

ISSN (Print): 2832- 5391

ISSN (Online): 2382- 5404

New Perspective

Journal of Business and Economics

Volume 3, Issue 1, April 2018



jbe.kcm.edu.np

New Perspective

Journal of Business and Economics

Editorial Board

Hari Prasad Pokharel

Pushpa Raj Adhikari

Sajag Shamsher Rana

Vibhuti Jha

New Perspective

Journal of Business and Economics

New Perspective: Journal of Business and Economics publishes articles and reviews highlighting the ongoing research on contemporary issues in the fields of business, economics and management and their impact on management practices.

This journal invites digital copy of unpublished, original articles and reviews from authors/ researchers in APA style such as format (font: Times New Roman, size: 12), title page, author note, abstract, paragraphs, headings, abbreviations, mathematics and statistics, references, unit of measurement, copyright and quotations, tables and figures while submitting contributions.

Address for Correspondence:

Kathmandu College of Management

Gwarko, Lalitpur, Nepal

+977 01 5201997

Email: *journal@kcm.edu.np*

Internet: *<http://www.jbe.kcm.edu.np>*

ISSN (Print): 2382-5391

ISSN (Online): 2382-5404

New Perspective

Journal of Business and Economics

Contents

Packaging Effect on Buying Perfume Aayush Subedi, Barsha Shrestha, Iki Yang Rai Masroor Ahmed, Simran Tamrakar	7
Capital Structure and Profitability in Hotel and Manufacturing Sectors of Nepal Sumikshya Lama, Dhrub Kumar Shah, Bidit Shakya, Anuj Goel, Aman Lal Shrestha, Anusha Timalshina, Madhu Goyal	15
Deceptive Advertisement and Buying Behavior Bikesh Shrestha, Ayush Shah, Shrena Maharjan, Utsha Shrestha	24
Effect of Financial Ratio on the Stock Price of Banks Aman Bajracharya, Ashna Khadgi, Biwash Koirala, Rahul Kumar Taparia, Rashmi Lohia, Suraj Agrawal, Yashaswi Surana	33
Market Preferred Factors of Edible Oil Neha Baniya, Suprina Shakya, Simran Gorkhali, Nikhil Bhatta, Sangke Gurung, Hrithik Parajuli	43
Effect of Working Capital on Profitability Ajid Shrestha, Nehal Pranami, Smriti Pradhananga, Ujjwal Shrestha, Reeya Bajracharya, Sumiran Giri	50
Attributes in Consumption of Incense Sticks Apisha Shrestha, Piyush Agrawal, Richa Tandukar, Samikshya Karki, Subashana Dahal, Sushmita Gautam	58

Packaging Effect on Buying Perfume

Aayush Subedi

Barsha Shrestha

Iki Yang Rai

Masroor Ahmed

Simran Tamrakar

Author Note

We are studying in the International BBA Program at Kathmandu College of Management (KCM), Gwarko-17, Lalitpur Nepal; Internet: <http://kcm.edu.np/>. This article is based on our research report submitted to the college to fulfill the 3-credit hour requirement in marketing research of the fifth semester. We acknowledge Hari Prasad Pokharel for his supervision during the preparation of this report. Correspondence relating to this article should be emailed to: aayush2019@kcm.edu.np, barsha2019@kcm.edu.np, iki2019@kcm.edu.np, masroor2019@kcm.edu.np, simrant2019@kcm.edu.np.

Executive summary

The purpose of this study is to help gain information on how the volume, shape and color of packaging play a role in influencing the buying behavior of the consumers. The intended product for the research is perfumes. This report was created on the basis of 25 people surveyed in the stores of Durbar Marg, Kumaripati and Mangalbazar through which conclusion regarding the buying behavior of the consumers were drawn.

Keywords: color, volume, shape, consumer, perfume

Packaging Effect on Buying Perfume

People have their own preferences which play an influential role in the selection of perfumes. Some people may prefer symmetrical shape while other may prefer irregular shapes of bottles of perfume. Some may prefer brighter shade of color while others may prefer darker shades (Bouchard, 2010). Hence, if the market were to acknowledge the preferences of the targeted consumers and work according to their taste they may be able to cater the needs of the clients. Therefore, keeping these facts in mind, this report is made to know if the color, shape, and volume of packaging have any concrete effect on consumers' buying behavior.

Objective

The objective of our research is to know whether the color, shape and volume of perfumes have any effect on consumer buying behavior.

Limitations

The limitations of our research are as follows:

- i. Lack of secondary data.
- ii. Limited time, areas and sample size of survey

Literature

Packaging style may either encourage or discourage a consumer from buying goods when there are many similar alternatives. Many people consider color and volume of packaging to be the main factors that are important to influence the buying behavior of customers. Packaging can either make a product stand out in the crowd and gain success or fade away from the market and lose all its market share. Color, shape and volume of packaging have a vital role in marketing mix, since it differentiates company's product from its competitors and is also the way to communicate with its consumers. It is safe to say that packaging is important to increase the sale, and also this may be in the form of the brand image and product quality.

It is said that our five senses are so closely related that favorite music and color can predict what kind of color and smell we enjoy. Hence, color and shape have some major impacts in our choices and preferences (Feltman, 2014).

Perfume mirrors the personality of the person along with reflecting the emotional state because perfumers are color psychologists who know that the colors being chosen can tell us about our mood and emotional status (Ljubisavljevic, 2016).

Methodology

Research type

This exploratory research is conducted in order to find whether the packaging (color, volume, and shape) of the perfume affected the consumer's buying behavior or not. Execution of research by personally going to the field and taking in 25 exit polls in various perfume shops.

Research design

In this research observation sheet and questionnaires survey were used to gather the information required.

Observation. Observation sheet came into play in our research to address to various outcomes such as buying the product or leaving the shop without making a purchase. We prepared the observation sheet with the help of flow charts representing customer actions that helped us relate the different attributes of packaging of perfumes with the outcomes.

Questionnaire. Two questionnaires were prepared to address the two outcomes of the purchase decision of a consumer. This was done to capture the reason behind people buying or not buying the perfume and whether the packaging affected the purchase decision of consumers. Two sets of questionnaires considered the factors regarding the influence of the consumer to buy the product whereas the other was regarding factors that discouraged the consumer to not buy the product.

Hypotheses. The following hypotheses were set for this study.

H_0 : there is no significant association between preferred color of packaging and gender.

H_0 : there is no significant association between preferred shape of packaging and gender.

H_0 : there is no significant association between preferred volume of packaging and gender.

Alpha level = .05

Analysis tools. Analysis of data were executed with Chi-square test.

Analysis and result

From the observation and interview we came to know that most people prefer blue color (38.5%) while few people (3.8%) prefer other colors than red, blue and black. Blue, red and black were preferred by 96.2% (Table-1).

When not finding desired color of packaging, 11.5% of the shoppers asked for another color and purchased it, whereas 11.5% of shoppers asked for another color but left without purchasing. Similarly, 15.4% of shoppers left the shop without asking anything. Majority of shoppers (61.5%) asked for other options or demanded that the shop to make available their order at the earliest (Table-2).

Again, a large number of visitors (61.5%) preferred symmetric shape while the remaining 38.5% preferred irregular shapes of packaging. The data also showed that in not finding the desired shape of packaging 15.4 % of the served customers asked for another shape and bought while 23.1% asked for another shape but didn't buy and remaining 61.5% sorted to other goods (Tables 3 and 4).

Further, the results show that more people preferred to purchase larger than 100ml bottles while 69.2% while 30.8 percent of hoppers preferred smaller than 100ml bottles (Table-5). In case of not finding the preferred volume (77%) left the shop without asking anything and 11.5% asked for other alternatives and made purchases. Similarly, 11.5% of the customers asked for other alternatives but left the shop without purchasing (Table-6).

Ten out of 25 people bought whatever they got despite of their preferences on shape, volume and color of packaging where as others did not buy because they disliked the color or the shape of packaging.

All in all, this study reveals that overwhelming majority of buyers preferred the blue package than other colors. When the visitors did not find their desired color, there were equal proportions of those who asked for another color and made their purchases, and those who did not made purchases. Symmetric packaging is preferred over irregular shapes by majority of visitors. Chi-square test revealed no significant association between preferred color and gender (Table 8); shape and gender (Table 9); volume of packaging and gender (Table 10).

References

- Bouchard, C. (2010, January). *Product shape and emotional design an application to perfume bottles*. Retrieved from Research gate: https://www.researchgate.net/publication/210374131_Product_shape_and_emotional_design_an_application_to_perfume_bottles

- Feltman, R. (2014). *How your favorite color may predict your perfect perfume*. Retrieved from Quartz: <https://qz.com/178188/how-your-favorite-color-may-predict-your-perfect-perfume/>
- Ljubisavljevic, M. (2016, July 12). *Scentbird*. Retrieved from Matching Colors, Personality Types and Perfumes: <https://www.scentbird.com/blog/matching-colors-personality-types-and-perfumes/>
- Treggiden, K. (2015, July 6). *Dezeen*. Retrieved from Kyugum Hwang creates coloured Scent Palette for customising perfumes: : <https://www.dezeen.com/2015/07/06/kyugum-hwang-scent-palette-customised-perfumes-coloured-containers-royal-college-art-graduate-shows-2015>

Appendix

A. Questionnaire for customers who did not purchase.

1. Why didn't you purchase the perfume?

Check all that may apply.

- Did not like the color of packaging
- Did not like the shape of packaging
- Desired volume of packaging was not found

2. What factors do you consider while buying a perfume?

Check all that may apply.

- Color
- Shape
- Volume

B. Questionnaire for customers who purchased

1. Did packaging motivated you to purchase the perfume?

- Yes
- No

2. If yes, which packaging factor motivated you to do so?

- Volume
- Color
- Shape

C. Observation sheet

Gender: Male /Female

1. Which color of packaging did they prefer?

- Black
- Blue
- Red
- Others

2. What did visitors do when they did not find the desired color of packaging?

- Asked for another color and purchased
- Asked for another color but did not purchased
- Left the shop

Table 1
Perfume preference according to color of packaging

	Frequency	Percent	Cumulative percent
Red	8	30.8	30.8
Blue	10	38.5	69.2
Black	7	26.9	96.2
Other	1	3.8	100
Total	26	100	

Table 2
Customer's reaction after not getting desired color of packaging

Frequency	Percent	Cumulative percent
Asked for another color and purchased	3	11.5
Asked for another color and did not purchased	3	23.1
Directly left the shop	4	38.5
Other	16	100
Total	26	

Table 3
Perfume preference according to shape of packaging

	Frequency	Percent	Cumulative percent
Symmetric	16	61.5	61.5
Irregular	10	38.5	100
Total	26	100	

Table 4
Customer's reaction after not getting desired shape of packaging

	Frequency	Percent	Cumulative percent
Asked for alternative and purchased	4	15.4	15.4
Asked for another shape and did not purchased	6	23.1	38.5
Other goods	16	61.5	100
Total	26	100	

Table 5

Perfume preference according to volume of packaging.

	Frequency	Percent	Cumulative percent
Less than 100 ml	8	30.8	30.8
More than 100 ml	18	69.2	100
Total	26	100	

Table 6

Customer's reaction after not getting desired volume of packaging

	Frequency	Percent
Asked for another volume and purchased it	3	11.5
Asked for another alternative and did not purchased	3	11.5
Directly left the shop	20	77
Total	26	100

Table 7

Reasons for not purchasing perfume

	Frequency	Percent
Price factor	7	43.75
Did not like the color	9	56.25
Total	16	100

Table-8

Relation of preferred color of packaging with gender.

	Gender		Total
	Female	Male	
Red	5	3	8
Blue	3	7	10
Black	3	4	7
Others	1	0	1
Total	12	14	26

Chi-Square Test

Value	df	Asymp. Sig.	(2-Sided)
Pearson Chi-Square	3.107a	3	.375
Likelihood Ratio	3.527	3	.317
Linear-By-Linear Association	.043	1	.835
N of Valid Cases	26		

Table-9

Shape of packaging preferred by sex

	Gender		Total
	Female	Male	
Symmetric	6	10	16
Irregular	6	4	10
Total	12	14	26

Chi-Square Test

	Value	df	Asymp. Sig. (2-Sided)	Exact Sig (2-sided)	Exact Sig. (1 sided)
Pearson Chi-Square					
Continuity Correction ^a	1.254a	1	.263		
Likelihood Ratio	.512	1	.474		
Fisher's Exact Test	1.259	1	.262	422	.237
Linear-by-Linear Association	1.205	1	.272		
N of Valid Cases	26				

Table - 10

Relation of volume of packaging with gender

	Gender		Total
	Female	Male	
Less than 100 ml	4	4	8
Larger than 100 ml	8	10	18
Total	12	14	26

Chi-Square Test

	Value	df	Asymp. Sig. (2-Sided)	Exact Sig (2-sided)	Exact Sig. (1 sided)
Pearson Chi-Square	.069 ^a	1	.793		
Continuity correction	.00	1	1.0		
Likelihood ratio	.043	1	.793		
Fisher's exact test	.26			1.00	.563
Linear by linear association	.066	1	.797		
N of Valid Cases	26				

Capital Structure and Profitability in Hotel and Manufacturing Sectors of Nepal

Sumikshya Lama

Dhrub Kumar Shah

Bidit Shakya

Anuj Goel

Aman Lal Shrestha

Anusha Timalshina

Madhu Goyal

Author Note

This report was submitted to Kathmandu College of Management to fulfill the 3-credit hour requirement in research in finance of the fifth semester. We acknowledge Bikash Shrestha and Hari Prasad Pokharel for their guidance during the preparation of this report. Correspondence relating to this article should be emailed to: *anujg2019@kcm.edu.np*; *madhu2019@kcm.edu.np*; *bidit2019@kcm.edu.np*; *sumikshya2019@kcm.edu.np*; *dhrub2019@kcm.edu.np*; *aman2019@kcm.edu.np*; *anusha2019@kcm.edu.np*

Abstract

The aim of this study is to inspect the relationship between capital structure measured by equity, long-term debt (LTD) and short-term debt (STD); and profitability measured by earnings before interest and tax (EBIT) of public manufacturing industries and hotels listed in Nepal stock exchange (NEPSE). The data has been analyzed with the use of descriptive statistics, independent sample t test and correlation and regression analysis. Results of the analysis show that similar level short-term debts are used in both hotel and manufacturing industries but have different levels of equity and long-term debts still yielding similar level of EBIT. In hotels, there is insignificant relationship between EBIT and STD; EBIT and LTD. and there is a positive significant relationship between EBIT and equity in hotel industry. In manufacturing industries there is a positive significant relationship between EBIT and STD; EBIT and equity. Also, there is insignificant relationship between EBIT and LTD. The outcomes of the study may guide hotel and manufacturing companies in their capital structure decision.

Keywords: capital, short-term debt, long-term debt, equity, EBIT

Capital Structure and Profitability in Hotel and Manufacturing Sectors of Nepal

Capital structure decision is the decision of combining debt and equity used to finance operation and investment of the firm. This decision influences cost of capital and hence profitability of company. Capital structure decision is very important for every company in every industry and in every economy. A great dilemma exists among scholars, business managers and investors among other stakeholders on whether there exists an optimal financial structure that maximizes stakeholders' wealth. That is why an optimal capital structure is different for different companies. Therefore, a right balance between debt and equity is important for optimal capital structure. There have been many researches on this topic with varying conclusions.

Thus, the basic purpose of this study is to find out the impact of capital structure on profitability in hotel and manufacturing companies listed in NEPSE. The effect of capital structure on profitability has not been explored deeply in Nepalese finance literature.

Research question

This study tries to find the answer to the question below on the basis of statistical evidences in the context of Nepal's hotel and manufacturing industries.

What kind of relationship exists between capital structure and profitability?

Objective

The objective of this research paper is to examine the relationship of short-term debts, long-term debts, equity and EBIT across hotels and manufacturing industries.

Literature

It was found that debt is positively related to non-tax debt shields and negatively related to a firm's volatility and advertising and research and development expenses (Bradley, Jarrell, & Kim, 1984). Again, it was found that the firm size is positively related and growth, non-debt tax shields, volatility and collateral value of assets to have no correlation with debt while examining the factors affecting capital structure (Titman & Wessels, 1988). In examining the effect of capital structure on profitability of the American service and manufacturing firms, (Muchiri, Muturi, & Ngumi, 2016) concluded that there exists a positive relationship between short-term debt and total assets and profitability; and between total debt and total assets and profitability in the service.

A sample of 13 listed manufacturing companies of Colombo stock exchange (CSE) gave further insight on the relationship between capital structure and profitability. Results show that debt to EQUITYTA ratio is positively and significantly associated with gross profit ratio (GPR), operating profit ratio (OPR), net profit ratio (NPR) with the exception of return on capital employed (ROCE) and return on investment (ROI). Also, D/A Ratio is positively and significantly associated with OPR, NPR and ROCE. Capital gearing ratio too is positively correlated to GPR and NPR. Interest coverage ratio is significantly correlated to ROCE and NPR (Nimalathasan, 2008).

A sample of 50 non-financial Nigerian public companies reveals that there is an insignificant positive impact between profitability and short-term debt but long-term debt is negatively correlated with profitability (Salawu, 2009).

A study, conducted to identify the impact between capital structure and companies' financial performance, found a weak positive impact between gross profit and capital structure but at the same time, there was a negative impact between net profit and capital structure, ROI and ROA also have negative impacts with capital structure (Pratheepkanth, 2011).

A study of listed banks of Sri Lanka indicate that increase in the debt finance increases the interest payments thus resulting in a decline in profit. The results also show that profitability increases with control variables such as size and sales growth. (Velnampy & Niresh, 2012).

Likewise, (Shubita & Alsawalhah, 2012), (Pouraghajan, Malekian, Emamgholipour, Lotfollahpour, & Bagheri, 2012), (Tailab, 2014), (Abeywardhana, 2015), have studied the relationships between capital structure and short-term as well as long-term debts with different conclusions.

Conceptual framework

The conceptual framework of this study has been given in figure-1. This study takes long-term debt (LTD), short term debt (STD) and equity representing capital structure as the independent variables and EBIT as the dependent variable in case of hotels and manufacturing sectors.

Methodology

This study has used convenient sampling to collect annual reports. Population of the study are the hotel and manufacturing companies listed in NEPSE of which four hotels and five manufacturing companies' financial performance were included in the sample which accounted for 54 and 52 observations respectively.

The study has used descriptive and casual methods. Statistical tools like means, standard deviation, kurtosis and skewness have been used to understand the nature of distributions. Correlation and multiple regression have been used to measure the relationships between variables.

Hypotheses

The following hypotheses are formulated for this study:

- H_{01} : There is no significant relationship between LTD and EBIT in hotel industry.
- H_{02} : There is no significant relationship between STD and EBIT in hotel industry.
- H_{03} : There is no significant relationship between Equity and EBIT in hotel industry.
- H_{04} : There is no significant relationship between LTD and EBIT in manufacturing industry.
- H_{05} : There is no significant relationship between STD and EBIT in manufacturing industry.
- H_{06} : There is no significant relationship between equity and EBIT in manufacturing industry.

H_{07} : There is no significant linear impact of LTD on EBIT in hotel industry.

H_{08} : There is no significant linear impact of STD on EBIT in hotel industry.

H_{09} : There is no significant linear impact of equity on EBIT in hotel industry.

H_{010} : There is no significant linear impact of LTD on EBIT in manufacturing industry.

H_{011} : There is no significant linear impact of STD on EBIT in manufacturing industry.

H_{012} : There is no significant linear impact on equity on EBIT in manufacturing industry.

Limitations

The study has the following limitations:

- Use of convenient sampling, limiting the findings to generalize.
- It covers a small number of hospitality and manufacturing firms.

Analysis and result

Descriptive statistics

From table-2, the mean of STD in manufacturing firms is NRP 462,611,340 whereas STD in hotels is NRP 479,631,320. Likewise, standard deviation from mean of STD of hotels is NRP 275,094,386 and manufacturing industries is NRP 353,192,804. In both cases the industry's STD is highly positively skewed. But in case of hotels it is comparatively more skewed than manufacturing industries. In both cases STD is more or less *mesokurtic*.

Again, mean LTD in case of hotels and manufacturing industries are NRP 737,825,910 and NRP 51,290,870 respectively. Likewise, the standard deviations are NRP 687,789,204 and NRP 83,457,731 respectively. Distribution of long term debts in case of hotels is moderately positively skewed whereas it is highly positively skewed in manufacturing industries. Similarly, *kurtosis* in case of hotels is *platykurtic* and in case of manufacturing industries is *mesokurtic*. This indicates that in case of hotels many have LTD toward extremes in comparison with manufacturing industries.

Mean equities in hotels and manufacturing industries are NRP 585,189,170 and equity is NRP 297,131,470 respectively. Standard deviation in case of hotels and manufacturing industries are NRP 488,294,605 and NRP 354,602,277 respectively. Equity in case of manufacturing industries is highly positively skewed compared to hotels. The *kurtosis* level in hotels is *platykurtic* and that of manufacturing industries is a little *leptokurtic*. It can be deduced that hotels have excess equities whereas manufacturing companies have equity close to the mean.

Lastly, mean EBITs in case of hotels and manufacturing companies are NRP 108,679,600 and NRP 168,655,530 respectively. The SDs in case of hotels and manufacturing industries are NRP 125,005,932 and NRP 249,767,212 respectively.

Correlation analysis

The result of correlation analysis (Table-3), highlights that relationships between EBIT and short-term debts, EBIT and long-term debts in case of hotels are not significant, meaning that EBIT is not very noticeable in terms of long as well as short-term debts. Similar conclusion can be drawn in the case of manufacturing industry too.

Regression analysis

The linear impact of STD, LTD, equity on EBIT in case of hotels (Table 4) shows that there is no significant linear impact of STD on EBIT; whereas in the case of manufacturing industries this relationship is significant. Similarly, there is no significant linear impact of LTD on EBIT in case of hotels and manufacturing industries. Variations in the relationships between equity and EBIT in the case of hotels and manufacturing industries are, however, significant. The outcomes hypotheses listed earlier have been presented in the table-5.

According to the Modigliani and Miller theory, there is no relevance of the capital structure with the company's value in non-taxed business environment (Modigliani & Miller, 1963). In this study, all companies sampled pay taxes. In a business environment with tax system, it is suggested that a company having the higher amount of debt in capital structure has higher EBIT. Correlation analysis shows that our outcome is in line with this theory.

References

- Abeywardhana, D. K. (2015). Capital Structure and Profitability: An Empirical Analysis of SMEs in the UK. *Journal of Emerging Issues in Economics, Finance and Banking (JEIEFB)*, IV(2), 1661-1675. Retrieved November 16, 2017 from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2816487
- Bradley, M.; Jarrell, G. A.; & Kim, E. H. (1984, July). On the Existence of an Optimal Capital Structure: Theory and Evidence. *The Journal of Finance*, XXXIX(3), 857-878. doi:10.2307/2327950
- Modigliani, F.; & Miller, M. H. (1963). Corporate Income Taxes and the Cost of Capital: A Correction. *The American Economic Review*, LIII(3), 433-443. Retrieved September 21, 2017 from <http://www.jstor.org/stable/1809167>
- Muchiri, M. J.; Muturi, W. M.; & Ngumi, P. M. (2016). Relationship between Financial Structure and Financial Performance of Firms Listed at East Africa Securities Exchanges. *Journal of Emerging Issues in Economics, Finance and Banking*, V(1). Retrieved June 9, 2017, from http://globalbizresearch.org/economics/images/files/24594_ID_1098_JEIEFB_Mwangi%20Joseph%20Muchiri_Willy%20M%20Muturi_Patrick%20M%20Ngumi.pdf
- Nimalathasan, B. (2008). *Capital Structure and It's Impact on Profitability: A Study in Listed Manufacturing Companies in Sri Lanka*. Retrived July 13, 2017 <https://ideas.repec.org/a/aio/rteyej/v1y2010i10p7-16.html>
- Pouraghajan, A.; Malekian, E.; Emamgholipour, M.; Lotfollahpour, V.; & Bagheri, M. M. (2012, May). The Relationship between Capital Structure and Firm Performance Evaluation Measures: Evidence from the Tehran Stock Exchange. *International Journal of Business and Commerce*, I(9), 166-181.
- Pratheepkanth, P. (2011, April). Capital Structure and Firm Performance of Colombia Stock Exchange. *Researcher World-Journal of Arts, Science & Commerce*, II(2), 171-183. Retrieved 25 October, 2017 from www.researchersworld.com
- Salawu, R. O. (2009). The Effect of Capital Structure on Profitability: An Empirical Analysis of Listed Firm in Nigeria. *The International Journal of Business and Finance Research*, III(2), 121-129.
- Shubita, M. F.; & Alsawalhah, J. M. (2012, August). The Relationship between Capital Structure and Profitability. *International Journal of Business and Social Science*, III(16), 104- 112. Retrieved June 9, 2017, from <https://pdfs.semanticscholar.org/a2a3/ed9d84b6dbd39ccc618f318e20847db55f1e.pdf>
- Tailab, M. M. (2014). The Effect of Capital Structure on Profitability of Energy American Firms. *International Journal of Business and Management Invention*, III(12), 54-61. Retrieved November 22, 2017 from https://s3.amazonaws.com/academia.edu.documents/36499470/G031201054061.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1523780224&Signature=2CiEkafNvxE6q28TxwnN6Lt0KDg%3D&response-content-disposition=inline%3B%20filename%3DThe_Effect_of_Capital_Structure_on_Profi.pdf
- Titman, S., & Wessels, R. (1988). The Determinants of Capital Structure Choice. *Journal of Finance*, 43(1), 1- 19. Retrieved 10 16, 2017
- Titman, S.; & Wessels, R. (1988, March). The Determinants of Capital Structure Choice. *The Journal of Finance*, XXXIII(1), 1-19. doi:10.2307/2328319

Velnampy, T.; & Niresh, J. A. (2012). Relationship between Capital Structure & Profitability . *Global Journal of Management and Business Research*, XII(13), 66-73. Retrieved July10, 2017 from https://s3.amazonaws.com/academia.edu.documents/34565880/12.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1523781314&Signature=sifzMhCfLhllLsR7RX6VKy%2Fvs8%3D&response-content-disposition=inline%3B%20filename%3DThe_Relationship_between_Capital_Structu.pdf

Annexure

Table 1
Sampled companies

Name of the company	Study Period	Observations
Soaltee Hotel	2002-2016	14
Yak and Yeti Hotel	2002-2013	11
Oriental Hotel	2002-2017	15
Targaon Regency Hotel	2002-2016	14
Unilever	2002-2013	11
Nepal Bitumen	2002-2012	10
Himalayan Distillery	2002-2016	14
Bottler Nepal Equity.	2006-2015	9
Nepal Lube Oil Equity.	2008-2016	8

Table 2
Descriptive statistics for hotel and manufacturing companies

Hotel					
Variables	Mean	Std. Deviation	Range	Skewness	Kurtosis
Short Term Debts	462611.34	275094.386	1318098	1.206	1.922
Long Term Debts	737825.91	687789.204	2414737	0.889	-0.205
Equity	585189.17	488294.605	1696616	1.043	-0.184
Earnings before Interest and Tax	108679.6	125005.932	661774	-0.295	1.243
Manufacturing					
Variables	Mean	Std. Deviation	Range	Skewness	Kurtosis
Short Term Debts	479631.32	353192.804	1484001	1.369	1.903
Long Term Debts	51290.87	83457.731	344528	1.653	2.054
Equity	297131.47	354602.277	1732104	1.97	4.596
Earnings before Interest and Tax	168655.53	249767.212	1188417	2.143	4.713

Table 3
Correlation analysis across hotel and manufacturing industry

Hotel				
Variables	Short Term Debts	Long Term Debts	Equity	EBIT
Short Term Debts	1			
Long Term Debts	.316** (0.021)	1		
Equity	.412* (0.002)	.312** (0.023)	1	
EBIT	0.19 (0.173)	-0.071 (0.615)	.559* (0.001)	1
Manufacturing				
Variables	Short Term Debts	Long Term Debts	Equity	EBIT
Short Term Debts	1			
Long Term Debts	-0.08 (0.567)	1		
Equity	.793* (0.001)	0.258 (0.062)	1	
EBIT	.404* (0.003)	-0.212 (0.128)	.412* (0.002)	1

*Significance level 0.01 **Significance level 0.05

Table 4
Regression analysis of hotel and manufacturing industries

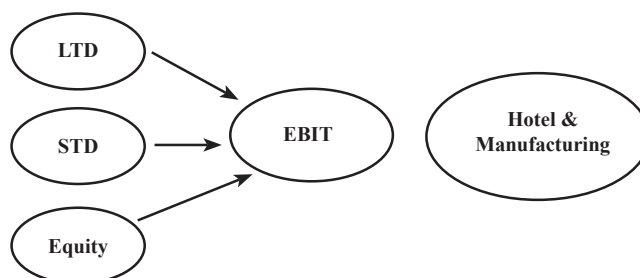
Hotel						
Model	Constant	STD	LTD	Equity	R2	F
1	68703.42 (0.046)	0.086 (0.173)			0.036	1.914 (0.173)
2	118153.7 (0.001)		-0.013 (0.615)		0.005	0.256 (0.615)
3	24993.38 (0.273)			0.143* (0.001)	0.312	23.133 (0.001)
4	46871.25 (0.116)	0.006 (0.912)	-0.05** (0.128)	0.163* (0.001)	0.379	9.956 (0.001)
Manufacturing						
Model	Constant	STD	LTD	Equity	R2	F
1	31522.27 (0.56)	0.286* (0.003)			0.163	9.966 (0.003)
2	201122 (0.001)		-0.633 (0.128)		0.045	2.388 (0.128)
3	82506.28 (0.051)			0.29* (0.002)	0.169	10.404 (0.002)
4	129995.6 (0.041)	-0.047 (0.77)	-1.079** (0.015)	0.393** (0.021)	0.279	6.314 (0.001)

*Significance level 0.01 **Significance level 0.05

Table 5
Results of hypotheses test

Hypothesizes	Result	Tools
H ₀₁ : there is no significant relationship between EBIT and short-term debts in hotel industry	Null hypothesis accepted	Correlation
H ₀₂ : there is no significant relationship between EBIT and long-term debts in hotel industry	Null hypothesis accepted	Correlation
H ₀₃ : there is no significant relationship between EBIT and equity in hotel industry	Null hypothesis rejected	Correlation
H ₀₄ : there is no significant relationship between EBIT and short-term debts in manufacturing industry	Null hypothesis rejected	Correlation
H ₀₅ : there is no significant relationship between EBIT and long-term debts in manufacturing industry	Null hypothesis accepted	Correlation
H ₀₆ : there is no significant relationship between EBIT and equity in manufacturing industry	Null hypothesis rejected	Correlation
H ₀₇ : there is no significant impact of EBIT on short-term debts in hotel industry	Null hypothesis accepted	Regression
H ₀₈ : there is no significant impact of EBIT on long-term debts in hotel industry	Null hypothesis accepted	Regression
H ₀₉ : there is no significant impact of EBIT on equity in hotel industry	Null hypothesis rejected	Regression
H ₀₁₀ : there is no significant impact of EBIT on short-term debts in manufacturing industry	Null hypothesis rejected	Regression
H ₀₁₁ : there is no significant impact of EBIT on long-term debts in manufacturing industry	Null hypothesis accepted	Regression
H ₀₁₂ : there is no significant impact of EBIT on equity in manufacturing industry	Null hypothesis rejected	Regression

Figure- 1
Conceptual framework



Deceptive Advertisement and Buying Behavior

Bikesh Shrestha

Ayush Shah

Shrena Maharjan

Utsha Shrestha

Author Note

We are studying in the International BBA Program at Kathmandu College of Management (KCM), Gwarko-17, Lalitpur Nepal; Internet: <http://kcm.edu.np/>. This article is based on our research report submitted to the college to fulfill the 3-credit hour requirement in marketing research of the fifth semester. We acknowledge Hari Prasad Pokharel for his supervision during the preparation of this report. Correspondence relating to this article should be emailed to: *ayush2019@kcm.edu.np*; *utsha2019@kcm.edu.np*; *shrena2019@kcm.edu.np*; *bikesh2019@kcm.edu.np*

Executive summary

Advertisement is a powerful tool for organizations as it informs about products and services and persuades customers. However, companies also use wrong statements in their advertisements to influence consumer's purchase decision. Such practice results in misleading or deceptive advertising. The objective of this study is to determine the effectiveness of the advertisement of the soft beverage 'Mountain Dew' and its impact on consumption. The research is based on primary data collected from respondents with the help of structured questionnaire. In total, 51 valid responses were included in the statistical analysis from garden of dreams, *Mangalbar*, and *Basantapur* through which conclusion regarding the impact of advertisement was drawn. The analysis considered variables such as product's advertisement design, content, product display, actors and other factors related to taste, seasons, word of mouth, ease of access and others' recommendations.

Keywords: advertisement, deceptive, repurchase, Mountain Dew, consumer

Deceptive Advertisement and Buying Behavior

Deceptive advertising creates statements differentiating a particular brand from competing brands. This is especially the case when they offer the same product or performance, as they create for themselves a competitive advantage. Companies using deceptive advertising pay more attention to their market share and profit than their customers. The consumer is influenced in terms of the evaluation of the product or service attributes.

There are many types of deceptive advertising. One of the most ordinary way is when the price of an item is first raised and then lowered so as to claim lower price. Consumers get the impression that they are saving money. Another way is an appealing advertisement on television, which excites consumers and makes them purchase the product. Later, they realize that the product is nowhere near what the advertisement claims. Consumers feel they have been cheated. Therefore, they want to do something about it so that the advertisers cannot scam anyone else (How to Report False Advertising, n.d.).

Fairness cream ads claim that only a fair person has a good chance of succeeding in life. Energy drinks ads convey that the one who drinks the beverage attain superhuman powers. Celebrity endorsements are again false advertisement. Celebrities never use the product, but they appear in the advertisements of products that promise consumers the same skin and hair of the celebrity concerned. In all cases, the glow on the skin of the actress is due to the skills of the makeup artist (Challenging Deceptive Advertising and Marketing, n.d.).

In the case of print ads, many people must have observed unrealistic claims in the "before and after" ads for fat-loss, hair loss etcetera. Then, there is the play with words such as "up to 50% sale", or "just 3 flats remaining", or "free, but conditions apply".

Therefore, deceptive advertising not only has consequences on companies that use this method, but also on customers. Relationship between companies and customers vary and consumers have many perceptions about deceptive advertising. False advertising is annoying when the product does not deliver what it promises. Consumers can report against the company for such business practices and help put a stop to their deceiving ways (How to Report False Advertising, n.d.).

Objective

The objective of this research is to show the relationship between perceived deceptive advertisement and consumer buying behavior.

Methodology

The study was conducted with primary and secondary data to examine the relationship between misleading contents in the advertisement of *Mountain Dew* and consumers' purchase decision. First,

we showed them a two-minute video clip on a laptop and then structured questionnaire containing open and close-ended questions were distributed to collect responses from customers visiting local stores and restaurants. The sample contained 51 respondents consisting of both male and female of age 18 and above in Kathmandu valley.

Journal, magazine and newspaper articles were used as secondary source of information. A five-point Likert scale was used ranging from 1-5 where 1 stood for strongly agreeable and 5 for strongly disagreeable.

Hypotheses

Chi-square tests were executed to test the following hypotheses with a significance level of 0.05.

H_{01} : There is no relationship between drinking *Mountain Dew* and being fearless

H_{11} : There is a relationship between drinking *Mountain Dew* and being fearless

H_{02} : There is no relationship between those who consider the advertisement deceptive but still purchase *Mountain Dew*

H_{12} : There is a relationship between those who consider the advertisement deceptive but still purchase *Mountain Dew*

Limitations

Limitations of this study were:

- Deceptiveness in this report is the respondents' reaction after viewing the *Mountain Dew* video advertisement rather than from any formal authority.
- Purchasing behavior was recorded not on the basis of observation but on the basis of responses of buyers.
- Small sized convenient sampling was used.

Literature

Marketing focuses on creating value for customers by generating sales. Advertisement is considered as one of the major tools in marketing as it helps target a mass audience easily. Due to this, advertisements are filled with information that is hard to believe and seem unrealistic as well. In the present context, companies need to know that they are not advertising a product. Rather, they are advertising a lifestyle to their potential future customers. This is why marketers are targeting psychological factors to know the consumers' buying behavioral pattern, but they still have not been able to pinpoint such a pattern as companies tend to focus more on the attributes and benefits of the product rather than what it actually is (Kossman, 2013).

False advertising uses unrealistic as well as misleading information to advertise their products to create a differentiation in terms of features. The term misleading means any representation that would cause a significant number of general public to misunderstand or make incorrect decisions regardless of whether such representation is consistent with facts. In today's world, advertisement has become one of the most important instruments for companies to attract customers. Different types of advertisement are adopted by companies in order to enforce the idea that their products are better than that of their competitors. Advertising interpretation is a difficult problem as each person perceives the information differently. Misleading advertisement may affect consumers' buying decisions and unfairly try to convince them to believe in the advertiser's idea. Fraud, falsity and misleading messages are usually three approaches to creating false advertising, which creates a false impression on consumers' minds.

The advertiser uses various means to trick and create false impression on consumers' mind in order to sell goods and services. Hence, customers are usually drawn into the false belief that the products are

of superior quality and are influenced to buy the products that are inferior in quality than what they had planned.

The main aim of marketing is to generate large volume of sales and revenue for the firm. Advertisement is a tool available to marketers to communicate with the prospective buyer and make them buy their products and make their products known to the people. In this effort, advertisements are sometimes filled with claims that are sometimes too hard to believe.

An advertisement needs to make an impression on the audience within seconds. In terms of billboard and print ads, it may be as little as 3 to 5 seconds; whereas for radio and television, 30 seconds is usually the standard time. Within the limited time and space, the advertisement needs to be filled with relevant information. A good ad is able to connect with its audience, is memorable and at the same time is easily recalled. It not only provides information quickly and doesn't confuse the viewer or make them search for information. It needs to be able to call the viewer to action. Effective advertisement gets the audience's attention and connects with them (AGAMA, n.d.).

Advertisers may be businesses, governments, non-governmental agencies (non-profit), and individual people. Advertisers have the power to use their resources to announce new, interesting, or helpful information and at the same time promote political messages and inform citizens about government services. Moreover, they can engage with customers through story-telling as most of the advertisements made in Thailand do.

Advertising can be very plain or it can be extremely creative and entertaining at the same time. The style of an advertisement is decided on seeing how competitive the industry of the product or service may be. The advertisement of motorbikes can be taken as example. KTM advertises itself as something for racers whereas *Suzuki* advertises as something for day-to-day transport. In terms of consumers, they benefit by learning about product, service, and upcoming events. We are able to discover new products and associate them with special activities. They even help us learn about important social issues (Advertising Benefits, n.d.).

Analysis and result

We had conducted the research survey on 51 respondents and 11.8% found that the Ad was emotional, 43.1% found it unrealistic, 5.9% found it informative, 23.5% found it deceptive, 11.8% found it persuasive, and 3.9% found it reminded them (Table-1).

Out of the 12 people who found the advertisement deceptive, 5 people were aged 18-24, 6 were aged 25-30 and 1 person was aged above 30. Out of the 22 people who found the advertisement unrealistic, 2 were aged below 18, 12 were aged 18-24, 6 were aged 25-30, and 2 were aged above 30 (Table-2).

From our survey we found that 8 males and 4 females found the advertisement deceptive whereas 8 males and 14 females found it unrealistic (Table-3).

Also, out of the 12 people who found the Ad deceptive, 8 people found the man jumping as deceptive, 3 found the man climbing from the other side as deceptive, and 1 person found the distance between the two edges deceptive (Table-4).

Similarly, 45 people had purchased Mountain Dew whereas 6 people had not purchased it.

Out of 12 people who found the advertisement deceptive, 5 purchased the product (Table-6). Again, 25 people had bought Mountain Dew after seeing the Ad. People were mostly influenced by the story line of the advertisement. Likewise, actors, product display, ad design and other aspects of the advertisement influenced the purchase decision (Table-7)

The data reveals that, 41 responded that they were not fearless after drinking Mountain Dew (Table-8). Out of 12 people who found the Ad deceptive, 9 repurchased Mountain Dew whereas 3 people did not. Also, from chi-square testing, it was seen that there was no relation between the ad being deceptive and repurchase of the product (Table-10 and 11).

Tests reveal that there is no relationship between the consumption of *Mountain Dew* and being fearless there is a relationship between those who consider the advertisement deceptive but still purchase *Mountain Dew*.

Overall, we found that buying behavior is not significantly affected only by what is seen in the advertisement but depends on various other factors such as product's packaging, attractiveness, product display, taste, seasons, celebrity endorsement and so on. Also, the study shows that most of the consumers are able to identify the unrealistic or misleading claims in the advertisements.

References

- Advertising benefits*. (n.d.). Retrieved October 20, 2017, from Research Summary: Retrived March 12, 2018, from <http://www.benefitsof.org/what-are-the-benefits-of-advertising/>
- AGAMA. (n.d.). *What Makes a Good Ad?* Retrieved October 20, 2017, from http://www.agamaadvertising.com/index.php?option=com_content&task=view&id=95&Itemid=12
- Challenging Deceptive Advertising and Marketing*. (n.d.). Retrieved November 2, 2017, from FEDERAL TRADE COMMISSION: <https://www.ftc.gov/reports/annual-report-standard/ftc-2013/challenging-deceptive-advertising-and-marketing>
- Kossmann, S. (2013, July 22). *The Truth About False and Deceptive Advertising*. Retrieved October 18, 2017, from US News: <https://money.usnews.com/money/personal-finance/articles/2013/07/22/the-truth-about-false-and-deceptive-advertising>

Table 1
Classification of advertisement as per respondents

	Frequency	Percent
Emotional	6	11.8
Unrealistic	22	43.1
Informative	3	5.9
Deceptive	12	23.5
Persuasive	6	11.8
Reminding	2	3.9
Total	51	100.0

Table 2
Classification of advertisement based of different age groups

Category	Age				Total
	Below 18	18-24	25-30	Above 30	
Emotional	1	3	2	0	6
Unrealistic	2	12	6	2	22
Informative	0	2	0	1	3
Deceptive	0	5	6	1	3
Persuasive	0	3	3	0	6
Reminding	0	2	0	0	2
Total	3	27	17	4	51

Table 3
Classification of advertisement according to gender

	Gender		Total
	Male	Female	
Emotional	2	4	6
Unrealistic	8	14	22
Informative	1	2	3
Deceptive	8	4	12
Persuasive	6	0	6
Reminding	0	2	2
Total	25	26	51

Table 4
Various scenes seen as Deceptive

Scenes	Frequency	Percent
The man jumping	8	66.7
The man climbing from the other side	3	25.0
The distance between two edges	1	8.3
Total	12	100.0

Table 5

Various scenes seen as Deceptive

	Frequency	Percent
Yes	45	88.2
No	1	1.8
Total	51	100.0

Table 6

Purchase decision due to this advertisement by respondents who perceived deceptive advertisement

	Frequency	Percent
Yes	5	41.7
No	7	58.3
Total	12	100.0

Table 7

Factors influencing purchase decision

	Frequency	Percent
Product display	5	20.0
Actors	8	32.0
Story	9	36.0
Ad, Design	1	4.0
Other	2	8.0
Total	25	100.0

Table 8

Number of people becoming fearless after drinking Mountain Dew

	Frequency	Percent
Yes	1019	5
No	4180	4
Total	51	100.0

Table 9

Number of people of deceptive category repurchasing the product

	Frequency	Percent
Yes	9	75.0
No	3	25.0
Total	12	100.0

Table 10

Chi-square test of people who found the advertisement deceptive (fearless)

Observed Frequencies

	Column variable		
Row variable	Yes	No	Total
Deceptive	2	10	12
Other	8	31	39
Total	10	41	51
Critical Value	3.841459		
Chi-Square Test Statistic	0.086116		
p-Value	0.769174		
Do not reject the null hypothesis			

Table 11

Chi-square test of people who found the advertisement deceptive but repurchased

Observed Frequencies

	Column variable		
Row variable	Buy	No buy	Total
Deceptive Ads	9	3	12
Other	35	4	39
Total	44	7	51
Critical Value	3.841459		
Chi-Square Test Statistic	1.684503		
p-Value	0.194327		
Do not reject the null hypothesis			

Questionnaire

Dear respondent,

We are conducting this survey, relating to a TV advertisement of Mountain Dew, for academic research. Your information would be kept confidential and used only for collective statistical interpretation. Thank you for your precious time.

1. How did you find the advertisement?

- Emotional
- Unrealistic
- Informative
- Deceptive
- Persuasive
- Reminding

(If you found the advertisement deceptive, please go to 2 else 3)

2. Which part did you find deceptive?

- The man jumping
- Dew in liquid form in the Himalayas
- The man climbing from the other side
- The distance between two edges

3. Have you ever purchased Mountain Dew?

- Yes
- No

4. Did you buy the product due to this advertisement?

- Yes
- No

5. If yes, what aspect of the advertisement influenced you to buy the product? (select any one)

Product Display

- Actors
- Story
- Ad. Design
- Any other: _____

6. Do you become fearless after drinking Mountain Dew?

- Yes
- No

7. What influences you to buy Mountain Dew other than advertisements? (Encircle- 1 = most influential, 5 = least influential)

- | | | | | | |
|-------------------|---|---|---|---|---|
| • Word of mouth | 1 | 2 | 3 | 4 | 5 |
| • Recommendations | 1 | 2 | 3 | 4 | 5 |
| • Packaging | 1 | 2 | 3 | 4 | 5 |
| • Ease of Access | 1 | 2 | 3 | 4 | 5 |
| • Taste | 1 | 2 | 3 | 4 | 5 |

8. Did you repurchase the product after the first view of the advertisement?

- Yes
- No

9. Gender

- Male
- Female

10. Age

- Below 18
- 18-24
- 25-30
- Above 30

Effect of Financial Ratio on the Stock Price of Banks

Aman Bajracharya

Ashna Khadgi

Biwash Koirala

Rahul Kumar Taparia

Rashmi Lohia

Suraj Agrawal

Yashaswi Surana

Author Note

We are studying in the International BBA Program at Kathmandu College of Management (KCM), Gwarko-17, Lalitpur Nepal; Internet: <http://kcm.edu.np/>. This article is based on our research report submitted to the college to fulfill the 3-credit hour requirement in research in finance of the fifth semester. We acknowledge Bikash Shrestha and Hari Prasad Pokharel for their supervision during the preparation of this report. Correspondence relating to this article should be emailed to: aman2019@kcm.edu.np; ashna2019@kcm.edu.np; biwash2019@kcm.edu.np; rahul2019@kcm.edu.np; rashmi2019@kcm.edu.np; suraj2019@kcm.edu.np; yashaswi2019@kcm.edu.np

Abstract

The current stock market of Nepal is continuously undergoing the process of modification and alteration. The study focuses on the comparative analysis of financial performance of ten banking institutions for a period of five years. In doing so, the study identifies determinants of stock prices which will help many researchers and investors identify various research gaps related to stock prices. Moreover, findings of this study will benefit many investors and participants in the Nepalese stock market as this encompasses the ratio analysis and also highlights factors that maximize stock prices.

Keywords: stock, price, NEPSE, performance, investor

Effect of Financial Ratio on Stock Price of Banks

In Nepal, the stock market began with the establishment of Securities Exchange Centre (SEC) in 1976 with the objective of facilitating and promoting the growth of capital market (Shrestha & Subedi, 2014). The organized stock market began with the conversion of Securities Exchange Centre into Nepal Stock Exchange (NEPSE) Limited in 1993 (Nepal Stock Exchange, 2017).

Returns from the stock market could be in the form of profit through trading or in the form of dividends given by the company to its shareholders from time-to-time. Stock market returns are not fixed ensured returns. They are subject to market risks. These returns are not homogeneous and may change from investor to investor depending on the amount of risk one is prepared to take and the quality of his stock market analysis. This stock market analysis can be done with the help of financial ratios which can be a good base for making decisions.

Volatility in the stock market index is essential to keep a track on the stock market in order to prevent the creation of economic bubbles and downward sloping of the market. It is necessary to understand the relationship between the stock market index and its determinants. Anything having an effect on cash flows or the discount rate can be regarded as having an impact on the stock market. However, the degree of its impacts varies depending on the size, type, ratios and other characteristics the market. (Balampaki, 2004)

In this context, this paper aims to analyze the relationship between the performance of NEPSE index and major macroeconomic variables in Nepal using yearly data that span from 2005 to 2015. In addition to main variables, this paper also assesses the changes in financial ratios and their impact across various firms which can provide clue to understand the determinants behind the performance of Nepalese stock market.

Objectives

The primary objective of this research is to find the determinants of stock returns. However, some other objectives of this study are to:

- examine the relationship between the stock prices and earnings yield, size, ROE and cash flow yield
- examine the impact of earnings yield, size, ROE and cash flow yield on the stock prices

Research questions

In view of this context and reality, this study has been undertaken to investigate the answer to the following questions:

- Do commercial banks have higher stock prices than development banks?
- What kind of relationship exists between earnings yield, size, ROE, cash flow yield and stock prices?

Literature

There are literatures exploring the relationship between stock return and financial ratios. These empirical studies attempted to measure firms' financial performance by analyzing the effect of various financial and non-financial factors.

Chan, Hamao & Lakonishok (1993) found that a significant relation between returns in the Japanese market and fundamental variables. Also, the book to market ratio is the most significant factor determining stock prices. They also concluded that cash flow yield has a positive impact on returns. Jegadeesh & Titman (1993) suggested that the stock in a winner portfolio is significantly higher than the loser's portfolio.

Claessens, Dasgupta & Glen (1995) found that the smallest size portfolio has larger return than the largest size portfolio. Also, high predictability in the long run negatively affects the stock market. Kheradaya, Ibrahim & Nor (2011) reported that there is a positive correlation between financial ratios and stock prices. Alongside the predictive power of Book-to-market ratio in determining the stock return is higher in comparison to that of other independent variables.

Shamsudin, Mahmood & Ismail (2013) suggest that there is negative relationship between the ratio of total credits to total assets. According to them, there is a negative relationship between the ratios of liquid assets to total assets measuring liquidity position. Pech, Noguera & White (2015) found that the net debt to EBITDA and net debt to equity are the debt management ratios preferred by the analysis. Also, there is a negative relationship between FV and EBITDA.

Methodology

This section deals with the research methodology and the objectives set for the study.

Research design

The research design adopted in this study consists of descriptive, correlational, and causal comparative research designs dealing with the various issues that arose during the study. Descriptive research includes fact-finding enquiries of different kinds. The major purpose of descriptive research is to present the state of affairs as it exists at present. Different descriptive statistical measures have been used to analyze the data collected from different sources. Correlational research design is used in the study to find the relationship between independent variables: Earnings yield, size, ROE and cash flow yield and dependent variable: stock price.

Causal comparative research design was selected for the study to determine the impact or effect of independent variables on dependent variable. In our study, stock returns is the dependent variable and independent variables are earnings yield, size, ROE and cash flow yield. Causal-comparative research investigates the possible causes affecting a particular situation by observing existing consequences and searching for possible factors leading to the results.

Population and sample

To analyze some factors, the initial research sample consisted of ten A-classes NEPSE listed commercial banks and three B-class NEPSE listed development banks for the period from 2010/11 to 2014/15. There are 65 data observations (13 banks during 5 years) between 2010/11 and 2014/15 which were taken as a sample for this study.

All the Nepalese commercial banks and development banks listed in NEPSE have been taken as the population of the study. We have selected only ten banks out of 28 as samples for our study. The study does not cover non-banking and insurance sectors listed in NEPSE and other private sector enterprises that play a hugely influential role in the Nepalese economy. This is one of the limitations of this study. Table-1 shows the number of banks selected for study. Only NEPSE listed commercial and development banks were considered as samples.

Sources of data

The financial statements which contain income statement, cash flow and balance sheets of different banks of Nepal were the main sources of data in this study. These were obtained from the annual report of the respective

banks. The study is focused on earning yield, size of the firm, ROE and cash flow yield. The annual financial reports were taken from websites of the concerned banks listed in NEPSE. Further, articles from academic journals, relevant text books on the subject, computer software and internet search engines were also used.

Theoretical framework

The theoretical framework shows the relationship between independent, moderating and dependent variables of this study (Figure 1).

Hypotheses. The following hypotheses were formulated for the study:

H₀₁: There is no significant mean difference of earnings yield across types of bank.

H₀₂: There is no significant mean difference of size across types of bank.

H₀₃: There is no significant mean difference of ROE across types of bank.

H₀₄: There is no significant mean difference of cash flow yield across types of bank.

H₀₅: There is no significant mean difference of stock returns across types of bank.

H₀₆: There is no significant relationship between earnings yield and stock prices.

H₀₇: There is no significant relationship between size and stock prices.

H₀₈: There is no significant relationship between ROE and stock prices.

H₀₉: There is no significant relationship between cash flow yield and stock prices.

H₀₁₀: There is no significant impact of earnings yield on stock prices.

H₀₁₁: There is no significant impact of size on stock prices.

H₀₁₂: There is no significant impact of ROE on stock prices.

H₀₁₃: There is no significant impact of cash flow yield on stock prices.

Significance level = 0.05

Limitations

Some of the limitations are:

- Unavailability of stock prices of few development banks.
- It was difficult to take market price of the stocks; so, the average stock price was taken to calculate the ratios.
- As some development banks got merged with commercial ones, all relevant data wasn't available.

Analysis and result

Independent sample t-test

Table 2 summarizes the result given by the independent sample t-test. The coefficient of earning yield of commercial bank is observed to be (0.004) and of development bank is observed to be (-0.866). The coefficient of the size of commercial bank is observed to be (0.241) and that of development bank is observed to be (-0.001). The coefficient of ROE of commercial bank is (0.168) with an insignificant p-value and that of development bank is (0.008). Likewise, the coefficient of cash flow yield of commercial bank is (0.073) and that of development bank is (-0.081).

Correlation analysis

Table-3 depicts the correlation analysis of variables under study. The correlation analysis is conducted for the whole sample. The stock returns are correlated with capital structure and financial ratios (earning, size, ROE and

cash flow). As exhibited in the table, correlation for all the samples between stock returns and earning yield (0.58), size (0.01), ROE (0.01) and cash flow (0.679) respectively. Earning yield, size, ROE and cash flow are observed to have a positive relationship with average stock price or stock returns. This indicates that as all the variables increase, stock price also increases. Size and ROE are observed to have a significant positive relationship.

Regression analysis

Table-4 depicts regression analysis showing the impact of earning, size, ROE and cash flow yield on average stock price of ten commercial banks and three development banks of Nepal. The result shows the impact of earning, size, ROE and cash flow on the average stock price of 13 NEPSE listed banks. The coefficient of earning is (-3819.32) and the p-value is significant (0.001). Therefore, there is significant impact of earning on stock price of the banks under study. This implies that if there is one per cent increase in the earning yield of the bank then there will be decrease in stock price by 3819.32.

The coefficient of size is (1.055E-07) and the p-value is significant. Therefore, there is a significant impact of size on stock price of the banks under study. This implies that if there is one per cent increase in the size then the stock price of the banks will increase by 1.055E-07 times. As the coefficient of ROE is (2226.231) with the p-value 0.001. There is significant impact of ROE on the stock price of the banks under study. This implies that one per cent increase in ROE of the banks will result in increase in the stock price by 2226.231. The coefficient of cash flow yield is (-38.599) and the p-value is not significant (0.827). So, there is no significant impact of cash flow yield on stock price of the banks under study. This implies that if there is one per cent increase in the cash flow yield then the stock price of the banks will decrease by 38.599.

The analysis shows R-squared (the coefficient of determinants) is 0.8. This indicates that the explaining power of earning yield, size, ROE and cash flow yield together on average stock price is 0.8 and the remaining 0.2 is explained by other variables which were not considered. Earning yield, size and ROE are considered important factors because it is observed to be significant and cash flow yield is insignificant.

The result reveals that there is a significant positive relation between earning yield, size, and ROE and stock prices. However, cash flow reflects different levels of significance. In other words, except the cash flow, when the other three variables increase stock price also increases. Size and ROE are observed to have a significant positive relationship.

The major findings of the study are summarized below:

- There is a significant impact of size on stock price of the banks under study. This implies that if there is one per cent increase in the size then the stock price of the banks will decrease by 1.06 times.
- There is significant positive impact of ROE on the stock price of the banks under study. This implies that one per cent increase in ROE of the banks will result in increase in the stock price by 2226.231.
- Cash flow has insignificant relationship with stock prices.

Banks must consider crucial factors such as the size, earning and ROE to have a prudent stock price for investors to invest. These variables determine the stock price to a great extent.

The relationship between size, return on equity, cash flow, book to market ratio and stock return of ten listed Nepalese Commercial Banks and three listed Nepalese Development Banks during a 5-year period was investigated. It was noticed that there was high deviation in the earning of commercial banks across different time periods, with high deviation in cash flow. The results concerning the hypotheses set earlier are included in Table-5.

As per the findings of the research, the earnings yield had been decreasing for all the commercial banks except for *Laxmi*, *Sunrise* and *Macchapuchhre* banks during the study period. Likewise, except *Mukthinath* development bank, all other development banks reflect random increase and decrease in earning yield during the study period. The ROE both increased and decreased depending on the nature of

the bank during the course of study. With regard to the size, where the total capital was considered as the index, both commercial and development banks showed increasing in numbers. The results of this study show that the stock price is significantly affected by earning, size, ROE and cash flow generated.

References

- Balampaki, S. B. (2004). Fundamentals of Stock Returns in Nepal. SEBO Journal, 8-24.
- Chan, L. K., Hamao, Y., & Lakonishok, J. (1993). Can Fundamentals Predict Japanese Stock Returns? *Financial Analysis Journal XXXIX(4)*, 63-69. Retrived September 11,2017 from https://www.jstor.org/stable/4479669?seq=1#page_scan_tab_contents
- Claessens, Dasgupta, Glen. (1995). Return Behavior in Emerging Stock Markets. *Economic Review, IX(1)*, 131-151. Retrived August 22,2017 from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.473.755&rep=rep1&type=pdf>
- Kheradya, Ibrahim, Nor. (2011, October). Stock Return Predictability with Financial Ratios. *International Journal of Trade, Economics and Finance, II(5)*, 391-396.
- Shamsudin, N., Mahmood, W. M., & Ismail, F. (2013). The Performance of Stock and the Indicators. *International Journal of Trade, Economics and Finance, IV(6)*, 409-413.

Annexes

Table 1

List of banks selected for the study

Name of Banks	Category	Abbreviation
1. Siddhartha Bank Limited	Commercial	SBL
2. Nepal SBI	Commercial	Nepal SBI
3. Prime Commercial Bank Limited	Commercial	PCBL
4. Everest Bank Limited	Commercial	EBL
5. Himalayan Bank Limited	Commercial	HBL
6. NABIL	Commercial	NABIL
7. Laxmi Bank Limited	Commercial	LBL
8. Siunrise Bank Limited	Commercial	Sunrise
9. Machhapuchre Bank Limited	Commercial	MBL
10. Nepal Investment Bank	Commercial	NIB
11. Kasthamandap Development Bank Limited	Development	KDBL
12. Siddhartha Development Bank Limited	Development	SDBL
13. Muktinath Development Bank Limited	Development	MDBL

Table 2
Independent sample t-test

Variables	Category of Banks	Frequency	Mean	Std. Deviation	Mean Difference
Earning	Commercial	50	0.05	0.025	0.004
	Development	15	0.04	0.084	(0.866)
Size	Commercial	50	2353.27	1308.08	426.35
	Development	15	1926.90	856.88	(0.241)
ROE	Commercial	50	0.29	0.22	0.168*
	Development	15	0.12	0.166	(0.008)
Cash flow	Commercial	50	0.13	0.192	0.073
	Development	15	0.06	0.146	(0.181)
Average					
stock price	Commercial	50	741.32	570.58786	530.27*
	Development	15	211.05	172.66158	(0.001)

*Significant at the 0.01 level (2-tailed).

* *Significant at the 0.05 level (2-tailed).

Table 3
Correlation analysis

Variables	Earning	Size	ROE	Cash flow	Average stock price
Earning	1				
Size	-0.084 (0.506)	1			
Return on equity	.455** (0.01)	.267* (0.032)	1		
Cash flow	0.086 (0.494)	-0.017 (0.896)	0.109 (0.389)	1	
Average stock price	0.07 (0.58)	.495** (0.01)	.801** (0.01)	0.052 (0.679)	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 4
Regression analysis

Model	Constant	Earning	Size	ROE	Cash flow	R2	F
1	580.66** (0.001)	860.595 (0.58)				0.005	0.309 (0.58)
2	115.151 (0.367)		2.23E-07** (0.001)			0.245	20.43** (0.001)
3	112.225 (0.08)			2023.665** (0.001)		0.642	113.048** (0.001)
4	601.201** (0.001)				157.837 (0.679)	0.003	0.173 (0.679)
5	-2.04 (0.979)	-3819.32** (0.001)	1.06E-07** (0.001)	2226.231** (0.001)	-38.599 (0.827)	0.8	59.876** (0.001)

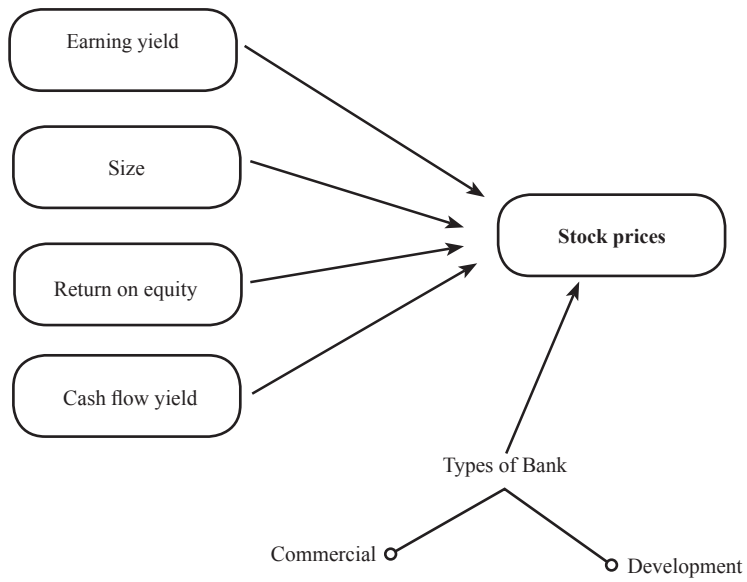
**Significant at the 0.01 level (2-tailed).

* Significant at the 0.05 level (2-tailed).

Table 5
Results of hypothesis test

Hypotheses	Results	Tools
H ₀₁ : There is no significant mean difference of earnings yield across types of bank.	Null hypothesis accepted	Independent sample t-test
H ₀₂ : There is no significant mean difference of size across types of bank.	Null hypothesis accepted	Independent sample t-test
H ₀₃ : There is no significant mean difference of ROE across types of bank.	Null hypothesis rejected	Independent sample t-test
H ₀₄ : There is no significant mean difference of cash flow yield across types of bank.	Null hypothesis accepted	Independent sample t-test
H ₀₅ : There is no significant mean difference of stock returns across types of bank.	Null hypothesis rejected	Independent sample t-test
H ₀₆ : There is no significant relationship between earnings yield and stock prices.	Null hypothesis accepted	Correlation
H ₀₇ : There is no significant relationship between size and stock prices.	Null hypothesis rejected	Correlation
H ₀₈ : There is no significant relationship between ROE and stock prices.	Null hypothesis rejected	Correlation
H ₀₉ : There is no significant relationship between cash flow yield and stock prices.	Null hypothesis accepted	Correlation
H ₀₁₀ : There is no significant impact of earnings yield on stock prices.	Null hypothesis rejected	Regression
H ₀₁₁ : There is no significant impact of size on stock prices.	Null hypothesis rejected	Regression
H ₀₁₂ : There is no significant impact of ROE on stock prices.	Null hypothesis rejected	Regression
H ₀₁₃ : There is no significant impact of cash flow yield on stock prices.	Null hypothesis accepted	Regression

Figure 1
Theoretical framework



Market Preferred Factors of Edible Oil

Neha Baniya
Suprina Shakya
Simran Gorkhali
Nikhil Bhatta
Sangke Gurung
Hrithik Parajuli

Author Note

We are studying in the International BBA Program at Kathmandu College of Management (KCM), Gwarko-17, Lalitpur Nepal; Internet: <http://kcm.edu.np/>. This article is based on our research report submitted to the college to fulfill the 3-credit hour requirement in marketing research of the fifth semester. We acknowledge Hari Prasad Pokharel for his supervision during the preparation of this report. Correspondence relating to this article should be emailed to: neha2019@kcm.edu.np, suprina@kcm.edu.np, simrang12019@kcm.edu.np, sangke2019@kcm.edu.np, nikhilb2019@kcm.edu.np, hrithik2019@kcm.edu.np

Abstract

The purpose of this study is to identify the factors that affected the buying behavior of edible oil. Some of the key aspects considered were value and benefits that edible oil creates in the consumers' mind. Edible oil is an essential part of daily nutrients that our body requires to remain healthy, so it is very important to look at the quality and benefits that we get from it. It reveals the key decision maker who makes or influences buying decision in a given family. It is important because marketers need to focus more on attracting and influencing these key customers who purchase. The description of buying behavior is based on packaging, brand, quality, taste, price, and advertisement from the consumer survey.

Keywords: packaging, brand, quality, taste, price, advertisement

Market Preferred Factors of Edible Oil

Edible oils are a significant component of food expenditure in any Nepalese household. More than NPR 21 billion worth cooking oil such as soya bean, sunflower, olive, palm, coconut, and mustard is imported in Nepal from various countries.

Most of the people in Nepal have developed specific preference for certain edible oils largely depending upon quality, taste and price. Edible oil consumption in Nepal is primarily a community driven phenomenon as people from different cultures have their own specific taste and food habits. In Nepal, there is tremendous opportunity to tap the potential and expand the market of edible oil.

Edible oils have higher importance in preparation of tasty food, improving texture of food items, flavor of food and maintenance and growth of the human body. Hence, it has become important for marketers to market edible oil in the competitive Nepali market.

The study aims to find what factors influence purchase behavior and how do they react to such factors.

Objective

The objective of the research is to understand the factors influencing the purchasing decision of consumers of edible oils.

Literature

Some of the outstanding studies conducted on edible oil market and buying behavior of consumers are examined in the literature review. As consumers are becoming more enlightened regarding their food intake, their quest for the right combination of food nutrients has become important especially as several health-related problems are attributed to the food they consume. Therefore, it is important for consumers to have some level of knowledge about the right choice to be made among the various brands of cooking oil available in the market. In most of the papers it was found that demographic environment was of major interest to marketers because it involved people and people comprised the market (Sarwade & Marathwada, 2011). Some of the research papers identified the house wife as the key decision maker regarding the brand and type of edible oil to be used. It shows that demographic variables such as sex, age, income distribution plays vital role that signal new business opportunities to marketers. People are becoming more health conscious so health consciousness and quality of a particular brand are important influencing factors in decision making while buying oil. Beside these, brand, package size, brand awareness, family size and types of oil are also major factors that affect demand function of consumers while buying edible oil (Vyas, Siddiqui, & Dewangan, 2013). Advertisement does not necessarily create the need to buy a particular brand of cooking oil in the minds of buyers, but at the same time, advertising is an important source of information, which may be used for brand awareness among prospective consumers. Good value for money and the price of edible oils is also a major consideration in the purchase (Sammy, 2011).

Consumers were found to be careful about the use of edible oil to avoid health problems. It is recommended that they use refined edible oil to prevent fat accumulation in the body as that can cause stomach problems in future (Zaryab, Aslam, & Shafqat, 2013). Health consultants have suggested use of packed oil rather than loose ones to avoid contamination through other non-edible oils. In most cases, it was found that the practice of mixing oil was prevalent when oil was sold to consumers. Thus, to avoid use of chemicals for brighter color and transparency, strict rules and regulations in the production and sale of edible oil should be implemented. Therefore, due to such activities consumers are more aware and concerned and tend to scrutinize the various factors while buying edible oil available in the market (Nondzor, Tawiah, & Michael, 2015).

Methodology

Research design

This research was conducted to find consumers' preference of edible oil by evaluating the factors that influence decision making while purchasing edible oil. The research is quantitative in nature where primary and secondary sources of data are used.

Collection of data

To complete this study primary as well as secondary source of information was used. Primary data was collected by using a questionnaire to study the factors influencing purchasing decision of consumers for edible oils which was administered to a sample of 50 people selected on the basis of convenience sampling method. The study was carried out inside Kathmandu Valley. Secondary data is collected from journals, magazines and related websites.

Tools and techniques

The collected data was scrutinized, tabulated, analyzed and finally used for drawing inferences. For the collection, calculation and analysis of data, suitable statistical tools such as Microsoft Word and pivot charts were used.

Research questions

- What type of edible oil do you use frequently?
- Which brand of edible oil do you use?
- What is your monthly consumption of edible oil in terms of volume?
- Packaging size preference.
- What factors do you consider while choosing cooking oil?
- Who takes decision while buying edible oil?

Limitations

The limitations of our research are:

- Study limited to Kathmandu Valley only.
- Out of 70 samples 20 were not useful.

Analysis and result

Analysis of data revealed that 68 percent of those surveyed preferred sunflower oil making it the most consumed brand of oil. After sunflower oil, the second most consumed oil was mustard with 22 percent preferring it. Olive oil was preferred by eight percent of the people and lastly only one percent of people preferred soybean oil according to our survey (Table 1).

We have concluded from our survey that 50 percent of participants preferred 3-liter bottle pack. Secondly, 500 ml pouch and 1-liter bottle were preferred by 18 percent and 12 percent respectively. Lastly only 2 percent of the participants preferred the 15-liter jar pack (Table 2).

According to results of the survey, most respondents considered brand as a key factor while choosing cooking oil. Of the 50 respondents we surveyed, 44% believed brand was the most important factor in the selection of cooking oil and 32% considered it important while 16% considered it a neutral factor and 8% of the respondents considered brand as not so importance factor (Table 3).

Another factor is the quality of the cooking oil. So, in the survey we found 62% of the respondents chose quality as the most important factor and 18% said it was important while 12% thought it a neutral factor. It should be noted here that 8 % of the respondents gave no importance to quality (Table 3).

Talking about taste, 54% respondents considered taste as the most important factor; 22% considered taste as important and 22% saw taste as a neutral factor. The remaining 2% considered taste to be less important (Table 3).

According to our survey, price was one of the main factors the respondents considered while buying edible oil. About 42% of the respondents considered price to be most important, while only 2% of the respondents believed that it was not important. It should be noted that 26% of the respondents said price was important while choosing cooking oil and 6% said it was less important. Twelve out of the 50 respondents were neutral whilst considering the price of cooking oil. It shows that in the Nepalese market, consumers are highly price sensitive (Table 3).

Analysis shows that 32% of the respondents were neutral while considering the packaging of cooking oil and 30% respondents said the packaging was important while 28% said it was most important. Respondents who said that it was less important and had no importance were 8% and 2% respectively. The preference of cooking oil also largely depended on the packaging in the Nepalese market (Table 3).

Also, the survey showed that about 32% believed advertisement was an important factor. Twelve respondents out of 50 were neutral towards this factor and 10% believed it was most important. While 18% respondents thought it was less important, 16% said it was not important at all (Table 3).

According to our survey, it was found that 66% of decision maker were housewives, while 18% were husbands and the remaining 16% were other family members such as son, daughter or housemaids who bought edible oil (Table 4).

In sum, the respondents use sunflower oil followed by mustard, olive and soybean. Branded oil is preferred over oil sold loose. *Dhara* had maximum brand awareness and was consumed by most of the people followed by *Meizan*, *Family*, *Patanjali*, *Sunflower* and others. As advertisement is an important factor for brand awareness it should be designed in such a way that it provides reliable and maximum information about brands positioned strongly in the minds of prospective consumers. Majority of the respondents consumed 2-3 liters of oil a month. The companies could increase the frequency of advertisements in order to create the brand's position in the minds of customers. Advertisements are considered a significant source of information. Hence, it is suggested that advertisements be used for the purpose of generating brand awareness among customers. Customers give high importance to health as the brand image of the cooking oil matters more than the promotional schemes presented by companies. It is suggested that producers focus on improving the health aspects, quality and brand image instead of focusing on heavy advertisements.

The growth of edible oil market in Nepal shows steady growth indicating high potential in the future. This growth can be driven by improvement in per capita consumption, rising income levels and living standards.

References

- Nondzor, H. E.; Tawiah, Y. S.; & Michael, A. (2015, January 30). Consumer Knowledge, Perception and Preference of Edible Oil: Evidence from Ghana. 3, 7. Retrieved Novemner 22, 2017 from <http://article.sciencepublishinggroup.com/pdf/10.11648/j.sjbm.20150301.13.pdf> doi: 10.11648/j.sjbm.20150301.13

- Sammy, K. C. (2011, October). Retrieved December 10, 2017, from http://erepository.uonbi.ac.ke/bitstream/handle/11295/96750/Chepkwony_A%20survey%20of%20factors%20influencing%20consumers%27%20choice%20of%20edible%20oils%20in%20BuruBuru%20area.pdf?sequence=1
- Sarwade, W. K. (2011). Brand Preference and Consumption Pattern of Edible Oils in Maharashtra State. Retrieved December 20, 2017 from <http://www.ipedr.com/vol4/63-F10060.pdf>
- Vyas, J.; Siddiqui, I.; & Dewangan, J. (2013, April). A Study of Edible oil Consumption in Raipur City. *International Journal of Commerce, Business and Management*, 2, 7. Retrieved December 9, 2017, from <http://www.iracst.org/ijcbm/papers/vol2no22013/5vol2no2.pdf>
- Zaryab, A.; Aslam, M.; & Shafqat, R. (2013). Factors Affecting Consumption of Edible Oil in Pakistan. 15, 6. Retrieved December 2, 2017, from <http://www.iosrjournals.org/iosr-jbm/papers/Vol15-issue1/K01518792.pdf?id=7380>

Annexure

Questionnaire

1. What type of edible oil do you frequently use?

- Sunflower
- Mustard
- Soybean
- Olive
- Other:

2. Which brand of edible oil do you use? (Write the brand name)

3. Monthly consumption of edible oil?

- 1-2 liters
- 2-3 liters
- 3-5 liters
- More than 5 liters

4. Which of the following packaging size do you prefer?

- 500 ml pouch
- 1-liter pouch
- 1-liter bottle
- 2 liters bottle
- 5 liters bottle
- 15 liters jar

5. How much these factors are important for you while choosing cooking oil? (1 being most important to 5 being least important)

Rank	1	2	3	4	5
Brand					
Quality					
Taste					
Price					
Packaging					
Advertisement					

6. Who is the dominant family member involved in decision to buy edible oil?

- Wife
- Husband
- Daughter
- Son
- Other:

7. Gender of the respondent:

- Male
- Female
- Other:

Table 1

Type of edible oil used by consumers

	Frequency	Percent
Sunflower	34	68.0
Mustard	11	22.0
Soybean	1	2.0
Olive	4	8.0
Total	50	100.0

Table 2

Packaging size preference

	Frequency	Percent
500 ml pouch	9	18.0
1-liter pouch	6	12.0
1-liter bottle	9	18.0
2-liter bottle	25	50.0
15-liter jar	1	2.0
Total	50	100.0

Table 3

Importance of brand, quality, taste, price, packaging and advertisement while purchasing oil

Tables	Brand	Quality	Taste	Price	Packaging	Advertisement
Most important	22	31	27	21	14	5
Important	16	9	11	13	15	16
Neutral	8	6	11	12	16	12
Less important	1	2	1	3	4	9
Not important	3	2	-	1	1	8
Total Respondents	50	50	50	50	50	50

Table 4

Family member involved in decision making while buying edible oil

	Frequency	Percent
Wife	33	66.0
Husband	9	18.0
Daughter	3	6.0
Son	3	6.0
Others	2	4.0
Total	50	100.0

Effect of Working Capital on Profitability

Ajid Shrestha

Nehal Pranami

Smriti Pradhananga

Ujjwal Shrestha

Reeya Bajracharya

Sumiran Giri

Author Note

We are studying in the International BBA Program at Kathmandu College of Management (KCM), Gwarko-17, Lalitpur Nepal; Internet: <http://kcm.edu.np/>. This article is based on our research report submitted to the college to fulfill the 3-credit hour requirement in research in finance of the fifth semester. We acknowledge Bikash Shrestha and Hari Prasad Pokharel for their guidance during the preparation of this report. Correspondence relating to this article should be emailed to: ajid2019@kcm.edu.np, nehal2019@kcm.edu.np, smriti2019@kcm.edu.np, ujjwal2019@kcm.edu.np, reeya2019@kcm.edu.np, sumirang2019@kcm.edu.np

Abstract

The way a company manages and balances assets and liabilities in the short term is working capital management. It reflects how a company manages accounts receivable, accounts payable, inventory, and cash for daily operations.

Every company needs a minimum required level of working capital to maintain liquidity as well as pay off its debt on time and not have excess of it at the same time as working capital yields nothing. A firm's profitability can be influenced by either low or excessive working capital. It is important to know what sort of relationship exists between working capital management in a firm and its profitability. Nepal is an import-based country where most of the goods are imported and there are only a few manufacturing companies. This study aims to know how profitability is affected by working capital management in the case of Nepalese companies.

Objective

The main objective of this study is to examine the relationships between average collection period, average payment period, inventory collection period, cash conversion cycle and return on assets of firms.

Literature

Mwangi (2013) found that inventory turnover has a negative relationship with return on equity and this indicates that financial performance of a company can be increased by reducing the number of days of inventories.

Mengesha (2014) examined the role of working capital in relation to metal manufacturing companies in Ethiopia for a period of five years between 2008 and 2012. The analysis shows that there is negative ROA with CCC, ICP, ARP, and APP at one percent and five percent significance levels respectively. Also, this study found a significant negative relation between inventory conversion period, account receivable period and account payable period with profitability measure (ROA). Moreover, there are significant negative relationships between cash conversion period and financial performance of the listed metal manufacturing companies.

Li, Dong, Chen, and Yang (2014) observed a relationship between working capital ratio and operational performance by studying annual financial statements from 2008 to 2012 of 113 of Chinese listed companies in the wholesale and retail industries. The findings of the study showed that strategic choices affected the company's working capital management and that the working capital level was a negative function of the inventory turnover ratio and the accounts receivable turnover ratio. When working capital management efficiency is higher, working capital holdings are lower and vice versa.

Another study by Susanya (2016) on working capital management and firm profitability of 20 companies like bank, finance and insurance, telecommunication, healthcare, manufacturing, hotels and travels, and construction companies of Sri Lanka from 2011 to 2015 concluded that a firm's working capital management and profitability are negatively related and working capital does have huge impact on financial performance.

Ogbannya and Madugba (2016) concluded that the relationship between EPS and ACP are negative implying that a unit increase in ACP will lead to an equal decrease in EPS at 0.05 alpha. Overall, the study concluded that working capital management does have an impact on the financial performance of manufacturing firms in Nigeria.

In another study by Kiptoo, Kariuki, and Maina (2017) on working capital management practices and financial performance of tea processing firms in Kenya, they found that majority (81.1 percent) of the respondents agreed with inventory budget being prepared to ensure that adequate inventory is available for smooth operation of the firm. Similarly, majority i.e. 86.4 percent of the respondents agreed with the statement that payables/credit policies enable a firm to avoid liquidity risks. Also, results of the ANOVA showed that the independent variables, inventory, and account payable management practices, significantly affect the returns of tea processing firms.

Methodology

The research designs adopted in this study is causal in order to examine the relationship between the dependent variable and the independent variables. It investigates the causes affecting a particular situation by observing existing consequences and searching for possible factors leading to the results. To analyze some factors, initially, it was decided that the sample would consist of six manufacturing companies for the period 2006 to 2016. A total of 57 data were collected (of different years) of six companies out of 21 manufacturing companies (Nepal Stock Exchange Ltd, 2017) listed in NEPSE.

The samples selected were based on our judgment. Secondary sources of data were employed to understand the profitability of quoted manufacturing sectors in Nepal. The necessary data required for this study was collected from the annual reports and financial statements (balance sheet and profit and loss account) of the selected manufacturing companies. The data was analyzed by using correlation analysis to identify the relationship between independent variables i.e. ACP, APP, ICP and CCC and the dependent variable as profitability (ROA) of those companies. The secondary data was analyzed by spearman correlation under one tail. The correlation hypotheses were tested at ($\alpha = 0.05$) level of significance (0.95 confidence level). Regression analysis was also used to calculate the level of impact that independent variables have on dependent variables. The hypothesis was also tested at 0.05 level of significance (0.95 confidence level).

Theoretical framework

The theoretical framework was prepared for our research as shown in figure-1.

Hypotheses

The following hypotheses were developed:

H₀₁: There is no significant relationship between ACP and ROA

H₀₂: There is no significant relationship between APP and ROA

H₀₃: There is no significant relationship between ICP and ROA

H₀₄: There is no significant relation between CCC and ROA

H₀₅: There is no significant impact of ACP on ROA

H₀₆: There is no significant impact of ICP on ROA

H₀₇: There is no significant impact of APP on ROA

H₀₈: There is no significant impact of CCC on ROA

Limitations

The following are the limitations of the study:

- The sample study for the research was limited to easily accessible data. Inability to collect all the required data from the decided companies may have caused some inaccuracy in the result
- The findings of this study may not be generalized to all manufacturing companies but can only be used as a reference
- This research paper doesn't include study of any private organization

Analysis and result

Correlation analysis

Table-2 depicts the correlation analysis of the variables under study. The correlation analysis includes whole samples selected with 57 observations. Profitability is measured by ROA. Correlation for all the samples between profitability ROA and ACP, APP, ICP and CCC are all negative i.e. -0.288, -0.211, and -0.253 respectively. But the relationship between CCP and ROA has a positive i.e. 0.288. Results are summarized below:

There is no significant negative relationship between ACP and ROA of the manufacturing firms. It means that if there is increase in the collection period of the firm, then the return on assets decreases. Further explained, delay in collection leads to less profitability of firms. But this effect is minimal.

There is significant negative relationship between ICP and ROA of the firm. It indicates that increase in inventory conversion period will result in decrease in profitability.

There is no significant negative relationship between APP and ROA of the firm. It shows that when payment period increases, profitability of the firm decreases (only minimal).

CCC is observed to have a positive significant relationship with ROA. As, the CCC increases the ROA increases significantly. It shows that the more time a firm takes to invest in raw materials and collect cash from the sale of finished goods, the higher will be its profitability.

Regression analysis

Table- 4 depicts regression analysis to show the impact of ACP, ICP, APP and CCC on the profitability of manufacturing industries. The study uses linear regression model to find results. The models show the impact of ACP, ICP, APP and CCC on the profitability, which is measured by ROA. The coefficient of ACP is observed to be negative, i.e. -0.648 and the p-value is insignificant, (0.059). Therefore, there is no significant impact of ACP on profitability of industries under study. It means that increase in ACP by one percent will result in decrease in ROA by 0.64 percent. The coefficient of ICP is observed to be positive, i.e. 0.168 and the p-value is insignificant (0.002). Therefore, there is significant effect of ICP on profitability. It means that when ICP increases by one percent, ROA increases by 0.168 percent.

The coefficient of APP is observed to be positive, i.e. 0.055 and the p-value is insignificant (0.083). Therefore, there is no significant impact of APP on profitability. It indicates that when payment period increases by one percent, profitability will increase by 0.055 percent. The coefficient of CCC is observed to be negative, (-0.641) and the p-value is significant, (0.045). It indicates that one percent increase in CCC will result in 0.641 percent decrease in ROA. Also, the table shows R2 value which indicates that the ACP, ICP, APP and CCC used in our study explains 15.1 percent of the ROA and other 84.0 percent is affected by other variables. Based upon the analysis, confirmation or rejection of the hypotheses set earlier are included in table-3 and table-5 respectively.

The researchers mentioned in the review of literature that there is a significant negative relationship between ICP, ACP and APP and ROA of the firm. While some studies showed CCC had negative relationship with ROA and also some researches showed relationship between CCC and ROA was positive; our study found that ACP and APP had insignificant negative relationships with ROA although there was a significant positive relationship between CCC and ROA. Similarly, researchers showed that CCC had no significant impact on ROA except one who concluded that CCC had a positive impact on ROA. Our study, however, concluded that CCC had a significant negative impact on ROA, the confirmation of which warranted further studies. Overall, we can conclude that working capital management is related to the profitability of firms. Also, working capital management does bring good impact on the profitability of firms.

References

- Kiptoo, I. K.; Kariuki, S. & Maina, K. E. (2017, May). International Academic Journal of Economics and Finance. *Working Capital Management Practices and Financial Performance of Tea Processing Firms in Kenya*, 13-56. Retrieved August 19, 2017 from http://www.iajournals.org/articles/iajef_v2_i3_92_111.pdf
- Li, C. G., Dong; H. M., Chen, S. & Yang, Y. (2014). The Scientific World Journal. *Working Capital Management, Corporate Performance, and Strategic Choices of the Wholesale and Retail Industry in China*, 15.
- Mengesha, W. (2014, June). *Impact of Working Capital Management on Firms' Performance: The Case of Selected Metal Manufacturing Companies in Addis Ababa, Ethiopia.*, 67-126. Retrieved August 9, 2017 from <https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/5414/Main%20paper%20Final.pdf?sequence=1>
- Nepal Stock Exchange Ltd. (2017, November). listed companies. Retrieved April 5, 2017, from nepalstock: <http://www.nepalstock.com/company>
- Ogbonnya, A. K. & Modugba, J. O. (2016). Working Capital Management And Financial Performance: Evidence From Manufacturing Companies in Newyork. *European Journal of Accounting, Auditing and Finance Research*, IV(9) 98-106. Retrieved August 5, 2017 from <http://www.eajournals.org/wp-content/uploads/Working-Capital-Management-and-Financial-Performance-Evidence-from-Manufacturing-Companies-in-Nigeria.pdf>
- Susanya, J. (2016). Working Capital Management and Firms Profitability: The Listed Companies in Srilankan Context. *International Journal of Emerging Research in Management & Technology*, V(7), 136-191. Retrieved September 12, 2017 from https://www.ermt.net/docs/papers/Volume_5/7_July2016/V5N6-158.pdf

Annexure

Table 1

Sampled manufacturing companies with available data collection year.

S. N.	Companies	Years
1	Unilever Nepal Limited (UNL)	11
2	Himalayan Distillery Limited (HDL)	14
3	Fleur Himalayan Limited (FHL)	8
4	Nepal Lube Oil Limited (NLOL)	7
5	Khadya Udhyog Limited (KUL)	6
6	Nepal Bitumin and Barrel Udhyog Limited (NBBU)	11
	Total	57

Table 2
Correlation analysis

Variables	ACP	ICP	APP	CCC	ROA
ACP	1				
ICP	.332* (0.012)	1			
APP	.344** (0.009)	.757** (0.001)	1		
CCC	-.018 (0.892)	-.572** (0.001)	-.932** (0.001)	1	
ROA	-.228 (0.088)	-.253* (0.048)	-.211 (0.116)	0.122* (0.036)	1

* Significant at the 0.05 level (2-tailed).

** Significant at the 0.01 level (2-tailed).

Table 3
Correlation hypothesis testing

Hypothesis	Result
H ₀₁ There is no significant relationship between ACP and ROA.	Null hypothesis rejected
H ₀₂ There is no significant relationship between ICP and ROA.	Null hypothesis accepted
H ₀₃ There is no significant relationship between ICP and ROA.	Null hypothesis rejected
H ₀₄ There is no significant relationship between CCC and ROA.	Null hypothesis accepted

Table 4
Regression analysis

Model	Constant	ACP	ICP	APP	CCC	R2	F
1	142.936** (0.0237)	-0.989 (0.088)				0.052	3.009 (0.088)
2	106.568* (0.001)		0.413** (0.012)			0.11	6.827** (0.012)
3	112.291 (0.108)			0.089* (0.009)		0.118	7.393* (0.009)
4	133.296* (0.001)				-0.006 (0.892)	0.001	0.019 (0.892)
5	115.734 (0.006)	-0.648 (0.059)	0.168* (0.002)	0.055 (0.083)	-0.641** (0.045)	0.151	3.151** (0.032)

* Significance at 0.01

** Significance at 0.005

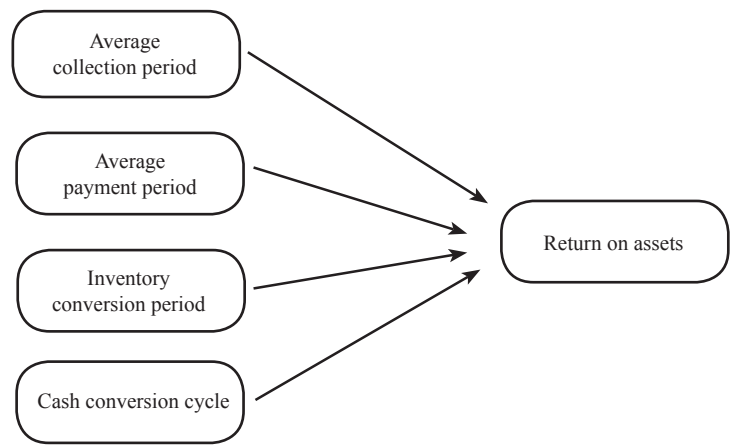
Table 5
Hypothesis testing of regression

Hypothesizes	Result
H05: There is no significant impact of ACP on ROA.	Null hypothesis rejected
H06: There is no significant impact of ICP on ROA.	Null hypothesis accepted
H07: There is no significant impact of APP on ROA.	Null hypothesis rejected
H08: There is no significant impact of CCC on ROA.	Null hypothesis accepted

Acronyms

ACP	:	Average Collection Period
APP	:	Average Payment Period
CA_TA	:	Current Assets to Total Assets
CCC	:	Cash Conversion Cycle
CL_TA	:	Current Liability to Total Assets
CR	:	Current Ratio
CSE	:	Colombo Stock Exchange
CSE	:	Colombo Stock Exchange
FCF	:	Free Cash Flow
ICP	:	Inventory Collection Period
KTDA	:	Kenya Tea Development Agency Holdings Ltd.
QR	:	Quick ratio
ROCE	:	Return on Capital Employed
ROE	:	Return on Equity
ROI	:	Return on Investment
ROTA/ROA	:	Return on Total Assets
WCM	:	Working Capital Management
WCMP	:	Working Capital Management Policy
WCIP	:	Working Capital Investment Policy
WCFP	:	Working Capital Financial Policy

Figure 1
Theoretical framework



Attributes in Consumption of Incense Sticks

Apisha Shrestha

Piyush Agrawal

Richa Tandukar

Samikshya Karki

Subashana Dahal

Sushmita Gautam

Author Note

We are studying in the International BBA Program at Kathmandu College of Management (KCM), Gwarko-17, Lalitpur Nepal; Internet: <http://kcm.edu.np/>. This article is based on our research report submitted to the college to fulfill the 3-credit hour requirement in marketing research of the fifth semester. We acknowledge Hari Prasad Pokharel for his supervision during the preparation of this report. *Correspondence relating to this article should be emailed to: sushmita2019@kcm.edu.np, piyush2019@kcm.edu.np, samikshya2019@kcm.edu.np, appisha2019@kcm.edu.np, subashana2019@kcm.edu.np, richa2019@kcm.edu.np*

Abstract

This report explains the relation of attributes and consumption of incense sticks. It aims to provide information regarding whether price, quality, peer influence and packaging are inter-related and affects the buyers' decision-making process while buying incense sticks.

Keywords: Influence, Customers, Agarbatti, Product, Purchasing.

Attributes in the Consumption of Incense Sticks

Incense sticks popularly known as *dhup* or *agarbatti* are used in houses, temples and other public places as a source of fragrance. The quality and packaging play a more important role than the price of sticks while buying. The decision-making process of the consumer is very complex and varies with each individual. The buyers are influenced by various factors associated with the product. The price, quality and the packaging play an important role while buying an incense stick. As people use different quality of incense sticks on different occasions and purposes, the buyer's preference also changes due to the influence of family, friends and advertisement.

This study tries to find the interrelation among the variables that affect the decision of the buyer while purchasing incense sticks.

Objective

The objective of this research is to know whether peer influence, price, quality, and packaging have relationship with the consumption of incense sticks.

Literature

A consumer's view of a product is affected by various factors such as price, quality of the product, packaging (Revolvy, n.d.).

Peer influence has been considered one of the most important factors influencing the decision regarding purchase of incense. They influence the thought, attitude and actions of the individual (Michael, 2001). We often have the habit of considering the decision of our friends and families before purchasing any product. The peer group can influence the buyer's perspective on the product either in a positive or negative way. In marketing, the roles played by word of mouth and social media have become strong factors affecting the customer's perspective (MDPH, n.d.).

However, price has a complex effect on the consumer's perception. Consumers favor an economically priced item but some customers are prone to distrust a product that is considerably cheaper than the alternatives (Insence and Insence Rituals, n.d.). In the Nepalese market, consumers perceive price as an indicator of quality.

Packaging can have a huge effect on a consumer's perception of a product, particularly at the point of purchase. However, sales representatives, advertising and also the packaging influence buying behavior (Chengappa, 1981). This is the reason why packaging is also called the "silent salesman" as it gives all the necessary information about the product to consumers and this ultimately help them take a purchase decision (Department of Science and Technology Government of India, 2009). These factors (Bhardwaj, 2012) may affect the purchase of incense sticks in the Nepalese market too.

Methodology

The research uses convenient sampling method to collect data inside Kathmandu Valley. The research used both primary and secondary sources of data. Related sources of secondary data like internet, books and research papers were used to draw some inferences. The primary data was collected using questionnaire method. The places where the survey was conducted were Bhat Bhateni Supermarket of Koteshwor and Chakrapath, Saleways at Jawlakhel, Chetrapati, Satdobato, Bishalnagar, Dhobighat and Nakhipot.

Questionnaire design

A five-point Likert scale questionnaire was designed to measure peer influence, price, quality, and packaging while consumption was measured in the range of sticks in units. Similarly, a high, medium and low category of incense sticks were included.

Data source

The questionnaire contained 18 questions and a total of 70 responses were collected from the respondents.

Data preparation

The raw data was processed to assure that reliability of independent variables satisfied the minimum threshold of Cronbach alpha before executing the regression analysis.

Analysis tool

Statistical software was used to process the collected data. Among the tools, regression was used to validate the hypothesis and draw a conclusion from all the tools combined. Results are displayed in the tables.

Analysis and result**Reliability analysis**

Reliability analysis of the independent variables selected for regression analysis exceeded the prescribed minimum threshold (Bagozzi & Yi, 1988). The computed Cronbach's alpha for peer influence, quality, packaging and price were 0.786, 0.788, 0.822 and 0.810 respectively.

Regression of factors and consumption

The dependent variable is consumption of *agarbatti* consumed in a month and the independent variables are factors such as peer influence, quality, packaging and price. Regression analysis in the research shows that factors such as price and packaging have no significance on the consumption of incense sticks as the result is greater than the significance level of 0.05 where p-value of price is 0.911 and the p-value of packaging is 0.37 (Table-1).

However, the regression shows that peer influence and quality do matter to the buyers while purchasing the incense stick as the beta coefficient is lesser than the significant level 0.05 where p-values of peer influence and quality are 0.030 and 0.047 respectively (Table-1).

Regression of quality and puja purpose

The regression analysis shows that the factors like price, quality, peer influence and packaging have no significance on the consumption of incense sticks for religious purposes as the computed p-value of the factors are greater than the significance level of 0.05 (Tables-2, 3, and 4).

Overall, it was indicated that factors such as quality and peer influence affect the consumption pattern of incense sticks. Similarly, it was seen that all respondents were not affected by the price and packaging. Consumers do not tend to bother about the price ranges of the incense stick as they prefer better quality over the price. So, quality was the prime factor that a consumer wants. Consumers were also influenced by their peers.

For religious purpose, buyers preferring a particular quality i.e. low, medium or high are not affected by peer influence, price, and packaging. Consumers select the product as per availability in the market.

References

- Bagozzi, R. P., & Yi, Y. (1988). On the Evaluation of Structural Equation Models. *Journal of the Academy of Marketing Science*, 74-94.
- Bhardwaj, K. (2012, June 27). SCRIBD. Retrieved December 17, 2017, from Consumers Satisfaction Level Towards Cycle Pure Agarbattis: <https://www.scribd.com/doc/98384434/Consumer-satisfaction-level-towards-CYCLE-PURE-AGARBATTIS>

- Chengappa, R. (1981, September 15). *India Today*. Retrieved December 17, 2017, from Incense Sticks: The Fading Fragnance: <http://indiatoday.intoday.in/story/incense-sticks-exports-of-indias-fragrant-ambassador-dwindle-steadily/1/402180.html>
- Department of Science and Technology Government of India. (2009, September). Retrieved December 17, 2017, from Incense Sticks: <http://www.techno-preneur.net/technology/project-profiles/food/sticks.html>
- Kinkele, T. (n.d.). *Insence and Insence Rituals*. Retrieved December 15, 2017, from <https://books.google.co.uk/books?id=TXDsIun1ovwC&pg=PA107#v=onepage&q&f=false>
- MDPH. (n.d.). Retrieved December 15, 2017, from Zedblack: <http://mdph.in/zedblack/>
- Michael, J. (2001). *Reference Group Influence in Product and Brand Purchase Decision*. Retrieved December 17, 2017, from <https://www2.bc.edu/arch-woodside/nov%2020reference%20grp.pdf>
- Revolvy. (n.d.). Retrieved December 14, 2017, from Agarbatti: https://www.revolvy.com/main/index.php?s=Agarbatti&item_type=topic&sr=50
- TIMES IS. (2009, september). Retrieved from Incense Sticks: <http://www.techno-preneur.net/technology/project-profiles/food/sticks.html>

Annexure

Questionnaire

Peer Influence

I achieve a sense of belonging by purchasing the same <i>agarbatti</i> as my family or friends	①②③④⑤
I listen to my friends while buying <i>agarbatti</i>	①②③④⑤
I take along my friends while purchasing <i>agarbatti</i>	①②③④⑤

Price

Pricing is an important factor when buying <i>agarbatti</i>	①②③④⑤
Pricing determines the quality in <i>agarbatti</i> . (Higher price means higher quality and vice-versa)	①②③④⑤
People use <i>agarbattis</i> of lower price for religious purpose	①②③④⑤
Discount attracts me to buy an <i>agarbatti</i>	①②③④⑤
People use <i>agarbatti</i> of higher price for good fragrance in household purpose	①②③④⑤

Quality

Quality is an important when buying <i>agarbatti</i>	①②③④⑤
Better quality <i>agarbatti</i> gives better fragrance	①②③④⑤
<i>Agarbattis</i> should be government certified	①②③④⑤
Quality of an <i>agarbatti</i> determines its usability	①②③④⑤

Packaging

Packaging is important factor for me when buying <i>agarbatti</i>	①②③④⑤
Attractiveness of the packaging will draw me to a brand of <i>agarbatti</i>	①②③④⑤
Proper information about the product is required in an <i>agarbatti</i> package	①②③④⑤
Proper labeling is required in an <i>agarbatti</i> packaging	①②③④⑤

What was the consumption of agarbatti for last month?

1. 10-50 pcs 2. 50-100 pcs 3. 100-150 pcs

What quality agarbatti sticks do you use for puja?

- 1.High 2. Medium 3. Low

Table 1

Regression of factors and consumption

	Unstandardized	Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	64.541	3.987		16.187	.000
Influence	11.386	5.145	.317	2.213	.030
Price	.806	7.155	.023	.113	.911
Quality	10.210	5.035	.287	2.028	.047
Packaging	-5.688	6.262	-.160	-.908	.367

a. Dependent Variable: consumption

Table 2

Regression analysis on the basis of high quality consideration

	Unstandardized	Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	77.181	8.211		9.399	.000
Influence	23.448	12.430	.466	1.886	.076
Price	-1.155	12.558	-.025	-.092	.928
Quality	15.440	11.674	.296	1.323	.203
Packaging	-3.499	12.545	-.073	-.279	.784

a. Dependent Variable: consumption

b. Selecting only cases for which puja_Q = high

Table 3
Regression analysis on the basis of medium quality consideration

	Unstandardized	Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	47.517	3.921		12.119	.000
Influence	10.254	6.214	.506	1.650	.111
Price	-3.984	8.948	-.194	-.445	.660
Quality	10.131	5.488	.569	1.846	.077
Packaging	-5.170	6.785	-.248	-.762	.453

- a. Dependent Variable: consumption
 b. Selecting only cases for which puja_Q = medium

Table 4
Regression analysis on the basis of low quality consideration

	Unstandardized	Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	74.377	9.889		7.521	.000
Influence	9.324	10.551	.276	.884	.393
Price	10.824	17.233	.312	.628	.541
Quality	-7.155	16.170	-.148	-.442	.665
Packaging	2.021	13.862	.058	.146	.886

- a. Dependent Variable: consumption
 b. Selecting only cases for which puja_Q= low

