How Brand Strategy and Brand Communication Help to Building Brand Equity in a developing country – a Study on the metropolitan city, Kathmandu, Nepal

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DECLARATION

This study is my original work, and I have not presented this study to any other institution. Therefore, getting permission from the author or the University of Agder in Norway is essential before using it.

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Date <u>01/06/2023</u>

DEDICATION

I would like to dedicate this study work to my mother, Kumari Ale, and my father, Til Bahadur Ale, for their unconditional love and support.

ACKNOWLEDGEMENT

ABSTRACT

Globalization has made the business world competitive like never before. The concept of building a long-term brand is emerging rapidly over time. Proper mechanisms, tools, or techniques were absent from branding used today. Businesses are continuously working to gain an edge over their competitors in the market. However, finding the proper mechanism of brand strategy and brand communication is difficult to attain. There are differences in the approach to branding between developed and developing countries. Small businesses in developing countries face challenges sustaining and succeeding in the market. This study shows how brand strategy and communication help build brand equity in Kathmandu Metropolitan City, Nepal. The researcher conducts qualitative research to explain how small businesses and entrepreneurs use branding concepts and mechanisms in Kathmandu. The study sketches the significant variables such as traditional and cultural values, unstable market, limited resources, growing technological access, availability of duplicates, and growing middle class which highly influence the brand strategy and brand communication approach. Such variables provide both challenges and opportunities to small businesses. The key issues with creating brand equity and value in developing and underdeveloped countries are intended to be generalized by this study.

Keywords: Branding, Brand Strategy, Brand Communication, Brand Equity, Developing Countries, Variables

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CHAPTER ONE: INTRODUCTION

1.1 Background

Branding has been developing along with the development of human civilization. Several decades ago, in the history of human civilization, contemporary branding was unsophisticated. Proper mechanisms, tools, or techniques were absent from branding used today. To fulfil a desire for excellence and higher status, thousands of breakthroughs, inventions, discoveries, and the creation of several industries have occurred. Because of this, the most competitive industries now have access to sophisticated tools, procedures, and marketing tactics (Kotler & Keller, 2007). In a general sense selling through advertisement is branding.

In this modern era, the perception of branding has drastically changed. The items could be readily sold when the businesses possess a solid knowledge of the target audience's demands of the target audience, creates goods that offer greater worth along with pricing, and efficiently delivers and advertises them.; otherwise, it is difficult to stay in the market (Farrag El-Sayed, n.d.). Globalization, technological changes, and intense competition are today's environment. An organization must determine its vision to satisfy customers' needs and wants through successful branding (Kapferer, 2008). Brand loyalty is the behavioural response by a decision-making unit to one or more other brands within a brand group over time (Mowen, 1990, p. 776). The positive response from customers regarding quality and credibility is natural, so it is pursued by businesses that articulate the success of branding (Rooney, 1995).

Developing a visual brand or developing visual brand assets can be categorized as branding, but it's only a tiny slice of a much bigger pie. To do it successfully, brands need a compass to direct them toward the audience's purchasing decisions and loyalty. Naturally, all consumers do not deal with or perceive the brands exactly in the way that marketers want (Batey, 2008). Some consumers keep on sticking to a particular brand, whereas some shift brands because they are easily influenced by various factors (Hem & Iversen, 2003). Such consumers aren't loyal to the brand and may ignore the brand. They buy according to the asking price and quality. Thus, the importance of proper brand strategy and communication has grown increasingly to secure loyal customers.

It is evident that the focus of the study of industrialization and the overall development of countries has been growing in past decades. But most of the countries in the world are still

undeveloped or developing. However, even developing countries like Nepal are moving toward industrialization by establishing different industries. Traditionally, most people depended upon agricultural products. But now industrialization is being adopted with the establishment of various types of industries and businesses. Nepal has been producing different products and launching them to the market, making it more competitive.

It is evident from past studies and research that well-established brands benefit from the global market (Keller, 2008). This study mainly highlights the direct and indirect impact of brand strategy and communication on the businesses of Kathmandu Metropolitan, Nepal. Understanding and identifying the effects and variables involved will lead to a proper understanding of the scenario and the importance of brand equity in a developing country like Nepal. Furthermore, it will help business owners to cope with the current competitive business situation and develop better mechanisms in the future.

1.2 Statement of the problem

Most business operations in the third world have less support and underlying structures. The lack of proper mechanisms to create a long-lasting brand causes many businesses to fail and even shut down (Kotler & Keller, 2007). At the same time, businesses with strong strategies and communication are more successful and profitable in the long run.

Brand communication and strategy are the key necessities for branding any product globally, i.e., either in urban or rural areas (Keller, 2008). Without it, no one can imagine branding any product. Nowadays adoption of technology rate is speeding up. The world has become a global hub where international players dominate the major share of the market (Van Gelder, 2003).

However, using brand communication and strategy in Nepal is difficult due to the lack of knowledge, resource scarcity, and other complicated variables. Most businesses are still using traditional marketing methods. Small businesses are facing challenges to compete and grow in the market. The future seems uncertain due to constant controllable and uncontrollable changes. It is tough to find out the percentage or the number of businesses using globally practiced mechanisms. Small businesses in Nepal are desperate as the competition from local and international brands is increasing rapidly. So, they require a better understanding of the scenario. There is a preliminary study on the worldwide branding process of businesses from underdeveloped nations. Different variables pose both risks and opportunities under which they

must work on. Adopting the right and appropriate brand communication and strategy could change the current situation. It could help them build their brand value and equity in the long run.

1.3 Research Questions

In this study, "How Brand Strategy and Brand Communication Help to Building Brand Equity in a developing country – a Study on the metropolitan city, Kathmandu, Nepal," I will answer the following questions.

1. What are the direct impacts of brand strategy and communication on the businesses of Kathmandu?
2. What are the present brand mechanisms used by Nepalese producers and businesses to increase their brand equity and value?
3. What are the other external variables, and why is it challenging to build a long-lasting brand in a developing country?

1.4 Study Objectives

1.4.1 General Objectives

This study was carried out to understand the overall impacts of brand communication and brand strategy on the brand equity of small businesses in Kathmandu metropolitan city, Nepal. This study aims to generalize the significant variables that exist in developing countries under which businesses must operate. Additionally, the study will use fieldwork and secondary literature from local, national, and worldwide settings to comprehend the research questions and aims.

1.4.2 Specific Objectives

This research will be concentrated on achieving the following specific goals.

1. Sketch out the significant challenges business holders face in creating brand equity in Kathmandu metropolitan city, Kathmandu, Nepal.
2. Find out the impacts of brand strategy and brand communication in business operations in Kathmandu metropolitan city, Kathmandu, Nepal.

3. Sketch out the present strategies and emphasis on building a long-term brand in Kathmandu metropolitan city, Kathmandu, Nepal.

4. Find out the alternative strategies used to succeed in the growing competitive market.

1.5 Geographic Study Area and Context

The study is focused specifically on Kathmandu Metropolitan City, Kathmandu, Nepal. It is the capital of the nation, which has a population of about 1,571,000. Due to its dense population, this city accounts for a sizable portion of Nepal's economic activity.

Hundreds of small, medium, and large-scale businesses operate in this city. The study focuses on small-scale businesses trying to build a better brand to succeed in a very competitive market. The businesses are primarily based on selling services and goods, such as restaurants, clothes retailers, grocery stores, educational consultancies, etc. This study will be limited to the Kathmandu metropolitan city, Nepal.

Figure 1 Map of Nepal showing Kathmandu.
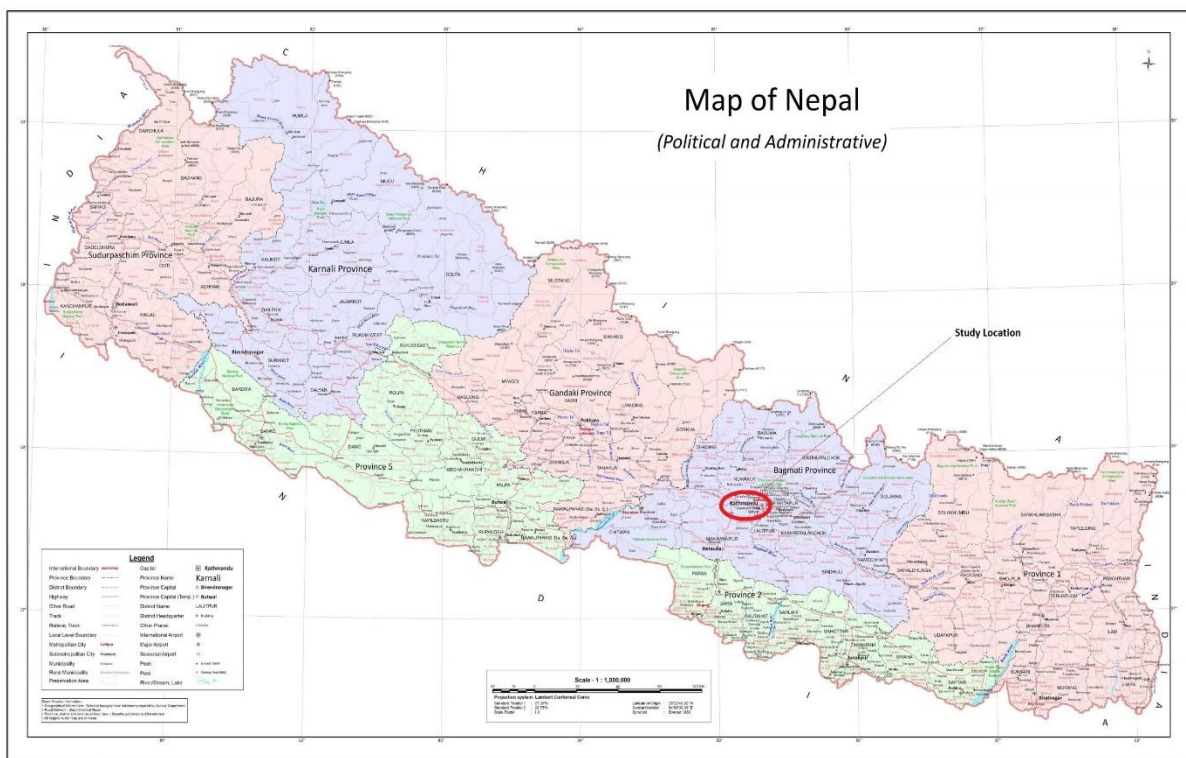
Source: (Ministry of Foreign Affairs Nepal MOFA – Nepal Government Foreign Affairs Nepal MOFA Official Site, n.d.)

1.6 Significance of the Study

This study sketches out the significant impacts of brand strategies and communication on the brand equity of small businesses in Kathmandu metropolitan city. The research has analysed its effects and effectiveness from qualitative research methods, primarily semi-structured interviews. In addition, the variables in developing nations, i.e., Nepal, while building brand equity, are studied.

The analysis and outcome of the study are relevant to the different contexts of Nepal and other developing nations. Therefore, business holders can use the work and get different ideas to effectively develop a proper future mechanism for their brands' sustainability. So, the study is significant for small businesses to create strong brands and create a positive perception in the mind of the customers. It can act as a guide to tackle the challenges and grab the opportunities that come along the branding process. It also helps them minimize risks in the long run.

This study has outlined different indications and findings, which can be applied in Nepal's local and national contexts to compare with the existing strong national and international brands. Furthermore, the study's findings can benefit other researchers, stakeholders, and new entrepreneurs.

1.7 Organization of the Study

There are five chapters in this research process. It includes Introduction, a Literature review, Research Methodologies, Major findings, and a Summary & Conclusion.

Chapter One provides a basic introduction, including a brief summary of the issue statement, research questions, research objectives, geographic study region and context, the significance of the study, and study organization.

Chapter Two deals with the literature review. The literature review chapter examines the past literature associated with this research topic. Books, journals, articles, institutional reports, and news pieces are examples of literature. To make the study more effective and fruitful, the researcher ties the literature to it. This chapter also contains a theoretical framework that works as a basis for designing a conceptual framework to answer the research questions.

Chapter Three of this work-study deals with the methodology. The general concepts of methodology, data collecting and analysis methods, sample methods, and other methodological components are presented in this chapter.

Chapter Four presents the analysis and discussion of the information gathered from the literature review and the semi-structured interview, as well as the primary conclusions of the study. Finally, the researcher summarizes the study's main findings in this chapter.

Chapter Five presents the conclusion and summary of the significant findings and the research study. Also, this chapter provides recommendations for businesses, readers, and other stakeholders to better understand the effects of brand communication and brand strategy to build long-term brand equity, especially in developing countries.

Chapter Two: Literature Review

2.1 Introduction

The majority of the study is conducted with the help of related fields. Thus, it provides a strong background about the topics. So, the researchers review relevant topics, articles, visits, and studies of relevant issues. This paper aims to explore the relationship between brand strategy and communication to build brand equity and brand value. So, this chapter reviews the relevant literature in the published book, journals, articles, thesis, newspapers, websites, and previous theoretical and empirical work supporting the present study.

2.2 What is a Brand?

A brand is any characteristic that distinguishes a seller's goods or services from those of other businesses, such as a name, word, design, symbol, or other attribute (American Marketing Association, n.d.). While businesses develop brand identities, consumers develop brand meaning, and people's interpretations of brands aid them in understanding and shaping their environment (Batey, 2008). It is intended to create strong favourable associations in customers' minds.

A brand name expresses information that embeds an added value, differentiating it in a market way from alternatives (Batey, 2008). Establishing faith within customers and creating loyalty is the main aim of brand positioning in marketing. It provides buyers with a unique path to remember product service, creates an identity for the business, and sets it apart from competitors (Kotler & Pfoertsch, 2006). Thus, a brand is not only the recognition of a product but also a technique that helps to differentiate the products from the earlier ones (Kapferer, 2008). Therefore, every producer always pursues a positive attitude towards the brand of their products. Likewise, every manufacturer wants and tries their best to make the consumer loyal to their product's brand.

According to Kapferer (2008), a strong brand emerges when it has the ability to influence the market due to the collective brand experience. Every employee of an organization must be familiar with at least fundamental branding fundamentals since it has grown into an essential management priority (Keller, 2003). Brands are continuously organized upon their goods and

offerings, identities and characters, and worth due to the complicated nature of business and its fluctuating surroundings (Kapferer, 2008).

Kotler and Pfoertsch (2006) argue that a brand is an assurance conveyed to a target market based on the views it has developed regarding what it sells or provides. As a result, it embraces a distinct persuasive position in the customer's mind where the brand represents a shortcut of attributes, benefits, beliefs, and values based on past experiences, associations, and future expectations. In conclusion, it is the brand that differentiates, reduces complexity, and simplifies the decision-making process for the customers.

2.3 Characteristics of Brand

Most people think of branding as "the logo." But the logo is just the starting point of the brand's visual and communication aspects. It is the total perception someone holds in their head about a brand (Kotler & Pfoertsch, 2006). Therefore, brand building is useful for creating a desired perception in someone else's mind. It is reflected in every attraction, and interaction, an employee prospect or customer has with the brand. Chamat (2017) suggests the following characteristics of a successful brand:

1. Competitiveness: A brand must work with its whole staff members with proper motivation. Without a sense of competitiveness, brands cannot survive and grow in the current market. It is essential to be proactive and reactive for brands (Chamat, 2017).
2. Distinctiveness: Brands must be distinctive to establish a lasting brand identity. They should provide unique features or characteristics in their offerings (Chamat, 2017). For example, Nike is distinct for its high-quality products and innovative shoe designs.
3. Passion: The motivation that pushes us to work more than anybody else to provide quality, even in the most trying circumstances consistently, is passion (Chamat, 2017). For example, Elon Musk would not maintain his success without his passion, regardless of earlier failures.
4. Consistency: Businesses can count on their clients to come back for further purchases if they consistently deliver excellent goods and offerings (Hem & Iversen, 2003). It stays in customers' minds longer and increases brand recognition, encouraging loyalty. (Chamat, 2017).
5. Leadership: To motivate staff and customers to share enthusiasm and passion for the brand, business owners must lead by example resulting in everyone connected to the

brand feeling strongly inspired to support it because of how evidently passionate they are about what they do (Chamat, 2017). For instance, the leadership of Steve Jobs made Apple what it is today in the market.

6. Exposure: The growth of technological and social media access has made it easier for brands to expose themselves in the market through video, social media channels, and others (Chamat, 2017).

7. Audience Knowledge: Brands are unable to maintain the characteristics above unless they have extensive knowledge of their customers. Proper research is required to gather comprehensive information.

2.4 Branding Principles

Brands must adhere to branding guidelines and practices to create a successful brand campaign. According to Kotler and Pfoertsch (2006), the following five branding principles are crucial for success in branding:

1. Consistency: Consistency is the most crucial branding principle for any business. Every detail of interaction between the business and its stakeholders is impacted, so businesses should use an integrated manner that goes well beyond the product or brand to become consistent (Kotler & Pfoertsch, 2006).

2. Clarity: The brand becomes more tangible and understandable when it is more apparent. Clarity is built on the businesses' vision, mission, core values, and core competencies (Kotler & Pfoertsch, 2006). These should be simple to explain and comprehend so stakeholders can place the brand's significance in their minds.

3. Continuity: Stakeholders have confidence in the brand if they are aware of what to anticipate and can depend on it to deliver on its promises (Kotler & Pfoertsch, 2006). Therefore, maintaining continuity and adaptability is crucial to building long-term brand equity and confidence.

4. Visibility: Increasing brand exposure and creating brand awareness are the two main components of brand visibility that help to reach the target audience and differentiate among the existing competitors (Kotler & Pfoertsch, 2006).

5. Authenticity: Brand authenticity is without a doubt the source of all business members' behaviorism, which has the goal of giving customers a sense of ownership over, control over, or direction over a special, valuable good or service (Kotler & Pfoertsch, 2006).

2.5 Brand Functions

2.5.1 Brand Function from Consumer Perspective

Kapferer (2008) discussed a number of brand functions that support the brand's value and attractiveness to consumers. The first two functions are mechanical and the brand's essence as a symbol of recognition to facilitate selection and win the opportunity; the next three are for reducing risk, and the last three are associated with the enjoyment of the brand (Kapferer, 2008). If all the functions are effectively achieved by the brands, the consumers will be loyal to the brands. It will help them to gain market share and be distinctive among their competitors.

Following are the eight functions of the brand to its consumers:

1. Identification: To ensure that the brand is easily noticed and recognized. Identification focuses on the brand's essence and helps the customer make a quick decision considering all relevant factors (Kapferer, 2008).
2. Practicality: According to Kapferer (2008), practicality is essential to the brand's essence and aids the customer in making a quick decision and saving time when making repeat purchases. It makes them usable and recognizable.
3. Guarantee: Regardless of the location and timing of the purchase or consumption, the base brand guarantee's purpose is to lower perceived risk (Kapferer, 2008).
4. Optimization: The primary goal of brand optimization is to lower perceived risk by providing the finest product in its category at the lowest total cost of ownership (Kapferer, 2008).
5. Badge: The fundamental purpose of a brand badge is to lower perceived risk by reaffirming one's brand identity (Kapferer, 2008).
6. Continuity: Continuity is a function of emotional happiness brought about by long-term brand intimacy brought about by loyalty (Kapferer, 2008).
7. Hedonistic: Hedonistic behavior is a result of emotional fulfillment pleasure is produced by a brand's appeal, its logo, it's messaging, and experiential compensation (Kapferer, 2008).
8. Ethical: Emotional satisfaction regarding a brand's social and environmental responsibility is what ethics means.

2.5.2 Brand Function from Company's Perspective

Allocating organizational resources to unleash brand potential is crucial to building a dominant brand. Establishing a powerful, long-lasting brand impacts long-term company growth. Kotler and Pfoertsch (2006) suggested eight main functions of the brands to take over a distinctive position in the minds of stakeholders from the standpoint of brand function.

Figure 2 Brand Function from Company's Perspective

Source: (Kotler & Pfoertsch, 2006)

The eight brand responsibilities are located in the brand functions' outer rings. The outer circle indicates the value a brand represents to the business, while the center represents the functions and value to the consumers. Since each position is interconnected, strengthening one will benefit the others. Effective differentiated marketing strategies will develop distinct brand preferences and brand image by keeping their promises. So, the brand will stand out on the market and grow brand loyalty. Due to this, the brand has made it possible for itself to command a premium market price with solid margins. As a result of that and loyalty to the brand, it will secure future business and increase brand equity sustainably (Kotler & Pfoertsch, 2006).

For instance, Nike has created substantial brand equity through effective differentiated marketing strategies. As a result, it has successfully created a positive brand image in the eyes of the customers. Due to this, they have many loyal customers, which helps them charge premium prices for their products. In addition, Nike has secured their business in the long run through proper advertising and influencers.

2.6 Brand Strategy

Simply, a brand strategy is a comprehensive method used to increase a brand's recognition and favourability among current and potential customers. In order to retain and develop a lasting competitive edge over other businesses, the brand strategy plan describes the direction and scope of the brand over a long period (Arnold, 1992). Corporate and brand strategies should be coordinated to produce value for stakeholders (Van Gelder, 2003). To ensure strategic coherence, Van Gelder (2003) contends that brand strategy must begin with adequately comprehending the company plan. Brand strategy is constructed on its core, beliefs, and associations using building blocks, including brand purpose, planning, positioning, promise, and personality. (Kotler & Pfoertsch, 2006). The process by which a business determines which brand components are required to develop an adequate and workable brand proposition for the target audience is known as a brand strategy (Kotler & Pfoertsch, 2006).

The brand strategy must align with the corporate vision, business strategy, and culture (Aaaker & Joachimsthaler, 2000). In the brand leadership model developed by Aaker & Joachimsthaler (2000), the brand manager plays a strategic and visionary role where they identify four strategies that businesses should complete to develop and become powerful brands:

1. Establishing a successful and efficient brand organization through organizational structure and procedures.
2. The use of brand architecture to steer and create a strategic brand direction.
3. Brand positioning and identity to set the brand(s) apart in the relevant markets.
4. Brand-building programs help plan, develop, execute, and track successful initiatives (Aaaker & Joachimsthaler, 2000).

The following are the essential components of brand strategy that help to build a long-lasting brand in the market.

2.6.1 Brand Elements

Brand elements are the components that make the brand identifiable and different from any competitors. To differentiate the brand, increase brand awareness, and promote distinctive brand associations, brand elements and brand identity are frequently employed in conjunction with one another (Keller, 2008)

According to Kotler and Pfoertsch (2006), visual identity should be controlled according to precise visual code principles for long-term consistency without threatening brand identity. Additionally, Keller (2008) separates six general criteria for brand aspects into two groups based on whether they serve an offensive (memorability, meaningfulness, likeability) or defensive purpose (transferability, adaptability, protectability). The components are self-exploratory. Every component of a brand will have both strengths and weaknesses. The verbal and visual context of the various parts must be mixed and balanced to maximize their overall contribution to building brand equity (Keller, 2008).

The following are the major elements of the brand, according to Keller (2008):

1. **Brand name:** A commonly used definition of a brand name is that it is the component of a brand that can be spoken or verbalized (Bennett, 1988). An effective brand name must be simple to say, spell, remember, unique, and devoid of bad associations (Turley & Moore, 1995). If the brand name is catchy, it will register with the consumers immediately.

2. **Logos and symbols:** Logos and symbols are incredibly essential assets, and businesses invest a lot of money in promoting their brand logos and symbols since they increase brand recognition and brand loyalty for businesses (Kapferer, 2008).

3. **Characters:** The character represents a special brand symbol that takes on human or real-life characteristics. Characters are usually promoted through ad campaigns and create a brand identity for the product.

4. **Slogans:** Slogans are concise expressions that offer the public descriptive and persuading information that enhance brand name and awareness which are crucial for establishing brand equity (Kapferer, 2008). For example, Himalayan Bank (The Power to Lead), Dew refresh drink (there's success beyond fear), etc.

5. **Jingles:** Jingles are musical messages written around the brand. They normally have catchy words and have a tone that is very hummable. Every jingle's goal is to provide

the target audience with a memorable, instantly recognizable tool that sticks in their heads and hearts.

6. **Packaging and Color:** One of the ways that businesses may make their products stand out to customers is by using appealing and informative packaging (Ambrose & Harris, 2011). Incorporating color into goods, services, packaging, logos, and other materials can help maintain and build positive brand and business perceptions in the eyes of consumers (Madden et al., 2000).

7. **URLs:** URLs, which are also known as domain names, identify the locations of websites. The inclusion of URLs in a brand's name increases its visibility and facilitates customers' searches (Keller, 2008).

Each brand element has a different role to play in building a brand. Marketers must be able to use them in the right combination to create memorable brands.

2.6.2 Brand Identity

Brand identity establishes a relationship between the customer and the brand by creating value. According to Aaker (1996), brand identity provides strategic direction, purpose, and meaning for a brand. What brands say, their values, how they explain their goods, and how they want target customers to feel when they connect with their business all combine to form a brand identity (Wheeler, 2023). Customer perception of a brand is crucial to its sustainability. The brand perception, or in other words, the brand image, is therefore always on the receiver's side (Kapferer, 2008).

Four different views and twelve separate dimensions were used by Aaker (1996), shown in Figure 3, to build his brand identity model. Before they can explain, enrich, and differentiate the brand identity, brand managers must have a thorough awareness of the brand identity from many angles.

In Figure 3, the model's core contains the brand essence, core identity, and extended identity. The brand essence is an ambiguous, eternal identification statement that encapsulates the brand's beliefs and vision. This is viewed by Aaker & Joachimsthaler (2009) as the internal magnet that maintains the connection of the core identity element. The associations inclined to remain stable over time are embodied in the core identity, which helps the brand become sustainable, distinctive, and valuable due to the key uniqueness (Aaker & Joachimsthaler,

2009). The extended brand identity fills a role of depth and character to channel the ambiguous core identity into a coherent brand direction. The extended identity incorporates components that are not related to the permanent base of the brand identity, whereas the essential elements are permanent (Aaker & Joachimsthaler, 2009).

Figure 3 Brand Identity Perspective
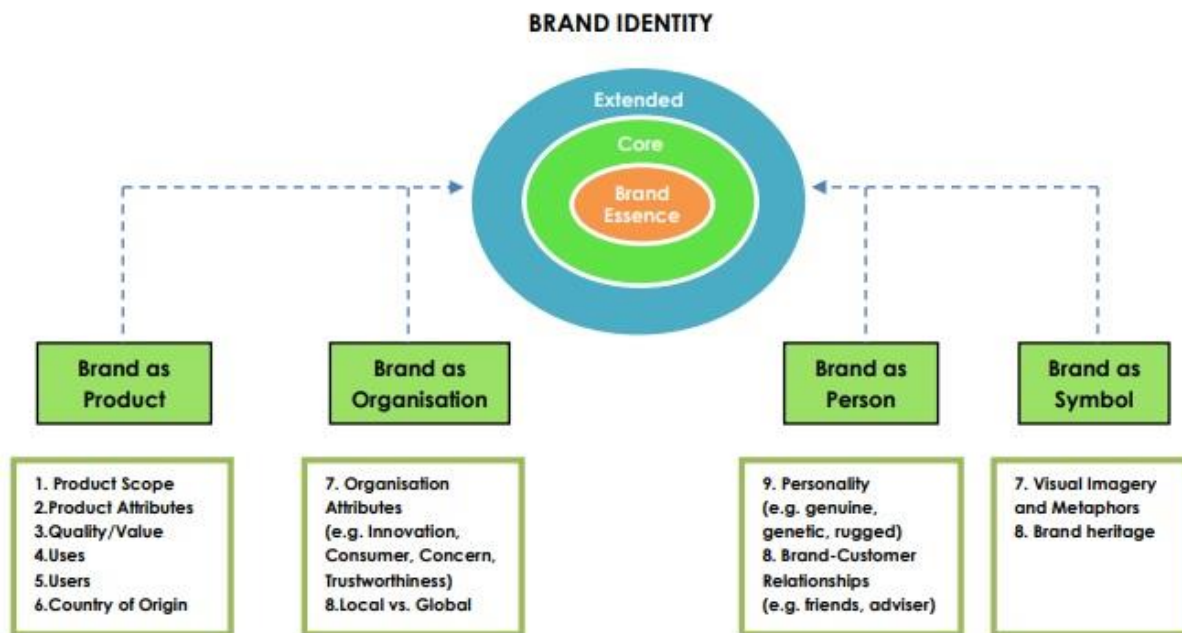
Source: (Aaker, 1996)

Aaker and Joachimsthaler (2009) explain the following perspectives:

Brand as a product: Product-related attributes significantly impact brand identity as they relate to user needs and product experience.

Brand as an organization: Brand managers are persuaded to move their perspective from product to organizational traits while observing the brand as an organization with traits such as innovation, customer relationship management (CRM), quality, visibility, and presence (Aaker & Joachimsthaler, 2009).

Brand as a person: Brand personality is widely used in many brand equity models. Brand personality offers a base from which to use brand identity and communication and even to establish the fundamental principles for marketing initiatives (Aaker, 1996).

Brand as a symbol: A powerful symbol can play a significant role if it contains a relatable, recognizable, and reliable metaphor in brand strategy (Aaker & Joachimsthaler, 2009).

2.6.3 Brand Perception

Brand perception is one of many fluffy branding terms. It's fairly self-explanatory on the fact that brand perception is the perception of a brand in the market. Consumers' perception of the quality of a brand is the primary component upon which success or failure is determined (Kotler & Keller, 2009). Thus, consumers buy based on their perceptions, which are greatly influenced by the signals businesses convey, such as brand name, packaging, and color. (Tom et al., 1987). The choice of brand names and the design of packaging by businesses provides a solid signal to customers. For instance, shiny labels on wine bottles indicate to customers that the wine is cheaper, whereas dull labels indicate that the wine is more expensive (Tom et al., 1987).

Branding involves using the strategic instruments a business has at its disposal to shape desired perceptions (Batey, 2008). Customers might not see brands as firms want them to. The opinions of consumers are more significant than the facts or reality (Feldwick, 1996). So, effective advertising is crucial to deliver the message to the customers. Because people purchase items for their meaning as much as for what they can do (Schultz & de Chernatony, 2002).

2.6.4 Brand Positioning

Simply, the total of all marketing efforts that place the brand in the consumer's consciousness compared to rivals is known as brand positioning. It is a game of influencing perception, and those perceptions live in the mind of customers (Ries & Trout, 2001). It is the act of proposing the business's goods, services, and image to capture a definite place in the customers' cognizance (Kotler, 2003).

Positioning is crucial for new brands due to highly competitive market forces. Prominent market players already have a strong brand presence and awareness. So, the target audience is unaware of the new brands. Therefore, if the new brand is entering the market as a new brand, it should have a well-defined positioning and a well-defined differentiator to emphasize how it differs from the competition. Therefore, it is essential to conduct an unbiased brand evaluation and determine how current and potential customers perceive the brand to position it effectively within its market (Ries & Trout, 2001). In order to establish brand positioning, it is necessary

first to determine the target market, the type of competition, the points of parity (POP), and the points of differentiation (POD) (Keller, 2008).

2.6.5 Brand Value Choice

A brand value is described as a mentality that is significant to customers and is utilized to determine the purpose of the business that directly impacts both mindsets and actions (Riezebos et al., 2003). The management should choose one or more values that a brand must associate with after deciding on a specific positioning to provide more explicit possibilities for the defined meaning of a brand (Batey, 2008). The key is that everything customers interact with concerning the brand should reflect the chosen brand values. Brand values allow a business to stand out from the competition and draw customers whose values align with theirs. Due to this, most customers prefer brands that have a clear set of values since they use them to make metaphorical, nonverbal declarations about who they are (Ellwood, 2002).

2.7 Brand Communication

Even though a brand's visual representation is crucial, its communication and message strategy is far more significant. It is nothing if a brand cannot offer the public a compelling and consistent reason to pick it above other brands or over its rivals. As a means of initiating a conversation and developing ties with customers, marketing communications serve as the voice of the business (Kotler & Keller, 2007). The manner in which companies interact with their target market shapes brand trust and, in turn, determines whether the relationship will endure further initial interactions (Keeling et al., 2010). Additionally, it helps to harmonize the numerous brand images and messages, enhancing the business's capacity to communicate with the appropriate customers at the appropriate time and location.

In the digital age, new media has completely transformed communication, including how businesses use social media (Voorveld, 2019). It has helped them engage with the customers effectively. Consumer engagement is frequently a sign of a more profound relationship with a consumer that ultimately helps to build brand equity (Brodie et al., 2013). It has been determined that one essential aspect affecting customer behavior is the growth of online social communication channels (Liu et al., 2020). Therefore, businesses must actively monitor and adapt to the trend. However, brands must be cautious about improving user experience and avoid any kind of misinterpretation to avoid defamation (Kapoor & Banerjee, 2021).

Brand equity can be built through marketing communication (Kotler & Keller, 2007). Figure 4 demonstrates how communications increase brand equity by raising consumer awareness, establishing a brand identity, evoking brand reactions, and fostering a closer bond between consumers and brands.

Figure 4: Marketing Communication Mix
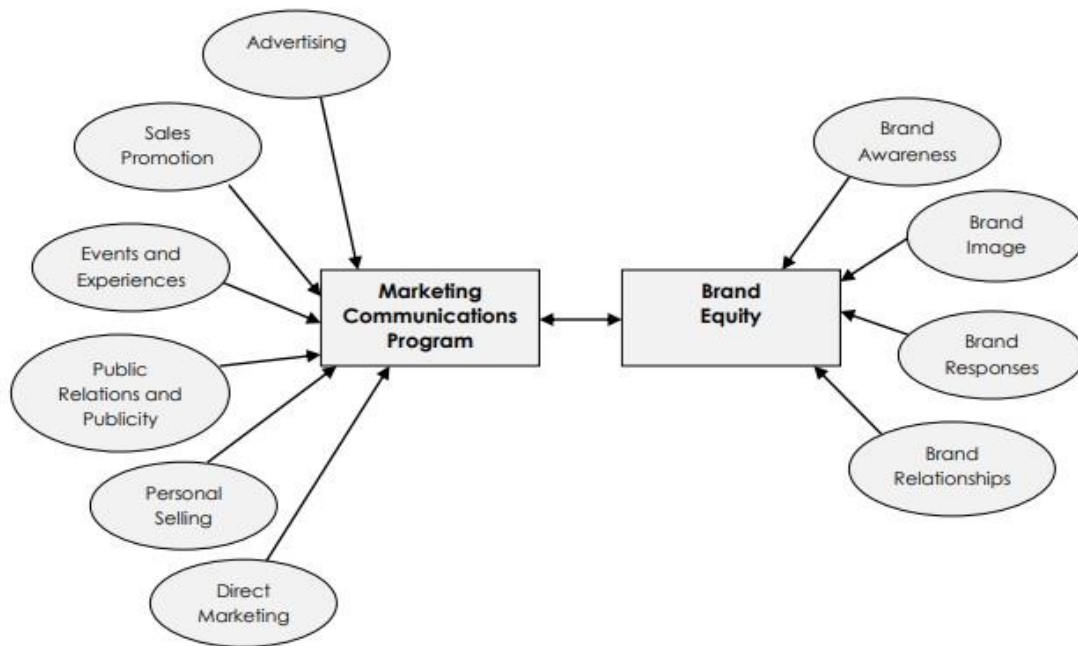
Source: (Kotler & Keller, 2007)

Kotler and Keller (2007) recommend the following marketing communications mix, which includes six primary modes or channels of communication.

1. Advertising: It refers to any kind of non-personal, paid marketing of concepts, products, or services by a sponsor who can be identified that helps for widespread and effective reaching of geographically scattered customers (Kotler & Keller, 2007). It also provides an opportunity for increased expressiveness. Some types of advertising need a big budget, like TV ads, while others, like newspaper and social media ads, don't.

2. Sales promotion: They are the incentives offered for a limited time to promote a product or service, testing, or buying. It helps in the communication process to attract attention that might direct the consumer to the product. Also, it provides a benefit-generating incentive or concession to complete the transaction right away. Sales promotion can be

used to increase sales and have other immediate benefits like dramatizing product offers (Kotler & Keller, 2007)

3. Events and Experience: These are events and initiatives sponsored by businesses and created to foster connections centered around the brand. A carefully designed occasion or experience deemed very relevant may engage the customer directly and tend to be a more indirect "soft sell" (Kotler & Keller, 2007).

4. Public Relations and Publicity: These programs enhance or safeguard a business's reputation, providing opportunities for conveying business (Kotler & Keller, 2007). According to Kotler and Keller (2007), the success of public relations and publicity leads to high credibility that is more truthful and trustworthy compared to advertisements.

5. Personal selling: According to Kotler and Keller (2007), this is the most successful tactic for increasing customer preference, belief, and commitment. It is the in-person interaction with potential customers to present presentations, respond to inquiries, and obtain orders.

6. Direct marketing: It refers to the use of mail, phone, fax, internet, or e-mail to contact target customers.

The involvement phase has arrived with the evolution of media technologies(Ferrer-Conill et al., 2023). This has compelled brands to engage with customers actively. The growing rate of technology has shifted the focus mainly to online platforms and media. Customers demonstrate commitment to brands that proactively reach out to customers, communicate valuable insight in the present context, and are eager to forge wholesome relationships with them (Jhamb et al., 2022). But the concept of globality is more ambiguous, subject to interpretation, and unconstrained by specific cultural standards than the idea of locality (Kjeldgaard & Askegaard, 2006). So, small businesses must focus their communication strategies primarily on their local market to establish themselves before competing globally.

2.8 The Concept of Brand Equity

Brand equity is described as a collection of brand assets and liabilities connected to a brand, its name, and its visual representation, which increase or decrease the value offered to a company and its customer (Aaker, 1991). Brand equity is a significant asset to the firm that boosts its revenue (Simon & Sullivan, 1993). The well-known brand might earn more money solely

through brand recognition since customers believe that products from famous brands are better than those from lesser-known ones. Simply, it is the value of a brand in and of itself (Randall, 2000). Brand equity is one of a firm's most valuable resources (Hem & Iversen, 2003). The brand assets developed previously enable it to take benefit of its positive aspects and will increase its value moving future. Brand equity may be calculated by deducting the utility of the product's physical characteristics from the overall utility of a brand. Brand equity tends to be the most significant and possibly the most durable asset for businesses (Broadbent, 2000).

According to Kotler and Keller (2009), prospects' and customers' perceptions and attitudes significantly influence a brand's value. It highlights their direct and indirect brand interactions and their observations, perceptions, and feelings during that time. Thus, brand equity is determined by the customers. Kapferer (2008) suggests the following four measures of brand equity:

- Aided brand awareness assesses a company's ability to raise enduring images, memories, and feelings.
- Measure of salience: spontaneous brand awareness (unaided awareness).
- Evoked set, also known as the contemplation, before brand usage.
- Previous consumption of the brand (Kapferer, 2008)

No matter which brand equity paradigm is employed, according to (Kotler & Pfoertsch, 2006), brand equity drivers are based on four fundamental factors that influence how consumers perceive the company. So, brand equity is an intangible asset that benefits the company and its customers. In a desired customer response, (Kotler & Pfoertsch, 2006) addressed brand equity from a business standpoint from the following points:

- An increased desire to test a product or service.
- Less time is needed to close the sale of an offering.
- A higher chance that the good or service will be bought.
- The readiness to grant a greater proportion of the necessary purchases.
- Being willing to pay a higher
- Less susceptible to price fluctuations.
- Less encouragement to try a rival product.

Customer brand understanding serves as the cornerstone of brand equity, due to which customer is better able to distinguish between businesses and respond to branding (Kotler & Keller, 2009). Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds strong, favourable, and unique brand associations in memory (Keller, 2008). This is referred to as customer-based brand equity (CBBE) by Keller, who also created the "brand resonance pyramid," a CBBE pyramid model. See Figure 5.

Figure 5: Customer-Based Brand Pyramid: CBEE-Model
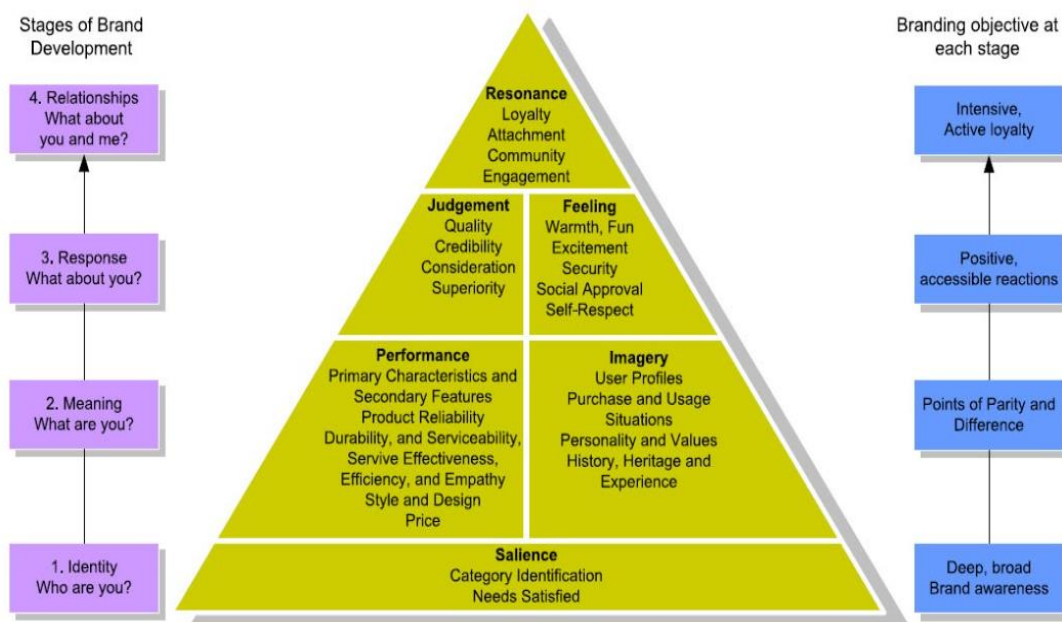
Source: (Keller, 2008)

The model has four steps that go from bottom to top, with each step being dependent on the previous one's success in attaining its goals. In addition, Keller outlined four questions that consumers ask themselves about brands in addition to the four processes. The CBBE pyramid's four levels are divided into six fundamental components: performance, judgment, and feeling on the right and imagery, feeling, and performance on the left. The following are the steps' objectives, listed in ascending order:

- Presence: Am I aware of it?
- Relevance: Is there a benefit for me?
- Performance: Can it fulfill its promise?

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- Advantage: Does it provide a benefit that is superior to others?
- Bonding: It's the best

According to the given model, the attached consumers, on the topmost level of the pyramid, have built a strong relationship with the brand. That is why they spend more of their category expenditure on the brand than those at the lower level of the pyramid. Figure 4 indicates that businesses always have challenges in helping consumers to move upward to the top of the pyramid. This model perceives brand development as a progression of a rising, sequential ladder, performing from the bottom to the top. The first step is confirming that customers identify with the brand and associate it with a particular product category or customer need. The second step is firmly establishing the entirety of brand meaning in customers' minds by strategically connecting a range of tangible and intangible brand associations. The third step is evoking the appropriate customer responses in terms of brand-related judgment as feelings. The fourth step is converting those responses into actions for lasting loyal relationships. According to this model, practicing the four steps includes establishing six brand building blocks with customers.

The concept emphasizes the contrast between brands' rational and emotive sides, with the former located on the left side of the pyramid. Reaching the summit of the brand pyramid is the crucial goal of brand equity, and this is only feasible if the appropriate building blocks are in place. The frequency and ease with which a brand is evoked under diverse purchase and consumption circumstances are known as brand salience. How well a product or service satisfies clients' practical requirements is a measure of brand performance. Brand imagery focuses on the inherent qualities of the good or service, such as how it tries to address the psychological or social demands of the customers. Brand judgment is centered on the thoughts and assessments of the customers. Customers' emotional responses and reactions to a brand are known as brand feelings. The type of connection consumers have with a brand and the degree to which they feel "in sync" with it is referred to as brand resonance (Keller, 2008).

(Aaker, 1996) also developed a brand equity model where the major determinants of brand equity are brand awareness, brand loyalty, brand associations, perceived quality, and other proprietary assets. These two theories share many similarities and can give businesses a lot of direction for their branding strategy. They both offer a comprehensive perspective on the

subject of developing a brand that considers both the internal definition of a brand and how people perceive it.

2.9 Building Brand Equity in Developing Nation

Building brand equity is different for businesses depending upon where they operate since consumers in developing nations are biased when comparing domestic and international brands (Batra et al., 2000). In addition, different variables in developing countries affect the brand strategy and communication approach, making building brand equity different and more complex. Keller (2008) argued that different strategies might be used to build brand equity at different times depending on the target group or segmentation. He added that it doesn't matter if this is determined by a target group's geographic region, country, product, or culture as long as marketers know each component's importance.

(Keller, 2008) explains that active global organizations need to build their global customer-based equity model on his "Ten Commandments of Global Branding":

1. Understand similarities and differences in the global branding landscape: International markets will differ in many ways, and because of regional customer preferences and competitive market dynamics, brands may quickly lose their local relevance.

2. Don't take shortcuts in brand building: Before effective branding initiatives can be translated into new local markets to create sustainable long-term brand equity, local brand awareness and a good brand image must first exist.

3. Establish marketing infrastructure: Since the product needs to be produced, distributed, sold, and consumed, logistics are crucial. Market intelligence and global supply chains are all included in the marketing infrastructure.

4. Embrace integrated marketing communication: Successful international active brands will create integrated marketing plans that protect brand positioning and history across all conventional and unconventional communication channels.

5. Cultivate brand partnership: Successful worldwide active brands use alliances to gain access to regional distribution networks in their global markets.

6. Balance standardization and customization: Blending global and local brand components and product and pricing strategies is crucial to branding. The balance must be examined, measured, controlled, and compared to the best global marketing initiatives.

7. Balance global and local control: Businesses must divide decision-making between global and regional management and maintain a balance between them within their organizations acknowledging local responsiveness, economic integration, and the spread of information across borders,

8. Establish operable guidelines: Operable rules must be set, including a brand mission and a distinct product line strategy, to direct local marketers around the world.

9. Implement a global brand equity measurement system.: A global brand equity system is a collection of research techniques created to give marketers timely, precise, and usable information so they may make the best short-term tactical judgments and long-term strategic decisions.

10. Leverage brand elements: To use the global brand for global objectives, fundamental brand components should be carefully chosen.

These commandments can also work as a basis for small businesses in developing countries to create lasting brand equity and, ultimately, a successful global brand. However, the process of branding in a specific city is far more complex than branding other locales, such as nations or regions (Hankinson, 2001). The perception is that developed nations' brands are superior to those of developing nations (Zhuang et al., 2008). Small businesses in developing countries like Nepal face different challenges in building a powerful brand. There is an inadequate study on the worldwide branding process of companies from underdeveloped nations. They do not offer the same perspectives on how businesses from underdeveloped countries behave in the local and global marketplace. Thus, a more depth study of the differences and variables is required to assess the impacts of brand strategy and brand communication in developing countries.

2.10 Theoretical Framework

The structure that can hold or support a research study's theory is known as the theoretical framework. It is a conceptual model that provides a comprehensive and systematic explanation

of the relationships among variables in the research study. In addition, it is helpful to provide an in-depth analysis of the relevant theories. In this study, the researcher used the theoretical framework to provide a detailed analysis of the underlying theories and models and then used a conceptual framework to represent those models visually.

In this research, the researcher has based the study mainly on the brand equity model theory by Kevin Lane Keller. However, the researcher has also acknowledged David Aaker's brand equity model theory to gain more information on relevant marketing elements. Both are the most popular and widely used theories relating to brands. The researcher has used both approaches to better understand the concept of brand equity, which is influenced by the brand strategy and brand communication effort used by small-scale businesses in Nepal. Both theories helped the researcher to highlight, connect, and analyze the actions, the impacts, and the variables involved. Rather than creating an expected hypothesis, the researcher used it to guide the development of research questions and data analysis methods and provide a clear and comprehensive understanding of the topic.

2.11 Conceptual Framework

Typically, the conceptual framework is created before the study is conducted and refined as it advances. Figure 5 indicates the relationships between different variables, brand strategy, brand communication, brand equity, and small businesses. The brand strategy and communication are directly connected with the other variables found in developing countries, i.e., Nepal. Small businesses adapt their branding approach accordingly to be effective and efficient in building long-lasting brand equity. The variables such as traditional values, limited resources, unstable markets, growing technological access, and so on directly create both challenges and opportunities for the brands. Thus, small brands carefully examine and monitor their brand strategies components, such as brand elements, positioning, value proposition, and brand values. Also, due to the extensive growth of technology, different brand communication channels, such as social media, advertising, direct marketing, promotions, etc., are used to deliver consistent messages to build brand equity.

Both Keller and Aaker's models are relevant and will shed light on the global business activities and strategies applied to gain a competitive edge in the market. In this research, small businesses in Kathmandu, Nepal, trying to survive, compete and sustain in a growing developing market will be studied to better understand the underlying factors and challenges

involved in the process. The conceptual model will be the basis to answer the research question on how brand strategy and brand communication help to build brand equity in a developing country like Nepal.

Figure 6: Conceptual Framework
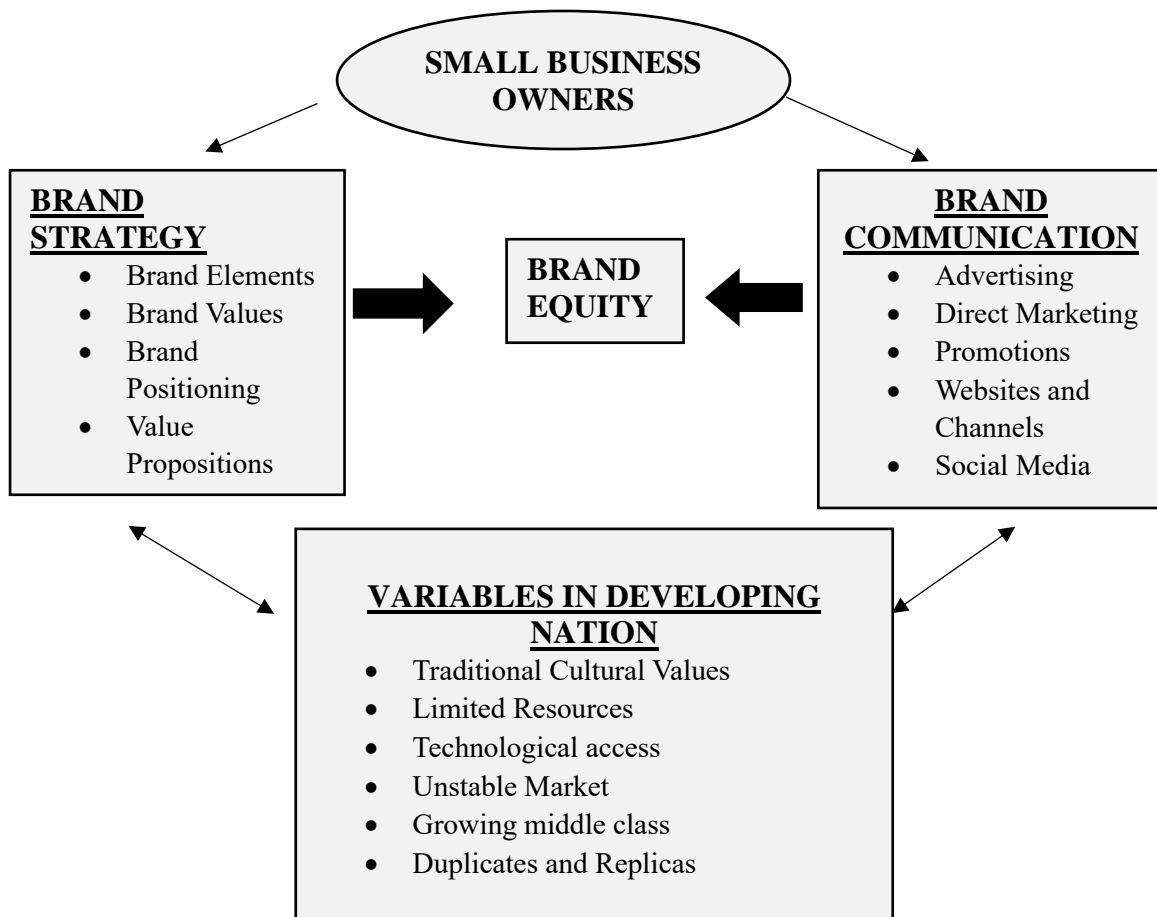
Source: (Researcher, 2023)

Chapter Three: Research Methodology

3.1 Introduction

The term 'Research Methodology' is a combination of 'research' and methodology.' Research refers to investigation or careful study, especially to discover new facts or information. On the other hand, a set of methods used in a particular area of activity is known as Methodology. Research is a systematic investigation to find solutions to a problem (Kothari, 2004). Research generates new knowledge which can be used for different purposes; in other words, it is a systematic effort to gain new knowledge.

Research is an organized, methodical attempt to look into a certain issue that needs to be solved. (Sekaran, 1992). This investigation process involves a series of well-thought-out activities of gathering, recording, analyzing, and interpreting the data with the purpose of findings answers to the problem. Business research is an organized investigation that offers knowledge to direct business relations and solutions (Cooper & Schindler, 2004). Furthermore, the research builds a theory, develops policies, supports decision-making, and solves problems. In this chapter, the researcher will describe the methods used in this research.

3.2 Research Strategy

The main objectives of the research methodology are to develop a sophisticated research strategy. Typically, research strategies are the means and steps through which the anticipated results of the research activity are reached. The researcher employs techniques following the theories and aims of the study. The researcher used a qualitative research approach to describe his objectives and research questions in this study. Because the study's nature and data are qualitative, a qualitative research strategy was chosen. Rather than statistics, words are frequently used in qualitative research to sketch out the concepts of how theory and study are related in various aspects (Bryman, 2012).

The researcher used the qualitative interviewing approach and the qualitative analysis of secondary literature to gather the data for this study. Qualitative research is the strategy where qualitative data are collected through focus groups, analysis, and interviewing instead of quantitative data (Bryman, 2012).

3.3 Geographic Study Area, Context, and Duration

Kathmandu Metropolitan City is the capital city of Nepal, located in the Bagmati Province. The city has a population of around 1,571,000 (Kathmandu, Nepal Metro Area Population 1950-2023) with an area of 49.45 km2. The population is mixed with indigenous people and people from all over Nepal who have migrated there for better opportunities and living standards. Therefore, the city's population density is very high, making it one of the most populated cities in Nepal.

This city is the focal point of substantial commercial activities in northwestern Nepal. There are hundreds of businesses from small to large scale in this city. In this research context, the primary focus is on small-scale businesses that are determined to create long-term brand equity in the market to be profitable and successful and also scale up their businesses in the future to compete with large-scale and international players. The research is focused on formal businesses rather than the informal business that are registered. Small-scale businesses such as restaurants, small construction companies, cafes, small local product manufacturers, and others are part of this research. The strategies and communication used by such businesses are the primary contexts of the study. The study will be limited to the Kathmandu metropolitan area and within the timeframe of which the research is conducted.

3.4 Research Design: Qualitative Research

A comprehensive plan outlining the steps and techniques to be used for gathering and analyzing the required data is referred to as a research design (Zikmund, 2003). After formulating the research study, the logical step is to construct the research design that refers to the entire process of planning and carrying out a research study. Research designs are invented to enable the researcher to answer the research question as valid, objectively, accurately, and economically as possible (Kerlinger, 2004). The research design asks what approach to the problem should be taken. What method will be used? What strategies will be most effective? The research planning stage may be the identification, selection, and formulation of the research problem.

Research methods are specific to the settings, whereas research designs guide a researcher through the entire framework. The researcher interviewed owners of small businesses in-depth and qualitatively for this study. In this research, the researcher has investigated the significant

impacts and challenges of small-scale businesses' brand strategies and communication to compete in the present competitive market for building long-term brand equity. The researcher has conducted many case studies of small businesses' strategies, communication, and observations to grasp the study questions better. Case studies are increasingly used in qualitative research, which is quite popular (Bryman, 2012). Further explanation of qualitative research is mentioned in the data analysis chapter.

3.5 Target Population and Participants

Population is the sum of all subjects who meet a set of criteria, constituting the entire group of people the researcher is interested in and to whom the research findings can be applied generally (Polit & Hungler, 1999). The target population in the research work refers to persons who share comparable interests, characteristics, and experiences. All the participants have similar interests and characteristics which belong to the small-scale business categories. The researcher interviewed 18 respondents from different groups. The first group of respondents consists of 6 respondents who are from service-selling backgrounds. Then the second group of 6 respondents is from product-selling backgrounds. And lastly, six respondents are engaged in both product and service-selling businesses. This study is carried out to understand the different brand communication and strategies used in Nepal to succeed in the present competitive business world. Also, sketch out the challenges and opportunities existing in a developing market. It will help in generalizing it into a broader occurrence.

3.6 Sampling

For this study, the researcher gathered information from persons who shared similar backgrounds and interests. In this investigation, a mix of snowball sampling and purposive sampling techniques were used. The researcher samples a small group of people using the snowball sampling approach with purposive judgment in accordance with the study questions. Small group respondents suggest additional respondents with experiences and viewpoints pertinent to the study (Bryman, 2012).

The researcher has categorized the respondents into three groups, i.e., product selling business, service selling business, and a mix of product and service selling business. The main similarity of the three categories was their goal to build long-term brand equity and scale up their business to compete in the competitive business market. To increase the trustworthiness of the data, the

researcher has added three categories to conduct cross-sectional and comparative analysis simultaneously. In this research, all the interviews took place face-to-face through video conference, which helped the researcher understand the impacts and analyze the data. In addition, all the respondents signed the consent form for their confidentiality.

3.7 Inclusion Criteria

Since the data and source of information were significant for conducting the research, the inclusion criteria were very specific. It only included small-scale businesses that were primarily focused on building strong brand equity in the long run rather than short-term profits. The respondents must have been running the business for at least three years, primarily based in Kathmandu Metropolitan City, Kathmandu, Nepal. Finally, the respondents must be continuously working on their brand communication and strategies to create a proper mechanism for their efficient and effective promotion.

3.8 Data Collection Methods

The gathering of data is a crucial component of any research work. Through a variety of data-collecting techniques, each researcher seeks out critical and sufficient data for the study activity. In this study, the researcher used various methods to collect data to answer his research questions. The data collection techniques used in this study are in accordance with the research strategy and research design. They are as follows:

3.8.1 Qualitative Interview

In qualitative research, researchers stress the initial generality of the study and respondents' impressions; in qualitative interviews, the interviewer offers questions to the respondents according to the research questions and necessity (Bryman, 2012). Participants in qualitative interviews tend believed to be meaning generators than passive sources for extracting details from a reservoir of answers (Holstein & Gubrium, 1995). A qualitative interview is the most applied method for qualitative research (Bryman, 2012).

Interview questions may not always be asked in the manner specified in the guide, and occasionally, questions that are not on the list are asked based on respondents' replies (Bryman, 2012). Thus, the data are more descriptive in nature. The researcher seeks comprehensive

responses from respondents in the qualitative interview, where the qualitative questions are designed to address the research questions (Bryman, 2012)

The researcher interviewed eighteen respondents face-to-face through video calls emphasizing the respondent's perception of the topic. There were three categories, and each of the categories consisted of six respondents. They were product selling, service selling, and a mix of product and service selling businesses. Information from respondents is carefully considered since the interview data determines the research's direction. The interview is done through a set of questions called an interview guide, which the researcher does notetaking during and immediately after. The researcher used a qualitative in-depth interview technique to gather the data for this study. Most respondents felt comfortable enough to respond to the interviewer's queries. They even provided the researcher with further information, which prompted the researcher to pose additional queries in response to their responses.

3.8.2 Qualitative Data Analysis

Qualitative research analyses heterogeneous data sources such as letters, newspapers, magazines, and documentaries (Bryman, 2012). The researcher used a qualitative data analysis method to gather and examine the data for this study. Finding general solutions to research questions is aided by data analysis of problems related to the research questions.

For the analysis in this study, the researcher gathered crucial literature, newspaper articles, and other materials. Such information helps the researcher choose various methods to answer his research questions at the beginning of the study's work. Secondary data for this study also came from a variety of sources, including the websites of local institutions and different policies and rules concerning business activities. Also, the semi-structured interview was conducted to connect it with the literature to better understand and interpret the data to answer the research questions. Typical procedural steps such as data transcription and familiarization, coding, theme development, and triangulation were used to enhance the credibility of the analysis and findings. Further explanation of qualitative data analysis used in this research is provided on the part of the data analysis process.

3.8.3 Participants' Observation

Participant observation is a research technique in which the researcher spends time in a group, watches how participants behave, pays attention to how other people and the fieldworkers interact, and then asks questions (Bryman, 2012). Every research work requires a context and setting in which to be conducted.

The researcher conducted a brief participant observation for fifteen days in this study. Due to the time constraints and distance from the field and the researcher, it could not last long. Nevertheless, the researcher engaged in dialogue and conversation with owners of small businesses. Participant observations helped the researcher connect with them and obtain more information. Also, it led to a clear understanding of the context and participants.

3.9 Data Analysis Process

Techniques for analyzing qualitative research data look laborious because they provide imprecise guidelines for handling data (Bryman, 2012). The analysis of gathered data is the main emphasis of qualitative research. The research activity's findings and conclusions are determined by analyzing the data gathered. In most qualitative research activities, the researcher collects a large amount of data, even if it is unnecessary for the study. There is too much data for the researcher to select and use in the analysis.

In this research, the researcher used a thematic data analysis technique to examine the interview scripts' overall themes as well as additional secondary data. Thematic analysis is the most common and used technique for qualitative data analysis (Bryman, 2012). The simplest and most effective test for catching on to the theme is repetition (Bryman, 2012). Furthermore, while looking for the themes in research, it is advised to seek repetition metaphors, transitions, similarities and differences, language connectors, missing data, and theory-related material (Ryan & Bernard, 2003). The goal of thematic analysis is to establish a list of themes and subthemes and assess them in the context of specific objectives where such themes are the product of transcripts, field notes, and reading (Bryman,2012). To accomplish the goals of the study and respond to the research questions, these produced themes and subthemes are linked to more details from interviews and secondary devouring literature. The researcher used theme analysis in this study to examine the information gathered. Through reading and rereading, as well as taking field notes, researchers created themes and subthemes which helped to better understand the existing situation and reality in developing countries.

The researcher has also used the content analysis method with the help of coding, note takings, and highlighting significant ideas and themes. The in-depth interview helped the process smoothly as well. The most important method for data analysis is coding. The researcher codes the data either at the time of data collection or right away after data collection to ensure a successful study. The researcher used coding in this study activity to include the most pertinent data. Following the interview, the researcher classified the information as necessary and pertinent to addressing the study questions. Similarly, the researcher, immediately after gathering and transcribing the interviews, coded the secondary data, material, and interview script. Bryman's significant coding phases are to code as fast as possible, read through an initial set of field notes, do it again, evaluate code, examine more general theoretical concepts about code, and keep coding in perspective (Bryman, 2012).

3.10 Reliability and Validity

Reliability can be determined in qualitative research by contrasting various variations of the same measurement. Validity is more difficult to evaluate, although it can be inferred by contrasting the findings with other pertinent facts or theories. Internal reliability is the degree to which research team members and observers agree on what they say and hear, as opposed to external reliability, which is the degree to which a study can be duplicated (Bryman, 2012). The term "validity of the research" relates to how reliable the data and conclusions are in the context of society. The research setting and its relationship to social life are vital to validity.

The researcher used different strategies to enhance the reliability and validity of the findings. First, a purposive sampling technique was used to determine participants with relevant expertise and experiences linked to brand strategy and communication in developing nations. The study's objective was to increase the findings' applicability and generalizability by carefully choosing participants who could offer insightful feedback from a variety of perspectives.

A comprehensive protocol was devised and followed consistently throughout the study to guarantee uniformity across participants and alignment with the research objectives. The interview questions and prompts were carefully developed to demonstrate reliability in data gathering. The interviews were audio recorded so the researcher could double-check and validate their accuracy. Triangulation was also used to increase the reliability and validity of the results. The results were cross-validated using various data sources, including interviews

and valid documents. The researcher frequently reflected and made notes throughout the analysis process, recording thoughts, insights, and potential biases. This procedure made it possible to guarantee that interpretations were based on the data and weren't only shaped by previous ideas. This enhanced transparency and reduced the possibility of bias in the gathering and evaluation of data.

The degree of applicability of research findings in social contexts serves as an estimate of the validity and reliability of the study. Before the interview, the researcher had multiple meetings with the respondent to explain the research subject and prepare specific questions. It helped the researcher to make the study more trustworthy and valid.

3.11 Ethical Considerations

A high level of ethical consideration is required for any research activity to be carried out. When conducting qualitative research, it is critical to examine potential ethical dilemmas because data interpretation and findings are more subjective. Thus, the researcher cannot ignore any ethical issues.

Participants in the study must be assured of their privacy and must not be harmed in any way. The critical ethical concerns include participant harm, lack of informed permission, invasion of privacy, and deception (Bryman, 2012). Because this study relies on human engagement, ethical considerations that may arise during the research process must be carefully considered. Before interviewing for this study, the researcher created an informed consent form. Before conducting interviews, the researcher mentioned the form of informed permission and signed it. All of the informants signed the informed consent form as well.

The researcher clearly stated the goal of the study. Every participant was informed that the researcher was a student and that this study would be presented only to the University of Agder. The researcher has validated and guaranteed the confidentiality of all data and information in this study. The researcher used symbols to identify what and who said the comprehensive information, taking notes during an interview and coding them with symbols without identifying the respondents. The researcher guaranteed the anonymity of any type of identification, such as name, gender, or other identifying information. Throughout the study, no form of identity, such as name or ID number, is revealed. The researcher confirmed that the

respondent's data was solely used for this research and asked if they used it for other research purposes.

In addition, the researcher explained that they had the right to end the interview at any time if they felt uncomfortable.

3.12 Challenges and Risks

Every research work has different challenges and risks involved while conducting it. The researcher's fieldwork time was constrained. Respondents had been given an unusual time for the interview because of the time zone difference between Norway and Nepal. Thus, the researcher had to manage the time, which kept changing due to various other reasons. The majority of the area's small businesses, who are numerous, were eager to participate in the study. However, due to the researcher's time constraints, not all of them could be included. The nature of the research, i.e., the presence of several respondents, may cause the research activity to be ambiguous. As a result, the researcher only chose a small number of them.

Even after being assured of their secrecy and taking part in this form of research for the first time, several respondents were reserved and afraid. Most respondents allotted a set amount of time for the interview, while a few took longer than expected, forcing a break and creating a plan for the following day.

Some responders provided more information than was required, while others provided less. Because the researcher gathered data in a short amount of time, finalizing the material was equally tricky. Taking notes, translating her notes, and analyzing his findings took longer than anticipated.

The language also became a challenge since the native language is different from English. For this study, the researcher had to translate interviews from Nepali into English and transcribe them for most respondents, which took a lot of time.

3.13 Permissions

For any formal research activity, the researcher must get permission from the concerned authorities. This research was conducted only after collecting the necessary authorizations. The researcher got permission from The School of Business and Law at the University of Agder.

The respondents' consent forms were clearly interpreted and signed, so there were no legal or ethical issues. However, no legal permissions were required during the fieldwork activity from the government or official authorities in Kathmandu Metropolitan City, Kathmandu, Nepal.

Chapter Four: Major Findings, Discussion, and Limitations

4.1 Major Findings

4.1.1 Introduction

The study focuses on small-scale businesses and entrepreneurs who are from the age of 21 to 60 years old. All eighteen of the respondents came from different backgrounds where; eleven were male, and seven were female. The product-selling businesses include local handicraft shops, clothing brands, appliance shops, hygiene products, etc. The service-selling businesses include educational consultancies, travel agencies, and small construction companies. And finally, restaurants and cafes were included in the mix of product and service-selling businesses. The researcher interviewed and collected valuable information and data from small businesses to better understand the importance of brand strategy and brand communication. It also helped to discover different variables and challenges emerging brands face while building their brand equity in the marketplace. Furthermore, the semi-structured interview helped in-depth analysis of the current situation to provide precise information on the critical things brands focus on to stand out and compete in the competitive business world. Thus, the interviews with small businesses and entrepreneurs are the prime determinants of the findings in this research.

The interview developed six major themes: the role of traditional and cultural values, the availability of limited resources, growing technological access, the unstable market, the growing middle class, and the availability of duplicates/replicas.

The major indications and findings of the study are clarified below with the help of themes and subthemes, which show the different impacts, variables, challenges, and opportunities in brand strategy and brand communication process in creating a successful brand in developing countries, i.e., Nepal in our case.

4.1.2 Role of Traditional and Cultural Values

One key factor in the study was the role of traditional and cultural values. Nepal is a diverse country with different cultural and ethnic backgrounds. There are hundreds of different castes with their primary rituals and beliefs. The study finds that the brands incorporate the customers'

traditional norms, values, and beliefs to create a deeper relationship between them. However, due to the diversity, brands face quite difficulties communicating to enclose all the groups. One respondent mentioned:

"We all know how diverse our country is. We acknowledge all cultural and religious beliefs and put them as the top priority while communicating our brand to the customers. We make sure we aren't offensive to any groups. However, there has been one case where a member of a 'traditionally' lower caste people was triggered by our marketing ads where they were portrayed doing lower-end jobs. This caused controversy in our marketing campaign, which we had to shut down and publicly apologize." (Interview, May 2023)

The study suggests that most brands prefer to generalize their communication strategies to wider customers and avoid conflict between them. Another respondent said:

"We feel like walking in a thin line when we talk about offending any customers on their traditional values. So, we don't specifically point to any caste; rather, we target national pride and values more. It has enhanced our brand perception in the eyes of our customers" (Interview, May 2023)

The festivals are also an essential part of cultural values in Nepal. They are celebrated highly, and almost all brands make different strategies and communication efforts during the festive seasons and events. They align their efforts with different festivals. One respondent said:

"On every Dashain Festival (the biggest festival in Nepal), we provide heavy discounts on our products. It helps us connect with the customers and make ourselves recognizable in the long run. We offer up to 60% off, so we send a message that it is the time of celebration, and everyone deserves it" (Interview, May 2023)

The study shows that family values also play a significant role in the context of Nepalese society. Also, respect for elders is highly regarded. Due to this, brands are seen to put their branding initiatives and strategies focused on reflecting family bonds, celebration, and well-being. This was found mainly in the product-service mix businesses such as restaurants and cafes. One respondent said:

"In Nepal, it's different from Western societies where children move out independently after a certain age. We see that families still live together for almost three generations. That is the

beauty of our culture. Thus, we offer various family-friendly packages and discounts regularly to promote it. On Wednesdays and Thursdays, we offer 20% discounts to the families who dine in our restaurant. This has not only increased our sales but also helped us recognize our brand as a 'happy family place'" (Interview, May 2023)

Another respondent mentioned:

"We provide families with special packages on their special occasions such as birthdays and anniversaries. It has helped us in the word-of-mouth advertising in a positive way" (Interview, May 2023)

The study indicates that brands promoting social concerns, local communities, and social projects are well-respected. Brands are consciously making efforts to be socially responsible so that the customers associated with them feel a sense of compassion. One respondent said:

"As a part of the community doing business, we ensure that we are socially responsible to the community and the nation. We hired six employees last year who recovered from drug addiction. Though some challenges are involved, we feel proud to give a chance for proper redemption." (Interview, May 2023)

Although Nepal is predominantly a male-dominated society, brands are consciously trying to give opportunities to women to build themselves. This indicates that some traditional values can be positively altered if appropriately communicated. There is a growing number of women entrepreneurs and businesswomen in the market, which is different from the traditional business environment. One informant mentioned:

"We want to empower women as much as we can from our side. Our entire business is run by women from the bottom to the top level. Due to this, we have been successful in creating a positive brand image in the market. Customers are aware that they are not only helping our business but also supporting our cause of empowering women" (Interview, May 2023)

4.1.3 Availability of Limited Resources

The study indicates that limited resource availability is a significant challenge for small business owners and entrepreneurs. Resource constraints have made brands utilize their resources more precisely, which is both a challenge and an advantage in a way. Study shows

that due to the limited resources, brands use localized brand strategies and brand communication approaches to align with local preferences. Most brands focus on cost-effective branding approaches such as word of mouth, social media, local influencers, customer engagement, etc. It has helped businesses in customer retention as well.

Since A-grade celebrities are expensive, the study finds that small businesses are partnering with local influencers that are less costly but have a massive reach to the target audience in Kathmandu for brand recognition and awareness. In addition, small brands are partnering with them to reach out to their subscribers, who are also their target market. One informant mentioned:

"We have partnered with a vlogger of almost two hundred thousand subscribers, and he advertises our brand at the start of his every video. This has helped us immensely in gaining local trust. Many customers have come to our store saying they knew about us from his vlog. We provide him a certain percentage of sales for his brand messaging." (Interview, May 2023)

Another informant mentioned:

"We have approached different national celebrities to associate with our brand. However, the asking price is very high for us as a small business, due to which we couldn't work on the deal" (Interview, May 2023)

When we talk about limited resources, it isn't only about physical resources or capital. It also consists of knowledge resources. The study also indicates that small businesses in Kathmandu, Nepal, lack proper knowledge and education regarding branding. The study reveals that most business owners' background isn't marketing. In fact, most of them haven't gotten any higher degree from colleges or universities. Due to the lack of education among small businesses, brand communication, and brand strategy are carried out without previous studies or research. It suggests it is primarily a hit-and-miss case where they apply different mechanisms and continuously work on their failures to improve.

The research indicates that small brands in Nepal find it challenging to reach their target audience with their brand message since they lack the necessary education. They cannot create compelling brand messages that connect with their Nepali customers. One respondent mentioned:

"My educational background is science. So, when I decided to start a business, I was far from the actual management knowledge and the business side. It has been hard for me to understand all the concepts and factors that have slowed my progress in promoting my brand." (Interview, May 2023)

Also, the research indicated that Nepalese brands are finding it difficult to distinguish their brand from rivals and lack the originality to stand out in the market and develop brand equity in their brand communication and strategy. One respondent stated:

"Our restaurant's main challenge is to create a unique value proposition for our customers. From the start, it has been difficult for us to distinguish among many competitors. It is definitely because of my lack of proper knowledge, educational background, and experience." (Interview, May 2023)

Additionally, the study also suggests that small businesses are finding it hard to create a solid digital presence due to limited knowledge of technology. One respondent stated:

"I am 56 years old, so technology has changed drastically in front of my eyes. I am still learning and coping with it. I am finally getting used to social media platforms and digital tactics. I recently hired someone to take the digital side, which I couldn't afford when we started because of limited resources. But I would say it has slowed down our brand-building process." (Interview, May 2023)

The study also indicates that limited resources are a challenge and an opportunity for small businesses and entrepreneurs to connect with the local community through community-based branding. Since the budget is limited, small business owners participate in neighborhood activities, sponsor regional projects, or support social causes. It is found that this has helped to create a positive brand association and recognition in the local society. One respondent stated: *"The limited resources have guided us to be more socially responsible when communicating our brand. For our part, our employees donate blood every two months to the local hospitals. We value our social stand in our locality."* (Interview, May 2023)

4.1.4 Growing Technological Access

Slowly but surely, the increase in the use of technology is providing small businesses in Nepal access to the market quickly. The study shows that technological access has a significant impact

on brand communication and the brand strategy process. Brands are able to reach a bigger audience in Nepal because of technological advancements like increased internet availability and smartphone adoption. The study finds that with a broader audience to get, brands in Nepal interact with more customers and increase brand recognition. One respondent stated:

"There has been a huge change in our country regarding technological access in the past decade. Previously, not all had easy access to the internet. However, at least in major cities like Kathmandu, almost everyone has access to smartphones with decent internet and prices. Due to this, we have successfully connected with larger audiences and built brand awareness like never before." (Interview, May 2023)

The study also indicates that small businesses and entrepreneurs can establish online platforms, which ultimately help in easy accessibility to the brand and its products and services. Small companies use brand strategies to start online and build on to that before going to a physical market. One respondent said:

"We started our business testing and selling our products online to find the product fit. As we were starting new and solely focused on promoting local handicrafts, we were hesitant to own a physical store in the competitive market. Instead, we used the resources to build a strong online platform and first communicate our brand message. Now we own two stores, but the online platform is still our major share of income." (Interview, May 2023)

The study also indicates that the growing technological access has led brands to use target branding strategies, content marketing, and video storytelling acknowledging the importance of the cultural heritage in Nepal. In addition, with the aid of information such as consumer behavior and preference, targeted marketing campaigns for various Nepalese demographic groups are developed.

With the growing access to technology, the use of social media is increasing rapidly in developing countries. The study shows that social media platforms allow businesses to connect with more people and increase their visibility, which is effective and cost-efficient compared to traditional methods. Small brands are utilizing social media to communicate with potential customers, tell their brand stories, and raise brand recognition due to the rising number of social media users in Nepal. As a result, brands are developing strong relationships with their

audiences and increasing brand equity with the help of effective audience segmentation. One respondent mentioned:

"Now, with social media's sophisticated targeting option, we can deliver our advertising and message to our target group of 20-40 years old people. Not only that, but we can also identify the users' preferences. With almost everyone available on social media, we have a high reach towards our target market." (Interview, May 2023)

The study also shows that the use of social media has allowed small brands to have two-way communication with their customers and potential customers. Such platforms seem to provide continuous engagement between small businesses and their customers. One respondent mentioned:

"We ensure that our social media pages are active and engaging. We conduct quizzes and games and provide small gifts to the winners. It has helped us boost our page and gain brand recognition from the users." (Interview, May 2023)

Another respondent stated:

"We continuously monitor our social media platforms to respond to customers' questions and address issues to avoid missing any relevant information. It has helped us to view ourselves as a conscious brand to our target market." (Interview, May 2023)

The study also finds that small brands in Nepal use influencing marketing highly in the present market. Small businesses and entrepreneurs collaborate with influencers, musicians, actors, national players, and celebrities to connect with the target audience. The study reveals that with the rapid rise in the use of social media, there is a rise of new local influencers, YouTube vloggers, Tik Tokers, food reviewers, and many more. These collaborations have given brands legitimacy and a more direct line of communication with consumers. One respondent mentioned:

"We work with a Tik Toker who posts her dance regularly and have many followers. We have partnered with her to promote our brand product, traditional dress, and jewelry. She wears our outfits and posts her dance in trending songs. She tags our TikTok handle, which has generated huge attention to our brand and traffic in our social media channels." (Interview, May 2023)

Another respondent mentioned:

"Since we are focused on providing healthy and sustainable products, we have collaborated with a retired national player to promote our brand. He helped us to gain credibility when we started at first. He is our major brand ambassador since he has dedicated his entire life to a healthy and fit lifestyle." (Interview, May 2023)

In the same theme, one respondent mentioned:

"We use one-time partnerships with social media influencers to promote our brand. We have hosted a music launch for a local singer. We have hosted a success party for an actress. We also have had different food reviewers come and honestly review our food and ambiance. They all tag us on their social media posts, where we get brand recognition. It has boosted peoples' visibility towards our brand." (Interview, May 2023)

Additionally, brands in Nepal use social media to manage various crises and preserve their reputation. They are openly responding to any false narratives about their brands. One respondent stated:

"Some of our competitors or customers had hoaxed that our products aren't sustainable as we claim them to be. We immediately posted a short video demonstrating that all our furniture products are made from recycled and retrieved wood. It helped us clear the negative air in the market." (Interview, May 2023)

Despite more accessible access to technology, the study suggests that older Nepalese generations still have poor digital literacy abilities. One respondent mentioned:

"As our target market is middle-aged to old-aged groups, it is still difficult to empower them to use the available technological resources efficiently." (Interview, May 2023)

Also, the study shows that despite growing technological advances, factors such as unreliable power cuts and unstable internet connections hinder brand-building. One respondent said:

"Sometimes, our server goes down during the purchase process, which frustrates our customers. We get several responses regarding such issues which we have to fix, which takes a long time manually." (Interview, May 2023)

The study also indicates that the growing technological access has increased easy entry into the market for other competitors. Also, it has increased caused an information overload among customers and makes it difficult to differentiate themselves from competitors due to such access. It has forced them to spend more on their brand strategies and communication approaches to cut through the commotion. One respondent mentioned:

"Due to technological advancement, the target customers are bombarded with information causing them to lose attention to our products. It is hard to compete since everyone has access and anyone can faultily represent similar products at lower prices" (Interview, May 2023)

4.1.5 Unstable Market

The study finds that the unstable market in Nepal is a huge challenge for small businesses and entrepreneurs to sustain in the long run. It also forces them to continuously adapt their brand communication and strategies to cope with them. Due to the unstable trend, Nepalese customers' preferences and purchasing power fluctuate regularly. One respondent mentioned:

"Being in the fashion business, we have noticed that the customers purchasing behavior regarding clothing has been highly influenced by Western societies in the past decades. Every clothing item is 'trendy' for a few months. So, we are constantly communicating, ensuring that our brand offers clothes accordingly." (Interview, May 2023)

. One respondent stated:

"Nepalese market is so unstable that it is almost impossible to predict and adapt to the changes in real-time. The trend of starting their own business has caused a massive increase in competition in the past years. Due to this, it is hard for us to differentiate and stand out among the rest offering similar products." (Interview, May 2023)

The study noticed that long-term planning is complicated in a developing country like Nepal. Creating consistent and coherent brand communication strategies for the long-term development of solid brand identity and equity is tough. One respondent mentioned:

"Forecasting the market has been tougher than ever. We are extremely cautious about a large investment because of the uncertainty. We find it difficult to go all in despite our experience in the business." (Interview, May 2023)

The study also finds that unstable politics and political uncertainties significantly create an uncertain market in Nepal. The changing government rules, regulations, and policies frustrate small businesses. The study shows that the need for small brands to follow new rules, go through registration procedures, and modify their messaging to fit the political agenda has impacted their brand communication. One respondent mentioned:

"We all know how the political system is in our country. We must comply with ever-changing policies and legal concerns every time power changes in the government. It is frustrating when we have other parts of the business to take care of." (Interview, May 2023)

Another respondent mentioned:

"It is a headache to complete any governmental procedures in Nepal. It takes a lot of our time since the work process is so slow, and most government office still requires manual paperwork and use the old system, which takes forever to complete. It significantly delays our decision-making process." (Interview, May 2023)

The study also suggests that unstable politics directly impact economic stability and investor confidence. One respondent stated:

"The challenging part of building a bigger brand for us is investors' lack of confidence in the country's political situation, which makes it very risky to invest in us or any other small business. And without investment, it is hard for us to take our brand to the next level where we want us to be." (Interview, May 2023)

The research indicates that the reputation of small brands is also affected by political instability. Small businesses revealed that they must maintain their brand image by avoiding potentially damaging linkages. It has forced Nepalese brands to be agile and flexible when it comes to building a brand strategy as well. One respondent stated:

"We try to avoid mixing politics with our business in any way. We realize how sensitive the people of our country are when it comes to any government affiliation. We like to be as quiet as possible regarding any political issues." (Interview, May 2023)

Another respondent mentioned:

"We publicly supported the local figure in the last election in Kathmandu. Despite getting positive responses from most of the general public, we got some hate comments from people of another party. It made us realize that it is bad for us to make supportive claims during election time since not everyone has the same sentiments." (Interview, May 2023)

The study also indicates that most small businesses comply with different consumer protection regulations, intellectual rights regulations, sustainability, and many others. Small businesses reveal that their brand strategy and communication highly prioritize such regulations for building long-term brand equity. One respondent mentioned:

"We make sure that our products' ingredients are transparent to the customers. We don't hide anything in our packaging that may harm the health of the consumers." (Interview, May 2023)

Another respondent mentioned:

"We have gone through all the legal procedures to safeguard our intellectual property like trademark, copyright, and others so that they cannot be imitated by our competitors and new business entrants." (Interview, May 2023)

The study indicates that some businesses thrive in these conditions despite all the challenges. Small businesses work continuously to gain trust and stability in the unstable market. Building confidence, addressing customer concerns, and offering stability in the face of market uncertainty are prioritized by small businesses and their branding approach.

4.1.6 Growing Middle Class

The study indicates that the expanding middle class is vital in building brand equity in developing countries. In Nepal, the growing middle class has caused changes in the purchasing power of customers, their consumption behavior, their aspirations, and their view toward social status as well. The study finds that businesses notice increased disposable income and customer spending power. It has caused small businesses to use branding strategies and communication mixes that serve a more extensive customer base. Also, help them deliver a good brand message regarding their value proposition and better-quality lifestyle. One respondent mentioned:

"The growing middle class has opened up more doors for us in the market. It has expanded our target customers. Our products are more accessible than ever to our customers" (Interview, May 2023)

Another respondent mentioned:

"Our communication is solely driven towards making customers realize that by choosing our brand, they are not only choosing a product but also a representation of a quality lifestyle. It was extremely difficult before because most Nepalese customers didn't care much about their social status since it is hard even to have their ends meet." (Interview, May 2023)

The study also indicates that due to the growing middle class, there is easy access to technology, making it easier for brands to communicate their message and goals to customers than before. This has made it easier for small businesses to provide two-way communication with their target customers. One respondent mentioned:

"More and more people are getting access to mobile phones and computers with decent internet connections. We use Facebook, Instagram, and TikTok as our major communication channels. It has been very efficient and cost-friendly for us to expose our brands to a wider reach." (Interview, May 2023)

The study also suggests that the expanding middle class frequently values sustainability and social responsibility. Nepalese brands can increase brand equity by expressing their support for social concerns, moral principles, and environmental sustainability. Consumers in Nepal's middle class are becoming more aware of these factors and are more willing to interact with and support small businesses and entrepreneurs that share their beliefs. One respondent stated:

"We always acknowledge the social concerns of our Nepalese society. We try to promote social justice and balance in our brand. We have hired traditionally 'low-caste' people in the upper-level management team. We promote giving equal opportunities to all people despite their traditional social status. This has helped us connect with the customers more deeply." (Interview, May 2023)

Another respondent mentioned:

"We want to be viewed as environmentally responsible towards society. Thus, we don't use any plastic bags during our sales. We use jute bags that are reusable and 100% degradable." (Interview, May 2023)

The study also indicates that word-of-mouth and influencer marketing are becoming more and more effective as the middle class grows. Nepalese consumers in the middle class rely on the advice and affirmations of their fellow consumers and trusted influencers. To take advantage of the middle class's ability to shape brand equity and perception, brands collaborate with influencers and employ word-of-mouth marketing techniques. One respondent stated:

"The growing middle class has helped us to employ word-of-mouth marketing very well. We provide our initial customers a certain percentage of discount and cashback for bringing new customers to our service. It seems to increase our brand equity while building a better relationship with our customers simultaneously." (Interview, May 2023)

Another respondent mentioned:

"We collaborate with a very renowned middle-class YouTube influencer in our society. This brand communication approach has been very fruitful for us than expected. He has helped us connect with the other growing middle-class customers and gain their trust. We value him and his subscribers in growing our brand equity" (Interview, May 2023)

However, the study also reported that Nepalese societies' growing middle class is not the same as in Western societies. Small businesses and entrepreneurs noticed that despite rising disposable income, creating a luxury brand is still tricky in Nepal. Customers seek a better lifestyle and quality products, but not to the extent they can spend on luxury products and services. This resulted in brands strategizing accordingly. To appeal to price-sensitive consumers, brands in Nepal mostly seem to concentrate on cost-effective solutions and stress value for money. In addition, they are trying to match their products and services with the purchasing power of the target market. One respondent said:

"We ensure our brand isn't recognized only as a luxury brand, so we focus on pricing our products to the local market. We were trying to become a high-end brand when we first entered the market. However, we instantly knew that competing with existing big competitors would be tough. So, we have changed our branding strategy accordingly" (Interview, May 2023)

One respondent stated:

"We are fully aware of the growing middle class in Nepal. However, we also know that we will have a very small target market if we offer very expensive products. It will be hard for us to have continuous business profits in the long term. So, we focus very much on presenting ourselves as a quality brand rather than a luxury one." (Interview, May 2023)

Another respondent mentioned:

"We studied the market and our target customers and started our restaurant, branding ourselves as an 'upscale' restaurant. However, it generated very few customers. We found that people were unwilling to try it, thinking it would be very expensive when it wasn't much. So, we had to change our brand message to customers so they could realize that our prices are friendly and we aren't 'upscale' as they assumed. We realized we made a huge mistake in our brand communication approach as the Nepalese market is still hesitant for high-end products." (Interview, May 2023)

4.1.7 Availability of Duplicates and Replicas

The study finds that there is a high number of duplicate and replica products in the markets. Small businesses and entrepreneurs face several problems due to such products. The customers' perception of the value and quality of the products remains confusing and slowly dwindling since all the products look similar. The study finds that this challenge is mainly in the product businesses. Consumers' perceptions of the perceived value and authenticity of the original brand seem to be damaged when they have access to less expensive imitations. This makes it difficult for small brands to establish a premium or high-quality positioning, ultimately damaging their brand equity. Also, small businesses mentioned that low-copy and cheap Chinese products are highly imported into Nepal, making it difficult for Nepalese brands to prove and convince their worth in the market. One respondent mentioned:

"Due to the high import of goods from our neighboring countries, i.e., India and China, it is extremely tough to position ourselves in the target market. The imitated products create massive confusion among the customers on which the product is legit." (Interview, May 2023)

Also, the study finds that due to the availability of such duplicate products, it is hard for small businesses to price their product. Small businesses find that customers expect the prices of

products to be as cheap as the duplicates because of the difficulty in determining the value differentiation. It has made it extremely problematic for small businesses' brand communication efforts to label themselves as quality, premium, and legitimate. One respondent stated:

"We've had many customers come to our shops and highly bargain for the price of our products saying that they can find it cheaper in other places." (Interview, May 2023)

Additionally, the study also discovers that Nepalese customers are willing to purchase duplicates and replicas of big international brands instead of authentic local products. The trend of wearing certain international brands, even if they are replicas, has impacted small businesses a lot. The mindset of customers due to the easy availability of such brands has made it challenging for small businesses to build their brand equity despite their communication and strategic efforts. One respondent mentioned:

"We run a shoe business designing and manufacturing our shoes locally. The shoes are of excellent quality and durable. However, we see counterfeit and first copies of Nike, Adidas, Rebook, and many more in the market. Such retailers have taken a huge share of our target market. Customers are willing to wear duplicate products of a renowned brand rather than trying our local and original brand. It is tough for us to communicate and change the mindset of such customers." (Interview, May 2023)

Another respondent stated:

"It is really frustrating that instead of other entrepreneurs or even big international players, we are competing against duplicates and replicas." (Interview, May 2023)

This challenge was also found in businesses that provide a mix of products and services. The imitation of emerging brands has caused a negative reputation in the eyes of the target customers. The study finds that brand equity is harmed when a brand is mistaken with other similar-named brands that copied them as they were emerging in the market. One respondent revealed:

"We had gotten numerous negative feedbacks regarding our food and service standards on the official social pages of our restaurant. But when we looked carefully, another restaurant imitated our brand name by adding 'The' to our name to gain customer attention. We had to

take legal actions against them, which was difficult in our country. Although it wasn't our fault, we apologized and clarified to our customers that it wasn't us." (Interview, May 2023)

When the researcher asked the respondents about the presence of such duplicates and replicas, it was found that the lack of intellectual property rights and legal concerns was the primary cause behind it. It was found that there were no legal boundaries when it came to copying or importing duplicates or first copies of international brands. It is tough to regulate or take legal action due to missing laws and loopholes. One respondent mentioned:

"We have no right to take legal action against the duplicates and replicas. It must be because of the fact that we are a developing nation, and the policies are infringed upon very easily. I think the nation has bigger problems to take care of." (Interview, May 2023)

4.2 Discussion

In this section, we discuss how brand strategy and brand communication help to build brand equity in developing countries like Nepal. The findings show that various factors, challenges, and opportunities come during the brand-building process, influencing Nepal's brand strategy and brand communication approaches. Both theories of brand equity by Keller (2008) and Aaker (1996) share many similarities and overlap with each other and can give you a lot of direction for your branding and marketing strategy. They both offer a comprehensive perspective on developing a brand that considers both the internal definition of a brand and the way people perceive it. Based on both theoretical models and the conceptual model drawn in the literature review part, the following highlights help us to answer the research question:

4.2.1 Brand Awareness and Identity in Nepal

Both Keller and Aaker describe brand awareness as essential to their brand equity model. Simply, it's the target market's familiarity and visibility of the brand. Therefore, the first step in building brand equity is to make customers aware of themselves in the eyes of the target market (Keller, 2008). In Nepal, where the market is somewhat less saturated compared to other countries, increasing brand awareness has become even more crucial.

According to Aaker (1996), brand awareness represents a customer's capacity to recognize a brand and how it stands out in their minds. The findings from the interview show that small

brands from Nepal are constantly working on their brand strategy and brand communication to develop brand awareness to distinguish themselves in the market. Furthermore, the interview revealed that despite the limited knowledge of businesses, brand awareness is given top priority by small companies with a direct positive relation with brand equity.

The findings revealed that Nepalese brands provide USPs in their products, such as locally made handicrafts, sustainable furniture products, women-empowered businesses, and many more. For example, a company run entirely by women has gained a lot of publicity and recognition in Kathmandu, Nepal. In fiercely competitive target markets, it is a compelling argument for purchasing the product (Kotler & Keller, 2009).

However, it was found that traditional and cultural values are not prioritized in both models. Instead, small Nepalese brands seem to focus solely on their target market, acknowledging the nation's different cultural and traditional aspects. As a result, each communication and strategy are highly influenced by Nepalese society's traditions, cultures, and values.

In Nepal, businesses also work on carrying out social activities such as blood donation, cleaning the localities, and many more, which has led to brand recognition from the general public and, ultimately, the target market. In addition, customers find live events and experiences to be more actively engaging and tend to be a more indirect "soft sell" (Kotler & Keller, 2007). Yet, the findings show limited resources and knowledge has backed down most of the small businesses in Nepal carrying out such events.

According to Kotler and Keller (2007), brand communication is widespread and effective at reaching geographically scattered customers. However, the findings indicate that as technology is growing rapidly, their marketing mix model seems to lack giving primary emphasis on the social media channels such as Facebook, Instagram, TikTok, and YouTube, including local influencers such as Vloggers, Reviewers, etc., which seems to be more critical in developing nations.

Therefore, in Nepal, brand awareness is directly influenced by brand strategy and brand communication initiatives, as proven by previous research. But significant variables are present, making it more challenging and requiring developing countries to develop a new or modified mechanism compared to previous ones.

4.2.2 Brand Association in Nepal

Brand association is one of the elements of brand equity in Aaker's model. Strong brand associations are essential since they serve as the customer's mental representation of what the brand means to them (Aaker, 1996). From the interview, we can find that small businesses use different engagements to create a feeling of positivity when customers purchase their products. For example, one respondent explained that the inclusion of 'traditionally' lower caste people in their top-level management had made positivity to the mind of Nepalese customers. Aaker (1996) explains that brand association can aid in forming a favourable opinion of a business, which may persuade customers to purchase its goods or services.

Aided brand awareness and association assesses a company's ability to raise enduring images, memories, and feelings (Kapferer, 2008). Small businesses in Nepal are shown to express their strategies for utilizing positive brand associations. For example, the study shows that one of the businesses collaborated with a YouTube vlogger with a huge number of young subscribers who connect with them on a higher emotional level. Since the brand's target audience is young people, it has helped them to gain trust in their brand.

Keller (2008) explains that the second step of building brand equity is establishing the entirety of brand meaning in customers' minds by strategically connecting a range of tangible and intangible brand associations. In the case of Nepal, it was shown that small businesses found Nepalese customers to be very emotional. Hence, they are very cautious with the traditional and political associations, where they try to be as neutral as possible without offending any group. The study finds that positioning a brand in Nepal is difficult due to unstable politics and market trends.

The growing technological access and rapid use of social media have also significantly changed the scenario for small businesses' brand awareness campaigns from past decades (Voorveld, 2019). It has created more opportunities for small businesses in Nepal to forge more bonds with customers than ever. However, it has also led to high competition due to easy entry and fewer legal barriers.

Using local influencers and incorporating traditional values of Nepalese society is a significant positive approach for small brands to enhance brand association. By utilizing positive brand

associations, small brands may build brand equity and get a competitive edge in the expanding Nepalese market.

4.2.3 Perceived Quality and Brand Response in Nepal

Another element of the brand equity model by Aaker (1996) is the perceived quality, which also includes and overlaps with the brand response stage of Keller's (2008) model.

According to Keller (2008), perceived quality refers to how customers judge a product or service's general quality or superiority over others and with its intended use. Additionally, perceived quality can aid businesses in setting themselves apart from rivals. Previous studies confirm that perceived quality boosts sales and helps to build loyal customers. However, the study finds that perceived quality is highly affected by various factors in developing nations like Nepal.

In the case of Kathmandu, Nepal, it didn't seem easy to attain. The availability of duplicates and replicas is one of the significant factors that make Nepalese customers hard to differentiate and trust small businesses. This major factor is lacking in the previous models, which significantly affects Nepalese markets. Through interviews, small businesses explained that low-copy products imported from China had created a sense of distrust in the market. It has made the pricing strategy extremely difficult for businesses. Also, such availability has made people desire to wear replicas from international brands such as Nike rather than original shoes from local businesses. It has made brand communication efforts ineffective and inefficient. Many respondents explained that they compete with duplicate and replica products rather than other small local businesses and entrepreneurs.

Keller (2008), in his "Ten Commandments of Global Branding," mentions that balancing standardization and customization is necessary for blending global and local brand components, along with product and pricing strategies. However, the Nepalese market lacks strict legal and regulatory policies which small businesses cannot control and influence. The study finds that small businesses are helpless in this case.

But, as the middle class grows, emphasizing and providing consistent, high-quality goods or services is slowly emerging as people desire more. But the gap in understanding the term 'quality' between developed and developing nations seems to prevail, which the previous

studies fail to emphasize. Also, the study shows the use of celebrities and influencers is the top way to enhance Nepalese customers' perceived quality or brand response.

4.2.4 Brand Resonance and Brand Loyalty in Nepal

The type of connection consumers have with a brand and the degree to which they feel "in synch" with it is referred to as brand resonance (Keller, 2008). It sits at the top stage of the pyramid in Keller's brand equity model. In addition, it includes brand loyalty which is another important element of Aaker's model. However, brand resonance goes beyond that.

The study reveals that culture and traditional values are most important for building and developing brand resonance because they promote greater consumer engagement, endorsement, and emotional involvement. Customers and brands connect emotionally through behavioral loyalty programs (Kapferer, 2008). For example, businesses acknowledged the biggest festival in 'Nepal' by providing discounts and special packages, which helped them connect deeply with Nepalese customers. The mix of product and service businesses, such as restaurants, also used family values to build synchronization with Nepalese customers through family packages. Similarly, social causes such as woman's empowerment by employing only women employees helped to build deeper relationships with the target audience of women.

It was also seen that small brands are constantly creating two-way communication where they take the feedback seriously and also create social engagement posts to connect with the customers in the long run. Due to the small geographical region, small brands seem to be successful in using local influencers such as YouTube Vloggers, Tik Tokers, Instagram models, and others to gain mass attraction all around the nation and ultimately create emotional connections with the customers. It is different in developed countries because of the mass spread of the population.

Thus, brand resonance and brand loyalty are given top priority by small businesses in Nepal, which guides their brand strategy and communications activities. As a result, small businesses and entrepreneurs may build brand equity, acquire a competitive advantage, and find long-term success in the emerging Nepalese market. It backs the previous studies of creating brand loyalty and resonance through extraordinary experiences, tailored messaging, and emotional connections.

4.2.6 Relationship between Brand Strategy and Brand Communication with Brand Equity

Building brand equity in developing nations like Nepal requires that brand strategy and brand communication be in sync, according to both the Keller and Aaker model and the conceptual model developed by the researcher. Effective brand communication builds brand awareness, affects perceptions, and encourages consumer loyalty, while a well-defined brand strategy aids in differentiating the company and establishing a distinctive position. The development of strong brand equity in the Nepalese market results from the successful integration of brand strategy and brand communication initiatives. It is found that there is a direct and positive impact on building long-term brand equity. However, the study also shows that the global context doesn't apply to the developing market like Kathmandu, Nepal. Different variables and factors are present which must be carefully acknowledged in developing nations that aren't seen in developed countries. The major factors included traditional and cultural values, unstable market and politics, and availability of duplicates and replica products. In addition, the growing use of technology and social media seems to be affecting branding worldwide.

4.3 Limitations of the Study

This study is a macro-level study of Kathmandu, Nepal. Every study carries some unavoidable limitations. The analysis is based on a sample size of a particular area which may not help make a general conclusion about the entire nation or other developing nations since it is somewhat more indicative than inclusive.

Most respondents participated in this type of research for the first time, making it difficult to explain the interview process and the study's goals to them. Due to their comfort and other factors, respondents needed additional time to prepare for the interview. Similarly, some of the chosen respondents failed to show up for the planned interview, making it difficult for the researcher to choose alternative respondents. The researcher found it difficult to control the timeframe for this research activity because the data processing and interpretation procedure took longer than anticipated.

Another problem during the investigation is the respondents' language. Most of the study respondents spoke in Nepali throughout the interview, which required additional time for the researcher to interpret and transcribe in English.

Chapter Five: Conclusion and Recommendation

5.1 Conclusion

The present competitive market all around the world has forced all businesses to give significant priority to branding their business to gain a competitive edge over the competitors. Proper brand strategy and brand communication are vital for any business to sustain and be profitable at the same time. A brand represents the first impression, feelings, or message that people have of a company or product and is more than just a name or symbol. Simply, it is a collection of all the visible elements and characteristics of a good or service that are not physical. A powerful brand encapsulates various thoughts and opinions regarding status, image, lifestyle, and quality. The target market or its customers can rely on the brand's equity to offer value over an extended period. As mentioned in earlier literature reviews, owning a powerful brand benefits businesses and customers.

However, building brand equity in developing countries like Nepal seems more challenging. The global branding concepts and models don't seem to fit the local market fully. Several variables and factors are present that can't be controlled or influenced by businesses and directly impact their brand strategy and communication approach. Small businesses and entrepreneurs must carefully consider such factors before taking action. The researcher believes that this paper has made it possible to back the previous findings and also extract a significant amount of valuable information on the critical ideas of branding and its importance for small businesses in developing countries like Nepal.

The study identified many variables in Kathmandu, Nepal, which play a huge part in shaping the brand equity of small businesses and entrepreneurs. Such variables create challenges and opportunities for the businesses they must act on. It is constantly changing and directly impacts small businesses' brand strategy and brand communication approach. Proper interpretation of such variables will help small business managers and entrepreneurs to develop a proper mechanism effectively.

Nepalese customers seem to be highly emotional and more responsive when it comes to safeguarding their values. Small businesses perform in-depth research and develop a complete awareness of the local culture, traditions, and consumer preferences. It is an integral part of Nepalese society. It is the major basis for being effective in their brand strategy and

communication approach. The inclusion of traditional and cultural values has enhanced the brand equity of small businesses, and almost everyone seems to be fully aware of it. Small businesses are benefitting from it. Nepalese customers value brands that align with their traditional customs, rituals, and festivals.

In developing countries like Nepal, where resources are scarce, brand building is often approached strategically and adaptively. Small Brands are overcoming obstacles and developing brand equity despite resource limitations by understanding the local market, focusing on value, making effective resource allocation decisions, and encouraging partnerships. However, the limited resources have limited the growth potential of brands. Lac of investment is found to be one of the reasons behind that. People don't seem to trust businesses with their money. They'd rather have it in a fixed account, gaining small interests rather than risking it. This mindset of the people has made financing difficult for small brands. Also, the limited knowledge of branding concepts of small businesses in Nepal has slowed down the progress. Small businesses are still learning and catching up to the concept. It has been a case of hit-or-miss in most cases due to a lack of educational background and experience in the same field. As a result, it is not up to the level to take their brands and compete in the international market.

Growing access to technology in developing nations like Nepal seems to present businesses with several chances to improve their branding and communication strategies. Brands can improve brand equity by raising brand awareness, connecting with customers, and providing valuable experiences by employing digital channels, adopting e-commerce, personalizing communication, and applying data-driven insights. Despite being a developing country, small businesses in Nepal seem to focus fully on the business's technological and social media sites to increase their brand awareness, association, and engagement. The use of social media has grown exponentially in the past decade. Small brands reveal that TikTok has the highest reach despite being the newest on social media compared to Facebook, Instagram, or even YouTube. This has led to local influencers being one of the most cost-friendly and effective brand communication approaches for small brands. Collaborating with YouTube Vloggers, reviewers, Tik Tokers, Instagram models, and many others is very much common in the present scenario of the business market in Nepal. It will only grow further as technology advances more and more and people get more hooked on it.

One of the major challenges for small businesses in Nepal was unstable politics and the market in Nepal. It has created frustration in the minds of entrepreneurs. There are no proper rules and regulations, due to which there isn't a fair game in the business market. Easy import of low-quality Chinese products has resulted in distrust and confusion in the minds of target customers. Nepalese customers can't seem to differentiate small brands due to this. It also has impacted the pricing strategy of small brands. Also, the availability of duplicates and replicas of international brands has made the target customers diverted. Customers seem to prefer copies of brands like Nike, Adidas, and other reputed brands over small local brands. Thus, it is a challenging and almost helpless scenario for brands in Nepal. It doesn't seem easy to implement their brand strategy and differentiate their products from other ones. Also, the continuously changing government has affected small businesses' long-term strategies since the policies, rules, and market is very uncertain. So, government policies and unstable markets demotivate new entrepreneurs from starting businesses and building a brand due to many uncertainties and time-consuming procedures.

To sum up, this study has backed the previous literature that effective brand strategy and brand communication definitely helps to build brand equity in the long run successfully. However, the study also outlined the various factors and variables that exist in developing countries like Nepal, which most of them are uncontrollable. This has a significant impact on the brand strategy and brand communication approaches. Small businesses face different challenges, which are uncommon in developed countries. So, global practices aren't sufficient for them to build brand equity in the long run. Businesses need to study more and be willing to take more risks if they want to have a chance to survive, compete, and sustain in the modern business world. They need to find alternatives to effectively strategize and communicate their brand value to the local customers and ultimately expand themselves in the international market. Small businesses must catch up with the pace of growing technology and social media usage to grab opportunities in the market. Traditional and cultural values seem to be an integral part of any developing country, which they must incorporate into their brand strategy and brand communication mix. However, unstable politics and markets cannot be influenced, which only leads them to be optimistic since they are helpless. Government must create a favorable fair business environment which seems unlikely in the near future.

5.2 Recommendations

In this study, the researcher has outlined the major variables and factors that affect brand strategy and brand communication approaches to build brand equity in developing countries like Nepal ultimately. Small businesses must acknowledge all the variables and find out more factors to gain an advantage over their competitors. Small businesses and entrepreneurs might carry out fewer activities than larger businesses and brands, but due to the enormous and growing number, they contribute significantly to the bigger picture. Therefore, small businesses should be prioritized by the Nepalese government and the local customers to maintain balance and be self-sufficient in the future since Nepal depends highly on imports.

Brands must successfully captivate the attention, loyalty, and advocacy of their significant consumer sector by comprehending the changing requirements, aspirations, and preferences of the growing middle class. Brands must adapt their' brand strategies, product offers, and communication accordingly. Small Businesses must safeguard their reputation, maintain relationships with customers, differentiate their products, and inform consumers to sustain in the market. Brands may lessen the detrimental effects of imitations and increase the value of their real products by focusing on authenticity, making investments in brand protection, and conveying these benefits to the public.

As the world is becoming more and more digital, brands must focus on utilizing the opportunities that it presents. They must carefully navigate the market needs and collaborate with local influencers that play a significant role in Nepalese society. Also, the limited knowledge of branding concepts of small businesses in Nepal can be developed through attending training programs and workshops and partnering with brand experts or professionals.

5.3 Suggestions for Further Studies

This study is limited to the area of this research. The researcher has backed up the previous studies that effective brand strategy and brand communication help to build a long-term brand. Also, it generalized the significant impacts of both controllable and uncontrollable variables present in developing nations that guide the brand-building approach. This thesis only covers the study of small brands in the metropolitan city of Kathmandu, Nepal. This suggests that comparative analyses can be performed on other parts of Nepal or other developing countries to understand better the brand strategies and brand communication programs to show how

brand equity is impacted. Such an examination would provide insights into international marketplaces and the opportunity to evaluate global tactics and tendencies for building and maintaining powerful, successful brands. The researcher suggests new researchers and academicians be up to date with the changing business environment through fieldwork and other works of literature.

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APPENDICES

Appendix I Information Letter

Study Title- How Brand Strategy and Brand Communication Help to Building Brand Equity in a developing country – a Study on the metropolitan city, Kathmandu, Nepal

Are you interested in taking part in this study?

This letter is an inquiry about your participation in the title mentioned above. This study aims to sketch out the major impacts of brand strategy and brand communication on brand equity in a developing country, Nepal. I have mentioned the study purpose and what your participation involves in this letter.

Study Purpose

The study's purpose is to analyze the impacts of different brand strategies and communication used in your business and understand the challenges you are experiencing while building a long-term brand. The study's primary purpose is to sketch out the major impacts and focus on understanding the small-scale business holder's plan and strategies to cope with a competitive business environment.

This study will be submitted by the student as the master's thesis to the University of Agder, the School of Business and Law. Therefore, your information and experiences related to the title, research questions, and objectives will only be used for this study.

Who is responsible for the study?

The University of Agder, Kristiansand, Norway, is the institution responsible for this study.

Why are you being asked to participate?

In this study, 15-20 small-scale business holders from Kathmandu Metropolitan City will be considered. Participants aged 21-60 will be selected by the researcher for the study. I have sent you this letter as you are a small-scale business holder and fit into the category.

If you are clear about the purpose of the study and agree to take part in this study, this would involve a personal interview with me. I will send you a list of interview questions, and it will take approximately 40-50 minutes. I will only ask questions related to your business activities. I will record your answers with a recorder and by taking notes during the interview. Your identity will not be recorded in any form.

Participation is voluntary.

Your participation in this project is voluntary. You can withdraw your consent to participation at any time in the study without giving a reason. All the information given by you will be anonymous. If you choose to withdraw your consent, there will be no negative consequences.

Your privacy – how we will store and use your personal data. As a researcher, I will only use your personal data as specified in this information letter. All the collected data from you will be processed confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

The University of Agder and I will be responsible for this study. Only two people, me and my supervisor, will have access to your personal data.

No identification will be mentioned after the interview. I will code your data immediately, which a password will protect. I will encrypt the data before sending it to my supervisor.

What will happen to your data at the end of this study?

The study is scheduled to end on 01.06.2023. After the study is completed, all the personal data will be anonymized and deleted according to the notification of NSD.

Your rights

As I am using your personal data for the study, you have the following rights:

- access the personal data that is being processed about you.
- request that your personal data be deleted.
- request that incorrect personal data about you be corrected.

- receive a copy of your personal data (data portability) and send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data.

I will process your data based on your consent.

If you have questions and queries about the study, you can contact to:

Student/Researcher

Name: Atit Ale

Email: atitale85@gmail.com, atita@uia.no

Phone No: +47-47748584

Supervisor

Name: Prof. Anders Emil Tobias Otterbring

Email: tobias.otterbring@uia.no

Phone No: +47-38142397

Data Protection /controller: University of Agder Business School at UiA/Department of Management

NSD – The Norwegian Centre for Research Data AS, by email: personverntjenester@nsd.no or by telephone: +47-55582117.

Yours Sincerely

………………………….(Sign/Date)

Atit Ale (Researcher)

Consent Form

I understood the mentioned study *"How Brand Strategy and Brand Communication Help to Building Brand Equity in a developing country – a Study on the metropolitan city, Kathmandu, Nepal"* and have agreed to ask questions. I give consent to participate in a personal interview.

I consent for my personal data to be processed until the project's end date, approx. 01.06.2023.

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Sign and Date by Participant

Appendix II Semi-Structured Interview

In this study, *"How Brand Strategy and Brand Communication Help to Building Brand Equity in a developing country – a Study on the metropolitan city, Kathmandu, Nepal,"* the researcher asks the participants these questions to find the answers to the study's objectives.

1. **How would you define your brand and differentiate it from the competitors in your market?**

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2. **What is your target market, and how did you identify it?**

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3. **How do you currently communicate your brand to your target audience? Are there any specific marketing channels?**

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4. **Do you have a brand strategy in place? If so, can you describe it?**

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5. **How do you measure the success of your brand strategy and communication efforts?**

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6. **How do you stay up to date with the latest trend in your market?**

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7. **Can you describe a time when you had to adapt your brand strategy or brand communication to better fit your target audience?**

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8. **Can you describe a time when your efforts were not successful in Nepal? What did you learn from the experience?**

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9. **What role do cultural values and traditions play in shaping your brand communication? If yes, how do you incorporate such values into your brand messaging?**

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10. **How do you ensure that your brand is perceived as high quality and trustworthy by customers?**

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11. **What role does customer feedback play in building your brand?**

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12. **Do you have any plans to brand your business on a large scale and beyond Nepal?**

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Appendix III: Individual Discussion Paper

Discussion Paper: Atit Ale

1. Introduction

International, innovative, and responsible are key concepts in the UiA School of Business and Law's mission statement and strategy. These are concepts that the School of Business and Law considers to be particularly relevant for responsible and productive professionals within the field of business administration. I choose branding for my master's thesis as I have an interest in marketing, and it matches my bachelor's course in business administration. The topic is "How Brand Strategy and Brand Communication Help to Building Brand Equity in a developing country – a Study on the metropolitan city, Kathmandu, Nepal."

This discussion paper examines the meaning of the term "responsible" in connection to my topic using information learned throughout the full master's degree in international business at the University of Agder. The first part will briefly summarize my master's thesis. Then, the second part will discuss how the thesis relates to responsibility by linking the concept of 'brand strategy', 'brand communication', and 'research process' with the term "responsible" and its potential ethical issues. The third part will highlight these can be managed. Finally, a conclusion is drawn.

1.1 Summary of Master's Thesis

It is evident from past studies and research that well-established brands benefit from the global market (Keller, 2008). The way companies engage with their target market affects brand trust, which in turn decides whether the connection will persist after the first few encounters (Keeling et al., 2010). So, it is important for small brands to use a proper communication mix to enhance their brand equity in the long run. The brand strategy plan outlines the direction and scope of the brand over the long term in order to maintain and establish a sustainable competitive edge over competing firms (Arnold, 1992). Brands from developed nations are viewed as being preferred to those from emerging countries(Zhuang et al., 2008). Small businesses and entrepreneurs in developing nations like Nepal face unique hurdles when attempting to establish a strong brand.

I've used the theoretical framework to provide a detailed analysis of the underlying theories and models and then used a conceptual framework to provide a visual representation of those models. The study is focused specifically on Kathmandu Metropolitan City, Kathmandu, Nepal. Qualitative research was conducted through a semi-qualitative interview and thematic analysis. The goal of thematic analysis is to establish a list of themes and subthemes and assess them in the context of specific objectives where such themes are the product of transcripts, field notes, and reading (Bryman, 2012). Both brand equity models developed by Keller (2008) and Aaker (1996) worked as the basis for determining the impacts of brand strategy and brand communication. The global branding concepts and models don't seem to fully fit the local market. Several numerous variables and factors are present that can't be controlled or influenced by businesses and have a direct impact on their brand strategy and brand communication approach.

To sum up, this study has backed the previous literature that effective brand strategy and brand communication definitely helps to successfully build brand equity in the long run. However, the global branding concepts and models don't seem to fully fit the local market. Several numerous variables and factors are present that can't be controlled or influenced by businesses. Such as the role of traditional and cultural values, the availability of limited resources, growing technological access, the unstable market, the growing middle class, and the availability of duplicates/replicas.

2. "Thesis" and "Responsible"

The thesis is about finding the impacts of strategies and communication and variables during the brand-building process by small businesses. The terms in the title "Brand strategy" and "brand communication" is strongly related to the term "responsible" as it deals with the operations or activities of businesses around their stakeholders i.e., customers, suppliers, employees, communities, environment, and government. It also deals with the ethical issues that fall during the research process.

2.1 Brand Strategy and Responsible

The brand strategy must be in line with the corporate vision, business strategy, and culture ((Aaker, 1991). Responsibility in brand strategy entails considering how the brand's activities, choices, and positioning will affect various parties involved and society at large. When choosing target markets or target audiences, ethical issues could come up. A brand's identity is made up of what it says, what it stands for, how it explains what it sells, and how it wants its target market to feel when they interact with it (Wheeler, 2023). Developing and introducing new goods or services might provide ethical issues related to society, the environment, and public health. It may also be unethical to source products from or collaborate with vendors who engage in abusive labour practices, human rights violations, or environmental destruction. Also, when CSR programs are hollow or just empty marketing gimmicks with no real impact, ethical issues can develop. The findings of the thesis indicate that traditional and cultural values play a major role in shaping brand equity. Ethical issues arise when businesses ignore such values. Also, it was found that the availability of duplicates and replicas was the major concern for small brands. Due to ineffective laws and regulations, the responsibility of such presence is borne by no one. Fair competition is also a major ethical concern in developing countries because of the same reasons. Brands strategy is directly connected with being responsible in the present global context.

2.2 Brand Communication and Responsible

As a means of initiating a conversation and developing ties with customers, marketing communications serve as the voice of the business (Kotler & Keller, 2007). So, businesses must be responsible and accountable regarding their messages and views. Brands must be cautious to avoid any misinterpretation that leads to defamation (Kapoor & Banerjee, 2021). When companies use incorrect or false promotional materials, make dishonest claims, or exclude crucial facts, ethical problems occur. The promotion of unpleasant preconceptions by businesses, inaccurate representation of cultures, or the exclusion of minority populations can all pose ethical issues. The concept of globality is more ambiguous, subject to interpretation, and unconstrained by specific cultural standards than the idea of locality (Kjeldgaard & Askegaard, 2006). So, brands must be very careful when employing their message in different markets. It may cause misinterpretations and harm the perception of the stakeholders. The findings from the thesis indicate that the growth of technology and social media usage has enhanced two-way communication between brands and their customers or other stakeholders. This has compelled them to be more responsive and responsible for their messaging, views, and replies. Traditional and cultural aspects play a vital role in Nepal. Ethical issues may arise when brands fail to acknowledge and respect the values and norms of the target customers. Also, communicating political support and agendas may raise ethical concerns since everyone's view is different. Brands' communication is directly related to "responsible" as it is the voice of the businesses.

2.3 Research Process and Responsible

For any research activity to be carried out, a high level of ethical consideration is required. The key ethical concerns include participant harm, lack of informed permission, invasion of privacy, and deception (Bryman, 2012). It is the duty of the researcher to be responsible for everyone involved. Ethical issues may arise when the data are exploited and misguided. The researcher needs to be responsible for the interviewees and their participation. Concerns may arise when data are collected with deceptive objectives. Any human engagement requires responsible handling in every field. Responsibility issues may arise for researchers when it comes to dealing with supervisors, advisors, administrations, fellow partners, and others.

3. Managing Ethical Issues

Ethical Issues must be addressed by businesses and their stakeholders. Detailed research should be done to determine the desires, beliefs, and potential effects of the brand's offers on the market. Businesses must ensure that the target audience selection criteria are transparent and that the market it chooses to enter is consistent with their fundamental values. Businesses must make sure that the applicable laws and industry standards are being followed and conduct strict testing and certification procedures. Businesses must source their product in a sustainable manner. They must ensure that their products and services are safe for the customers. Businesses should collaborate with their stakeholders to promote transparency. They must avoid the exploitation of laborers. Environmental issues need to be carefully considered when conducting their business. Businesses should be obliged to give proper wages and working conditions to their employees. The values and visions of the business must align with that of its stakeholders in most parts. Continuous involvement in CSR (Corporate Social Responsibility) should be prioritized to show their commitment toward stakeholders.

Businesses should also be responsible for their communication approach. Brand communication should be transparent and honest. It should provide detailed information about the goods and services offered by the business supported by facts. False representation and claims should be avoided at any cost. Businesses must make extensive inquiries about cultural contexts, interact with many viewpoints, and refrain from exploiting or misrepresenting cultures. Also, encourage inclusivity and diversity in brand communications to ensure everyone is represented and has the same chances. As businesses have information about the customers, they must obtain informed permission and implement strong data protection procedures. Businesses must embed responsibility in their corporate values so that all the employees and management are well aware of it. Businesses can better grasp the standards and beliefs of their target market by engaging with stakeholders while catering to their issues. The development of ethical brand communication and strategy can be influenced by this input to ensure alignment with social needs. Businesses must evaluate their practices regarding their strategies and communication on a regular basis. It can help to avoid potential ethical concerns in the future. Setting up an ethical code that directs brand communication and strategy can assist in developing a foundation for moral decision-making.

Ethical issues should also be addressed during the research process. When conducting qualitative research, it is critical to examine potential ethical dilemmas because data interpretation and findings are more subjective. Participants in the study must be assured of their privacy and must not be harmed in any way. The researcher must validate and guarantee the confidentiality of all data and information in the study. The researcher should use symbols to identify what and who said the comprehensive information to prevent identification. Also, the objective and reason for the research should be clearly mentioned beforehand.

4. Conclusion

The study has outlined the major variables and factors that affect brand strategy and brand communication approaches to ultimately build brand equity in developing countries like Nepal. The study also outlined the various factors and variables that exist in Nepal of which most of them are uncontrollable. Despite the different challenges, small brands are still optimistic. They are slowly acknowledging the branding concepts used globally which they lacked priorly. The existence of traditional and cultural values provides small businesses with opportunities to market themselves and align with the customers. The growing middle class also facilitates small businesses to engage in the market. Also, the extensive use of technology and social media has heavily influenced their brand strategy and brand communication approach. Furthermore, small businesses should be prioritized by the Nepalese government and the local customers to maintain balance and be self-sufficient in the future. The thesis backs the previous findings and guides further research on relevant topics.

To conclude, brand strategy and brand communication must be carried out in a responsible way since it directly affects the stakeholders. Businesses must be accountable for their actions to grow and sustain in the competitive environment. Being responsible will provide them recognition from their target customers and other stakeholders involved. It will help them to build better brand equity in the long run.

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