

**THE MARKETING OF SOFT DRINKS**  
**(A Case Study of Chitwan District)**

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***In partial fulfillment of the requirement for the degree of***  
***Master of Business Studies (MBS)***

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## **RECOMMENDATION**

This is to certify that the thesis

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**THE MARKETING OF SOFT DRINKS  
(A Case Study of Chitwan District)**

*has been prepared as approved by this Department in the prescribed format of  
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## **DECLARATION**

I hereby declare that the work reported in this thesis entitled “**The Marketing of Soft Drinks (A Case Study of Chitwan District)**” submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the degree of Master of Business Studies (MBS) under the supervision of **Kailash P. Amatya** of Shanker Dev Campus, T.U.

.....

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Lastly, I would like to say that this research paper is my original work. I don't want to declare that this study is perfectly satisfactory and complete. There may be limitations and short comings because of limited time and resources. I hereby want to take the responsibility of all those.

**Anjani Poudel**

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## **ABBREVIATIONS**

%	:	Percentage
&	:	And
Co.	:	Company
DS	:	Departmental Store
E-	:	Electronic
e.g.	:	Example
i.e.	:	That is
IBM	:	International Business Machine Corporation
MS. DOS	:	Microsoft Disk Operating System
No.	:	Number
T.U.	:	Tribhuvan University
U.K	:	United Kingdom
USA	:	United State of America
www	:	World Wide Web

# **CHAPTER - I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Nepal, officially the Federal Democratic Republic of Nepal, is a landlocked country in South Asia and, as of 2010, the world's most recent nation to become a republic. It is bordered to the north by the People's Republic of China, and to the south, east, and west by the Republic of India. With an area of 147,181 square kilometers (56,827 sq mi) and a population of approximately 30 million, Nepal is the world's 93rd largest Country by land mass and the 41st most populous country.

### **Short Description of Chitwan**

Chitwan is the central part of Nepal. It's far from 146 Km from Kathmandu vally, capital of Nepal. In total figure of Nepal, Chitwan district covers 1.52% area. According to Local Resource Mapping Project (LRMP), the area of Chitwan district is 2205.90 sq Km. Royal National park is covered 908.79 sq Km area. Instead of that area, 1329.60 sq km sq km division at 36 village development and 2 Municipalit. Chitwan district is famous for agriculture sectors. In total area of land, 26% sq km or 547 sq km area is suitable for agriculture but now 445.94 sq km land is used in agriculture. In total, suit for agriculture land only 53.24% got irrigation facilities.

Most of land covers plains area. Thus Chitwan is also called middle of tarai region. Chitwan is famous for agricultural sector because of moisture of soil and fertile land Chitwan is famous for cultivation of different crops such as Wheat, Mazie , Mustrad, Paddy and different kinds of Green vegetable. It is also famous for milk [from animal husbandry], poultry framing and developing stage in bee keeping.

Total population of Chitwan	:	470713
Male	:	237669
Female	:	233044
Growth Rate	:	2.84

*(Source: Brance Office, Population Data Collection of Chitwan)*

Education Male	:	65.57%
Education Female	:	40%

*(Source: Education of District Office, Chitwan)*

### **Geographical of Chitwan**

Chitwan district is located at central part of Northern side-Himanchal Pradesh, western side- chure hill, Southern side-of Chitwan valley is narrowing and Eastern part of Chitwan spreading plain land. Chitwan valley has one another small valley which is called Madi.

Northern 20<sup>0</sup>21” to 27<sup>0</sup>46”

Southern 83<sup>0</sup>35” to 84<sup>0</sup>48”

South to East Length	-	98km
North to West Breath	-	46km
Sea Level Height	-	305m to 1945m
Bharatpur Height	-	208m
Narayangarh Height	-	192m

### **Political and Geographical Distribution**

36 village development organization	-	122,712
2 Municipalities	-	10248
National Park	-	90879
Plan Area	-	86735
Hill Area	-	46225

### **1.1.1 Marketing**

Marketing can be defined in a simple manner as the activities done by the company to deliver the product from the place of production to the place of consumption. It means that marketing is a process of the transfer of the ownership of the product in exchange of something of value.

“The performance of business activities that direct flow of goods and services from the producer to consumer” (American Marketing Association, 1995).

“Marketing is a social and managerial process by which individuals and group obtain what they need and want through creating, offering and exchanging products of value with others” (Kotler, 1997: 9).

“Marketing is defined as total system of business activities designed to plan Price, promote and distribute want- satisfying goods and service to present and potential customer” (Stanton, 1981: 9-10).

It can be conclude that marketing is a process of delivering goods and services product to satisfy the needs of consumers to the consumer in an effective way so the objectives of the produces are fulfilled. Marketing, thus, satisfies the objectives of the producers by making it possible to sell their product on the market in one hand on the other hand helps consumers to get the maximum of satisfaction by providing goods and services for their consumption.

### **1.1.2 Marketing System**

The concept of the marketing system is given by the system approach to marketing based upon the work K.D. Koirala (Koirala, 1992: 11).

The marketing system consists of two interacting elements, the marketing organization and its target market. Defined in o broader way, the interacting or independent group of items include the;

) Organization doing the marketing job.

- )] Product, service, idea or person being marketing.
- )] Target market.
- )] Intermediaries helping in exchange between the marketing organization and its market.  
(Like Retailer, wholesalers, transportation agencies, and financial institution)
- )] Environmental constraints; demographic factor, economic condition, social and cultural forces, political and legal forces, technology and competition”

### 1.1.3 Soft Drink in Nepal

The world wide, now a day soft drinks is the parts of human necessity of anywhere and consumer wants to choice their best drink to fulfill their satisfaction paying their cost.

In Nepal there are limited soft drink Product Company which are using by consumer such as;

<b>Soft drink Company:</b>	<b>Brand Name</b>
- Bottlers Nepal, (Ptv, Ltd) MDF Baratpur, Tarai, (Coca-Cola, Fanta, Sprite) & Balaju, Kathmandu, Nepal.	(Collaboation- U.S.A.)
- Varun Beverages. (Ptv,Ltd) MDF; Sina Mangal, Koteswor , Kathmandu, Nepal,	(Pepsi-Cola, Merinda, 7-up) (Collaboation-U.S.A.)
- Parle agro. (Dugard food & beverage. Ptv,Ltd) Satungal, Kathmandu, Nepal.	(Frooti-Juice) (Collaboation-India.)
- Dabur Nepal. (Ptv,Ltd) Rampur, Tokani, Bara District Birjung,Nepal.	(Real-Juice) (Collaboation-India.)
- Other Juice	(Rio Juice, Durk, Jolly, etc)

Every producer of soft drinks want their product markets sells on high ranks then their competitors but it's all depends upon consumer behavior. In this modern Marketing era, consumer behavior is an integral part of Marketing. Ever marketer should understand consumer's need's, and satisfying which create the behavior of consumers. Consumers satisfaction depend upon the degree of satisfying various categories of needs such as stated needs, unstated needs, real needs, secrets needs, delighted needs, consumer satisfaction can be referred as the different between consumers spent for what he/she gets. What he/she gets is the utility derived from the product or service he/she bears in course of deriving expected utility or value.

Marketers, there, fore, must have to study and analyze consumer's behavior so that, they will be able to exploits the prevailing opportunities and shoulder the threats and challenges. In course of that, they have to find out behavioral conduct of consumers that they show during pre-buying phase, buying phase and post-buying phase, keeping all these into consideration, consumers behavior can be understood as acquiring, using and disposing of products and services.

Consumers may be individual persons or organization. Consumer determines the design of the marketing mix and program for every organization. The organization changes its marketing mix and program according to the needs of the target consumers. An organization customer may be consumers, who buy product and service for personal or family use or other purpose. The different types of consumers show different characteristics and need different marketing approaches.

Buying behavior is the process and act of people involved in buying and using products. Thus, consumer behavior refers to the buying behavior of ultimate consumer those people who purchase products for personal or household use.

Consumer's behavior is the subject of human behavior focusing on the buying expression.

Consumer behavior, as the study of the decision making units and processes involved in acquiring consumers and disposing of goods, service, experience and idea (J. C. Mowen, 1997: 2).

In earlier times marketers could understand consumer through the daily experience of selling to them. But the growth in the size of the firm and markets removed many marketing decision makers from direct contact with consumers. Consumer's behavior encompasses all the activities of individuals that involve buying and using products, including the decision process that precede determine these acts.

### **1.9 Focus of the Study**

This study behind modern marketing through the consumers satisfaction of product and service. Every marketer should understand consumer satisfaction which creates by behavior of consumers. In an modern era, cut throat competition successful marketing of the product demands through understand of consumers taste, choice, preference, loyalty, consumers behavior (Panta, 1993).

Consumers spent for what he/she gets. What he/she gets is the utility derived from the product or service he/she uses.

Consumer's behavior is the main elements which plays major role in buying decision system with the study of consumer's purchase behavior on the basis of brand loyalty of cold drink we can easily analysis. "Why do the consumer's demand that product? And why they do not demand another similar product? So the consumer's satisfaction is a derived marketing goals the modern business. In the views of modern marketing, consumers is the" King" in

purchase decision of different products on the basis of brand loyalty. (Lamichhane, 1996). After study of consumer behavior marketers could easily find out the result of the following problem as:-

1. Who buys?
2. Which product do they demand more? And also purchase?
3. When do they purchase?
4. How do they Purchase?

For the result of those given question these should be study about the consumer to identify the consumer's behavior on different products on the basis of brand loyalty.

As the focus of this study of "Marketing of soft drink" a temporal aspect of consumer behavior of the manufacturer's marketers will be highly benefited by this study. They may use their marketing strategies for marketing of their products so that to turn in their favor.

### **1.10 Statement of the Problem**

The use of soft drinks (e.g. Coke, Pepsi, Fruit, Real Juice and other Juice etc.) is increasing in Nepal as in other countries. Its one reason is that the density of population has been creating hot and the other is that different types of attractive advertisements so that which can easily attract the consumers. The main advertising media in Nepal are Radio, Fm, TV, Newspaper, Magazine, Wall painting, Holding board, etc. In television many sports man, actors and actress, singers also modeling such company drinks, so consumer of cold drinks diversify hither and thither brands of soft drinks. On the other hand some time company gives praise their brand drinks after all "Consumption" has also been increasing in consumers from those soft drinks which one brand is fulfilling the demand of consumers? And are the brands of soft drinks equally demand by the consumers?

From the result of the above questions it is really great problem to say any one without study about Cold soft drinks. It creates problem for the potential consumers to choose Cold soft drink of each favorite brand. The field of consumer behavior holds great interest as marketers and researches the consumer is often to describe two different kinds of consuming entities, these two are personal consumer and organization consumer.

It is also difficult for the researchers to identify the estimate sales in the target market. This, although the markets of Cold soft drink are increasing and also one of the important sources to increase the national income, there has not been made yet the specific study of soft drinks, it is very difficult to know outcome actual consumer and also who are interested to know the result of the following problem.

- ) What is the purchase behavior of consumer and who purchase soft drinks?
- ) What is the choice of consumer on soft drinks?
- ) How consumers build up brand preference and which factors influence such preference?

The answers are often highly variable, according to the all circumstance and situation of individual consumer at a time. Here the studied is related consumer behavior of soft drinks aims to find out above behavioral patterns. Such problem faced on consumer behavior about soft drinks as shown below;

- ) How consumers build up brand preference and which factors influence such Preference?
- ) Does the advertising contribute to protect product positioning?
- ) Which is the popular media of advertising of soft drink?
- ) What is the consumption pattern of soft drinks in Chitwan?
- ) Which is the best design of market segmentation of Chitwan?
- ) Which company covered the more market share in the Chitwan according to consumer's views?

### **1.11 Objective of the study**

Faced with above problems, this study is conducted with the following objective.

- ) To examine the potential consumer to purchase soft drink.
- ) To estimate demand of soft drink in Chitwan.
- ) To identify the purchase behavior of consumers who purchase soft drinks.
- ) To find the relationship between the brand preference and advertising.
- ) To evaluate the role of advertising in product positioning from the consumer's perspective.
- ) To ascertain the market leader of soft drinks in Chitwan District consumer's point of view.
- ) To provide suitable suggestion.
- ) To estimate sales of soft drinks in Chitwan district and its market segmentation.

### **1.12 Hypothesis of study**

Hypothesis 1:

H<sub>0</sub>: Soft Drinks were distributed in an equal no. of male and female.

H<sub>1</sub>: Soft Drinks were not distributed in an equal no. of male and female.

Hypothesis 2:

H<sub>0</sub>: Soft Drinks were distributed in an equal no. of age of group.

H<sub>1</sub>: Soft Drinks were not distributed in an equal no. of age of group.

Hypothesis 3:

H<sub>0</sub>: Soft Drinks were distributed in an equal no. of family status.

H<sub>1</sub>: Soft Drinks were not distributed in an equal no. of family status.

Hypothesis 4:

H<sub>0</sub>: Soft Drinks were distributed in an equal no. of different occupation.

H<sub>1</sub>: Soft Drinks were not distributed in an equal no. of different occupation.

Hypothesis 5:

H<sub>0</sub>: Brand makes not effective for use of Soft drinks.

H<sub>1</sub>: Brand makes effective for use of Soft drinks.

Hypothesis 6:

H<sub>0</sub>: Advertisement is not effective for use of Soft drinks.

H<sub>1</sub>: Advertisement effective for use of Soft drinks.

### **1.13 Importance of the Study**

There is no question that marketing plays an essential role in our economy. In its most basic form, the marketing process identifies unfulfilled, unsatisfied human needs, and develops and delivers products and services designed to satisfy those needs in a way that satisfies organizational and societal objectives. People of Nepal, contrary to the people of developed countries, perceive Cold Soft drink as a drink to be used in the hot season only. That's why the demand for Cold drink in Nepal comparatively goes high in the hot seasons?

So the knowledge of the motives behind purchase behavior of consumers on Cold drink is believed to be especially helpful to the marketers who are related with Cold soft drinks. There are a number of dealers (retailers) in Chitwan district who sell different Cold soft drinks. For a marketer of any consumer goods, it is also helpful to formulate appropriate marketing strategies and such marketing strategies may relate to segmentation of markets based on motives of purchase behavior on Cold soft drinks. The findings of the study would be a great help to marketers, producers, distributors, retailers and as well as consumers, because the complex and competitive Nepalese market, marketers are facing the problem of not getting target market share, so Chitwan is also one of the major cities of Nepal. If we study or survey of "Marketing of Cold soft drinks in Chitwan" then we can easily get the estimated data of the demand for Cold soft drinks of all the parts of the Terai region. Thus although the study of soft drinks is important instead

of Cold soft drinks studies about consumer's purchase behavior with reference to help other goods marketing ( e.g. noodles, soap, electrical goods etc)

Therefore the finding this study would be of great help to government's municipality, social, marketers, producers, distributors, retailers as well as consumers.

#### **1.14 Limitation of the Study**

This study has been made taking time and other constraints in to consideration. A short period of study essentially confines its scope to Cold soft drinks [mainly soft drinks brands Coca-Cola, Pepsi Cola, Frooti, Real juice and others.] have been include as demands. Which are seen used by consumers in Chitwan district, therefore the finding of this study is based on the analysis of few Cold soft drinks brands. This study is entirely based on the brands on the consumer's response, reaction, attitude and purchase pattern relating to the brands of the products selected for the study. Similarly, the consumer's purchasing pattern and market structure characteristics such as consumer's sex, age, family status and profession etc. are also taken into account and studied so as to find out whether or not they correlate with brand loyalty.

#### **1.15 Organization of the Study**

The study is organized into five chapters.

#### **Chapter I: Introduction**

Introduction chapter is related to introductory part of the study. On this chapter background of the study, statement of the problem, objective of the study, signification of the study, limitation of the study and organization of the study are included.

## **Chapter II: Review of literature**

This chapter deals with the reviews of the existing literature in the relevant areas and includes specially consumers behavior related literature and theoretical framework of consumer behavior in soft drinks is review in this chapter.

## **Chapter III: Research Methodology**

This chapter is related to research methodology. In this chapter include and describe the research design, sources and procedures of data collection.

## **Chapter IV: Presentation and Analysis of Data**

This chapter deals with systematic presentation and analysis of data. Collected data from different sources are presented appropriate manner. This includes data collection, data tabulated and presentation of data through different financial and statistical techniques.

## **Chapter V: Summary, Conclusion and Recommendation**

This chapter related to summary of whole study, conclusion and required recommendation also will be mentioned and several directions for future research will be offered in this chapter, which is related to consumer behavior in Nepal.

At the end of the study selected reference or bibliography and related appendices have also been incorporated.

## **CHAPTER - II**

### **REVIEW OF LITERATURE**

Review of literature means stock taking of available literature in one's field of research. By reviewing of literature we get or collect the more information or knowledge about their researches. The previous study may be base on help to face a new problem and provide the foundation to the present study.

Study of consumers behavior has, now been prevailed as an effective measure helping to develop the marketing strategy. On growing need and demands of consumer's previous studies additional information about a particular subject or area, demand enthusiastic and pious efforts from those engaged in such an activity. Thus attempts are made by researchers to bring truth newness in application of found out facts by presenting their own logics and normalized the problems. Thus once pursued research doesn't remain static's in an implementation for a longer periods because their periodic changes in environmental factors, periodic changes of vision, ideology, philosophy, principles, strategies etc; It seem this need to be studied from time to time.

For the study purpose, literature has been reviewed in term of:

#### 2.1 Conceptual Review

#### 2.2 Review of Related Studies

##### 2.2.1 Review of Journals and Articles

##### 2.2.2 Review of Thesis

#### 2.3 Research Gap

#### **2.1 Conceptual Review**

- ) Brand preference or Brand loyalty
- ) Brand Switching
- ) Brand loyalty models
- ) Advertising and products positioning

- ) Advertising and brand choice
- ) Media of advertising

### **2.1.1 Brand Preference or Brand Loyalty**

Every person makes numerous decisions concerning every aspect of product use of daily lives. In the market different brands which are use for same product gives difference satisfactions. However, we generally makes these decisions at shorten time without any think about, we make them and what is involved in the particular decision making buying process its self. Consumers take decisions according to their intention towards the particular brands. The market consists of all the potential consumers sharing of particular need or wants who might be willing and able to engage in exchange to satisfy that need or want. Consumer and buyer behavior is the processes where they buy individuals decide. Whether, what, when, where, how and from whom to purchase goods and services. Consumers are satisfied with brands when they realized their value.

The consumer's satisfaction and an organization as a management orientation that holds the key task of the organization is to determine the needs and wants of target market and to adopt the organization to delivering the designed satisfactions more effectively and efficiently than its competition (Kotler, 1997: 500). Every organization to be sensible towards the consumers satisfaction their needs and wants. Buy delivery the goods quality product and providing the product related information to the consumer.

Brand loyalty analyses whether a not a consumer is a loyal to a specific brand or set of brands in certain time period. Studies on brand loyalty began when researches on consumer behavior became popular around the late 50s and early 60s. Now days most of the products sold strongly force on brands (Engel and Blackwell, 1982: 565).

“Today, branding is such a strong force that hardly any thing goes unbranded. Salt is packaged in distinctive manufacture’s containers, wages are stamped with grower’s names and common nuts and bolts are packaged in cellophane with a distributor’s label and auto mobile components- spark plugs, tires, filters bears separate brand names from the auto markers, Fresh food products such as chicken, turkey and salmon are increasingly beings sold under strongly a advertised brand names” (Kotler, 1996: 447).

This increasing use of brand has significantly increased the necessity to understand, the brand loyalty behavior of consumer. Marketers are concerned with actual consumer purchasing patterns. Consumer emphasis the certain brand according to their beliefs, branding gives the seller the opportunity to attract a loyal and profitable set of consumers. Brand loyalty also gives the seller some protection from competition and greater control in planning their marketing program. So, manufacture or retailer may take years and send millions to develop consumer’s preference for their brands. Different experts, scholars, have defined about brand loyalty in different ways and have expressed different approaches and criteria to measure about brand loyalty.

“According to Schiff Man and Kanuk, “Just as there are different approaches to the definition and measurement of information processing, so, to there are different views as to definition of brand loyalty” (Schiff Man and Kanuk, 1900:258).

Some have defined brand loyalty in term of consumer behavior and some others have in terms of both consumer behavior and consumer attitude. Different researches are based on brand loyalty and have been used much necessary to pay attention towards the research.

Which are about brand? James F. Engel and Roger D. Blackwell explained “One of earliest studies defined Brand loyalty according to the sequence or

purchasing a specific Brand”. This definition classified brand Loyalty in four categories (Engle and Blackwell, 1982: 566).

1. Undivided loyalty (Truly loyal)
2. Divided loyalty (Multi brand Loyal)
3. Unstable loyalty (Shifting loyal)
4. No loyalty (Switcher)

### **1. Undivided Loyalty**

Consumer who buys only one brand all time. The purchase patterns of “A” which represent a consumer with undivided loyalty to brand “A”.

### **2. Divided Loyalty**

Consumers who are buy two or three brand. This buying patterns AA, BB, AB which represent a consumer with a divided loyalty between A and B.

### **3. Unstable Loyalty**

Consumers who shift favoring brand to another similarity brand the purchase patterns of AAA, BBB purchase.

### **4. No Loyalty**

Consumers who show no loyalty to any brands. The purchase patterns A, C, D, E, and B. thus no loyal consumers either deal regular or irregular.

According to this definition branded choice purchases of consumer pattern is the criteria that measure by brand loyalty. By using this definition, George Brown analyzed the purchase records of 100 house hold in Chicago tribune panel for such frequently.

Purchase different items such as coffee, orange juice, soap and margarine and found that the percentage of household demonstrating some degree of loyalty varied from 54 to 95 percent depending on the product involved. In fact the

percentage of house holds undividedly loyal varied from 12% to 73% in accordance with products. From this study it is obvious that brand loyalty does exist and varies accordance with products. The contribution made by this study for development of concept of brand loyalty is considered significant (George, 1999:29).

In the study of brand Choice Pattern approach to brand loyalty, Philip Kotler expresses the example according to brand loyalty Low Cos. The Canadian Supper market Chain, is increasing the number of its house brand. Lob low now sells the leading cookie brand in Canada, its president's choice Decant Chocolate Chip cookie which tastes better and costs less than Nabisco's chip Ahoy brand. It has captured 14% of the market, mostly from Nabisco. Low also introduced its private level Cola, called presidents choice cola, which racked up 50% of Lob law's canned Cola sales (Kotler, 1996:450).

In place of brand-Choice sequence Leaster Guest used preference statement overtime as a measure of brand loyalty in his study carried out in 1941. In 1941 he collected data concerning the brand awareness and preferences of student in follow-up studies of theses same person 12 and 20 years later he found suggestive evidence of high degree of loyalty towards names (although not to specific brands). What comes form the Leaster Guest is that brand loyalty exists even when it is defined as preference statement over time. Guest's finding of suggestive evidence of high degree of loyalty toward brand names give more weight to the need of under standing brand loyalty is measured on the basis of preference on the basis of preference expressed by the consumers to a particular brand over a certain time". But preference statement alone is not real representative of brand loyalty. What the consumers do in the actual purchase is of importance together, which they prefer (Guest, Journal Applied Psychology: Vol-4).

James F. Engle and D. Blackwell defined "Brand loyalty is the proportion of total purchase within a given product category devoted to the most frequently purchased brand (or set of brands)". This definition employs proportion of purchase as the measure of brand loyalty. In other words, according to this definition of total purchase within a given product category to the most frequently purchased brand (or set of brands) the greater the proportion of purchase brand, the greater the proportion of purchase a brand or set of brands, the higher the loyalty (Engle and Blackwell, 1982: 567)

The major advantage of proportion of purchase as a measure of brand loyalty is that the proportion of purchase is quantifiable and, therefore, is useful in a wide variety of mathematical models. The followers of the purchase definition of brand loyalty have used it both as a conceptual as well as operational definition. Using this definition of brand loyalty Cunningham developed the concept of multi-brand loyalty in various forms such as dual brand loyalty, triple brand loyalty, and so on.

"Blattberg and Sen have extended the proportion of purchase approach to segments that are loyal to national or private brands as a category as well as specific brands within each of those categories. One segment of the population they found to be "high national brand loyal" and found that the proportion of purchase devoted to the favorite brand ranged from about 80% to 100% within this segment (Engle and Blackwell, 1982: 568).

According to Jacoby brand loyalty is the biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternatives out of a set of such brands and a function of psychological process (Jacoby and Chestnut, 1978: 571).

The theme of Jacoby's definition is that brand loyalty should be measured in terms of both consumer purchase and consumer preference brand loyalty is

purchase behavior of a decision making unit. Such a behavior is based on psychological processes and is biased for one or more brands for a specific time period. Jacoby's definition is quite able to distinguish between a true loyal buyer and spurious loyal buyer. Evaluation of consumer purchase explain which specific brands or set of brand a consumer purchase repeatedly where as the evaluation of consumer preference answers why repeat purchase of that brand or brands. He/She may buy the same brand or brands due to many factors such as psychological commitment, ignorance if the other alternative brands. Which is unavailability of other alternatives brand at the store, and many other factors too, it is necessary to know which factors is contribution to loyalty.

Another important aspect Jacoby's definition is that is recognizes the existence of multi brand loyalty. When we speak of brand loyalty, we concentrate our mind especially on a specific brand. We think that brand loyalty is the consumer's loyalty to a specific brand. But reality is rather different. Brand loyalty means loyalty to one or more brands that the consumer repeatedly brands of the given products category.

The spurious loyal buyers lack any attachment to attribute, and they can be immediately captured by another brand that offers a better deal, a coupon, or enhanced point of purchase visibilities through display and other devices. Brand loyalty is some thing more than repeat purchase.

Researchers have not only defined what is brand loyalty? But have also endeavored to find out how it's develops (i.e. brand loyalty develops)

"How does brand loyalty develop"? Has occupied an important place in the literature on the brand loyalty. However, the Researches have not the same attitude towards the development of brand loyalty. Likewise on definition the researches have different views on how loyalty develops [Schiff and Kanu, 1999: 260).

Behavioral Scientists who favor the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction leading to repeat purchase. Consumers purchase a particular brand as a trial and if this trial can satisfy his need for what he purchases the product, it makes him repeat the purchase of the same brand.

On the other hand, cognitive researchers emphasize the role of mental process in building brand loyalty. They believe that consumers engage in extensive problem solving behavior involving brand and attribute comparison leading to a strong brand preference and repeat purchase behavior. In other words, brand loyalty is an outcome of mental process of the consumer. Consumers are not loyal to a brand simply because the brand satisfies their needs. They are loyal to a specific brand or a set of brands because they have developed a positive attitude toward that brand or brands. Such an attitude is developed through a decision making process.

Once brand loyalty is established, the threat from other brands is considerably less than in one involving products. Brand loyalty is the best way of marketing system. If the consumers are identifiable as loyal and market can accordingly be segmented as loyal consumer market and non-loyal consumer market and separate market strategy can be used for each.

The process of allocation of basic demand to competing brands in corporate is a number of realistic phenomena. For example the demand for particular brands comes from various sources. The initial component represents habitual brand loyalty. The remaining demand comes from what is termed the potential shifter demands.

According to George P. Moschis, Royl and Thomas J. Stanely. "Studies on brand loyalty have also tried to find out when brand loyalty develops. The research

evidence suggests that a great deal of brand loyalty develops quite early in life with in the context of family life” (George, Moschis and Thomas, 1999: 412-417).

Schiffman and Kanuk presented the explanation of Royle, Moor and Lownds F. Stephens, One study comparing middle-school children with high-school students found that both groups scored high on the ability to express brand preferences, but that the older group had significantly more brand preference. (Schiffman and Kanuk, 1990: 259).

Thus the researches reveal that the brand loyalty develops early in the life of a person and such loyalty has a long lasting effect on the whole life of the person. However this may not be true for all the persons. The modern world is very fast change. Most of the persons who are keeping pace with this world are supposed to change their behavior time by time. The different factors in the environment in which they live, have no inexorable impact on their behavior. Hence, it is not hundred percent correct that the impact of brand loyalty developed at a certain stage of life can be seen even throughout the rest of the life.

Thus the studies on brand loyalty have analyzed what, how and when brand loyalty, and have presented it special phenomenon for scientific analysis and prediction, Brand loyalty is the image of good preference and choice. Brand loyalty has many marketing implication consumer who loyal to the certain brands are valuable assets and the agency for finance to manufactures.

Brand loyal consumers also perform to function of advertising and sales promotion.

Manufacture always like to know about market captured by each brand, which product is comparison profitable to produce. Which market area is better and worse and how much should be produced. In the sense of vision the brand

loyalty is a major role to make a production plan and employ control mechanism to avoid any future absurdities.

Thus knowledge of brand loyalty has been proved an important as well as a successful marketing strategy. That's why the experts suggest, "Brand switching and Brand loyalty studies should be made on a continuous basis". (Green and Tull, 1960: 92).

In short, knowledge of brand loyalty makes the manufacture aware of probable progress and gives warning to take suitable action to avoid any adverse situation likely to prevail in the future.

### **2.1.2 Brand Switching**

As the names implies, brand switching means consumer's habit of constantly shifting from one brand to another. In this sense brand switching is opposite to brand loyalty. A brand loyal consumer is stacked up to a specific brand or a set of brands. The buyer who is habitual to brand switching is loyal to no brand. Understanding of why consumers are involved in brand switching is very important for complete understanding of brand loyalty behavior. Because why consumers switch brand explains. Why consumer are not brand loyal.

According Philip Kotler of brand switching behavior, "Some consumers are often observed to do a lot of brand switching. An example occurs in purchasing cookies; the consumer has some beliefs, chooses a brand of cookies without much evaluation, and evaluates it during consumption. But next time, the consumer may reach for another brand out of boredom or a wish for a different taste. So brand switching is needed for the sake of variety rather than dissatisfaction" (Kotler, 1996: 192).

Leigh Mc Aliester and Pessimier, says "It is not unusual to switch brands simply because of variety seeking" (McAliester and Pessimier, 1990:31).

“Some consumers switch brand because they are dissatisfied or bored with a product others because they are concerned with price than with brand names”. A consumer having been loyal to a brand for long time may switch to another brand because of being dissatisfied of being bored with the brand he has been using for long time. Similarly, if the consumer is more price conscious than brand then even a light price-cut in the competitive brands may him move toward those brands (Schiffman and Leslielagon, 1999:260)

But the research studies on brand switching reveal that brand switching is not very much stronger as it is generally through. In other words, brand switching is not very much threatening to the manufactures. A recent study on consumer purchase habits reported that brand with longer shares have proportionately lager groups of loyal buyer, another study reported that contrary to many marketer beliefs, and brand loyalty is not decline significantly. The slight decline that has been measured appears to be due to an increase by marketers in sale promotion (e.g. special price deals, coupons, sweepstakes and free sample etc.) at the expenses of advertising and greater consumer awareness of price more comparative advertising and more targeting to hard specially niches.

Thus it follows that some interpersonal factors such as dissatisfaction, boredom, price consciousness and aspiration for testing new brands cause brand switch. Similarly, also some external factors like special, price deals, coupons, sweepstakes, free samples and comparative advertising etc. may cause brand switch, but what the researches show is that, such a brand switch can no be converted into brand loyalty.

The consumers do not keep on, sticking up to the brand, which they are switched to. Together with the end of such special; deal as price cuts, free samples and coupons etc. Consumers return back to their previous brands.

### **2.1.3 Brand Loyalty Models**

A wide variety of models have been employed in an attempt to understand and predict brand loyalty behavior. Brand loyalty models analyze brand loyalty

behavior of the consumer. They identify factors affecting loyalty behavior and predict how such factors are likely to affect the behavior in the future.

The models that have been employed to analyze the brand loyalty behavior are stochastic in nature. “**Stochastic Models**”. It predicts behavior on the basis of probabilities. That is to say, stochastic models treat the response of consumer in the market place as the out come of some such as consumer’s variables and exogenous variable that determine the outcome of behavior. Even though these factors of variable are not measured or explicitly included in the model, they are represented by probability distribution and their effect is accounted. So, far most attempt at stochastic modeling has been concerned with predicting brand switching behavior and the rate of trial and repeated purchasing for new products. Some other models, which are important as well as most widely used, were reviewed here (Boyd and William, 1992: 59-60)

The James F. Engle and Roger D. Blackwell explained the model, which is known as “**Bernoulli model**”. According to the Bernoulli model the consumer is supposed to have constant probability or purchasing the brand under study, and the probability or purchasing the brand is determined from aggregate brand choice data. The model also assumers that the factors like consumer characteristics, prior purchase, all external influences etc, have no effect on the probability (Engle and Blackwell, 581).

Determining the probability of purchasing a particular brand from aggregate brand choice data, however, recognizes that the certain anticipated or unanticipated circumstances such as limited number of brands available at the store, specials, or out of stock condition that have effect on the probability. For example if the brand under study is available at many stores, then the probability of buying that brand may be greater for the consumers who purchase that brand.

There are several variations of the basis Bernoulli model. Although these variations have explicitly considered the heterogeneity in the population, yet they have not abandoned the assumption made by the basis model, i.e. the past purchase has no effect on the present or future purchase probability.

Similarly, the consumer attitudes (judgments, preferences) towards the brand alternatives through an evaluation procedure. Consumers have been found to apply different procedures to make a choice among multi attribute objects.

Philip Kotler presents the consumer's brand beliefs about computer how consumers beliefs of each brand rates on the different attributes.

“A consumer's Brand beliefs about computer”

**Table 2.1**  
**Consumers brand beliefs about computer**

<b>S.N.</b>	<b>Memory Capacity (40%)</b>	<b>Graphic Capability (30%)</b>	<b>Software Availability (20%)</b>	<b>Price (10%)</b>
<b>A</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>4</b>
<b>B</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>3</b>
<b>C</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>5</b>
<b>D</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>8</b>

In above the table, consumer rate with brand A as follow; memory capacity 10 on sale; Graphics capability 8; software availability a 6; and price at 4; similarly, consumer beliefs about how the other three computer rates on these attributes. The marketer would like to be able to predict which computer consumer will buy in different opportunity (Kotler, 1996: 196).

### **Markov Model**

“Markov Model” assumes that past purchase influences the probability of current purchases. Many models have been built up on this basis assumption and they all are known as Markov Models. Among these models, the most commonly used one is the first order Markov Model.

The first order Markov model analyzes the impact of short-term consumer learning on the purchase probability. This model assumes that the out come of the last purchase decision affects the brand choice probability on the next trial the model denies that expect the last one other previous purchase have effect on the probability. For example, the purchase sequences AB and BB would both lead to the same prediction of purchasing brand A on the next purchase because in both cases the last purchase is brand B (Boyd and Williams1992: 59-63).

### **Linear Learning Model**

The primary concept of this “**Linear Learning Model**” is similar to that of the Markov Model. That is past purchase affect the future brand choice. However, this model assumes that the consumers’ brand choice probability changes by the certain amount depending on the outcome of a given brand choice event (where as in the Markov Model, the probability is set to a predetermined value that depends solely on the outcome on the events).

### **New Trier Model**

“**New Trier Model**” was developed by David A. Akar to model the behavior of a consumer who has purchased a new brand. New brand here implies the one that is not used before by a consumer, or if even used before, that is completely forgotten he has used that before. According to this model, there is a trial period after the initial purchase and the probability of purchasing a particular brand in the future is an outcome of the consumers’ experience relating that brand in the trial period. In the initial purchase the probability of purchasing the particular brand is constant for the consumer who bought it. This is the trail period purchase that affects the probability. After the initial purchase there may

be a number of trial period purchases. The number of such purchase may vary from consumer to consumer. During the vary trial purchase the consumer develops a new probability of purchasing the brand and it may not necessarily result into purchase of the brand that was purchase in the initial purchase, it may also result into rejection of that brand. Thus, this model assumes that past purchase does not affect the present or future purchase probability and the probability is non-stationary and varies from consumer to consumer. Even through the model is considered simple and easier to understand, the assumption of the zero-order processes has limited its use (Engle and Blackwell, 583-584).

### **Probability Diffusion Model**

**“Probability Diffusion Model”** is proposed by David Montgomery. This model assumes that the past purchase do not affect the brand choice probability in the time to come. According to this model, an individual response probability is a function of external environment factors. The probability is non-stationary and varies from consumer to consumer. Thus the mechanism of the probability diffusion model is to some extent, related to the of the Markov model (Boyd and William, 67-70).

### **2.1.4 Advertising and Product Positioning**

Product Positioning is the way of consumers gain about product and service. It is specially in which consumers rank the features and attributes of product perceive against those of alternatives product. Consumer will impact certain brands and perceive as being higher and lower in quality of those brands. Product positioning shows, result of market as seen by customer with each segment the company needs to develop a product positioning.

Philip Kotler explained “positioning as the act of designing the company’s image and value offer so that the segment’s customers’ understand and

appreciate what the company stands for in relation to its competitor's (Kotler, 1996: 308).

According to this version, the product positioning create the positive impacts or impression in the mind of customer who always been famous about company product and in comparison to the other competitors. To find out about company position in the market it requires some formal marketing research. The especially done for the purpose of finding in position where as our product and company standing in position. It's actually based on consumer's perception or attitude how they perceived toward product goods and service. It is a psychological process which is to some extend depend upon same materialistic value.

Leon G. Schiffman and Leslie Lazar Kanuk explained about product positioning.

“The image that a product or service has in the mind of consumer that is, its positioning is probably more important to its ultimate success than are its actual characteristics” (Schiffman and Kanuk, 1990: 171).

Marketers try to position their brands so that they are perceived by the consumer as fitting into a distinctive niche in the market place a niche occupied by no other product. They try to differentiate their products by stressing attributes that they claim will fulfill the consumer's needs better than competing brands. They strive to create a product image consistent with relevant self image of the targeted consumer segment.

A product or organization has many associations, which combine to form a total impression. The positioning decision often means selecting those associations which are to be built upon the emphasized and those associations which are to be removed a de-emphasized.

“The term “positioning” differ from the older term “image” in that it implied a frame of reference. The reference point usually being the competition” (David and Shons, 1982:56).

The positioning decision is often the crucial strategic decision for the company or brand because the position can be control to customer's perception and choice decision. A product can be positioned in a different ways like Dabur tooth paste emphasized medical useful for stronger for teeth. In many product categories, some brand offer more in terms of free service (electronics items, vehicles), feature and perform and a lower price service to single the higher quality. This is widely used for tools, positioning available in the Nepalese market.

Positioning with respect to a nearly competitor can be aided by comparatively study which main aimed to make better in performance customer satisfaction.

Koirala stated about product positioning. Product positioning refers to the strategic decisions and actions intended to create and maintain the organizations product concept in consumer’s mind. An organization attempts to place the product in the market in such a manner that it seems to be different from competing brands. An organization can implement products differentiation in term of product (feature, quality, style, design) services differentiation factors on which it has competitive advantages and product image base on those factors. Positioning is creating a product image which buyers will view in a certain manner relative to competing brands. Here, the project image is crucial positioning, thus is what an organization does to the mind of the buyers rather than what it does to the product. He also stated the types of positioning according to him attribute positioning, benefit positioning, usage occasion positioning, user positioning, competitive positioning and product class positioning” (Koirala, 2000: 148).

## **Types of Positioning**

**Attribute Positioning:** is the simplest positioning under which product are marketed on the basis of its important characteristics, such as quality, taste, durability, price etc.

**Benefit Positioning:** are highlight the end benefit associated with the products. It is also simple form of positioning where as organization promises a unique benefit to consumer from the use of the product.

**Usage Occasion Positioning:** is base on the use of the product on a particular occasion or for a specific purpose.

**User Positioning:** is based on the target consumer. It involves presenting product as “the most suitable” for a particular category of consumer. Product may be targeted at high, middle, or low income groups or children, teenage, young, middle aged or old consumer.

**Competitive Positioning:** the organization products as better or superior to competitor products. Coke and Pepsi always present their products as better from each other.

**Product class Competitive Positioning:** sometimes an organization may position its product against a product class instead of a particular brand. Product class positioning invites less-amount of competitive reactions than direct competitive positioning.

“Product positioning in implemented through a three stage process”. These are;

### **Identification of Differentiation Factors**

Differentiation factor are competitive advantage an organization is able to exercise in a market in relation to its competitors. Organization creates some values of products for buyers. The superior values may emerge from a

differentiation strategy implemented over the products, services, personal and image.

- ) Product Differentiation
- ) Service Differentiation
- ) Personal Differentiation
- ) Image Differentiation
- ) Style Differentiation
- ) Design Differentiation
- ) Feature Differentiation

### **Selection of Differentiation Factor**

Once the organization has identified all the differentiation factor it should select some factors that are relevant to the products, in the target market. Selection of the competitive advantage factors on the basis of following criteria.

- ) Competitor's position and their strengths.
- ) Cost of creating and defending positions
- ) Consistency with the organization's image

### **Communication the Positioning Factors**

Once the organization has selected the main positioning variables, it should be able to deliver and communicate them to the target market. All of the organization's marketing efforts should be directed at creating, placing and defending the positions. Marketing mix for a product, including product, price, distribution and promotion strategies, should support the positioning strategy. For instance, organization wants to high image position in market.

Advertising try to influence a consumer's brand image for positioning. Advertising provides the standard level message to all consumer or general public about products. Advertisements are flow in different lay out and like as written, oral and visual etc. Advertisements are the Sensible, Felling,

Emotional, Entertainment, Glamorous as well as Educational. Advertising influence the consumer behavior and makes sense about products. Thus, every organization had done the suitable advertising function.

### **2.1.5 Advertising and Brand Choice**

Brand plays the vital role to sell consumer goods in the markets. Brand indicates a name or term or sign or symbol or a combination of them, which is intended to identify the goods and services of one seller or group of seller and differentiate them from those of competitors. In the past the goods were produced and sold in an absence of brand and consumers were to select from the available stock or range of product. Even today, verification of consumer needs the Marketer concentrate to the target group's needs, wants and performance to deliver the desired satisfaction. Every producer has taken into account these consumers individual requirements. While producing the goods and services and advertising the same for successful selling.

Most of advertising campaigns are designed to influence consumers to buy a particular brand. Advertising never sell its self's however, advertising is the full package of create positive response, information about goods and services. The message of brands, their attitudes, beliefs, motive, and value are largely determined by the media the consumer select. The message that they accept and the product they buy, instead of forcing response.

In the market, same used of product available in different brands so consumer has the fundamental right or freedom to spend or not to spend their income on goods and services. No one can force individual choice in the society to spend. Buying the product is one thing and buying the best is another. Buying the best depends on their ability to select the best among the wide range of varieties to get maximum satisfaction from reasonable price.

Advertising affect favorably the consumer choice, because anybody doesn't know before they used about the goods and services. It helps to the consumer

exercise their power of sovereignty in the most appropriate way, advertising acts counselor of job or a guide to the consumers. Advertising provides detailed and up to date information, the regarding various products, where it is available in the market. So that, the consumers would like to decide to buy wisely and intelligent manner. It is very difficult to buy accurate brands choice, advertising helps to solve the problem of coming to the conclusion.

Advertising is a very powerful and successful mass media of communication that makes possible for the consumers brand choice through rational selection at reasonable price.

### **2.1.6 Advertising Media**

There are different types of media for advertising for consumer goods and services in Chitwan, Radio Nepal, F.M. Radio, Television Channel, News Paper, Magazine, Direct Mail advertising and Outdoor advertising.

#### **Radio Nepal**

The Radio Nepal is the oldest information center which was established on 20<sup>th</sup> chaitra, in 2007 B.S. (1<sup>st</sup> April 1915) in Kathmandu, by Nepal government. It has strengthened its institutional capacity and diversified its self in term of programmed format, technical efficiency and nation wide coverage. The radio Nepal provides programmers for time duration of 15 hours daily with 5 hours in the morning and 10 hours including afternoon and evening. The Radio Nepal advertising broadcasting is the cheapest and quickest and widely covered in different parts of Nepal as well as some parts of India.

The transmission capacity of the Radio Nepal is the short wave and medium wave. The medium wave transmissions are located at Pokhara, Kathmandu, Dharan, Surkhet, Dipayal and Bharatpur (Chitwan) also.

## **F.M. Radio**

In Chitwan, there are two F.M. radio stations. The first F.M. radio station was established in Chitwan is 2058 B.S. **Synergy F.M. (Ptv, Ltd)** by Mr. Shahan Pradan. The Synergy F.M. Channel airs programmes on 91.6MHZ from Bharatpur, Chitwan Nepal.

The programme was conduct highlights News, Melody Song, Educational programmers, entertaining the massage and commercial. The programmes broadcast at 6 p.m. to 11 a.m. in daily. The commercial advertising was provided in daily their routing. The Synergy F.M. is suitable for cheapest and quickest commercial advertising media in local market for different product in Chitwan.

Secondly, **Kalika F.M. Radio** (Ptv, Ltd) was establish in 2059 B.S by Mr. Bikram Pndey. Kalika F.M. is widely area coverage Chitwan, Makwanpur, Rupandehi, Gandaki and Dhading the programmes were conducted on 24 hour's daily. The programmes on the Kalika F.M. are similar as Synergy F.M. The programmes on the channel are directed to the urban audience and to grow entertainment, information needs, targeting to the young generation. Both F.M. Radio provided commercial advertising of product.

## **Television**

Television channel is the fully Entertainment. In television channel, we have to see and felling of advertising sound and movement demonstrate the product, the potential use effects.

In the Nepal, Nepal television was first commission 2041 B.S. It is government television channels. Now a day's private sector channel has also broadcasting i.e. Kantipur Television, Image Television, Channel Nepal, Nepal 1 channel, ABC News channel, Sagarmata News and Avineus channels. A Nepalese television channel plays the important role in mass advertising and educational

information. We can see foreign Television also which we have providing by Nepal cable television new line suppliers. In Chitwan “Chitwan unique cable” supplies the television line different parts of valley. The local channel “Beso Channel” was board casting in only for audience of Chitwan. Some multinational and foreign collaboration companies has good image for attractive advertising like Coca-Cola, Pepsi-Cola, Liril soap, Dabur honey etc.

### **News Paper**

The newspaper has become an integral part of the life of everybody. News paper is one of that who gives news ideas –interpretation –opinion comments and explanation regarding the education, moral, cultural, social and economic etc. News papers considered continues commercial printing of advertising which has most powerful tools messenger to the consumer.

In Nepal nation and daily news papers printing are; “The Gorkhapatra, The Kantipur, The Annapurna Post, The Samachar Patra and English latter press printing are The Rising Nepal and The Himalayan Times.” Kantipur publication also pulish from Bharatpur in daily, so it makes the easy to gives advertising for different products from Chitwan. In Chitwan the local daily News paper are Chitwan post and Pardarsi. Both News paper are integral part of Chitwan people. They are both published from Chitwan at early in the morning daily. They have covered four pages only. Chitwan post has little more market share occupied than Pardarsi.

### **Direct Mail Advertising**

It includes all forms of advertising through by the mail i.e. Envelop enclosures, Post Cards, Booklets and Catalogues, Gift Novelties, Store Publication and Package insert. This is widely used by the marketers of high involvement goods next to the personnel sales call, direct mail is the most effective way of advertising.

Advertising by mail offers several advantages, including selective, intensive coverage, flexibility, control, personal impact, exclusivity and performance. But it is highly cost per exposure basis.

### **Out Door Advertising**

It is the famous media of advertising and offers the lower per message delivered i.e. Postering, Hoarding Electric/Electronic signs, Sky writing Sandwich –man and Traveling display. It includes board coverage, very high frequency, great flexibility and attractiveness. In Nepal most of the companies, Soft drink, Noodles, Soap, etc. used this type of advertising.

## **2.2 Review of Related Studies**

### **2.2.1 Review of Journals and Articles**

**Shugan** (2005), in his article, “*Brand Loyalty Programs: Are They Shams?*”, has stated that a loyal customer should be an enduring asset rather than a looming liability. True loyalty programs invest now for the future, commit now to the customer and trust rather than demand trust. In contrast, many extant loyalty programs appear to produce liabilities rather than assets. These programs produce short term revenue from customers while producing substantial future obligations to those customers. Rather than showing trust by committing to the customer, the firm asks the customer to trust that, in return for current revenue, the firm will provide future customer rewards. Promising the customer a future reward for a current purchase can merely shift costs into the future.

A real loyalty program should aim to create an asset rather than a liability. A real loyalty program should create current customer benefits by committing to the customer. A true brand loyalty program creates an asset by making the customer more attached to the brand over time. That attachment can come from learning, experience, familiarity, increased switching costs, habit, or customization. In many cases, competition will diminish or eliminate simple

price discrimination and related forms of discrimination because the segment that faces discrimination is both attractive to competitive entry and easily captured by competitors.

**Lau, Chang, Moon and Liu** (2007), in their article, "*The Brand Loyalty of Sportswear in Hong Kong*", have stated that consumer from 'late teens' and 'early twenties' have the highest interest in clothing. They are also the big spenders in the sporting goods market. They are in the period of expressing individuality and beauty and wear up-to-date and trendy apparel. They dispose their old style apparel frequently and results in frequent wardrobe replacement. This period represents a change in lifestyle and represents a phase of new wardrobe demands. As they have high interest in personal appearance, they tend to have greater clothing expenditure. Nevertheless, the large majority of the respondents aged from 18 to 24 years old are brand switchers. Therefore, marketers have to concentrate their efforts and resources on this consumer segment, such as introducing new lines of fashion sportswear to target the youth market.

On the other hand, creating brand loyal consumers is difficult. Marketers need to continually improve their marketing programs to attract and retain consumers. As competition in the market place is getting increased, consumers are supplied with information on different brands. Thus, important views between 'making more consumer satisfied' and 'making specific groups of consumers more satisfied raises. Making specific groups of consumers more satisfied is more significant related to company's profitability level. Therefore, marketers now focus on brand switching behavior in the market place. As a result, they concentrate on gaining knowledge in factors that can affect consumers to become and remain loyal to their own brands. Loyal consumers may be willing to pay more for a brand.

The promotion is the most efficient strategy in attracting brand switchers. In the sportswear market, promotion tends to reinforce brand switchers to develop more solid brand loyalty towards sportswear. Youngsters follow the moves of their favorite sport celebrities, so they buy the same brand used by sport idols, Sporting goods companies promote their brand images by spending huge amount of money in sponsoring major sports events and individual sports celebrities in Hong Kong.

**Huang, Perloff and Villas-Boas** (2008), in their article, “*Sales and Brand Loyalty*”, have stated that consumers surprisingly exhibit little loyalty to either national brands or private labels for orange juice. Consumers also switch frequently between frozen and refrigerated orange juice. Switching is enhanced when stores hold frequent sales of orange juice products. Some consumers, known as loyal, always buy a particular brand-name food. Other consumers, called switchers, chose which brand they buy in a given shopping trip depending on relative prices of the products. Stores try to induce these consumers to switch to a given brand by putting it on sale.

As household income rises, consumers are more likely to be loyal to a national brand, less likely to be loyal to a private label and less likely to switch. In short, wealthy households buy a leading national brand and stick with it, even though it may cost more than other brands. As household size increases, consumers are more likely to buy a private label. The reward to buying inexpensive brands rises with family size. This increase comes at the expense of leading national brands; however, the share of switchers remains relatively unchanged.

Renters are more likely to be loyal than are home owners. Surprisingly, renters are slightly more likely to be loyal to both leading national brands and to a private label than are home-owners. Consequently, renters are less likely to be switchers. Race affects loyalty to a national brand for refrigerated orange juice. Race has negligible effects on loyalty to a private label or for frozen juice.

Senior citizens exhibit less brand loyalty for refrigerated orange juice than do younger consumers. In the refrigerated sample, older consumers are less likely to be loyal to either a name brand juice or a private label. This result contrasts with pharmaceuticals, where older consumers were more likely than others to buy a name brand instead of a generic drug. Age has virtually no effect on switching behavior in the frozen or combined samples.

**Gommans, Krishnan & Scheffold** (2009), in their article, “*From Brand Loyalty to E-Loyalty: A Conceptual Framework*” have stated that the drivers of e-loyalty have immediate implications for marketing management in terms of developing and maintaining brand loyalty in e-space. However, the relative importance of the drivers of e-loyalty in brand strategy formulation depends on the type of e-business as well as the type of market situation.

A customer who buys something on the Internet has one major disadvantage compared to a customer in real space. Internet customers cannot touch, smell, or experience the good before they buy it. This makes a shopper insecure about buying a product. In order to minimize this insecurity, an e-business should offer brands that are well-known, good product quality, and, of course, guarantees.

A unique factor in e-loyalty is the critical role of the first impression created by a website as well as its ease of use - easy navigation, fast page loads, server reliability, quick shopping and checkout processes, and a personalized interface. Further the convenience and site design are among the major factors that determine customer satisfaction, which in turn influence the decision to re-patronize a site.

**Jackson** (2010), in her article, “*Driving Brand Loyalty on the Web*”, has stated that the savvy managers know that the problems they are searching for could result in their customers losing interest, confidence, or patience in their

website- the kinds of issues that undermine the ability of this key customer touch-point to drive brand loyalty. Websites arguably present more demands than any other brand touch-point. For some Web users, the site is the entire customer experience. Business strategy, brand strategy, communications strategy, product quality, and customer service strategy are all transparent. The site is a pressurized environment, since it exposes every dimension of the company.

The customer who is prepared to pay a substantial premium for consumer electronics but who discovers, upon visiting a company website, that product images take an interminably long time to build or that crowded pages and unclear navigation make it next to impossible to locate a product's technical specifications. Both cases would severely undermine this customer's confidence in the brand and his or her motivation to purchase.

While the Internet may seem like an anonymous space, in reality it is far easier to track customers, their purchase histories, and their preferences online than in a traditional business setting. Customers in bricks-and-mortar stores leave no record of their behavior unless they buy something even then, the data are often sketchy. But in virtual stores, their shopping patterns are transparent. Every move they make can be documented, click by click. If a customer exits a website when the price screen appears, it's a fair bet that he's price sensitive. If one jumps from page to page without ever initiating a transaction, one is probably frustrated at being unable to find what one wants.

### **2.2.2 Review of Thesis**

There are some studies has already done in the related field, but all of them research has their own criteria and explanation. Research is never ending any subject matter. Past research doesn't match present situation and present research doesn't match future situation research is on going all the moments of time factors. Because it's all depend upon consumer behavior, advertising

influence as well as environment effect, social, economic, cultural and demography. Therefore this efforts study only carry out the whole Chitwan so, make me “The marketing of soft drinks” in Chitwan.

Bhatta (1998), was conducted research entitled “*Sales Promotion and its Effect on Sales*”, A case study of Beer market. Major objectives of this study were impact of sales promotion on sales of bear. The major findings of this study are as follows

- ) The person drinks beer for relaxation rather other causes.
- ) The people prefer San Migule Brand more than other brands.
- ) People were aware sales promotion activities. Out of them most people know about cash prize than other tools of sales promotion. Likewise people are insisted by the cash prizes out of all others.

Most people like little bit of the contest but out of persons who have taken parts in contest have not got any prizes yet. And those who have got the prizes are insisted to have same brand of beer. So it is clear that the person who get the prizes out of promotional activities are convinced to have brands of beers.

Electronic media is very popular among the people and the people who watch and listen media notice the advertisement, the percentage of the people notice advertisement for entertainment s are higher than for information.

There are positive relationship between the sales and sales promotion. If the expense on sales promotion increase in the sales increase in high speed.

Cash prizes are the most popular as well as effective sales promotion techniques for beer industries. In one hand, companies in every promotional program offer cash prizes and other hand most people say that they are induced by the cash prize.

Adhikari (2006) in his thesis entitled “*Impact of Sales Promotion Tools on Sales of Cold Drinks*” was conducted in the field of sales promotion. The following are the major objectives of the present study.

- J To find out the promotional tools and media is more acceptable to Nepalese consumer.
- J To evaluate effectiveness of sales promotional activities in the sales of cold drinks in Nepal.
- J To evaluate the relationship between the relationship between sales promotion package and consumer behavior.

This research is based on primary data as well as secondary data and the major findings of this study were as follows:

- J People are aware about sales promotion activities. Out of them most people know about item prize than coupon than cash prizes .but cash prize is effective than others tools.
- J The sales of one brand doesn't effect negatively to the sales of other brands. As the observation shows that the trend of all two brands are increasing.
- J All media is not popular among the people. Only electronic media (F.M, T.V) is very popular among the people and the people who watch and listen media notice the ads, the percentage of the people notices ads for entertainment are higher than for information .
- J Retailer are interested on promotional program. There are aware of cash prize than other promotional work. Thus sales promotion programme has positive impact on retailers and must of them taken parts on contest and win prizes.

Shrestha (2005), has conducted research study on “*The Role of Advertising in Sales (A Study of Bottlers Nepal Ltd., Bottlers Nepal (Terai) Ltd. and Nepal Lever Ltd*” with following objectives:

- J To measure the advertising expenditure of Bottlers Nepal Limited. Bottles Nepal (Terai)Ltd and Nepal Lever Limited and its impact of sales.

- ) To analyze the impact of advertising on total performance of Bottlers Nepal Limited, Bottlers Nepal (Terai) Ltd
- ) To measure the advertising expenditure as percentage of company sales.

The study has conducted that the only purpose of advertising is to sell something a product, a services or and idea. it is very powerful tool for the creation and retention of consumer demand and it is pivot of modern industry and commerce .Finally the sales has positive relationship with advertising expenditures and advertising plays a significant role on the total performance of company as well as concerned companies devoted a very small percentage of sale to advertising.

The study has recommended that the quality of advertisement should be improved, television advertising is more popular and among the consumers of Kathmandu valley etc.

Aryal (2002), has conducted another study entitled “*The study of market share of Colgate: in comparison with Other Brands*”. This study mainly focus to find out the market share of Colgate in comparison with total other brand toothpaste. In this study is based on the primary and secondary data. The major findings of the study are as follows.

- ) Normally people brush twice a days in KTM because of the people are educated and are health conscious.
- ) Most people always performed T.V media among the various other media.
- ) The expenditure on toothpaste by people is not much because the price of toothpaste is cheap than other daily use commodities.
- ) Most shops are stocking more brands but close up and colgate are highly stocking and selling brands.

- J The retailers are purchasing their stock of toothpaste from the distributor mainly because all companies have their own distributor in most of the place in market .
- J The shopkeeper sells close-up in more quantity than other brands . it shows that the close up sales is high and its market share is also high than other brand of toothpaste.
- J On purchasing the toothpaste people generally observed different incentives or scheme on different brands. So the scheme have direct impact on sales . Hence the different companies offer different schemes on their products and on observing the view of people, they also say that the scheme and different prizes induce them.

Luitel (2006), in his thesis, “*A Brand Preference Study Between Sanmiguel and Tuborg Beer in Kathmandu Metropolitan City*”, has the main objective to analyze the brand preference in beverage. The other specific objectives are;

- a. Examine the buying habit regarding beer and the buying of the consumers.
- b. To find out the effective advertising media for beer and their impact on the consumers
- c. To find out the sales volume of beer in Kathmandu metropolitan city.
- d. To suggest measures for promotion marketing of Sanmiguel and Tuborg

The major findings of the study are;

- a. 42% are occasional drinkers with 25% preferring Sanmiguel and 17% preferring Tuborg out of 100 beer drinkers.
- b. The advertisement of Tuborg has the highest recall value among beer drinkers.
- c. 55.93% of beer drinkers preferred to Drink beer with friend Sanmiguel stand for 22.58% and Tuborg by 33.35%.
- d. Brand preference between the two brands Tuborg and Sanmiguel were found to be 56% and 44% respectively.

Pandit (2008), in his thesis entitled “*A study on Brand Loyalty*” was conducted in the field of brand loyalty. The following are the major objectives of the present study.

- a. To find if Nepali consumer are loyal or not
- b. To identify the correlates of Brand Loyalty.
- c. What factors cause the consumer to switch the brand?

The major objectives of the study are;

- a. Nepali consumers are aware of various brands of the product offered.
- b. The brand loyalty in Nepalese consumers varied as per variable such as age, sex, marital status, family system, education etc.

Singh (2009), in his thesis entitled “*A study on Brand Loyalty on Nondurable Product*”, has the main objectives to evaluate the brand loyalty on nondurable products. The other specific objectives are;

- a. To find out the brand loyalty
- b. To know the consumer behavior on Non durable Product
- c. To make the guideline for making marketing strategies
- d. Similarly this study will be valuable reference to the scholars and researchers.

The major findings of the study are;

- a. Nepalese consumers give high importance to Brand in the consumer non-durable goods. The weighted mean of the various important points given (i.e. from 01 to 05 ) by the respondent is 3.94
- b. Most of the consumers are found buying the products selected for this study by brand rather than by inspection or influences. The percentage of consumers who buy by brand is 70% in Cold Drink, 74% in instant noodles. 52 % in Hair Oil and 60% in Shampoo.
- c. In each product selected for the study, at least 64% of the consumer are found to have knowledge of maximum alternative brands available in

the market. This shows the high brand awareness in Nepalese Urban consumers.

- d. Majority of the Nepalese urban consumers are found brand loyal.

Kayastha (2009), in his thesis entitled “*Brand Loyalty on Consumer Product*” has the main objective to trace the brand loyalty on consumer product in Kathmandu. The other specific objectives are;

- a. To identify the relationship of brand loyalty with demographic variables like age, sex and income.
- b. To find out the number of brand loyal consumers or percentage of brand loyal consumer.
- c. To recommend important measures that would help the develop marketing strategies and for conducting further researchers on loyalty on branding in future.

The major findings of the study are;

- a. In case of mineral water greater % of female are found to have loyal and most of male are found to have no loyalty. Test shows that there are significant difference between male and female.
- b. Similarly in the case of toothpaste % of loyal respondent are found high. They are equally brand loyal. There is no significant difference in brand loyalty between male and female.
- c. In the case of Shampoo, male and female are found to have equally loyal tests however that there is no difference in brand loyalty between male and female.
- d. In case of hair oil male and female respondent are found highly loyal. Among them female are more than and test statistics shows that there is no difference in brand loyalty between male and female.
- e. Under age group 15-20, greater % of respondent are found to have divided loyalty and then found to have no loyalty in case of soap.

- f. There is no relation between age and brand loyalty. Greater % of respondent is found to have divided loyal among them.
- g. Most of the respondent are found to have undividedly loyal in case of shampoo. This indicates that, they are conscious in the case of shampoo. Test statistics shows that there is no relation between age and brand loyalty.
- h. In the case of Mineral water greater % of respondent are found to have loyalty. Among them greater % of respondent of age group 20-25 are found loyal. Test statistics indicates that there is no relation between age and brand loyalty.
- i. In the case of toothpaste most of respondents I fall undividedly loyal categories. Most of respond of age group 20-25 and 25-30 are found strongly loyal. Test statistics indicates that there is no relation between are and brand loyalty.
- j. In the case of hair oil most of respondent are found have to undividedly brand loyal. Among them greater % of age group 30 and above, are found more loyal then other group. The test statistics shows that there is no relation between age and brand loyalty.
- k. Under income group 2000 and above greater% of respondent are found to have to undividedly loyal in the case of shop. Test statistics show that there is no relation between income and brand loyalty.
- l. In the case of shampoo greater % respondent of income group are found to have undividedly brand loyal. In this case most of respondent are fall in to undividedly brand loyal. And test statistics show that ther is no relation between income and brand loyalty.
- m. In the case of mineral water most of the respondent is found to have no loyal. But among them greater % of respondent of income group 20000 and above are found undividedly loyal in the case of Mineral water. This indicates that there is no relation between age and brand loyalty.

Shahi (2010), in his thesis entitled "A Study on Brand Loyalty on Consumers (Beverage, Soap, Toothpaste, Hair Oil & Shirt)" has the main objective to trace the brand loyalty on consumer product in Kathmandu. The other specific objectives are;

- a. To identify the relationship of brand loyalty with demographic variables like age, sex and income.
- b. To analyze the reason behind switching the brand.
- c. To identify the major tool that aids consumer to recognize their more easily.
- d. To trace out the main drive that makes consumer to have strong brand belief.

The major findings of the study are;

On the basis of the analysis done, the following major findings have been drawn;

- ) It has been ascertained that the consumers under the age of 25 year are more brand loyal than that of others, since the preponderance of percentage on strong brand loyalty and moderate brand loyalty is highest in such group of people than in others, mainly in beverage, hair oil and shirt.
- ) However, the consumers above the age of 40 year are more brand loyal than other in soap product, and the consumers within the age of 25 to 40 year are more brand loyal in toothpaste products.
- ) Similarly, men are more brand loyal than woman in the consumption of beverage and shirt, while women are more brand loyal than men in the consumption of hair oil, toothpaste and soap.
- ) The income level has direct impact on the brand loyalty of each product. The brand loyalty in the consumers earning high income is greater than those earning low income in the brand of beverage, soap, hair oil, toothpaste and shirt.

- ) 50% of the respondents have stated that the consumers have moderate brand loyalty on the product like Beverage, Soap, Toothpaste, Shirt, and Hair Oil. Similarly, 87% of the respondents have inferred that there exists highly positive relationship between brand performance and brand loyalty.
- ) Likewise, 40% of the respondents have suggested that the brand maker should concentrate more on effective cartoon or animation for the brand in order to be easily identified the brand by the consumers. And 53% of the respondents have stated that the brand name would be more memorable to the customers, if it is made after location name.
- ) 37% of the respondents have asserted that the brand maker should concentrate most in making memorable brand name to affectionate the consumers toward the brand. Similarly, 60% of the respondents have stated that the satisfaction level in past consumption is the major driving force to make strong brand belief.

### **2.3 Research Gap**

Undoubtedly, the previous research made related to the brand loyalty is good to some extent. But what has been ascertained that the previous researchers have analyzed only the responses of the consumers and thus have not embraced the opinions of the distributor's channels. Thus to overcome this gap, the present research has been conducted by analyzing the buying pattern of the consumers and the experience of the distributive channels, such as the opinion of the personnel of the departmental store and the grocers.

## **CHAPTER - III**

### **RESEARCH METHODOLOGY**

A Research methodology is the frame work of research which is the plan of action and carried out in systematic manner. There are various sequential steps to be adopted in studying researcher with certain objectives therefore several steps follow up of methodology.

- ) Research design
- ) Population and sampling
- ) Data collection procedure
- ) Source of data
- ) Data processing and analyzing

#### **3.1 Research Design**

The present study is based on research design. General objective of this research study is to examine and evaluate the consumer behavior of different types of soft drinks in mainly Chitwan. The study is focuses on the examination of relation between consumers and products of soft drinks. And influence factor to create purchasing.

#### **3.2 Population and Sample**

The population of this study is consists of buyers and sellers of soft drinks. i.e. potential consumers of all age groups, equally both sexes male and female of Chitwan.

Samples are taken from population of Chitwan. The sample consists from different sectors such as students, teacher, service holder private and service holder government and business man. For the study purpose 300 respondents, distributors, dealers and retailer of soft drinks taken in account of Chitwan District.

Sampling procedure is an intercept person to person from suitable questionnaires and interview observation of consumer of Chitwan. It has been conducted many places of Narayanghat, Bharatpur, Ratna nagar, Gita nagar, Rampur, Muglin bazaar and where it is necessary.

### **3.3 Data Collection Procedure**

All the data were collection with concern of consumer behavior of Chitwan. There are various types of consumers of soft drinks and many types retailer. The problem of the study lies on the issues to the behavior of consumers. Hence, various data are required. With the view of obtaining data, a data collection tools may be design to be subjective. A number of short questionnaires were designed to concern consumer habit. The different levels or types of consumers/buyers have filled up the questionnaires. In the first, the researcher him self visited the potential market and the questionnaires were distributed to the consumers. Secondly, the responses of questionnaires were to be collection.

For the reference materials, the researcher visited Chamber of commerce, Central department of management, Tribhuvan University, Kritipur and several of libraries etc.

### **3.4 Source of Data**

The sources of data are mainly used primary data and there is less use of secondary data. As depending on the nature of data and information source has been utilize.

#### **) Primary Data**

Primary data has been collected directly from the respondents through the methods of observation, interviewing and questionnaire for different levels of consumers i.e. level of income, level of students, level of teachers, level of

service holders and level of business man, which are taken from primary sources of data.

### J Secondary Data

Secondary data is study as a regards supporting literature, publisher in trade, journal article, bulletins, news papers, magazines and relevant books have been study.

### 3.5 Data Processing and Analysis

All the data have been collected by field survey researcher himself. So there was not any delay in collection of the questionnaires which were distributed to the consumers. Every questionnaire was thoroughly checked after collection and was found to be correct. The same responses of the collected questionnaires were put in to one place under the respective heading and the total responses were counted. The total responses were presented in one master table with the help of data the master table, necessary adjustment have been for attaining the objectives of the study.

All the data is analysis is made on the basis of data presentations in master table. Data is analysis both descriptively and statistically tools like Mean percentage, frequency ratio and hypothesis testing  $X^2$  test have been used to calculate the numerical for the necessary.

### Chi-square Test

A measure of the discrepancy between observed and expected frequencies is known as  $X^2$  test Statistic and defined as:

$$X^2 = \sum \frac{f_o - E^A}{E}$$

### Use of Chi-square test

Chi-square test is used to test whether more than two population can considered equal. Actually, Chi-square test allows us to do a lot more than just test for the

equality for several proportions. If population are classified in two attributes (for example advertisement and brand preference) we can use a chi-square test to determine if the two attributes are independence of each other.

**Some conditions for applying  $X^2$  test**

- a. The frequency used in  $X^2$  test must be absolute, and not in relative term
- b. The total number of items must be as large as 50.
- c. Each of the observation of the sample must be independent of each other.
- d. The expected frequency of any items or cell must not be less than 5. If it is less than 5, the frequency of adjacent items or cells should be pooled together in together into make it 5 or more then 5. (e)  $X^2$  test cannot be used for estimating the value of the population parameter.

**Steps for the computation of chi-square test**

**Step:- 1**

Formulate the null and alternative hypothesis

$H_0$ : There is no significant different between observed and expected frequency.

$H_1$ : There is significant different between observed and expected frequency.

**Step:- 2**

Compute  $E_1, E_2, \dots, E_n$  corresponding  $O_1, O_2, \dots, O_n$  under some theory or hypothesis.

**Step:- 3**

Compute the deviation (O-E) for each frequency and then square them to obtain  $(O-E)^2$

**Step:-4**

Dived the square of the deviations  $(O-E)^2$  by the corresponding expected

frequency to obtain  $\frac{fO - EA^2}{E}$

**Step:-5**

Add the value obtain in step (IV) to compute under  $H_0$ .

$$X^2 = \sum \frac{f_0 - E^k}{E}$$

**Step:- 6**

Under the null hypothesis that the theory first the data well, the above statistic follow  $X^2$  – distribution v-n-1 d.f.

**Step:-7**

Make decision, if the computed value of  $X^2$  is less than it's tabulated (critical)  $H_0$  is accepted, if the computed value of is greater than its tabulated values  $H_0$  is rejected (i.e.  $H_1$  is accepted) (Gupta, 2002).

**3.6 Limitation of the Study**

This study has been made taking time and other constraint into consideration. A small sized sample might not be adequate to represent the whole feature of population. Mainly two branded of cold drinks and other few soft drinks have been included as demands which are seen in use by consumer in Chitwan. Therefore, the findings of this study are based on the analysis of few cold soft drinks brands.

Since the sample are down from some limits area of Chitwan. In spite of sample are attempt to included random systematic method. Respondent are not habitual to respond. Their reluctance to respond, hesitation and dual answer made the data collection difficult.

## CHAPTER - IV

### DATA PRESENTATION AND ANALYSIS

This chapter deals with the analysis and interpretation of data obtained by researcher from market. The data are analyzed descriptively as well as statistically with the help of necessary tools related with it and presented them in an accurate and clear manner.

In course of conducting this research, the researcher selected 300 consumers or respondents from Chitwan and tried to find out views of consumers. Most of respondents have the drinking habit of soft drinks in hot seasons. Different respondents results are analysis has been interpreted keeping in master table. This result has been interpreted keeping in mind the conventional standard with respect to factor while using tools. Simple table, line graphs, bar diagram and pie-chart obtaining responses various table are prepared. Homogenous natures of data have been put into the same suitable table.

#### **Respondent Profile Drinking Habit**

##### **4.1 Drinking Habit Sex Wise**

Analysis of the consumer who use soft drinks out of 300 respondents and their percentage shown below

**Table 4.1**  
**Drinking Habit of Sex Wise**

Age Group	Number of respondent and their percentage tables								
	Coca-Cola		Pepsi-Cola		Real Juice		Frooti and others		%
<b>Male</b>	99	33%	63	21%	15	5%	21	7%	<b>66%</b>
<b>Female</b>	63	21%	24	8%	6	2%	9	3%	<b>34%</b>
<b>Total</b>	<b>162</b>		<b>87</b>		<b>21</b>		<b>30</b>		<b>100%</b>

*(Source: Field Survey, 2010)*

In the table 4.1 shows that out of 300 respondents 66% male and 34% female use soft drinks which use 54% Coca-Cola brands 29% use Pepsi-Cola brands 7% use real juice and 10% Frooti and others juice.

Similarly 66% male use soft drinks who use 33% Coca-Cola brands, 21% use Pepsi-Cola brands, 5% real juice and 7% Frooti and others juices. In the total figures, 300 respondents' male and female belongs to goes in favour Coca-Cola brands. Pepsi-Cola brand is the second's position and rest are other kinds of juice.

### 4.3 Drinking Habit of Age Group

Analysis of age groups of the consumer who use soft drinks out of 300 respondents and their percentage shown below:

**Table 4.2**  
**Drinking Habit of Age Group**

Age Group	Number of respondent and their percentage tables								
	Coca-Cola		Pepsi-Cola		Real Juice		Frooti and others		%
<b>Under 16</b>	45	15%	23	8%	6	2%	9	3%	<b>28%</b>
<b>16-40</b>	72	24%	40	13%	9	3%	15	5%	<b>45%</b>
<b>Above 40</b>	45	15%	24	8%	6	2%	6	2%	<b>27%</b>
<b>Total</b>	<b>162</b>		<b>87</b>		<b>21</b>		<b>30</b>		<b>100%</b>

*(Source: Field Survey, 2010)*

In above table, age groups are divided into three categories they are, under 16 years age, 16-40 year age and above 40 years age. Among them 16-40 years age 45% used soft drinks, which is the highest used soft drinks in the rank of age. The rest are under 16 years age used 28% and over 40 years age used 27% used soft drinks. Similarly, table shown that a Coca-Cola brand is the first position total age groups used 54% out of 300 respondents. This result shown most of age factor preferred Coca-Cola brands then Pepsi- Cola brands and others kinds of juices.

### 4.3 Family Status

While analysis the responses of the consumer behaviour on the basis of family status. The researcher tried to show which particular brands has its favour by respondents over other brands.

**Table 4.3**  
**Drinking habit of family status**

Family Status	Number of respondent and their percentage tables								
	Coca-Cola		Pepsi-Cola		Real Juice		Frooti and others		%
<b>Poor</b>	30	10%	12	4%	6	2%	6	2%	<b>18%</b>
<b>Medium</b>	75	25%	45	15%	9	3%	14	5%	<b>48%</b>
<b>Rich</b>	57	19%	30	10%	6	2%	10	3%	<b>34%</b>
<b>Total</b>	<b>162</b>		<b>87</b>		<b>21</b>		<b>30</b>		<b>100%</b>

*(Source: Field Survey, 2010)*

The above the table shows that among 300 respondents poor family used soft drinks only 18% or 54 respondents which are least in ranking. The highest used off soft drinks is medium family which is used 48% respondents. Rich family used to drinks 34% which is the higher than poor and lower than medium family.

### 4.4 Occupation Group

The analysis of the respondent of consumer behavior on the basis of occupation groups attempts to show a particular brands to domination over others brands.

**Table 4.4**  
**Drinking habit of occupation group**

Occupation group	Number of respondent and their percentage tables								
	Coca-Cola		Pepsi-Cola		Real Juice		Frooti and others		%
<b>Business</b>	30	10%	9	3%	3	1%	6	2%	<b>16%</b>
<b>Service</b>	36	12%	15	5%	6	2%	6	2%	<b>21%</b>
<b>Students</b>	40	13%	20	7%	6	2%	8	3%	<b>25%</b>
<b>Other</b>	56	19%	43	14%	6	2%	10	3%	<b>38%</b>
<b>Total</b>	<b>162</b>		<b>87</b>		<b>21</b>		<b>30</b>		<b>100%</b>

*(Source: Field Survey, 2010)*

Table show that among 300 respondents, 48 respondents belongs to business man, 63 respondents are service holder, 74 respondents are students and other 115 are engage in different occupation. Among them all occupation groups' preferred Coca-Cola brands, business man-10%, service holder-12%, students-13% and others-19% respondents. Similarly, Pepsi-Cola preferred 3%, 5%, 7% and 14% respectively. Rests are used different kinds of soft drinks juice.

#### 4.5 Over all Brand Preference of Consumers

In order to find out brand preference by consumers in totality, the researcher has prepared separate table obtained differential responses? These responses have own brands favor. No. of person using different brands prefer out of 300 despondence as below.

**Table 4.5**  
**Overall Brand Preference of Consumers**

<b>Brands Name</b>	<b>Name of Soft drinks</b>	<b>User no. of person</b>	<b>Percentage</b>	<b>Total Percentage</b>
<b>Coca-Cola</b>	Coke	102	34%	<b>54%</b>
	Fanta	36	12%	
	Sprite	15	5%	
	Soda	9	3%	
<b>Pepsi-Cola</b>	Pepsi	56	19%	<b>29%</b>
	Merinda	16	5%	
	7 up	9	3%	
	Soda	6	2%	
<b>Juice</b>	Real	21	7%	<b>7%</b>
	Frooti and Rio, Others	30	10%	<b>10%</b>
<b>Total</b>		<b>300</b>	<b>100</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

In above tables shows that total figure of respondents prefer Coca-Cola brands like Coke-34%, Fanta-12%, Sprite-5% and Soda-3% as total percentage is 54% respondents. And Pepsi-Cola brands prefer Pepsi-Cola-19%, Mirinda-5%, 7 up-3% and Soda-2%. So the most of respondents are response to the Coca-Cola

brands. It's shown that Coca-Cola brands are famous in Chitwan to the Soft drinks of consumers. In term of soft drinks juice is 7% in overall soft drinks and Frooti and Others juice is 10% in overall soft drinks. The market share of soft drinks juice also satisfactions in Chitwan.

**Figure 4.1**

**Pie chart, Consumers Brands Preference of Soft Drinks**

#### **4.6 Factors of Brand Choice**

When the during of research time the researcher under took and analysis factors of brands choice there are some factor brand name, product quality, packing and taste reminded the prime factors. Which exert important role of brand choice?

**Table 4.6**

**Factors of Brand Choice**

<b>Factors</b>	<b>No. of respondents</b>	<b>Percentages</b>
Brand name	125	41.66
Taste	79	26.33
Quality	33	11
Packaging	18	6
Product of ability	45	15
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

Brand choice factor are the main factor which consumer behavior known. All the consumers have different type of thinking about brand choice. Above the table, 300 respondents 41.66% prefer brand name, 26.33% buy the soft drinks their suitable taste, which makes the consumers wants to buy again and again. 6% accepts their packing and another factors 15% product of ability, which makes the consumers, wants to buy easily their availability.

**Figure 4.2**  
**Factors of Brand Choice**

#### **4.7 Patterns of Consumption of Soft Drinks**

The during research period researcher tried to find out consumption patterns of soft drinks analysis the respective responses.

**Table 4.7**  
**Consumption Patterns of Soft Drinks**

<b>Patterns</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Once a day	254	84.66
Twice a day	39	13
Thrice a day	7	2.33
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

Above table shows that among 300 respondents, 84.66% drinks once a day, 13% wanted to drink twice a day and 2.33% wanted to drinks thrice a day. From these data we know that most of consumer of soft drinks once a day.

#### **4.8 Taking Time for Buying Decision of Soft Drinks**

During research period researcher tried to find out record their views about time whether they decide pre-buying decision or during-buying decision.

**Table 4.8**

**Taking time for Buying Decision**

<b>Time</b>	<b>No. of respondent</b>	<b>Percentage</b>
During buying decision	250	83.33
Pre-buying decision	50	16.66
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

Above table shows that among 300 respondents, 83.33% answer they always took decision during buying period and only 16.66% took decision pre-buying.

**Figure 4.3**

**Pie chart taking time for Buying Decision**

#### 4.9 Consumer Reaction in Absence of Preference Brands

During research period, the researcher analyzed the behavior of consumers in absence of preferred brand. Table shows as follow.

**Table 4.9**

##### **Consumer reaction in absence of preference brand**

<b>Behavior</b>	<b>No. of respondent</b>	<b>Percentage</b>
Buy the alternatives	185	61.66
Wait for the favorite one	25	8.33
Buy the one that seller appreciate	82	27.33
Search favored brand for distant place	8	2.66
<b>Total</b>	<b>300</b>	<b>100</b>

*(Source: Field Survey, 2010)*

Above table shows the respondents expressed their views about by chance if their favorite brand absences some are wait and some are not wait. Mostly, 61.66% respondent goes to another similar brand 8.33% does not want to go another brand, some 27.33% respondent thinking on buy the one that seller appreciate and only 2.66% report the they want to go to distance place to search their favorite brand, vise versa to compromise similarity alternate brands.

#### 4.10 Expect Thirst, Purpose of Buying Soft Drinks.

In order to find out purpose of buying soft drinks expect satisfying thirst of consumers there are many caused of buying soft drinks e.g. Join with friend, entertainment. Company another food and fashion to drinks show other etc. obtained different response; these responses are shown in table.

**Table 4.10**

**Purpose of buying except thirst**

<b>Purpose</b>	<b>No. of respondent</b>	<b>Percentage</b>
To join with friend	130	43.33
For entertainment	45	15
Company with other food	89	29.66
Request for buying	20	6.66
Fashion or to show others	16	5.33
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

**Figure 4.4**

**Purpose of Buying Expect Thirst**

In above table there are different type of opinion buying soft drinks except thirst, 43.33% respondent drinks to company their friend, 15% entertainment, 29.66% respondents drinks a company for other foods (like fast foods), 6.66% respondent goes request or force of buying and 5.33% respondent (which is young) drinks for purpose of fashion or to show others.

#### 4.11 Advertising Influence on Brand Decision

Advertising plays the vital role of brands choice. The researcher asked the respondents to record their views about advertising influence on their brand decision.

**Table 4.11**  
**Advertising Influence on Brand Decision**

<b>Influence</b>	<b>Respondent</b>	<b>Percentage</b>
Yes	200	66.66
No	75	25
Not-knowing	25	8.33
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

In above the table, out of 300 respondents 66.66% replied that advertising influence (attractiveness) buying decision, 25% replied that they are not influence (common sense) advertisement and rest 8.33% answer do not know (either or nor) the factor influencing them to buy. From this concluded that number of more consumer influence by advertisement is significant.

#### 4.12 Media Recognition (Aware) Taste

The researcher has made an effort to trace out particular media, which plays enforcement to buy soft drinks. Table shows as bellow.

**Table 4.12**  
**Media Recognition (Aware) Test**

<b>Media</b>	<b>No. of respondent</b>	<b>Percentage</b>
Radio Nepal	56	19
TV Channel	112	37
Newspaper	36	12
Wall Painting	30	10
Hording Board	18	6
All of Above	48	16
Do not Know	0	0
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

In above the table, among 300 respondents 19% got the information from Radios, 37% got information from Television broad cast, 12% respondent information from Newspaper, 10% got information from source of Wall painting, 6% got from information Hording boards and rest 16% got information all of different advertising source of media.

**Figure 4.5**  
**Media Recognition (Aware) Test**

#### 4.13 Attractiveness of Advertising of Soft Drinks

The researcher analyzed the response of consumer's behavior which soft drinks advertisement is attractiveness to information in different media to the consumers.

**Table 4.13**  
**The Advertisement Attractiveness Test**

<b>Brand</b>	<b>Respondent</b>	<b>Percentage</b>
Coca-Cola	145	48.33
Pepsi-Cola	59	19.33
Real Juice	50	16.33
Frooti Juice and Others	46	15.33
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

In above table, Coca-Cola advertisement is very high level attractiveness. According to the respondents result is 48.33% influenced on Coco-Cola advertise. 19.66% influence Pepsi-Cola advertises, 16.33% influence in Real juice and Frooti & Others juices are 15.33%.

#### 4.14 Consumer Page Choice on Newspaper

The researcher analyzed 300 respondents to responses about to show consumers view page choice decision of advertising of soft drinks different types of news paper, preparing table as shown bellow.

**Table 4.14**

**Consumers page choice with respect to newspaper**

<b>Page</b>	<b>Respondent</b>	<b>Percentage</b>
Front page	210	70
Inner page	70	23.33
Last page	20	6.66
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

In above table, 300 respondents 70% respondents are belong to front page, 23.33% consumers belongs to inner page and rest 6.66% preferred the advertising must be last page in the newspaper.

#### 4.15 Consumer Habit on brand switching

The researcher had tried to find out consumer brand switching habit of respondent. There are obtaining different aspect of responses by consumer. Which are shows as table?

**Table 4.15**

**Consumer Habit on brand switching**

<b>Brand switching</b>	<b>No. of Respondent</b>	<b>Percentage</b>
Negative(No)	180	60
Positive(Yes)	120	40
<b>Total</b>	<b>300</b>	<b>100%</b>

*(Source: Field Survey, 2010)*

In above table, 40% respondent have brand switch. Different types of consumer have different types of thinking about brand switching. Here, reasons for brand switching are important on consumer behavior.

#### 4.16 Reasons for Brand Switching

There are 120 respondents are brand switching Habit out of 300 respondent. There are some causes of brand switching. Obtained that differential causes of brand switching habit are shown as table

**Table 4.16**  
**Reason for Switching**

<b>Reason</b>	<b>No. of respondent</b>	<b>Percentage</b>
A desire for new test	60	50
New one give some offer	40	33.33
Not available old one	11	9.17
Other causes	9	7.5
<b>Total</b>	<b>120</b>	<b>100%</b>

(Source: Field Survey, 2010)

In above table shows that, 120 respondents 50% have a desire to new one taste, which were habitual of human beings, 33.33 have believed in offer, 9.17% buy the another one on the situation of their favourite brand was not available in every where. And 7.5% where brand switching other reasons. It concluded that most of consumers have brand switching a desire for new test and the companies give some offer.

#### 4.17 Annual sales and delivery management of Coca-Cola distributors in Chitwan

The researcher wants to try to show fair data and analyzed Coca-Cola distributor of Chitwan.

<b>Distributors firm</b>	<b>Address</b>	<b>Proprietor name</b>
Suva Marketing	Narayangarh-4	Uttam Maskey
R.L. Enterprises	Bahratpur	Rajkumar Shrestha
Narayani Enterprises	Ratna Nagar	Umesh Giri
B & B Enterprises	Gita Nagar	Bashu Baniya
Gauchan Enterprises	Muglin Bazar	Bharat Gauchan

**(a) Narayani Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>124000 kret.</b>
<b>2009</b>	<b>156000 kret.</b>
<b>2010</b>	<b>75000 kret.</b>

In 2010 due to The sub-division area (Gaidakot, Nawal parasi) of marketing is divided by company. The sale volume is low in Narayangarh distributions.

**(b) Bharatpur Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>25000 kret</b>
<b>2009</b>	<b>40000 kret</b>
<b>2010</b>	<b>40000 kret</b>

**(c) Ratna nagar Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>37000 kret</b>
<b>2009</b>	<b>40000 kret</b>
<b>2010</b>	<b>50000 kret</b>

**(d) Gita nagar Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>12000 kret</b>
<b>2009</b>	<b>15000 kret</b>
<b>2010</b>	<b>20000 kret</b>

**(e) Muglin Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>20000 kret</b>
<b>2009</b>	<b>25000 kret</b>
<b>2010</b>	<b>35000 kret</b>

**Above given data Total Coca-Cola sales in whole chitwan, different years**

<b>Year</b>	<b>Total Sales</b>
<b>2008</b>	<b>218000 kret</b>
<b>2009</b>	<b>266000 kret</b>
<b>2010</b>	<b>220000 kret</b>

*(1 kret = 24 piece of coca-cola)*

*(Source: Distribution of Coca-Cola)*

**4.18 Annual Sales and the Delivery Management Pepsi-Cola from Distributors in Chitwan**

<b>Distributors</b>	<b>Address</b>	<b>Propitiator Name</b>
Shree Ram Enterprises	Narayanghat- 4	Ravi Shrestha & Chhabi Shapkota
Sharu Enterprises	Ratna Nagar	Krishna Bhattra

**(a) Narayanghat Pepsi-Cola Distributor.**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>40000 kret.</b>
<b>2009</b>	<b>45000 kret.</b>
<b>2010</b>	<b>55000 kret.</b>

**(b) Ratna Nagar Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	<b>13000 kret.</b>
<b>2009</b>	<b>15000 kret.</b>
<b>2010</b>	<b>18000 kret.</b>

**Above given data Total Pepsi -Cola sales in whole chitwan, different years.**

<b>Year</b>	<b>Total Sales</b>
<b>2008</b>	<b>53000 kret</b>
<b>2009</b>	<b>60000 kret</b>
<b>2010</b>	<b>73000 kret</b>

*(1 kret = 24 piece of Pepsi-cola)*

*(Source: Distributors of Pepsi- Cola)*

**1.2 Annual sales and delivery management of Real Juice in Chitwan  
According to the Distributors**

<b>Distributors</b>	<b>Address</b>	<b>Propitiator Name</b>
N.S. distributors	Narayanghat- 2	Niraj Kumar Singh
R.L. Enterprises	Ratna Nagar	Rajendra Shrestha

**(a) Narayanghat Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	3000 trey
<b>2009</b>	6750 trey
<b>2010</b>	11250 trey

**(b) Ratna Nagar Distributors;**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	1200 trey
<b>2009</b>	2000 trey
<b>2010</b>	4000 trey

**Above given data Total Real Juice sales in whole chitwan, different years.**

<b>Year</b>	<b>Total Sales</b>
<b>2008</b>	4200 trey
<b>2009</b>	8750 trey
<b>2010</b>	15250 trey

*(1 trey=30 pieces of real juice)*

*(Source: Distributors of Real Juice)*

**1.3 Annual sales and delivery management of Frooti juice in chitwan according to Frooti distributors**

<b>Distributors</b>	<b>Address</b>	<b>Propitiator Name</b>
Shashank trade International	Narayanghat- 3	Sharda Pradhan

**(a) Sales of Narayanghat Distributors as a whole chitwan**

<b>Year</b>	<b>Total Sales</b>
<b>2008</b>	15500 trey
<b>2009</b>	17000 trey
<b>2010</b>	18000 trey

*(1 trey=27 pieces of Frooti)*

*(Source: Distributors of Frooti Juice)*

**1.4 Annual Sales of Delivery Management of Rio Juice in Chitwan according to Rio distributors**

<b>Distributors</b>	<b>Address</b>	<b>Propitiator Name</b>
Shurvarna Marketing	Narayanghat- 3	Sujan Shrestha
R.L. Enterprises	Ratna Nagar	Deepak Shrestha

**(a) Narayanghat Distributors**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	1800 trey
<b>2009</b>	2500 trey
<b>2010</b>	5000 trey

**(b) Ratna Nagar Distributors;**

<b>Year</b>	<b>Sales</b>
<b>2008</b>	1000 trey
<b>2009</b>	1500 trey
<b>2010</b>	2000 trey

**Above given data Total Rio Juice sales in whole Chitwan, different years**

<b>Year</b>	<b>Total Sales</b>
<b>2008</b>	2800 trey
<b>2009</b>	4000 trey
<b>2010</b>	7000 trey

*(1 trey=27 Pieces of Rio Juice)*

*(Source; Distributors of Rio Juice)*

**4.22 Text of Hypothesis**

1. Calculation of  $\chi^2$  test for the independence of consumers to use soft drinks on the basis of sex wise of 300 respondents or 100%.  $\chi^2=69.7$

(Annex-1)

Critical value; for 7 d.f  $\chi^2_{0.05}=14.067$

Decision – since the computed value of  $\chi^2$  is greater than its tabulated value at 5% level of significant.  $H_0$  is rejected, i.e.  $H_1$  hypothesis is accepted. So, and we concluded that soft drinks were not distributed in equal no. of male and female.

2. Calculation of  $\chi^2$  test for the independence of consumers to use soft drinks on the basis of age groups out of 300 respondents or 100%.  $\chi^2 = 65.38$

(Annex-2)

Critical value; for 11d.f  $\chi^2_{0.05}= 19.675$

Decision since the computed value of  $\chi^2$  is greater than its tabulated value at 5% level of significance.  $H_0$  is rejected, i.e.  $H_1$  is accepted at 5% level of significant. So, and we concluded that soft drinks were not distributed in an equal no. of age group.

3. Calculation of  $X^2$  tests the independence of consumers to go as purchase of soft drinks on the basis family status.  $X^2=77.86$   
(Annex-3)  
Critical value; for 11d.f  $X^2_{0.05}= 19.675$   
Decision since the computed value of  $X^2$  is the greater than its tabulated value at 5% of significance.  $H_0$  is rejected, i.e.  $H_1$  is accepted at 5% level of significance. So, and we concluded that soft drinks were not distributed in an equal no. of family status.
4. Calculation of  $X^2$  test for the independence of consumers to go purchase of soft drinks on the basis of occupation group.  $X^2=74.72$   
(Annex-4)  
Critical value; for 15d.f  $X^2_{0.05}= 24.996$   
Decision; since the computed value of  $X^2$  is greater than its tabulated value at 5% significance.  $H_0$  is rejected i.e.  $H_1$  is accepted. So and we concluded soft drinks were not distributed in an equal no. of different occupation.
5. Calculation of  $X^2$  test for the independence of consumers to go as purchase of soft drinks on the basis of brands name.  $X^2=87.6$   
(Annex-5)  
Critical value; for 9d.f  $X^2_{0.05}= 16.919$   
Decision; since the computed value of  $X^2$  is greater than its tabulated value at 5% significance.  $H_0$  is rejected i.e.  $H_1$  is accepted. So and we concluded that brand name makes the attracted to purchase of soft drink.
6. Calculation of  $X^2$  test for the independence of buyers to go as purchase of soft drinks with view attractive advertisement different media.  $X^2=35.96.6$  (Annex-6)  
Critical value; for 5d.f  $X^2_{0.05}= 11.07$   
Decision; since the computed value is greater than its tabulated value at 5% significance.  $H_0$  is rejected i.e.  $H_1$  is accepted. So and we concluded that advertisement is necessary.

#### 4.23 Major Findings

- Ñ Market of soft drinks in Chitwan district is so good, but consumers are very conscious about soft drinks brand and Enthuanstic.
- Ñ Coca-Cola brands are sales higher than Pepsi-Cola in the Chitwan.
- Ñ The Pepsi-Cola sales may be gradually increasing by market strategies.
- Ñ Coca-Cola factory is also there in the Chitwan and it's shown that coke brands are available easily everywhere in Chitwan.
- Ñ Consumers give more preference to brands but less preference to its taste & quality
- Ñ Highly preference of consumers in brands there fore most of retailer is interesting or sells Coca-Cola brands.
- Ñ The advertising of Coca-Cola of the TV is much more attractive than that of the Pepsi-Cola.
- Ñ The TV media is the most popular media in Chitwan, while the radio Nepal FM Station holds the seconds position & wall painting is the third position respectively.
- Ñ In context of soft drinks juice Real and Frooti are found to be equally market share in Chitwan.
- Ñ There are competitions in sells but less competition in preference in brands, quality and taste.
- Ñ Both juice package in the disposable pack which makes easy to use anywhere.
- Ñ Real Juice and Frooti juice both are collaboration of India. Thus, Indian TV Media advertising are popular in Nepali Consumers.
- Ñ The market share of soft drinks juice is less than cold drinks in Chitwan.

## CHAPTER – V

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

The use of cold soft drinks is increasing in Nepal as in the other countries; the density of population has been increasing. Atmosphere has also creating hot. The soft drinks company increase in the world day by day. The soft drinks are readymade use which can we by easily everywhere. In Nepal there is number of soft drinks company which can probable Nepali consumers wants. The government income depends upon such multinational company which sales volume is high. This research aims at studying the marketing situation of different types of soft drinks, brands loyal of consumer's behaviour. Consumer's behaviour is important to all the marketers, who are producing consumer's goods; it gives knowledge about consumer's satisfaction.

The topics, an attempt is made to study "The marketing of soft drinks" of Chitwan is helps to those company marketers which produce sells in this stat. A case study of Chitwan is fairly, truth and not based in different consumers category. For the study is based on Chitwan, Mainly Bharatpur, Narayanghat, Ratna Nagar, Rampur side. Muglin Bazaar and other side where its necessary to research. The research is fully based on consumers, provisional stores, family, cinema hall, and hotel and involve in different profession.

The research is not 100% sufficient but try to it's nearly by for marketing of soft drinks in Chitwan. For the study a sample survey was conducted with randomly selected systematic method with potential 300 buyers, 7 distributors, 15 dealers, 100 of retailers of were taken into account for an extensive uses in marketing buying decision of different kinds of soft drinks. The typical buyers of soft drinks are mainly young boys and girls. A questionnaire consisting 21 questions were administered to the respondent the data obtained from them were analyzed using percentage; simple statistical method, chi-square test, rank correlation and charts.

On the basis of the field survey and subsequent, the study has found consumer behaviours and buying decision of different soft drinks. The estimate of demand and supply of cold soft drinks, potential users, to identify the best choice of consumers and to identify the estimate sales of soft drinks from distributors of Chitwan per annum. All dealers are depend upon those distributors through out to retailers from consumers.

In total 100% the market, 54% has covered coca-cola brands, 29% has covered Pepsi cola brands, 7% real juice and 10% frooti and other juice.

Similarly, after surveying of about 41.66% consumer take the cold drinks with brands, 26.33% preference with taste, and 11% preference with its quality.

In this context, the advertising plays a vital role in consumers of cold soft drinks in Chitwan, this study has also made attempt to find out that cold soft drinks consumer are attracted with the recent advertisement and also brand preferred of cold soft drinks. The following advertising media are found in city like wall painting, cinema and different TV channel, meon-sign & glow sigh and hoarding board's etc. An extra activity to advertising of soft drinks in Chitwan is fair and exhibition organised by chamber of commerce and industry, and special sponsor by different game organized.

## **5.2 Conclusion**

On the basis of the study we have under taken following conclusions can be regarding market situation of different user of cold soft drinks in Chitwan.

- Ñ All of the respondents have frequently drinking habit because of hot area (a high temperature) in Chitwan.
- Ñ Coca-cola brand is the most preferred brands of soft drinks in. Chitwan. Its have large market shares that then Pepsi-cola brand and other brands according to consumer's point of view.

- Ñ Most of costumers prefer cold soft drinks according to brand name but product, quality, price and taste are the second factor to be considered.
- Ñ There is brand loyalty in the cold soft drinks. Consumer brought alternatives brand in absence of preferred brands in the market. It is the cause of switching alternatives brands.
- Ñ Most of the consumers have self-decisive power.
- Ñ Consumer buying motives of brands factor effect external and internal environment.
- Ñ Most of consumers drink once a day. They only buy only one unit of drink at a time and they take decision during buying.
- Ñ Consumers buy soft drinks expect satisfaction of thirst; it is suitable company beverage for other food and to join with friends.
- Ñ Coca-Cola & Pepsi-Cola are famous for male & Fanta & Merinda for female.
- Ñ Consumers get knowledge about products of soft drinks through different kinds of advertising media. Advertising is considered as the primary source of information.
- Ñ Television is the most popular media for advertising and radio F.M. stands second position similarly, wall painting, hording board and display also becoming popular in Chitwan.

### **5.3 Recommendations**

- Ñ Consumers are aware brands through advertising at the pioneering stage. So manufactures are suggested to advertise motivation to their product through in the different media.
- Ñ The marketing of soft drinks is wide. It is increasing day by day in different parts of Nepal. Even the growth market advertising through more believable and effective message towards its main costumers.
- Ñ Most consumers are found brand loyal even through their loyalty is not strong and entrenched. If they do not get the desired brand, they use

alternatives brands in this case the brand loyalty is broken by the unavailability of product is fulfilled. So the marketers are suggested to give proper attention on their distribution system.

- Ñ The result of observation and survey of the buyer's intention motivation also convince to the buy such drinks brands which quality, price and taste are similar.
- Ñ In order to make advertising more effective, it is suggested that producers should broadcast their advertising in different media. While advertising in TV and Radio its advertising is suitable in news time.
- Ñ In the role of advertising, brand should be quite extent effective, so to make, the role more strong other marketing Mix, variables such as product, place and price, promotion should be forwarded soundly and coordinate interaction among their as felt necessary.
- Ñ It is suggested to the soft drinks companies to control consumers switching habit through increased regulation of product in store.
- Ñ In the accordance to the findings the study the buyers are not come same society and disperse all the Chitwan. Appropriate marketing strategies formulate helps the knowledge of the motives behind purchase behaviour of consumers on soft drinks is believed to be especially helpful to the marketer. And such marketing strategies may relate to segmentation of markets on motives of purchase behaviour of soft.
- Ñ As greater no. Of consumer has an Intention to buy product at retail shop. The marketer of soft drinks should try to motivate the retailers for request as well as market share.
- Ñ At the end in this modern era, people were more health conscious out to eat foods. Therefore it is suggestion that, which produces delicious soft drinks, indicates in package pre-caution of soft drinks such as; manufacturing date, advantages and disadvantages for drinks etc.

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## ANNEXURE

### ANNEX-1

Calculation of  $\chi^2$  test for the independence of consumers to use soft drinks on the basis of age groups out of 300 respondents or 100%.

$H_0$ ; Soft drinks were distributed in an equal no. of age group.

$H_1$ ; Soft drinks were not distributed in an equal no. of age group.

Age	O	E	(O-E)	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
<b>Male</b>	33	12.5	20.5	420.25	33.62
	21	12.5	8.5	72.25	5.78
	5	12.5	-7.5	56.25	4.5
	7	12.5	-5.5	30.25	2.42
<b>Female</b>	21	12.5	8.5	72.25	5.78
	8	12.5	-4.5	20.25	1.62
	2	12.5	-10.5	110.25	8.82
	3	12.5	-9.5	90.25	7.22
<b>Total</b>	<b>100</b>				<b>69.76</b>

$$E = \frac{100}{8} = 12.5 \quad \text{d.f.} = (n-1) = (8-1) = 7 \quad \chi^2 =$$

Critical Value; for 7 d.f  $\chi^2_{0.05} = 14.067$

## ANNEX-2

Calculation of  $X^2$  test for the independence of consumers to use soft drinks on the basis of age groups out of 300 respondents or 100%.

$H_0$ ; Soft drinks were distributed in an equal no. of age group.

$H_1$ ; Soft drinks were not distributed in an equal no. of age group.

Age	O	E	(O-E)	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
<b>Under-16</b>	15	8.33	6.67	44.448	5.34
	8	8.33	-0.33	0.108	0.013
	2	8.33	-6.33	40.068	4.810
	3	8.33	-5.33	28.403	3.410
<b>16-40 age</b>	24	8.33	15.67	245.54	29.477
	13	8.33	4.67	21.808	2.618
	3	8.33	-5.33	28.4	3.410
	5	8.33	-3.33	11.088	1.331
<b>Above-40</b>	15	8.33	6.67	44.480	5.34
	8	8.33	-0.33	0.108	0.013
	2	8.33	-6.33	40.068	4.810
	2	8.33	-6.33	40.068	4.810
<b>Total</b>	<b>100</b>				<b>65.38</b>

$$E = \frac{100}{12} = 8.33 \quad d.f=(n-1) = (12-1) = 11 \quad x^2 =$$

Critical Value; for 11 d.f  $X^2_{0.05} = 19.675$

### ANNEX -3

Calculation of  $X^2$  tests the independence of consumers to go as purchase of soft drinks on the basis of family status.

$H_0$ ; Soft drinks were distributed in an equal no. of family status.

$H_1$ ; Soft drinks were not distributed in an equal no. of family status.

Age	O	E	(O-E)	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
Poor	10	8.33	1.67	2.788	0.334
	4	8.33	-4.33	18.74	2.250
	2	8.33	-6.33	40.069	4.810
	2	8.33	-6.33	40.069	4.810
Medium	25	8.33	16.67	277.89	33.36
	15	8.33	6.67	44.489	5.34
	3	8.33	-5.33	28.409	3.41
	5	8.33	-3.33	11.089	1.331
Rich	19	8.33	10.67	113.85	13.66
	10	8.33	1.67	2.788	0.334
	2	8.33	-6.33	40.069	4.810
	3	8.33	-5.33	28.409	3.410
	<b>100</b>				<b>77.86</b>

$$E = \frac{100}{12} = 8.33 \quad d.f=(n-1) = (12-1) = 11d.f \quad x^2 =$$

Critical Value; for 11 d.f  $X^2_{0.05} = 19.675$

## ANNEX -4

Calculation of  $X^2$  tests the independence of consumers to go as purchase of soft drinks on the basis of occupation group.

$H_0$ ; Soft drinks were distributed in an equal no. of different occupation.

$H_E$ ; Soft drinks were not distributed in an equal no. of different occupation.

Age	O	E	(O-E)	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
Businessman	10	6.25	3.75	14.063	2.25
	3	6.25	-3.25	10.563	1.69
	1	6.25	-5.25	27.563	4.41
	2	6.25	-4.25	18.063	2.89
Service	12	6.25	5.75	33.063	5.29
	5	6.25	-1.25	1.5625	0.25
	2	6.25	-4.25	18.063	2.89
	2	6.25	-4.25	18.063	2.89
Student	13	6.25	6.75	45.563	7.29
	7	6.25	0.75	0.5625	0.09
	2	6.25	-4.25	18.063	2.89
	3	6.25	-3.25	10.563	1.69
Others	19	6.25	12.75	162.56	26.01
	14	6.25	7.75	60.063	9.61
	2	6.25	-4.25	18.063	2.89
	3	6.25	-3.25	10.563	1.69
<b>Total</b>	<b>100</b>				<b>74.72</b>

$$E = \frac{100}{16} = 6.25 \quad d.f=(n-1) = (16-1) = 15 \quad x^2 =$$

Critical Values; for 15 d.f  $X^2_{0.05} = 24.996$

## ANNEX -5

Calculation of X<sup>2</sup> tests the independence of consumers to go as purchase of soft drinks on the basis of brands name.

H<sub>0</sub>; Brands makes not effective for use of soft drinks.

H<sub>1</sub>; Brands makes effective for use of soft drinks.

<b>Brand Names</b>	<b>Name of soft drinks</b>	<b>O</b>	<b>E</b>	<b>(O-E)</b>	<b>(O-E)<sup>2</sup></b>	<b><u>(O-E)<sup>2</sup></u> E</b>
Coca-cola	Coca cola	34	10	24	576	57.6
	Fanta	12	10	2	4	0.4
	Sprite	5	10	-5	25	2.5
	Soda	3	10	-7	49	4.9
Pepsi-cola	Pepsi	19	10	9	81	8.1
	Merinda	5	10	-5	25	2.5
	7-up	3	10	-7	49	4.9
	Soda	2	10	-8	64	6.4
Juice	Real	7	10	-3	9	0.9
	Frooti, Rio and others	10	10	0	0	0
<b>Total</b>		<b>100</b>				<b>87.60</b>

$$E = \frac{100}{10} = 10 \quad \text{d.f.}=(n-1) = (10-1) = 9 \quad \chi^2 =$$

Critical Value; for 9 d.f X<sup>2</sup><sub>0.05</sub> = 16.919

## ANNEX -6

Calculation of X<sup>2</sup> tests the independence of consumers to go as purchase of soft drinks with view attractive advertisement different media.

H<sub>0</sub>; Advertisement is no effective for buying process.

H<sub>1</sub>; Advertisement is effective for buying process.

Media	O	E	(O-E)	(O-E) <sup>2</sup>	<u>(O-E)<sup>2</sup></u> E
Radio	19	16.66	2.34	5.475	0.328
TV	37		20.34	413.71	24.83
Newspaper	12	16.66	-4.66	21.71	1.303
Wall paint	10	16.66	-6.66	44.35	2.66
Hoarding	6	16.66	-10.66	113.63	6.82
All of them	16	16.66	-0.66	0.435	0.026
	100				35.96

$$E = \frac{100}{6} = 16.66 \quad \text{d.f.}=(n-1) = (6-1) = 5\text{d.f.} \quad x^2 =$$

Critical Value; for 5 d.f at  $X^2_{0.05} = 11.070$

**Annex – 7**  
**Questionnaire**

**Survey of Buyers Cold Soft Drinks**

I am a student of M.B.S of **Shanker Dev Campus** of Kathmandu. I am writing a research study on 'Marketing of soft drinks' consumers of Chitwan. Please I request most of you to co-operate me by filled up this soft questionnaire, so which makes me easy to study consumer's views of the soft drinks. This makes me easy to accurate and meaningful my study.

**Thank you**

**Please filled of your full bio-data**

**Name;** \_\_\_\_\_

**Address;** \_\_\_\_\_

**Age;** \_\_\_\_\_

**Sex;** Male                  Female

**Marital Status;** \_\_\_\_\_

**Profession;** \_\_\_\_\_

**Education ;** \_\_\_\_\_

**Family System . Jointly family;** \_\_\_\_\_

**Nuclear family;** \_\_\_\_\_

**Please tick ( ) your choice on the box.**

1) Have you ever drink cold soft drinks?

Yes

No

2) When did you drink cold soft drinks?

(16 age)      (16-40 age)      (Above 40 ages)

3) Whether you have taken cold soft drinks which drinks you prefer?

Coke	Fanta	Sprite	
Pepsi	Merinda	7-up	
Real Juice	Frooti	Other	No

4) Above the mention of cold soft drinks in the market how do you buy then?

By brands

By Inspection

By Interpersonal

5) Which are your most favourite brands?

Coca-cola	Real	
Pepsi-cola	Frooti	Other Juice

6) Are you drink cold soft drinks to respect your habits of purchasing each branded?

Coca-cola	Real	
Pepsi-cola	Frooti	Other Juice

7) If others competing brands offer you some special deals like coupon sample and discount etc. would you leave your favourite brand?

Yes

No

8) Which one of the following factor make you leave your favourite brand and switch to alternatives?

Coca-cola

Price activity

Pepsi-cola

Advertisement

Real Juice

A desire to new test

Frooti Juice

None of above

Others

9) Do you already decide upon the brand that you want to buy before going to the shop?

Yes

No

10) If you have been used only one coca-cola brand please tick, which cold drink do you prefer among these?

Coca-cola

Fanta

Sprite

Soda

11) If you have been used only one Pepsi-cola brand please tick, which cold drink do you prefer among these?

Pepsi-cola          Fanta          Sprite          Soda

12) What do you do if your favourite brand is not available in the market?

Buy the alternatives one

Wait for the favourite one

Buy the one that seller appreciates

Search favourite brands far distant place

13) How much do you buy soft drinks usually at one time?

1                  2                  3                  5                  More

14) How many times do you take cold drinks per day?

Once a day                  Twice a day

Thrice a day                  and more

15) In where soft drinks would you expect to find?

Cold stores                  Departmental Store    Hotel

Restaurant                  All of them

16) In the broad cast of advertising of soft drinks in T.V. channel media which one advertisement did you find better?

Coca-cola

Real

Pepsi-cola

Frooti

Other Juice

All of them

17) In Which page you most want to read in newspaper?

Front Page

Inner Page

Last Page

18) After seeing advertisement when did you buy the soft drinks?

Recently

After additional information.

Not consulted

19) What is the prime time of advertising the soft drinks you are watching in television?

After news

Before news

Middle of news

Other time

20) What is the prime time you are listing the advertising In radio program?

After news

Before news

Middle of news

Other time

21) except satisfying your thirst, for what other reason you buy soft drinks?

To join with friends

For entertainment

Company with other food

Fashioner to show others