

# MASTER THESIS

Course code:BE309E

Candidate name:Ranjit Niroula

---

## Internationalisation readiness: The case of handicrafts-based firms from Nepal

---

Date: 22/05/2018

Total number of pages:66

**Abstract:**

Internationalization of organizations is a dire need in the hour where the world is moving at an exponential speed and embracing globalization. Organizations have been going global and increasing their operations worldwide. Organizations irrespective of their sizes are expanding and are planning to extend their footsteps to the global arena. This however is not as simple as it sounds. Even today there are many different hurdles, which the firms need to cross in order to expand their operations internationally. There are many reasons why a company wants to move global. The main reason for companies to move outside domestic market is identifying potential markets, or cheaper raw material and labour. New innovative ideas that may not be that successful in domestic markets may find ready acceptance in foreign progressive lands. So there may be many benefits that can be had from internationalization. Globalization actually has paved the way for internationalization. Internationalization also aid in minimizing losses in times of recession. Not all the economies of the world are affected equally by recession. So if a company has its operations set up in many countries then it would be much more beneficial for that company. Moreover the economies of scale of operations also act as a booster for all these organizations. The dissertation thus aims to find out advantages that are there in internationalization and this study will underline the various process and steps of the same.

## **Acknowledgements**

I am very thankful and want to pay my gratitude to my supervisor Mr Sudip Kranti Tiwari for his outstanding support and guidance to complete my dissertation. Without his help, support, guidance and encouragement it won't be possible to complete my dissertation. I am very thankful to all the lecturer of university who always support me to achieve my goals during academic sessions.

I would like to acknowledge with my gratitude to the librarians and university lecturers who help me to access on articles, journals and academic books. A special gratitude goes to all my family and friends supporting me with their love and sympathy to complete my dissertation.

Finally, and most importantly, I would like to thank to my wife Mrs Sanjita Baniya Niroula with her support, encouragement, quite patient and unwavering love. Also, I thank to my parents for their well wishes upon me while my dissertation period.

Thanking you.

## Table of Contents

<b>Abstract .....</b>	<b>i</b>
<b>Acknowledgement.....</b>	<b>ii</b>
<b>Table of Contents.....</b>	<b>iii-iv</b>
<b>Chapter 1: Introduction.....</b>	<b>1-6</b>
<b>Introduction.....</b>	<b>1</b>
<b>Background of the study .....</b>	<b>1</b>
<b>Research objectives .....</b>	<b>2</b>
<b>Research questions .....</b>	<b>2</b>
<b>Problem statements .....</b>	<b>3</b>
<b>Gaps of the research.....</b>	<b>3</b>
<b>Research methodology.....</b>	<b>4</b>
<b>Rationale of the study.....</b>	<b>5</b>
<b>Chapter 2: Literature Review.....</b>	<b>7-16</b>
<b>Literature Review.....</b>	<b>7</b>
<b>Business Internationalization.....</b>	<b>7</b>
<b>Globalization and Internationalization.....</b>	<b>8</b>
<b>Historical Background .....</b>	<b>9</b>
<b>Stages of Globalization .....</b>	<b>9</b>
<b>Internationalization Theory.....</b>	<b>10</b>
<b>Theories of Internalization.....</b>	<b>11</b>
<b>Location Theory .....</b>	<b>11</b>
<b>Oligopolistic Reaction Theory.....</b>	<b>12</b>
<b>The Revised New Trade Theory .....</b>	<b>12</b>
<b>Internationalization at Nepalese Handicraft.....</b>	<b>13</b>
<b>Influence of culture on internalization .....</b>	<b>13</b>
<b>Understanding the Customers and Needs.....</b>	<b>14</b>
<b>Steps a company should take before starting its business internationally .....</b>	<b>14</b>
<b>Conceptual Framework.....</b>	<b>15</b>
<b>Chapter 3: Research Methodology .....</b>	<b>17-27</b>

<b>Introduction</b> .....	<b>17</b>
<b>Outline of Methods</b> .....	<b>18</b>
<b>The Research Onion</b> .....	<b>19</b>
<b>Research Philosophy</b> .....	<b>20</b>
Justification of the chosen philosophy.....	21
Research Approach.....	21
Justification of choosing the deductive form of approach.....	22
<b>Research Design</b> .....	<b>22</b>
Justification behind choosing the descriptive design .....	22
<b>Research Strategy</b> .....	<b>23</b>
Justification of the choice of research strategy .....	23
<b>Working data</b> .....	<b>23</b>
<b>Data Collection Methods</b> .....	<b>24</b>
Primary Data.....	24
Qualitative and Quantitative form of data .....	25
<b>Sampling Choice</b> .....	<b>25</b>
<b>Sampling Size</b> .....	<b>26</b>
<b>Research Ethics</b> .....	<b>26</b>
<b>Limitations of the research process</b> .....	<b>26</b>
<b>Summary</b> .....	<b>27</b>
<b>Chapter 4: Data Analysis</b> .....	<b>28-44</b>
<b>Data Analysis and Interpretation</b> .....	<b>28</b>
<b>Qualitative Analysis For Managers of Nepalese Handicrafts</b> .....	<b>28</b>
<b>Qualitative Data Analysis</b> .....	<b>42</b>
<b>General analysis:</b> .....	<b>44</b>
<b>Chapter 5: Conclusion</b> .....	<b>45-49</b>
<b>Objective linking</b> .....	<b>45</b>
<b>Recommendations</b> .....	<b>48</b>
<b>Future scope for research</b> .....	<b>49</b>
<b>References</b> .....	<b>50-52</b>
<b>Appendix 1</b> .....	<b>53-55</b>
<b>Appendix 2</b> .....	<b>56-61</b>

## Chapter 1

### **Introduction**

The scope of internationalisation of a business firm and its services is significantly important in the age of globalisation. While the role of business internationalisation as critical influencer of business success is highly acknowledged, an understanding of various critical factors to be considered before venturing into international business ventures elude many investors (Daniels et al, 2015). Nowadays business organisations whether small or big, desire to extend their product or services in the inter-national market. The decision makers plan to change their firms into inter-national ones when they feel the urge to extend their service or products in to the global markets. This entire process cannot be done in a short time span but happens gradually. Firstly the firms have to enhance their global involvement make tie ups and finally make themselves internationally. As the firms become internationalised they have to cater to increased number of customers who are multinational, deals with more complex business strategies, and the demand and supply will quite naturally increase.

The word 'handicraft' basically known for the art of making craft the home accessory market is strongly affected by consumer purchasing patterns, economic conditions and fashion trends in end markets. On present context of Nepal, handmade crafts are the major source of income.

### **Background of the study**

Internationalisation happens to be the most principal strategic aim for several large business organisations seeking consistent growth. Some of the international activities conducted by the business service firms are: Exports and overseas presence. If the business organisations achieve progress through different stages in the process on internationalisation, then it can be likely that as they expand they will have chances to have global interests (Biggam, 2008).

The company is looking forward to extend its products and services in the global market and increase its customers worldwide and hold its reputation throughout the world. This has led the researcher to make a study on this organisation, as the topic being why it is necessary to internationalise a company and to find the

benefits and drawbacks if it exports in global market. The researcher will gradually examine what are the causes behind internationalisation of Nepalese handicrafts exports an instance.

### **Research objectives**

The researcher has prepared the dissertation keeping the following objectives in mind:

- a. To identify the causes of internationalisation and finding out why Nepalese handicraft want to internationalise their organisation.
- b. To know the beneficial and adverse effects of internationalisation of a company.
- c. To understand the cultural effects on a business
- d. To get better understanding of the customers and their needs
- e. Identify the main problems in handicrafts business. To figure out what steps a company should take before starting its business internationally

### **Research questions**

The researcher has framed certain questions, which will be taken while carrying out this research. The question of my research is:

- a. How do the firms analyse their internationalization readiness?

**Problem statements**

There are several problems related to international trade (Ford, et al 2011). Basically International trade give rise to many problems that arises in the domestic market. The first problem is the execution problem; most of the system related to the stock exchange or security relation must follow the informational potential of the market. None of the organisation can improve in this competitive world without proper man force. The performances of the employees are important to enhance the quality of the firm. There are clearing and settlement issues as well that are faced by the company. All forms of trading require time settlement and execution. During this time the market is full of risks, the risk cannot be eliminated using various applications (Dodd, 2011).

The primary problem that is faced by most of the companies is the loss of advantages that is provided by the resources that are transferred abroad. The Lack of resources that is required for operating outside the country. There are very few problems of industrialization that are exclusive from border purpose solution. This concept is determined as the most important and the root cause for all problem rising situations (North, 2007)

**Gaps of the research**

The dissertation has been prepared after much observation and analysis. It studies why organisations are looking forward to internationalisation and what would be its probable after effects.

This research is mainly about handicraft Company and its expansion abroad. It will be provided both theoretical and empirical findings with practical implication about internationalization for handicraft retailers in Nepal. This dissertation fills an important gap between knowledge of internationalization, marketing, product, demand and supply and the environmental management (macro environmental factors). It also adds to the literature through its examination of the influence of different stakeholders of the handicrafts.

A lot of reports and dissertations had been conducted regarding internationalization. But none of the studies are given hints to the organization, policy maker and stakeholders who are really interested the handicrafts products and the



changes will be brought in the organization after its internalization and helps to analyse the impact of new policies of internationalization on the different fields i.e. employees and others. Therefore, the purposes of this study are the advantages behind trying to internationalize the company and the organizations under study will take part in the process internationalization, also the way of new services and products introduced by the company to be catered to the world after its internationalization.

The research also helps that the cultural and institutional differences influenced the attitudes of individuals to choose the products and its management practices. Thus, to improve such practice in the future, these factors should be taken account of in making the policy development process if future rules and regulations, including business laws, are to gain widespread acceptance across racial and religious boundaries worldwide. This research is also advisable to participate in the codes of conduct programme and help in developing and improving their internal natural resources practices.

But as all dissertations, this one faced with some limitations too. Firstly, the researcher lacked enough time for the preparation of the dissertation so researcher cannot reach in depth knowledge on the matter. On the other hand, this research relies the secondary method for data collection; one method is not sufficient for exact data collection. By following a mixed methodology, any finding, which is obtained, can be confirmed through the other process. Mixed method is suitable for further research. It will be more reliable and correct method to decipher correct findings.

### **Research methodology**

Researcher adopted the process of this research methodology. The selected research philosophy is the positivism philosophy and an in depth insight to this dissertation has been provided by the descriptive research design. The selected approach to this study happens to be the deductive approach method as the process of this research has been based upon the culminated knowledge that has been gathered after meticulously studying a lot of different models. Both primary and secondary data have been used and with its help questionnaires were distributed and interviews with the micro firm's managers were held. Other than these basic outlines, the researcher has been able to outline the limitation that were faced while conducting this research, along with all the restricted issues that came up while conducting this

study. While implementing the research on a particular topic, the researcher needs to be aware of the calculations as well as the development and applications of different techniques that are relevant to the research that is being performed. This will result in a positive impact and give a positive outcome of the research. Every methodology should involve a systematic design to meet the various parameters of the research, which are going to be more beneficial when put into application of the research. In a research the data that is collected through the secondary and primary data should be consistent in their response that is recorded and monitored judiciously. In this way whichever errors are made can be rectified and type required alteration could be implemented.

### **Rationale of the study**

The rationale of the study is to determine the factors and root causes of industrialization that would help the domestic organisations to expand their business internationally. There are several organisations that lose the advantage of foreign trade due to lack of resource and border facilities (North, 2007). It is important to provide proper resources and help the domestic firms to trade in foreign countries. In the first chapter we will undergo different research aims, objectives and question. In Chapter 2 we will be studying the literature review in respect to the research. There are various strategies and techniques that will help Nepalese handicrafts to improve their functioning in all aspects. All the theories, visionaries and thought process from different authors are explained in this context. The Chapter 3 is research methodology, we will go through the positivism philosophy that perfectly matches the data collection process for the research and the deductive research approach that will help us to determine the validation of internationalisation theories in real life scenario and descriptive research design that will help to understand the finding of the research and evaluate them practically (Dodd, 2011). In Chapter 4 we will deal with the data analysis process that will help in evaluating the data of several respondents that will help to understand the present scenario (Steiner, 2011). The data collection and the findings of the research will be collected from the secondary data will be collected from different journals, books, PDF's and other relevant materials. Finally we conclude the research by achieving all the objectives and goals along with all the

limitations that are faced right through the research will be discussed before concluding the research study.

## **Chapter 2**

### **Literature Review**

Handicraft is one of the major businesses in Nepal , which is spreading internationally. After successfully doing business in Nepal, the company is now aiming to reach out to international markets. So, to spread business internationally, it is very important to understand the cultural influences on international business. This will further enable the company to plan strategies as par the local cultural trends and tastes and government norms. In order to identify organizational needs and plans leading to internationalization of the company, theories and concepts related to subject are required to be critically discussed (Drnevich, 2004).

### **Business Internationalization**

Globalization has made way for companies to enhance their business to reach abroad. There are several reasons behind companies going international. One of the prime reasons is of course, to ensure company growth. Apart from growth the typical reasons for internationalization of companies include easy source of cheap employees and even innovative ideas. There are many companies, who simply want to internationalize in order to catapult their business to new heights .Such companies are in look out for potential market in foreign lands and successfully develop a niche business on their own.

At times a company might be in requirement of raw materials for production. If in that case, the raw materials are found to be scare or no more supplied by the home nation, the company has no other choice but to extend its business to those countries where those particular raw materials are found in abundance, for instance, an oil company's endeavour to set up a business in Middle East.

Many companies again, are always in search of cheap but efficient labour. Especially in developed countries, the cost per labour is quite high. So, to minimize investment costs, the companies from developed nations are keen to set their establishments in emerging nations, where the cost per labour is yet to go high (Day, 2008).

In order to increase their market presence, internationalizations becomes an obvious choice for many companies. The developing nations like India, China, and Brazil are highly lucrative locations for companies as they have huge markets. The

population of these nations is characterized by their huge size and an average earning capability. Thus, these countries are noticed to have witnessed MNCs mushrooming all over their boundaries. Often, it has been noticed companies have the tendency to go international in search of innovative ideas and to try challenging business techniques. So, if we try to analyse what exactly can be the benefits of internationalization of a company, it is required to first identify the nature of the company's business.

The common benefit for all companies is though for saving money but there are always some unique needs and requirements for companies to try for going global. For many companies, especially the ones that have highly ambitious business structure, will have the desire to get internationalize so that they are able to earn a global brand name. This in turn, caters such companies with more clients and higher business opportunities. It becomes easy for the branded companies to work in cooperation with other companies in the related.

### **Globalization and Internationalization**

Even though the word 'globalization' may mean different in different cultural regions, the most common meaning is shaped from Meydan Larousse' 3 D geometric figure, "undertaken entirely". However, in French the term is associated to "homogeneity", therefore the term is often used to mean both "homogeneity" and "entirely".

In today's world, labour and capital gets transferred between companies and countries in unprecedented amount and pace. Therefore, it is seen that cash exchange, labour flows, service activities, production and technological developments have gradually attained an international character. The frontiers are seen to be disappearing and the world is gradually developing a character of an economic, political and cultural integration (Markusen, 1995). Billions of dollars can now be transferred through only one click, and hence, in this dynamic framework, the domains that lead to competitions among companies are numerous and complex. So, to stay in the global competition, the companies are in the need of an in evitable change through internationalization and ensuring of production and services as per terms of international integrations.

Globalization has led to internationalization of companies, which in turn has made way to wide spanning of goods and services. But the impacts of international do

not stop here. Along with goods and services, cultural traditions and interactions also take place. So, at this point of time, the world witnesses worldwide branding of goods, pop icons and TV programs.

### **Historical Background**

There are historical origins of globalization as the process has started since the very beginning of human civilization. But, the process is often considered as a phenomenon of the modern day world as it took place in a rapid way after a certain phase. Trade had taken international character since the times of flint age. Also, the existence of the silk route, tales of Muslim traders, the Persian, Chinese and Roman empires are testimony of international trade of the ancient age (Markusen , 2002). In the later age, internationalization of trade happened through Conference on Security and Co-operation in Europe (CSCE), Helsinki Conference, Summits of Belgrade, Madrid, Vienna, Paris, Copenhagen and such have made way to globalization of trade in the modern world.

### **Stages of Globalization**

The entire passage of globalization can be divided into stages. Right from the period of colonization, church constructions in foreign lands, slave trade, industrialization, technological inventions, transport facilities, high ways to electronic infrastructure, globalization has indeed come long way. Globalization can be divided into three basic phases.

**First Stage** – The first stage dates back to the time when the overseas explorations were carried out by the seafaring West world. The discoveries were they followed by colonization of the discovered lands.

**Second Stage** – This stage happened to be at the time of industrialization in the 1890's. It was during this time, the disparity between the west and the colonized world started widening. The industrial revolution in Europe was one of the greatest determinants of the disparity. Through industrialization, goods were produced in large quantities. The surplus goods were then exported and sold to the colonized markets at much cheaper rates. Some of the western nations even earned trade monopoly over certain regions. Hence, the west prospered and the need to explore new markets became all the more essential.

The increased competition among the developed nations caused conflicts among themselves and ultimately converted to deadly world wars. In the post-world war period, the political and geographical scenario of the world changed altogether. There had been emergence of new global powers and the colonial countries that were spread across continents got politically independent.

Especially, when the European nations got ruined, USSR and USA turned out to be the two super powers and witnessed huge economic growth.

**Third Stage** – This stage is basically when the impacts of the two world wars were felt. There had been polarization of the world between the two super powers. The young nations that gained political independence soon started to research for their own identities and economic status. It is in this stage, that globalization progressed rapidly. The developed countries lacked sufficient markets while the developing countries were in need of technological expertise. This caused the growth and hegemony of multinational corporations from the 1970s.

The third stage of globalization further gained a unique character through computerization and revolution of communication technology (Todo and Shimizutani, 2005). In the 1980s, the introduction of optical cables, computers, Internet communication satellites, and with the fall of USSR the dissolution of power balance enabled the world to experience the need for interdependence. The internationalization of business entities therefore enabled the emergence of multinational corporations or MNCs.

### **Internationalization Theory**

According to internationalization theory, a company though may have several processing and delivery outlets, but it is always profitable for the concern to have production units in one particular location. The reason is somewhat related to the condition called technology transfer. Transference of technological expertise is associated to many difficulties (Safarian, 1966). At times, the transfer of technology may turn out to be quite expensive. Since, technology is a knowledge that cannot be easily packed and sold; it becomes imperative that it would be very difficult to attain intellectual property rights. So, it is also been seen that opening up of production units to another country becomes easier for technology transfer than that of depending upon another company.

The theory of internationalization is also associated to the concept called vertical integration. For instance, there are two monopoly companies, who are always competing against each. The tiff between the two companies is based on the fact that the first company has a tendency to reduce its cost of input while, the second company is always up increasing its cost of production. Further, the coordination between the two companies will increase manifold due to imbalances between supply and demand and volatile market prices. If these two companies are vertically integrated, the problems between the two companies will get reduced to great extent (Walsh, 2007).

## **2.6 Theories of Internationalization**

Companies internationalize in order to maximize profits in an absolutely imperfect market environment. Through internationalization, companies try to overcome impediments in the form of high transportation costs and trade barriers. Also, companies are seen to move to foreign markets in search of information and knowledge expertise. The information pertaining to asymmetries in between sellers and buyers are more clearly received through internationalization of companies. At times when the transaction cost increases the firm chooses the option of internalization in order to take the advantage of FDIs.

### **Location Theory**

According to the location theory, the location of a production unit is determined by the availability and source of resources. In fact, the determining factors for organization location are cost of transportation and barriers of trade. If the transportation costs are high, the production units are located close to the markets where the products are to be sold. Sometimes, due to high tariff rates introduced by the host countries, the companies seek to relocate to avoid unwanted expenditures.

The location theory concerns itself with the geographical locations of the organization at hand along with the economic activities that surround it. The location theory is an essential part of the regional sciences, spatial economics and the economic geography. The theory addresses questions pertaining to the economic activities and is based on the assumption that economic agents tend to work on their personal interest (Richards, 1962). Due to this reason most firms tend to choose their location depending on factor



that would increase their profits with increasing time. The Location theory is said to be founded by Johann Heinrich von Thunen's published in *Der Isolierte Staat* in 1826.

### **Oligopolistic Reaction Theory**

According to Knickerbocker's Oligopolistic Reaction Theory, the objective behind investments made by companies to another country is mainly to increase their market share. In fact, when a particular company happens to enhance its market share by investing in a foreign land, other companies also go forward to invest in the same location (Wang, 2010). This process is typically termed as "follow the leader". Investments to foreign lands are quite expensive and many companies are reluctant to take up the risk, in spite of their search for new avenues to expand their market. Therefore, there is a tendency among the companies to wait and learn from a leader company, who takes the risk of investing to expand their market base.

### **The Revised New Trade Theory**

The Revised NTT was first put to light by Marc Melitz (2003) and Pol Antràs (2004). They declared a fresh trend in the study of global trade. Where the new trade theory had put importance on the increasing inclination towards the intermediate goods, the new and improved NTT emphasized the compact level of differences within the same industry belonging to the same country. And this new trend was commonly termed as the 'new' new trade theory (NNTT) (Melitz, 2003). NNTT stresses the significance of the business organization in place of the various sectors while trying to understand the different kinds of challenges and the opportunities that the countries face in the present time and age of globalization.

As the forms of international trade kept being liberalized at an increasing rate, the industries that have the competitive advantage were automatically expected to expand. On the other hand, the industries that faced competitive disadvantages were then expected to shrink down to a rough spatial division but the corresponding business and economic activities remained the same throughout. It was seen that within the same industry, some industries were capable of thriving while others ultimately collapsed. What resulted was the intra-industry allocation of the market shares along with the productive resources. It was seen that the relocation of the market shares and the productive resources happened to be far more pronounced

when compared to the stats received by the reallocations that were comparative advantage driven.

### **Internationalization at Nepalese Handicraft**

From the above-mentioned theories, it has become evident that the main purpose of the company to get itself internationalize is to enhance its market share, consumer base and to gain international popularity with a global brand image. So, while planning for internationalization, the retailer has to understand the needs and preferences of the consumers of the targeted market, the government norms and also the cultural traditions.

In order to get a strong grip of the foreign market the company should also engage innovative ideas with respect to design and promotion of its products (Sinani, 2009). For instance, the company can introduce customized designs that go in sync with the indigenous traditional preferences. The process of internationalization also involves lot of investment; therefore it is very important for the company to design investment strategies that are in accordance to the theories related to economies of scale. Therefore, in order to reduce risks of investment and gain popularity among the masses as reputed crafts retailer, it is essential Nepalese handicrafts to understand influence of culture on internationalization and needs and customers of the local markets.

### **Influence of Culture on Internationalization**

Culture is indeed an important aspect of internationalization. Cultural norms vary from country to country and if in-depth study on culture is done, culture is what based on which the societal activities of a community are based upon. Therefore, culture to great extent influences the tradition and norms of living. So, the people of a particular society will have the tendency to accept only those services and products that go in sync with their common cultural habits. It is often seen that companies although may have the global reputation of offering quality products but will never be able to capture a market where the culture of the local people does not permit them to use the product.

Therefore, it becomes clear that it is the culture of the local markets that determines the kind of products and services to be promoted by a multinational company. Sometimes, the products are even customized to make in sync with the

tastes and preferences of the concerned market. For instance, it is known that tastes and preferences of products like food vary distinctly from one cultural tradition to another (Gianetti, 2010). So, food giants like McDonalds, KFC and such delivers different food items at different countries. At some places the food items become spicier while in some other places the food items become flatter.

Even, non-alcoholic drinks like Coca-Cola sells bottles of sweeter flavour in parts of the world that have sweet tooth, while the company has also other versions to suit taste buds of other nationalities.

### **Understanding the customers and Needs**

No doubt in the fact, that products and services are to be served as per the cultural norms and preferences of the products. But, due to rapid globalization the consumers no matter to which cultural region he belongs to, the likings and inclinations are gradually changing. Therefore, the companies are not only required to be aware of the various cultural norms but also the changing needs and requirement of the consumers targeted.

Globalization has enabled people of different cultural traditions to know about each other. This has ultimately led to exchange of ideas and development of new tastes. Starting from dressing style to willingness to abide by typical cultural norms, the new generation of today's world is no more the same as before.

Therefore, depending upon the lifestyle requirements of modern world, the companies tend to infuse innovation and upgrade their expertise in delivering quality goods and services.

The consumer needs also vary with age and social status. Companies that deal with luxurious items will definitely target customers who are rich. On the other hand, there can companies who serve only the youth, for instance the sports items or technological gadgets (Graham and John, 1993).

### **Steps a company should take before starting its business internationally**

From the information given above, it has therefore become quite obvious that companies need to develop business strategies at a grand level (Danciu, 2009).

The process of internationalization is not only long but also quite complex. As investments to convert a mono-national company to multinational, it becomes very

important that the company should engage best possible brains in order to convert itself into a multinational successfully. The business plans should ideally be tolerant towards the cultural and traditional norms of its markets. The most important of all, the companies should be well aware of the government norms and regulations. Since the norms change from region to region, the top bosses of the organization should develop business plans separately for each nation, as these norms are not similar in nature. Following good business ethics should carry out business. As already mentioned the company cannot afford to be biased and harbour negative opinions regarding the people of the region as ultimately it is the population of that very region that has to be catered by the company and would be earning profits (Graham, 1994). Though there are many companies who seek to go global to source raw materials but if in case the company is found to be exploiting the local resources of a nation and damaging the environment, it is definitely not an ideal way to approach internationalization.

The company should also keep in mind that its business should not only turn out to be beneficial for itself but also economically advantageous for the foreign markets. Further, if though the expansion of the business base the company is able to contribute to the society, the decision to get internationalize becomes all the more justified.

### **Conceptual Framework**

To enhance understanding on the steps applied in gathering information for this study, a conceptual framework is employed to illustrate this. In the several influential factors must be taken into consideration before making the final decision. In this study, a set of factors, those have been frequently mentioned in the literature review, that also fit most of cases were chosen. For the conceptual framework, we have decided to use some influential factors mentioned above by Day (2008). It is especially companies are always looking for low cost. For minimizing investment and producing cost, the companies from developed nation are expanding their business to emerging nations.

The model of our conceptual framework is compounded of external and internal factors. In external factors group we have chosen geographical distance, cultural distance by (Gianetti, 2010), political risk, government policies and

regulations, home country factors, quality, quantity and cost, competitive structure, environment factors of Root and market barriers of Koch. Internal factors are included production factors of Root, market potential, and demand uncertainty, international experience of Chen & Mujtaba, finally management risk attitude and company size and understanding the customer needs (Graham and John, 1993). It is also mentioned that to get more market share it is essential that company can introduced innovative ideas and customized designs with the indigenous and traditional preferences (Sinani, 2009). The process of internationalization also involves lots of investments. Understanding these facts Nepalese Handicraft' always forces to invest capital of innovation to reduce risks and able to gain popularity among the reputed crafts retailers.

## Chapter 3: Research Methodology

### Introduction

The purpose of a research methodology in a dissertation is to identify the most suitable techniques of research according to the nature of the chosen topic. There are two main research approaches qualitative and quantitative. Yin (2003) describes qualitative research approach indicated the data collection is based on words like questionnaire or interviews. On the contrast, the quantitative research approach indicates to measurements by data collections and statistical facts (Davidson & Patel, 2003).

This research is mainly based on qualitative research approach as it describes on words. These techniques are used for optimum understanding of how companies engaged in internationalization and why those organizations get benefited while internationalized. However, this research will follow mixed method of approach (Denscombe, 2007). That means, this thesis will look both qualitative and quantitative research method. Qualitative data is in the form of descriptive accounts of observations or data which are classified by type, (Ghosh & Chopra, 2003). This type of data will be in the form of questionnaire and interview (see appendix...).

Crower & Lancaster (2008) states that primary data doesn't actually exist until and unless it is generated through the research process as a part of the consultancy or dissertation or project. So, the data from the survey will be evidence. However there will be elements of qualitative data collection in the form of annual report to give more information. Majority of the survey of the Federation of Handicraft Association of Nepal (FHAN) is existing employees and management team. This researcher will try to collect representational sample.

The research will remain limited FHAN only. It is not possible to collect the data from all handicrafts export retailers in Nepal. The sample will be selected from them random and given to respondents by visiting the stores and via email or Facebook.

Hawkins (2006) has put forward the argument that the main purpose of a research methodology is to ascertain a customary process of research when all the areas can be given importance to as and when be necessary. Douglas (1998)

countered the argument saying that the use of the customary process in all researches may often lead to complexities and confusions. In the case of this dissertation, the researcher has used the customary process of research so that the process remains synchronized. The reason the methodology is used in the dissertation is because each problem is different in its context and needs different methodologies, which suit the purpose so that it can be sorted out accordingly. Therefore a researcher follows a systematic approach to solve the problems of the researcher, which is known as research methodology. It consists of a in detail study of the numerous steps which are adopted by the researcher to tackle the problem while putting the logic behind every problem. In every case, where there is a need for methodology every researcher should be well versed with the different techniques and methods while implementing the different methodologies in the research.

### **Outline of Methods**

The process of this research methodology was adopted by following the research onion. The selected research philosophy is the positivism philosophy and an in depth insight to this dissertation has been provided by the descriptive research design. The selected approach to this study happens to be the deductive approach method as the process of this research has been based upon the culminated knowledge that has been gathered after meticulously studying a lot of different models. Both primary and secondary data has been used and with its help questionnaires were distributed and interviews with the organization's managers were held. Other than these basic outlines, the researcher has been able to outline the limitation that were faced while conducting this research, along with all the restricted issues that came up while conducting this study.

While implementing the research on a particular topic, the researcher needs to be aware of the calculations as well as the development and applications of different techniques that are relevant to the research that is being performed.

This will result in a positive impact and give a positive outcome of the research.

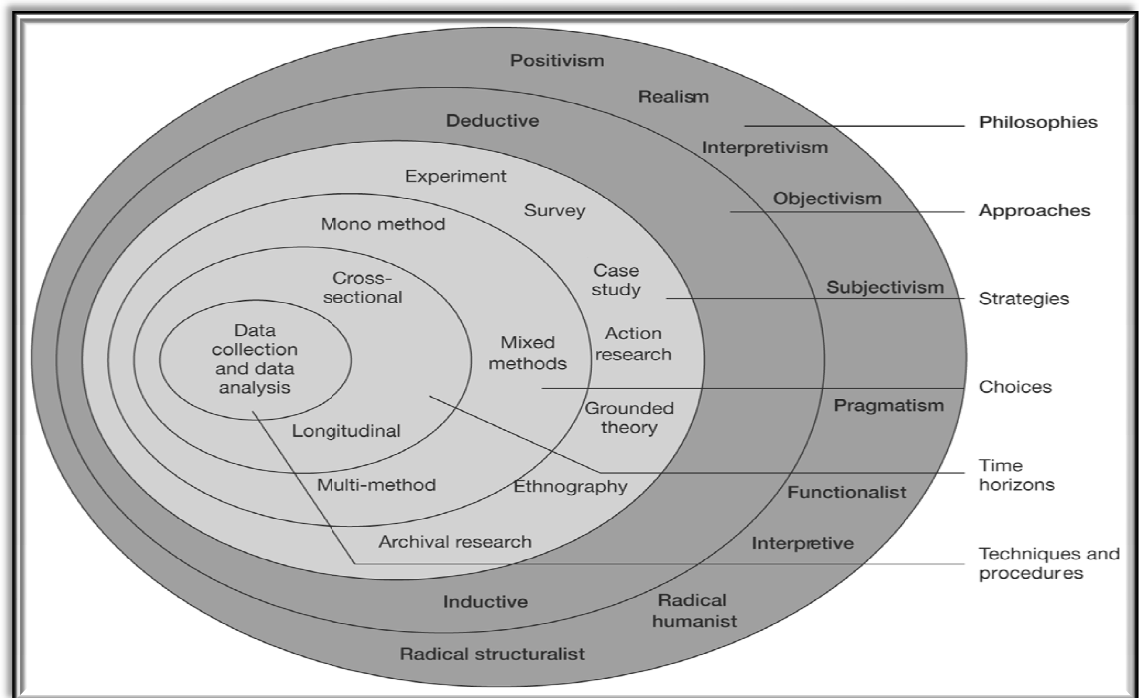
Every methodology should involve a systematic design to meet the various parameters of the research, which are going to be more beneficial when put into application of the research. In a research the data that is collected through the secondary and primary data should be consistent in their response that is recorded and

monitored judiciously. In this way whichever errors are made can be rectified and type required alteration could be implemented.

### The Research Onion

According to Hawkins (2006), the use of the research onions helps to answer the process of the research in a very synchronized and elementary fashion. The best usage of the research onion is that it helps in addressing the pattern used for any given research. It was defined by Saunders et al. (2009) that when we look at a research onion, then we can find different tools necessary for conducting research in each of the layers of the onion. The utilization of the research onion makes the research process highly systematic and relatively easy. (Criticised by Kothari). All the processes that are followed and documented in the research give a detailed account of the processes that are followed during the process of the research. The process of the research has been explained with the help of a diagram that is illustrated in the structure and shape of an onion.

#### Research onion



(Source: Saunders, M. N., Lewis, P. and Thornhill, A. 2009, p- 52)



Above is the diagram of a research onion as is commonly known. Each layer of the onion represents a step in the process that has been explained by the help of the diagram of an onion in which different layers symbolize different processes and methods that are used in the research. The researcher in showcases the processes of the research and the methods that are used in the research every layer of the diagram. The methods and processes of the research have been put in very judiciously so that the research can have an effective outcome.

The research onion shows the six different stages that are to be kept in mind while conducting a research. These six stages constitute the research philosophy, research approach, research choice, time frame, and research technique and research procedure. The research although has its own limitations which are dependent on the budgetary and the time constraints, they have been judiciously put into action so that the research can be carried out in an effective manner.

### **Research Philosophy**

Handlechner (2006) put forward the idea that the purpose of using a research philosophy is to provide help while defining the development process of the knowledge that is gathered while the study of the research is going on. Other than this, it helps with the separating and compartmentalizing the kind of knowledge that we can gather from the study and helps us to describe the research in a better way. The most common form of research approaches used while conducting any study happens to be positivism in accordance to the interpretivism and realism. It is very crucial to have a philosophy beyond every research, which will be built upon a logical base that acts a backbone for upholding the structure of the research. In the words of Cooper and Schindler(2010), when a positive verification can be attained while doing a certain study, then the philosophy used in it is termed as positivism. Cameron (2009) says that when a philosophy tries to construe the reality around itself then it tends to use the realism philosophy. Adding further, it can be stated that the realism philosophy tries to underpin that the human mind will only always perceive what it can justify with the help of the senses irrespective of other factors. Cooper and Schindler (2010) also state that interpretivism philosophy looks at the world like a place where non-objectivity exists and there is no presence of any external elements. The research philosophy to be used in this research will be chosen according to what

suits the study the most. The different fallacies that are recorded during the process of the research and also during the observation can be eliminated from the research by the use and help of multiple data that can be used during the process.

### **Justification of the chosen philosophy**

In this study, to explain the proper shift in the marketing paradigm so that the organization can obtain a global status, a specific research philosophy has been chosen. The chosen research philosophy for this method happens to be the positivism philosophy. The post positivism philosophy states that there is always a little bit of connection or similarity that remains between the scientific reasoning and reasoning of common sense which is possible to get accurate results due to the knowledge that goes beyond the measures that are performed scientifically and the observations that are recorded for the data collection from the research methods. By using positivism philosophy, the researcher will be able to categorize the process of research that will also help in the ample studying of the topic of research. Also interpretative philosophy can only support the qualitative form of data analysis and thus has to be automatically discarded in this case.

### **Research Approach**

The importance of the research approach is to elucidate the progress pattern of a given study, which is adopted to complete the research work. As has been put forward by Banerjee (2006), the research approach method organizes the study pattern of the research, which is needed to observe the study matter used in the research. The researcher so as to form a pattern that can be formed during the hypothesis and the time period in which the observations are recorded has followed a cautious approach. The observations that are formed in the research are recorded by the accumulated collection of data and the various sampling methods, which are used in the process of the research. The two basic forms of research approaches happen to be, inductive approach and deductive approach. As said by Bernard (2011), the deductive approach is based on the idea of observing the varied sources that supply information. On the other hand, it was argued by Cooper and Schindler (2010), the inductive approach helps to explain the topic that does not have the backing of any

previous research. In this approach new theories are introduced with the help of studying the different findings and results.

### **Justification of choosing the deductive form of approach**

The study of this topic needs the backing up of a lot of different theories that was obtained with the help of secondary sources. The researcher tries to get knowledge about the scope of the international markets and gain a proper and more detailed idea of what lies at hand. Also the inductive method does not use the cross section mode of study, which automatically makes it unsuitable for this method of research.

### **Research Design**

As put forward by Cooper and Schindler (2011), the research design to be used in the study is directly dependant on the objectives used in the research and mentioned in the first chapter. There are three kinds of research design namely the explanatory, exploratory and the descriptive forms of research designs.

Explanatory research design as per information and advances of researcher commences the research progression that pursues a pre-planned process of study. On the other hand, descriptive design tries to dig up the grounds behind the episode of the incidents by authenticating the theories of the research study.

Lastly, exploratory design has the assorted application of descriptive and explanatory research designs were ethnography is performed to gain the results of the study.

### **Justification behind choosing the descriptive design**

The researcher decided to use the descriptive for of research because it helps him in analysing the intricate details that are found while conducting the studies following the topic of research. Apart from establishing the reasons, which may or may not be influential while transferring the business into a global stature, this method will also help to explain the necessity of the paradigm shift. These were clear reasons why the researcher chose the descriptive design for the research.

## **Research Strategy**

There are usually two different kinds of strategies used in a research that are experimental strategies and non-experimental strategies. The experimental kinds of strategies include the manipulation of the research respondents for the observations while the non-experimental strategies do not have a need to manipulate the respondents either for the purpose of observation or any other reason. The experimental forms of research strategies always use scientific methods while the research is being conducted and in comparison to the non-experimental forms of research happen to be more time consuming. The respondents of the non-experimental form of research strategies are generally human beings and thus the procedures included in this strategy like the field surveys and the field researches are usually used in the non-experimental forms of research processes (Hague, 2000).

## **Justification of the choice of research strategy**

This particular form of research will include human beings to participate in the survey and hence would thus be a non-experimental form of research. The respondents in this research or their responses would in no way be manipulated like it would have been in the case of experimental research. To see if the scope for global business suits the chosen firm or not, the researcher would have to interact and interview the CEOs of various companies who have been successful in taking their enterprises to a global platform. The surveys would be conducted with the help of questionnaires and interviews. The data thus collected from these methods will enable the researcher to confirm the hypothesis and form a new theory. Because the researcher is doing an academic work, thus he will not work with a very huge population of respondents. Following this, the survey method seems to be an appropriate form of data collection (Hawkins, 2006).

## **Working data**

Data is said to be effective while one is observing the results of the research that is being conducted. The data, which is accumulated while the study is under progress, helps to determine whether the process is successful or a failure. The

process and the nature of the data collection are dependent on the topic of the research and also on the nature of the data that is collected over time.

### **Data Collection Methods**

The data collection method exemplifies the data collection *modus operandi* used by the researcher for the collection of primary data for his research process.

Because the researcher here is an academic researcher, there were budget along with time constraints as a result of which the researcher had to collect restricted sets of data for performing the research on the process of shifting Nepalese handicraft a global platform. The researcher also had to keep in mind that the data collected needs to be reliable and valid for the success of the research.

The nature of data collection has been spoken about below-

### **Primary Data**

Primary data happens to be the data that is collected with the assistance of field researches and survey methods. In this research method the researcher has made the use survey methods to collect data on the possibility of shifting Nepalese handicraft to a global platform. To conduct the survey for the research the researcher has acknowledged a population from which he would choose participants using simple arbitrary sampling for choosing the research participants. The researcher would select 11 people from the ownership for qualitative analysis and 60 managerial staff for the quantitative analysis. Closed end questionnaires, which will assist in the process of collecting quantitative data for the research, will be provided to them.

The researcher would also perform interviews with some of the entrepreneurs and owners of companies who have been successful at taking their organizations to the global level to understand how they managed to increase their business stature and establish themselves as global organizations that run successfully all over the world. Since the researcher has to collect data from entrepreneurs there searcher would have to make phone calls to the entrepreneurs and also send them the entrepreneurs through mail.

### **Qualitative and Quantitative form of data**

For the process of collecting qualitative data the researcher decided to choose and conduct interviews with some of the entrepreneurs and owners of companies who have been successful at taking their organizations to the global level to understand how they managed to increase their business stature and establish themselves as global organizations that run successfully all over the world. These interviews were mostly conducted over the phone, as it is not always possible to personally meet all CEOs face to face because of time constraints. These interviews helped the researcher to illustrate in a descriptive manner the role and the procedure of taking their organizations to the global level. On the other hand quantitative data was collected with the help of closed end questionnaires that helped in understanding the procedures used by successful entrepreneurs who managed to take their respective companies to a global platform and today are established names in the global market. It also helped the researcher to calculate how the global presence of Nepalese handicraft helped in increasing the organization's success percentage.

### **Sampling Choice**

During the research collection process, it is not feasible to consider the entire population for the research study. With the help of a sample study attributes of the population is considered that helps in better analysing the study. The study pertaining to internationalizing of Nepalese handicraft was considered as the selected topic where the researcher chose convenience-sampling technique, which enables to select respondents as per the suitability of the researcher.

As opined by Saunders et al. (2009), sample selection can either be probabilistic or non-probabilistic. In the present study, managers were considered for the probabilistic and employees were considered for the non-probabilistic sampling technique. The researcher tried to apply the simple random number generator programs so that it enables easy identification of the total number of population and thus enhances the analysis of their study.

### **Sampling Size**

With the help of the sample size, the researcher tries to define the result of the topic in details. 60 managers were considered to the qualitative interview as many of the 82 strong managerial staff had prior commitments and hence could not give the researcher time. On the other hand, the researcher selected the first 66 answers of the managerial staff for the quantitative analysis but could utilize only 60 questionnaires that were properly filled in.

### **Research Ethics**

Research ethics are those rules and regulations that have to be maintained by are searcher during the research process. By means of ethical consideration, there searcher is enabled to maintain the right code of conduct in the research study and also helps in avoiding other issues that may arise during the research study.

The details pertaining to the research was shared with the participants in order to explain the purpose of the research better. However, the data that was obtained during the process was not utilized for any sort of commercial purpose and was considered to be strictly confidential and confined to academic purpose only to maintain the anonymity of the participants. The research study was cross sectional; hence any better in depth analysis was not possible.

### **Limitations of the research process**

Complexities arose during the research process as many structures and processes were considered in the research study. As described by Saunders et.al (2009) the nature of the research limitations can be known or can be unknown and instant. The researcher tried to overcome most of the limitations with the application of the most suited form of research techniques. Other than this, there searcher also addressed some limitations like time- restriction. Since the nature of the study is cross sectional, it restricted the time of the study and hence the researcher was unable to perform a more detailed analysis.

**Summary**

By means of the research methodology, the researcher tries to select the most suited research tools in order to study the reason for internationalizing Nepalese handicraft. The research tools that are selected helps in the analysis of the research topic in a better and more detailed fashion. Based on these research techniques that are selected, the researcher conducts data analysis that aids in better understanding on the feedback from the respondents.



## Chapter 4

### Data Analysis and Interpretation

The main aim of the data analysis and interpretation incorporated in this research process is to identify from the research process the significance and importance of internationalisation of business by management of organisations and the management of the Nepalese based handicraft business.

The research questionnaire is developed keeping in mind the aims and objectives of the research process which is to find out the relevance, effects, and benefits of internationalisation of businesses and what are the steps which are perceived to be important for the process of internationalisation of businesses and particularly for Nepalese handicrafts.

The data has been collected through the responses that were gathered through the distribution of questionnaires and secondary research.

The questionnaire had been provided to 60 managers of the organisation to understand the relevance of internationalisation to them and what is the opinion of these managers with respect to the process's importance from a business point of view. For the ownership of the company with whom the final decision rests as to whether the process of internationalisation is indeed a feasible option, the interview process was itself so designed that through the process itself a general opinion of internationalisation and its importance to business owners could have been gathered.

### Quantitative Analysis for managers of Nepalese handicrafts

The quantitative research analysis composed of a set of nine questions, which composed the research questionnaire. The questions were based on the operational procedures of the business firm, which is generally looked after by the management of the firm and is related to the basic aspects such as planning, management of resources, and use of technology and implementation of strategies.

### Planning

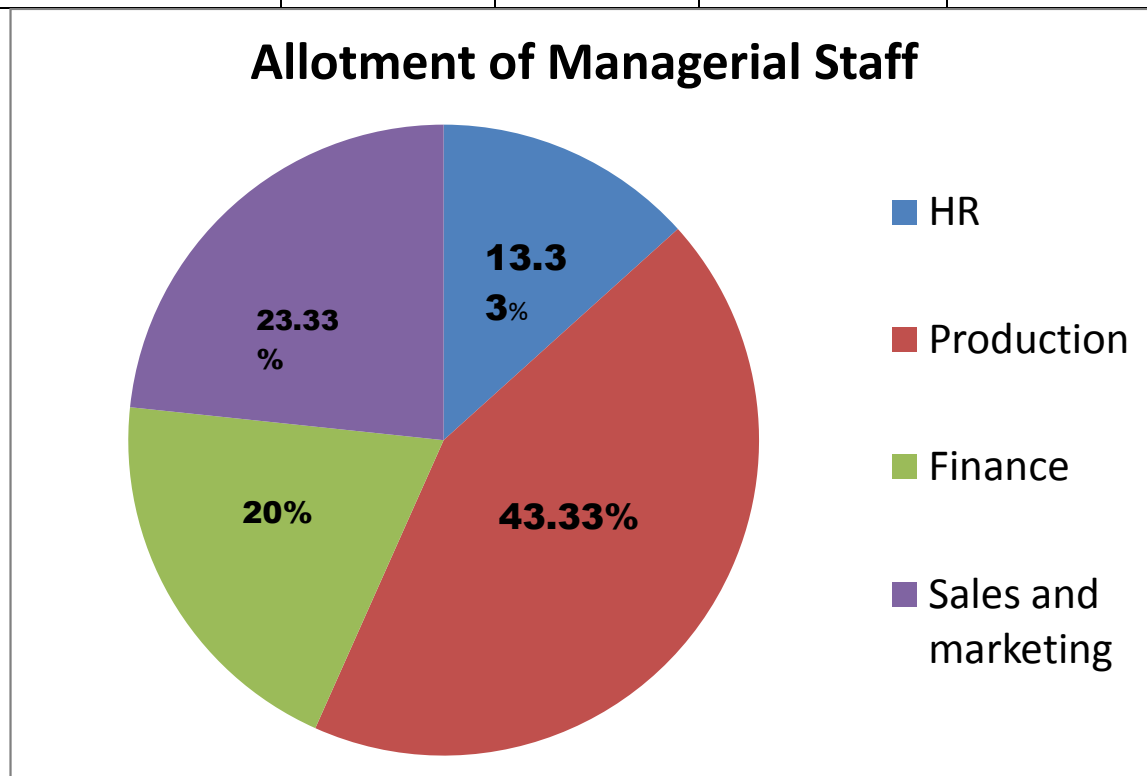
#### Question 1: Which area or division do you belong to?

The aim of this question is to find out the allotment of the managerial staff in the organisation. It has been identified that there are 60 operational managers in total

who are employed in the firm and the division of the managerial staff would be also reflective of the importance given to the different divisions of the firm.

**Table 1: Allotment of managerial staff**

Department	Human Resources	Production	Finance	Sales and Marketing
No. Of Managers	8	26	12	14
Percentage	13.33%	43.33%	20%	23.33%



**Figure 1: Allotment of Managerial Staff**

**Analysis:**

These questions were asked to from the analysis of the responses which have been obtained from the questions it can be seen that most of the managerial staff is allotted in the production department of the firm. The departments of finance and sales and marketing are allotted similar number of management staff, and the least number of managerial staff are allocated to the human resources development. The analysis of this factor leads to the perception that there is lesser importance that is given to the aspect of training and development. This factor lays open the possibility

of the fact that the performance of the employees can be enhanced with more training and development activities which is necessary, and at the same time symbolic of internationalisation.

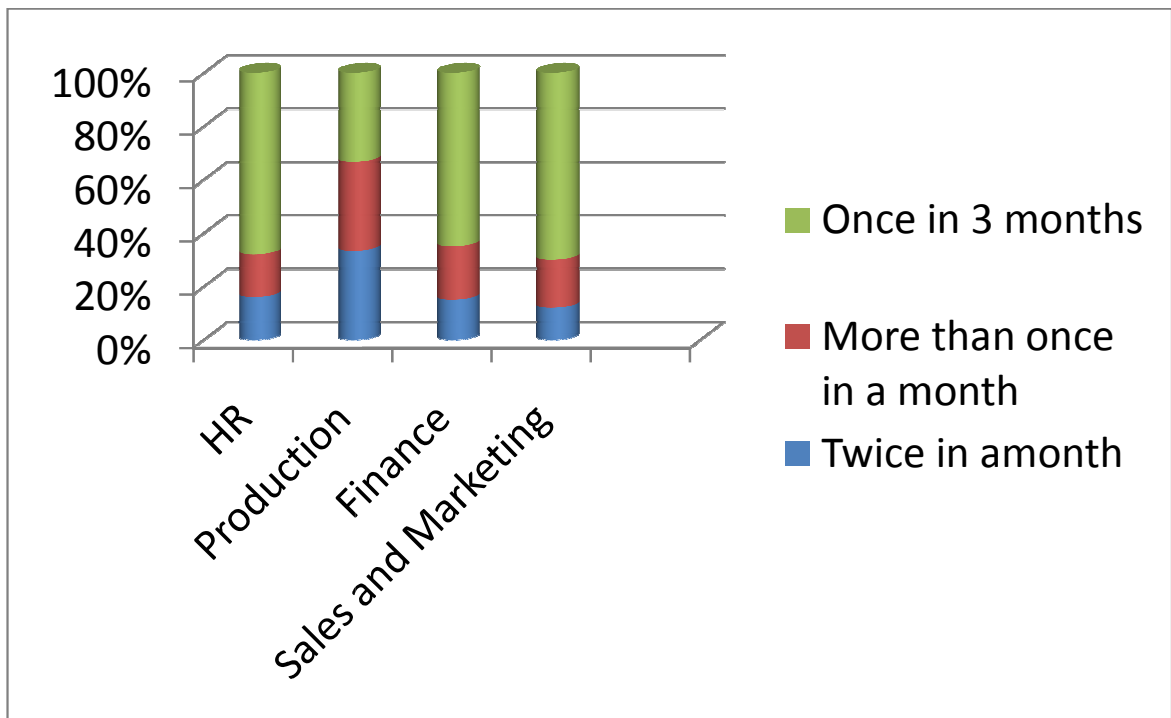
**Question 2: How often are the planning processes revised in your department?**

The aim of this question was to find out how often are the processes and operations subjected to change or planning regarding the same implemented in the organisation.

The responses received from the managers have been tabulated as under according to the divisions of the firm.

**Table 2: Frequency of Revision of planning**

<b>Frequency of Revision</b>	<b>HR</b>	<b>Production</b>	<b>Finance</b>	<b>Sales and Marketing</b>
<b>Twice in a month</b>	<b>16%</b>	<b>33%</b>	<b>15%</b>	<b>12%</b>
<b>More than once in a month</b>	<b>16%</b>	<b>33%</b>	<b>20%</b>	<b>18%</b>
<b>Once in 3 months</b>	<b>68%</b>	<b>33%</b>	<b>65%</b>	<b>70%</b>



**Figure 2: Frequency of Revision of Planning**

**Analysis:**

From the findings of this question to the managerial staff of the firm who have been allocated to the different divisions of the firm, it was observed that the production division undergoes more and regular revisions with the planning process which is reflective of the fact that a lot of importance is given to the production process and the department is itself comparatively more flexible to have been able to adapt to revisions of the production process.

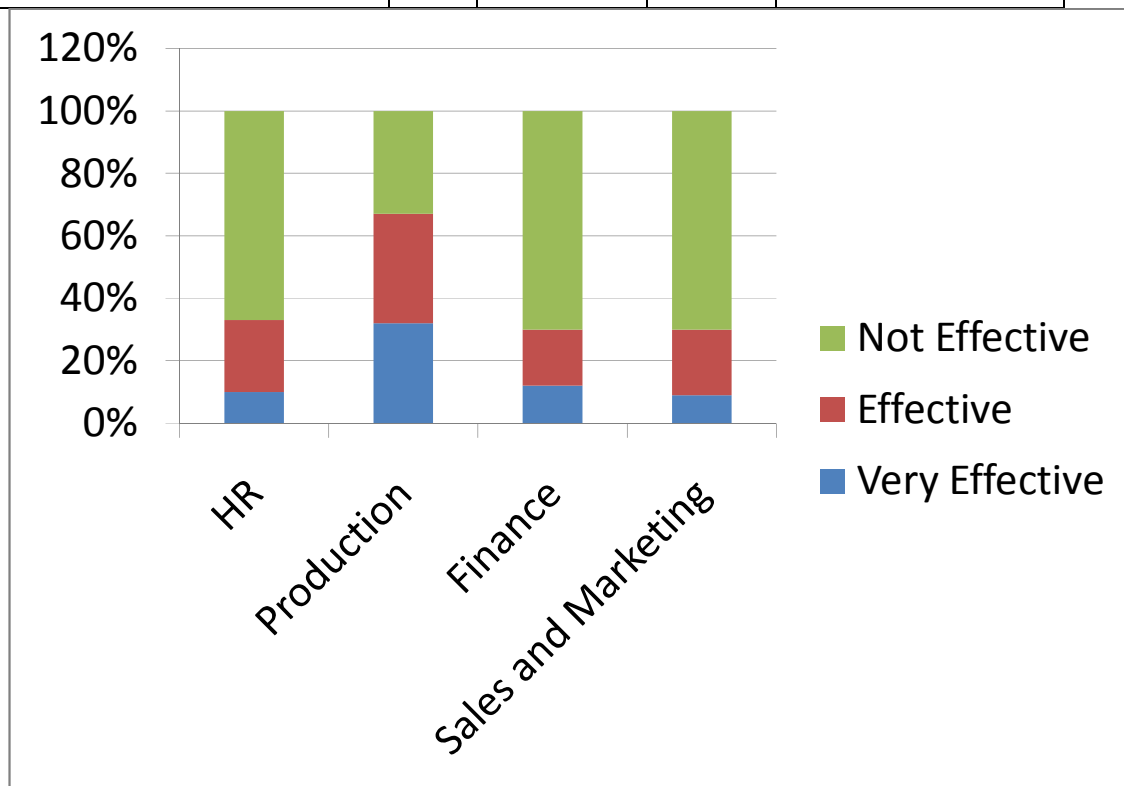
**Question 3: How effective do you think your present management system is compared to other organisations?**

The aim of this question was to find out the perception of the effectiveness of the management system in among the managerial staff of the firm. To be able to answer this question, the managerial staff had to decide the effectiveness of their management system and also to understand how effective the same is as compared to other organisations.

Their responses have been presented in the following table according to the departments.

**Table 3: Perceived Effectiveness of management**

Effectiveness of Management	HR	Production	Finance	Sales and Marketing
Very Effective	10%	32%	12%	9%
Effective	23%	35%	18%	21%
Not Effective	67%	33%	70%	70%

**Figure 3: Perceived Effectiveness of management****Analysis**

From the responses that have been obtained from the questionnaire provided to the managerial staff, one critical observation from the study is that there is a general feeling among the managerial staff of the HR, Sales and Marketing and

Finance departments that their management is not as effective as compared to other organisations. The production managerial staffs however, are contempt with the effectiveness.

The conclusion that can be derived from this observation is that there is a general feeling of incompleteness among the crucial divisions of the organisation that are human resources, finance and sales and marketing.

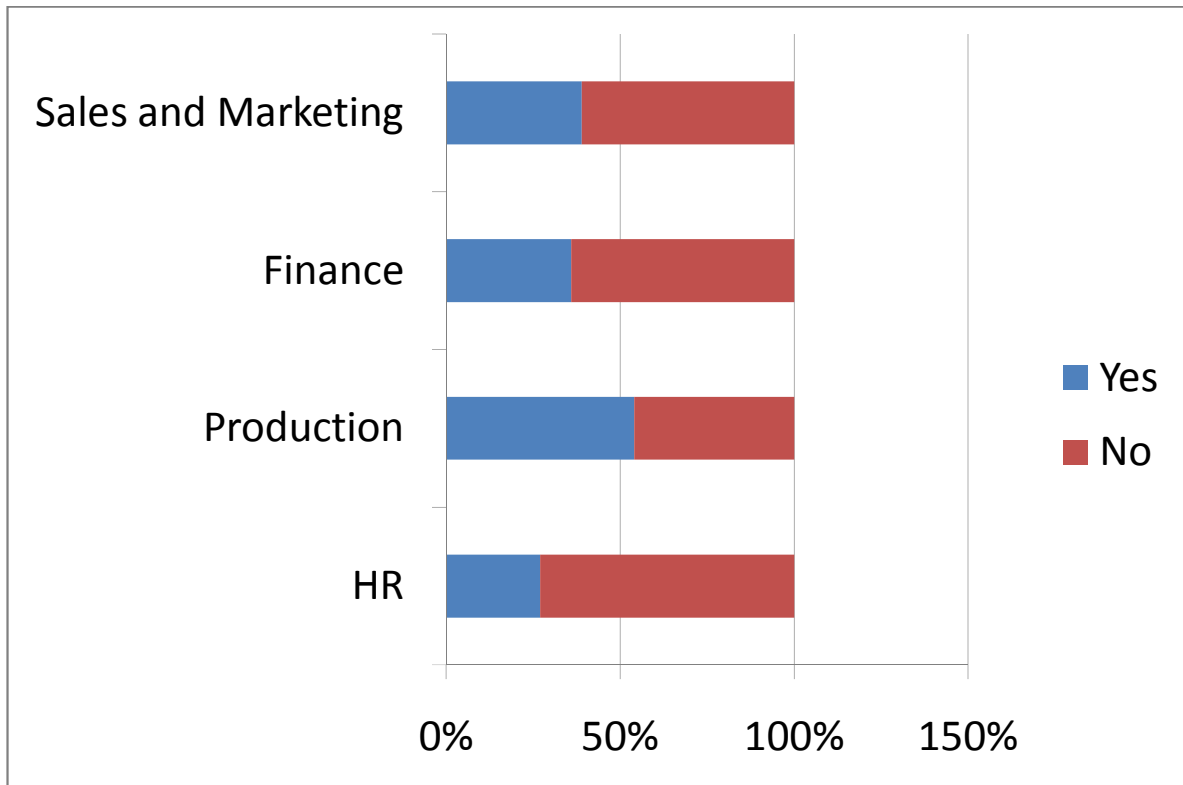
**Question 4: Are you aware of international operating and managing procedures?**

The aim of this question was to understand the level of competency of the managerial staff in the organisation that is in charge of the various departments. Being part of the leadership in an organisation it is important and expected that the managerial staff be aware of the international standards and operating procedures which are prevalent in the industry and according to which the management of organisations implement strategies.

**The respondents had responded as below.**

**Table 4: Awareness of International Standards and Procedures**

<b>Awareness of International Standards and Procedures</b>	<b>Yes</b>	<b>No</b>
<b>Human Resources</b>	27%	73%
<b>Production</b>	54%	46%
<b>Finance</b>	36%	64%
<b>Sales and Marketing</b>	39%	61%



**Figure 4: Awareness of International Standards and Procedures**

**Analysis:**

From the responses that were received from the managerial staff allotted in the different divisions of the organisation, it was observed that most of the staff in The departments of sales and marketing, finance and human resources was not aware of the international standards and procedures which are prevalent in the organisations in an international market. As far as the production department was concerned, it can be said that half of the managerial staff were aware of international standards and procedures whereas the rest of them were not.

The implications of this observation on the organisation are that the organisation lacks behind in the knowledge of international standards and procedures and need to pay more attention to the adaptation of the same in the organisation.

**Question 5: In your opinion, is the culture prevalent in the organisation reflective of an international culture?**

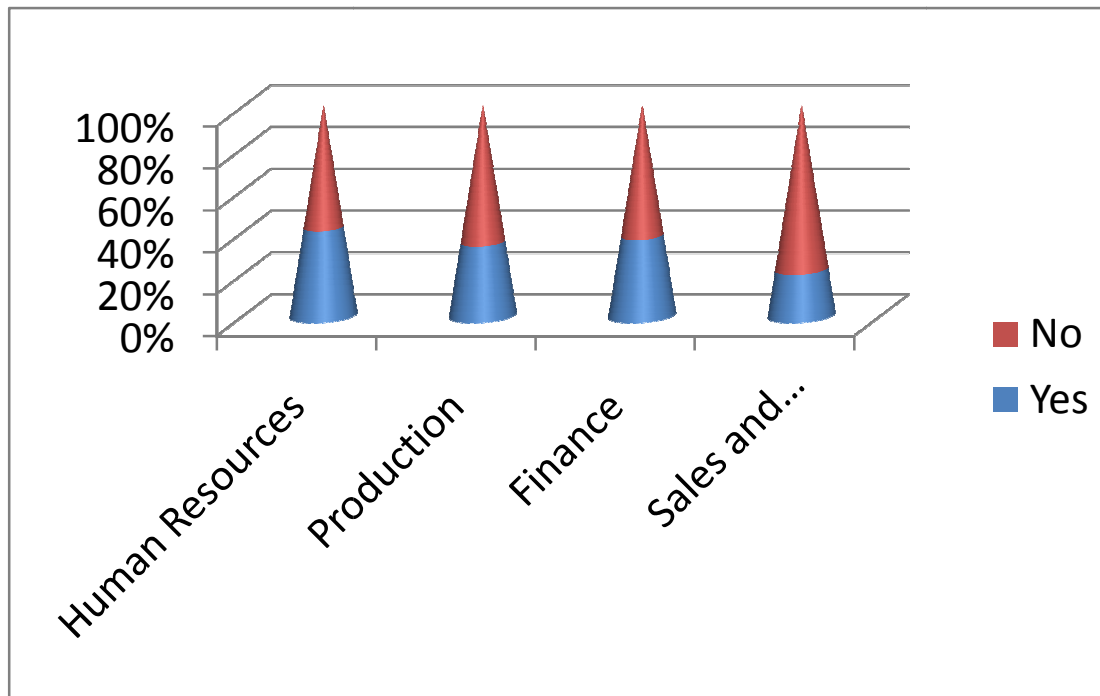
The aim of this question was to find out the culture that prevails within the organisation in the different departments or divisions of the organisation and in

turn how comfortable are the employees of the organisation with respect to working in an organisation full of people from different diversities and backgrounds.

The responses received from the managerial staff have been presented as below.

**Table 5: Opinion on culture reflective of an international culture**

Opinion on culture reflective of an international culture	Yes	No
Human Resources	42%	58%
Production	35%	65%
Finance	38%	62%
Sales and Marketing	22%	78%



**Figure 5: Opinion on culture reflective of an international culture**

**Analysis:**

From the responses, which were received from the managerial staff of the organisation when asked whether the organisation's culture is reflective of that of an international culture the majority of the opinion, was that the organisational culture was not reflective of an international culture.



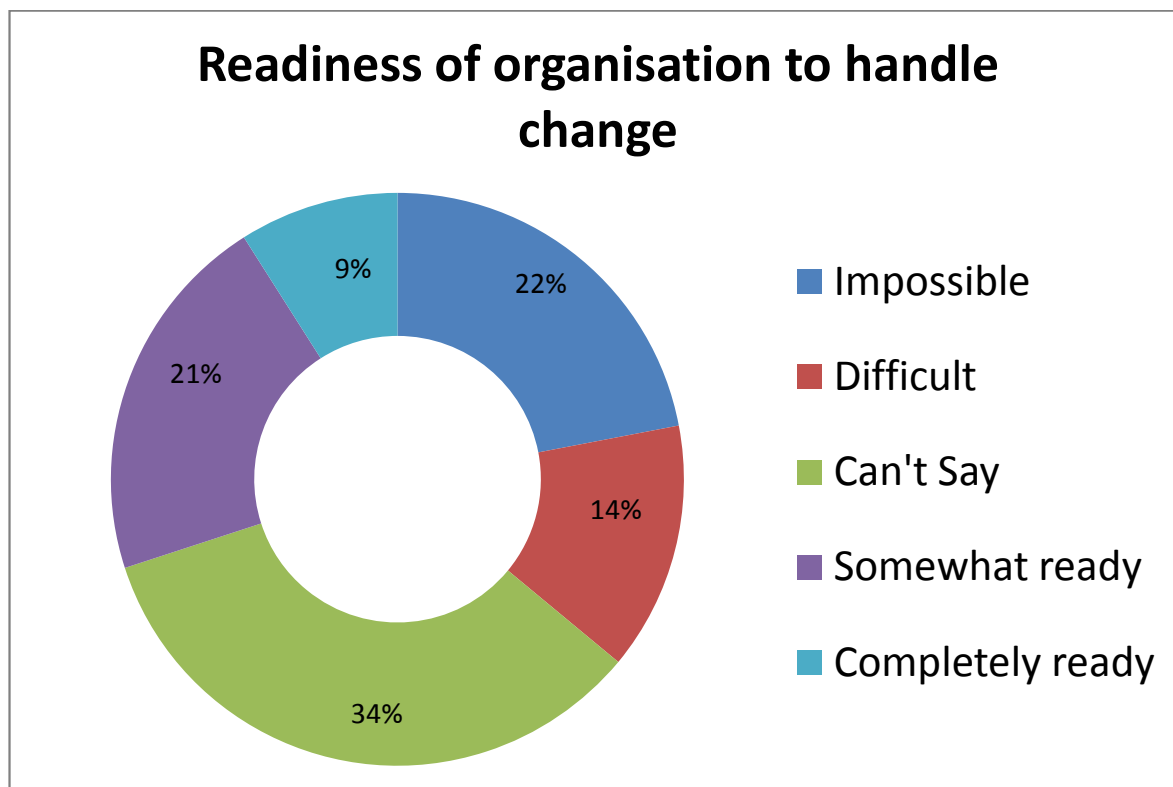
The implications of this finding is that in case the organisation has to adapt to international standards and procedures in the operations of the organisation, it needs to derive conclusive and effective resolutions to change the organisational behaviour and there is a lot of importance which the organisation needs to give to the aspect of changer management in the organisation.

**Question 6: How well is the organisation equipped to handle changes in case the company decides to focus on internationalisation?**

The aim of this question was to understand how well the organisation is equipped to manage changes in case the decision was taken to implement internationalisation in the operating procedures and management of the organisation. This was a general question to the managerial staff of all the departments of the organisation and the respondents had provided their answers as has been mentioned below.

**Table 6: Readiness of organisation to handle change**

<b>Readiness of change management</b>	<b>Completely Unprepared</b>	<b>Somewhat unprepared</b>	<b>Neutral stance</b>	<b>Somewhat prepared</b>	<b>Completely prepared</b>
<b>Responses</b>	22%	14%	34%	21%	9%



**Table 6: Readiness of organisation to handle change**

#### Analysis

The analysis of the responses received from the question can be said to be inconclusive to understand whether indeed the management of the organisation would be able to effectively address the implications of change in the organisation.

A significant percentage (34%) of the managerial staff do not have an answer to whether organisation would be able to handle changes effectively in case the ownership of the organisation decides to implement change in the organisation in order to adapt to internationalisation of the operating procedures and standards. About 30% of the managerial staff believes that the organisation is able to handle the implications, which are associated with the aspect of change in case internationalisation is adopted by the organisation. However, at the same time there is a considerable portion of the managerial staff who believes that the organisation is yet to be able to handle the implications of change in the organisation when internationalisation needs to be implemented in the organisation.

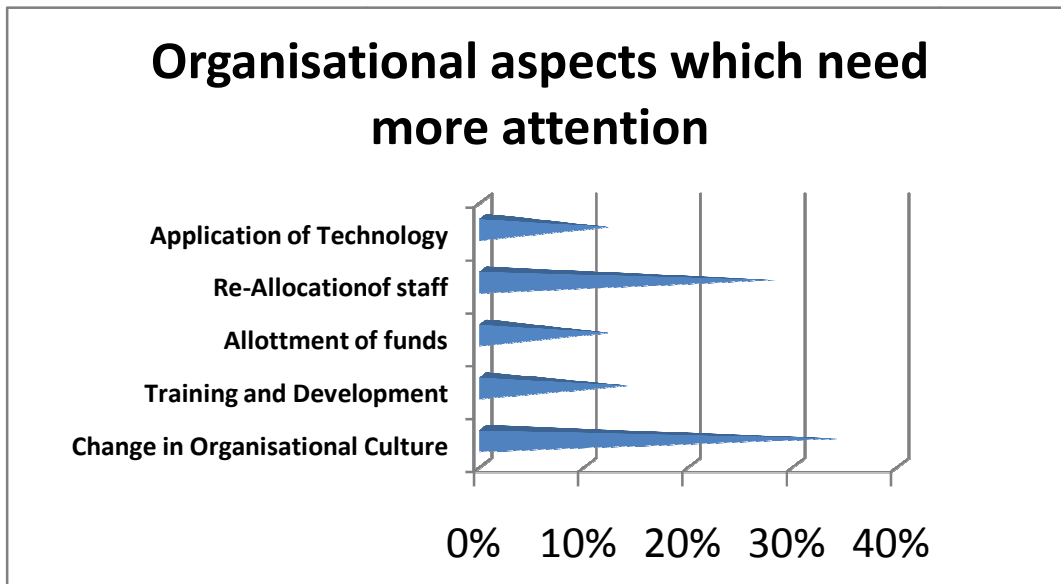
**Question 7: According to you, which is the most important aspect of the organisation, which needs attention in case internationalisation is adapted?**

The aim of this question was to identify the key aspects which is a point of concern for the management of the organisation in case there is a change which is attributed to internationalisation. Identification of the key aspects would also enable the ownership of the organisation to give stress to these factors or aspects.

The responses, which have been obtained from the respondents, have been presented as under.

**Table 7: Organisational aspects which need attention in case of internationalisation**

Organisational factors or aspects that need attention	Responses
Change in organisational culture	34%
Training and Development	14%
Allotment of funds	12%
Re-allocation of staff	28%
Application of technology	12%



**Figure 7: Organisational aspects which need attention in case of internationalisation**

### **Analysis**

From the responses, which were received from the managerial staff of the different divisions of the organisation, it is seen that the major concern lies in the areas of re-allocation of staff and change in organisational culture. The interesting observation is the fact that the aspect of training and development of the employees is seen to be less important by the management like in the case of application of technology and allotment of funds.

The implications of these observations on the leadership and ownership of the organisation is the fact that the managerial staffs are comparatively less aware of the relevance of training and development in case internationalisation is adopted in the organisation. It also gives the impression that the managerial staff would be able to apply technology and allot funds according to the necessity of the process of internationalisation.

Re-allocation of staff and change in the organisational culture are inter related facts as the change in the composition of the human resources would also imply that the organisational culture would also be changed accordingly.

### **Question 8: How Cosmopolitan is your department in terms of diversity of the employees?**

The aim of this question was to understand the cultural diversity in the organisation in the different departments. The more diverse the existing employed work force is, the more ready and capable is the organisation to make room for or accommodate internationalisation of the organisation.

Internationalisation implies that there would be a diversity of ideas and work procedures prevalent in the organisation. The responses, which were received from the managerial staff, have been presented in the following table.

**Table 8: Diversity of Departments in the Organisation**

Nature of diversity	Totally Indigenous	Mostly Indigenous	Can't Say	Somewhat diverse	Pretty Diverse
HR		✓			
Production		✓			
Finance	✓				
Sales and Marketing				✓	

**Analysis**

From the responses derived from the managerial staff of the organisation, it was observed that most of the organisation's workforce was composed of indigenous labour and there was a small percentage of diversity that prevailed in the sales and marketing department. It was also found that the managerial staff mostly comprised of indigenous population and there was very little percentage of international staff or labour force, which belonged to other countries.

The implication here is that the more diverse the workforce of the organisation, the more ideas and exchange of information takes place within the organisation which leads to effective incorporation of ideas and thought processes into the operations of the organisation. The most effective business organisations of the world employ a diverse workforce to the organisation's operational procedures which not only gives the company a cosmopolitan outlook but it in turn helps in the generation and exchange of effective ideas among the workforce. This is one of the key factors which contribute to the development of key competencies of the organisation in the industry. It needs to be specified here that the managerial staff is mostly made up of indigenous population which act as a hindrance to the development of international nature of the organisation.

**Question 9: According to you, would Internationalisation contribute to any benefits for the organisation?**

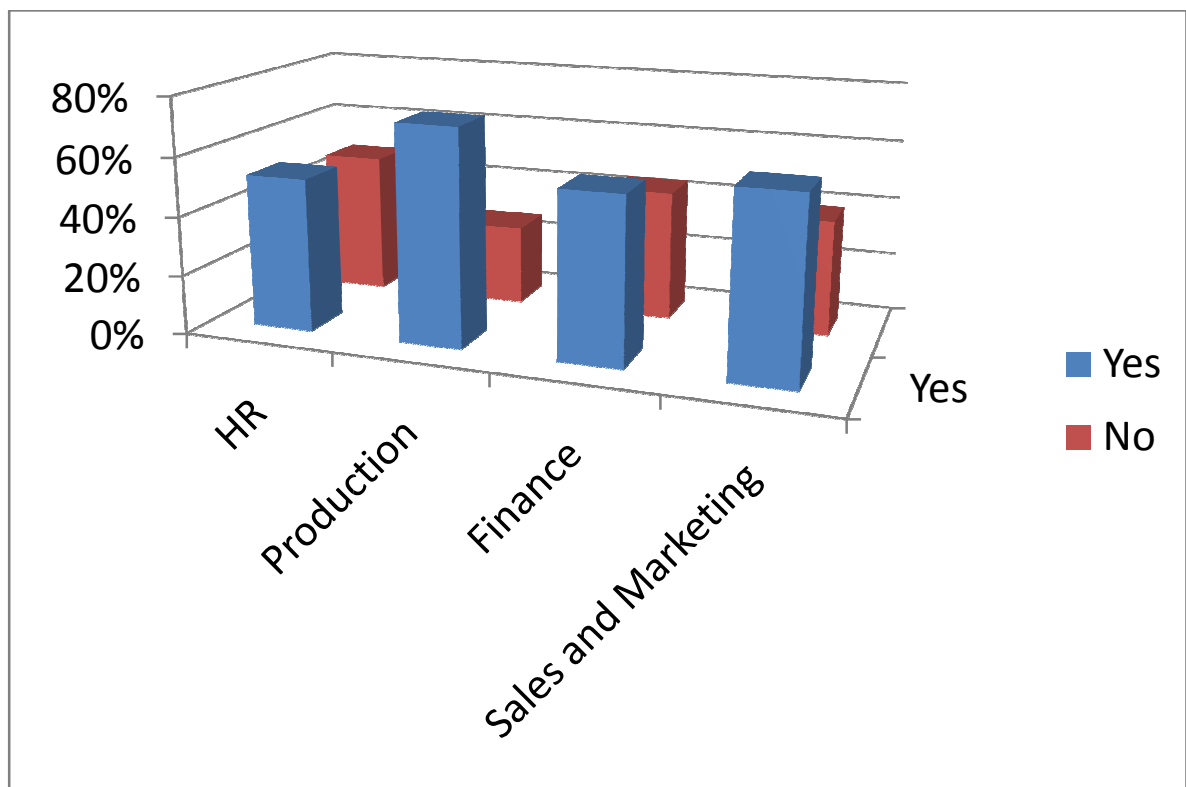
The aim of this question was to understand what regard the managerial staff had for the organisation and whether they take the issue of internationalisation seriously enough. If the managerial staff are of opinion that internationalisation would

indeed be beneficial to the organisation, it can be stated that it is an important factor which could enhance the performance of the departments and in turn help in the enhancement of the position of the organisation in the market.

The responses that were received from the managerial staff have been highlighted as under.

**Table 9: Opinion on benefits of internationalisation**

Department Opinion	Yes	No
HR	52%	48%
Production	73%	27%
Finance	56%	44%
Sales and Marketing	61%	39%



**Figure 9: Opinion on whether benefits will be derived from Internationalisation**

**Analysis:**

Most of the managerial staff, irrespective of the department they belong to, are of opinion that internationalisation would be beneficial for the organisation in one

way or the other. A significant percentage of the managerial staff in the production and sales and marketing departments are of strong opinion that internationalisation would be beneficial. The reason they consider it to be so is because of the fact that internationalisation would enable them to be at par with the international standards that are prevalent in the industry.

The implication of this observation on the ownership of the organisation is to evaluate the benefits that can be derived from internationalisation in the areas organisational change management and diversity in the culture along with incorporation of technology.

### **Qualitative Data Analysis**

Qualitative Data Analysis is carried out in order to understand the plans and the policies of the decision makers of Handicraft, a Nepalese trader company based in Kathmandu. This is also a procedure of data analysis other than quantitative analysis where the main focus is on the numbers and statistics. But in case of qualitative data analysis, questions are directed to the ownership of the particular company which is considered and answers are extracted directly from them with the help of interpersonal communication. The number of people interviewed in the process was 11.

It is entirely a theoretical method, and the end of the session there are illustrative explanations which are acquired from the individuals.

In this case, Qualitative Data Analysis is implemented with one objective in mind that is to get better understanding of the company's customers and their requirements after its internationalization. As it is mentioned earlier, it is the case study of the company Nepalese handicraft. There were certain themes on which the questions were based and the overall opinion has been provided. Here is some analysis of those questionnaires. Interviewed question and answer can be seen at appendix 2.

Thus, we can see that the management of Nepalese handicraft believes that they have a positive stance in regard to the percentage of demand and supply of the products which are marketed by the company. Since in the domestic market the rate of supply matches the rate of the products demanded and marketed, they hope to achieve similar if not same results in the case of internationalization. Since this

approach has managed to increase the demands for the organization's marketed products, it has been a positive step for the organization.

According to the managers, the brand name of Nepalese Handicraft has got a boost because of its plan for internationalization. The loyal customers have remained loyal while because of the international status, it has managed to get new customers who belonged to rival firms. This has helped in increasing the demand for the products in both the domestic and the international markets. All in all, the organization has been performing better than its competitors. The management believes in maintaining the quality of the products despite the expansion plans. The management believes that the best way the organization can function and prosper is if the old customers along with the new entrants believe that the organization will never compromise in their deliverables. They maintain a relationship of loyalty on both sides. Because they expect their customers to be loyal to the company, they in return oblige to provide the best quality deliverables in return. The company believes in providing the best services to the customers. Since relationship building is high on the organization's list of strategies, they try and make sure that the customers have no complaints regarding the qualities of the products. In case of invariable damages that sometimes occur, Nepalese Handicraft attentively take care of the problems.

Nepalese Handicraft follows a fair price pricing strategy that serves both the organization and the consumer base. The internationalization will not make a huge difference in the pricing strategies. In occasions when the prices do take a spike, the customers do not get affected much as the quality of the product is superior in comparison to the others found in the market. The organization is sensitive to the buying capacities of the consumers and thus provides a wide range of products with various prices, thus allowing individual customers to avail a variety of products depending on their buying capacity. It is important to note that irrespective of the price, the products are all of superior quality as Nepalese Handicraft never compromises with the quality of its products. The customer feedback on the durability of Nepalese Handicraft products has been considered to be extremely positive. Customers have reported then being able to use the products for an extensively long time, thus confirming that the organization endeavours and is successful in providing its customers with high quality products. It is very positive points that will help the company sustain itself in international markets. The advertising policy of the organization focuses on the contemporary designs and product details which are a big



help in engaging and retaining clients. It shows that the company focuses on consumer preferences and caters to their needs.

### **General analysis:**

The data analysis conducted in this chapter has focussed on two aspects the quantitative data and the qualitative data. The quantitative data has analysed the opinion of the survey population whereas the qualitative data has focussed on the factors that would be essential for Internationalization of the business. The quantitative data analysed primarily focussed on the culture within the organization and the adaptability to deal with the Internationalization procedure. The literature review section has highlighted the importance of cross culture management and the impact of culture on the Internationalization of businesses (Sirmon, Hitt & Ireland, 2007). The data analysed shows that the production department is not very effective in cross culture management and the adaptability across all departments is only 30%. Caves theories and other Internationalization theories studied have highlighted the importance of local production for most effective Internationalization process but however it can be evidenced from the data that the company has been lacking in this area. Further 34% also believe that the most important factor that needs to be looked into for Internationalization is change in organizational culture. The Revised New Trade Theory by Melitz (2003) and revised by Antras (2004) also illustrates the importance of Internationalization of Business in the Global environment. This has further been supported by the data collected where most of the departments in the organization believe that Internationalization would be beneficial for the organization. The qualitative data has analysed the demand and supply of the products in the domestic market for the organization. The location theory studied in the literature along with the New trade Theory studied highlight the importance of Internationalization for the purpose of meeting the supply and demand factors. The data gathered in the study also suggests the same. The product and the price of the product have also been considered in the qualitative data. The Cave Economics theories also illustrate the importance of local production for ensuring low pricing. The various theories studied in the literature review segment have been significant and these have been compared to the data analysed.

## Chapter 5: Conclusion

This chapter with the conclusion is the final chapter in the research paper that summarises the dissertation and helps in highlighting the recommendations and limitations of the research. The second chapter with the literature review has been helpful in illustrating the factors behind the need for internalisation and globalisation by Nepalese Handicraft. Nepalese handicraft is a leading business that has had a lot of success in Nepal. Internationalization holds a lot of importance to all companies in this day and age of globalization thus this dissertation has been based on Nepalese handicraft and their interest on launching the company on a global scale. A business, irrespective of its size needs the space for growth, and thus they need to take their products to the international market. In this chapter, the researcher will be highlighting on if the set objectives have been achieved or not in this research.

### Objective linking

Identify the causes of internationalization and for finding out why Nepalese handicraft want to internationalize their organization. In this objective outlined by the researcher it has been found that from the literature review chapter, two theories help in linking the objectives with the desired outcome of the dissertation. These two theories are that of Internationalization theory and the Oligopolistic theory.

Internationalisation theory states that it is smarter for a company to have production outlets in a specific out let as setting up production outlets in various places leads to the need of technology transfer that may require a lot of capital. Therefore, the launch of production units in other countries becomes easier in regard to technology transfer than depending on other companies (Richards, 1962). The other theory is that of oligopolistic theory that helps with the investments made by the company in other countries helps mainly in increasing their market shares (Scott, 2002).

From table and graph number 6 it becomes clear that Nepalese Handicraft management are not particularly sure as to if they can successfully address the implications of change in the organization that might happen due to globalization.

Second objective is to know the beneficial and adverse effects of internationalization of a company in respect to Nepalese handicraft. For this objective also to be fulfilled the Internationalization theory can be taken into account. This states that it takes a lot of capital for the company to transfer technology. But as it is clear that Nepalese handicraft is a well-established company in Nepal and their products are well in demand they can take the initial cost of investing in foreign countries as this initial cost will be easily recovered with their success on an international level. From table 5 and graph 5 the researcher has been able to conclude that the organizations culture is not reflective of an international culture. This can be a barrier in terms of achieving success on an international scale, but inculcating an international culture into their organization can help them in the longer run. From table 9 and graph 9 the researcher has been able to conclude that the members of the organization do feel that they will benefit by going global as that will help be at par with the international standards, which are rampant in the industry today.

Third objective is to understand the cultural effects on a business. From the section 2.15 in the literature review of the dissertation it becomes clear to the researcher that culture is an integral factor that has to be considered when taking internationalization into account. The culture of a place and the wants by the local people do influence to a large extent what the international outlets will be featuring at their stores (Gianetti *et al* 2010). Thus it sometimes is seen that many a companies have a fancy global reputation and are found to have outlets in various parts of the world but still remain unable to capture the local markets of that area. This is due to the fact that they do not let the local cultures influence their products. Thus it is important to adopt the culture of a place if the company desires to be accepted by the market of that particular place. It is of extreme importance for the firms to comprehend the distinction between the various cultures and their impact on the business practices as well as on the decisions that are reliant on the structure of the culture that is made by the manager which needs the full understanding of the culture and its range of sects and varieties (Carrol and Buchholtz, 2008).

From table 8 and graph 8 it becomes clear to the researcher that majority of the work force comprises of indigenous people and Nepalese handicraft lacks diversity in terms of employees under their organization. With more diversity in terms of the workforce working under the organization, there is a higher rate in terms of

exchange of ideas and information which gives way to efficient integration of ideas and thoughts into the procedures of the organization.

Fourth objective is to get better understanding of the customers and their needs. As it has been highlighted in the literature review section of the dissertation of Nepalese handicraft taking themselves on a global level it becomes clear to the researcher that the needs of a customer is very important. They have to be able to conceptualize as well as well understand the cultural history of the specific market to be able to modify and present their products accordingly as the needs of clients are largely dependent on their cultural back ground or the cultural background of the place. If they, the company gets a proper grasp of the cultural factors then it becomes easy for them provide better services as well as better products to the clients. This helps in garnering patrons for the company. Also from table 2 and graph 2 it becomes clear to the researcher that the organization needs to revise the frequency of their planning process. High level of importance has to be given to the production process as well as the department so that the entire working of the organization becomes visibly more effective and more flexible to be able to adapt to the revisions directed by the production process. Inculcating this in the organization will help in adapting better and faster to the various different cultures and needs of the clients from different parts of the world.

Fifth objective is to figure out what steps a company should take before starting its business internationally. By analyzing Table 4 and graph 4 it has become clear to the researcher that majority of the staff in the various departments like that of sales and marketing, finance/human resources etc. were unaware of the international principles and measures which are prevalent amongst the different organizations of the international market and thus it becomes important for the organization to educate and update all the employees working under Barker and Stone house about the way the international market works. This is one of the mandatory steps that Barker and Stone house must go through before they step into the international market.

From table 6 and graph 6 the researcher analysed that significant section of the employees believe that the organisation is still not fully prepared for handling the impact that will be caused due to the perceivable changes in the organisation when it steps into the international market. Thus the organization needs to study other internationalized companies from the global market so that they can analyse the areas that they need to work upon so that they are also able to compete on an international

scale and so that they can bring about the required changes that are needed in their organization before it goes global.

With the help of the analysis of the table 7 and graph number 7 it became clear to the researcher that the organization needs to bring about a change in the organizational culture and on the aspects of training and advancement of the employees is seen to be one of the weak points of the organization as the employees are not very sound when it comes to the application of technology and allotment of funds. Thus the organization needs to stress on the training and development factors of the organization so that they will be able to better compete on a global market and also to be able to enhance the ability of their employees when it comes to application of technology.

### **Recommendations**

Nepalese handicraft is a reputed business in Nepal and this dissertation is on them launching themselves on a global platform. With the help of the research done for the purpose of the dissertation, the researcher has been able to come up with certain recommendations for handicraft that will help the company in the long run at being a lot more successful on the long run. Nepalese Handicraft has to be able to train their employees and managers in terms of adapting to the local culture of the place where they plan on launching their stores. If a section of the employees will be transferred then they have to be able to be adaptive and open towards the culture of the place. Also they have to bring about a change in terms of the design that will be a reflection towards the culture of the place. As this will help them capture the markets better as it has already mentioned. They should also recruit more employees from different cultural backgrounds as that will prepare their base from adjusting and incorporating cultural changes.

It has also been found that the organization and the employees as well as the managers working under the organization are not very well attuned with the global market scenario and they feel the organization is not equipped enough to compete on a global level thus the organization should take this factor into account and train the staff and the managers accordingly with ample knowledge on how a global market works and what are the requirements to be a part of the global market as well as be at par with leading internationalized companies. The organization should take required

measures in assuring their team members that the cultural changes are not going to pose as a threat to their cultural beliefs. It is very important for the organization to be able to install confidence amongst their employees as well as gain their confidence. If the employees are not confident about the decisions that the organization is about to take it can lead to a high and sudden employee turnover rate. The employees must also be reassured that they will be benefiting with the company going global and not only the main members of the organization. This will help them work harder and put in their potential best for the launch and success of the organization on a global scale. The employees also have limited technical information and knowledge on how advanced technology is to be used for the betterment of the organization. This can be overcome by the organization by imparting better training amongst their staff members.

### **Future scope for research**

As this research was done with limited time and limited funds as it was predominantly intended for academic purposes the researcher was not able to get into a thorough and in depth study of causes and implications of internationalization at Nepalese handicraft. With the help of thorough analysis of Nepalese handicraft and with more time in hand, the researcher could do a comparative study between Nepalese handicraft and other similar organizations who are considering internationalization and those who are already a part of the international market. This would give a clearer picture of the standing Nepalese Handicraft would have in an international market. Thus there is ample scope for future research.

## References

- Antras, P. Helpman, E. (2004). Global Sourcing. *Journal of Political Economy* 112: 552–580.
- Banerjee S. (2006). "The Economic Lives of the Poor". *Journal of Economic Perspectives*, 21(1): 141- 168.
- Bernald H. (2011). *Research Methods in Anthropology: Qualitative and quantitative approaches*. Rowman & Littlefield publications.
- Biggam, J. (2008). *Succeeding with Your Masters Dissertation: A Practical Step-by-Step Handbook*. Buckingham, GBR: Open University Press.
- BUSINESS INTERNATIONALISATION THEORIES (PDF Download Available)*. Available :[https://www.researchgate.net/publication/317840725\\_BUSINESS\\_INTERNATIONALISATION\\_THEORIES](https://www.researchgate.net/publication/317840725_BUSINESS_INTERNATIONALISATION_THEORIES) [accessed May 19 2018].
- Carroll A. & Buchholtz A. (2008). *Business and Society: Ethics and Stakeholder Management*. Cengage Learning Publisher.
- Cooper, A., & Schindler, A. (2010). *Business and Society*: South-Western College Pub.
- Crowther D. & Lancaster G. (2007). *Research Methods: a concise introduction to research in management and business consultancy*. London: Routledge Publisher.
- Danciu, V. (2009). *Marketing international*. (2<sup>nd</sup> ed). Provocari si tendinte la inceputul secolulu, Editura economica, Bucuresti Press.
- Davidson , B. & Patel. R. (2003). *Forskningsmetodikens grunder*. Lund: Studentlitteratur
- Day, H. James, S. Yoshiro, T. Graham, L. John, M. (2008). *Doing Business in the New Japan*. 2<sup>nd</sup> ed. Toronto: Littlefield Press.
- Denscombe, M. (2007). *The good research guide: for small-scale social research projects*. Maidenhead: Open University Press.
- Dodd, C. (2011). *Managing Business & Professional Communication*: Pearson.
- Douglas W. (1998): *Effective Business Strategies That Accommodate Diverse Learners*. Prentice Hall.
- Drnevich, P. (2004). *The Role of the Cultural Distance in International Negotiations*. Krammert Graduate School of Management: West Littlefield Press.
- Ford, D. Gadde, L. Hakansson, H., & Snehota, I. (2011). *Managing Business Relationships*: Wiley.

- Ghosh, B.N. & Chopra, P.K. (2003), A dictionary of Research Methods, Leeds, (UK): wisdom.
- Gianetti, H. Mariassunta, J. Yishay, G. Yafeh, F. (2010). *Do Cultural Differences Between Contracting Parties Matter?* (3<sup>rd</sup> ed). Cambridge: Cambridge Press.
- Graham, J. John, L. Rodgers, W. (1994). *Exploration of Negotiation Behaviors in Ten Foreign Cultures using a Mode Development in the United States*. Management Science: Oxford University Press.
- Graham, L., John, G. (1993). The Japanese Negotiation Style. Characteristics of a Distinct Approach. *Negotiation Journal*, 7(3), 399-416.
- Handlechner M (2006). Marketing Strategy: The Hospitality industry is highly competitive. GRIN Verlag Publisher. Cameron S. (2009). Business Research Methods: A Practical Approach. Harlow: Financial Times Prencice Hall.
- Hawkings, K. (2006). Communicating corporate responsibility to investors: the changing role of the investor relations function. *Journal of Business Ethics*, 52 (1), 85-98.
- Markusen, R. (1995). "The Boundaries of Multinational Enterprises and the Theory of International Trade", *Journal of Economic Perspectives*, 9(2), 169-189.
- Melitz, M. J. (2003). "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity". *Econometrica*, 71: 1695–1725.
- North, M. & Macal, C. (2007). *Managing Business Complexity*: Oxford University Press.
- Richards, H. A. (1962). Transportation Costs and Plant Location: A Review of Principal Theories. *Transportation Journal*, 2(2), 19–24.
- Safarian, E. (1966). *Foreign Ownership of Canadian Industry*, (2<sup>nd</sup> ed ). Toronto: McGraw Hill Press.
- Saunders, M., Lewis, P., and Thornhill, A. (2009). Research methods for business students. Harlow: Financial Times Prentice Hall.
- Scott, R. (2002). *Organizations, rational, natural and open systems*, (5th ed). New Jersey: Prentice Hall.
- Sinani, E. (2009). When and Where Does Foreign Direct Investment Generate Positive Spillovers? A Meta-Analysis. *Journal of International Business Studies*, 40(7), 1075-1094.
- Steiner, J. & Steiner, G. (2011). *Business, Government, and Society: A Managerial Perspective* :McGraw-Hill/Irwin.
- The Impact of Handicrafts on the...* (PDF Download Available). Available : [https://www.researchgate.net/publication/277608075\\_The\\_Impact\\_of\\_Handicrafts\\_on](https://www.researchgate.net/publication/277608075_The_Impact_of_Handicrafts_on)



the\_Promotion\_of\_Cultural\_and\_Economic\_Development\_for\_Students\_of\_Art\_Education\_in\_Higher\_Education [accessed May 19 2018].

- Todo, Y. & Shimizutani, S. (2005). *Overseas R&D Activities by Multinational Enterprises: Evidence from Japanese Firm Level Data, Hi-Stat Discussion Paper Series no. 05-91*, Institute of Economic Research, Tokio: Hitotsubashi University.
- Walsh, A. (2007). China R&D: A High-Tech Field of Dreams, *Asia Pacific Business Review* 13(3), 321-335.
- Wang, E. (2010). Determinants of R&D investment: The Extreme-Bounds-Analysis approach applied to 26 OECD countries, *Research Policy* 39(1),103-116.
- Yin, R. K. (2003). *APPLICATIONS OF CASE STUDY RESEARCH*. LONDON: international Educational and Professional Publisher.

**Appendix 1**

**Questionnaire - Please tick the answers, which you agree with.**

**Demographics:**

**Question 1: Which area or division do you belong to?**

- Human Resource
- Production
- Finance
- Sales and Marketing

**Operations related Questions**

**Question 2: How often are the planning processes revised in your department?**

- Twice a month
- More than once in a month
- Once in 3 months

**Question 3: How effective do you think your present management system is compared to other organisations?**

- Very Effective
- Effective
- Not Effective

**Question 4: Are you aware of international operating and managing procedures?**

- Yes
- No

**Question 5: According to you, would Internationalisation contribute to any benefits for the organisation?**

- Yes

- No

**Human resource related Questions**

**Question 6: In your opinion, is the culture prevalent in the organisation reflective of an international culture?**

- Yes
- No

**Question 7: How well is the organisation equipped to handle changes in case the company decides to focus on internationalisation?**

- Completely Unprepared
- Unprepared
- Neutral Stance
- Somewhat prepared
- Completely Prepared

**Question 8: How Cosmopolitan is your department in terms of diversity of the employees?**

- Totally Indigenous
- Mostly Indigenous
- Neutral Stance
- Mostly Diverse
- Totally Diverse

**Mixed Box**

**Question 9: According to you, which is the most important aspect of the organisation which needs attention in case internationalisation is adapted?**

- Change in organizational culture

- Training and development
- Allotment of funds
- Re-allocation of Staff
- Application of technology

## Appendix 2

## Interviewed questionnaire and answer

Theme of Question	Question	Answer	Analysis
<b>Demand of Product in the market</b>	<b>Q1)</b> According to you, are the demands of the products marketed by the company meeting the rate of supply?	<b>Ans1)</b> The ownership of the company is quite contented with the position of the company in this competitive market. This automatically proves the fact there is enough demand of the product of the company among consumers. There is yearlong pressure of work in the production department to meet the rate of supply. In some cases the retailers even have to wait for some time for the delivery. Even there are seasonal pressures when the company finds it tough to meet the market demands. Due to internationalization, the demand is increasing even more. But now they have introduced certain new policies like taking orders at least 3 months before, hiring of more workers in the production department etc. These have been implemented and it has resulted to good and productive results. But there are always some exceptions	Thus, we can see that the management of Nepalese Handicraft believes that they have a positive stance in regard to the percentage of demand and supply of the products which are marketed by the company. Since in the domestic market the rate of supply matches the rate of the products demanded and marketed, they hope to achieve similar if not same results in the case of internationalization. Since this approach has managed to increase the demands for the organization's marketed products, it has been a positive step for the organization.

		which act in a positive way, and teach to avoid such conditions further.	
	<p><b>Q2)</b> Do you think that there is enough demand for the products in the market compared to other competitors in the market?</p>	<p><b>Ans2)</b> Nepalese Handicraft company has been a pioneer in their field over a prolonged period of time. They have a long chain of loyal customers who are truly satisfied with the products of this company. With the help of surveys the company has come to know that these customers are permanent and they will buy the product only from this company. Through different procedures the company is also aware of the fact that comparatively the company is doing well in the market than many other firms. In the recent years the company's profit has increased prominently and now it is planning to opt for internationalization. A large number of new customers have changed their brand loyalty and become the customers of this particular company. So this definitely is the credit of the company. With increasing customers, demand rates will also rise.</p>	<p>According to the managers, the brand name of Nepalese Handicraft has got a boost because of its plan for internationalization. The loyal customers have remained loyal while because of the international status, it has managed to get new customers who belonged to rival firms. This has helped in increasing the demand for the products in both the domestic and the international markets. All in all, the organization has been performing better than its competitors.</p>

		Thus the company management believes that where other companies are facing the problem of diminishing demand, this company is consistent with regards to such condition.	
<b>Quality of Products</b>	<b>Q1)</b> In order to meet up the rapid and increasing demands, do you ever compromise with the quality of the products?	<b>Ans1)</b> The decision makers of the company agreed to the fact that there is rapid increase in demand for the products of the company, but as far as quality of the products are concerned the authorities never compromise with that. They feel that to build up and hold the position of the company in the market for a long period of time, and even after its internationalization, it is necessary to maintain the quality of the product. Thus the company adheres to different processes like quality checks, buying the best raw material, hiring the most skilled workers who can deliver impressive products within short time limits and so on. The company checks the quality of the products several times before they are delivered. It also promises 2 years warranty on the damage of the product. Thus the company ensures total quality assurance in any case.	The management believes in maintaining the quality of the products despite the expansion plans. The management believes that the best way the organization an function and prosper if the old customers along with the new entrants believe that the organization will never compromise in their deliverables. They maintain a relationship of loyalty on both sides. Because they expect their customers to be loyal to the company, they in return oblige to provide the best quality deliverables in return.

	<p><b>Q2)</b> How do you handle the customer complaints against the quality of products?</p>	<p><b>Ans2)</b> Although the company strictly tries to deliver the best quality products but in spite of that there may be some damages due to transportation or manhandling then customers can complain in the toll-free number which is available for 24 hours. The company will send its workers to check the damage within some days, and if servicing is needed the labourers will take it to the company's workhouse for repairs. But it is solely the decision of the company whether they will replace the product or not. But each customer is given attention individually</p>	<p>The company believes in providing the best services to the customers. Since relationship building is high on the organization's list of strategies, they try and make sure that the customers have no complaints regarding the qualities of the products. In case of invariable damages that sometimes occur, Nepalese Handicraft attentively takes care of the problems.</p>
<p><b>Price of Products</b></p>	<p><b>Q1)</b> Is the pricing of the product based on the present market rates or is it fixed according to the quality?</p>	<p><b>Ans1)</b> The company management says that it tries to keep a reasonable rate altogether even it will follow that after the internationalization. But in some cases where the cost of raw materials are more or there are intricate handmade designs the prices are slightly higher. But customers are willing to pay so, as they are ensured about the product's quality. So the fixation of pricing depends from one product to another. A certain rate</p>	<p>Nepalese Handicraft follow a fair price pricing strategy that serves both the organization and the consumer base. The internalization will not make a huge difference in the pricing strategies. In occasions when the prices do take a spike, the customers do not get affected much as the quality of the product is superior in comparison to the others found in the market.</p>



		is fixed which matches the present market rates and also includes the production cost of the product.	
	<b>Q2)</b> Are the customers, who buy your company's product, finding the price to be reasonable?	<b>Ans2)</b> The company has a wide range of customers. So different customers have different price range. Some can afford to buy product which have high costs while some opt for pocket friendly products with good quality. But the company always tries to keep the price of the product reasonable as far as possible. Moreover there are different products with different price ranges for varied categories of customers. They can choose the one which they find to be affordable. The prices vary according to the designs, quality of materials, portability and so on. It depends totally on the customer on how much he can spend for the product.	The organization is sensitive to the buying capacities of the consumers and thus provides a wide range of products with various prices, thus allowing individual customers to avail a variety of products depending on their buying capacity. It is important to note that irrespective of the price, the products are all of superior quality as barker and Handicraft never compromises with the quality of its products.
<b>Durability and Appeal of the Product</b>	<b>Q1)</b> Do you think that the products manufactured by your company are durable?	<b>Ans1)</b> According to the company owners, as the organization pays a lot of attention to the product's quality, so it is indeed essential to make the product durable. Customer satisfaction will only come if the product delivered is	The customer feedback on the durability of Nepalese Handicraft's products has been considered to be extremely positive. Customers have reported then being able to use the products for an extensively long time,

		<p>durable in the long run. Through customer overview it has come into focus that most of them buy products of this company because they are durable. Some customers say that they are using products of this company in their homes for about decades. They are made from the best quality raw materials to give customers the most excellent products.</p>	<p>thus confirming that the organization endeavours and is successful in providing its customers with high quality products. It is a very positive point that will help the company sustain itself in international markets.</p>
	<p><b>Q2)</b> Does the company focus on the appeal of the product along with the quality?</p>	<p><b>Ans2)</b> In this modern world customers pay a lot of attention to design and appeal of the product. Buying designer product is now a trend. So this company has also launched a range of designer products that are attractive and world class in their appeal. But the company also brings out classic and trendy looks on all other products too at reasonable rates. Thus it definitely pays importance to look and appeal.</p>	<p>The advertising policy of the organization focuses on the contemporary designs and product details which are a big help in engaging and retaining clients. It shows that the company focuses on consumer preferences and caters to their needs.</p>