Strategies of Entering New Markets in Nepal

Prajen Karmacharya*

Abstract

This study examines the strategies of entering new markets in Nepal. Market penetration is the dependent variable. The independent variables are internationalization, export barriers, emerging markets, industrial policy, informal sector, and marketing mix. The primary source of data is used to assess the opinions of 153 respondents regarding the strategies for entering new markets in Nepal. To achieve the purpose of the study, a structured questionnaire was prepared. The correlation coefficients and regression models are estimated to test the different effects of strategies of entering new markets in Nepal on market penetration.

The results show that internationalization has a positive impact on market penetration. It indicates that increase in internationalization leads to increase in market penetration. Similarly, export barriers has a positive impact on market penetration. It shows that increase in export barriers leads to increase in market penetration. Likewise, emerging market has a positive impact on market penetration. It means that higher the emerging markets, higher would be the market penetration. Further, industrial policy has also positive impact on market penetration. It demonstrates that better industrial policy, higher would be the market penetration. Moreover, informal sector has a positive impact on market penetration. It indicates that higher the informal sector, higher would be the market penetration. Additionally, the marketing mix has a positive impact on market penetration. It indicates that the effective marketing mix, higher would be the market penetration.

Keywords: market penetration, internationalization, export barriers, emerging markets, industrial policy, informal sector, marketing mix

1. Introduction

Entering a new market refers to the process of introducing a product, service, or business into a different geographic region, demographic segment, or industry that it hasn't operated in previously. Entering a new market is a significant decision requiring a deep understanding of the target country's economic, cultural, and infrastructural dynamics. Entering new markets requires a carefully crafted strategy that takes into account various factors, including customer preferences, competition, regulations, and available resources. Lasserre (2017) found that adapting to local customs and respecting cultural norms enhances brand trust and reputation. Businesses that failed to adapt often faced a backlash, damaging their market presence. According to Anderson (2020), businesses entering new markets must prioritize understanding the socio-economic environment of the target region and the study emphasized that identifying key market drivers, such as income levels and purchasing power, is critical to tailoring products effectively. Similarly, Porter (2008) observed that understanding the competitive landscape helps businesses identify their unique value propositions and differentiation through innovation, superior customer service, or product quality enabled firms to thrive in competitive environments. Likewise, Sinha and Nair (2020) found that balanced industrial policy, focusing on incentivizing formalization, access to finance, and skills development, can enhance the productivity of the informal sector. Informal sector workers face barriers like lack of legal protection and restricted access to capital, which industrial policies aim to address. Further, Lopez and Garcia (2021) revealed that there is a growing interest in integrating informal sector workers into formal industries, especially through microfinance and training programs. The study also indicated that Governments need

* Mr. Karmacharya is a Freelance Researcher, Kathmandu Nepal.

to address regulatory barriers and offer incentives for both formal and informal enterprises to flourish.

Cheng and Kwon (2021) explored that structural transformation and the role of the informal sector in emerging economies. The study found that the informal sector continues to contribute significantly to employment, making it difficult for governments to transition workers from informality to formality. Similarly, Le and Nguyen (2020) investigated that the industrial policy and the informal economy in Southeast Asia: A comparative study. The study revealed that the informal sector remains a key source of employment, and industrial policies have had mixed results in terms of formalizing informal enterprises. The study also stated that the challenge remains to integrate informal workers into the formal economy while providing the necessary social protections. Likewise, Qureshi *et al.* (2012 analyzed that the factors affecting small-business start-ups in Punjab-Pakistan: Gender-based analysis. The study argued that female owned businesses are less successful than male owned businesses because females possess less such personal characteristics which are critical for success in business. Further, Nyangori (2014) determined that the factors influencing start-ups of macro and small enterprises. The study demonstrated that the socio- cultural background of the entrepreneur influences the start-ups of an MSE. The study also found that the Government Policy and Legislative processes influence the start-ups of the MSE sector. Moreover, Sitharam and Hoque (2016) studied that the factors affecting the start-ups of small and medium enterprises in KwaZulu-Natal, South Africa. The study concluded that competition is the only factor amongst the studied internal and external factors that revealed a significant association with the start-ups of SMEs. Additionally, Abebaw *et al.* (2018) examined that the factors affecting the start-ups of micro and small-scale enterprises in North Shewa Zone, Ethiopia. The study found that there is a significant positive relationship between entrepreneurship, labor skill, infrastructure, finance, leadership skill and the start-ups of SMEs. The study also concluded that businesses and government should effectively address the infrastructure especially in terms of electricity, workplace, marketplace and roads in order to increase their start-ups.

Reyad *et al.* (2020) examined that the impact of entrepreneurial skills development on self-employment practices amongst Egyptian and Bahraini accounting students. The study concluded that in private universities, there is no difference in the development of entrepreneurial skills and subsequent self-employment practices between students in Egypt and Bahrain. When it comes to public universities, students in Bahrain develop better entrepreneurial skills and subsequent self-employment practices than students in Egypt. Similarly, Shahzad *et al.* (2021) investigated that the effect of self-motivation, family support, peer influence, and institutional support on entrepreneurial intention through entrepreneurial skills, propensity to take risks, and innovativeness. The study found that self-motivation, family support, peer influence, and institutional support positively and significantly affected entrepreneurial intention and the mediating role of entrepreneurial skills and a propensity to take risks, and innovativeness also enhances entrepreneurial intention among young graduates. Likewise, Gurel and Demirtas (2005) assessed that the internationalization and market penetration: Evidence from Turkish companies. The study revealed that compared to non-internationalized firms, companies engaging in internationalization exhibited significantly higher market penetration and increased market share. Further, Barriers (2004) studied that the export barriers and market penetration in international markets. The study found that companies facing fewer export barriers reported higher market penetration, greater adaptability, and better performance in foreign markets. Moreover, Drain *et al.* (2012) evaluated that the market penetration strategies for firms entering emerging markets. The study concluded that firms entering emerging markets achieved better results, particularly when they strategically adapted their products to meet local demand, demonstrating improved market penetration in these regions.

Qureshi *et al.* (2023) investigated that the influence of marketing mix strategies on market penetration in emerging markets. This study concluded that the appropriate use of product, price, place, and promotion strategies positively impacts market penetration, particularly in emerging markets, where these elements must be carefully tailored to local preferences. Similarly, Ansong *et al.* (2017) analyzed that the adapting to local industrial policies and regulations fosters better market penetration. The study found that adapting to local industrial policies and regulations fosters better market penetration, allowing companies to navigate regulatory challenges more effectively. Likewise, Sokeman (2021) investigated export barriers and informal sector dynamics in market penetration. The study showed that reducing export barriers and leveraging the informal sector can improve market penetration, especially in markets with complex regulations or limited formal infrastructure. The study also found that a well-developed marketing mix is critical for boosting market penetration in new, competitive markets. Further, Morgan (2019) examined that the regulatory environments in international markets. The study opined that navigating regulatory environments is a significant challenge for businesses entering new markets. The study also emphasized that understanding local legal frameworks and compliance requirements is essential to avoid operational disruptions. Moreover, Smith and Brown (2022) discussed that forming strategic partnerships with local firms helps overcome regulatory and cultural barriers. The research revealed that joint ventures and alliances provide access to local expertise, enabling smoother operations. Additionally, Akhtar and Feroze (2021) assessed that the economic growth, industrial policy, and informality in South Asia. The study found that successful case studies indicate that industrial policies should focus on formalizing micro and small enterprises by improving access to finance, skills, and markets.

In the context of Nepal, Rijal *et al.* (2021) analyzed that the top five challenges faced by start-ups in Nepal. The study revealed that the five significant challenges hindering start-ups in Nepal were human capital, finance, support system, policy, and marketing. Similarly, Karki (2007) examined that the role of entrepreneurship and small business in national development. The study found that entrepreneurship ideas and entrepreneurs are most essential in the start-ups of small business. The study also concluded that to increase productivity and to provide employment opportunities to people, the government as well as Nepalese people should establish cottage and small business in all over the country. Likewise, Thapa (2007) investigated that the micro-enterprises and household income in rural Nepal. The study found that there is a positive relationship between small businesses and the average annual household income. The study also found that the economically active members in the family do have a significant role in raising the household income. Furthermore, Koirala and Shrestha (2022) assessed that the impact of government policies on foreign market entry in Nepal. The study showed that the role of government policies, regulations, and incentives on foreign companies' decisions to enter the Nepali market. The study also assessed how policies around taxation, import-export regulations, and labor laws affect market entry strategies. Moreover, Joshi and Paudel (2017) reviewed that the challenges and strategies for entering Nepal's retail market: Insights from multinational brands. The study highlighted that the importance of understanding local consumer behavior, supply chain logistics, and regulatory constraints. Additionally, Bista and Thapa (2020) examined that the economic challenges such as inflation and limited access to capital also restrict the attractiveness of Nepal as a business destination. The study found that companies that adopt risk-averse strategies, like partnerships with local businesses, tend to mitigate these challenges more successfully.

The above discussion reveals that the empirical evidence varies greatly across studies concerning the strategies of entering new markets in Nepal. Although there are several empirical findings in the context of other countries and in Nepal, no such findings using more recent data exist specifically in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The main purpose of the study is to analyze the strategies of entering new markets in Nepal. Specifically, it examines the effect of internationalization, export barriers, emerging market conditions, industrial policy, informal sector activities, and marketing mix on market penetration in Nepal.

The remainder of this study is organized as follows: Section two describes the sample, data, and methodology. Section three presents the empirical results, and the final section draws the conclusion.

2. Methodological aspects

The study is based on primary sources of data which were gathered from 153 respondents of Nepal. For primary data a structured questionnaire was used. The respondents' views were collected on internationalization, export barriers, emerging market conditions, industrial policy, informal sector activities, marketing mix, and market penetration. This study is based on both descriptive and causal-comparative research designs.

The model

The model used in this study assumes that market penetration depends upon the strategies of entering new markets. The dependent variable selected for the study is market penetration. Similarly, the independent variables are internationalization, export barriers, emerging market conditions, industrial policy, informal sector activities, and marketing mix. Therefore, the model estimated in this study is stated as follows:

$$MP = \beta_0 + \beta_1 I + \beta_2 EB + \beta_3 EM + \beta_4 IP + \beta_5 IS + \beta_6 MM + e$$

Were,

MP = Market penetration

I = Internationalization

EB = Export barrier

EM = Emerging market

IP = Industrial policy

IS = Informal sector

MM= Marketing mix

Internationalization was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "Internationalization can help firms' access new consumer bases and diversify risk by entering the Nepalese market," "Firms adopting internationalization strategies may benefit from increased brand recognition and competitive positioning in Nepal" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = 0.58).

Export barriers were measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "Export barriers such as tariffs, import quotas, and strict documentation can restrict market access for foreign firms in Nepal," "Understanding Nepal's specific trade regulations and logistical challenges is essential for overcoming export barriers" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = 0.238).

Emerging markets were measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "Nepal is an emerging market with untapped potential, providing growth opportunities for foreign entrants in sectors like technology, tourism, and agriculture," "The emerging market status of Nepal brings higher growth potential but also a higher level of market uncertainty and volatility" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = 0.102).

Industrial policy was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "Nepal's industrial policy impacts market entry by setting regulations for foreign direct investment and specific industry guidelines," "Favorable industrial policies in Nepal can encourage foreign firms by providing tax incentives, subsidies, or simplified regulatory processes" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = 0.181).

Informal sector was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "The large informal sector in Nepal may create competition for foreign firms entering the market due to its lower cost structure," "Informal sector competition may drive foreign companies to adopt cost-effective strategies to maintain competitiveness in Nepal" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = -0.043).

Marketing mix was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "Adjusting the marketing mix for the Nepalese market involves understanding local consumer preferences, pricing, and effective promotion channels," "Effective product differentiation is crucial for establishing a brand in Nepal and adapting the product to meet local needs" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = 0.094).

Market penetration was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items, and sample items include "Market penetration strategies focus on increasing sales volume in existing markets by offering competitive prices and promotions," "Understanding customer behavior in Nepal is essential for achieving effective market penetration" and so on. The reliability of the feature was measured by computing the Cronbach's alpha (α = 0.198).

The following section describes the independent variables used in this study along with the hypothesis formulation.

Internationalization

Internationalization refers to the process by which businesses or organizations expand their operations and influence beyond domestic markets to engage in international trade, investment, or partnerships. The study involves the pursuit of opportunities in foreign markets through exporting, importing, licensing, franchising, joint ventures, or establishing wholly owned subsidiaries in other countries. This process is driven by the need to access new customers, leverage competitive advantages, diversify risk, and respond to globalization trends (Johanson and Vahlne, 1977). Moreover, internationalization is not limited to multinational corporations (MNCs) but also applies to small and medium-sized enterprises (SMEs). For SMEs, internationalization is often driven by entrepreneurial orientation, innovation, and access to digital technologies, which lower barriers to entry in foreign markets (Knight and Cavusgil, 2004). The study identified that the importance of networks and relationships in facilitating internationalization, as they enable firms to access critical resources, information, and partners in international markets (Chetty and Holm, 2000). Similarly, Gurel and Demirtas (2005) revealed that compared to non-internationalized firms, companies engaging in internationalization exhibited significantly higher market penetration and increased market share. Based on it, this study develops the following hypothesis:

$H_{1:}$ There is a positive relationship between internalization and market penetration.

Export barriers

Export barriers refer to the challenges, obstacles, and restrictions that firms encounter when attempting to enter or expand their operations in international markets. These barriers can be broadly categorized into internal and external factors that hinder the smooth execution of export activities. Internal barriers include resource constraints, lack of knowledge or expertise in foreign markets, and inadequate managerial capabilities (Leonidou, 2004). Similarly, external barriers are those outside the firm's control, such as trade regulations, tariffs, political instability, cultural differences, and economic uncertainties in the target markets (Kahiya, 2013). Cultural differences, language barriers, and political instability in the target markets also constitute significant challenges. For example, a firm entering a foreign market with distinct cultural norms may face difficulties in tailoring its products, services, and communication strategies to align with local preferences (Shoham and Albaum, 1995). Similarly, Barriers (2004) found that companies facing fewer export barriers reported higher market penetration, greater adaptability, and better performance in foreign markets. Likewise, Sokeman (2021) showed that reducing export barriers and leveraging the informal sector can improve market penetration, especially in markets with complex regulations or limited formal infrastructure. Based on it, this study develops the following hypothesis:

H_2: There is a positive relationship between export barriers and business market penetration.

Emerging market

An emerging market is a country or region that is in the process of rapid growth and industrialization but has not yet reached the level of development seen in fully developed markets (like those in North America or Western Europe). Hoskisson *et al.* (2000) stated that emerging markets are economies with high potential for economic growth but still face significant institutional challenges, such as weaker regulatory frameworks, less mature financial systems, and underdeveloped infrastructure. Similarly, Drain *et al.* (2012) concluded that firms entering emerging markets achieved better results, particularly when they strategically adapted their products to meet local demand, demonstrating improved market penetration in these regions. Likewise, Morgan (2019) opined that navigating regulatory environments is a significant challenge for businesses entering new markets. Further, Anderson (2020), businesses entering new markets must prioritize understanding the socio-economic environment of the target region and the study emphasized that identifying key market drivers, such as income levels and purchasing power, is critical to tailoring products effectively. Based on it, this study develops the following hypothesis:

H_3: There is a positive relationship between emerging markets and market penetration.

Industrial policy

Industrial policy refers to a strategic effort by a government to promote the growth and competitiveness of specific industries or sectors within an economy. Sinha and Nair (2020) found that balanced industrial policy, focusing on incentivizing formalization, access to finance, and skills development, can enhance the productivity of the informal sector. Informal sector workers face barriers like lack of legal protection and restricted access to capital, which industrial policies aim to address. Similarly, Le and Nguyen (2020) revealed that the informal sector remains a key source of employment, and industrial policies have had mixed results in terms of formalizing informal enterprises. Likewise, Akhtar and Feroze (2021) found that successful case studies indicate that industrial policies should focus on formalizing micro and small enterprises by improving access to finance, skills, and markets. Further, Ansong *et al.* (2017) found that adapting to local industrial policies and regulations fosters better market penetration, allowing companies to navigate regulatory challenges more effectively. Based on it, this study develops the following hypothesis:

$H_{4:}$ There is a positive relationship between industry policy and market penetration.

Informal sector

The informal sector refers to economic activities that are not regulated by the government or covered by formal labor laws and protections. These activities typically occur outside of the formal economy and are not recorded in official economic statistics. Cheng and Kwon (2021) found that the informal sector continues to contribute significantly to employment, making it difficult for governments to transition workers from informality to formality. Similarly, Sokeman (2021) showed that reducing export barriers and leveraging the informal sector can improve market penetration, especially in markets with complex regulations or limited formal infrastructure. Likewise, Lopez and Garcia (2021) revealed that there is a growing interest in integrating informal sector workers into formal industries, especially through microfinance and training programs. Further, Verma and Sharma (2020) revealed informal sector plays a critical role in providing employment in many emerging markets, but it often faces difficulties such as lack of access to capital and formal training. Based on it, this study develops the following hypothesis:

H_5: There is a positive relationship between informal sector and market penetration.

Marketing Mix

The marketing mix refers to the combination of key elements that businesses use to promote their products or services and meet the needs of their target market. It's often referred to as the 4Ps: Product, Price, Place, and Promotion. These four elements help businesses create a comprehensive marketing strategy that can lead to success in the marketplace. Qureshi *et al.* (2023) concluded that the appropriate use of product, price, place, and promotion strategies positively impacts market penetration, particularly in emerging markets, where these elements must be carefully tailored to local preferences. Similarly, Sokeman (2021) found that a well-developed marketing mix is critical for boosting market penetration in new, competitive markets. Likewise, Cosma Smaranda *et al.* (2016) found that there is direct correlation between the penetration strategies and marketing mix of international hotel chains in Romania.Based on it, this study develops the following hypothesis:

H_6: There is a positive relationship between marketing mix and market penetration.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with means and standard deviations have been computed, and the results are presented in Table 1.

Table 1

Kendall's Tau correlation coefficients matrix

This table presents Kendall's Tau coefficients between dependent variable and independent variables. The correlation coefficients are based on 153 observations. The dependent variable is MP (Market penetration). The independent variables are I (Internationalization), EB (Export barriers), EM (Emerging market), IP (Industrial policy), IS (Informal sector), and MM (Marketing mix).

Variable	Mean	S.D.	MP	I	EB	EM	IP	IS	MM
MP	2.996	0.5996	1.000						
I	3.095	0.5682	-0.039	1.000					
EB	3.037	0.6048	0.156**	0.096	1.000				
EM	3.053	0.5627	0.095	0.025	0.164**	1.000			
IP	2.973	0.5684	0.133*	-0.137*	0.078	-0.019	1.000		
IS	3.081	0.5469	0.047	0.106	0.115	0.019	0.029	1.000	
MM	3.000	0.5630	0.014	-0.056	-0.052	-0.016	0.046	0.050	1.000

Notes: The asterisk signs (**) and (*) indicate that the result are significant at one percent and five percent levels respectively.

Table 1 shows the Kendall's Tau correlation coefficients of dependent and independent variables. The study shows that internationalization is positively correlated to market penetration. It indicates that increase in internationalization leads to an increase in market penetration. Similarly, export barriers is positively correlated to market penetration. This implies that increase in export barrier leads to the increase in market penetration. Likewise, emerging market is positively correlated to market penetration. It indicates that more the emerging markets, higher would be the market penetration. Further, industrial policy is also positively related to the market penetration. It indicates that better industrial policy leads to an increase in market penetration. Moreover, the informal sector is positively correlated to market penetration. It implies that increase in informal sector leads to increase in market penetration. Additionally, marketing mix is also positively related to the market penetration. It shows that better marketing mix leads to increase in market penetration.

Regression analysis

Having indicated Kendall's Tau correlation coefficients, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it presents the regression results of internationalization, export barriers, emerging markets, industrial policy, informal sector, and marketing mix on market penetration.

Table 2

Estimated regression results of internationalization, export barriers, emerging markets, industrial policy, informal sector, and marketing mix on market penetration

The results are based on 153 observations using a linear regression model. The model is: MP = β0 + β1 I + β2 EB + β3 EM + β4 IP + β5 IS + β6 MM + e, where the dependent variable is MP (Market penetration). The independent variables are I (Internationalization), EB (Export barriers), EM (Emerging market), IP (Industrial policy), IS (Informal sector), and MM (Marketing mix).

Models	Intercepts	Regression coefficients of						Adj. R_bar^2	SEE	F-value
		I	EB	EM	IP	IS	MM			
1	2.929 (11.023)**	0.022 (0.256)						-0.006	0.6014	0.066
2	2.257 (9.474)**		0.243 (3.164)**					0.054	0.5831	10.014
3	2.456 (9.406)**			0.177 (2.102)*				0.021	0.5931	4.420
4	2.287 (9.184)**				0.239 (2.901**)			0.045	0.5859	8.414
5	2.497 (9.194)**					0.162 (1.866)		0.016	0.5949	3.483
6	2.685 (10.367)**						0.104 (1.222)	0.003	0.5986	1.493
7	2.336 (7.316)**	-0.031 (0.371)	0.249 (3.167)**					0.049	0.5847	5.048
8	2.058 (5.495)**	-0.033 (0.394)	0.222 (2.745)**	0.120 (1.404)				0.055	0.5829	4.043
9	1.491 (3.408)**	-0.004 (0.053)	0.182 (2.245)*	0.122 (1.449)	0.199 (2.407)*			0.083	0.5740	4.575
10	1.321 (2.843)**	-0.020 (0.234)	0.168 (2.034)*	0.119 (1.418)	0.192 (2.315)*	0.095 (1.084)		0.085	0.5737	3.899
11	1.160 (3.355)**	-0.021 (0.247)	0.169 (2.047)*	0.118 (1.402)	0.185 (2.216)*	0.089 (1.010)	0.068 (0.828)	0.083	0.083	3.357

Notes:

i. Figures in parenthesis are t-values
ii. The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
iii. Market penetration is dependent variable.

Table 2 show that the beta coefficients for internationalization are positive with the market penetration. It implies that internationalization has a positive impact on market penetration. This finding is consistent with the findings (Chetty and Holm, 2000). Similarly, the beta coefficients for export barrier are positive with the market penetration. It indicates that export barrier has positive impact on market penetration. This finding is consistent with the findings of (Kahiya, 2013). Likewise, the beta coefficients for emerging markets are positive with the market penetration. It indicates that emerging markets has a positive impact on market penetration. This result is consistent with the findings of Morgan (2019). Further, the beta coefficients for industrial policy are positive with the market penetration. It indicates that industrial policy has a positive impact on market penetration. This finding is similar to the findings of Akhtar and Feroze (2021). Moreover, the beta coefficients for the informal sector are positive with the market penetration. It indicates that informal sectors has a positive impact on market penetration. This finding is consistent with the findings of Verma and Sharma (2020). In addition, the beta coefficients for marketing mix are positive with the market penetration. It indicates that emerging markets has a positive impact on market penetration. This finding is consistent with the findings of Qureshi *et al.* (2023).

4. Summary and conclusion

Entering new markets in Nepal requires a tailored approach due to the country's unique economic, social, and cultural landscape. Nepal is a developing market with opportunities in sectors such as agriculture, tourism, technology, retail, and manufacturing, but businesses need to be strategic to navigate local challenges. Entering the Nepali market requires a combination of understanding local needs, forming strategic partnerships, and adapting your business to the country's unique challenges. By focusing on cultural sensitivity, building trust, and leveraging local infrastructure and digital channels, businesses can tap into the growing market potential in Nepal. This study provides insightful information regarding the factors affecting strategies of entering new markets in Nepal.

The study analyzes various significant variables that could impact strategies of entering new markets in Nepal. These variables include how internationalization, export barriers, emerging market conditions, industrial policy, the informal sector, and the marketing mix influence strategies of entering new markets in Nepal.

The study attempts to examine the factors affecting strategies of entering new markets in Nepal. The study is based on primary data with 153 observations.

The major conclusion of the study is that internationalization, export barriers, emerging market conditions, industrial policy, informal sector, and marketing mix have a positive impact on market penetration. The study also concludes that export barriers is most significant factor followed by industrial policy and emerging market that influence the factors affecting strategies of entering new markets in Nepal.

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