

ADVERTISING AND SALES PROMOTION OF SAMSUNG TELEVISION IN NEPAL

A Thesis

Submitted By:

MUKESH CHAND

Global College of Management

Roll No. 12/2063

Exam Roll No. 4224/2065

T.U. Regd. No. 7-2-327-661-2002

Submitted to:

Office of the Dean

Faculty of Management

Tribhuvan University

In partial fulfilment of the requirement for the Degree of

Master of Business studies (M.B.S)

Kathmandu, Nepal

September, 2010

RECOMMENDATION

This is to certify that the thesis:

Submitted by:

MUKESH CHAND

Entitled

“Advertising and Sales Promotion of Samsung Television in Nepal”

Has been approved by this Department in the prescribed format of Faculty of
Management. This thesis is forwarded for examination.

.....
Prof. Dr. Pushkar Bajracharya
(Chairman, Research Department)

.....
Joginder Goet
(Thesis Supervisor)

.....
Nar Bahadur Bista
(Principal)

Date:.....

VIVA-VOCE SHEET

We have conducted the viva- voce examination of the thesis

Submitted by:

MUKESH CHAND

Entitled

“Advertising and Sales Promotion of Samsung Television in Nepal”

And found the thesis to be original work of the student written in accordance with prescribed format. We recommend the thesis to be accepted as partial fulfilment of the requirement for Master’s Degree in Business studies (M.B.S)

Viva-Voce Committee

Head of Research Department

Member (thesis Supervisor)

Member (External Expert)

Date:

DECLARATION

I hereby declare that the work reported in this thesis entitled “Advertising and Sales Promotion of Samsung Television in Nepal “submitted to Global College of Management, faculty of management, Tribhuvan University, is my original work done in the form of partial fulfilment of the requirement for the Masters Degree in Business Study (M.B.S) under the Supervision of **Joginder Goet**, Lecturer of Global College of Management.

.....

Mukesh chand

Researcher

ACKNOWLEDGEMENT

I have prepared this thesis as the partial fulfilment of the MBS degree, during the course of which, I worked with sincerity, honesty and diligently, as far as possible. Writing this thesis has been rewarding experience for me as I have been obliged to collect the materials required and have rewarding and supportive suggestions from the individuals to whom I owe my enormous debt.

Firstly, I would like to pay homage to my father and mother as well as my brothers who headed me towards the light of education and path of truth. Due to their non-stopping effort for guidance, today I come in this position. So I would like to share credit of my success with them. I am really indebted to them.

I would like to pay my sincere thanks to my thesis supervisor **Joginder Goet** for incessant suggestions and guidance from the beginning to the end, is really an appreciable effort. I would also like to express my gratitude to Prof. Dr. Pushkar Bajracharya, head of Research Department, Mr. Nar Bahadur Bista, principal of Global College of Management, Mr.G.D. Dahal, MBS in charge of Global College of Management and to all my teachers of Global College of Management for their invaluable suggestions and cooperation, without which this thesis work would not have been possible.

Similarly, my heartfelt gratitude also goes to Him Electronics Pvt. Ltd. For providing me relevant information and I am indebted to all the staff of Him Electronics Pvt. Ltd., who helped me sufficiently despite their pile of work on their desk. I really appreciate their cooperation extended to me.

Finally, I am thankful to my friends **Niraj Pandey and Bharat Timilsina** for necessary help and advice.

Mukesh chand

Researcher

TABLE OF CONTENTS

Recommendation
Viva Voce Sheet
Declaration
Acknowledgement
Table of contents
List of Tables
List of Figures
Abbreviations

	Page. No.
CHAPTER – I	
INTRODUCTION	1-11
1.1 Background of the Study	1
1.2 Company Profiles	2
1.3 Authorized Dealer Profiles	5
1.4 Samsung Television	5
1.5 Focus of the Study	7
1.6 Statement of the Problem	7
1.7 Importance of the Study	8
1.8 Objectives of the Study	9
1.9 Limitation of the Study	9
1.10 Organization of the Study	10
CHAPTER - II	
REVIEW OF LITERATURE	12-46
2.1 Conceptual Review	12
2.1.1 Concept of Marketing	12
2.1.2 Core Marketing Concept	14
2.1.3 Marketing Mix	16
2.1.3.1 Product	16

2.1.3.2 Price	17
2.1.3.3 Place	17
2.1.3.4 Promotion	18
2.1.4 Integrated Marketing communications	18
2.1.5 The Communication Process	19
2.1.6 Advertising and Positioning	20
2.1.7 Advantages and Limitations of Mediums of Advertising	21
2.1.8 The Nature of Promotional Tools	23
2.1.8.1 Advertising	23
2.1.8.2 Personal Selling	23
2.1.8.3 Sales Promotion	24
2.1.8.4 Public Relation	24
2.1.8.5 Direct Marketing	24
2.1.9 Relation of Product Advertising to Product Life Cycle	25
2.1.10 Ethics in Advertising	25
2.1.11 Evaluating Advertising Effectiveness	26
2.1.12 Role of Advertising in Modern Business World	27
2.1.13 Advertising in Nepal	29
2.1.14 Evolution of Advertising	30
2.1.15 Sales Promotion	33
2.1.16 Purpose of Sales Promotion	34
2.1.17 Reasons for Growth of Sales Promotion	34
2.1.18 Objectives of Sales Promotion	36
2.1.19 Major Sales Promotional Tools	36
2.1.19.1 Consumer Promotion	36
2.1.19.2 Trade promotion	36
2.1.19.3 Business Promotion	37
2.1.20 Review of Previous Research Works	37
2.1.21 Research Gap	46

CHAPTER - III

RESEARCH METHODOLOGY 47-50

3.1 Research Design	48
3.2 Population and Sample	48

3.3 Data collection procedure	49
3.4 Data Analysis Tools	49
3.4.1 Bar- diagrams and graphs	49
3.4.2 Pie- diagram	50
3.4.3 Percentage	50

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA 51-91

4.1 Product Classification of Television	51
4.2 Product Life Cycle and Customers Adoption of Television	52
4.3 Marketing Mix of Samsung Television	52
4.3.1 Product	52
4.3.2 Price	56
4.3.3 Promotion	58
4.3.3.1 Consumer promotion Activities of Samsung	58
4.3.3.2 Trade promotion Activities of Samsung	61
4.4 After Sales Service	62
4.4.1 Warranty condition	62
4.4.2 Warranty on Samsung Television with Compare to other Brands	65
4.5 Market Demand of Television in Nepal	66
4.6 Description of Customer Survey	68
4.6.1 Brands of Television Owned	68
4.6.2 Types of Television Owned	69
4.6.3 Market Potential of Television Brand	71
4.6.4 Market Potential of Types of Television	72
4.6.5 Awareness of Samsung Television	74
4.6.6 Brand Loyalty of Samsung	75
4.6.7 Awareness of Samsung Scheme “Samsung made for football”	76
4.6.8 Opinion on the scheme “Samsung made for football”	78
4.6.9 Source of Information	79
4.6.10 Level of Quality Consciousness	81
4.6.11 Effect of scheme on Customer Buying Decision	82
4.6.12 Effect of Advertising on sales of Television	83
4.6.13 Feasibility of Installment System in Television Market	85
4.6.14 Popular Means of Advertisement	86

4.6.15 Impact of Warranty on Customers	87
4.7 Major Findings of the study	89
4.7.1 Major Findings from Primary data	89
4.7.2 Major Findings from Secondary data	90

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS 92-96

5.1 Summary	92
5.2 Conclusion	93
5.3 Recommendations	95

Bibliography

Appendix

LIST OF TABLES

Table No.	Title	Page No.
4.1	Warranty on Samsung TV with Compare to other Brand	65
4.2	Market Demand of TV in Nepal	66
4.3	Brands of TV Owned	68
4.4	Types of TV Owned	70
4.5	Market Potential of TV Brand	71
4.6	Market Potential of Types of TV	73
4.7	Awareness of Samsung TV	74
4.8	Brand Loyalty on Samsung	75
4.9	Awareness of Samsung Scheme “Samsung made for football”	77
4.10	Opinion on the scheme “Samsung made for football”	78
4.11	Source of Information	80
4.12	Level of Quality Consciousness	81
4.13	Effect of scheme on Customer Buying Decision	82
4.14	Effect of Advertising on Sales of TV	84
4.15	Feasibility of Instalment System in TV Market	85
4.16	Popular Means of Advertisement	86
4.17	Impact of Warranty on Customers	88

LIST OF FIGURES

Figure No.	Title	Page No.
4.1	Consumer Promotion Activities of Samsung	60
4.2	Warranty on Samsung TV with Compare to other Brands	65
4.3	Market Demand of TV in Nepal	67
4.4	Brands of TV Owned	69
4.5	Types of TV Owned	70
4.6	Market Potential of TV Brand	72
4.7	Market Potential of Types of TV	73
4.8	Awareness of Samsung TV	74
4.9	Brand Loyalty on Samsung	76
4.10	Awareness of Samsung Scheme “Samsung made for football”	77
4.11	Opinion on the scheme “Samsung made for football”	79
4.12	Source of Information	80
4.13	Level of Quality Consciousness	81
4.14	Effect of scheme on Customer Buying Decision	83
4.15	Effect of Advertising on Sales of TV	84
4.16	Feasibility of Installment System in TV Market	85
4.17	Popular Means of Advertisement	87
4.18	Impact of Warranty on Customers	88

ABBREVIATIONS

SBU	- Strategic business unit
DNIe	- Digital natural Image engine
3DTV	- Third dimension Television
CSF	- Critical success factors
CD	- Compact discs
SRS	- Speakers surround sound
4HDMI	- 4high Definition Multimedia Interface
DNF	- Digital Noise filter
UCP	- Ultra clear panel
TV	- Television
DCR	- Dynamic contrast ratio
Yrs	- Years
%	- Percentage
No.	- Number
F.M	- Frequency Modulation
A.D	- After Death
NTM	- Nepal Television
CRT	- Cathode ray

CHAPTER - I

INTRODUCTION

1.1 Background of the study

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

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

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

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

buy now.

Importance of advertising and sales promotion is increasing in marketing, as the market place is being more and more complex and competitive day by day. In the modern competitive market advertising and sales promotion is playing an essential role in winning the market share over the competitors. Today, companies are investing huge amount of money in advertising and sales promotion not just to make sales of their product but also to create position in the mind of customers. This trend has also seen in the television market in Nepal also. From last few years, the number of television's brand has been increasing day by day. The companies are fighting for their market share in the market in different ways. Advertising has become their major tools to communicate and differentiate their product from competitors' product. Companies are also engaging in different types of sales promotion activities to attract the customers to buy the product and to motivate the dealers to sale the company's product.

1.2 Company Profiles

Samsung Electronics was founded in 1969 in Seol, South Korea as Samsung Electric Industries, originally manufacturing electronic appliances such as TVs, Calculators, refrigerators, air conditioners and washers. By 1981, the company had manufactured over 10 million black and white TVs. In 1988, it merged with Samsung semiconductor and communications.

Today Samsung Electronics deals with the following products:

- Semiconductor: DRAM, SDRAM, flash memory
- Hard drives
- Digital display: LCD displays, LED displays, Plasma displays, OLED displays.
- Home electronics: TVs, DVD players, Blu-ray players, home cinema systems, set-top boxes, projectors.
- Mobile devices: mobile phones, MP3 players, digital cameras, camcorder.

- Computing products: monitors, laptops, UMPCs, CD and DVD drives, laser printers, fax machines.
- Home appliances: refrigerators, washing machines, microwaves, ovens, vacuum cleaners, air conditioners.

Samsung Electronics Company. Ltd is a Global leader in semi conductor, telecommunication, digital media and digital convergence technologies with 2009 consolidated sales of US \$ 116.7 billion employing approximately 15,770 people in 185 offices across 65 countries. The company consists of seven independently operated business units; visual display, mobile communications, telecommunication system, digital appliances, IT solution, semi conductor and LCD recognized as one of the fastest growing global brands, Samsung electronics TVs, memory chips, mobile phones and TFT-LCDs.

Samsung is a top rated electronic & IT brand. In 2006, Business Week rated Samsung as 20th in innovation. In January 2007, Brand Finance ranked the company as the number 1 Global brand in electronics.

The semiconductor division of Samsung Electronics is the world's largest memory chip and second largest semiconductor manufacturer worldwide. This has been the case for DRAM and SRAM for over a decade.

In the year 2009, LCD division recorded an operating profit of 1.01 trillion won as revenue reached 6.73 trillion won, a 20.6 percent increase year-on-year.

Strong seasonal demand for LCD panels from set makers resulted in increased units sales and higher prices. Samsung shipped 148 million large sized LCD panels in the third quarter, up 15 percent quarter-on-quarter and 26 percent from the same period last year.

Average sales price increased across all segments including panels for TVs (up 16 percent), monitors (up 17 percent) and notebook computers (up 22 percent). Samsung's improved operating profit was also supported increased sales of premium LED and 240 Hz TV panels.

Samsung forecast sales to decline in the fourth quarter due to weak seasonality but expected performance to be in line with the previous year. The LCD division aims enhance its market leadership by expanding its share of the high-end market, including 16:9 aspect ratio panels and eco-friendly products, while expanding partnerships with customers in emerging markets such as China.

Samsung's digital Media divisions registered an operating profit of 940 billion won, a 147 percent increase year-on-year. Revenue reached 12.37 trillion won, an increase of 14.7 percent year-on-year.

In flat panel TVs, Samsung recorded unit sales of 7.73 million, up 22 percent quarter-on-quarter and 24 percent on the same period last year. Samsung's new line of LED TVs continued to sell strongly, with 1.2 million units sold their debut and a target of 2.5 million units for the year.

Samsung forecast strong sales growth entering the fourth quarter, typically the peak sales season for TVs and other appliances. Sales for LCD TVs were projected to increase 25 percent quarter-on-quarters, while PDP TV sales were expected to rise 26 percent.

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

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

It has been dominant market player in countries like India and China resulting in enormous increase in sales while it continues the increase rate of previous years in European countries. It has achieved significant market share in the global market for more than 60 products.

1.3 Authorized Dealer Profiles

Golchha organization is one of the largest business houses of the Nepal. It has currently operating more than 40 businesses in Nepal. Its products range from steel to flower and Jute to television.

Him electronics is a strategic business unit (SBU) of Golchha organization. It was established in 1988 as a consumer electronics manufacturer, it is now the market leader in this segment showcasing internationally renowned CE brands as well as indigenous one. Him electronics focuses largely on quality products, consumer oriented services and innovative marketing strategies with one of the largest and most technologically advanced production capacity in the country. The him electronics infrastructure consists of factories, exclusive outlets and a large service network covering more than 35 cities. Committed to enhancing the lifestyle of customers, Him electronics offers the best both in terms of product and services.

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

Him electronics is located at Ganabhal, Kathmandu, Nepal. It has its business Network all over the Nepal. It has more than 100 regional dealers dealing with Samsung product and has service center in all major cites of Nepal.

1.4 Samsung Television

Samsung has become a raising band in television market. It is due to the advance technologies in the production, attractive deign of product, quality of the product, latest function in product, reliability in after sales service and its marketing strategies.

It has just introduces the DNIE (Digital natural Image engine) Vision technology in the television. The company claims that the technology consist of colors engine which analyzes the color across various parameters and achieves the right saturation of red,

blue, green, yellow, pink and white tones. Contrast engine, which uses advanced algorithms to eliminate noise and blurring without the slightest damage to the original signal, giving crystal clear action visual. “3D” motion engine, which automatically analyzes into 70000 local images within a frame leading to blacker blacks and whiter whites. Detail engine, which analyzes the portion of the signal to be amplified, detecting and reprocessing any noise or defect to reproduce natural details. So, the company claims that Samsung televisions are four steps ahead of normal flat televisions.

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

Major types of Samsung Television

Normal Television: 15 years ago, Samsung electronics had only lunch normal TV in Global market. But that time Samsung has completely drops the normal TVs in market. Normal television has used CRT technology. That CRT technology help to develop new technology like as flat, Ultra Slim-Fit.it is based technology to other types of TVs.

Flat TV: Samsung electronics completely introduced flat TV in global market. A result of break through design innovation, the flat TV incorporates a revolutionary compact cathode ray tube, which not only makes 40% slimmer, but 20% lighter too than conventional CRT based television.

LCD television: LCD is also perfectly new types of television. It has used latest technology. Innovator adopter customers are buying the LCD television. Designed to perfection, its magnificent crystal design is a reflection of all that beautiful, natural & harmonious subtle inter- play of light and colour brings out beauty of this design.samsung LCD television Guarantees enhanced colour reproduction, higher contrast ratio and true-to-life pictures.

LED television: Samsung electronics lunched A new dimension LED TVs in Global Market in the year 2009.samsung LED TVs are State of the art eco-

friendly devices since Samsung LED TVs do not require CCFLs for backlighting, they are completely mercury-free. The utilization of the latest LED technology has ensured a TV with incredibly low power consumption levels, enabling a whopping 40% saving of power. At last, we called LED TVs is **ECO-friendly TV**. Samsung electronics launched simple **LED & 3D LED TVs** in the market.

1.5 Focus of the Study

The study focuses on the effectiveness of advertising and sales promotion of Samsung television in Nepal. In today's competitive market there are many products and services, which are operating in same market to satisfied same unsatisfied demand. So, it has become very challenging for any organization to differentiate their products and services with competitors' products and services. Today, marketers are seeking the answer of how they could tell their customers in better way about their products, suggest new uses for a product, informing the market of price change and explaining how the product work.

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

Hence, the study is to describe the effectiveness of advertising and sales promotion especially concentrating on television market. The study will focus on the advertising and sales promotion behavior of business houses that are handling television business in Nepal and how they are being active in attaining and retaining the market share here in Nepal.

1.6 Statement of the Problem

Moving towards developing in both national and international prospective has increased the types of the products as well as their alternative brands of these products in the

Nepalese market. Today one can use the products produced in any corner of the world sitting at own home or town. Nepalese market has also given much more freedom to choose the brand. Now Nepalese consumers are not compelled to buy any particular brand, rather they are provided with different brands and they are quite free to choose the brand they think are the best.

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

So, the basic problem area of this study is “effectiveness of advertising and sales promotion of Samsung television in Nepal”.

1.7 Importance of the study

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

The modern market is more and more depending on advertising. Without it, producers and distributors would be unable to sell, buyers would not know about and continue to remember products or service, and the modern industrial world would collapse. If factory output is to be maintained profitably, advertising must be powerful and continuous. Mass production required mass consumption, which in turn, requires advertising to the mass market through the mass media.

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

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

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

1.8 Objectives of the Study

The Nepalese market is very small with respect to the international market. However, in this small Periphery, there seems to have been regular inflow and outflow of Products in the dynamic environment so competition is rising. Similarly, marketers are regularly interacting with the so-called targeted groups and trying to maintain their Position. Due to the size of the market, Being not too big or the coverage not too high, the case of brand loyalty is also vivid. This Research proceeds with following objectives:

- To analyze the important of sales promotion in building company's image.
- To evaluate the effectiveness of advertising and sales promotion for attaining and retaining the market share of television business in Nepal.
- To review the market status of Samsung television and to examine the brand awareness of customers.

1.9 Limitation of the Study

This study has, however, the following limitations:

- The general study focuses on the effectiveness of advertising and sales promotion of Samsung television as states the title.
- Other television brands are taken only to find out the market share.
- Sample size is very small in comparison to the population of the study.

- This study is entirely based on the views and responses of consumers.
- LED TV is not including in the survey as it has been launched recently.

1.10 Organization of the Study

This study is divided mainly into five chapters.

Chapter I: Introduction

This chapter deals with the general background of television, company profile, introduction of the subject i.e. Samsung television, focus of study of study, statement of problem, objective of the study, significance of the study, limitation of study and organization of the study.

Chapter II: Review of literature

It includes conceptual framework of the subject matter, i.e., advertising and sales promotion. It studies role and effectiveness of advertising and sales promotion management of Samsung television. It will include a brief review of previous research work.

Chapter III: Research Methodology

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

Chapter IV: Data presentation and analysis

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

Chapter V: Summary, Conclusions and Recommendations

This chapter finally summarizes the study in few paragraphs and tries to conclude the whole study concerning the advertising and sales promotion of Samsung TV and finally make recommendations based on the conclusions.

CHAPTER- II

REVIEW OF LITERATURE

Review of literature is an essential part of scientific research, it is the way to discover what other research in the area of our problem has uncovered. A critical review of literature helps the researcher to develop a thorough understanding and insights into previous research works that relates to the present study. It is also a way to avoid investigating problems that have already been answered (Pant, 2005:39).

2.1 Conceptual Review

2.1.1 Concept of Marketing

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

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

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

“marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational goals”(American Marketing Management association,2004).

“ Marketing is social and managerial process by which individual and group obtain what they need and want through creating, offering and exchanging products of value with others”(Kotler,2006:5).

“There will always, one can assume, be need for some selling, but the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits and sell itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available” (Drucker, 1973:64-65).

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

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

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

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

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

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

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

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

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

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

Ideas: Every market includes a basic idea. Products or services are the platforms for delivering some idea or benefit (Kotler, 2006:5).

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

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

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

2.1.2 Core Marketing Concept

Here is the definition of several core concept of marketing.

Target markets and Segmentation: It is not possible to satisfy everyone in a market. So, marketers start by dividing the market. They identify and profile distinct group of buyers. Examining demographic, psychographics, and behavioral differences among buyers can identify market segment. The marketer then decides which segment presents the greater opportunity-which is its target market. For each target market, marketer develops the offerings.

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

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

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

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

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

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

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

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

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

Marketing Environment: It includes the task environment or immediate actors like

company, suppliers, distributors, dealers, and the target market. The broad environment includes economic, political- legal, social- culture, technological, demographic, and natural environment.

Marketing Program: The marketer's task is to build the marketing program or plan to achieve the company's desired objectives. The marketing program consists of numerous decisions on the mix of marketing to use (Kotler, 2006:9-15).

2.1.3 Marketing Mix

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

2.1.3.1 Product

Product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want and need. Product is a key in the market offering. Marketing mix planning begins with formulating an offering that brings value to target customers. This becomes the basic upon which the company builds profitable relationships with customers (Kotler, 2006:252).

The most basic level of product is the core benefit, which address the question what is the buyer really buying? When designing products, marketers must first define the core, problem solving benefits or services that consumers seek. At the second level, product planners must turn the core benefit into an actual product. They need to develop product and service and services features, design, a quality level, a brand mane and packaging. Finally, product planners must build an augmented product around the core benefit and actual product by offering additional consumer services and benefits.

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

Consumer product: Final consumer for personal consumption buys Consumer products.

Consumer product includes convenience product, shopping product, specialty product, and unsought products. These products differ in the ways consumers buy them and therefore in how they are marketed.

Convenience product: Consumer product that the customer usually buys frequently, immediately, and with a minimum of comparison and buying effort. **Shopping product:** consumer good that the customer, in the process of selection and purchase, characteristically compares on such bases as suitability, quality, price, and style.

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

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

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

2.1.3.2 Price

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

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

2.1.3.3 Place

To attain the formulation marketing and sales objective along with the overall corporation

goal, product must be accessible to the target market. Distribution may be the biggest constraint in the successful sale of product if the product is not shipped to the right place at the right time with the right price. Inadequacies within the distribution channels must be overcome to sell the intended product in the target market successfully at lower price.

The distribution process includes the physical handling and distribution of goods, the passage of ownership. It is the buying and selling negotiations between producers and middlemen and between middlemen and customers. Each market contains a distribution network with many channel choices whose structures are unique and in the short run fixed.

2.1.3.4 Promotion

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

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

2.1.4 Integrated Marketing Communications

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

images and brand positions.

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

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

2.1.5 The Communication Process

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

Because customers differ, communications programs need to be developed for specific segment, niches and even individuals. And, given the new interactive communications technologies, companies must ask not only, "How can we reach our customers?" but also, "How can we find ways to let our customers reach us?" Thus, the communications process should start with an audit of all the potential contacts target customers may have with the company and its brands. For example, some purchasing a new kitchen appliance

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

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

Sender: The party sending the message to another party.

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

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

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

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

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

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

Feedback: The part of the receiver's response communicated back to the sender. **Noise:** The unplanned static or distortion during the communication process, which results in the receiver's getting a different message than the one the sender sent (kotler, 2007:447).

2.1.6 Advertising and Positioning

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

the mind-sets of consumers.

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

Positioning doesn't require a head-on collision with the leading competing brand. This is quite risky. It is better to maneuver around the leader's position. Sacrifice is the essence of positioning for effective positioning, a brand has to stand for one quality or benefit in the mind of consumers, instead of being all things to all people. This involves sacrifice of opportunity to different market segments.

Positioning in the consumer's mind is the end product of the process of filtering information about the product and the packaging. The price and the image of the product created by advertising. This may be different from the product's function or physical attributes. This subtle distinction is increasingly important in a competitive market place where thousands of advertisement fight for the attention of the consumer (A Miller, Harvard Psychologist).

2.1.7 Advantages and Limitations of Mediums of Advertising

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

Medium	Advantages	Limitations
Newspaper	Flexibility; timeliness; good local market coverage; broad acceptability;	Short life; poor reproduction quality; small pass-along

	high believability	audience
Television	Good mass-market coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses	High absolute costs; high clutter; fleeting exposure; less audience selectivity
Direct mail	High audience selectivity; flexibility; no as competition with the same medium; allows personalization	Relatively high cost per exposure, “junk mail” image
Radio	Food local acceptance; high geographic and demographic selectivity; cost	Audio only, fleeting exposure, low attention (“the half-heard” medium”); fragmented audiences
Magazines	High geographic and demographic selectivity; credibility & prestige; high-quality reproduction; long life & good pass-along readership	Long ad purchase lead time; high cost; no guarantee of position
Outdoor	Flexibility; high repeat exposure; low cost; low message competition; good positional selectivity	Little audience selectivity; creative limitations
Internet	High selectivity; low cost; immediacy; interactive capabilities	Small, demographically skewed audience; relatively low impact; audience controls exposure

(Source: Kotler, 2007:480)

2.1.8 The Nature of Promotional Tools

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

2.1.8.1 Advertising

Advertising can reach masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times. For example, television advertising can reach huge audiences. An estimated.

Beyond its reach, large-scale advertising says something about the seller's size, popularity, and success. Because of advertising's public nature, consumers tend to view advertising products as more legitimate. Advertising is also very expressive – it allows the company to dramatize its products through the artful use of visual, print, sound, and color. On the one hand, advertising can trigger quick sales.

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

2.1.8.2 Personal Selling

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

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

2.1.8.3 Sales Promotion

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

2.1.8.4 Public Relation

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

2.1.8.5 Direct Marketing

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

highly targeted marketing efforts and to building one-to- one customer relationships (Kotler,2006:461-463).

2.1.9 Relation of Product Advertising to Product Life Cycle

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

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

Reminder oriented product Advertising aims at strengthening the previous promotional activity by keeping the brand name before the eye of the public. It is used at the maturity stage as well as the declining phase of the product life cycle (Chunawalla, 1997:108).

2.1.10 Ethics in Advertising

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

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

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

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

Though clearly declared illegal in many countries, bait and switch advertising is widely practiced in Nepal. Three or four year ago, Singh PC had advertised the “Free PC offer” in many newspapers. If you helped sell three computers through Singh PC, you’d get one PC free. After some time, the company was closed down due to the low quality computer parts used and the failure to fulfill their promise to give away free PCs.

In various trade fairs, some companies quote fantastically low price for their products but when you go to their shop, they say that the lower priced stock has been sold out and you are offered a higher priced substitute. For Example, many companies in CAN Info –Tech demonstrate their computer as working fast (by using fast Intel Processors, the latest 2.6hz, and Intel Original Motherboard). The customer is impressed by the computer and when he buys it from the company’s store, the computer cannot perform as well as was shown in the CAN Info –Tech, because an Intel Celeron Processor are used instead of the original Intel (Shrestha, 2005:69).

2.1.11 Evaluating Advertising Effectiveness

Good planning and control of advertising depend on measures of advertising effectiveness. Yet the amount of fundamental research on effectiveness is appallingly small. “Probably no more than 1/5 of 1% of total advertising expenditure is used to achieve an enduring understanding of how to spend the other 99.8 %”(Trust, 1986:36)

Most measure of the money is spent by agencies on retesting ads, and much less is spent cities first and its impact evaluated before rolling it out nationally. One company tested its new campaign first in phoenix. The campaign bombed, and the company saved all the money that it would have spent by going national.

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

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

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

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

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

Laboratory tests use equipment to measure physiological reaction-heartbeat, blood pressure, pupil dilation, galvanic skin response, perspiration – to an ad; or consumers may be asked to turn a knob to indicate their moment-to-moment liking or interest while viewing sequenced material. These tests measure attention-getting power but reveal nothing about impact on beliefs, attitudes, or intentions (kotler, 2007:484).

2.1.12 Role of Advertising in Modern Business World

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

Economic Function: All that advertisement has to do is to sell a product or service. This

the advertisement accomplishes by communicating properly and effectively, by communicating to the right people, by communicating the right message, put across through brilliant and persuasive language, making use of appeals to different human motives. Advertisement sometimes does the sales job in a subtle and indirect manner. They incline us favorably to the products, affect our attitudes. So advertising performs the economic function by being an art of persuasion. It also is helped by a science of layout, visualization, and print reproduction. Special effects on films etc. Advertising has created wide markets. Sales information is conveyed to millions of people far and wide. This makes mass production and distribution possible. Advertising establishes a direct rapport with the buyer, with no middlemen in the way.

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

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

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

- By improving standard of living.
- By improving product quality.

Psychological function: Advertising is closely linked to consumer behavior. So it affects

personality of the consumers, his concept of self, his attitudes, beliefs and opinions, his life – cycle and life – style etc. advertising appeals to our physiological and psychological motives. Its appeals may be rational or emotional.

Advertising is an icon of our times: advertising is not mere sellers. They reflect the contemporary society. Whatever is used in the society is reflected in advertising. Women are not only as sexual symbols in advertisements: there are others- beds, bathroom fittings, cars and what not. Yes, the use of woman's anatomy in a childish manner is transitory phase, which we will soon grow out (Chunawalla, 1997:30).

2.1.13 Advertising in Nepal

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

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

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

Before restoration of democracy, **Radio Nepal and Gorkha Patra and The Rising Nepal** were the common means of advertisement. But with the formation of democratic government more media has started. In print media along with Gorkha Patra and The Rising Nepal, other media like Kantipur Daily, The Kathmandu Post, Himalayan Times,

many weekly newspapers and other commercial magazines are available.

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

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

Beside above-mentioned media, other media like display, bill board, electric display, transit advertising, direct advertising etc. are also used in limited manner.

Although, advertising has been playing crucial role for promotion in Nepal. But its effect is remaining limited up to the urban area and among limited number of population, except radio Nepal. It is essential to do more to cover largest customers (Paudyal, 1998:159).

2.1.14 Evolution of Advertising

There was also the need and existence of advertising in the ancient period. The difference is that there were not the mass media at that time. It is said that the development of the advertising started with the civilization and started to communicate with each other. “Advertising by word of mouth is probably the earliest form of advertising because verbal skills were developed first. Advertising was given the commercial status the day man entered into the process of exchange” (Kotler, 2006:471).

Since the knowledge of advertising and art of printing were not developed, in early days advertising was passive and was in limited use. The earliest forms were signboards and writing on the walls of prominent buildings. Shouting loudly about the price and description of the article to be sold was the only method of attracting public attention.

The effect of the old type of advertising was not attractive and dynamic as it is today. With the publication of newspapers and development of the modern techniques in printing, advertising work got a boost.

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

During the 16th century, newspaper was the longest form of carrying advertising and these newsletters were first published in the form of news letter. “The first newsletter was started in 1622 in England. The second half of the 16th century witnessed newspaper in the form of news books. It can be said that by the middle of the 17th century, there were special advertising periodicals. It has been recorded that excellent news books were published around 1675. By the end of 17th century newspapers were well established in England, under carrying advertisement as a regular basis” (Sotakki, 2001:29).

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

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

Increasing attention and interest in this direction. Gave rise to a class of advertising experts who were specialized to advise about the technique of advertising to the businessman regarding their advertising programmes. Remarkably huge amount of money was spent in both the purchases of advertising space and developing suitable advertising materials. The progress was further accelerated by modernization of the newspapers with huge circulation. This created political and social consciousness among the people. Every available space, every form and every opportunity was used for advertising purpose. Illustrations were made to make it aesthetically pleasing.

“The age old principle of “**cavet emptor**” prevailed among the consumers and hence the advertising was thought to be untruthful. People did not believe the advertisement message. Buyers were cautious in buying goods. To counteract this feeling manufactures highlighted brands to the consumers. So 19th century saw the concept of brand advertising. This magazine started to catch the imaginations of the people by popularizing the brands. This the period that welcomed window and counter display exhibitions and trade fairs” (Chunawalla, 1997:101).

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

photography and art printing. The most development was cinema slides and electric signs (Sandage, 2004:312).

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

“Television has a powerful means of advertising from 1950, it has grown in its importance with its color presentation and it is going to rule advertising world. There are major indoor colorful advertising media. The outdoor advertising similarly here has been development in traveling displays, sky-writing, in addition to the earlier means like poster, printed displays and sandwiched-men” (Sandage, 2004:308).

2.1.15 Sales Promotion

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

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

A decade ago, the advertising – to – sales promotion ratio was about 60:40. Today, in many consumers packaged companies, sales promotion accounts for 65to 75 present of the combined budget. Sales promotion expenditures have been increasing as a percentage of budget expenditure annually for the last two decades. Several factors contribute to this rapid growth, particularly in consumer markets. Promotion is now more accepted by top management as effective sales tools; more product managers are qualified to use sales promotion tools; and product managers are under greater pressure to increase current

sales. In addition, the number of brands has increased; competitors use promotions frequently; many brands are seen as similar; consumers are more prices – oriented; the trade has demanded more deals from manufacturers; and advertising efficiency has declined because of rising costs, media clutter, and legal restraints (Kotler, 2007:485).

2.1.16 Purpose of Sales Promotion

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

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

Sales promotions enable manufacturers to adjust to short-term variations in supply and demand. They enable manufacturer to test how high a list price they can charge, because they can always discount it. They induce consumers to try new products instead of never straying from current ones. They lead to more varied retail formats. Such as the everyday low price store and the promotional pricing store. They promote greater consumer awareness of price. They permit manufacturers to sell more than they would normally sell at the list price. They help the manufacturers to sell more than they would normally sell at the list price. They help the manufacturer adapt programs to different consumer segments. Consumers themselves enjoy some satisfaction from being smart shoppers when they take advantage of price specials (Kotler, 2007:487).

2.1.17 Reasons for Growth of Sales Promotion

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

- The desire of advertisers, often worried by the high cost of media advertising (e.g. TV), which has increased faster than the rate of inflation, to find more cost-effective forms of promotion.
- The growth of huge supermarket chains and out-of-town superstores and the need for aggressive on-the-shelf competitive promotions, both to sell in and to sell out.
- The opportunities provided by supermarkets, hypermarkets and large-scale mixed retailing to promote on the premises.
- The need to propel sales, both to satisfy the cash flow of retailers and to maintain output from high volume production plants.
- The availability of greater expertise in creating sales promotion schemes, as demonstrated by the emergence and growth of successful sales promotion consultancies. They have filled the gap left by traditional advertising agencies, which were reluctant to indulge in other than commission –paying above –the –line media advertising.
- The goodwill aspect of sales promotion, which tends to bring the manufacturer closer to the retailer. Media advertising tends to be remote whereas sales promotion is more personal, linking the manufacturer with the customer at the place of sale wherever this may be.
- The introduction of a certain fun and excitement into promotions which customer can enjoy as participants. This, again, is quite different from media advertising with its strident glamour to buy.
- The extension of sales promotion into new area such as financial institutions promotion. (E.g. banking and charge cards), and to promotion of consumer durables from cameras to motor –car, plus many services such as holidays, travel, hotels and restaurants. It is by no means limited to the supermarkets and High street stores. It has also been extended to the multinational and international marketing of products such as beer.

- The growth of direct response marketing which often uses sales promotion devices and gimmicks as inserts in mailings or as rewards and bonuses to buyers (Jefkin, 1994:136).

2.1.18 Objectives of Sales Promotion

Sales promotion objectives vary widely. Sellers may use consumer promotion to increase short-term sales or to help build long-term market share. Objectives for trade promotion include getting retailers to carry new items and more inventories, getting them to advertise the product and give it more shelf space, and getting them to buy ahead. For the sales force, objectives include getting more sales force support for current or new products or getting salespeople to sign up new accounts. Sales promotions are usually used together with advertising, personal selling, or other promotion mix tools. Consumer promotions must usually be advertised and can add excitement and pulling power to ads. Trade and sales force promotions support the firm's personal selling process. In general, rather than creating only short-term sales or temporary brand switching, sales promotions should help to reinforce the product's position and build long-term customer relationships. Increasingly, marketers are avoiding "quick fix" price-only promotions in favor of promotions designed to build brand equity.

2.1.19 Major Sales Promotional Tools

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

2.1.19.1 Consumer Promotion

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

2.1.19.2 Trade Promotion

Manufacturers direct more sales promotion dollars toward retailers and wholesalers (78percent) than to consumers (22 percent). Trade promotion can persuade resellers to

carry a brand, give it shelf space, promote it in advertising and push it to consumers. Shelf space is so scarce these days that manufacturers often have to offer price-offs, allowances, buy-back guarantee, or free goods to retailers and wholesalers to get products on the shelf and, once there, to stay on it (Kotler,2006:493).

2.1.19.3 Business Promotion

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

Many companies and trade associations organize conventions and trade shows to promote their products. Firms selling to the industry show their products at the trade show. Vendors receive many benefits, such as opportunities to find new sales leads, contact customers, introduce new products, meet new customers, sell more to present customers and educate customers with publications and audiovisual materials(kotler,2006:496).

2.1.20 Review of Previous Research Works

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

Pandey (1980) has conducted a study on “*Advertising in Nepal*”.

The main Objectives:

- To identify the existing position of advertising practices in Nepal.
- To analyze the existing pattern and blends of advertising and the constraints prevailing in advertising practices in Nepal.

His major findings:

- The advertising is a method of promotion practiced in the country; Advertising in the company is handled by person at the senior level. When there is a separate advertising department in the company. Regarding to the services rendered by the advertising agencies, none can offer full services properly.
- A few adversities and other specialists services such as block makers, printers, artists etc. publication media, radio and cinema are the most used media for commercial advertising.
- The advertising programs are not well co-ordinate with the other elements of marketing and promotional strategy.
- Most of the Nepalese company was not evaluated the effect of advertising.

His Recommendations:

- Nepalese government should develop suitable advertising acts, so as to help advertising agency for doing creative work in the field.
- All of the advertising agencies should develop new and more effective ways of advertisement.

His study was confined to the descriptive analysis of the situation of advertising business. It was natural undertake such research on advertising field at that time as the advertising was still on infant stage of development. Thus, his study did not touch the creative aspect of advertising.

Upadhyay (1981) has conducted a research entitled “*Radio advertising and its impact on purchasing acts in consumer goods*”.

The main Objectives:

- To identify the impact of radio advertising on consumer buying behavior.
- To analyze the public response to the radio advertising.
- To analyze the problems of purchasing acts in consumer goods and influence of radio advertising on sales of the advertised product.

His major findings:

- Radio was only the reliable medium of advertising in Nepal.
- To find out the no more effect of radio advertising and purchasing acts in consumer goods.
- The study was found the availability and comparative cost of different forms of advertising in Nepal.

His main Recommendations:

- Companies should promote their product on Radio stations in nationally and almost everybody listen to radio Stations on their radio set so there is a great scope for this.
- Language and message used in advertising should be easily understandable to all types of consumer.

Sharma (2002) has conducted a research entitled “*Role of Promotion Activities/ Advertising in Building Brand image of production and reputation of a company*”.

The main Objectives:

- To examine the market and important of brand image in consuming beer by customers.

His major findings:

- Find out the promotion activities and advertising in Building Brand image of Beer.

His main Recommendations:

- The Company should adopt effective marketing Mechanism and activities, help to Building of Brand image of Beer.
- Attractive packaging and increased attention in promotion.
- An improvement in the quality and fixing reasonable price can be helpful measures to increase the volume of the sales in the market.

The study has tried to benchmark the information regarding product and promotion.

Rai (2003) has conducted a research entitled “*Advertising and Sales Promotion of Car in Nepal*”.

The main Objectives:

- To evaluate the effectiveness of advertising and promotion in covering market share in car market.

His major findings:

- The result of finding was that the promotion scheme should be brought according to the changing need of desire of the customer.

His main Recommendations:

- Should improve the after sales service.
- Business promotion tools should be use to promoting brand awareness

and enhancing brand image.

- Interactive advertisement should be made by Hyundai Santro Zip plus so that the customers of other service providers will start using This Car.

Sharma (2003) has conducted a research entitled “*impact of Nepal television advertising on Audience*”.

The main Objectives:

- To identify the existing advertising Problem Lunched by NTV.
- To identify different sorts of advertisement Preferred by audience.
- To find out the different Problem of advertisement faced by NTV.
- To ascertain different advertisers groups willing to telecast their advertisement on NTV.

His major findings:

- Majority of children, young and old age audience prefer Musical advertisements Where as other prefers good wording one.
- Considering the educational level of the audiences, mostly below SLC and uneducated people prefer musical advertisements where as educated audience prefers good wording advertisements.
- Considering the gender, most of the female audience prefers musical advertisement rather than good wording and vice versa.
- Most of the audience likes NTV advertisement.
- Because of some advertisement Produced in India, language Dubbing is in correct and miss pronounced.

His main Recommendations:

- Television advertising should be made according to the taste of people.

- The language and message used in advertisement should be easily understandable to all types of consumers groups.
- Television advertisement should be made with keeping the determinants of effectiveness in mind.
- Television advertisement should be according to the product and its suitability with different age groups.

Bhandari (2004) has conducted a research entitled “*The impact of advertising on consumers Attitude*”.

The main Objectives:

- To evaluate other role advertising in changing the consumer’s attitude towards wai wai noodle.
- To calculate the consumers market of wai wai noodle in the lalitpur sub-metropolitan city.
- To obtain the consumers attitude of wai wai noodle with others.
- To up lift the consumers Positives attitude towards wai wai instant noodle.

His major findings:

- The advertisement is an important of getting knowledge about the noodles, advertising is considered as the first source of information.
- The wai wai noodle is preferred most of consumers due to its quality, packaging and other aspects.
- Most of consumers used three packets of noodle in a day in family groups; it means people are fascinated with quick made noodles.
- Frequency modulation (fm) is the best information coverage to the consumers about noodles.

- Advertising of wai wai noodle is found better satisfied than other noodle.

His main Recommendations:

- Wai wai have very poor scheme, scheme directly affects the sales. So wai wai should introduce new attractive scheme as like in mayos and Rumpum.
- Every company should be very careful in quality of the instant noodles. It takes vital role in the sales of instant noodles. The companies should not compromise in the quality. To grab the market, the manufacturer of instant noodles should maintain their quality.
- To preserve their existing consumers every company should research the market regularly. To make new consumers they should bring different kinds of activity like attractive advertisement campaign, attractive scheme, good prizes, quality awareness etc.

Kumar (2006) has conducted a research entitled “*sales promotion of television industry*”.

The main Objectives:

- To understand and analyze various factors influencing sales promotion program in home appliances (Television) Industry.
- To know the factors which influence the purchase decision?
- To measure the sales promotion effectiveness in home appliances (Television) industry.
- It attracts the brand switchers and increases the sales volume.

His major findings:

- Majority of the customers say they own L/G television followed by that is Samsung with 22%.
- Majority of the customers live demonstrations of L/G is more effective

compared to other television company.

- Majority of the customers say that Samsung is providing better customers education more than any other company.
- Majority of the customers say that advertisement through television is more effective.
- Majority of the customers are satisfied with the brand and the reason for that is brand Image is demanding and it's durable.

His main Recommendations:

- Since majority of the customers is in favor of live demonstration of L/G. they should prioritize more in rest of the sales promotional tools to attract more customers.
- In case of Samsung it provides better customer education and fabulous trade shows but it has to focus more on live demonstration exchange offers, discount offer, prices warranties and so on.
- In the sales promotional tools is BPL is highly lacking behind compared to L/G and Samsung. Therefore, they should do something to uplift these tools in order to attract the customers.

Singh, Rafiq and Singh (2010) has Conducted a research entitled “*The impact of advertisement on brand preference towards Aerated Drinks*”.

The main Objectives:

- To study the impact of the Advertisements on the brand preference of consumers.
- To study the consumer perception regarding the most effective media for Advertisements.

- To study the impact of the celebrity endorsement on the consumer buying behaviour.

His major findings:

- After analyzing the data collected from 150 respondents, it is revealed that most preferred brand is Thumps Up followed by Coca Cola and Mountain Dew.
- Majority of the respondents uses their respective brands because of the quality and it is revealed that there is no significant relationship between the choice of brand and price of the product.
- There is an impact of the Advertisements on the consumers regarding the choice of their brand, i.e there is a significant relationship between advertisements and the choice of the brand.
- The most liked medium of Advertisements is television followed by Internet and Outdoor media.

His main Recommendations:

- Companies should aggressively go for Internet marketing as there is a great scope for it because youngsters are in close contact round the clock with Internet
- Companies should come up with new and effective advertisement campaigns regularly.
- Companies should focus on creative advertisements, because people want something different, something new that will attract their attention.
- Companies should make use different mediums of Advertisements to cover maximum population.

2.1.21 Research Gap

Though there are various studies done on the advertising and sales promotion of Television in Nepal, the researcher, while analyzing primary data, tried to involve more and more people of different nature, like household, students, business class, and service class. In the course of explaining every bit of information, the researcher collected some rare to find secondary data with much efforts, which pervious research studies didn't take into account. No one in the previous studies, has taken into account the impact of warranty on customers, feasibility of instalment system in TV market, which are the striking factors for increasing sales in the market. This research study has taken into account all possible lacking, previous studies dared to take into account.

CHAPTER - III

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. In other words it describes the methods and processes applied in the entire aspect of the study. This chapter provides the methodology followed to achieve the objectives stated in this research work. Detail research methods are described in the following headings.

Research Design	: Descriptive
Data Source	: Primary data
	: Secondary data
Research Instrument	: Questionnaire
Sample design	: Simple random design
Sample size	: 100
Sample location	: Kathmandu valley
Sample element	: Students
	: Business class
	: Service class
	: House hold

Sample Unit

S.N	Groups of Respondents	Sample Size
1	Student	25
2	Business Class	25
3	House hold	25
4	Service Class	25
	Total	100

Data have been collected through the survey method while surveys have been conducted in Kathmandu valley.

The data collected was both from the primary and secondary source. The primary data was collected through questionnaires and was collected personally.

The secondary data was collected through books, magazines, Research paper, company website and other websites.

3.1 Research design

By research design we mean an overall framework or plan for the activities to be undertaken during the course of a research study. The research design serves as a framework for the study, guiding the collection and analysis of the data, the research instruments to be utilized, and the sampling plan to be followed (Pant, 2005:92).

The objective of the study is to evaluate effectiveness of advertising and sales promotion for attaining and retaining the market and to review the market status of Samsung television and research design is developed to fit the study.

3.2 Population and sample

The large group about which the generalization is made is called the population under study. Because of the large group size, it is fairly difficult to collect detail information

from each member of population. Rather than collecting detail information from each number, the small portion is chosen as representation of the population is called the sample.

Population consists of the customer of Samsung television in Kathmandu for this study. Sample is selecting certain number of respondents out of population. Sample is taken out of whole population. The respondents in sample are believed to be the true representative of the population.

3.3 Data collection procedure

Both primary and secondary data and other Sources are used for the research study. Primary data are collected from field survey, questionnaire and personal interview. A questionnaire schedule was designed in view of the data requirements and distributed to various respondents through which a field survey is conducted. Secondary data are gathered from the books, magazines, Research paper, company website and other websites etc.

3.4 Data Analysis tools

After the collection of data, an analysis of the data and the interpretation of the results are necessary because data collected from various sources might be in raw form. So, they cannot be used directly. Further, they need to be verified and simplified for the purpose of analysis. The data collected through questionnaire were categorized, tabulated, processed and analyzed using different methods. Graphs, tables, chart and percentage are used to analyze and present the collected data and information to make it more easily understood. Noble descriptive analysis and presentation will be made.

3.4.1 Bar- diagrams and graphs

Diagrams and graphs are visual aids which give a bird's eye view of a set of numerical data which show the information in a way that enables us to make comparison between two or more than two sets of data. Diagrams are in different types. Out of these various types of diagram one of the most important forms of diagrammatic presentation of data is simple bar diagram, which is perhaps the most effective graphic method for comparing

quantities. Time-series graphical data presentation is also done, which is helpful to examine the behavior of some variables over a period of time.

3.4.2 Pie- diagram

A pie- diagram is a widely used aid that is generally used for diagrammatic presentation of the values differing widely in magnitude. In this method all the given data are converted into 360 degree as the angel of a circle is 360 degree and all components of the data are presented in terms of angels that total 360 degree for one set of data.

3.4.3 Percentage

Percentage is one of the most useful tools for the comparison of two quantities or variables. Simply, the word percentage means per hundred. In other words, the fraction with 100 as its denominator is known as a percentage and the numerator of this fraction is known as rate of percent.

CHAPTER - IV

PRESENTATION AND ANALYSIS OF DATA

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

4.1 Product Classification of Television

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

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

4.2 Product Life Cycle and Customer's Adoption of Television

"The product life cycle is an attempt to recognize distinct stages in the sales history of the product" (Kotler, 2007:298).

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

Samsung has completely drops the normal television from market.

- Flat Television: Samsung flat televisions are in **maturity** stage of product life cycles. Many competitors have interred the market and sales growth rate is slow. The late majority adopter customers are buying the flat televisions.
- LCD Television: Samsung LCD Television are in **growth** stage of product life cycle. Many competitors have interred the market and sales growth rate is fast. The middle class & high class customers are buying the LCD Television.
- LED Television: Samsung introduces a completely new dimension in TV. The LED televisions are in the **introduction** stage of product life cycles. Price of LED television is very high with the compare to LCD television. Only the innovator adopter customers are buying the LED television.

4.3 Marketing Mix of Samsung Televisions

4.3.1 Product:

Samsung introduce the DNIE technology in Samsung television, which makes the Samsung television four steps ahead of Normal flat Television. DNIE technology includes:

Color engine, which analyzes the color across various parameters and achieves the right saturation of red, blue, green, yellow, pink and white tones.

Contrast engine, which uses advanced algorithms to eliminate noise and blurring without the slightest damage to the original signal, giving crystal clear action visuals.

3D motion engine which automatically analyzes up to 70,000 local images within a frame leading to blacker black and whiter whites. Detail engine, which analyzes the portion of the signal to be amplified, detecting and reprocessing any noise or defect to reproduce natural details. It has wide range of television:

Flat Television

Model	Size	Features
15K30ML	15"	DNIE, Model Picture, digital noise reduction, auto volume leveler, sound
21K45	21"	DNIE, DNR, Contrast enhancer, auto volume leveler, motion opti detail enhancer, colour optimiser,
21K50	21"	DNIE, Colour tone, digital noise reduction, turbo sound
21K44ML	21"	DNIE, Turbo sound, DNR, Contrast enhancer, auto volume leveler, r optimizer, detail enhancer, colour optimiser,
21A330	21"	Easy view, Digital noise reduction, 3 band graphic equalizer, DNIE TV. Turbo sound
21M50	21"	Easy view, 200 channel memory, 4 mode picture, digital combo, filter search, Digital noise reduction, 5 band graphic equalizer, Turbo sound volume leveler, melody stereo, game, DVD component in, child lock,
29M50	29"	Easy view, Digital noise reduction, DNIE, clock and on/off timer, n on/off, picture size control
29K44	29"	Easy view, Digital noise reduction, DNIE, auto volume leveler, turbo s
29A330	29"	Easy view, 5 band graphic equalizer, turbo sound, DNIE, Flat TV volume leveler, digital noise reduction

(Source: Him electronic Pvt. Ltd.)

LCD Television

Model	Size	Feature
LA22B450	22"	Dynamic contrast ratio high (50000:1), 56cm (22") LCD TV, wide enhancer, down firing speaker, high contrast ratio, 2HDMI
LA26B450	26"	Dynamic contrast ratio, wide colour enhancer -2, down firing speaker, contrast ratio, 3HDMI, auto volume leveler, auto power off, auto channel search, clock & on/off timer, 1 tuner p/p
LA26B480	26"	Dynamic contrast ratio, wide colour enhancer -2, USB 2.0 multimedia for JPEG, digital natural Image engine, in built fm radio 3HDMI
LA32B450	32"	Dynamic contrast ratio, wide colour enhancer -2, high contrast ratio, down firing speaker, 3HDMI
LA32B480	32"	Dynamic contrast ratio, wide colour enhancer -2, USB 2.0 multimedia for JPEG, digital natural Image engine, in built fm radio, 3HDMI
LA32B550	32"	Dynamic contrast ratio, wide colour enhancer -2, USB 2.0 multimedia for JPEG, digital natural Image engine plus, in built fm radio
LA40B530	40"	Dynamic contrast ratio, Ultra (60000:1), 102cm (40") LCD TV, full HD 1080p Technology, wide colour enhancer -2, DNIE plus, 3HDMI
LA40B650	40"	Dynamic contrast ratio, Ultra (100000:1), 102cm (40") LCD TV, FHD engine, full HD 1080p Technology, 100 motion plus, Ultra clear 4HDMI, USB movie, content library.
LA46B650	46"	Dynamic contrast ratio, Ultra (100000:1), 117cm (46") LCD TV, FHD engine, full HD 1080p Technology, 100 motion plus, Ultra clear 4HDMI, USB movie, content library.
LA52B550	52"	Dynamic contrast ratio, Ultra (70000:1), 132cm (52") LCD TV, crystal engine, full HD 1080p Technology, wide colour enhancer 2, DNIE plus, 4HDMI, USB movie, content library, any net +

(Source: Him electronic Pvt. Ltd.)

Samsung LED Television

Model	Size	Feature
32B6000	32"	100Hz motion plus, Ultra clear panel, Samsung LED TV crystal design, wide colour enhancer pro, full HD 1080p, contrast, 4HDMI, Environment friendly, BD wise, any net+, S surround HD digital
40B6000	40"	100Hz motion plus, Ultra clear panel, Samsung LED TV crystal design, wide colour enhancer pro, full HD 1080p, contrast, 4HDMI, Environment friendly, BD wise, any net+, S surround HD digital
40B7000	40"	100Hz motion plus, Ultra clear panel, Samsung LED TV crystal design, wide colour enhancer pro, full HD 1080p, contrast, 4HDMI, Environment friendly, BD wise, any net+, S surround HD digital, medi @2.0, content library flash, US movie, DLNA wireless
46B6000	46"	100Hz motion plus, Ultra clear panel, Samsung LED TV crystal design, wide colour enhancer pro, full HD 1080p, contrast, 4HDMI, Environment friendly, BD wise, any net+, S surround HD digital

(Source: Him electronic Pvt. Ltd.)

4.3.2 Price:

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

Samsung Flat TV

Models	Size	MRP
CS-14B501	14" Ultra Slim	11590
CS-15K30ML	15"	13290
CS-21K45	21" normal flat	15590
CS-21K50	21" normal flat	15990
CS-21K44ML	21" normal flat	16290
CS-21A330	21" normal flat	16990
CS-21M50	21" normal flat	18490
CS-21A530	21" slim fit	17990
CS-21A51	21" slim fit	18490
CS-21B750	21" slim fit	20490
CS-21A730	21" slim fit	20990
CS-29K44	29" normal flat	29990
CS-29A330	29" normal flat	30990
CS-29Z50	29" slim fit	33490
CS-29A730	29" slim fit	35990
CS-29B750	29" slim fit	36990

(Source: Him Electronics Pvt. Ltd.)

Samsung LCD Television

Model	Size	MRP
LA-22B450	22"	36990
LA-22C350	22"	31990
LA-26B450	26"	49900
LA-36C350	36"	46990
LA-32B450	32"	69990
LA-32B480	32"	78990
LA-32B550	32"	90990
LA-32C350	32"	59990
LA-40B530	40"	169990
LA-40C530	40"	109990
LA-40B650	40"	229990
LA-46B650	46"	299990
LA-52B550	52"	469990

(Source: Him Electronics Pvt. Ltd.)

Samsung LED Television

Models	Size	MRP
32B6000	32"	125990
40B6000	40"	199990
40B7000	40"	224990
46B6000	46"	329990

(Source: Him Electronics Pvt. Ltd.)

4.3.3 Promotion:

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

Top Television Brand of 2008

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

(Source: boss magazine, 15 oct ,2008)

4.3.3.1 Consumer Promotion Activities of Samsung

In the fiscal year 2061-2062

- Samsung introduces the programmed “Samsung Nepali Tara”.
- On the Occasion of the Dashain, Came up with the Scheme of Singapore

tour for one customer by lucky draw.

- Gold coin on the purchased of every product.
- Watch on the purchased of Every Samsung Flat TV

In the fiscal year 2062-2063

- On the Occasion of the Dashain came up with the scheme of gold pendent in the purchased of every product.
- On the occasion of World Cup, provided heavy discount on television.

In the fiscal year 2063-64

- On the occasion of Dashain provided the special discount.
- On the occasion of lunching New Model TVs, provided with Dinner set Worth Rs.2500 on the purchased of every 21” TV and 29”TV. Juice set Worth Rs.950 on the purchase of 15” Flat TV.
- On the occasion of New Year 2064 Introduces “CHANCE MA DANCE” scratch offer.

In the fiscal year 2064-65

- On the occasion of Dashain it announced Samsung Talu ma alu scheme; which promised t-shirts as sure shot prize and bumper weekly prize 220 Bajaj Pulsar.
- On the occasion of new year it announced Samsung feri Talu ma alu scheme, by promising Samsung wrist watch as sure shot prize while 200 Bajaj pulsar as bumper weekly prize.

In the fiscal year 2065-66

- On the occasion of Dashain it announced Chance ma Dance scheme; which promised Samsung wrist watch as sure shot prize and bumper

weekly cash prize above Rs. 100,000 to 500,000.

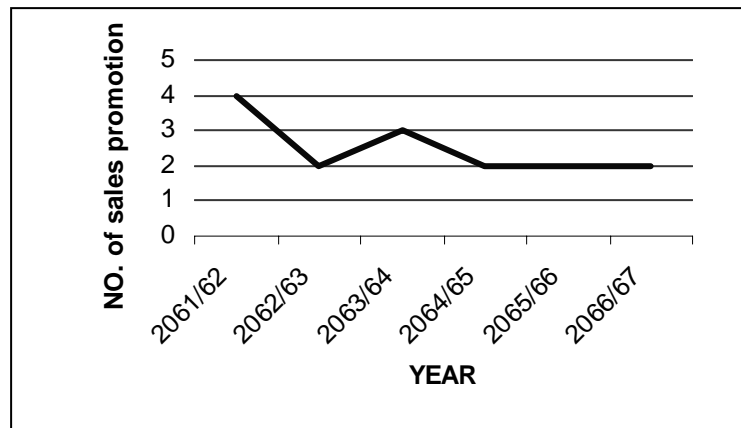
- On the occasion of new year it announced Samsung Kathmandu Ma afnai Ghar scheme, by promising John players t-shirts as sure shot prize while suncity apartment 1 flat as a bumper prize.

In the fiscal year 2066-67

- On the occasion of Dashain it announced Samsung Jhilkey scheme; which promised Himstar LED light as sure shot prize.
- On the occasion of New Year it announced Samsung Made for Football scheme, which promised customers 32” LCD TV each day by lucky draw.

Figure: 4.1

Consumer Promotion Activities of Samsung



(Source: Him electronics Pvt. Ltd)

The above figure show that on the year 2061/62 number of sales promotion activities are more than to last 5 years. In year 2062/63 Samsung became weak in launching sales promotion because of which, Samsung had to lose the power of market capture to some degree. Realizing the losing of market capture, in the year 2063/64 Samsung increases the sales promotion activities and Samsung capture the losing TV market.

In the three fiscal year (2064/65, 65/66/ 66/67) Samsung decreases sales promotion activities, but also the company (Him Electronics) capture the market rapidly day by day.

4.3.3.2 Trade Promotion Activities of Samsung

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

Gift scheme

Point range		Gift items
From	Till	
4500	7400	230-250Lts Refrigerator
7500	10499	350-380Lts Refrigerator
10500	13499	500-530Lts Refrigerator
13500	164900	Tour to Thailand
16500	19499	Thailand Tour + 180Lts Refrigerator
19500	22499	Thailand Tour + 25" Flat TV
22500	25499	Thailand Tour for two
25500	28499	Mauritius Tour for one
28500	31499	Mauritius Tour for 1+15"flat TV
31500	34499	Mauritius tour for 1+25"flat TV
34500	37499	Mauritius tour for 1+29" flat TV
37500	44999	Mauritius tour for 1+1.5 TON AC
4500	52499	Mauritius tour for 1 +2TON AC
52500	59999	Mauritius tour for1 +Bajaj motorcycle

60000	67499	Mauritius tour for two
67500	74999	Mauritius tour for 2 +350-380Lts Refrigerator
75000	82499	Mauritius tour for 2 +29"Flat TV
82500	89999	Mauritius tour for 2+ Bajaj Motorcycle
90000	97499	Mauritius tour for 2+ 43"PJ TV
97500	104999	Mauritius tour for 2+ 54"PJTV
105000	112499	Mauritius tour for 2+62"PJTV
112500	119999	Mauritius tour for2 +Bajaj otercycle+43"PJTV
120000	ABOVE	Mauritius tour for2 +42"PDP TV

(Source: Him Electronics Pvt. Ltd.)

The above table shows the gift provided by Samsung to its dealers according to the sales points gain by them during the fiscal year 2064-2065.

4.4 After Sales Service

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

4.4.1 Warranty condition:

- The warranty is confined to the first purchase of the product only and is not transferable.
- Repairs under warranty period shall be carried out by the company's authorized personnel only for details, contact your warrant service centre.
- It is the responsibility of the purchase to contact the nearest authorized

service center and bring the unit to the authorized service centre at purchase's cost and risk.

- In the event of repairs any part's of the unit, this warranty will there after continue and remain in force only for the unexpired period of the warranty.
- Calls registered with the Authorized service center, where in only calling of the unit/ parts in the unit due to dust gathering portions of the unit, general explanations / returning are not to be considered as defects.

Him electronics Pvt. Ltd guarantees to the purchase that this product carries a warranty for the period mentioned below, commencing from the date of purchase. If the defect is due to faulty material or workmanship, the company will repair any parts of the product free of charge.

Product	Warranty condition	Warranty Exclusions
Colour TV (Flat)	5 yrs warranty	Remote control, acces batteries
Colour TV (PDP of LCD)	2 yrs parts+3 yrs service	Remote control, acces batteries

Service Network

Samsung Service Plaza

Near Ganeshthan, Kamaladi, Kathmandu, Nepal.

Tel: 4260666, Email: himservice@himelectronics.com

CUSTOMER CARE CENTRE

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

(Source: Him Electronics Pvt. Ltd.)

4.4.2 Warranty on Samsung Television with Compare to other Brands

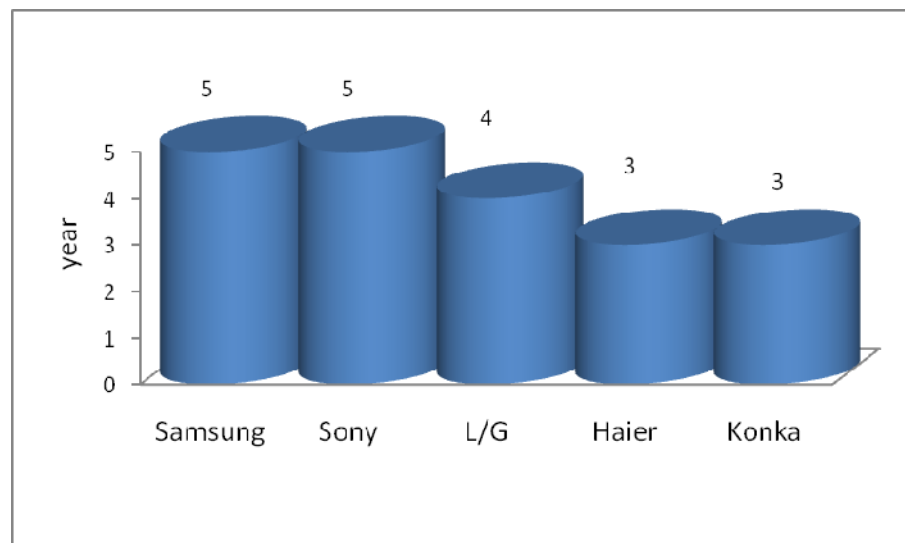
The warranty period provided by different television Brands to their customers. Samsung and Sony provides longest warranty period on their television. Samsung is more conscious than other Brands on providing warranty to their customers.

Table: 4.1
Warranty on Samsung Television with Compare to other Brands

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

(Source: Him Electronics Pvt. Ltd.)

Figure: 4.2
Warranty on Samsung Television with Compare to other Brands



The above table shows the warranty period provided by different television brands to their customers. Samsung and Sony provide five years warranty on their television. L/G

provides four years warranty on their television, Konka and Haier provide three years warranty on their television. According to the data Samsung and Sony are in 1st position, which provides longest warranty period. L/G is 2nd position; Konka and Haier provide 3rd position.

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

4.5 Market Demand of Television in Nepal

Now a day's demand of Television is increasing day by day. There are many Global TV Co sales their TV in Nepal. Samsung is the No.1 demandable Brands in Nepal. Majority of the customers prefer Samsung Television.

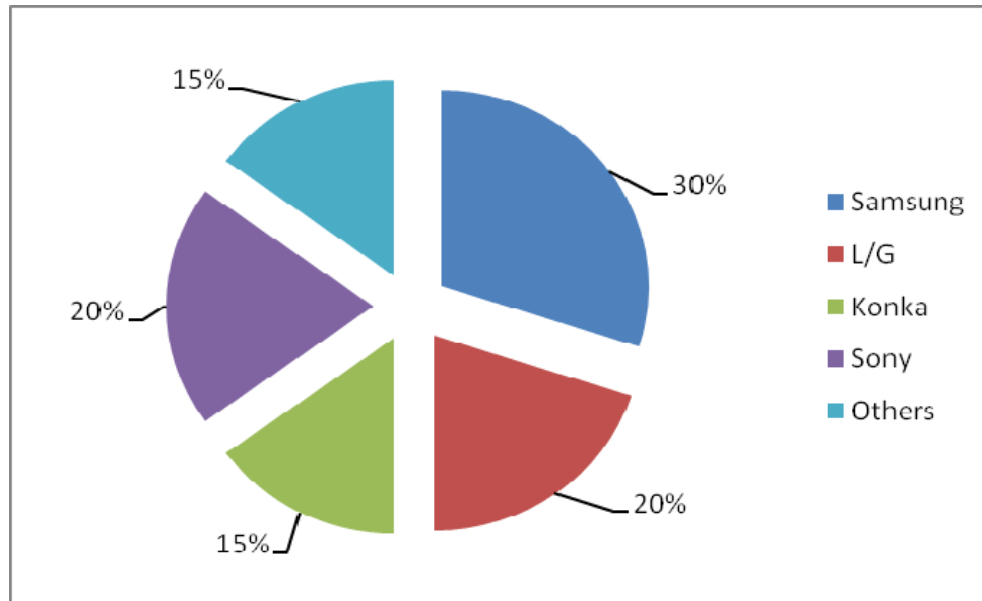
Table: 4.2
Market Demand of Television in Nepal

Brands	Market shares
Samsung	30%
L/G	20%
Konka	15%
Sony	20%
Others	15%
Total	100%

(Source: Annapurna Post, 2 Feb, 2010)

Figure: 4.3

Market Demand of Television in Nepal



The above table shows that the two companies Samsung/L/G covers 50% of total market demand. Samsung covers 30% of market share, L/G covers 20%, Sony covers 20%, Konka covers 15% and other brands covers 15% of market demand.

The coverage of market demand is affected by the **advertising and sales promotion of respective brand**. Samsung has become success to cover 30% of the market because of its effective advertising and sales promotion. Samsung is the most advertising brand of television and bring sales promotion activities very frequently. L/G, a leading brand yesterday is the losing the market share. It covers 20% of total market

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

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

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

4.6 Description of Customer Survey

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

4.6.1 Brands of Television Owned

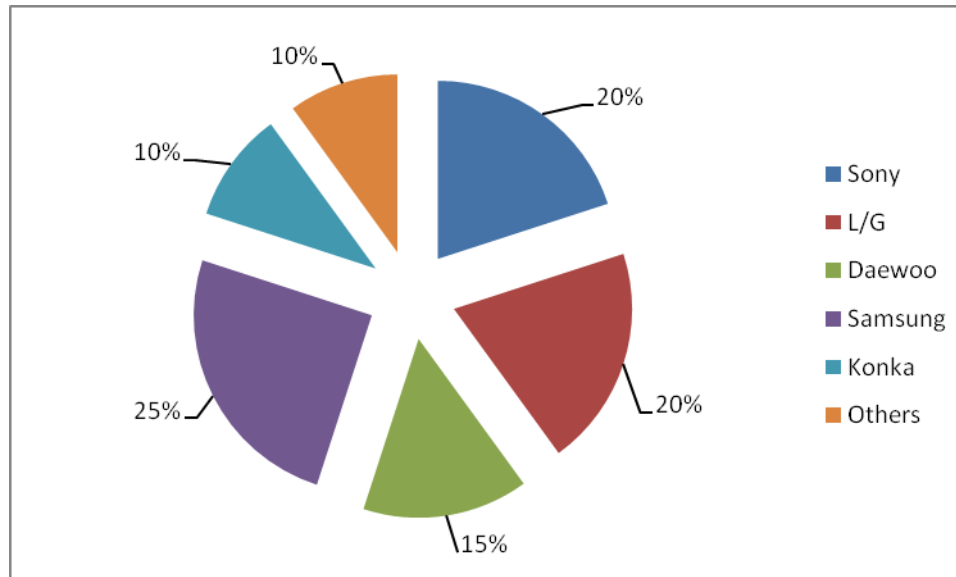
Out of 100 respondents, 25% own Samsung television, 20% own L/G TV, 20% own Sony TV and rest of the respondents own Daewoo, konka & other TV. Samsung TV is the leading brand and still has good market capture in TV market.

Table: 4.3
Brands of Television Owned

Brands	No. of respondents	Percentage (%)
Sony	20	20
L/G	20	20
Daewoo	15	15
Samsung	25	25
Konka	10	10
Others	10	10
Total	100	100

(Source: Questionnaire no. 1)

Figure: 4.4
Brands of Television Owned



The above table shows the percentage of brands of Television owned. 20% of Respondents owned Sony TV, 20% of Respondents owned L/G TV, 15% of Respondents owned Daewoo TV, 25% of Respondents owned Samsung TV, 10% Of Respondents owned Konka TV and remaining 10% of Respondents owned Other Brand.

This table shows that Samsung television is a leading brand and still has good market capture in TV market. L/G and Sony are the market challengers of market that are fighting hard to increase their market shares. Daewoo stands at the third position in the market with compare to the television shares owned by Samsung, Sony & L/G.

Samsung has very good marketing strategy and aggressive promotional activities to establish it at the 1st **position** in the market.

4.6.2 Types of Television Owned

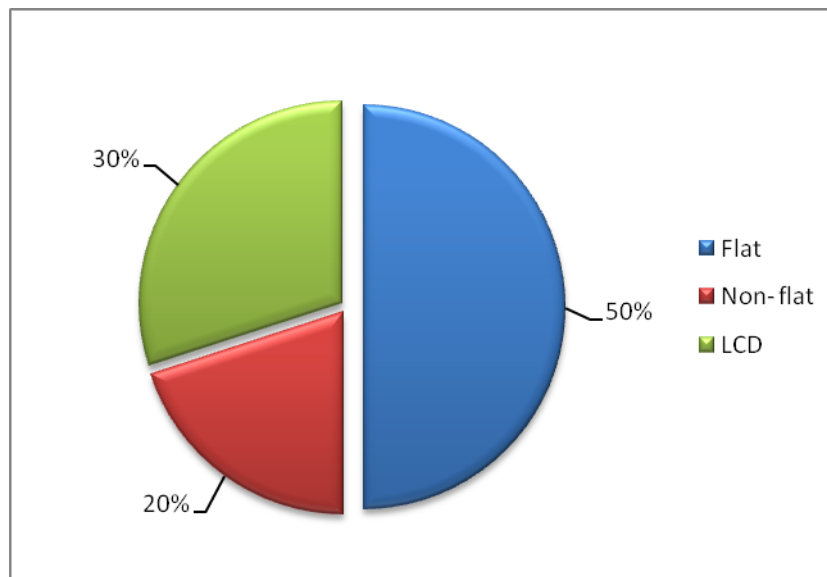
Now a day's majority of the customers have bought LCD&Flat television. Few customers have bought non-Flat television. Most of the customers are still watching new version of TV (LCD, normal flat, slim flat &ultra slim).

Table: 4.4
Types of Television Owned

Types of TV	No. of respondents	Percentage (%)
Flat	50	50
Non- flat	20	20
LCD	30	30
Total	100	100

(Source: Questionnaire no. 2)

Figure: 4.5
Types of Television Owned



The above table shows that only 20% of customers are still watching Non-Flat television. 50% of people have Flat television and 30% of people have LCD television in their house. But almost majority of customers have bought Flat televisions.

It means that most of people are still watching the new version of televisions, and it also reflects that demand for new Flat and LCD televisions in the market is increasing which has almost replaced non-flat televisions in the market. This increase in the demand of flat and LCD television is due to the fact that almost major television brands have started to

cut the prices of Flat and LCD televisions.

4.6.3 Market Potential of Television Brand

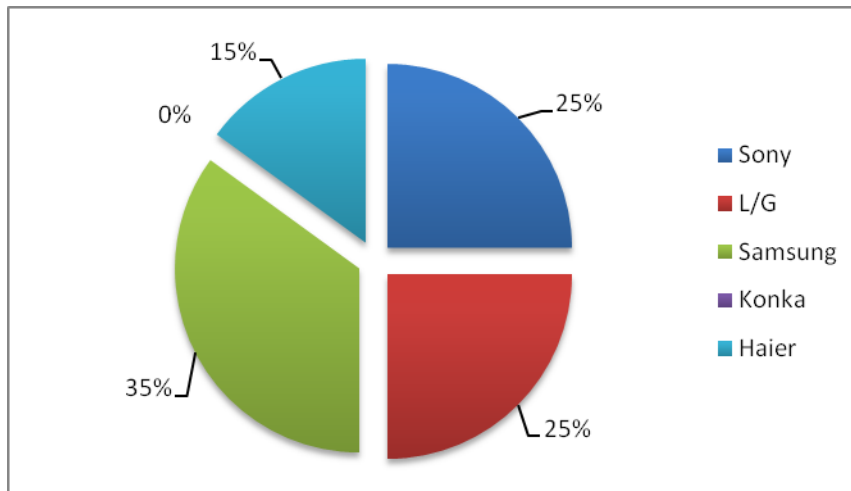
Samsung is the Global No.1 television brand; it is also capturing Nepalese TV market each day passing by. It means market potential of Samsung TV is increasing day by day. Samsung is good market potential of TV market as per the majority of the respondents.

Table: 4.5
Market Potential of Television Brand

Brands	No. of respondents	Percentage (%)
Sony	25	25
L/G	25	25
Samsung	35	35
Konka	0	0
Haier	15	15
Total	100	100

(Source: Questionnaire no. 3)

Figure: 4.6
Market Potential of Television Brand



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

Samsung, L/G and Sony are the main players in the television market.

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

4.6.4 Market Potential of Types of Television

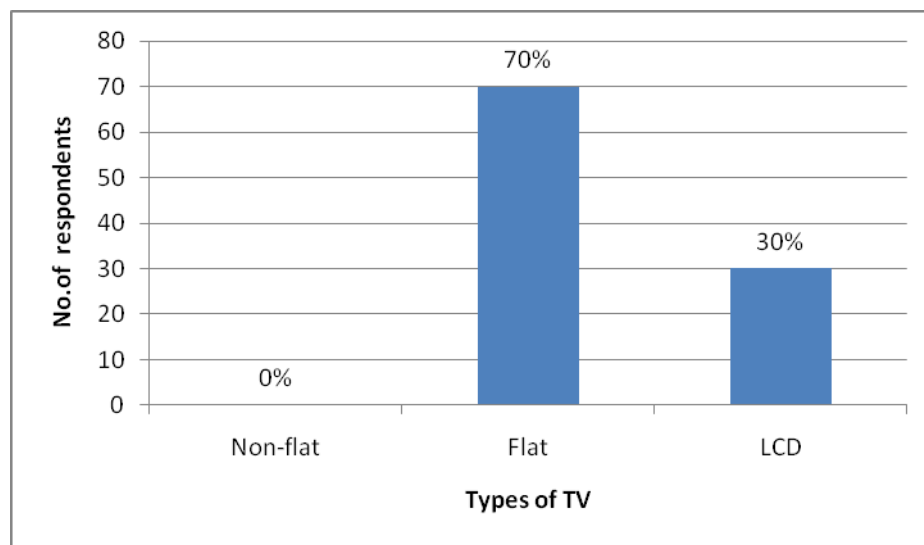
Out of the 100 respondents, majority of the respondents are of the view that flat and LCD television has good potential in the television market. It gives the sign of overtaking the yesterday's market of non-flat television.

Table: 4.6
Market Potential of Types of Television

Types of TV	No. of respondents	Percentage (%)
Non-flat	0	0
Flat	70	70
LCD	30	30
Total	100	100

(Source: Questionnaire no. 4)

Figure: 4.7
Market Potential of Types of Television



The above table shows the market potential of types of television in the market. According to the table 70% of market potential goes to Flat television and 30% of market potential to LCD television. It gives the sign of overtaking the yesterday's market of Non- Flat television.

With the introduction of Flat television, the demand for Non- Flat television started to decrease. When the price of Flat television has decreased in the market, the demand for Flat television has risen to maturity stage. Today, Non-Flat television is totally replaced by Flat television. Because of decrease in the price of Flat television, late adopter

customer is also buying flat television. In the last movement, LCD television has also been introduced in the market, and beginning to cover some market of challenger and early adopter customers.

4.6.5 Awareness of Samsung Television

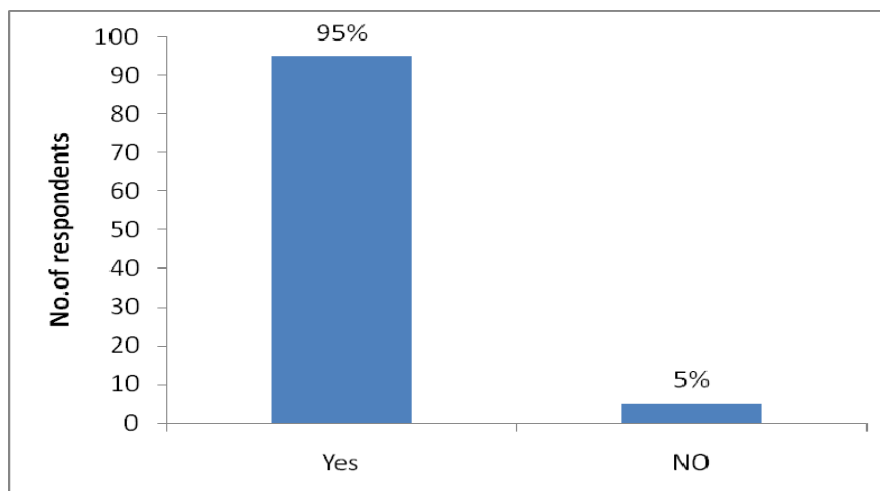
Majority of the respondents know about Samsung television. It means majority of the respondents are aware of availability of Samsung television in market. It is very good sign of market potential of Samsung television.

Table: 4.7
Awareness of Samsung Television

Particular	No. of respondent	Percentage (%)
Yes	95	95
NO	5	5
Total	100	100

(Source: Questionnaire no. 5)

Figure: 4.8
Awareness of Samsung Television



In the above table, out of 100 respondents 95 respondents are aware of Samsung brand. It means 95% of respondents are aware of available of Samsung television in market. It is very good sign of market potential of Samsung television. The main challenge for the

company is to convert this awareness of brand into demand of the brand through creating more interest in the Samsung television.

Persuasive advertising can play a vital role in creating interest on product so that the maximum market share could be capture out of 95% of awareness. Informative advertising should be done targeting 5% of not aware group to make awareness of available of Samsung television in market.

4.6.6 Brand Loyalty on Samsung

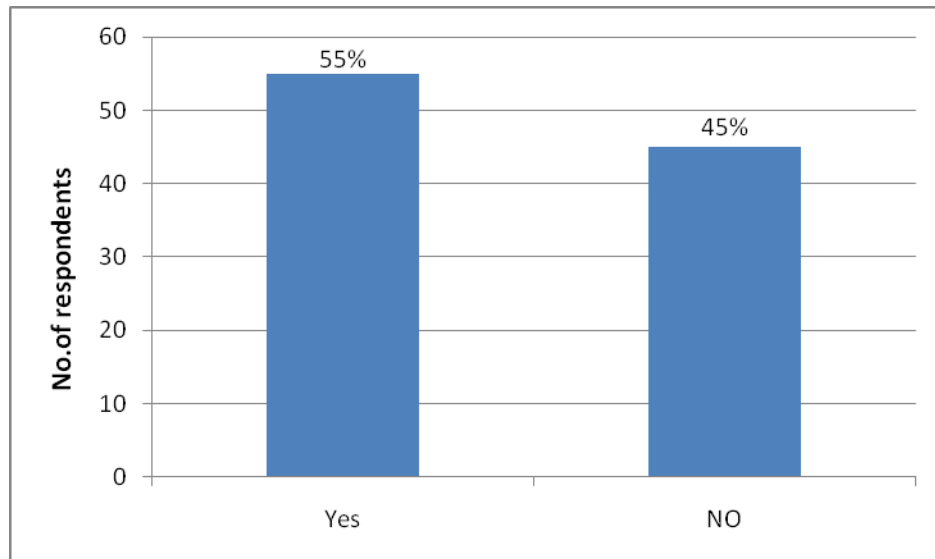
Out of 100 respondents, 55% respondents know about brand loyalty on Samsung television. They are satisfied customer of Samsung Products. Samsung is enjoying the customer equity from the satisfied customers.

Table 4.8
Brand Loyalty on Samsung

Particular	No. of respondent	Percentage (%)
Yes	55	55
NO	45	45
Total	100	100

(Source: Questionnaire no. 6)

Figure: 4.9
Brand Loyalty on Samsung



The above table shows the brand loyalty of Samsung. The above data shows that 55% of customer shows brand loyalty on Samsung. They are satisfied customer of Samsung products. Samsung is enjoying the customer equity from the satisfied customers. While, 45% of Samsung customers are not loyal to the brand, they are using the product of Samsung but are not so satisfied that they buy the next product without comparing with other brands. They may shift to other brand.

The brand loyal of 55% of customers is not so bad in the country like Nepal, where the brand consciousness of customer is low. But 45% of customers of Samsung are not so satisfied with the Samsung product they are using. The main challenges for the Samsung are to retain the loyal of customer of the brand. And another big challenge is to find out the cause of unsatisfactory of customer and increasing the level of brand image so the company can retain the customer of the brand.

4.6.7 Awareness of Samsung Scheme “Samsung made for football”

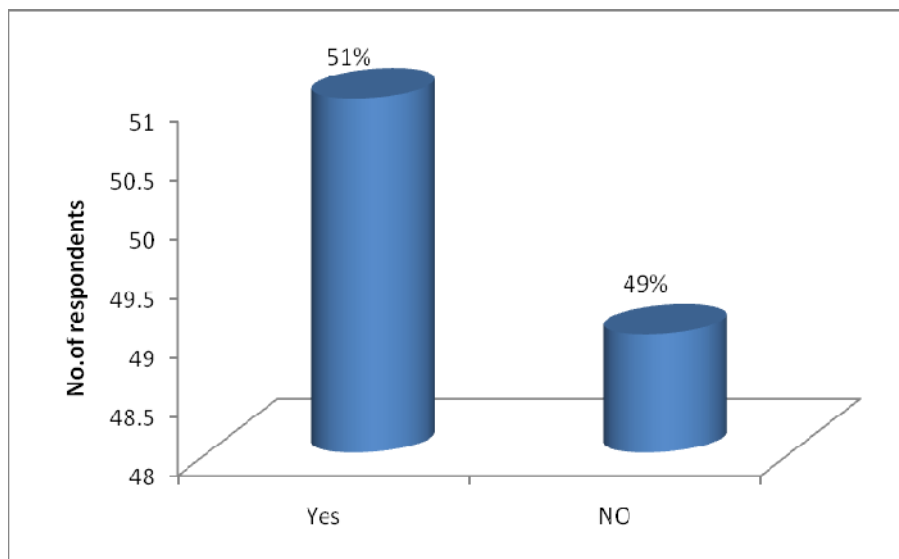
Samsung made for football is the world cup 2010 Samsung scheme. 51% respondents know about the scheme and rest of the respondents are unknown about the scheme of the Samsung.

Table: 4.9
Awareness of Samsung Scheme “Samsung made for football”

Particular	No. of respondents	Percentage (%)
Yes	51	51
NO	49	49
Total	100	100

(Source: Questionnaire no. 7)

Figure: 4.10
Awareness of Samsung Scheme “Samsung made for football”



The above table shows the awareness of the Samsung scheme “**Samsung made for football**”. Only 51% of customers are aware about the scheme of the Samsung. The rest of the 49% of customers are unknown about the scheme of the Samsung.

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

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

4.6.8 Opinion on the scheme “Samsung made for football”

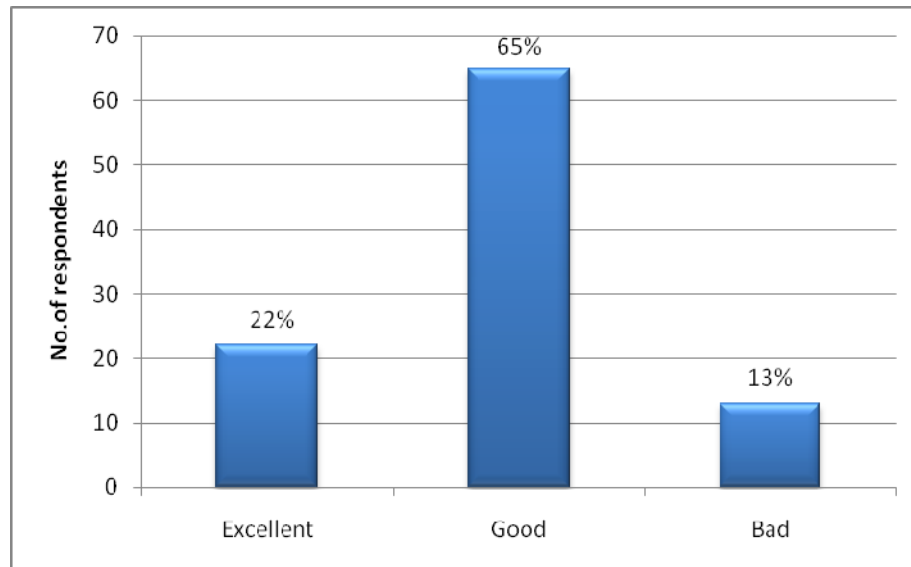
Out of 100 respondents, 22% consider that the scheme is Excellent,65% respondents consider that the scheme is good and rest of respondents consider that the scheme is not good. it is the success of Samsung that it can satisfy 87% of its customer with the scheme provided to customers.

Table: 4.10
Opinion on the scheme “Samsung made for football”

Particular	No. of respondents	Percentage (%)
Excellent	22	22
Good	65	65
Bad	13	13
Total	100	100

(Source: Questionnaire no. 8)

Figure: 4.11
Opinion on the scheme “Samsung made for football”



The table shows that 22% of customer like the Scheme very must, 65% of Customer think it's Ok and 13% of Customer don't like the Scheme given to them by Samsung.

It is success of Samsung that it can satisfy 87% of its customer with the scheme provided to customers. The challenge for Samsung is to maintain this satisfactory level of customer through introducing various kind of scheme in market, understanding customers' wants and market environment.

4.6.9 Source of Information

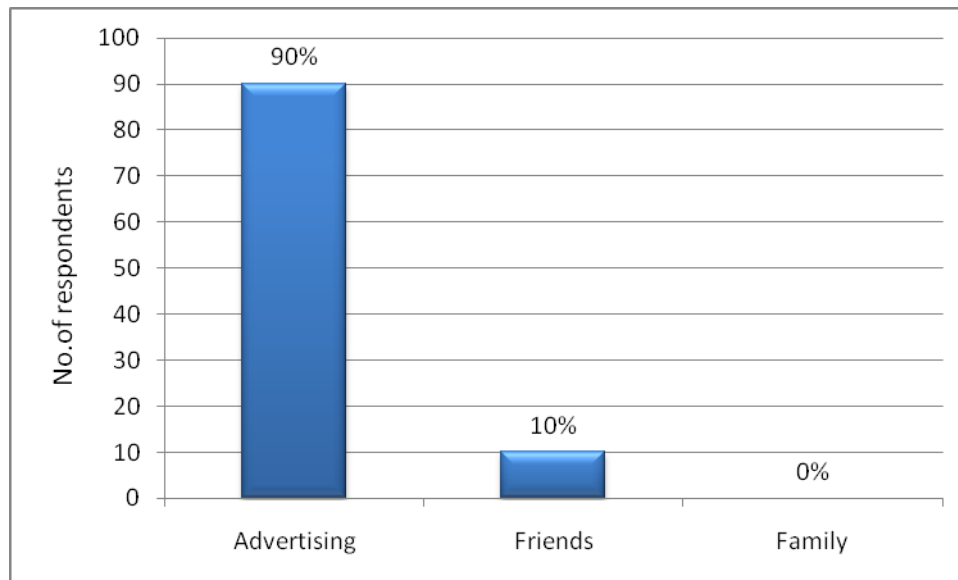
Out of 100 respondents, 90% get information about Samsung from advertisements,10% through their friends. it reflects the importance of advertising in making awareness to customers.

Table: 4.11
Source of Information

Particulars	No. of respondents	Percentage (%)
Advertising	90	90
Friends	10	10
Family	0	0
Total	100	100

(Source: Questionnaire no. 9)

Figure: 4.12
Source of Information



The Above table shows the source of customer about the information of scheme of Samsung “**Samsung made for football**”. 90% of the customers get information about the scheme from the advertising and only 10% of customer got information through their friends.

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

and well as to capture the market share.

4.6.10 Level of Quality Consciousness

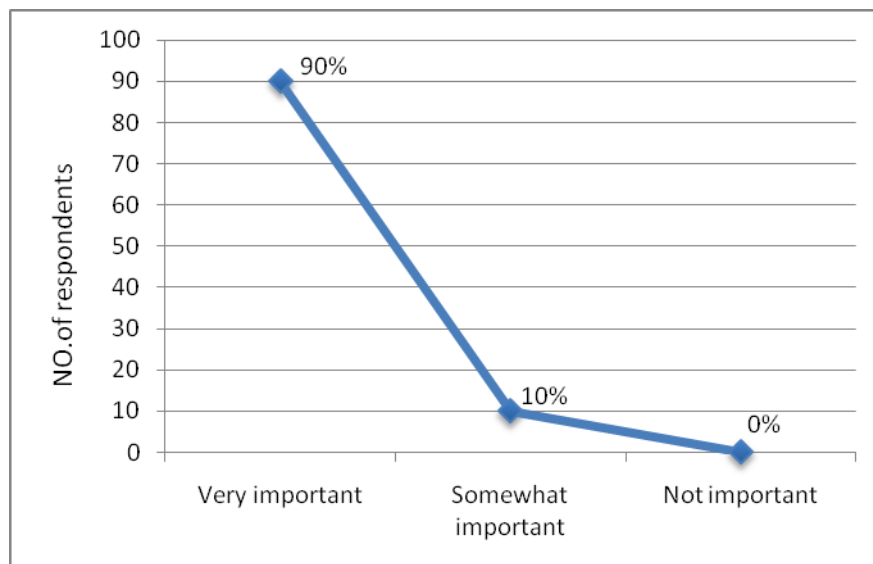
Out of 100 respondents, 90% of respondents are very much conscious about the quality of the television they are buying. Only 10% respondents of TV are somewhat quality conscious. Nepalese television customers are getting more quality conscious these days.

Table: 4.12
Level of Quality Consciousness

Particular	No of respondents	Percentage (%)
Very important	90	90
Somewhat important	10	10
Not important	0	0
Total	100	100

(Source: Questionnaire no. 10)

Figure: 4.13
Level of Quality Consciousness



The above table reflects the quality consciousness of customer in buying television. The table shows that 90% of television customers are very much conscious about the quality of

the television they are buying. Only 10% customers of television are same what quality conscious. From the above table we can say that quality of the television is the threshold factors that need to be met by all brands to stay in the market.

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

4.6.11 Effect of Scheme on Customer Buying Decision

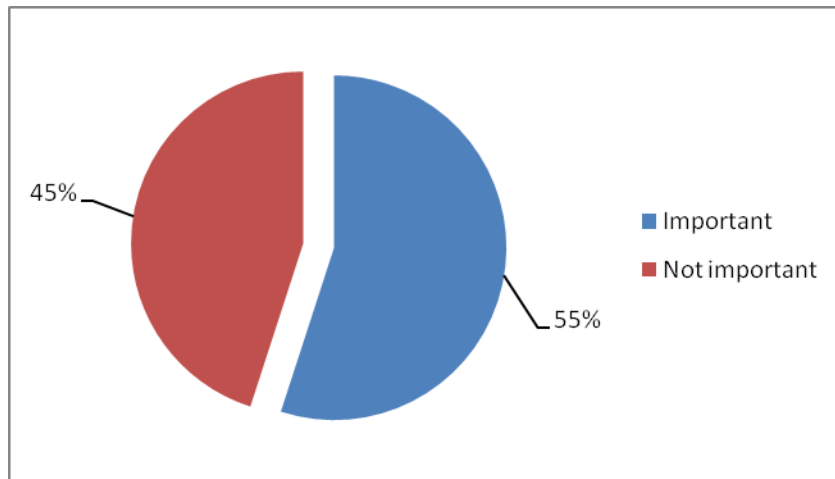
55% respondents consider scheme while buying decision. They are happy to buy a television with some schemes. While 45% of respondents think schemes are not important while buying a television. They don't give any importance to any kinds of scheme.

Table: 4.13
Effect of Scheme on Customer Buying Decision

Particular	No. of respondents	Percentage (%)
Important	55	55
Not important	45	45
Total	100	100

(Source: Questionnaire no. 11)

Figure 4.14
Effect of Scheme on Customer Buying Decision



The above table shows the effect of consumer promotion on the customer buying decision. 55% of customer consider scheme while buying television. They are happy to buy the television with some schemes. They thought they got something on complimentary. While 45% of customers think schemes are not important while buying a television. They don't give any important to any kind of scheme.

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

4.6.12 Effect of Advertising on Sales of Television

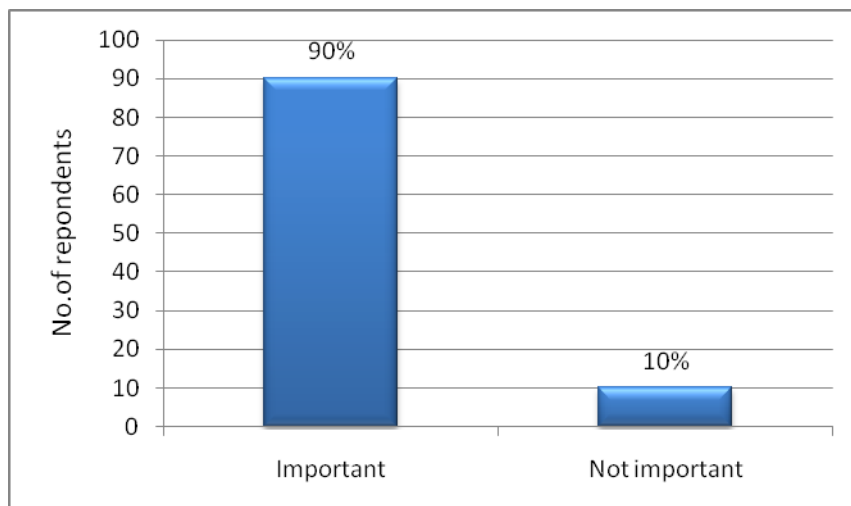
90% of respondents are motivated to buy television by the advertising. Rests of respondents don't give importance to advertisement.

Table: 4.14
Effect of Advertising on Sales of Television

Particular	No. of respondents	Percentage (%)
Important	90	90
Not important	10	10
Total	100	100

(Source: Questionnaire no. 12)

Figure 4.15
Effect of Advertising on Sales of Television



The above table shows the effect of advertising on the sales of television. Advertising motivates 90% of the customers' buying decision. They consider advertising as a very important mean of information of availability of television brands in the market. And 10% of customers are not giving important for advertisement.

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

4.6.13 Feasibility of Installment System in Television Market

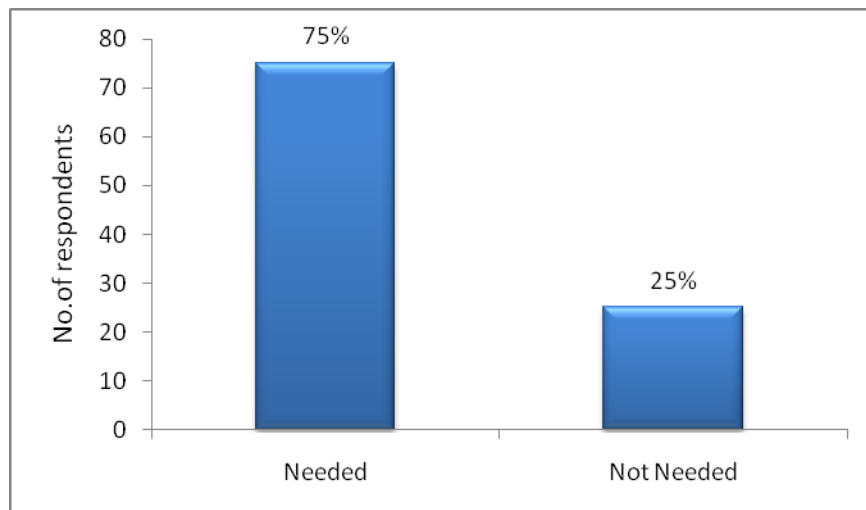
Majority of the respondents inquires about the installment system and they have positive opinion for the installment system to buy a television. Only 25% respondents have negative opinion about installment.

Table: 4.15
Feasibility of Installment System in Television Market

Particular	No. of respondents	Percentage (%)
Needed	75	75
Not Needed	25	25
Total	100	100

(Source: Questionnaire no. 13)

Figure: 4.16
Feasibility of Installment System in Television Market



The above table shows that feasibility of installment system is high in Television market. 75% of customer used to make enquiry of installment and they have positive opinion for the installment system to buy television. And 25% of customers have negative opinion on installment.

The above data gives the sign of increasing trend of purchasing television on installment system in Nepal. Financial institutes have great contribution in the development of

installment system. Most of the television brands are doing alliance with finance to provide their product on installment.

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

4.6.14 Popular Means of Advertisement

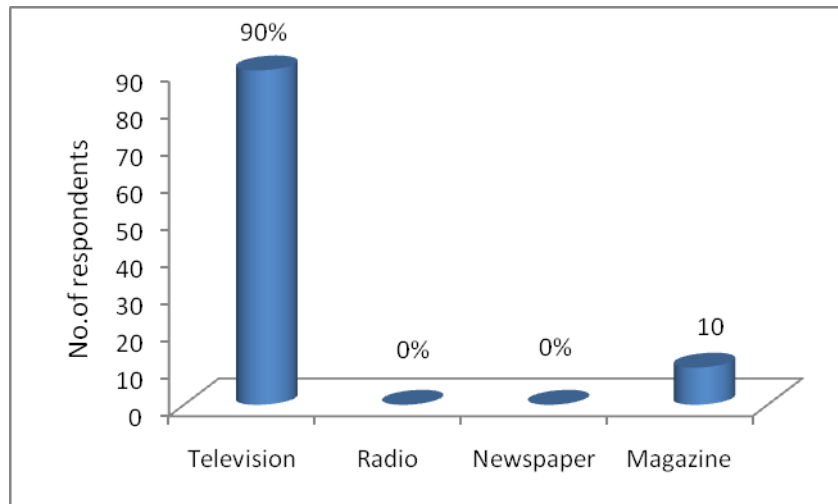
Out of 100 respondents, 90% consider that television is the most effective to attract their attention and 10% respondents consider magazine is the effective means of advertising to them. It means majority of the respondents refer advertisement for television than other means of promotion.

Table: 4.16
Popular Means of Advertisement

Particular	No. of respondents	Percentage (%)
Television	90	90
Radio	0	0
Newspaper	0	0
Magazine	10	10
Total	100	100

(Source: Questionnaire no. 14)

Figure: 4.17
Popular Means of Advertisement



The above table shows the popularity of television advertisement in the advertising field. Out of 100 respondents, 90 said that television is the most effective to them to attain attention and 10 respondents said magazine is the effective means of advertising to them. It means 90% of customers refer the advertisement in television than in other means of advertisement.

The data reflects the success of television advertisement to attract the attention of customers. The one reason behind the success of television to establish as the most popular means of advertising is the technology developed in the presentation of material in television. And another is that the television advertisements reach to the rooms of customers. Today, all the successful companies want to give their advertisement in the television than in press and radio. In other hand customers also like to watch advertisement in Television than in press and radio.

4.6.15 Impact of Warranty on Customers

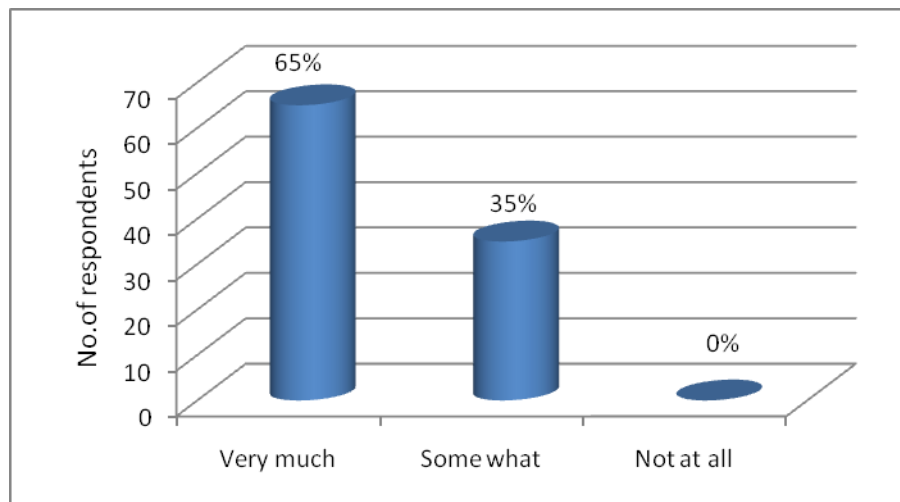
Out of 100 respondents, 65% are very much conscious about warranty on television. 35% are somewhat conscious about the warranty. Customers feel warranty is important for motivating them to purchase television.

Table: 4.17
Impact of Warranty on Customers

Particular	No of respondents	Percentage (%)
Very much	65	65
Some what	35	35
Not at all	0	0
Total	100	100

(Source: Questionnaire no. 15)

Figure 4.18
Impact of Warranty on Customers



On the base of above table 65% of customer are very must conscious about Warranty on television. And 35% of customers are somewhat conscious about the warranty. The table shows that all the customers feel warranty is important on the television, which they are buying.

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

much depends on the service provided to the customers. The television brand cannot survive in the market without providing warranty on television.

Warranty has become a measuring standard of reliability of quality to customer and in other hand it has become a promoting tools to marketer. The major television brands are competing on extending the warranty period of their television. It has both positive and negative impact on customer and market. Positive impact of this is, the customer is getting more quality service from company and the market is moving towards service oriented. But it also has negative impact like some companies are misleading the customer by providing more warranty on less quality product.

4.7 Major Findings of the study

4.7.1 Major Findings from primary data

- Nepalese television customers are more quality conscious.
- Television market in Nepal is being more and more competitive day by day.
- Advertising has great impact on the sales of television.
- Majority of customers have considered scheme while buying television.
- Majority of customers have bought Flat television and LCD television.
- Majority of the customers owned three major brands of the television; Samsung, Sony, LG, which accounts for 65%.
- Sony and L/G are main competitors of Samsung television.
- Television is the most attractive means of advertising to Nepalese customers.
- Most of the television brands are doing alliance with financial institutions to provide their products on installment.

- Nepalese customers' response to the advertising is increasing day by day.
- Today every customer looks the warranty period before buying television.
- Awareness about promotion of Samsung television is satisfactory.
- Samsung is a rising television brand in Nepalese television market.
- Samsung has the highest market potential in Television market in Nepal.
- Samsung is successful in converting its fifty percent customers into its brand loyal.
- Information provided in the advertisement has more influence on consumer's perception about the product.

4.7.2 Major Findings from secondary data

- Trade Promotion is more effective to increase the sales of a company.
- Business Promotion tools like convention, tradeshows, sales contest are not much used by companies in Nepal.
- Samsung has wide range of television in terms of model and size.
- Demand of Samsung television is highly increasing in Nepal.
- Samsung is in 1st position, which provides longest warranty period.
- Samsung introduces DNIe technology in television for first time in Nepal.
- Samsung has its own Service Center Network all over the country.
- Samsung is introducing aggregative trade promotion activities to motivate retailers to sell company's product.
- Language used in the advertisement also plays important role in increasing effectiveness of an advertisement.

- Samsung introduces a completely new dimension TV first time in Nepal. **(LED, 3 LED TV).**
- Price range preferred by consumers is generally in between 15000-45000.
- Consumer sales promotion activities of Samsung are equally going on for the last three years.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Simply, Marketing is managing profitable customer relationship. The aim of marketing is to create value for customer and capture value in return. Marketing management has taken an important place in business management. Today all successful companies have one thing in common, they are strongly customer focused and heavily committed to marketing. These companies share a passion for satisfying customer needs in well-defined target market.

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

In Nepal, advertising is growing day by day. Advertising is widely used by business, government and social organization. The use of advertisement by television brands is increasing every year. However the impact of advertisement to the various consumers is unknown.

The basic objective of the study is to assess consumer response to the importance of sales promotion in building company's image and to evaluate the effectiveness of advertising and sales promotion for attaining and retaining the market share of television business in Nepal, also the study focuses on the market status of the Samsung television and to examine the brand awareness of customers. For this, both the primary and the secondary data are taken to analyze the objective of the study. Primary data are taken from direct questionnaire provided to the consumers. Secondary data are taken from the Him Electronics Pvt. Ltd., other television suppliers and various magazines and publications.

The television market in Nepal is being more and more competitive day by day; also the television customers are more quality conscious. Nepalese customers have developed an increasing interest on advertising and sales promotion tools like convention, tradeshows, sales contest.

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

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

From the primary data analysis most of the consumer prefers Samsung brand which has wide range of television in terms of model and size. Majority of the consumer are aware about the Samsung television and the service provided by the company is satisfactory. From the study Samsung has the highest market potential in television market in Nepal; also the Samsung is successful in converting its more than fifty percent customer as loyal.

From the secondary data analysis competition is increasing in television market and to face the competition Samsung reduced the price of television which ultimately benefits the consumers.

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

5.2 Conclusion

- Television business in Nepal is also very much effective from this trend of business. Almost all newspaper, magazine, television network are full with advertisement of television. Each and every television brands in Nepal look for a

reason to bring attractive offer on their product to attract the attention of customer.

- Today every objects around us are filled with advertising message, every nooks and corners of the main cities are filled with shining advertising Posters and hoarding boards, every products are attached with attractive gifts and offers and every business gets more than core profit on the sales of products.
- Besides advertising and sales promotion, different types of facilities are also being provided to customers. The television business is moving toward service-oriented business. Before sales service and after sales service have been provided by almost all television brands in the market and they are competing for the better and longer after sales services to the customers.
- Samsung has become a major player of the television market in Nepal. It has successful in establishing good level of brand awareness in the market and increasing loyal customers by its quality products.
- To retain the customer and increase the brand loyalty, the company is regularly engaged in research and development activities to improve quality of product and introducing new design and function in the product.
- Two types of impact of Warranty on customers have been seen; Positive impact of this is, the customer is getting more quality services from the company and the market is moving towards service oriented. But it also has negative impact like some companies are misleading the customers by providing more warranty on less quality product.
- But there are still a lot of challenges. Leading brand of yesterday like Sony and the most demanding brand like L/G are still aggressive in the market and they are successful in capturing good market share. On the other side many Chinese television brands have entered the market. So the market has become more competitive. The main challenges for Samsung are to compete on price with Chinese brands and to maintain quality for its brand image and to compete with

brands like Sony and L/G.

Beside the success of Him electronics Pvt. Ltd. in marketing and distributing of Samsung television in Nepal, some weaknesses which have been recognized on the basis of survey are pointed in recommendation section.

5.3 Recommendations

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

- The target market should be well defined and concentrated on the target market.
- The advertisement should come out regularly, informing about the features, benefits and price of the product.
- Well blend of sales promotional mix is necessary to get optimal benefit from investment on sales promotion.
- Advertising media should be selected carefully, which can reach to the target customer.
- Company should also decide on the media impact, while choosing media alternative.
- Ethic of advertising should be maintained as a responsible part of society.
- Before-sales service and after-sales service should be well maintained since service means a lot for the television customers.
- The sales promotion activities should be brought according to the changing wants of customers and competitor's moves.
- Trade promotion activities should be increased to enhance push sales because dealers want to sell the product, which gives them more profits.

- Business promotion tools should be used to promote brand awareness and enhance brand image.
- Finance facility should be well managed through associating with financial institutions for customer's convenience.
- Price of the products should be changed according to the change in the industry.
- Marketing executives and service technician should be well trained about their authority and responsibility.
- Marketing executives should be well informed about the competitor's moves product's features and specification.
- Company's policies should be communicated with dealers and suggestion of dealers' must be reflected on the company's policies.
- Advertisement should be made with keeping the determinants of effectiveness in mind.
- Investment in advertisement should be made with great care of media of advertisement and type of advertisement.
- Advertisement should develop new and more effective ways of advertisement.
- To make advertisement more effective all the determinants of effectiveness should be taken care of.

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APPENDIX

Questionnaire

Dear respondents I will be very grateful if you kindly fill-up this questionnaire which is the requirement of our Master level thesis.

Respondents Profile

Name:

Address:

Occupation:

Qualification:

Date:

Questions for the survey

1. Which brands of television does your family own?

a. Sony c .Daewoo e. Koka

b. L/G d .Samsung f. others

2. Which types of television do you have?

a. Flat b.Non-flat c.LCD

3. If you were to Purchase television, which brand would be your first choice?

a. Sony b.L/G c.Samsung

d. Konka e.Haier

12. Is advertising important for the sale of TV?

- a. Important b. not important

13. What is your opinion about the Installment system for the TV market?

- a. Needed b. not needed

14. Which means of advertising do you think is popular?

- a. TV b. Radio
c. Newspaper b. Magazine

15. Do you think that warranty is important to attract customer towards products?

- a. Very much b. some what
c. Not at all

Thank you for your support.

Requested By: Mr. Mukesh chand, MBS second year, Global College of management, Mid Baner, Pune.