketing research to measure market potentials characteristic of their markets and their share of markets. And approximately three fourths of the customer products companies and more than half of the industrial companies undertook some sort of marketing research to evaluate new product opportunities and acceptance and to test existing products relative to competitor's products. Lastly more than 95 percent of the companies undertook marketing research to obtain information that could help them make short- range and long- range forecasts (Stern, 2009;11).

2.1.11 Marketing Environment Analysis:

The business firm does not live in a vacuum. The business firm must operate within the framework of forces which constitute the marketing environment. The environment factors must be duly considered in planning any marketing program. Marketing environment can be micro as well as macro. Here we will discuss about micro and macro environment.

A) Micro environment:

The forces which are close to the firm is called micro environment. These forces affect the firm's ability to serve its customers. In other words, micro environment is located within the firm. It surrounds the both the firm and marketing mix. This variable affects a firm's ability to facilitate and expedite.

i) Exchange in various ways:

The forces in micro environment directly influence whether and how a marketing manager can perform certain marketing activities. It may affect a marketing manager's decisions and actions through their influence on consumers' reactions toward the firm's marketing mix.

1. Customer:

Customers are the king in marketing. Every activity should be done in order to satisfy customer needs and wants. Customers are the major components of micro environment of marketing. Customers include consumer market, business market, retailer market, government market and international market. Marketing management should formulate and implement the plans and policies as per customer's needs and wants.

2. Supplier:

Suppliers are also one of the important components of micro environment of marketing. They are an important link in the firm's overall customer value delivery system. They provide the resources needed to the firm. The firm's suppliers include raw material supplier, machine supplier, human resources supplier, technology supplier, capital supplier etc. They play an important role to get success in marketing.

3. Intermediaries:

Marketing intermediaries are also a major component of the micro environment of marketing. They help the firm to promote, sell and distribute its goods and services to the customers. Reseller, physical distribution firms, marketing services agencies, financial intermediaries are the examples of marketing intermediaries. Marketing management should take care while choosing marketing intermediaries.

4. Competitors:

A competitor is one who sells a product or service in the same market at similar price. They are also major components of micro environment of marketing. This is the age tuffs competition. So marketing management must carefully identify and analyze its currents and potential competitors.

5. Publics:

The micro environment of marketing also includes various publics. A public may be any group of persons that has an actual or potential interest in or impact on the firm's ability to objectives. Publics include financial publics, government publics, local government, media publics; general public etc. marketing management should maintain the good relationship with them.

ii) Macro environment:

The business firm is an open adaptive system with its own environment. It does not exist. Independent of the environment. Environment consists of several forces. The larger societal force that affects both the consumers and firm is called macro environment. The firm has interaction and interdependence with economic, social, political, legal technological and culture forces. These are called macro environmental forces. These environmental forces define the resource, opportunities and threats

available to and facing the firm. These forces affect life style, standards of living and preference and needs for the product. Since a marketing management tries to develop and adjust the marketing mix components to satisfy consumers, the effects of macro environment on consumers also have an impact on the marketing mix component.

Thus the environments which affect the firm externally is called macro environment. Macro environment is located outside the firm. It is uncontrollable. The uncontrollable forces are shaping and influencing the nature and character of customer demand. As these forces continue to develop and change, they determine the new requirements for efficient and effective marketing plans and policies.

The macro environment components include demographic, political, legal, economic, socio-cultural and technological forces.

A) Demographic environment

Demographic environment is a scientific study of human population and its distribution in terms of size, density, Age, Location, Gender, Race, Occupation and Other Statistics. It deals with quantitative elements such as age, sex, education, occupation, income, geographical concentration and Dispersion, urban and rural population, etc. demography offers consumer profile which is Very essential in markets. Demographic environment analysis enables marketing, Management to understand the bases of market segmentation and to determine marketing reaction to a new product or consumer reaction to an adverting campaign. A good demographic analysis combines several components such as:

- a. Population rate of growth or decrease
- b. Income or economic power
- c. Life style

- d. Occupation
- e. Education
- f. Geographic segmentation, etc.

B) Political and legal environment:

Political and legal forces are gaining considerable importance in marketing activities and operations of business firms. The actions of political and legal forces strongly influence the economic and political stability of country which also affect the marketing. Marketing management cannot ignore the legislation regulation competition and protecting consumers. Marketing policy making is influenced by government policies. Political and legal environment offers the environment on which the firm have to operate their marketing activities. A good political and legal environment analysis consist the following components: -

- a. Government policies
- b. Government agencies
- c. Pressure groups
- d. Laws, etc.

C) Economic environment:

Economic environment plays a significant role in the marketing system. High economic growth assures higher level of employment and income, high purchasing power and willingness to spend, and this leads to marketing boom in many industries. Marketing plans and programmed are also influenced by many other economic items such as interest rates, money supply, price level, consumer credit, etc. A good economic environment analysis consists several components such as: -

- a. Natural resources
- b. Income distribution
- c. Economic health
- d. Inflation
- e. Fiscal policies
- f. Competition, etc.

D) Socio-cultural environment:

The socio-cultural environment is made up of institutions and other forces that affect a society's basic values, perceptions, preferences, and behaviors, socio-cultural forces usually influence the welfare of a business firm in the long-run. We have ever-changing society. New demands are created and old ones are lost in due course. Marketing management must make necessary adjustments in marketing plans in order to fulfill new social demands. It must analyze how the socio-cultural environment analysis combines the following components: -

- a. Demographic
- b. Life style
- c. Social forces
- d. Cultural forces, etc.

E) Technological environment:

Modern marketing has been shaped by technology. It's a major component of macro environment of the marketing. New technologies offer a main source of economic growth. Many businesses are earning handsome profits from products that did not exist few decades ago. Electronic industry is the best example of exploiting new marketing style of living of consumers. Marketing management can create and deliver standards and styles of life with the help of technology. A good technology environment analysis combines the following components: -

- a. Level of technology
- b. Place of technology change
- c. Research and development budget, etc.

2.2 Review of Related Studies

2.2.1 Review of journals

It is therefore imperative that key personnel in departments that are directly involved to be carefully selected and positioned to ensure continuous success. In recognizing the role advertising can play a growing number of companies and establishments have to embark on a nationwide advertising campaign. Advertising campaigns obviously informed by depressed consumer demand, thrive by persuading the consumer on the need for consumptions. The impact of advertising at Nigerian Breweries was clearly defined and it should have become a continuous practice for Nigerian Breweries (MC Cathy, 2011).

A study advertising and quality in the U. S. market for automobiles an empirical investigation into advertising's role as a source of information and signal of quality in the U.S. market for automobiles. The results reveal that advertising serves both roles by providing information and signaling quality to imperfectly informed consumers. Advertising expenditures are higher for an above average quality car relative to an average quality vehicle. Moreover, a majority of advertising occurs through television, a medium often criticized for its lack of informational content and intent to persuade the consumer. Advantageous to examine a single industry, other industries should be examined the generality of the conclusions offered here. Moreover, the present study advertising's ability to signal quality. Examining the role of price and/or warranties would be beneficial (Nichols, 1998).

Impact of advertising on the sales performance of a manufacturing company. This work shows on how advertising can really affect a consumer's buying decisions in a growing economy like that of Nigeria and how successful advertising can keep businesses going even in the midst a tough competition. More so, advertising as a promotional tool also tends to remind, reassure and influence the decisions of the consumers because an advertisement itself enlightens, educates, and persuades consumers on their acceptability of the product offering. Advertisements can also be seen on the seats of grocery carts, on the wall of airport walkways, on the sides of buses, airplane and train. Advertisements are usually placed anywhere an audience can easily and/or frequently an access visual and/or video (Busari 2012).

This study has employed new and detailed data on the effects of style change and advertising in the automobile industry. From a methodological viewpoint, it has confirmed the absence of significant simultaneity between auto sales and advertising, and the absence of lagged effects of advertising. Substantively, it has shown sizeable positive effects from style change, model age, and advertising, and negative effects from rivals' styling but not from their advertising. There appear to be significant differences in most of these effects among size segments and among the major automotive companies. And finally, the evidence suggests that overall style change in the market is largely self-canceling, although advertising does increase total sales (Kwoka, 1984).

The American Camry has a young and free spirit appearance and is targeted at the age group of people between 18 and 25. Nissan's Tiida is aimed at the market of smaller groups such as people born in the seventies and eighties, small families and single men and women. This study has come to the conclusion that Mitsubishi's advertising strategy is

focused on the rational and sensible value of products. Apart from the product's own strengths, the emotional connection with the consumer is also emphasized. Nissan is good at utilizing comparative advertising to stress the qualities of its products through comparisons. Toyota is more diverse with its choice of advertising media, such as combining online games in its commercials to increase attraction and sponsoring events to build its label image. In addition, continuing advancement of technology generates more and more choices in available advertising media. Carmakers should choose their advertising media in line with the trends of the era. Besides stimulating the visual sense of consumers, they can also put some emphasis on senses of hearing and feel to achieve advertising results, such as Toyota's use of MSN commercial games to promote its products, for instance. There is yet the option of inviting stars to speak for different models with different appeals to increase their public awareness (Dong, 2007).

2.2.2 Review of Unpublished Thesis

Pandey (2010) found that, A study of Advertising in Nepal. His main objectives were to analyze the contribution of advertising in Nepal. To know whether any promotional tools affects advertising in selection of the products. To examine the best promotional way for brand loyalty.

The major findings of his studies were effect of advertising is generally not evaluated. Advertising in the company is handled by persons in the senior position when there is a separate advertising section in the company. The advertising programs are not well co-ordinate with other element of marketing and promotional strategies. Publication media, radio and cinema are the most used media for commercial advertising. But there are few alternatives. The Gorkhapatra is the only medium with any significant circulation. Advertisement related to business is presented in simple language and are found to be more effective. Both the

advertisers and advertising agencies recognized the need of advertising in the present context of their market in the Nepal.

Upadhaya, (2011) concluded that the Radio advertising and its impact on purchasing act in consumer's goods" is notable here and his main objectives were: To examine the advertising and its impact of consumer goods. To evaluate the consumer's reactions to the advertisement. To analyze the effectiveness of the advertisements methods in Nepal. To examine the factors that affect consumer buying decision process.

The major findings were: Both consumers and advertisers recognize the need of advertising (especially media) in the present context of the Kathmandu market. For promoting product, advertising is the main method used by the producer. All the advertising business is conducted by senior personnel, but there is no separate selection for conduction advertising. Of all the advertising media available media in Nepal, the radio advertising ranked top in the list. Most of the consumers consider utility aspect while buying the products. The major percentages of the listeners listen the radio advertising seldom.

Giri, (2012) found that "A study on the communication effects of advertising and brand preference of instant noodles." His main objectives were: To analyze the impacts of advertising on consumer's attitude and buying behavior. To analyze the effectiveness of the advertising in terms of return in sales over its expenses. To make comparative analysis of advertising expenses and sales in sample companies.

The major finding of study were: Most of the uneducated people of Kathmandu valley could not say anything about the advertisements. All the advertising media available in Nepal, the radio has proved itself a leading one to create awareness customer about the advertised products, edible (safe to eat) goods liked instant noodles after that film/line slide comes orderly. The weak side of the newspaper advertisement of the Rara has been headline and topography and photo presentation in case of advertisement of magi. In case of radio advertisement, the Rara has

attracted its customers mainly with the help of vocals. After then, comes expression and music while music has played a leading role to attract the customers in case of maggi's advertisement. After the set of expression and vocal come orderly. Advertisement qualities of instant noodles have made no change of brand preference.

Malla (2012) explained that "A Study on Market Potentials of Chevrolet AVEO in Kathmandu" with the objectives of: To find out and analyze the market potential of cars in Kathmandu valley. To analyze market potentiality of Chevrolet AVEO. To find out customer's attitude towards toward Chevrolet AVEO. To suggest and recommend for the improvement to all concerned parties on the basis of finding and customers' base on this study.

Malla's findings were:

In Kathmandu valley, total registration of car, van, jeep, is in increasing trend every year. But sales for the last few years are affected adversely by political instability and Maoist insurgency. Sales of car, van, jeep is Bagmati zone is comparatively high than others. By analyzing last two months' sales of AVEO, researcher found that AVEO has been able to grab large part of market share which shows that market potential of vehicles is very positive. By doing survey on most preferred car by customers in Kathmandu valley in terms of its features, researcher found AVEO got highest rating which proves it to most like cars in C-segment. Baniya (2013) found that "A Study of Buying Behavior in Pokhara with Special Reference to Cross Cultural Buying Pattern" having the following objects: To find out the brand pattern and purchase frequency of clothing and the grocery products for British Gurkhas and local people. To examine the store name and local people for the purchase of clothing and grocery. To find out the attitude of British–Gorkha and the local people towards bargaining and one hundred of respondents were selected for the study. This study was based on primary data.

The major findings of the study are the purchase frequencies of people from one area are similar to large extent. Foreign influences vital in purchasing brand across the nation. Awareness of people for product is different for variety of product. As for as the criteria used to choose a product is concerned, Quality and price come first.

Shrestha, (2013) concluded that “The role advertising in brand choice and product positioning” has the following objectives: To analyze the most popular media for advertising in brand choice of consumers. To examine the role of advertising for product positioning on consumer buying behavior. To analyze the effective advertising media and their impact on the consumer.

The major findings were: Nepal television is the most popular media within Kathmandu valley and radio Nepal holds the 2nd position along with among the youth generation FM broadcasting is also being popular. Most of the respondents are in favors of entertaining types of television advertisements. Most of the markets are using electronic media to advertise their product such as radio, TV are supposed to be effective media while considering the situation of Nepalese market. Advertising is the main source of information about popular brand as well as mostly sensitive subject in the country in course of promotion. Consideration of different variables while purchasing is not significantly different due to the age, sex, and family size.

Pant (2014) entitled is “A study of brand loyalty of consumer products” and has the following objectives: To analyze the effectiveness of advertising on brand loyalty. To evaluate the effects of the advertisement on the consumer buying behavior. To evaluate the importance of advertisement for making buying decision than other promotional tools.

The major findings were Nepalese consumers give high importance to brand in both the consumer durable goods and the consumer non- durable goods. Most of the consumers are found buying the products brand rather than by inspection. Brand awareness of the Nepalese consumers is found

to be high. Brand loyalty is independent of the consumers store loyalty. Brand loyal consumers are not to be influenced by special deals such as coupons, free samples, discounts etc. The brand loyal consumers are found to be least influenced by price activity and advertisement.

Bhandari (2014) explained that "Brand Performance Study on Motorbike with Reference to Kathmandu City" with the objectives were to identify the profiles of consumer of specific brand. To examine product attributes sought in the motorbike brand. To access to consumer's perception on the brand preference.

The researcher was mainly focused on brand loyalty in motorbike market in Kathmandu, but he has explained some finding requiring purchasing behavior of people which can be relevant to other goods purchases too.

His findings are: Consumer gives more preference to large brand of variety of product. The price factor has been found as the main factor brand. Consumer can be convinced by warranty and guarantee. The decision process is given attested by product attributes. Consumers are being more informative and analytical in Kathmandu city. People in Kathmandu can provide less brand loyalty with respect to price devotions. Consumers purchase product having uniform use in house than personal use.

Sharma, (2015) found that "The movies stars' endorsement in advertising" and the main objectives were: To examine the endorsement of movies stars in advertising. To analyze the major factor contributing to the believability of the message. To examine the effective advertisement creates association of feeling with certain events or certain ways of life styles.

The dissertation has the youth of the selected soap brands are highly aware of the brand endorsed by movie stars on non-endorsed brand. Message of recall is highly associated with movie stars endorsement in advertising. The product quality of advertised brand is found major factor contributing to the believability of the message. the believability of

message is depended upon consumer's perception and among of the brand. An effective advertisement creates association of felling with certain events or certain ways of life styles. The advertisers have ignored the matching of the product personality with the requirement of the life styles of the stars. An effective advertisement is supposed to create positive attitude towards it among the audiences.

Baral, (2016) study on "Communication effects of advertisement and brand preference" has following objectives. To make comparative analysis of advertising expenses and sales. To analyze the impacts of advertising on consumer's attitude and buying behavior. To analyze the effectiveness of the advertising.

The major findings the Instant noodles are in different product life cycle and they require different media and technologies of advertising in different stages. There is a high degree association between brand preference and advertisement qualities. The advertisement is still traditional and ordinary in nature and style. It is necessary that advertising should be more attractive, informative and enjoyable both readers as well as listener. Advertising should be constructive for long time impression by making more moral and social responsibility.

2.3Research Gap

Previous study was research on advertising, brand preference, consumer satisfaction on different brand and companies but this study attempt advertising effect on sales of car of parsa area of Chitwan district. Researcher recommended that it could be helpful for developing: specific customers of parsa area of Chitwan district for specific brand of vehicles Hyundai & Suzuki cars. New exclusive study could be started to find out the level of brand awareness, customer's satisfaction and effectiveness of advertising effects on sales of Hyundai & Suzuki cars with latest data FY 2015/16 to FY 2019/20. So, this study contains the latest data as well as covers the various advertising and sales volume adopted by the above mentioned Hyundai and Suzuki cars in parsa area of Chitwan.

CHAPTER THREE

RESEARCH METHODOLOGY

Theoretical concept and background information regarding marketing has been already described in the earlier chapters. Besides this review of literature with possible review of relevant ideas and research finding has also been described. In the selection of appropriate research methodology, the study and analysis in this chapter has helped a lot.

Research methodology is the way to solve the research problem systematically. It facilitates the research work and provides reliability, and validity to it. “Research as a scientific and systematic search for pertinent (important) information on specific topic” (Kothari, 2010: 13).

3.1 Research Design

Research design is the main part of any research work. It has plan structure and strategy to obtain answer to research question through the investigation and data analysis. This research design of this study was descriptive in nature. In this survey, the research design is adopted on the basis of information analysis and it suggests the measurement tools to enhance the marketing activities of the Hyundai and Suzuki cars.

3.2 Population and Sample

The population of the study consist all those customers who buy Hyundai and Suzuki car in parsā area of Chitwan. The samples chosen differ in regard to academic background, financial background, age, sex and profession. The population represents the resident of parsā area of Chitwan either visits Chitwan for the different purpose or also job holder of parsā area of Chitwan. Sampling provides more useful results-faster and at less cost than would be possible by attempting to collect data from all units of interest. The target population of this

study has very large. It is almost impossible to include the whole population, so out of this population only 100 respondents have been taken for the sample on the basis of convenience sampling methods.

3.3 Data Collection Procedure

For the purpose of collecting data from consumers structured questionnaires has been developed. The questionnaires are almost carefully designed to support all the objectives of the research and opened question included in questionnaire is presented. This study has been used In primary and secondary data collection.

3.4 Data Collection and Analysis Techniques

All the questionnaires were distributed and collected by the researcher. So there was not any delay in collection of questionnaire distributed to customers. Every questionnaire was thoroughly checked after the collection of all the questionnaires distributed. All the questionnaires found correct in the style of filling.

The analysis of master table based on basic data has been analyzed both deceptively and statistically. For statistical analysis, required tools such as mean percentage, various graphs diagrams, pie chart and attitude scaling method etc. has been adopted.

A. Arithmetic mean (Average):

Average is statistical constants which enables us to comprehend in a single effort the significance of the whole. It represents the entire data by a single value. It is calculated as:

$$\bar{X} = \frac{\sum X}{n}$$

Where;

\bar{X} = Arithmetic Mean

n = Number of observations

$\sum X$ = Sum of Observations

B) Standard deviation (SD)

“The standard deviation is the square root of mean squared deviations from the arithmetic mean and is denoted by S.D. or σ . It is used as absolute measure of dispersion or variability. It is calculated:

$$\sigma = \sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}}$$

Where,

σ = Standard Deviation

C) Coefficient of Variation (C. V.):

The coefficient of variation (C.V.) is the relative measure based on the standard deviation and is defined as the ratio of the standard deviation to the mean expressed in percent. It is independent of units. Hence it is a suitable measure for comparing variability of two series with same or different units. A series with smaller C.V. is said to be less variable or more consistent or more homogeneous or more uniform or more stable than the others and vice versa. It is calculated as:

$$\text{C.V.} = \frac{\sigma}{\bar{X}} \times 100$$

Where,

\bar{X} = Arithmetic Mean

σ = Standard Deviation

C. V. = Coefficient of Variation

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

In this chapter, the collected data are tabulated, analyzed and presented in a reasonable and wise manner. The data presentation and analysis are based on the primary and secondary sources of information.

4.1 Primary Data Presentation

The primary data are collected from respondents from the different sectors such as service holders, lecturer and business man. From the car using total population of parsa area of Chitwan district, among them for the study purpose 100 respondents have been taken.

4.1.1 Questionnaire from respondents

1) Area coverage

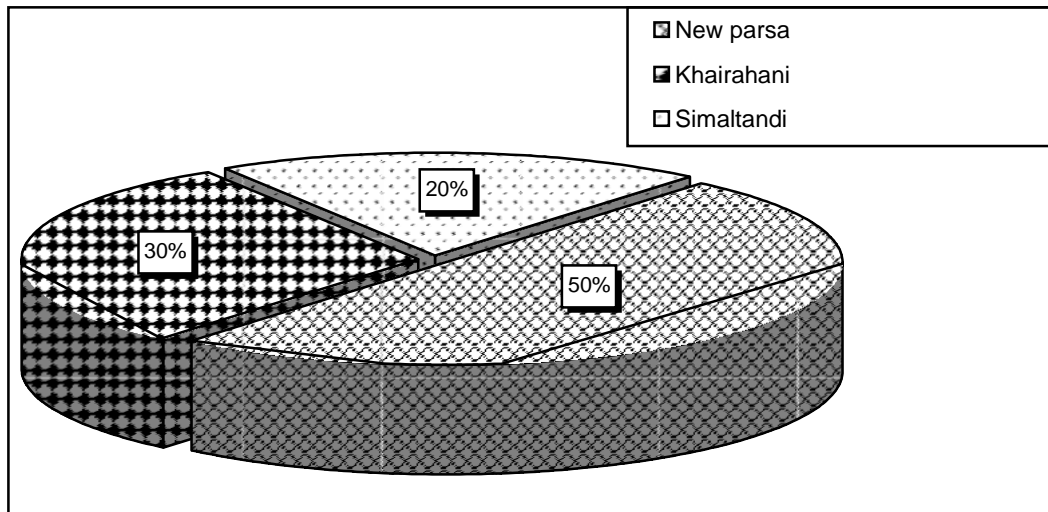
Table 4.1
Respondent Location

Location	Respondent	Percent
New Parsa	50	50
Khairahani	30	30
Simaltandi	20	20
Total	100	100

Source: Field Survey 2020

Table 4.1 shows total number of 100 respondents of parsa area of Chitwan district, out of them 50 respondents are from New parsa, 30 respondents are from Khairahani and 20 respondent are from Simaltandi.

Figure 4.1
Respondent Location



2) Respondent professions

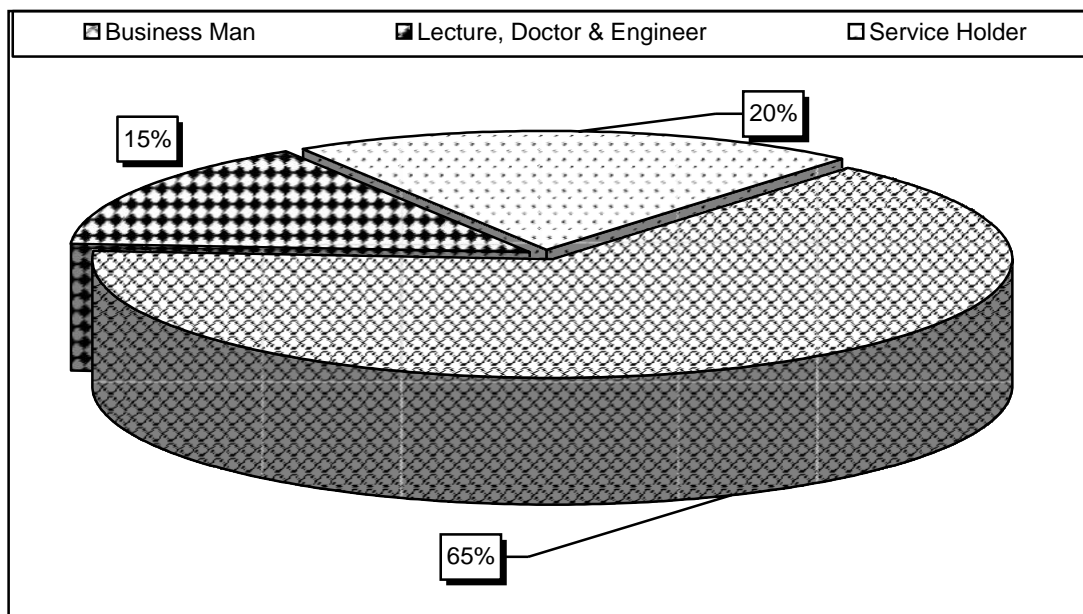
Table 4.2
Respondent Professions

Occupation	Respondent	Percent
Business Man	65	65
Lecturer, Doctor, Engineer	15	15
Service Holder (Government or Private)	20	20
Total	100	100

Source: Field Survey 2020

According to table 4.2 personal interview they are mostly 65 percent are business person, 15 percent are professor, doctor and engineer and 20 percent respondent are service holder which belongs any government officer or private sector like Banks, Finance company etc.

Figure 4.2
Respondent Professions



Source: Table No. 4.2

3) Use of brand

In response to the question regarding the opinion about use of brand following result have been obtained:

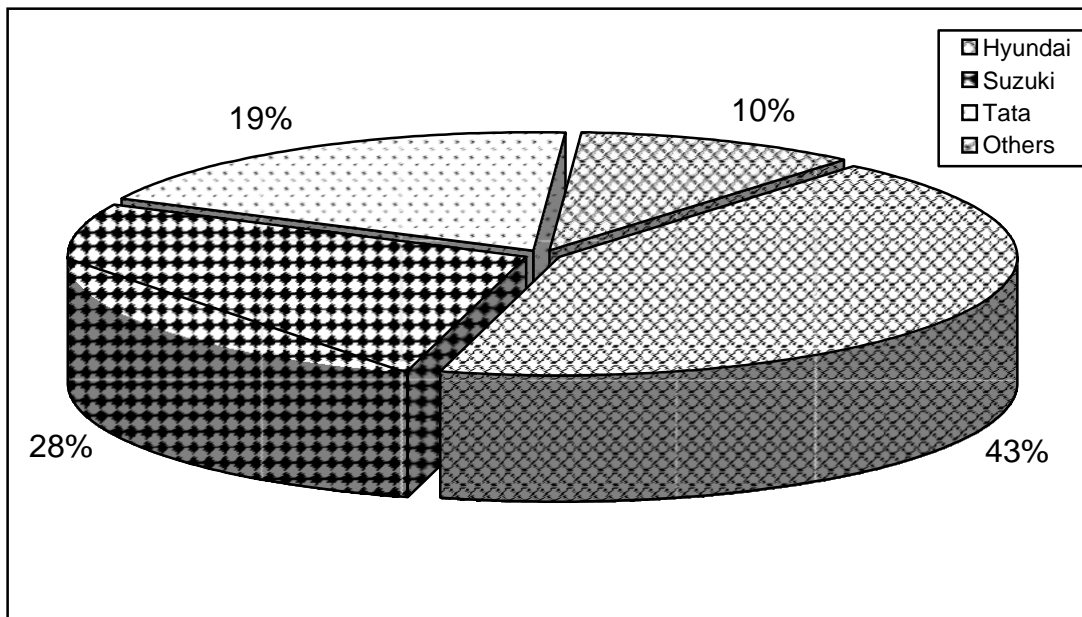
Table 4.3
Use of Brand

Brand	Respondent	Percent
Hyundai	43	43
Suzuki	28	28
Tata	19	19
Others	10	10
Total	100	100

Source: Field Survey 2020

Table 4.3 presents most of respondent have been used Hyundai car which found 43 percent, 28 percent are used Suzuki car, 19 percent were used Tata car and 10 percent respondent are used others brand cars.

Figure 4.3
Use of Brand



Source: Table No. 4.3

4) Reason of car buying decisions

Respondent were asked about the reason of car buying decisions as which factor influenced the buying decisions. The following result have been obtained:

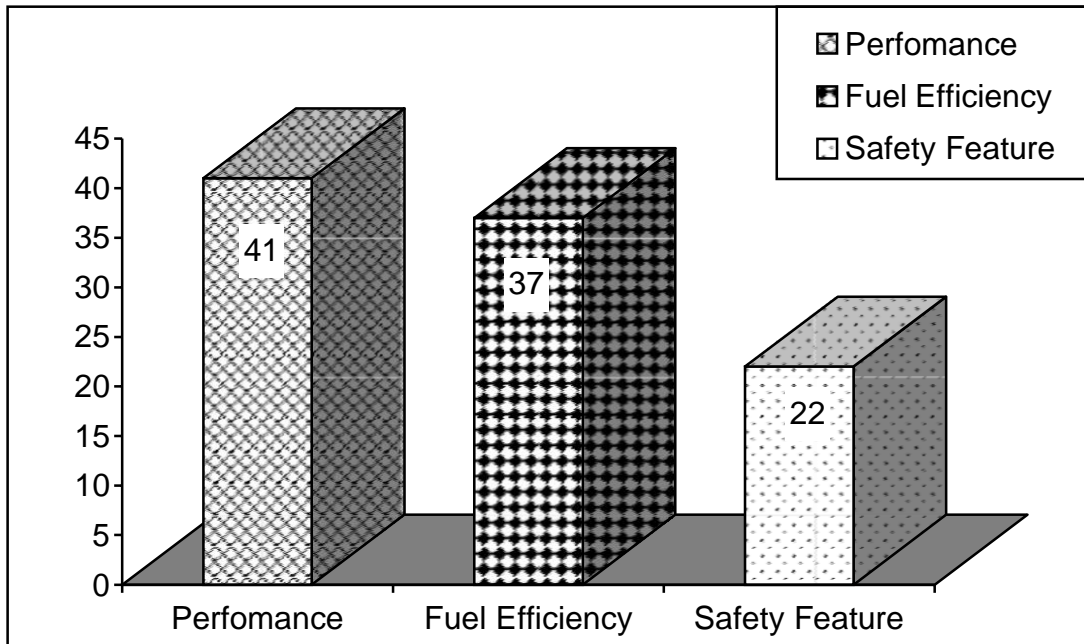
Table 4.4
Reason of Car Buying Decisions

Reason	Respondent	Percent
Performance	41	41
Fuel Efficiency	37	37
Safety Feature	22	22
Total	100	100

Source: Field Survey 2020

Table 4.4 shows most of 41 percent respondent are buying car for good performance, 37 percent respondent want to economic fuel efficiency and 22 percent respondent buy car which have more safety feature.

Figure 4.4
Reason of Car Buying Decisions



Source: Table No. 4.4

5) Factor influencing car buying decision

Respondent were asked about the factor influenced car buying decisions. The following results have been obtained:

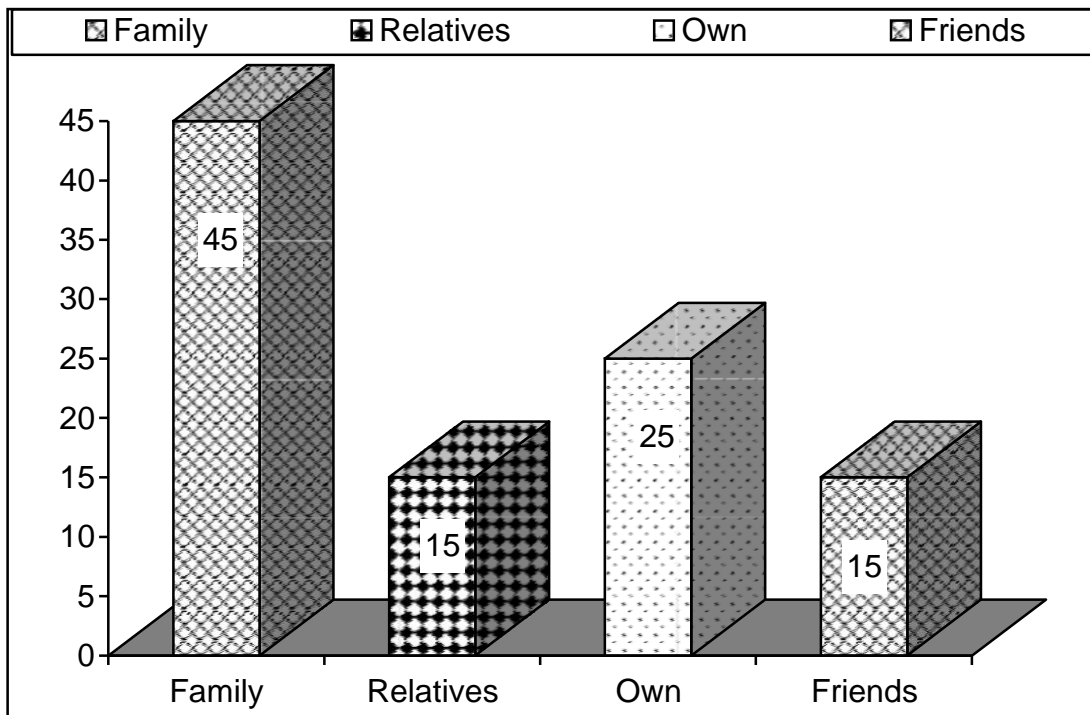
Table 4.5
Factor Influencing Car Buying Decision

Options	Respondent	Percent
Family	45	45
Friends	15	15
Own	25	25
Relatives	15	15
Total	100	100

Source: Field Survey 2020

Table 4.5 shows most of 45 percent respondent are buying car for force by family, 15 percent respondent are buying friends & relatives request and 25 percent respondents are buying car own decision.

Figure 4.5
Factor Influencing Car Buying Decision



Source: Table No. 4.5

6) Most popular features

In response to the question regarding the most popular features about the cars, following result have been obtained:

Table 4.6
Most Popular Features

Reasons	Respondent	Percent
Performance	43	43
Exterior Appearance	22	22
Finance Scheme	28	28
Buyback Guarantee	7	7
Total	100	100

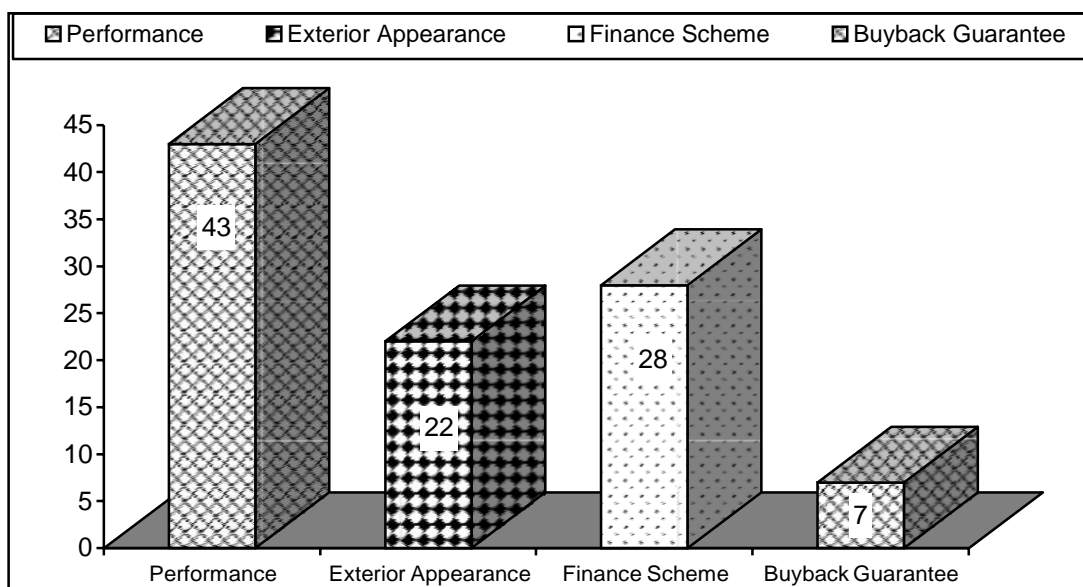
Source: Field Survey 2020

Table 4.6 shows most of 43 percent respondent are think performance is very essential things for buying car, 22 percent respondent are think

appearance is very necessary, 28 percent respondents buying car if finance scheme is available and 7 percent respondents buying car future guarantee.

Figure 4.6

Most Popular Features



Source: Table No. 4.6

7) Popular brand in the context of Nepal

In response to the question regarding the popular brand of car in context of Nepal, following result have been obtained:

Table 4.7
Popular Brand in the Context of Nepal

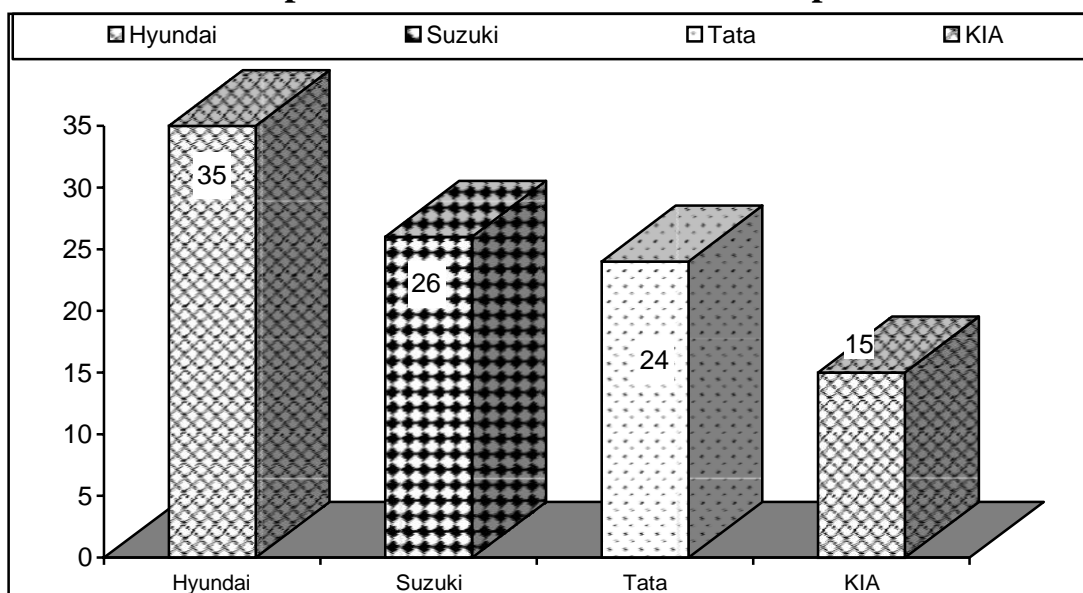
Options	Respondent	Percent
Hyundai	35	35
SUZUKI	26	26
Tata	24	24
KIA	15	15
Total	100	100

Source: Field Survey 2020

Table 4.7 shows most of 35 percent respondents are saying Hyundai is most popular car in Nepal. 26 percent, 24 percent & 15 percent are saying Suzuki, Tata & KIA cars respectively.

Figure 4.7

Popular Brand in the Context of Nepal



Source: Table No. 4.7

8) Most used car in Nepal

In Nepal, most of the vehicles are the economic classes. Their prices are less and fuel efficiency is more than other car. In average they are 800 to 1300 CC such as Hyundai, KIA, Suzuki and Tata etc. Though this study doesn't concern other brands of car for the sake of suitability to analyze the KIA and Tata brand have been included here.

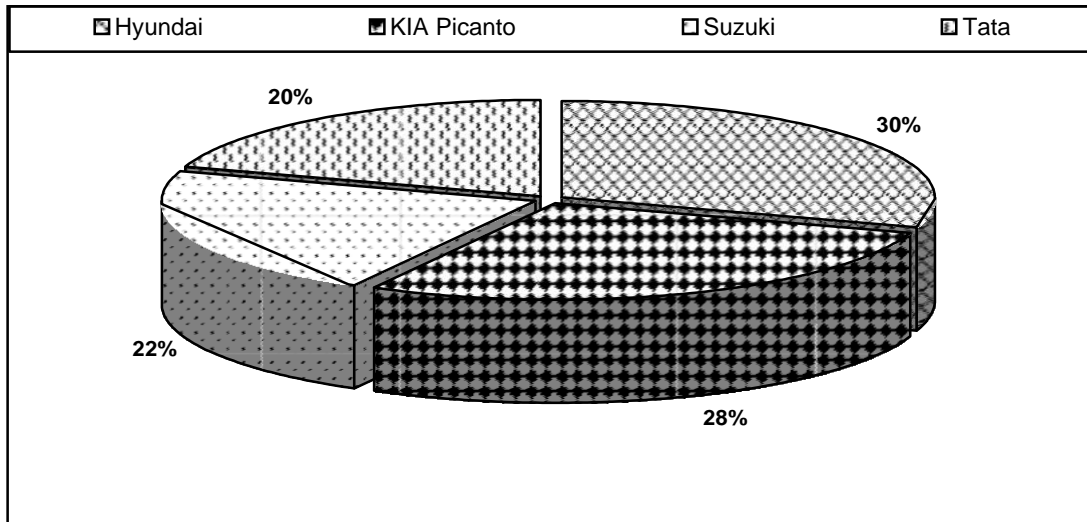
Table 4.8
Most Used Car in Nepal

Option	Respondent	Percent
Hyundai	30	30
KIA Picanto	28	28
Suzuki	22	22
Tata	20	20
Total	100	100

Source: Field Survey 2020

Table 4.8 shows most of 30 percent respondents are saying Hyundai is most used car in Nepal. 28 percent think KIA Picanto, 22 percent & 20 percent respondent think Suzuki & Tata respectively.

Figure 4.8
Most Used Car in Nepal



Source: Table No. 4.8

9) Attractive for promotional activities

Table 4.9
Attractive for Promotional Activities

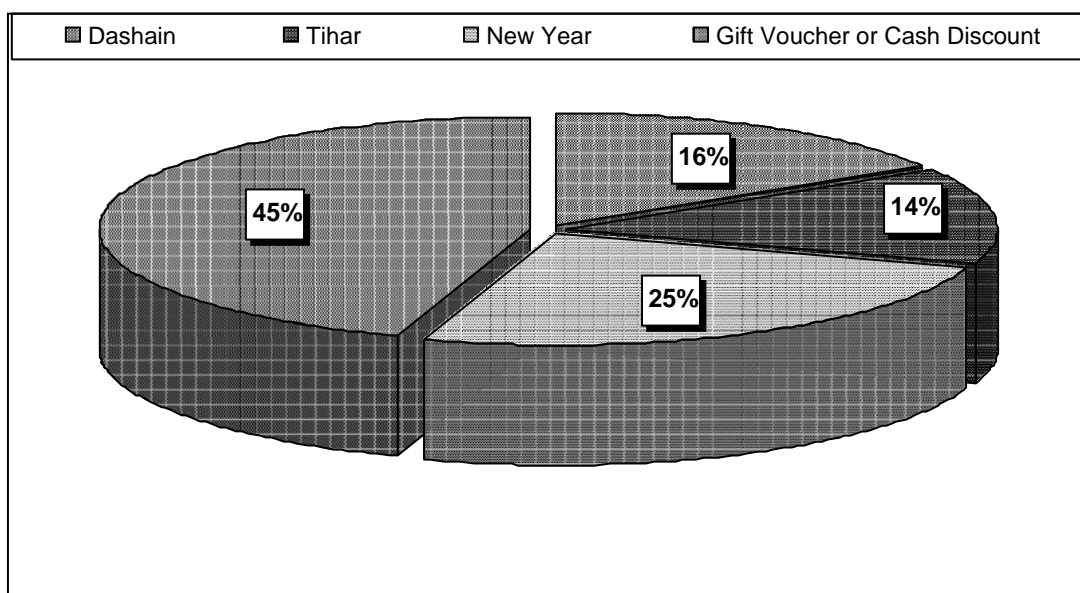
Option	Respondent	Percent
Dashain	16	16
Tihar	14	14
New Year	25	25
Gift Voucher or Cash Discount	45	45
Total	100	100

Source: Field Survey 2020

Table 4.9 shows 16 percent customers buy car in special occasion such as greatest festival Dashain, 14 percent Tihar in Nepal, 25 percent buy car when authorized dealers used to do New Year discount offer and most of 45 percent want to car when gift voucher or cash discount for promotion.

At the mean time dealer also used to auto show, vehicles rally on these occasions.

Figure 4.9
Attractive for Promotional Activities



Source: Table No. 4.9

10) Influence the promotional tools

Table 4.10
Influence the Promotional Tools

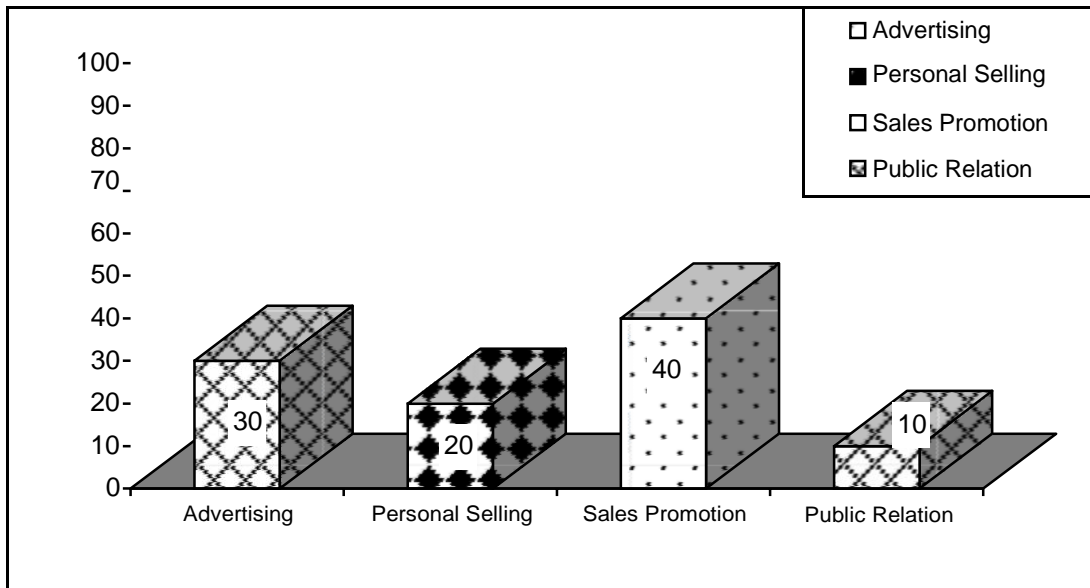
Contribution	Respondents	Percent
Advertising	30	30
Personal Selling	20	20
Sales Promotion	40	40
Public Relation	10	10
Total	100	100

Source: Field Survey 2020

This table 4.10 denotes the influence the promotional tools. 30 percent are said advertising, 20 percent were personal selling, 40 percent are sales promotional and 10 percent said public relation to influence to the promotional tools.

Figure 4.10

Influence the Promotional Tools



Source: Table No. 4.10

11) Most prefer advertising

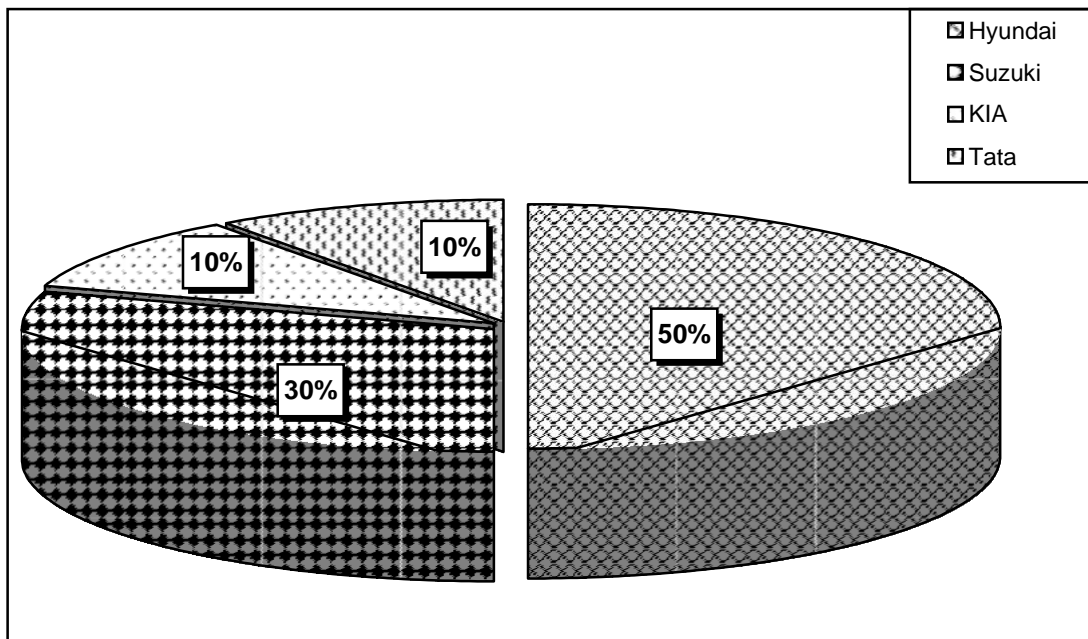
Table 4.11
Most Prefer Advertising

Preference	Respondents	Percent
Hyundai	50	50
Suzuki	30	30
KIA	10	10
Tata	10	10
Total	100	100

Source: Field Survey 2020

This table 4.11 depicts the advertisement preference of Car. 50 percent of the respondents preferred the advertisement of Hyundai, 30 percent prefer the advertisement of Suzuki and 10 percent prefer KIA and Tata advertisements respectively. This study shows that most of respondents preferred the advertisement of Hyundai car in comparison of Suzuki car.

Figure 4.11
Most Prefer Advertising



Source: Table No. 4.11

12) Popular media for advertising of car

Table 4.12
Popular Media for Advertising of Car

Media	Respondents	Percentage
Television	45	45
Radio	15	15
Newspaper	10	10
Magazine	30	30
Total	100	100

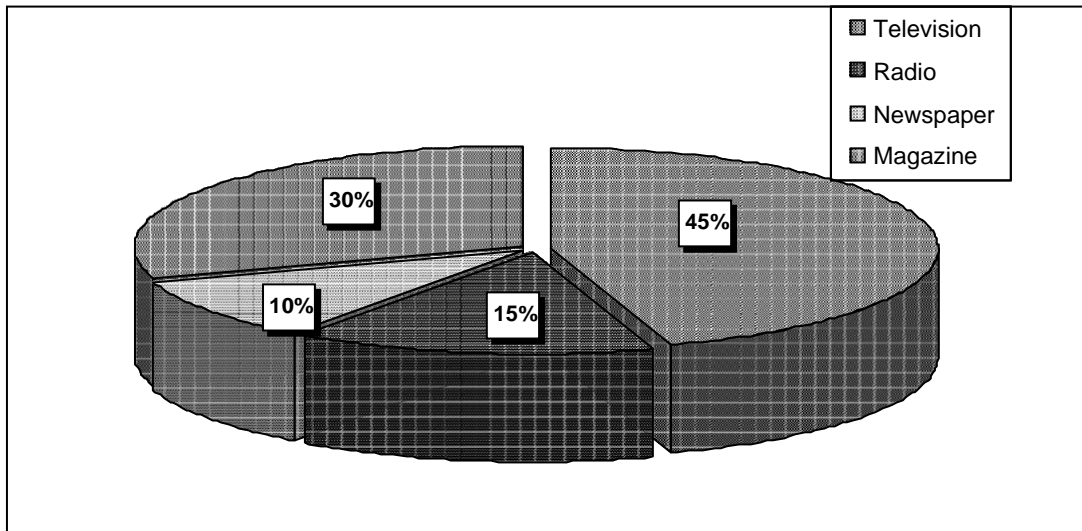
Source: Field Survey 2020

Table 4.12 shows the popular media for advertisement is Television followed by 45 percent, out of total respondent Radio is the popular

media 15 percent, Newspaper 10 percent and the magazine is the popular media for advertisement 30 percent.

Figure 4.12

Popular Media for advertisement of Car



Source: Table No. 4.12

13) Essence of effective advertising of cars

Respondents were asked their view on essence of effective of advertising in their buying behavior in term of informative, entertaining and persuading the car on percentages basis. The expressed responses are tabulated below.

Table 4.13

Essence of Effective Advertising of Cars

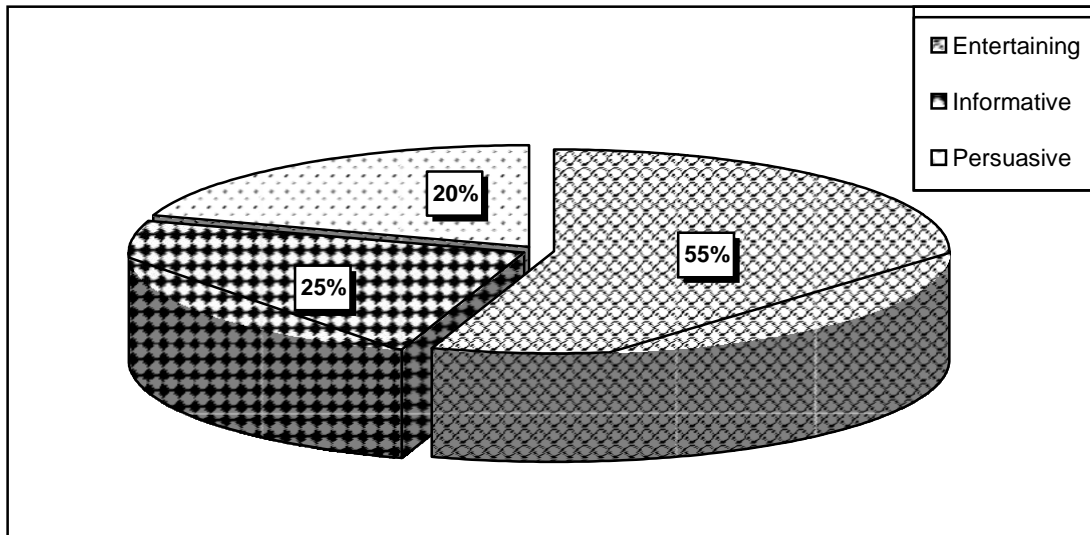
Advertisement	No. of Respondents	Percentage
Informative	25	25
Entertaining	55	55
Persuasive	20	20
Total	100	100

Source: Field Survey 2020

This table 4.13 indicates that maximum that is 55 percent say that the advertisement is entertaining, 25 percent are of the opinion that advertisement is informative whereas 20 percent say it is persuasive advertisement is the best.

Figure 4.13

Essence of Effective Advertising of Cars



4.2 Presentation and Analysis of Secondary Data

Secondary data are presenting two vehicles company annual report of Laxmi Intercontinental Pvt. Ltd. and J.P. Motors. This thesis is based on Chitwan but advertisement cost provides the main company so, researcher presenting secondary data over the Nepal advertisement and sales volume. The data collected from these two companies are presented from the fiscal year 2011/12 to 2019/20 i.e. the figures provided by these two company over last five years. The analytical part of the secondary data has been put forward in the following way:

4.2.1 Advertising expenses and sales of Hyundai and Suzuki car

Table 4.14

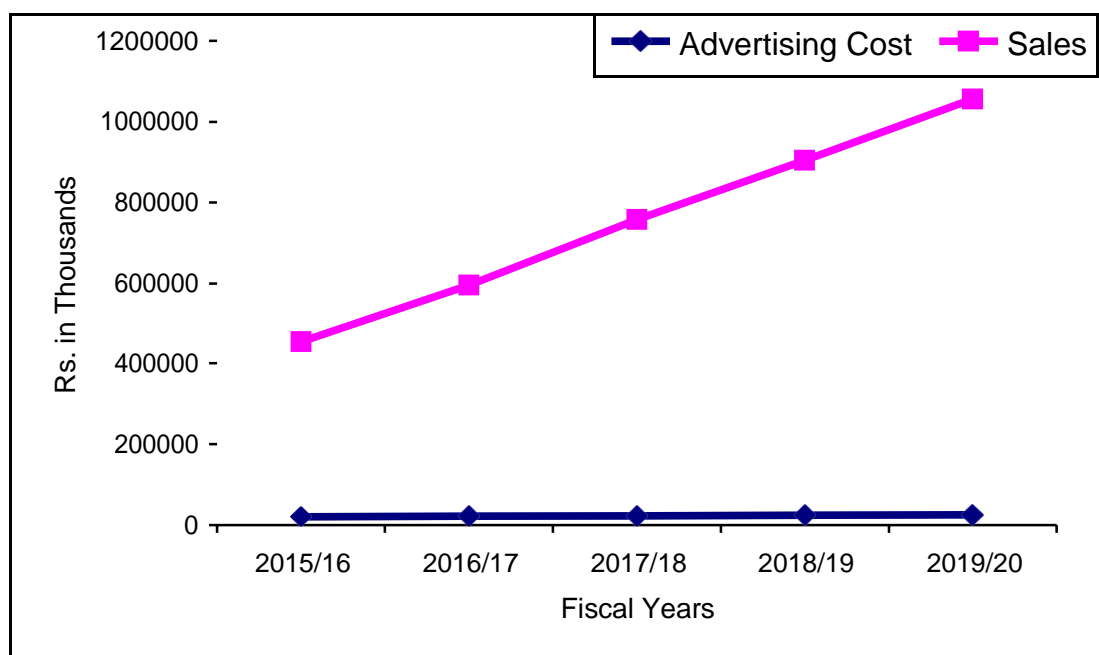
Average Advertising Expenses and Sales (Rs. in Thousand)

FY	Hyundai		Suzuki	
	Advertising Cost	Sales	Advertising Cost	Sales
2015/16	20564	455478	37355	365478
2016/17	22089	595745	48125	485745
2017/18	22931	757594	52155	584578
2018/19	24228	905055	60678	697700
2019/20	25412	1056113	68078	807250
Total	115224	3769985	266392	2940752
Average	23045	753997	53278	588150

Source: Annual report of J.P. motors Pvt. Ltd. and Laxmi Intercontinental Traders from FY 2015/16 to FY 2019/20

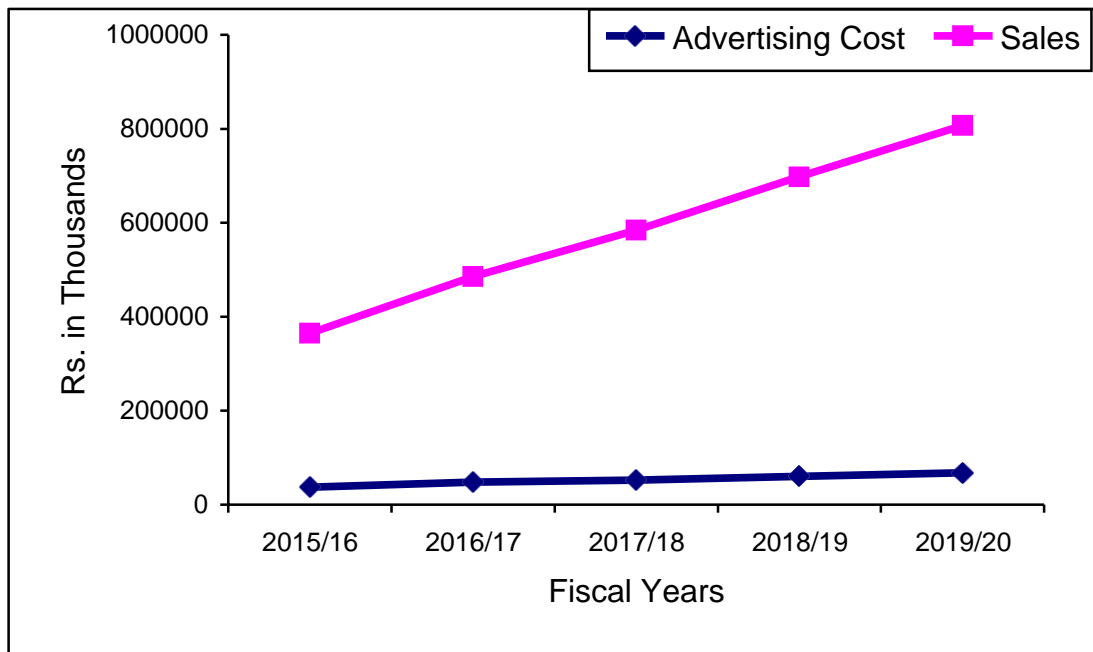
Figure 4.14

Advertising Expenses and Sales of Hyundai Car



Source: Table 4.14

Figure 4.15
Advertising Expenses and Sales of Suzuki Car



Source: Table 4.14

Table 4.14 and figure 4.14 & 4.15 shows that the advertising expenses increase, similar movement was seen in the sales volume of Hyundai and Suzuki cars which is in close connection with the fact that most of the respondents watched and considered advertising is important. On the other hand, majority of the respondents found a positive relation between advertising and sales. So that an increment in advertising expenses caused in more advertising exposure thus, resulting in change in the attitude and buying behavior of the respondents towards the products leading to an enhanced sales volume due to more purchases of these two different brands of cars shown by above table.

4.2.2 Analysis of SD and CV of Hyundai and Suzuki car

Furthermore the below table show a comparative study of Hyundai car and Suzuki car by using the statistical tools S.D. and C.V. about advertising expenses and the sales of these two companies.

Table 4.15

Analysis of SD and CV of Advertising Expenses and Sales

Option	Advertising Expenses of		Sales	
	Hyundai	Suzuki	Hyundai	Suzuki
S.D.	1876.46	11780.88	238884.29	173268.85
C.V.	8.14	22.11	31.68	29.46

Source: Calculate by Excel

The SD and CV of advertising expenses of Hyundai car shows that there is a fluctuation in its expenses pattern compared to SD and CV of Hyundai car. Whereas the SD of sales of Hyundai car seems to be little more fluctuating in comparison to the SD of the sales of Suzuki car but the sales of Hyundai car seems to be consistent over the sales of Suzuki car.

4.3 Major Findings

Nepalese market is following the global market concept. It is not easy to do business in Nepalese market because of booming global economy, the increasing and decreasing power of Dollar, increasing political unrest in the world, rising economic power of China and India in the world.

- i. Most of respondents were business person which is 65 percent, 15 percent are lecturer, doctor and engineer and 20 percent respondent are Service holder which belongs any government officer or private sector like Banks, Finance company etc.
- ii. Most of respondents have been used Hyundai car which found 43 percent, 28 percent are used Suzuki car, 19 percent were used in Tata car and 10 percent respondent were used others brand cars.
- iii. About 41 percent respondents were buying car for good performance, 37 percent respondent wanted to economic fuel

efficiency and 22 percent respondent buy car which have more safety feature.

- iv. Out of total respondents 45 percent respondents were buying car for force by family, 15 percent respondents buying car friends & relatives request and 25 percent respondents are buying car by own decision.
- v. Most of 43 percent respondents think performance is very essential things for buying car, 22 percent respondents think appearance is very necessary, 28 percent respondents buy car if finance scheme is available and 7 percent respondents buy car future guarantee.
- vi. In most popular car, 35 percent respondents saying Hyundai is most popular car in Nepal. 26 percent, 24 percent & 15 percent saying Suzuki, Tata & KIA cars respectively.
- vii. According to respondents view, 30 percent respondents saying Hyundai is most used car in Nepal. 28 percent think KIA Picanto, 22 percent & 20 percent respondent think Suzuki & Tata respectively.
- viii. Most of respondents think greatest festival Dashain 16 percent, 14 percent Tihar in Nepal, 25 percent buy car when authorized dealers used to do New Year discount offer and most of 45 percent want to buy car when gift voucher or cash discount for promotion.
- ix. The contribution of influence to promotional tools. 30 percent said advertising, 20 percent personal selling, 40 percent sales promotional and 10 percent said public relation to influence to the promotional tools.
- x. Out of total 50 percent of the respondents preferred the advertisement of Hyundai, 30 percent prefer the advertisement of Suzuki and 10 percent prefer KIA and Tata advertisements

respectively. This study shows that most of respondents preferred the advertisement of Hyundai car in comparison of Suzuki car.

- xi. The popular media for advertisement is Television followed by 45 percent, out of total respondent Radio is the popular media 15 percent, Newspaper 10 percent and the magazine is the popular media for advertisement 30 percent.
- xii. This research indicates that maximum that is 55 percent say that the advertisement is entertaining, 25 percent are of the opinion that advertisement is informative whereas 20 percent say it is persuasive advertisement is the best.
- xiii. Majority of the respondents found a positive relation between advertising and sales. So that an increment in advertising expenses caused in more advertising exposure thus, resulting in change in the attitude and buying behavior of the respondents towards the products leading to an enhanced sales volume due to more purchases of these two different brands of cars.
- xiv. The SD and CV of advertising expenses of Hyundai Car shows that there is a fluctuation in its expenses pattern compared to SD and CV of Hyundai car. Whereas the SD of sales of Hyundai car seems to be little more fluctuating in comparison to the SD of the sales of Suzuki car but the sales of Hyundai car seems to be consistent over the sales of Suzuki car.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary

The main objective of this thesis is to study effects of advertising on sales of Hyundai and Suzuki cars in area of Chitwan. It deals with relation between sales and advertisement. An attempt has been made to evaluate the sales trend of vehicle. To analysis the impact on advertising on sales of Hyundai and Suzuki cars in area of Chitwan. To analyze the effectiveness of the advertising in terms of return in sales over its expenses and to analysis the comparative analysis of advertising expenses and sales of Hyundai and Suzuki cars.

Nepal has been importing number of vehicles in the country. Different brands and different country made vehicles are imported in the country. World standard vehicles like Hyundai, Suzuki, Lamer Zen, Mercedes Benz, King Royals, BMW, Toyota, Coverlets, Tata, Mahindra etc. has distributed a lot in the development of the transportation system in Nepal. In each year, the thousands of vehicles are imported. Vehicles of different brands and quality are being imported in the country.

Both primary and secondary data have been used for this study. The sample comprised 100 respondents. The data obtained from them were analyzed using average, standard deviation and coefficient of variation with table and charts.

Hyundai and Suzuki vehicles are doing well in the global market as well as Nepalese market. There is no other voice against the importance of advertisement because it is true that advertisement plays a vital role in the field of marketing of any product and services. An ISO certified company and other successful companies are making expenses of huge amount on

the advertising of the product or services. Advertisement has become a means of very easy and prompt mass communication. Any organization can communicate its mission, objective, service and product to its target market. Advertising is one of the most important promotional tools that communicate to target buyers and publics. To capture more its market, both companies are regularly doing social work such as blood donation, sport event and exchanging facility, mobile service etc. They always trying to launch new model and new technology.

5.2 Conclusions

Performance is very essential things for any car and then appearance is also very necessary. Hyundai is the most popular car in Nepal. According to respondents view Hyundai is most used car in Nepal. The contribution of advertisement for purchase of cars, most of respondents agree the contribution of the advertisement of the purchase of any brand of cars. While little percent of respondents were denying its contribution It indicates that the advertisement really contribute to the purchase of the car. This research indicates that maximum respondents were say that the advertisement is entertaining is the best. Majority of the respondents found a positive relation between advertising and sales. So, that an increment in advertising expenses caused in more advertising exposure thus, resulting in change in the attitude and buying behavior of the respondents towards the products leading to an enhanced sales volume due to more purchases of these two different brands of cars.

5.3 Recommendations

Nepalese market is basically seller-oriented and the bargaining power of the people is weak. Therefore, there is lack of the product and market specialization in the country. Here is some recommendation for Laxmi

Intercontinental Pvt. Ltd. and J.P Motors which will help them for the better sales and better marketing performances.

- i. Hyundai should bring aggressive marketing scheme to increase the sales volume. Its competitors have not stepped aggressively in the market. So, it can take chance and increase the sales volume by providing various facilities and reducing the price as well.
- ii. The advertisement informing about the important feature and benefits of the vehicles should come out regularly such air bag, alloy wheels, euro engine etc.
- iii. Creativity is required to maintain the customers flow. Customers prefer entertaining type of advertisement. As such, marketers are suggested to provide such advertisement which may entertain the consumers so that positive image to award brand will be created.
- iv. Advertisement should be in time creative, unique in design with truthful and realistic information so that consumers will be attracted towards products.
- v. Marketers should keep on studies on brand loyalty and brand preference in order to adopt, effective, proper in order and successful marketing strategy.
- vi. The promotional scheme should be brought according to the change need and desire of customer. Such as car decoration, DVD, scratch card, gold coin, Tour package etc.

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QUESTIONNAIRE

Dear Respondents,

I would like to seek your kindness a few moments of your precious time for filling up this questionnaire which could contribute significantly to my research study on MBS.

Name : Sex :

Address : Age :

Occupation :

Q.No.1 What brands of car do you have?

- a) Hyundai
- b) Suzuki
- c) Tata
- d) Other

Q.No.2 What features influenced your car buying decisions?

- a) Performance
- b) Fuel efficiency
- c) Safety Feature
- d) Other

Q.N. 3 Who Influenced Car buying decision?

- a) Family
- b) Friends
- c) Own
- d) Relatives

Q.N. 4 Which Features is most popular for Car Buying?

- a) Performance
- b) Exterior Appearance
- c) Finance Scheme
- d) Buyback Guarantee

Q.N. 5 Which Brand is Popular in the Context of Nepal?

- a) Hyundai
- b) Tata
- c) KIA
- d) Suzuki

Q.N. 6 Which cars are most used in Nepal?

- a) Hyundai
- b) KIA Picanto
- c) Suzuki
- d) Tata

Q.N. 7 Which one occasion is suitable and attractive to make buying decision of car?

- a) Dashain
- b) Tihar
- c) New Year
- d) Gift Voucher or Cash Discount

Q.N. 8 Which promotional tools influence on the sales of car?

- a) Advertising
- b) Personal Selling
- c) Sales Promotion
- d) Public Relation

Q.N. 9 Which advertising do you prefer the most?

- b) Hyundai
- b) KIA
- c) Suzuki
- d) Tata

Q.N. 10 Which media is popular for advertising of Cars?

- c) T.V.
- b) Radio
- c) Newspaper
- d) Magazines

Q.N. 11 What is the essence of effective advertising of Cars?

- d) Informative
- b) Entertaining
- c) Persuasive

Finally, I would like to thank you once again for co-operation.

Some Advertising Clips of Hyudai and Suzuki Cars



