

**TOURISM MARKETING AND PROMOTION IN
ASIAN MARKET BY NEPAL TOURISM BOARD**

A THESIS

Submitted By:

DEEPENDRA PANDEYA

Nepal Commerce Campus

Campus Roll No.:958/062

MBS Symbol. No.: 2267/064

TU Regd. No.: 7-2-327-801-2002

Submitted To:

Office of The Dean

Faculty of Management

Tribhuvan University

**In Partial Fulfillment of the Requirements for the Master's Degree
of Business Studies (M.B.S.)**

New Baneshwor, Kathmandu

September, 2009

VIVA-VOCE SHEET

We have conducted the viva-voce examination of the thesis presented by:

DEEPENDRA PANDEYA

Entitled:

**TOURISM MARKETING AND PROMOTION IN
ASIAN MARKET BY NEPAL TOURISM BOARD**

And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirements for

Master's Degree of Business Studies (M.B.S.)

Viva-Voce Committee

Chairperson Research Committee :

Member (Thesis Supervisor) :

Member (Thesis Supervisor) :

Member (External Expert) :

Date:

RECOMMENDATION

This is to certify that the thesis

Submitted by:

DEEPENDRA PANDEYA

Entitled:

**TOURISM MARKETING AND PROMOTION IN
ASIAN MARKET BY NEPAL TOURISM BOARD**

has been prepared as approved by this Department in the prescribed format of
the Faculty of Management. This thesis is forwarded for examination.

.....
(Prof. Dr. Bihari Binod Pokharel)
Head of Research Department

.....
(Mr. Gopal Thapa)
Thesis Supervisor

.....
(Mr. Diwakar Pokhrel)
Campus Chief

DECLARATION

I here by declare that the work reported in this thesis entitled “**TOURISM MARKETING AND PROMOTION IN ASIAN MARKET BY NEPAL TOURISM BOARD**” submitted to the office of dean, Faculty of Management, Tribhuvan University, is my own original work done in the form of partial fulfillment of the requirements for the Master’s Degree in Business Study under the guidance and supervision Mr. Gopal Thapa, Lecturer of Nepal Commerce Campus.

.....

DEEPENDRA PANDEYA

Nepal Commerce Campus

Campus Roll No.:958/062

TU Regd. No.: 7-2-327-801-2002

Date:

ACKNOWLEDGEMENTS

The present study “**TOURISM MARKETING AND PROMOTION IN ASIAN MARKET BY NEPAL TOURISM BOARD**” has been prepared for the partial fulfillment of the requirement for Master’s Degree in Business Study (M.B.S.).

This research work could never have been completed without the invaluable co-operation and assistance of many individuals and organizations. Firstly and foremost, I wish to express my sincere and deep sense of gratitude to Professor Dr. Bihari Binod Pokharel, Head of the Research Department, Nepal Commerce Campus. The successful completion of this dissertation is the result of Mr. Gopal Thapa, Lecturer of Nepal Commerce Campus, for his valuable suggestions, encouragement and guidance while supervising my this work. He has provided me much of his precious time in the completion of this work. His wise counsel and guidance provided me to inspiration to go ahead with the work.

I am extremely grateful to Mr. Jitendra Bhattarai, Officer of Research Department, Nepal Tourism Board and I most appreciate the kind cooperation of all the staffs of Nepal Commerce Campus during the study. I am also thankful to the staffs of Nepal Tourism Board, MOF for providing the necessary data, information, suggestion and help during the study period.

I am also thankful to my brother Er. Rabindra Pandeya for the painstaking work of tabulating the data, computer setting, preparing diagram, charts and assisting me in arranging the complete research work in the present format.

I am thankful to my family for their regular support in each and every steps of my life. I would like to express my sincere appreciation and gratitude to my wife Mrs. Urmila Pandeya for her tender loving care, co-operation and inspiration that she provided enabling me to complete this research work in time. My every achievement is possible because of her effort, help and blesses.

Finally, I wish to record my sincere thanks to all tourists, tourism experts and business organizations for their valuable co-operation in filling in the questionnaire without any hesitation.

.....

DEEPENDRA PANDEYA

Nepal Commerce Campus

New Baneshwor, Kathmandu

TABLE OF CONTENTS

CONTENTS	Page No.
VIVA-VOCE SHEET	
RECOMMENDATION	
DECLARATION	
ACKNOWLEDGEMENTS	
TABLE OF CONTENTS	
LIST OF TABLES	
LIST OF CHARTS AND FIGURES	
ABBREVIATIONS	
CHAPTER I: INTRODUCTION	1-16
1.1 Background	1
1.1.1 Development of Tourism in Nepal	3
1.1.2 Policy and Programs under Globalization in Nepal	6
1.2 Statement of Problem	12
1.3 Objectives of the Study	13
1.4 Significance of the Study	13
1.5 Methodology	14
1.6 Limitation of the Study	15
1.7 Organization of the Study	16
CHAPTER-II: LITERATURE REVIEW	17-43
2.1 Concept of Marketing	17
2.2 Concept of Tourism	18
2.3 Tourism Defined	18
2.4 Tourism Marketing	20

2.5 Review of Studies	24
2.6 Review of Thesis work	33
2.7 Review of News Articles	38
CHAPTER-III: RESEARCH METHODOLOGY	44-45
3.1 Selection of Study Area/Topic	44
3.2 Nature and Source of Data	44
3.3 Methods Used in Collection of Primary Data	44
3.4 Tools & Techniques Used in Data Analysis	45
CHAPTER-IV: DATA ANALYSIS AND PRESENTATION	46-100
4.1 Introduction of NTB	46
4.2 Objectives of NTB	47
4.3 Roles & Responsibilities of NTB	47
4.4 Organizational Structure of NTB	48
4.5 Resource Allocation	49
4.5.1 Year Wise Allocation of Resource for Tourism Development	49
4.5.2 Plan Wise Allocation of Resources	50
4.6 Tourists Inflow in Nepal	51
4.6.1 Tourists Arrival by Continents	54
4.6.2 Tourists Arrival from Asian Markets/Countries	56
4.6.3 Tourists Arrival by Purpose of Visit from Major Nationalities	58
4.6.4 Average Length of Stay	60
4.7 Marketing Tools Used by NTB for Destination Promotion	60
4.8 Marketing Budget Allocation by NTB	68

4.9 Marketing Programs in Different Asian Countries	69
4.10 Analysis of Primary Data	79
CHAPTER-V: SUMMARY, CONCLUSION AND RECOMMENDATIONS	101-106
5.1 Summary	101
5.2 Conclusion	102
5.3 Recommendations	103
BIBLIOGRAPHY	
APPENDICES	

LIST OF TABLES

Table No.	Page No.
4.1 Year Wise Allocation of Resource for Tourism Development	49
4.2 Allocation of Resource in Various Plans	50
4.3 Tourist Arrivals and Average Length of Stay	51-52
4.4 Tourists Arrival by Continent	54-55
4.5 Tourists Arrival from Asian Countries and their Share of Total Arrival	57
4.6 Tourists Arrivals by Purpose of Visit from major Nationalities	58
4.7 Actual Length of Stay by Major Nationality	60
4.8 Marketing Budget Allocation by NTB	68
4.9 Marketing & Promotion Budget for India	69
4.10 Marketing & Promotion Budget for China	71
4.11 Marketing & Promotion Budget for Malaysia	72
4.12 Marketing & Promotion Budget for Thailand	73
4.13 Marketing & Promotion Budget for Bangladesh	74
4.14 Marketing & Promotion Budget for Sri Lanka	76
4.15 Marketing & Promotion Budget for Japan	77
4.16 Marketing & Promotion Budget for South Korea	78
4.17 Visitors Perception on Service & Facilities	81
4.18 Measures to Develop Nepal as an International Destination	82
4.19 Attention Needed for Promoting Tourism	83
4.20 Concentration of Marketing Efforts Initiated by Nepal	84
4.21 Types of Marketing Efforts	84

4.22 Product Development Needs	85
4.23 Target Market	86
4.24 Strengths & Weakness of Present Market	87
4.25 Positioning in the International Market	88
4.26 Efforts Initiated by the Government	89
4.27 Marketing Efforts of the Government	89
4.28 Pricing Strategy of Tourism Services in Nepal	90
4.29 Level of Competition in Tourism Business in Nepal	90
4.30 Role of Different Agencies in Marketing	91
4.31 Factors Affecting Marketing Efforts	91
4.32 Allocation of Promotional Budget	92
4.33 Marketing or Advertising Agencies Used	92
4.34 Rating of Marketing Organizations/Advertising Agencies	93
4.35 Evaluation of Marketing Efforts	93
4.36 Development of Promotional Packages/Strategies	94
4.37 Rating of Impact of Promotional Efforts	94
4.38 Marketing during Off-Season	95

LIST OF CHARTS AND FIGURES

Charts/Figures No.	Page No.
4.1 Tourist Arrivals & Average Length of Stay	53
4.2 Tourists Arrival by Continent	56
4.3 Tourists Arrival by Purpose of Visit	59
4.4 Marketing Budget Allocation by NTB	68
4.5 Tourists Arrival from India	70
4.6 Tourists Arrival from China	71
4.7 Tourists Arrival from Malaysia	72
4.8 Tourists Arrival from Thailand	73
4.9 Tourists Arrival from Bangladesh	75
4.10 Tourists Arrival from Sri Lanka	76
4.11 Tourists Arrival from Japan	77
4.12 Tourists Arrival from South Korea	78

LIST OF ABBREVIATIONS

AIME	Asia-Pacific Incentives and Meetings Expo
AOAN	Airlines Operators Association of Nepal
ASTA	American Society of Travel Agent
AT	Association of Tourism
ATM	Arabian Travel Mart
ATOAI	Adventure Tour Operators Association of India
BIT	Borsa Internazionale Del Turismo
CAAN	Civil Aviation Authority of Nepal
CBS	Central Bureau of Statistics
CEDA	Centre for Economic Development and Administration
CEO	Chief Executives Officer
CITM	China International Travel Mart
CMT	Caravan Motas Tour
COTTM	China Outbound Travel and Tourism Market
DOCA	Department of Civil Aviation
DOT	Department Of Tourism
FAM	Familiarization
FNCCI	Federation of Nepalese Chamber of Commerce and Industries
FY	Fiscal Year
GDP	Gross Domestic Product
GIBTM	Gulf Incentive Business Travel and Meeting Exhibition

HAN	Hotel Association of Nepal
IT	Informational Technology
ITM	India Travel Mart
IUOTO	International Union of Official Travel Organization
JATA	Japanese Association of Travel Association
KOFTA	Korean Travel Trade Fair
MoCTCA	Ministry of Tourism Culture and Civil Aviation
MOF	Ministry Of Finance
MOI	Ministry Of Industry
NAC	Nepal Airlines Corporation
NATA	Nepal Association of Travel Agents
NATO	- Nepal Association of Tour Operators
NATTA	Nepal Association of Tour and Travel Agents
NGO	Non Government Organization
NPC	National Planning Commission
NTB	Nepal Tourism Board
NTO	National Tourism Organization
NTTR	Nepal Travel Trade Reporter
NTY	Nepal Tourism Year
PATA	Pacific Area Travel Association
PR	Public Relations
SAARC	South Asian Association for Regional Co-operation
SATC	South Asian Travel Commission
SATTE	South Asia Travel and Tourism Exchange
SOTTO	Society of Travel and Tour Operator Nepal

TAAN	Trekking Agents Association of Nepal
TDIM	Tourism Development projects and Investment Market
TIA	Tribhuvan International Airport
TTF	Travel and Tourism Fair
WTM	World Travel Market
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council

CHAPTER – I

INTRODUCTION

1.1 Background

Located north of the Indian subcontinent and spread in an area of 1, 47,181 sq. Km, Nepal is a small, sovereign and independent country. With its landlockedness with snow-capped mountains which had made it geographical impressive. A world known icon Mt. Everest with an altitude of 8848 m. had placed Nepal the world in terms of natural beauty surpassing the rest. It lies between $80^{\circ} 4'$ to $88^{\circ} 12'$ east longitude and $26^{\circ} 22'$ to $30^{\circ} 27'$ north latitude. Having length of 885 Km. East-west and width of 193 Km. North-south, it is situated in between two big nations, China in north and India in south (CBS).

The whole country has been divided into three regions: Mountainous, Hilly and Terai. The mountain region covers 15%, hilly 68% and Terai region 17% of the total area of the country. Administratively, the country is zoned into 5 development region, 14 zones and 75 districts. Though being small country, it has diverse climate from sub-tropical to desert to mountain tundra with every of landscape and vegetation.

Nepal is a country of numerous festivals, being festivals significant aspect of cultural life of Nepalese people, As multi-lingual people inhabited the country, it is culturally rich with diverse religions customs, life styles, festivals, food habits, clothing's and language of various ethnic variations. Though culturally diverse, there always exists perfect harmony.

In terms of development, Nepal is one of the least development countries of the world with a per capita income of US \$ 473 (Economic Survey 2009 published by the Government). With a population size of 25 million, more than 101 caste/ethnic groups are accommodating in the country. Nearly 38% of these people still subsist below poverty line. According to the report of NPC by end of ninth plan the total figure of employed manpower reached 995,900, where as the unemployed were estimated to be 5%. However the percentage of underemployed will be 12.4% including the 5% of fully employed, the total unemployment figures estimated to remain at 17.4% (Tenth Plan, 116-117). So this shows it is very serious problem in Nepal.

The majority of population lives in rural areas. The major economic activity is agriculture and the rest includes manufacturing, trade, commerce and services. The economy is agro-based above 60% of national income is generated from this sector. However the dependency in monsoon and use of traditional means of production are the major constraints of agriculture.

Thus agriculture is incapable of accelerating desired level of economic development due to the several bottlenecks.

The main sources of foreign currency earning are merchandise export, tourism services and remittance from abroad. In general Nepalese economy is characterized by slow growth, mass poverty and large-scale deprivations. However development efforts have been initiated but the results have not been encouraging in many sectors. Thus, it is essential to have a clear vision of future destination which would encourage utilization of potential with competitive advantages like hydro-power, agro-industry, tourism and other sectors (Bajracharya, 1996: 2-3).

In recent years, tourism is regarded as the world's largest and fastest growing industry. It has been playing a pivotal role in the socio-economic sectors of the most of the developed as well as developing countries of the globe. So, most of the nations are attracted to this industry and trying their best to strengthen economic life by promoting tourism in the country. Tourism has been identified as an important source of exchange earning; as an industry creating employment opportunities and generating economic growth of the country (Shrestha, 1978:74).

Considering the historical background, geographical situation and socio-cultural wealth there are enormous touristic potentialities in Nepal and the tourism industry has been playing a significance role in the country's economy. People from both East and West are attracted to visit Nepal due to having all important ingredients for tourism development (Shrestha, 1978:76). Nepal's natural attractions, resulting from physical, historical, cultural monuments and temples, art treasures and festivals (DOT, 1972:1) and its wildlife are the best attractions for the foreign visitors. Nepal Himalayas and their scenic beauty are also the prominent attractions to the visitors. Nepal is the country of Mount Everest, the land of Yeti, the land of Buddha. Its various snow-peaked mountains, rivers and lakes, conducive climate and mysterious charms are inviting the visitors of the world. Cultural, religious and natural resources are the three major attractions of Nepal which have eight cultural and two natural World Heritage sites. It offers nature based tourism activities like trekking, mountaineering, rafting and wildlife sanctuaries as well as culture and people based and man-made attractions.

Considering all these potentialities, there is adequate prospect to develop tourism in the country. Tourism is a multi-faceted industry, which promotes cottage industries, trade and other services sectors. It is also regarded as a labor intensive industry and it provides good employment opportunities at different levels. Tourism is one of the main sources of foreign exchange earnings for Nepal. Overall, tourism plays a vital role in the process of national development, which is a boon to a country like Nepal with other limited resources

1.1.1 Development of Tourism in Nepal

The history of Nepalese tourism can be found from ancient times. People visiting Nepal from different countries of the world for the exchange of culture and for pilgrimage were popular. The recorder of Nepal begins with the Lichhavis who came to power in 400 A.D. With them the nation began to prosper in art, culture, painting, architecture and sculptures. The Mallas, who succeeded them, gave a new turn to this prosperity by transforming the small kingdoms of Kathmandu, Patan and Bhaktapur into “*Open air Museum of art and Architecture.*” But efforts to earn foreign currency to accelerate development through tourism were nil, and there was no link between tourism and national economy. After centuries, the democratic revolution of 1951 AD, marked a new era in Nepalese tourism for all foreign visitors. Nepal opens its door to international tourists after the dawn of democracy. For convenience development of tourism in Nepal can be remembered by dividing it into three phases.

- i. **First phase** : History of Tourism before 195
- ii. **Second Phase** : History of Tourism from 1950 to 1990.
- iii. **Third phase** : History of Tourism after 1990.

i) First Phase: History of Tourism before 1950

The ancient history of Nepal is the history of Kathmandu valley and the ancient history of tourism is also related to the Kathmandu valley. The Kathmandu valley took birth when a visitor name Manjushree came here from China, cut the edge of the hill in Chovar with a sword and emptied the water of the lake. After this in 249 BC, emperor Ashok of India visited Nepal as a pilgrim and erected a Monastery entitled ‘Charumati Bihar’, and also four Buddhist stupas in the four comers of Patan. During the Lichhavi period, most of the foreigners visited Nepal as pilgrims. At this period, the great emperor of Tibet named Shrangchong Gampo visited rule of King Anshuvarma and married the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts the Kailaskut Bhawan and Mangriha of Lichhavi dynasty. Similarly, around 6th century, in the Kirati Regime, some foreigners visited Nepal as pilgrims in Malla Regime there was a significant development in art and culture, and then rulers of Nepal were more or less interested in greeting travelers who entered into the kingdom of Nepal as pilgrims. Krishna Mandir of Patan, 55 windows palace of Bhaktapur, Pashupati Temple, Swayambhu and Stupas of Buddhist were built during this period.

After the unification, the rulers of Nepal had not made any attempt to develop tourism in Nepal on the contrary the policy of the government was not let tourist enter into Nepal, except in some special cases. In the Rana’s regime for 104 years the policy of the government was not favorable for tourism development. Only during the great festival of Shivaratri, permission was given to

Indians to enter into Nepal as pilgrims. Till 1950 only 100 foreigners visited Nepal (Pokhrel & Karki, 2055). The restrictions on tourists to enter into Nepal during the Rana regime of 104 years adversely affected tourism in Nepal. As a result there was a lack of foreign exchange earning from tourism for the development of infrastructure in the country.

ii) Second Phase: History of Tourism from 1950 to 1990

A great political change took place in 1951 in Nepal. The Rana government was overthrown from power and Nepal got a new birth i.e. democracy was brought in the country. Thereafter, a range of development in the country, internal as well as external communication and transportation tasks began to start. Many foreign countries started to help for the development of Nepal. In actual sense the promotion of tourism started more or less only in the beginning of 1960s. Then government made attempt to the development of tourism with liberal tourism policy relatively than there before. In 1965, John Copman who was running 'Tree Top' in Africa, came to Nepal and begin impressed with dense forest and wild animals started 'Tiger Top', first Jungle Resort. Similarly, James Robert, Ex-British Army-man who was in British India came in contact with Nepalese Gorkha soldiers and with their links came to Nepal and introduced trekking tourism by opening company named 'Mountain Travel' in 1965, which still runs to this days. And Edmund Hillary introduced and promoted mountaineering in Nepal.

In 1953, Tenjing Sherpa and Sir Edmund Hillary succeed in climbing the world's highest peak Mt. Everest. After getting membership to the UNO in 1950, Nepal gradually became known to the world. In the auspicious occasion of the coronation of Mahendra in 1956, government head and diplomat from different countries of the world visited Nepal. After these travelers, political and commercial delegation began entering in Nepal. Diplomatic, cultural and economic relationship with different countries were set up, with increasing diplomatic relationship with different organizations like UNO, WHO, UNESCO, FAO etc. a congenial atmosphere was created in Nepal for tourism development.

A new era of Nepalese tourism started in November 1957, when a 'Tourism Development Board' was established under the chairmanship of minister for trade and Industry. In 1958, this 'Tourism Development Board' has transferred to Ministry of Public Works, Transportation and Communication. In 1959, this has attached to the 'Department of Construction and Communication Works', and directorate of tourism were opened. Similarly, 'Tourism Information Center' was established this year. In such organizational development process, in 1961, the government decided to established 'Department of Tourism' with the establishment of this department, the country got and opportunity to obtain membership of various international tourism development institutions such as International Union of Official Travel Organization (IUOTO), South Asian Travel commission (SATC), The Pacific Area Travel Association (PATA), and American Society of Travel Agent (ASTA).

In 1970, Nepal tourism Development Committee was constituted under the chairmanship of late King Birendra Bir Bikram Shah. In 1972, the committee published 'Nepal Tourism Master Plan' with technical assistance from the government of Federal Republic of Germany. The master plan had been prepared for further development in the field of tourism started to be considered the country, tourism started to be considered as an industry and for its development efforts have been made to distribute posters, booklets to international organization and to provide sufficient hotel facilities and transportation facilities to tourists. As a result, there was 41 fold increase in tourists visiting Nepal, 6179 tourists in 1962 and 2548885 in 1990.

iii) Third Phase: After 1990

This is the period of globalization. In this period there was institutional and infrastructural development of tourism. Although in Nepal only international tourists are mainly recognized as tourist and all policies and program have been focused around them only. Still a careful analysis of the events related to development of tourism in Nepal suggest that in the decade of nineties there has been much more conscious efforts to globalize the tourism activities with view to globalizing the economy of Nepal also.

The Eighth plan Five Year Development Plan (1992-97) was a bold enough to acknowledge the defects of policies pursued and their net efforts on achievements. The plan has designed some objectives for tourism:

- a) To improve the quality of services and facilities relating to Tourism.
- b) To develop necessary infrastructures for the tourism sector and expand the tourism to other places of the country.
- c) To forgo a close coordinating link between tourism sector and other sectors of the economy.
- d) To arguments the use of local materials and services in the tourism industry.

Similarly, the ninth plan had noted that "The Tourism Industry can develop as an important sector of the national economy on account of its comparative advantage engendered by existing attractive features and special geographical location of the nation". The plan also carried out some policies to develop village tourism.

The tenth plan has also focused the tourism sector as an important organ of the national economy which will not only contribute to the national economy but will not only provide benefits to foreign tourist as well as increase the income generating and employment opportunities. The plan has set some objective relating to tourism sector such as qualitative promotion of tourism sector, conservation and preservation of historical, cultural, religious and archaeological heritage and enforcing their practical utilization and to make air transportation services easily accessible standard and reliable.

1.1.2 Policies and Program under Globalization in Nepal

Analysis of the event related to development of tourism in Nepal suggests that in the decade of nineties there have been much more conscious efforts to globalizing the economy of Nepal. However, here we are taking up only some important events that reflect upon globalization of tourism related activities in Nepal. These are: (Upadhyaya, 2003:194)

- Formation of Tourism Council (1992)
- National Civil Aviation Policy (1993)
- Tourism Policy (1995)
- Visit Nepal Year (1998)
- Formation of Nepal Tourism Board (NTB) in 1999
- Destination Nepal 2002-2003

A. Tourism Council (1992)

Tourism Council is an apex body for tourism ministries and department, is an attempt to integrated and consolidated development of tourism. This apex body is chaired by Prime Minister which has 30 members. It is expected that this apex body will help to remove obstacles during the process of implementation provides correct directives and formulate policies by bringing about co-ordination among different ministries and departments for the sake of the development of tourism industry. But the major for the tourism council is that it does not enjoy the executive power and attention to implements its well intention and well planned programs. If this problem is removed, it provides to be of immense help for galvanizing the tourism sector as well as Nepalese economy.

B. National Civil Aviation Policy (1993)

Nepal government announced National Civil Aviation Policy (1993) to make air transport services competent and efficient in order to attract more international tourism during the Eight Five Year Development Plan. The policy was formulated to assist tourism development in accordance with the tourism policy. The major objectives of Civil Aviation Policy (1993) are:

- To develop international air transport service
- To encourage private sector in airline service
- To develop and expand air transport and airports in the remote areas of the country
- To encourage recreational, adventure and research oriented air facilities
- To make air transport reliable and safe through installation of modem equipments at airports.

C. Tourism Policy (1995)

It is during the eight five year development Plan (1992-97) period that the government of Nepal announced an independent tourism policy (1995). It was announced with the aim of increasing national income and productivity, increasing foreign currency, creating employment opportunities, improving regional imbalance and projecting the image of Nepal in the international area through diversification of travel and tourism industries.

D. Destination Nepal Campaign- DNC (2002-2004)

As the impact of VNY it was not of desired program 'Destination Nepal 2002-2004' has been planned to initiate DNC started from December 2002 and ended on December 2004 as a two year program. The international year of mountain 2002, international year of eco-tourism 2002 and visit south Asia 2003 were also integrated under this campaign. It was implemented with the partnership between the government and private sector to promote tourism industry and create awareness among the people. The main objectives of DNC 2002-2004 were:

- To promote public awareness among people about tourism.
- To promote and maintain Nepal as a reliable attractive and secure destination with wide international publicity.

E. Formation of Nepal Tourism Board (NTB) in 1999.

Nepal has started to pay more attention to this industry. However, it does not seem that proper program and planning has been made and the industry may not be professionally managed as in needed for the sector's proper development. Besides, its potentiality can be realized only by proper marketing strategies and in this respect Nepal does not seem to have extended adequate attention.

Nepal has ample opportunities to develop international tourism as it consists of rich natural resources, beautiful landscapes and bio as well as cultural diversities. Thus tourism can be a good source of income for developing country like Nepal. Keeping in view of those facts, Nepal government has taken important steps and made long-term plans, policies and strategies for development of tourism in Nepal.

In this context, Nepal Tourism Board Act 2053 was passed by both the houses of the parliament in December 1996, and obtained the Royal Seal in February 1997. The Board designed as a partnership the HMG and the private industry of Nepal has been empowered work as a National Tourism Organization commencing 31st of December 1998.

The Board has certain statutory responsibility assigned by the NTB Act, 2053 as mentioned below:

1. To develop and introduce Nepal as an attractive tourist destination in the international market place.
2. To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.
3. To work towards increasing the gross domestic product and foreign exchange income by means of promoting the tourism industry.
4. To work towards increasing employment opportunities in the same industry.
5. To develop Nepal as a secure, dependable as well an attractive travel destination by establishing a respectable image of Nepal in international travel trade community.
6. To work towards providing equality service to the tourists visiting Nepal.
7. To study the bottlenecks against the same by means of conducting research in order to do away with these bottlenecks.
8. To promote and develop institutions for the promotion of tourism industry.

Putting all those objectives in strong consideration, NTB has designed its overall organization structure in such a way that collective actions of each unit emphasizes in overall marketing and promotion of its diversified potential as well as existing tourism products.

Nepal Tourism Board had prepared its Tourism Marketing Strategy for Nepal and its three main objectives are as follows:

- To recover and expand the overall volume and value of tourism to Nepal by concentrating on inherent products strengths.
- To reposition Nepal firmly as a varied and multi-faceted destination with world class cultural and special interest products.
- To improve the seasonal and spatial distribution of visitors and foster the growth of new tourism areas.

In order to achieve these objectives, NTB has presented its core product strengths through its overall marketing campaign. Nepal's core product strengths are as the following:

- Rich ethnic culture with world heritage sites still in actual daily use
- Spectacular Himalayan landscapes including Mt.Everest
- Pleasant year round climate
- Unique religious traditions
- Fine natural attractions and its welcoming and friendly people.

These product strengths are further grouped in five main product clusters as:

- Culture, tradition and people
- Cities and leisure
- Outdoors, trekking and adventure
- Religious and pilgrimage
- Nature and wildlife

Nepal Tourism Year 2011

Government of Nepal in consultation with Nepalese travel trade sector and concerned organizations/experts decided on October 25, 2008 to launch a national tourism campaign "Nepal Tourism Year 2011". This announcement reflects the government's anticipation to bring into Nepal at least one million international tourists by the year 2011 and tourism industry's exigency to organize a tourism promotion campaign for wider impact.

With the badge of adventure destination glittering and the adage "Atithi Devo Bhava" (Guests are Gods) embedded in our culture, the portfolio of tourism products never cease to mesmerize the visitors. The unparalleled cultural, geographical, ethnic and bio diversities of the country allure visitors to Nepal time and again which truly substantiates the spirit of Nepal tourism brand; 'Naturally Nepal, once is not enough!'

The concept of Nepal Tourism Year 2011 envisions harnessing these opportunities and strengths and bringing together the commitment of the government, expertise and experiences of the organizations like Nepal Tourism Board, aptitude and dynamism of the private sector and communities for further tourism development in the country. Representation and active participation from the major political parties, members of the Constitution Assembly and Right groups is always taken into prominence in order to make the campaign inclusive and participatory in modus operandi and effective in result. The campaign will also focus on mobilizing the networks of the Non-Resident Nepalese (NRN) communities, Nepalese diplomatic missions abroad, INGOs and NGOs, airlines and national and international media. Similarly, friends and well-wishers of Nepal, tourism academicians and celebrities will be approached in order to highlight the campaign internally as well as internationally.

Institutional Arrangements:

A. Main Organizing Committee:

Considering the magnitude of the campaign, the Government of Nepal has formed the Main Organizing Committee under the convene ship of Hon'ble Minister for Tourism and Civil Aviation. The Committee has Hon'ble Vice Chairman of National Planning Commission as the Joint Convener and Secretaries of various line Ministries; Chief of Metropolitan, Sub-Metropolitan cities and Municipalities; presidents of trade, travel trade and other related associations and institutions are nominated as Members. Chief Executive Officer of Nepal Tourism Board has been designated as the Member-Secretary of the Committee.

B. Sub- Committees:

In order to achieve objectives of the campaign, various sub-committees are to be formed to prepare specific strategies, programs, activities and budget. The proposed sub committees are:

1. Policy Advocacy Sub-committee
2. Physical Infrastructure and Coordination Sub-committee
3. Product Improvement and Development Sub-committee
4. Events, Festivals and Activities Management Sub-committee
5. Marketing, Promotion and Publicity Sub-committee
6. Human Resource and Capacity Building Sub-committee
7. Aviation and Transport Co-ordination Sub-committee
8. Resource Mobilization and Monitoring Sub-committee
9. Nature and Culture Heritage Sub-committee
10. Legal Affairs Co-ordination Sub-committee
11. Diplomatic Concerns Coordination Sub-committee
12. Political Affairs Coordination Sub-committee
13. Crises Management and Security Coordination Sub-committee
14. Mountain Tourism Coordination Sub-committee

C. Regional Sub-Committees:

1. Eastern Development Regional Sub-Committee
2. Central Development Regional Sub-Committee
3. Western Development Regional Sub-Committee
4. Mid-western Development Regional Sub-Committee
5. Far-western Development Regional Sub-Committee

D. Secretariat:

Nepal Tourism Board (NTB) has been entrusted to function as a secretariat of the NTY 2011.

Objectives of the Campaign:

- 1) Establish Nepal as a choice of premier holiday destination with a definite brand image.
- 2) Improve and extend tourism related infrastructures in existing and new tourism sites.
- 3) Enhance the capacity of service providers.
- 4) Build community capacity in the new areas to cater the need of the tourists, and
- 5) Promote domestic tourism for sustainability of industry.

Quantified Targets:

- 1) Achieve one million annual international arrivals.
- 2) Dispersal of at least 40% of the international tourists into emerging and new tourist areas.
- 3) Encourage additional investment on tourism infrastructures by 50%.
- 4) Develop mechanism to record domestic tourists activities.

Promotional Strategies:

- 1) Focusing marketing and promotion activities on regional and emerging markets,
- 2) Exploration of new tourism potential market segments,
- 3) Highlighting the tourism brand: Naturally Nepal once is not enough! ,
- 4) Enhancement of air connectivity with the regional, emerging and potential markets,
- 5) Lobbying with the government for sufficient budget allocation to improve and expand tourism related activities infrastructures in existing and new tourism areas,
- 6) Attract and encourage private sector for investment in tourism sector,
- 7) Capacity building of human resources involved in tourism,

- 8) Lobbying with the government for effective intervention in domestic tourism development e.g. Amendment in the Transportation Act,
- 9) Promotion of Domestic Tourism by endorsing Leave Travel Concession (LTC) by the government, and
- 10) Organize major sports/events in association with tourism association and stakeholders through out the NTY 2011. (At least one event in a month)

1.2 Statement of the Problem

In economic arena of Nepal, tourism plays a very important role. Tourism is one of the main sources of foreign exchange earning. Natural and cultural attractions are main assets of tourism in Nepal. Due to such attraction, the potentiality of tourism is very high in Nepal. However, this potentiality is not been exploited properly. “Although Nepal’s tourism potential is vast but factors such as limited air access, poor infrastructure and lack of appropriate marketing strategy have resulted in limited growth” (Bhatta, 1997:4). Though tourist arrival is growing due course of time, Nepal is far behind in world tourism as compare to the other countries of South Asia (Anand & Bajracharya, 1985:3). Nepal Tourism Board, national tourism organization is undertaking different marketing program. In different country segment but due to very limited marketing and promotional budget, it’s not being effective. NTB’s marketing program has to compete with competitor like India, Malaysia, Thailand who spend huge amount of money for marketing and promotion.

Asian countries have increasing outbound tourism by which Nepal can benefit a lot. But Nepal lacks appropriate and conducive tourism policies and strategies. There is always big problem of air-seats and air connectivity. Consumer research based marketing strategies are yet to be developed. Decade long insurgency inside the country had made negative publicity of the country consequently tourist arrival has gone down despite the continuous efforts of NTB and private sector of promoting Nepal. The travel trend has shown that Nepal’s major tourism market is Europe and USA. The tourist arrival from these market holds negligible percentage if its compare to tourist arrival figure from same market to other Asian countries like India, China, Malaysia, Thailand, Singapore, Srilanka. This unbalance travel trend signifies that Nepal’s tourism promotion and marketing efforts is not effective and well enough to meet the competition with above mentioned tourism destinations. The major problem behind this is not having enough budgets for effective market and promotion.

China, Japan, Korea, Singapore are now established as big economic powers in world economy. In the meantime, we are not able to attract more tourists from these big nations. Keeping the problem of enough budgets in shade, the major problem is of enough air services to and from these countries. We have not direct and enough air link with these countries.

If we summarize the problem that has been faced by NTB and Nepalese travel industry, we can point out as follows:

- Lack of enough budgets to carry out effective market and promotion campaign to compare with other countries promotion.
- Unavailability of enough air services between major Asian Market and Nepal.
- Lack of research based marketing.
- Lack of effective promotional and marketing activities.
- Past Internal Insurgency.

1.3 Objectives of the Study

Tourism activities are become indispensable from the view point of country's economy. The country with high Himalayas holds great potentiality to establish tourism as major industry. So, Nepal can attract more and more tourists from its neighboring countries through its effective marketing and promotion campaign,

The main objective of this study will be to assess the marketing and promotion campaign of NTB in growing Asian market. The other sub-objectives can be mentioned as below:

- To know the type of promotional effectiveness tools in Asian market.
- To know general model of marketing of NTB.
- To analysis the travel trends figure from Asian markets.
- To evaluate the environment necessary for tourism development in the country.
- To suggest affordable measures for promoting Nepal effectively in Asian big market.

1.4 Significance of the Study

There is adequate prospect to develop tourism in the country. Tourism is a multi-faceted industry, which promotes cottage industries, trade and other services sectors. It is also regarded as a labor intensive industry and it provides good employment opportunities at different levels. Tourism is one of the main sources of foreign exchange earnings for Nepal. Overall, tourism plays a vital role in the process of national development, which is a boon to a country like Nepal with other limited resources.

In view of the significant role of the tourism industry, its proper development is indispensable. Various efforts have been made for the development of tourism in Nepal. NTY 2011 is also such an effort in order to develop and enhance the image of Nepal in the world tourism market.

Thus, this study is carried out to identify the problems existing in Nepalese tourism marketing and promotion and suggest strategies to solve these problems for the continuous and sustained development of tourism in the country. The key points to be analyzed in this study are:

- Identifying the major strategies adopted by NTB for promote Nepal as safe, attractive and reliable holiday destination in an Asian country.
- To gage the effectiveness of marketing efforts of NTB in its major tourist generating markets of Asian region.
- Assessing the implementation or the execution of marketing and promotional activities conducted/carried out in Asian markets by NTB so far.
- To recommend ways forward for better marketing and promotional efforts.

1.5 Methodology

To accomplish the started objectives of this study, following methodology has been adopted;

Research Question and Design

Data in this study will be analyzed keeping in mind with the following research questions:

- What the general situation of tourists' inflow into Nepal?
- What percentage of total tourist arrival does Asian Market cover?
- What are the promotional measures taken by NTB in order to promote Nepal in Asian Market?
- What is the 'Information Level' of tourists coming to Nepal from Asian countries?
- How can we make our promotional and marketing efforts more effective in Asian Market?

The study will be almost desk research as its main objective is to find out marketing and promotional efforts to NTB. However, some summarized finding of random survey among tourist coming from major Asian nations will be presented. Desk research will be used to seek, review and analyze secondary information, existing studies on tourism and relevant tourism statistics.

Nature and Sources of Data

The study entitled “Tourism marketing and promotion in Asian market by Nepal Tourism Board” is basically based on secondary data. Primary data is also used to know the tourists’ perception and information level. Secondary data and information were collected from following sources:

- 1) Nepal Tourism Board
- 2) Ministry of Culture, Tourism and Civil aviation
- 3) Central Bureau of Statistics
- 4) National Planning Commission
- 5) UN World Tourism Organization
- 6) World Travel and Tourism Council
- 7) Ministry of Finance
- 8) Nepal Rastra Bank
- 9) Articles and other publication
- 10) Official records.

The source of primary data was NTB, hotels, travel agencies, trekking agencies, rafting agencies, tourism exports. Primary data were collected using questionnaire. Questionnaires were designed to gather information related to tourism marketing and promotion program, information dissemination, tourism product development and pricing. Tourism organization/professional/experts/NTB was given questionnaire and acquired information.

1.6 Limitation of the Study

- The study will be focusing in the general assessment of marketing and promotional trends of Nepalese Tourism Board in growing Asian Market like China, Japan, India, Sri Lanka, Thailand, Malaysia, Bangladesh, and South Korea.
- The study will cover assessment of travel trend from 2003-2008. (6years)
- The marketing and promotion campaign of private travel trade industries will not be includes.
- The study will be using secondary data from NTB and information extensively because of impossibility of surveying all market in the field by visiting out countries.

1.7 Organization of the Study

This research document is organized into five chapters:

Chapter one consists of short introduction of Nepal and development history of tourism in Nepal, problem identification, significance of the study and objectives of study with research methodology.

Chapter two provides extensive research reviews which includes concept of tourism marketing, reviews of books, journals, articles that describes about tourism and tourism marketing with special reference to Nepal.

Chapter three deals with research methodology, tools and techniques used to analyze and interpret the findings.

Similarly, chapter four is about the analysis and presentation of the findings on the basis of primary as well as secondary data that were taken from various sources.

The last part, chapter five provides summary of the whole research work, recommendations developed based on the major findings and the conclusion.

CHAPTER-II

LITERATURE REVIEW

2.1 Concept of Marketing

Marketing has gained a great deal of strategic importance in modern organization. Every organization needs marketing to achieve their goals. Marketing stimulates demand for products. It helps organizations to find out what their customer need and want. It also helps to decide what products should be offered to satisfy their needs and wants. Marketing's task is to design a product/service combination that provides real value to targeted customers motivates purchase and fulfills genuine consumer needs.

There have been various attempts to define 'Marketing' but so far no universally accepted definition has been devised. This is perhaps due to the fact that 'Marketing' as a comprehensive management function is a fairly recent concept which effectively only started to be applied the early 1950s.

The American Management Association has defined marketing as "The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational goals" (Agrawal, 2007:1).

According to Jerome McCarthy "Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and service from producer to customer or client" (Agrawal, 2007:2).

According to William J. Stanton, "Marketing is a total system of business activities designed to plan, price, promote and distribute want-satisfying products to target markets to achieve organization's objectives" (Shrestha, 2006:2).

According to Philip Kotler, "Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others"(Kotler, 1999:8).

2.2 Concept of Tourism

The word 'Tourism' is related to 'Tour' which is derived from a Latin word 'Tomos'. Tomos means a tool for describing a circle or tumers wheel. This is a word of compass or rather a pin at the end of the stretched string used to describe a circle. It is from this word 'Tomos' that nation of a 'round tour' or a 'package tour' has come which is very of the essence of tourism. It was late as 1643 the term was first used in the scene of going round or traveling form places around an excursion, a journey including visiting a number of places in circuit or sequence, circuitous journey, embrality the principle s places of a country or region (Negi, 1990:21).

Prior to the advent of the industrial revolution, travel was primarily related to the trade, the desire for military conquest or the performance of group rites. It was principally the traders, in the early historical period, who blared the trial by establishing national trade routes and communications which later extended throughout the region and finally to other continents. Thus, it was trade that first motivated travel in the real sense (Tewari, 1994:1). Later, the advent of modern means of transport and communication has uplifted tourism by facilitating and encouraging traveling. This development form of traveling in modern terminology is known as 'tourism' today. National committee on Tourism, India defined it as, "The new phenomenon of traveling in pursuit of leisure, culture and the quest for knowledge about alien lands con notes the concept of tourism, the growth of tourism is closely related to the ease and speed of travel, economic growth and political development" (Mohanty, 1992:43). Tourism grew gradually over the years as easier and faster means of travel became available. Mass tourism started in Europe in late 19th century but today it is a worldwide reality. "Today tourism revolution is sweeping the global, a revolution promising much and delivering a great deal. It has emerged as the most lucrative business of the world, having tremendous potentially for earning foreign exchange, yielding tax revenue, promoting growth of ancillary industries, generating income and employment and in the development of industrially backward region through its various linkage effects" (Singh, 1975).

2.3 Tourism Defined

Tourism has been defined in different ways by various authors and concerned organizations and yet there is not universally accepted definition of tourism. Hermann V. Schullaid an Australian economist gave one of the earlist definitions of tourism in 1910. According to Schullaid, tourism is "The sum total of the operators, mainly of an economic nature, which directly relates to the entry, stay and movement of foreigners inside and outside or certain country, city or region" (Satyal, 1998:7).

R. de Meyer has defined tourism as, "A collective term for human movement and its attendant activities caused by the exteriorization and fulfillment of the desire to escape that is more or less latent in everybody" (Chatt Upadhyay, 1995:7). This definition received the first prize by

Academic International de Tourism at Monte Carlo in 1952. However, this definition does not seem to be broad enough.

Another definition of tourism given by the Swiss professors Waiter Hunziker and Kuet Krapf in 1942 is “More phenomenons arising from the travel and stay of strangers, providing the stay does not imply the establishment of permanent residence and is not connected with a remunerated activity” (Bhatia, 1994:38).

The tourism society in Britain had also attempted to classify the concept and in 1976 defined tourism as, “Tourism is the temporary short-term movement of people to destinations outside the places where they normally live and work and their activities during the stay at these destinations; it includes movement for all purpose, as well as day visits or excursion” (Bhatia, 1994:38).

The most widely used and popular definitions of tourism is one prepared by the United Nations Conference on International Travel and Tourism held in Rome in 1963. This definition was recommended by International Union of Official Travel Organizations (IUOTO) in 1908. Again, in 1993, the United Nations Statistical Commission adopted Rome definitions of tourism in revised form prepared by World Tourism Organization (WTO) as a follow up to the Ottawa International Conference on Travel and Tourism Statistics, jointly organized by WTO and the Government of Canada in June 1991. In this definition WTO has developed a schematic breakdown of all travelers. A traveler is defined as “Any person on a trip between two or more countries or two or more localities within his/her country of usual residence” (WTO, Framework for the collection and publication of Tourism Statistics: 4).

An Austrian economist Hermann Von Schellard, in the year book of National Economy and Statistics 1990, gave the first definition of tourism. He defined tourism “The sum of operators mainly of an economic nature which directly related to the entry, stay and movement of foreigners inside and outside a certain country, city or region” (Batra, 1990:1)

The League of Nations defined in 1937 the term foreign tourist as, “Any person visiting a country, other than that in which he usually resides for a period of at least 24 hours”.

But revise definition given at the UN conference on International Travel and Tourism, held in Rome in 1965 which described as, “Any person visiting a country other than that in which he has his usual place of residence, for any region other than following an occupation remunerated from within the country visited”.

The most popular and widely accepted definition of tourism given by the WTO conference in Ottawa in 1991 is, “The activities of a person traveling to a place outside his/her environment for less that a specified period of time and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited”.

Tourism is perceived as an economy activity which accrues to the recipient countries a definite source of foreign exchange and national income, creates jobs to reduce unemployment, fosters entrepreneurship, stimulates production of food and local handicrafts, speeds of communication facilities, cultural exchanges and above all, contributes to a better understanding of the host country. Some of principal changing dimensions of the vast expanding tourist industry are bringing into sharper focus the global concern over the cultural, ecological, environment, socio-economic and political effects of tourism (Motiram 2003:1).

2.4 Tourism Marketing

In the present day context marketing has become one of the important as well as challenging jobs of any business organization. For the success of any business activities proper marketing system is needed. Marketing denotes the business activities that direct the flow of goods and services from producers to the consumers or users in other word it is the process of exchange between seller and buyer.

In the view of Drucker (1976), the aim of marketing is to know and understand the customer so well that the product or service fits and sells itself. According to the British Institute of Marketing “Marketing is the management function which organizes and directs all those business activities involved in assessing and converting customer purchasing power into effective demand for a specific product or service to the final customer or user so as to achieve the profit target or other objectives set by the company” (Bhatia, 1994:39). Similarly, Eugene J. Kelly has defined marketing “As a business discipline, marketing consists of systematic study of the demand generating or consumer motivating forces, the temporal and spatial considerations influencing economic transaction, and the interacting efforts and responses of buyers and sellers in a market” (Bhatia, 1994:140). According to AMA, “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational objectives” (Bennett, 1988:115). Today, in the field of marketing more priority is given to know the desire of customers and to satisfy them. The present concept calls for a customer orientation backed by integrated marketing aimed at generating customers’ satisfaction and long run consumer welfare as the key to attaining success (Kotler, 1972:46-54).

The challenge of marketing goes beyond the success of business. It must also serve the goals of society. It must act in concert with broad public interest. For marketing does not end with the buy-sell transaction- its responsibilities extend well beyond marketing profits. Marketing shares in the problems and goals of society and its contributions extended well beyond the formal boundaries of the firm (Lazer, 1978:1).

Tourism being the fastest growing and most competitive industry in the world is should be marketed properly. “Tourism needs to be marketed, just as any other product, indeed move so,

because it is an industry in which the customer still has an immense variety of choice. There are a number of destinations competing with each other to get a bigger and bigger share of the market” (Bhatia, 1994:37). Hence, tourism marketing is regarded as a central point of whole tourism activities. Today all direct and indirect promotional activities to sell destinations are related to tourism marketing and it affects all the operations of tourism (Negi, 1990:387).

Tourism marketing is defined as the “Systematic and coordinated efforts exerted by the National Tourist Organization and /or the tourist enterprises at international, national and local levels to optimize the satisfaction of tourists, groups and individuals, in view of the sustained tourism growth” (Bhatia, 1994:142). According to Krippendorf (1971:46), “Marketing and tourism is to be understood as a systematic and coordinated execution of business policy by tourist undertakings whether private or state owned, at local, regional, national or international level to achieve the optimum satisfaction of needs of identifiable consumer groups and in doing so to achieve an appropriate return”. Hence, tourism marketing denoted the development of a tourism product to meet the needs of the tourists and then employing the techniques of direct sales, publicity and advertising to bring this product to the tourists (Bhatia, 1994:142).

There is a need of tourism marketing with proper planning and sound policies. “Its complexity lies in the fact that tourism promotion in its various forms has to be directed at large number of people in various lands of different socio-economic structures, having different needs, tastes, attitudes, expectations and behaviour pattern. It is only through the efficient marketing strategy that will help to understand peoples’ tastes and preferences for travel. And hence need for marketing tourism (Bhatia, 1994:141). However, tourism industry does not seem to apply marketing approach for its promotion and development adequately (Anand & Bajracharya, 1985:1).

Because of the competitive global scenario and the ever expanding tourism industry, the marketing of the tourism products need greater attention. There are countless tourist destinations world-wide and to develop tourism, every country tries to capitalize on its culture, religious and natural heritage in addition to the various forms of entertainment packages. But only those countries which have devised aggressive marketing strategy have been able to attract a greater number of tourists. Thus, tourism being a high publicity product effective marketing is a must for the successful running of tourism industry.

Adequate budget, financial and technological resources are needed for effective tourism marketing. But, “We understand very limited marketing activities while other countries with more resources are spending huge amount of money on aggressive marketing of their destination (Polharel, 1995:24). In this regard, Hotel Association of Nepal President Yogendra Shakya commented saying, “We have alone practically nothing far as promotion is concerned. The Ministry of Tourism has no budget for promotion” (Spotlight, 1994). Government also should take necessary initiative for the publicity of tourism abroad. In Nepal, even one five star rated hotel spend NRs.30 million annually for the publicity at international level due to the lack of

budget Government is not able to make sufficient publicity ever in Visit Nepal Year also (Aajako Samacharpatra, 1997). “We have achieved ‘word of mouth’ publicity in Europe and India both by travelers as well as tour operators. As the government budget is not large enough to tackle all market, especially since we are trying to carry consumer oriented marketing. I suggest “We concentrate on Farm tours for tour and travel operators and travel trade journalist from Japan. During Film and TV producers should be our strategy for inexpensive but wide publicity” (Shakya, 1995).

The Lacunai in promotional efforts in Nepal is further indicated by the fact that “The expenditure made in publicity is too poor and not more effective in both quality and quantity. The Ministry of Tourism published brochures and booklets about tourism only in few languages and that also in limited copies. There is lack of advertisement in the foreign papers; in such a situation most of the visitors are unknown about Nepal” (Shrestha, 1981:65).

“Nepal lacks the most essential market information focused on its products while the most irrelevant material is produced at considerable cost and dubious impact. Fair participation, in the absence of proper information material to flow up interest, poorly stages as it often is, appears less than effective and probably a waste of money. At the same time, there is an urgent need for Nepal to work against increasingly critical world medial coverage on ill-effects especially on mountain tourism. By inviting journalists, Nepal should convey the fact that it is taking serious steps towards improving matters, but needs help to do so” (Ministry of Tourism, 1984:102).

It is interesting to note the comment about the situation of Nepalese tourism marketing by Shakya (Spotlight, 1994). According to him “Nepalese tourism has been marketed mainly through travel agents and tour operators abroad. We have never been able to go to the consumer. It is simply beyond our reach to advertise in, say Newsweek, which could take our entire promotional fund. There is also a growing trend of undercutting. If we have US \$ 100 as the rack rate, we give as much as 50 percentages to the tour operator. That has been our marketing strategy because we depend so much on tour operators”.

Another serious challenge faced by tourism sector is the level of competition because it is a very competitive business. Here it will be interesting to quote the saying of (Alwis, 1997:8), “My friend in the travel industry in Nepal, talk of the glorious days, barely a decade ago, when a trekking tour was sold to visitors for US \$ 80 per day on the average. They now lament, that it is sold for only US \$ 18 per day on the average”. In view of Alwis “This certainly in not the result of the lack of demand for Nepal’s unique tourism potential or a lack of adequate number of ‘upmarket’ visitors out there in the market place. It is in the opinion of most the result of unhealthy competition between the travel agents, the hoteliers, the tour operators (trekking, rafting and other), the protection of the sky and the like. They also claim that it is the lack of specialization, lack of product quality improvement, diversification of product and in adequate delivery of quality service”. In this respect “The Government of Nepal should have clear policy to discourage cut-throat competition in the hotel industry and thereby attract quality tourists”

(Sandhu, 1996:36). Moreover, many Americans and Europeans complain about the pollution and environmental degradation of Kathmandu. Due to this Kathmandu is sending wrong message about Nepal. We should try our best to solve the problems of pollution and environment (Sandhu, 1996:35). “Negative reports on Kathmandu have adversely affected the tourism industry and Nepal’s image” (Choegy, 1994:28). Regarding negative reporting done by some national and international media certainly it has done a lot of harms in the tourism sector of Nepal. For this a planned approach is needed to counter the negative effects and organizing large scale promotional campaigns could regain our lost reputation (Rajbhandari, 1994:26). In this context Mishra (1994:26) says “Say Goodbye to Shangri-La’ was published in Newsweek of 4th October 1993 issue. It has definitely affected the tourism especially qualitative tourist. However, in my opinion, the correct information about Kathmandu Valley came in time and we should take it in a positive way instead of being defensive. Had it not been published in such a renowned journal, it would not have been grave concern to all conscious people of Nepal and abroad”.

Air accessibility is also a hurdle in Nepal. Sthapit(1996:31) expressed “We need to take concrete steps with respect to tourism marketing in order to boost arrivals. But there is problem of air seat capacity”. Sandhu (1996:35) also has similar view in this respect. He says, “This is the one really single major problem. RNAC has limited number of aircrafts and the tour operators have to face the problems of air seat. Nepal should allow more international airlines to come to Nepal and encourage the national carrier to compete internationally. It would give new thrust for the tourism developing of this country, generate employment and increase the number of tourist arrival”.

For the promotion of quality tourism in the country, infrastructure and services should be improved properly (Sandhu, 1996:36). “For most countries, including Nepal, one of the most essential conditions for the successful promotion and development of tourism is the existence of adequate infrastructure and qualified human resources” (Frangialli, 1996:113).

Alwis (1997:8) says, “All good marketing begins with the customers and ends with the customers. All good tourism marketing therefore, should begin with the visitor (tourist) and see through to the end, that we have met all reasonable expectations of that visitor. We must ensure that he or she returns with as much as a positive feeling as possible, about Nepal and its people”. In fact, the good image and memories of tourists are more beneficial for the country than the promotional activities like, international advertisement, brochures, newspaper, article etc. So far Nepal is concerned as a tourist destination it offers a unique product and unparalleled opportunities for marketers who want to take on the challenge. It just means that both Nepalese operators and their partners in Asia need to work harder and be innovative if they are to achieve yields that Nepal’s tourism operations deserve (Alwis, 1996:29). For Nepal “USA, Australia and Pacific and other European countries, specially the Scandinavian countries are very potential future markets. South East Asia is emerging to be an economic giant. But as our marketing resources are not so big, we have to select only a few countries” (Shakya, 1995).

While formulating the tourism strategy, it is essential that tourism marketers keep abreast the fast changing trends, particularly the changing trends in tourism market.....Tourism marketers should be quick to respond the changing economic scenario in the world” (Shrestha, 1995:85). Similarly, in view of Sharma (1992:112), “An integrated approach, with the twin objectives of environmental protection and sustainable economic development, should be based on an appreciation of the broader implications of tourism for the environmental, demographic, economic and distributional concerns in mountain ecosystems”. Hence, development of tourism of Nepal should take into account promotional and marketing issues as well as deal with the inherent problem and challenges.

2.5 Review of Studies

In this section an attempt is made to review of previous studies on tourism with special reference to Nepal.

There was no plan and policy regarding tourism in Nepal till 1950s. For the first time the written study on tourism was made on the late 1950s. In Nepal, “General plan for the Organization of Tourism in Nepal” prepared by French national George Lebrec, in 1959, was the first tourism plan, which was prepared by the help of the French Government. In this plan, Lebrec has recommended to make brochures, posters, postage stamps depicting the Himalayan peaks and Flora and Fauna and to the use of films and documentaries prepared by the mountaineering expedition for promoting tourism in Nepal and the establishment of separate Nepal Tourism Officers. Later, George Lebrec visited Nepal in 1964 and 1966 and prepared two reports on tourism entitled “Report on the Development of Tourism” and “Report on Tourism in Nepal” respectively. In these reports Lebrec had recommended that tourism in Nepal had started growing at a faster pace (Polherel).

In 1972, with an aim to run tourism in a planned way and formulating policy the Nepal Tourism Master Plan (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The plan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organized sight seeing, independent “Nepal Style” tourism, trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, Scandinavia and Australia as secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country’s attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites. Furthermore, the plan has emphasized for development outside

Kathmandu such as the development of Pokhara, Chitwan, and National Park, development of national parks at Langtang Annapurna and Dhaulagire and Khumbu. The development of pilgrimage centres at Lumbini, Muktinath, Barahchettra and Janakpur was also envisaged. The Master Plan had recommended for the establishment of a Ministry of Tourism and Culture embracing functions then found within the Department of Tourism, the Department of Archaeology, the Department of Culture, the Department of Forestry, the Ministry of Foreign Affairs and the Immigration Office.

‘Nepal Tourism Marketing Strategy 1976-1981’ prepared by Joseph-Edward Susnik started with the premises that:

- As the stay of tourists cannot be prolonged for now the number of international visitors should be increased substantially.
- Images of secondary destinations like Pokhara, Lumbini and Chitwan should be built up.
- Nepal should become a gateway for South and South-East Asia.
- Nepal should become the starting point of any Asian tour as it is the cradle of a religion and culture that influence the history and life of the major parts of Asia. In his report, Susnik has suggested for the formation of Nepal Tourism Marketing Committee as well as Nepal Tourism Infrastructure Committee with representation of private sector and the Department of Tourism be recognized into Nepal Tourist Office which should concentrate on the marketing and promotional activities abroad with independent operational budget.

‘National Tourism Promotion Report 1983’ was prepared by National Tourism Promotion Committee of 1981. Suggestions were also provided on marketing strategies and plans for tourism. It reemphasized the need for promoting Nepal Style Tourism as mentioned in the Nepal Tourism Master Plan which would include sightseeing, trekking and wildlife adventure and which promote Nepal as a primary destination. The major suggestions given in this report are to develop resorts in the mid mountains to encourage tourists from India during the hot Indian summer season, promotion in Europe be stepped up, special programs be designed for Buddhist pilgrims from Asian countries and that similar pilgrimage packages be designed for Hindu pilgrims from India, depute a person in the Embassies of Nepal for promoting tourism, participate in various important trade fairs and to promote convention tourism.

Another report entitled, “Study and Recommendation for a Nepal marketing Plan, a Marketing Task Force Report” (1983) prepared by PATA, in 1983, considered to be very effective marketing plan of tourism. The main recommendation mentioned in this report are the establishment of an autonomous Nepal Tourism Promotion Board, to recognize responsibility by the private sector for all overseas sales activity, to engage overseas representation to conduct ongoing promotion and publicity for Nepal and to organize a research section to carry out market research on visitors to Nepal.

'Nepal Tourism Master Plan Review' (1984) is a review study and it has suggested action program for implementation for the promotion of tourism in Nepal. This study contains three parts. In part one, a background to be 1972 Tourism Master Plan, its contents and intents, and its practical use and operation together with a comprehensive review of past development in key areas of tourism. Part two sets forth an updated set of policy objectives and a market development concept forth five years and part three provides action-oriented recommendations. According to this review report, there is no need for a new comprehensive master plan in tourism. The 1972 Master Plan is relevant in its long-term policy contents, and most of its basic conceptual assumptions have been fully verified. This study focuses on a pragmatic policy framework essential to solving priority issues of tourism.

This study observes that active market promotion was the most important factor for the tourism development in Nepal.

This study, therefore, suggested to various destinations oriented marketing programs. The major programs include:

- Developing a systematic concept of promotional material.
- Determining the quality standard for each individual product.
- Producing a Travel Agents manual containing comprehensive up to date information regarding tourism in Nepal.
- Establishing representative offices in Western Europe, USA and Japan.
- Participating in selected tourism trade fairs.
- Offering familiarization to agents and journalists.
- Establishing a Nepali-style tour package.
- Directing sales to tour operators from the country of origin without middleman from India.
- Expanding the trekking possibilities.

The conclusion and action-oriented recommendations of this study focused on improving the capability of the Ministry of Tourism to assume its responsibilities in tourism, institutionally, administratively and technically.

Nepal Rastra Bank (1989) carried out an econometric study with an objective to study and estimate the level and patterns of tourist expenditure in Nepal, to estimate the value-added and imports contents and thereby not foreign exchange earnings from tourism in Nepal, and to estimate income and employment generation in the tourism sector of Nepal. In this study, regressions were run on the time-series data as well as cross-sectional data for the period (1974-1987).

The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number of tourists, for the total time-series analysis for the

period 1974-1987. Tourist expenditure was found to be highly sensitive with respects to exchange rates but the sensitivity of tourist arrivals was less. Country-wise time series regression for 14 countries gave mixed results.

Among tourism sub-sectors (when direct, indirect and induced effects were combined) the ration of import content for hotel was estimated at 53.45 percentage, travel agencies 74.51 percent, trekking agencies 54.04 percentage and airlines 67.05 percent. The ratio of direct importing content when the indirect and induced effects were taken out was estimated at 35.45 percent for hotels, 15.12 percent for travel agencies, 10.79 percent for trekking agencies and 57.60 percent for airlines. The value added for the tourism sector i.e., total payment to domestic factors including payments to intermediate and final inputs. (When direct, indirect and induced effects were combined) was estimated at 37.74 percent as compared to 44.66 percent for tourism related sector and 42.82 percent for the overall sector (Nepal Rastra Bank, 1989: v).

This study estimated the average per capita per day tourist expenditure (NRs. 747), the average length of tourist stay (9.3 nights), and the employment in the tourism sector. The study suggested liberalizing exchange, emphasizing trekking tourism, doing aggressive marketing, expanding both international and national air services, developing integrated tourism development policy, and establishing a full fledged apex body.

‘Nepal Tourism Marketing Program’ (1990), a specific study, made on tourism marketing funded by Asian Development Bank, included some valuable suggestions on marketing. The main suggestions were:

- The objective of marketing trekking should be to reinforce the image of Nepal as a world leader and trekking as premium product.
- For sightseeing tourism Kathmandu and the Himalayas must be established as a ‘must see’ premium product.
- Initial promotional budget for Tourism Promotional Board to be US \$ 7, 60,000 in its first year to be financed from a modest increase in visa fees.
- Encourage travel agencies in generating countries to represent Nepal for information purpose also.
- Professional representation to be established in London, Japan, Hong Kong, Washington or New York.
- Ten fold budget increase in public relation budget to complement new overseas representation.
- Seek technical assistance in marketing for best use of the funds.

Pokharel, Tek Chandra, has also prepared a separate review article entitled “Summary of Past Marketing Strategies and Plans for Tourism in Nepal” with description of the studies and

seminar reports to Nepalese tourism marketing encompassing important studies and seminar proceedings with an emphasis on marketing on Nepalese Tourism.

The basic tasks of 'Nepal Tourism Development Programme' (1990) were:

- To review existing plans and policies and suggest modifications to provide a longer-term strategy for using the countries tourism resources on a sustainable basis, while satisfying on increasing number of visitors;
- To prepare tourism development action plans this should include, among other things, the development of a commensurate institutional capacity.

'Nepal Tourism Development Programme' consists of four reports. Product development program and marketing strategies have been defined in this study. For both trekking tourism and sightseeing tourism the essence of the strategy is to establish Nepal as a premium product able to command the price of a premium product. The main marketing strategies initiatives for Nepal mentioned in the report were:

- To establish Mount Everest and the Himalayas as a "must see" attraction for any world tourist;
- To establish Kathmandu as the unique mystic city within a valley of exceptional scenic appeal;
- To establish Pokhara as the "Gateway Resort to the Himalayas";
- To establish and promote a series of outstanding excursions for the ordinary sightseeing travelers.

This study report recommended a number of suggestions regarding institutional change. The main suggestions were:

- The formations of National Tourism Commission;
- The designation of Tourism Industry Liaison officers in key Ministries and Department which impinge on tourism;
- The development of the Department of Tourism as the body of professional tourism expertise within the Ministry of Tourism and the formation of an Eco-Tourism unit.

The report also produced and proposed Tourism Development Program for Nepal for Asian Development Bank support. The Development Program proposed in the report are:

- Domestic Air Transport,
- Urban Tourism (Kathmandu),
- Infrastructure in Pokhara,
- Institutional Development, and
- Tourism Manpower Development and Training.

Tuladhar (1993), in his doctoral work, aimed to study the development of International Tourism in country of Nepal from the view of resources, the level of its explorations, utilizations and possibilities of its improvement. This study has been done against the background of the overall conditions and its development including natural and anthropological resources, economic development of the country, tourists' demands, and tourist supply. To achieve the objectives of this study, a systematic method of investigation in the theoretical scheme was used. His major findings included the use of dispersion as a basic for the balancing of prognoses may promote foreign visitor's quality and the possibilities for attempt and contribution for the future development of international tourism in Nepal should work out alternative prognostic situations in unison with the extracted priority of the tourist supply and direction for their improvement. Tuladhar has given various suggestions in his study like to promote charter flights with RNAC by tour operators assuring the low travel cost, increasing expenditure for advertisement and publicity for the stimulation for the tourist travel to Nepal, to provide more cultural shows and other types of suitable entertainment, to increase the length of stay of tourists and to increase their expenditure, to establish summer resorts like suitable tourist hotels and villas on the banks of lakes and rivers, to develop the national concept and to develop human resources by emphasizing on tourism education.

Pradhananga (1993), analyzes the changing pattern of tourists' consumption and its economic impacts on employment, exports and national revenue were made. The basic objectives of the study were to examine the consumption pattern of tourist, to analyze the use of local resources in tourist consumption and their effects on employment, to prove into capacity utilizations of hotels in relation to the tourist's number and length of stay and to examine the change in government revenue resulting from the tourist exports. This study dealt with different tourism aspects i.e., hotels and lodges, airline, travel agencies, trekking agencies, carpet and garment industries and transport agencies working in Nepal. According to him leakage of foreign exchange earning high important contents, seasonal fluctuations in demand for tourism and over dependence on seasonality factor have been the major weaknesses in the tourism industry. He suggested that different tourism related policies and sectors like infrastructure, open-sky policy, planning of new tourism project, opening of a new destination in the country, tourism marketing strategy, management of travel agencies, full capacity utilization of hotels etc., should be planned properly.

Nepal Tourism Master Plan (1972), is a detailed and comprehensive document of Nepalese tourism. It is the first serious attempt to lay out a comprehensive policy framework for the tourism sector. The plan has proposed five different types of tourism in Nepal as following:

- Sight Seeing Tourism
- Trekking Tourism
- 'Nepalese Style' Tourism
- Recreational Tourism, Primarily from India

- International Pilgrimage Tourism

Kathmandu has seen to be centre of the tourism activities. The priority was placed on the development of pilgrimage centre at Lumbini, Muktinath, Barahachhetra and Janakpur. Similarly, the development of national parks in the Langtan Area, Khumbu, Annapurna and the Dhaulagiri was suggested for the promotion of adventurous mountain tourism. To increase the duration of stay, sight seeing tours from East (i.e. circular tours to Kathmandu, Namche Bazaar, Janakpur and Chitwan) to West (i.e. Gorkha, Pokhara, Tansen, Lumbini and Chitwan circuit) of the valley and the development of resorts area with the appropriate recreational facilities were recommended.

On the institutional front, the master plan of tourism and culture a san authoritative body for overall planning, promotion and development of tourism. It was suggested that the functions distributed among them existing organization of the department of tourism, department of archaeology, department of forestry, department of immigration and ministry of foreign affair to be brought under the proposed ministry. It was also suggested that ecological surveys and measures for the conservation and promotion of the traditional music, dance customs and festivals to be carried out.

The review of master plan 1984 noted the main impediment to the plan's implementation was due to the fact that government at large failed to share its responsibilities in directing and promoting tourism in a planned manner. And others are:

- Infrastructural facilities to diversify tourism to important market segment were not laid properly to meet the need of the time.
- The private sector invested in all places with the tourism potentials and market began to develop in accordance with the dictated of the buyers. This demand induced development resulted in uncontrolled development and proliferation of low quality establishments.
- While the Kathmandu has become increasingly crowded the other sight seeing places, e.g. Pokhara, Tansen, Gorkha, Lumbini were neglected.
- In Mountain tourism, Annapurna, Khumbu and Langtan became over exposed causing increasing pressure on their scarce Natural resources.
- Other regions with comparable attraction were not developed because of the failure of the government to open and regulate and control tourism.
- International pilgrimage tourism in still in the incipient stage of development despite the presence of world renowned heritage site like Lumbini and Janakpur Dham.
- Wildlife tourism has been limited to the Chitwan, after many years it has been to extend to the Bardia and Sukla Phant reserve.
- The master plan recommended the development of supply guided "Nepal Style Tourism" to give Nepal an independent and unique destination and status. It emphasized providing mixed image of comfortable natural and cultural sight seeing along with the variety of

soft and hard adventure product as per the physical stamina and time disposition of the travelers.

- But the infrastructural back up, and imaginative and innovative endeavour needed to create alluring supply guided are seriously talking.
- All adventure market segments including wildlife/trekking and rafting were stated by expatriates and blindly strives to excel by Nepalese entrepreneurs.
- The Ministry of Tourism, established in 1977, according to the recommendation of the Master Plan, has not become an effective central government body to look after the vital issues and challenges in the field of tourism.
- Rather than focusing on policy/planning and co-ordination, it has implemented only simple plans that fit under its jurisdiction.
- It has only added to the bureaucracy but not provided the effective and efficiency envisaged in the place.
- The 1984 review recommended two other institution to address the highest policy level were set up only 1992 in the form of tourism council and Nepal Tourism Board in 1999 which is fully functioning as a National Tourism Institution.
- It seems that most of the recommendation contained in the 1972 Master Plan has yet to materialize conceptually and functionally. The government has to play pivotal role in the decentralization of tourism regulating and monitoring the qualities of the products and Marketing the destination internationally.
- The private sector has to create a mix of product unique to Nepal more imaginatively.

Shrestha (1999), in her Ph.D. thesis entitled “Tourism in Nepal: Problems and Prospects” mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the basic of its contribution to national economy status of tourism infrastructures, review of the planning and policies of the government exports in the sample and also analyzed the trend of foreign exchange earnings and share of tourism receipts to gross domestic product.

She has pointed out that Nepal has not been able to introduce and diversify new tourism products. On the other hand, the experts are of the opinion that the problem of the air accessibility, lack of proper marketing and promotional strategy, pollution, lack of required infrastructure, lack of co-ordination, frequent change in government as well as lack of political commitment are the short coming of tourism industry in Nepal. Despite of the various problems, she added, the prospects of tourism are bright in Nepalese economy in generating employment, contributing to national GDP and also for over all development of the economy.

Shrestha found that the role of tourism in economic development in significant in Nepal. The net earning from tourism are greater the some other sectors. The share of tourism in terms of GDP came down to 3.2 percent in 1997, which was 4.1 percent in 1993/94. But the convertible foreign

exchange increased by 10.74 percent during the period 1974/75-1996/97. Despite these facts, tourism is one of the main contributors of convertible foreign currency sharing 16 percent of total exchange earning in 1996/97.

Pradhananga (2000), in his book “Tourists Consumption Pattern and its Economic Impact in Nepal” had presented the changing pattern of tourists’ employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services and employment generation. The study has shown that the tourism sector contributed 37.99 percent in tourism sector, 17.34 percent in tourism percent in tourism related sectors and 8.94 percent in non-tourism sector, the study has added, thus an increase in imports. This also mentioned that the revenue at current price increased to NRs.314.97 million in 1987/88 from NRs. 34.91 million in 1974/75.

The analysis has also shown the impact of tourist expenditure on employment. The direct employment opportunities generated were 12.41 percent in tourism sector, 32.88 percent in tourism related sectors and 54.71 percent in non-tourism sector.

Upadhaya (2003), in his Ph.D. dissertation entitled “Tourism as a Leading Sector in Economic Development of Nepal”, he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries remains confirmed to local and regional level or helped the national economy as a whole. It is because tourism is considered as an inexhaustible industry that has potential to improve further as the tourism industry is developed gradually. As W.W. Rostow has made it clear that in the process of economic development of a backward country some sectors must play the role of a leading sector. So that not only the sector(s), in question, grow rapidly but also have the capacity to move other sector of the economy forward. This process leads the entire economy on higher growth path. He has depicted the fact that the tourism sector has been improving its significance in the economy. It has been improving significance in the economy. It has been estimated that the activities related to tourism sector has strong inducement effect on the other activities of the economy. Beside foreign exchange earning, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy in moving faster and faster on the path of globalization.

Although tourism is important for a developing country like Nepal, there is a dearth of literature relating to marketing and promotion of tourism. In view of the importance of marketing and need for Nepal to go for extensive promotion the present study about the marketing strategies taken by Nepal Tourism Board has been initiated.

2.6 Review of Thesis works

Hirachan Bijaya Lal (2003), in his Master's thesis entitled "A Study on E-Marketing used by Travel Agencies" has presented the effectiveness of e-marketing used by travel agencies to promote tourism industry. In order to find the perception of travel agencies regarding e-marketing prospect practiced in tourism sectors. The writer has taken following objectives in to consideration:

- To survey the current market situation of Travel Agencies.
- To find out and examine travel agencies perception regarding e-marketing.
- To find out popularity of internet as marketing tools among travel agencies.
- To explore the problem and prospects of e-marketing and to suggest appropriate recommendation in order to promote intoxicating beauty of this county through internet.

In his study, to determine the objective of research Hirachan Had conducted a field survey. In which 25 were complete out of 30 responses. The majority of the survey respondents reported that the current situation of travel and tourism is poor (80%), only 12% respondents seems satisfied with the current situation of travel and tourism industry of Nepal. There were comparative views about the region from where most tourists used to come. 56% respondents believed from Europe and 40% believed to be from Asia. As regards to the promotion medium which the respondents' prefer, it seems that 56% prefer personal contact for promotion whereas website, e-marketing and magazines are preferred by 28%, 24% and 4% respondents respectively. Similarly the study has presented that most travel agencies (84%) do have websites published on web, whereas only (16%) do not have websites and reason for having websites is for promotion (71.42%) respondents responded but 28.57% responded kept websites for providing information.

In the same ground 71.42% respondent rated their website is performing below expectation where as 28.57% respondents' believe they got what they have expected from website out of total respondents' majority of respondents (72%) had an idea about e-marketing and 56.52% of respondents' were using search engine submission and only 4.34% were using tourism related directories a e-marketing promotional tools. About the contribution made by internet on tourism sector, majority of the respondents (88%) were satisfied by the contribution made by internet for promoting tourism in Nepal.

Finally he concludes that most of the travel agencies know the importance of internet as marketing tools, due to the fact that most of them have a website and using e-mail on regular basis but due to lack of knowledge, fund and ignorance they are not utilizing e-marketing in professional way or seriously. If the correct methods of promotion are used on internet to popularize travel agencies sites definitely it will contribute to promote tourism sector in Nepal to great extent.

In his Master's thesis, Sharma, Kalayan Raj (2000), entitled "Tourism Marketing in Khumbhu Area" has presented the tourism of Khumbhu area with respect to marketing, policy and legal provision. He has found that tourism in Solukhumbhu has ensured significant improvement in educational opportunities and health care provision (which has led to improved family planning), water and electricity supply, access to material goods and levels of mobility. There positive aspects of tourism in Khumbhu. Tourism development has certainly contributed to a widening of the gap between the rich and poor with regard to the culture, local people are very much aware of outside interest in the Sherpa people. Most of the people are claiming that they are losing their cultural traditional poor people are preserving their cultural tradition because they have been able to attract tourists' interest towards maintaining and developing the old and new monasteries in the region. It shows that less wealthy people and women are more in touch with their culture and wealthy people have new work patterns and new life styles.

The trekking and mountaineering tourism are about intensive activities that provide unparalleled opportunities for employment and income generation. Tourism related income have allowed literally thousands of households in Khumbhu area. They have improved their standards of life. Most important to the success of the local; economy are the high numbers of locally-owned lodges, restaurants and trekking agencies.

Neupane, Rita Devi (2007), in her Master's thesis entitled "Role of Tourism on Revenue Contribution in Nepal" has presented the effectiveness of the study to access the financial effect on the foreign currency earned by tourism industry in the country's economy. The objectives of the study are: to show the trend of tourist arrivals in Nepal, to identify the purpose of visit of tourists and their length of the stay, to assess the mode of transport that tourist uses the most to enter into the country, to show the role to tourist arrival in revenue contribution as well as revenue from tourism and different macroeconomic variables, and to recommend the possible measures in order to strengthen the tourism business in Nepal.

Neupane found that role of tourism on revenue fluctuate over the year. Result indicates that, in the year 1994, earning from tourism sector covers 42.7% of total merchandise export, 22.4% of merchandise exports of goods and non-factor services, 18.9% of foreign exchange earning and 4.1% of Gross Domestic Product (GDP). The earning from tourism sector contribute more to GDP in the year 1994 and 1995, while it contributes less in 2005. Average range of the income from tourism sector as percentage of total foreign exchange earning ranges from 6.1% to 21.4% for the study period. In the last year of the study, area share of tourism sector income in total foreign exchange earnings is 7.02% in the year 2005. It is only 1.2% of total GDP, 13.9% of total merchandise export of goods and non-factor service and 20.2% of total merchandise export.

Giri, Bhaju Ram (2007) in his Master's thesis entitled "Mountaineering Tourism Marketing in Nepal, A Promotional Aspect" has focused on a promotional aspects of mountaineering tour marketing in Nepal by analyzing the mountaineering policy and legal provision, official procedures for service delivery to the tourists, and possible ways of improving the present

situation for an establishment of a more effective service delivery mechanism. The writer has taken following objectives:

- To examine the existing provision regarding mountain tourism in Nepal particularly in the field of mountaineering.
- To recommend favorable official procedures and other provisions to encourage more mountaineers to visit Nepal.
- To promote mountain tourism of Nepal in international level effectively.
- To improve service delivery mechanism

He has presented the major findings in four sub headings viz. finding relating to policy, legal provision, official procedures and others. He found that Nepal has unlimited potentialities of tourism development. It's natural and man made heritage are famous in the world. They attract tourists to visit Nepal time and again. Expedition on High Himalayas is mostly promoted by foreigners. Nepal has not been able to prepare appropriate promotional activity for the development of tourist industry except publishing some posters of Himalayas.

Finally, Nepal's mountaineering market is suffering from the unnecessary official procedures in the concerned institutional and vague legal provision. To make an expedition, mountaineers have to visit MTCA, communication Ministry, Customs Department and Immigration Department repeatedly. All these have discouraged them to come to Nepal for mountaineering. One window system would be a good remedial measure for reducing bureaucratic hassles and make the service prompt. Prompt and fast service in permitting mountaineering license would encourage more tourists and encourage expediting more Nepali Mountains. Likewise the Royalty of the Mountain Peak and Permit for rusticated area should be reduced by 50% to promote Nepal's Mountaineering tourism.

Pant,H. (2007) in his thesis entitled with "Impact of Tourism in Nepalese Economy". He identified tourism as a crucial, critical and emerging sector of the Nepalese economy and has shown high potential for development. The following specific objectives had been set for study in his thesis: to study present situation of tourism industry, to find out the economic impact of tourism on national economy, to examine the trend of tourist arrivals in the country and forecast its trends. The major findings of the study are:

The contribution of tourism is to be perceived from its share in the economy. A glance at receipt from tourism as a percentage of merchandise export earnings is relevant to assess. The highest share of tourism receipt as percentage of merchandise export earnings was recorded in 1982/83, registering 74.3 percent and in 1988/89 by 65.0 percent respectively. Tourism receipt as percentage share of total value of merchandise export was noticed to be erratic with declining trend. The year 2001/02 has the lowest share with only 16.4 percent. Similarly, in 2001/02 tourism receipts as the total value of export of goods and services was also lowest with only 10.2

percent. The contribution of tourism to total foreign exchange earnings was lowest in 2001/02, which declined to 8.0 percent from 24.5 percent in 1988/89.

The share of tourism sector in GDP was 4.1 percent during FY 1993/94 and 1994/95. Since then its share started falling (1.9 percent of GDP), and recorded a lowest in 2001/02. It further declined to the level of 1.2 percent in 2005/06, which was most critical year so far as tourism is concerned in Nepal.

The year 2003 shows a significant increase of 80.5% as compared to 2002. The year 1999, 2000, 2001, 2002, 2003, 2004, and 2005 shows a decrease in gross foreign exchange earnings of 6.8%, 8.0%, 0.1%, 0.6%, 0.7%, 15.9%, and 23.8% respectively as compared to their previous years. The second greatest increase of 32.9% is seen in 1994 as compared to 1993. The average income per visitor is the greatest (US \$ 79.1) in 2003.

The significant contribution of tourism to Nepalese economy is the foreign exchange earnings. The tourism receipt was registered US \$ 78,000 in 1961/62, which increased to US \$ 11.5 million in 1974/75. The tourism receipt is closely associated with tourist arrivals in Nepal. The decline in tourist arrivals in 1981 and 1984 is reflected in the fall in tourism earnings in FY 1981/82, 1982/83 and 1983/94. Similarly, tourist arrivals declined in 1989 reflecting the fall in tourism earnings both in terms of Nepalese currency and US dollar in the respective years. Tourism is contributing much to the economic and cultural growth in different regions of Nepal. The promotion of international tourism in different regions directly enhances their regional economy through the development of tourism industry. Tourism sector is not only a major source of earning foreign currency but its contribution to create employment opportunities is also important. For this, Nepal disposes excellent circumstances for the development of active international tourism, including holiday, pleasure, trekking, mountaineering, rafting, religion, official, sport tourism and so on. Income from international tourism plays a vital role in the national economy of the country.

Shrestha, U.D. (2008), in his thesis entitled with “Entrepreneurship in International Hospitality and Tourism Industries in Nepal”. He identified that tourism industry plays a vital role in the country’s economic development. In a developing country like Nepal tourism industry is one of the main sources of foreign exchange earning. Tourism potentiality due to Nepal’s cultural values and other natural and archaeological beauties is very high in Nepal. These are the factors that has given rise to entrepreneurship in Nepal with the advent of tourism has been the growth of entrepreneurship in Nepal. The specific objectives of this study are: to assess the development of international hospitality and situation of hotel industries in the Nepal, to assess the entrepreneurship development in Nepal and to assess the women involvement as entrepreneurs in tourism as compare to men in Nepal. The major findings of the study are:

The paper has shown that lack of co-ordination among the government and the private sector is well pronounced. One of the major problems to entrepreneurship development is lack of

managerial skill as well as entrepreneurship in the country. Unless Nepal addresses these issues, sustained development of entrepreneurship will not be possible. Ultimately there will always be lack of entrepreneurship development in the country. So, Nepal must overcome its problems on a systematic and time bound basis and develop industry on professional lines. The single most important experience satisfying the tourists visiting Nepal and development of entrepreneurship in hotel industry have been the hospitality, friendliness, helpfulness, humbleness, honest, welcoming attitude of the Nepalese people, natural sites and scenery specially the majestic Himalayas. In Nepal women have occupied merely 3% managerial and administrative post. Historically many women in Nepal had income generating projects but they were suffered from the lack of access to credit and skill. Recently peace agreement was made between Nepal government and Maoist. He hoped that there will be political stability and improve peace situation in the country and entrepreneurship development in tourism sector will be possible. The study has shown that despite recoding growth and emerging tourism as one of the largest industries in the country, Nepal has not been able to manage and market tourism on a sound and professional basis.

The whole tourism industry needs to be development on a professional basis since, in this industry one has to compete at international level. Therefore, strategies must be opted to inculcate state of art technologies. The study has clearly shown the paucity of marketing efforts of Nepal. In this respect Nepal must break the shackles of complacency and make efforts to market Nepal's advantages on an appropriate and sound manner as per the needs and potentials of the market. Only the Nepal can emerge as a vibrant and popular destination. Otherwise, Nepal will lag behind in the international competition and despite the product strength; it may have to yield ground to others. So, requisite attention to develop and sustain the industry must be provided immediately. Platitudes are not enough and the government must make serious efforts with the private sectors to position and promote Nepal.

Prajapati, Nirmal (2008) in his Master's thesis entitled with "Tourism Marketing in Bhaktapur Municipality". The following specific objectives had been set for study in his thesis: to review the present scenario of tourism development in Bhaktapur, to find out the tourism marketing practice in Bhaktapur, to analyze the trend and pattern of tourism in Bhaktapur, to suggest for the betterment of tourism development to all concerned based on the finding of the study. The major findings of the study are:

- 82% people who live in tourists visiting area of Bhaktapur were benefited economically by tourists visiting in Bhaktapur.
- Most of the respondents (50 percent) said that tourism caused their increase in income. Similarly, tourism has caused price rise and created job opportunity in Bhaktapur.
- 90% of the people have the view that tourism in Bhaktapur should have to develop.

- Most of the respondents (78 percent) have the view that the system of entrance fees is a good system, whereas 18% respondents remarked that the system was bad. Rest 4% said that they did not know about the system.
- Development of tourism is dependent on the attitude and behavior of local people. If the tourist is well behaved, they are encouraged to visit the place again but if they are misbehaved, the result is vice versa.

Finally, he concludes that Nepal is well place for tourism development. There are so many places of historical and cultural attraction in Nepal. Bhaktapur is one of the historical and cultural attraction centers, which is selected for present study. This study is mainly concerned in the potentiality of further development of tourism in the historical place Bhaktapur. There is no doubt that Bhaktapur is one of the most popular tourists' attractions in Nepal. But its decreasing trend indicates the need of improvement in certain areas of service. Tourism in Bhaktapur has created job opportunities to local people and causes their income increase. If the cultural heritage are well preserved and tourist's facilities like accommodation, transportation etc. are well managed, tourism can be better flourished in Bhaktapur.

2.7 Review of News Articles

Structure of Public Private Partnership for Tourism Development in Nepal

Tourism is one of the leading industries in Nepal and it was growing by 6-8 percent in average per annual till 1999. But the development of tourism only for government side would be helpless. Thus there must be public private partnership for the development of tourism sector. Dr. Upadhaya R.P., a tourism expert, has said that the main objective of tourism should be to active maximum social welfare, so for that we have to promote distributive justice; they must include people from the entire sector. The planning should be pro-poor, pro-country and it should serve everybody. In his scenario, Nepal Tourism Board, and autonomous promotional institution to develop public and private partnership for tourism development, is established in the country. The current existing external institutional and structural linkage and dependency of tourism development in Nepal is presented below.

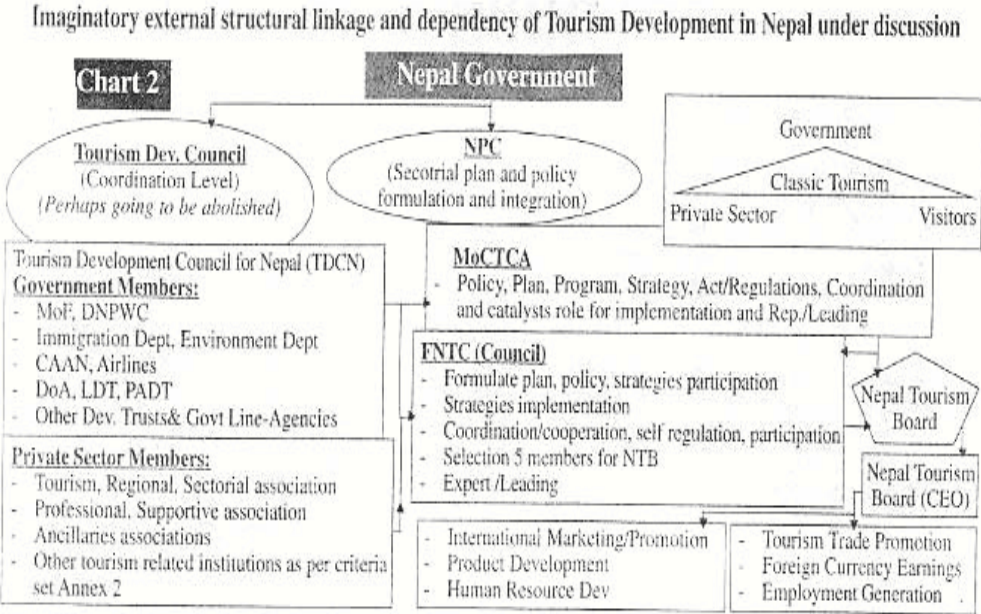
Current Structure of Public Private Partnership for Tourism Promotion in Nepal



Sources: NTTR, 2006, Vol. IX, No.38

But in the globalization context the existing tourism development structure is being ineffective. The main cause of being such is due to the political influences, government dependency, and political instability etc. Thus, it needs a concept of restructure of structural linkage and dependency of tourism viewing such thing, a need of an aggregate apex body of tourism council is realized to amalgam the tourism concerns and the entrepreneur relating to tourism. An imaginary external structural linkage and dependency of tourism development in Nepal is presented below, which is under discussion.

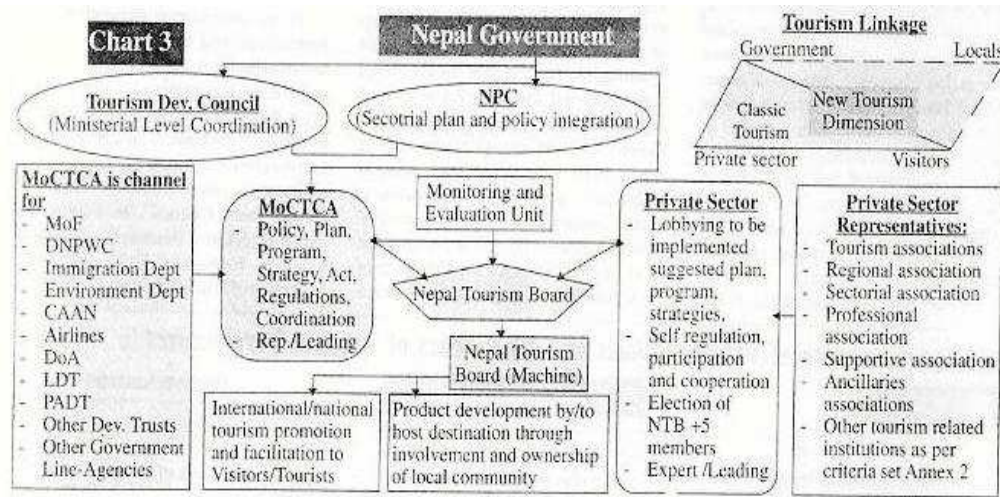
Imaginary external structural linkage and dependency of Tourism Development in Nepal Under discussion



Source: NTTR, 2006, Vol. IX, No. 38

Dr. Tuladhar, Gynendra Ratna, has presented an imaginary external structural linkage and dependency of private sector for a real term of sustainable tourism development in Nepal. He has said that if tourism is to be pushed in dynamism, a private sectors (with any appropriate name) should be chartered by the government, considering four party tourism linkages with a status of independent, self-regulated and a strong tackled lobbying agency to the government as well as the private sectors for overall betterment of tourism. His imaginary external structural linkage and dependency of private sector has been represented as follows:

Dynamic External Structural Linkage and Independency for Sustainable Tourism Development in Nepal



Source: NTTR, 2006, Vol. IX, No. 38

Similarly, Upadhya Dr. R.P., in his another article headed “Outlook on development of Nepalese Tourism” published on NTTR, Sept18-24, 2006, has explained the role of NTB to develop Nepalese tourism as follows:

Since the political situation is changing, NTB should focus more in the promotion of the country, which can only be possible with the help of stakeholders. Role of government cannot be denied and therefore it is the time for the ministry and the line agencies to take corrective measures. They should be sincere and work towards developing tourism-the only sector with benefits. Since the main objective of tourism is human welfare and prosperity, the government should promote distributive justice, which can results in mass participation. Government should sincerely work towards the promotion of rural tourism by conducting a high level national survey and exploring new destinations like Sirubari with receptive capacity and which is easily accessible from the main tourists generating outlets.

At present, Nepal is on media highlights, so this is the right time to cache. NTB instead of going and attending promotional activities in different countries can focus on developing the information technology (IT) section of the board by creating attractive websites with updated news and information on destinations of Nepal.

Similarly, Nepal government is playing the role of facilitator, motivator and regulator since 9th plan (1997-2002). National tourism policy of 1995 has emphasized/assigned the above role to the government. However, due to the following reasons, the role of the government should be an

incentive provider too as in to complete with the growing competitors like India, Bhutan, Sri-Lanka and Maldives, and also to develop and diversify the tourism products by creating new tourism destination and to endure the present critical situation.

He concluded that proper attention will be paid towards the several natural and cultural sites the possess great tourism potential. Sincere efforts are needed to reduce visitor's concentration in Kathmandu and diverse tourism to locations that hold tourism potential. To reduce visitor's concentration in limited areas, the villages in hinterland should be linked with the main trekking routes whenever possible. This can spread tourism benefits.

The struggle against deep routed corruption is a long-term complicated task where we must constantly ring the alarm. We also must punish corruption and build an hones, clear and healthy tourism industry. Every level of party organization must strengthen supervision, administration of party cadres by deepening the anti corruption struggle.

Bhandari K. (2000), in his article "Tourism in the New Millennium" posted on 'The independent' has written that Nepal government attaches priority to tourism even though this sector has not been able to receive higher share in government spending due to certain other obligations in basic need areas. A major problem with the Nepalese private sector is that it is small, disorganized and is limited in its capacity to raise resources and invest in the form of equity.

The savings/investment rates are low. There is limited exposure to international trends. The culture of state intervention still prevails and is generally accepted.

Similarly he has added that tourism considered a major component of the Nepalese economy, has so far, been concentrated in a few major locations, and confined to a few major products. We have not been able to add more places of interest to the tourist, so he had claimed for need of the future action, his suggestions are:

Despite out immense potentiality, we are unable to exploit the economic benefits proportionate to this, due to poor infrastructure, meager investment and irrational marketing. However, spreading tourism to new places with more activities is of utmost necessity, with the increase of competition among the South Asian countries.

Various policy measures need to be initiated to attract investments in new areas with potentials. These policy measures can be introduced after detailed consultations with the entire travel trade sector and with the mobilization of newly formed Nepal Tourism Board (NTB). Also this helps the Board to plan marketing of these zones in advance, which also helps in the marketing budget of the individual private sector in those regions.

There needs to be various forms carried out in the aviation policy so as to make favourable condition for the airlines to open up in new sectors. The various social and tourist routes need to be redefined. Distinction between commercial and remote routes within social routes is required.

Nepal Tourism Board should be very clear in its marketing strategies. Advertisement should be well connected with the events taking place in the country and efforts should be initiated to make documentaries and they should be telecast through various international channels. Finally, a very strong research base will certainly help in effective planning.

Thus, various studies have been undertaken mostly however, confining to enquire the economic impact.

Although tourism is important for a developing country like Nepal, there is a dearth of literature relating to marketing and promotion of tourism. In view of the importance of marketing and need for Nepal to go for extensive promotion the present study about the marketing strategies taken by Nepal Tourism Board has been initiated.

CHAPTER-III

RESEARCH METHODOLOGY

Research methodology is the most important aspect of research work. Reliable and relevant study can be made possible only by applying scientific method. Hence the primary purpose of this chapter is to discuss and design the framework for the research. Different procedures have been followed:

3.1 Selection of Study Area/Topic

As far as study for area is concerned, the overall marketing and promotion activities of National tourism organization, Nepal Tourism Board was selected as main topic of study. As Nepal Tourism Board is the main actor of marketing and promotion of Nepalese tourism, the operational mode of such activities were studied. Mainly, how NTB is carrying out its marketing promotional programs in main Asian market, how is the tourist from Asian nations, these aspects were studied the present tourism activities lies in regional market, the study is very significant.

3.2 Nature and Source of Data

The present study has been completed mainly with the help of both primary and secondary data, the primary data are collected through fieldwork containing interviews and questionnaire with tourists, travel trade companies and tourism professionals, secondary data are collected from NTB, MOCTCA, NRB, MOF, NPC, Books on Tourism at T.U., NCC library, articles, books and other relevant reports related with tourism.

3.3 Methods Used in Collection of Primary Data

For the purpose of primary data collection, field survey was conducted in August/September 2009. During the survey, altogether 100 respondents are surveyed. Among them, sixty are tourists from different countries, twenty are travel trade companies (trekking and tours) and ten are experts. The survey was completed random sampling for tours and travel companies. Apart from that tourism professionals and experts were interviewed and their perception and opinion

about present tourism scenario and marketing activities were collected and later used while preparing recommendations. All the information were analyzed and presented.

3.4 Tools and Techniques Used in Data Analysis

There are several scientific techniques used to fulfill the requirement of the study in the field. The primary data are collected during the field work through interview and questionnaire with different people such as tourists, tours business people, tourism professional and experts.

Information collected from questionnaire were transformed and tabulated. Information were grouped, sub-grouped and classified as necessary. The systematic analysis have been done using quantitative as well as qualitative techniques, simple statistical data tools such as percentage, weighted average etc. have been used, table chart diagrams, pie-charts were used for the presentation. The study is mainly descriptive and the analysis of the result is described logically.

CHAPTER-IV

DATA ANALYSIS AND PRESENTATION

4.1 INTRODUCTION OF NEPAL TOURISM BOARD (NTB)

The Tourism development history of Nepal is very short. Before the dawn of democracy in 1951 AD, the rulers of Nepal had not made any attempt to develop tourism in Nepal. On the contrary the policy of the government was not let tourist enter onto Nepal expect on some special cases. Similarly, efforts to earn foreign exchange earnings to accelerate development through tourism were nil and there was no link between tourism and national economy. In actual sense, the promotional of tourism started more or less only in the beginning of 1960s. The then government of Nepal made attempt to the development of tourism with liberal tourism policy relatively than there before.

After 1990, viewing the globalizing context of the world, Nepal government also started to lunch different policies and programs related to tourism. In 1995, an independent “Tourism Policy” was announced and in 1998 “Visit Nepal Year-1998” campaign was conducted. In such scenario thinking the public-private partnership for the tourism development, Nepal Tourism Board (NTB) has been set up on the date of 31st December 1998 as a national tourism institution under the act of parliament (NTB Highlights, 2003). The Board is providing platform for vision-drawn leadership for Nepal’s tourism section by integrating government commitment with the dynamism of private sectors tourism industries.

NTB is promoting tourism in the domestic and international market and is working towards repositioning the image of the country. It aims to regulate product development activities in future. Fund for NTB is collected in the form of tourist service fee from departing foreigner passengers at the Tribhuvan International Airport (TIA) keeping if financially independent.

The Board being a statutory institution has statutory duties assigned to it. Nepal government has also established a defined funding mechanism to finance the promotional efforts of the board. The board is established to work as a professional and dynamic NTO to address the pressing need by designing specific brand image for Nepal as a travel destination and support the same by self sustained promotional campaign. The new tourism brand i.e. marketing slogan of Nepal is “Unleash yourselfNaturally Nepal, once is no enough”.

4.2 Objectives of NTB

As an independent body related to tourism NTB has some objectives to develop and promote tourism in Nepal. Out of the many responsibilities entrusted to NTB, the primary objective of this institution is to market Nepal as a premier holiday destination in the International market and also to upgrade the quality of tourism products and resources at par with the accepted international standard, which of course is one of the daunting tasks.

‘The Nepal Tourism Board Act, 2053’ has set up its objectives as following.

- a. To introduce Nepal in the international arena by developing as a fascinating tourist destination.
- b. To develop, expand and promote tourism business whilst protecting and promoting natural and cultural heritage and environment of the country.
- c. To create maximum employment opportunities by increasing national production and foreign currency earning through the development, expansion and promotion of tourism.
- d. To establish Nepal’s image in a high and dignified way in the international tourism community by developing Nepal as a sage, reliable and attractive tourist destination.
- e. To conduct or cause to be conducted functional research as per necessary for finding out ways to solve problems encountered in tourism sector so as to provide qualitative services to the tourist.
- f. To assist in establishing and developing institution necessary for tourism development.

4.3 Roles and Responsibilities of Nepal Tourism Board

NTB has been established with a mission to maximize the benefits of tourism by promoting Nepal as a premier holiday destination with a definite brand image. To make the mission fruitful, NTB has assigned some roles and responsibilities by the NTB act 2053 as mentioned below:

- a. To develop and introduce Nepal as an attractive tourist destination in the international market place.
- b. To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.
- c. To work towards increasing the gross domestic product and foreign exchange income by means of promoting the tourism industry. To work towards increasing employment opportunities in the same industry.
- d. To develop Nepal as a secure, dependable as well as attractive travel destination by establishing a respectable image of Nepal in international travel trade community.
- e. To work towards providing quality services to the tourist visiting Nepal.

- f. To study the bottlenecks against the same by means of conducting research and implementing and getting implemented the results of such research in order to do away with these bottlenecks.
- g. To promote and develop institutions for the promotion of tourism industry.

4.4 Organizational Structure of NTB

As the NTB develop tourism with public private force, its executive committee members also consists government as well as private sector. To executive committee comprises of 11 members, 5 members representing Nepal government, members representing the private sector and Chief Executive Officer (CEO) of the Board as the member secretary of the executive committee. The executive committee has been formed to systematically execute and cause to be executing necessary programs and to take care of and manage all the activities of the Board for achieving its objectives.

The committee consisting chairman from government and vice-chairman from private sector/tourism entrepreneurs have following members:

- a. Secretary, Ministry of Tourism and Civil Aviation- chairman
- b. A member selected by the Board members from among the members nominated by private sector- vice chairman
- c. Joint secretary, ministry of finance- member
- d. Director General, Department of Immigration- member
- e. One officer, at least of graduate first class nominated by Nepal government from among other ministers related with tourism development- member
- f. Director General, Civil Aviation Authority of Nepal
- g. Five individuals nominated by Nepal government among the tourism entrepreneurs involved in tourism promotion activities and from among the experts on tourism, natural and cultural heritage- member
- h. Chief Executive Officer- member.

4.5 Resource Allocation

4.5.1 Year Wise Allocation of Resources for Tourism Development (1984/85 to 2008/09)

Being one of the main sectors, tourism is getting a small portion of total expenditure. The table (4.1) shows the percentage of total expenditure allocation for tourism development.

Table No.-4.1

Year Wise Allocation of Resource for Tourism Development

Fiscal Year	Total Tourism Development Expenditure (in Million)	Total Tourism Development Expenditure as % of Total Development Expenditure
1984/85	6.1	0.11
1985/86	4.7	0.08
1986/87	13.8	0.19
1987/88	111.4	1.8
1988/89	17.2	0.14
1989/90	18.4	0.14
1990/91	12.4	0.08
1991/92	12.5	0.08
1992/93	61.8	0.32
1993/94	68.1	0.32
1994/95	147.4	0.74
1995/96	189.2	0.76
1996/97	203.7	0.70
1997/98	159.5	0.55
1998/99	154.1	0.54
1999/2000	221.5	0.70
2000/01	383.7	1.03
2001/02	253.9	0.80
2002/03	189.7	0.65
2003/04	183.7	0.54
2004/05	209.4	0.51
2005/06	144.28	0.72
2006/07	142.97	0.76
2007/08	325.68	0.81
2008/09	445.74	1.02

Source: Economic Survey, various issues, and Budget speech, various issues, MOF.

The table 4.1 shows that there is wide fluctuation in developmental expenditure for Tourism. The expenditure on tourism was 6.1 million rupees in the FY 1984/85 which was only 0.11 percent of

total expenditure. Thus, the outlay allocated for tourism gradually increased to 111.4 million in 1987/88 which was 1.18 percent of total expenditure. Similarly, that came down to 17.2 million rupees in the subsequent year. That again went up to 203.7 million rupees in 1996/97 and further declined to 159.5 million rupees. It becomes the highest at 221.5 million rupees in 1999/2000 which was 0.7 percent of total expenditure. Therefore, it can be argued that the government approach towards developing the tourism sector has not been consistent and coherent. To increase the more returns from tourism, the government must increase to share of tourism expenditure.

4.5.2 Plan Wise Allocation of Resources

The Nepal Government has given some place for tourism development from the first five years plan to the current tenth plan. The outlay allocated in development has increasing trend from 1.0 million in first plan (1956-61) to 1979.0 million in tenth plan but the percentage of total outlay allocated to tourism has fluctuating trend. It was 0.30 percent of total outlay in first plan (1956-61) and increased to 0.33 percent in second plan (1962-65). Thereafter it declined to 0.29 percent in third plan and further 0.18 in fifth plan. In similar way it increased to 1.10 percent of total tenth plan outlay.

Table No.-4.2

Allocation of Resource in Various Plans (NRs. In Million)

Plan Period	Total Plan Outlay	Tourism Outlay	% share of Tourism in total outlay	Plan Wise growth rate of Tourism outlay
First Plan (1956-61)	330	1.0	0.30	-
Second Plan (1962-65)	600	2.0	0.33	100.0
Third Plan (1965-70)	1,740	5.0	0.29	150.0
Fourth Plan (1970-75)	2,570	5.0	0.19	0.000
Fifth Plan (1975-80)	11,404	20.0	0.18	300.0
Sixth Plan (1980-85)	21,750	60.0	0.28	200.0
Seventh Plan (1985-90)	29,000	74.0	0.26	24.00
Eight Plan (1992-97)	113,479	1,088.0	0.96	1,370.0
Ninth Plan (1997-2002)	189,580	1,707.0	0.90	57.0
Tenth plan (2002-07)	178,350	1,979.0	1.10	15.93

Source: Various Development Plans, NPC.

On the other hand, the plan wise growth rate of tourism outlay in second plan was 100 percent i.e. in second plan, there was double amount of tourism outlay in comparison to the first plan. But the highest growth rate of tourism outlay was in Eight Five Year Plan with 1370 percent increases in tourism outlay in comparison to the previous plan period. Now, in current Tenth Five Year Plan the share of tourism outlay is 1979.0 million rupees which is 1.10 percent of total Tenth Plan outlay. But in the current condition it is very necessary to improve this share further to develop the tourism sector for the larges benefits in the economy.

4.6 Tourists Inflow in Nepal

Only from initiation the First Plan (1956-61) the government started to invest in tourism sector and only after that period the inflow of tourists started to increase. This shows that the investment in this sector has positive impact on tourist arrival as well as economic development of Nepal through increasing tourism activities and foreign exchange earnings. The table (4.3) has shown the arrival of tourist in Nepal since 1985.

Table No.-4.3

Tourist Arrivals and Average Length of Stay (1985-2008)

Year	Total No. of Tourists	Annual Growth Rate (%)	By Air		By Land		Average Length of Stay
			No.	Percent	No.	Percent	
1985	180,989	2.5	151,870	83.9	29,119	16.1	11.30
1986	223,331	23.4	182,745	81.8	40,586	18.2	11.16
1987	248,080	11.1	205,611	82.9	42,469	17.1	11.98
1988	265,943	7.2	234,945	88.3	30,998	11.7	12.00
1989	239,945	-9.8	207,907	86.6	32,038	13.4	12.00
1990	254,885	6.2	226,421	88.8	28,464	11.2	12.00
1991	292,995	15.0	267,932	91.4	25,063	8.6	9.25
1992	334,353	14.1	300,496	89.9	33,857	10.1	10.14
1993	293,567	-12.2	254,140	86.6	39,427	13.4	11.94
1994	326,531	11.2	289,381	88.6	37,150	11.4	10.00
1995	363,395	11.3	325,035	89.4	38,360	10.6	11.27
1996	393,613	8.3	343,246	87.2	50,367	12.8	13.50
1997	421,857	7.2	371,145	88.0	50,712	12.0	10.49
1998	463,684	9.9	398,008	85.8	65,676	14.2	10.76
1999	491,504	6.0	421,243	85.7	70,261	14.3	12.28
2000	463,646	-5.7	376,914	81.3	86,732	18.7	11.88
2001	361,237	-22.1	299,514	82.9	61,732	17.1	11.93
2002	275,468	-23.7	218,660	79.4	56,808	20.6	7.92

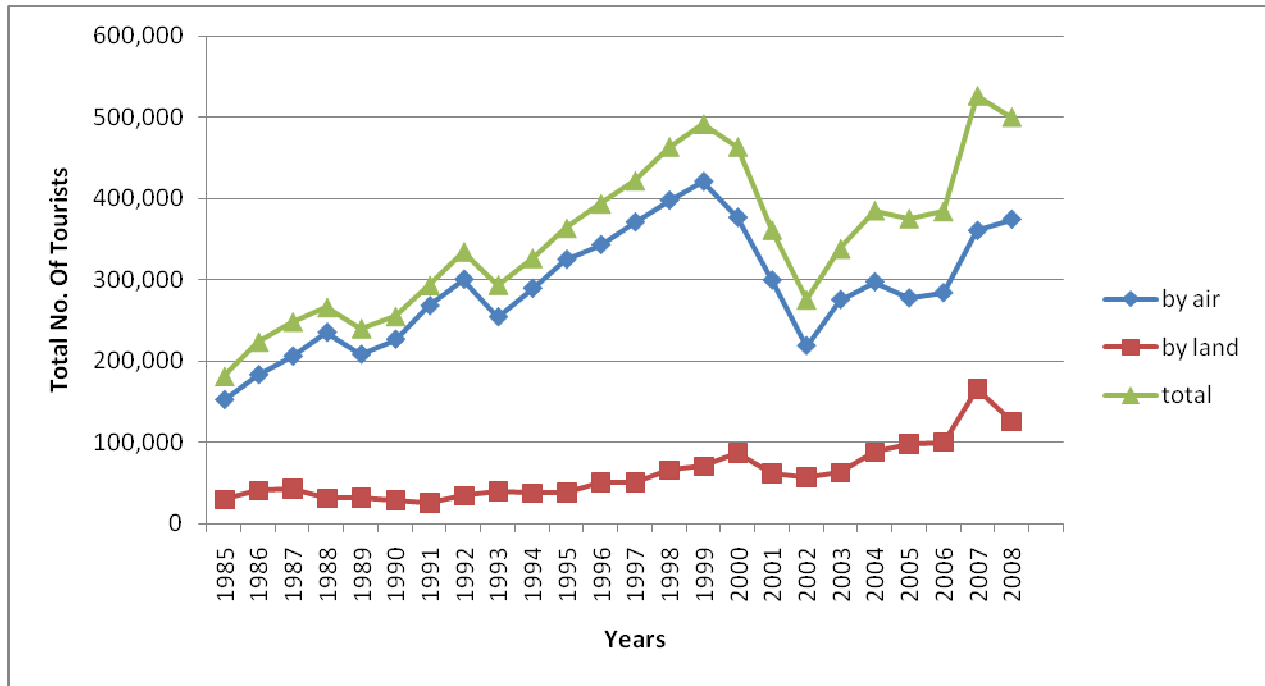
2003	338,132	22.7	275,438	81.5	62,694	18.5	9.60
2004	385,297	13.9	297,335	77.2	87,962	22.8	13.52
2005	375,398	-2.6	277,346	73.9	98,052	26.1	9.09
2006	383,926	2.3	283,819	73.9	100,107	26.1	10.20
2007	526,705	37.2	360,713	68.5	165,992	31.5	11.96
2008	500,277	-5.0	374,661	74.9	125,616	25.1	11.78

Source: Nepal Tourism Statistics 2008.

The growth rate of tourist arrival is positive in all the years except in 1989, 1993, 2000, 2001, 2002, 2005 and 2008 due to various cause including terrorism. The total arrivals increased to 338,132 while in 192 it was only 6,179. There was rapid arrival growth till the year 1992. In 1993 it decreased by -12.20 percent and reached 293,567 numbers. After the 1993 it increased but with low growth ratio. After the tourism promotional program 'Visit Nepal 1998', the tourist arrival growth rate increased by 9.9 in 1998. With 491, 504 number of tourist. After this, the tourism sector faced a critical condition. In the year 2000, 2001, and 2002 the arrival largely decreased with -5.7 percent, and -23.7 percent respectively. But after the year 2002, there was positive sign in this sector with growth rate 22.7 percent in 2003 and 13.9 percent in 2004 and decreased in 2005 with -2.6. There was positive sign in this sector with growth rate 2.3 percent in 2006 and 37.2 percent in 2007. Similarly tourists' arrival by air in year 1985 was 83.9 percent. Then after, it slowly increases in maximum in year 1991(91.4). Similarly which such fluctuating trends the arrival by air in year 2005, 2006 and 2007. There was positive sign in arrival by air in 2008 which is 74.9. Similarly, tourists' arrival by land in year 1985 was 16.1 percent. Which slowly increases and minimum in year 1991 (8.6). There was positive sign in arrival of tourist' by land and maximum in the year 2007 (31.5) and in year 2008 it was 25.1 percent.

Chart No.-4.1

Tourist Arrivals and Average Length of Stay



Similarly the table represents annual average length of stay of tourists, which fluctuate between 9 to 13 days. In 1985 average length of stay was 11.30 days which gradually increased up to 12.00 days in 1990. After this in 1991 it recorded only 9.25 days. But in 1996 it increased to 13.50 days. Similarly, with such fluctuating trend the average length of stay in 2002 recorded 7.92 days with 23.7 percent decrease in tourists' arrival in comparison to the previous year. But with the help of DNC it increased to 9.60 days in 2003 and 13.52 days in 2004 days in 2004, which is also the highest record till now. And it decreases in 2005 (9.09) but there is positive sign of growth in year 2006, 2007 and 2008 by 10.20, 11.96 and 11.78 respectively.

There is close relationship between the length of stay of tourist and economic benefit to the country. Similarly the foreign exchange earnings also depend upon how long tourists stay in Nepal. The length of stay depends on the attraction of our diversified cultural, natural heritages, tourism sites and accommodation provides to them during their stay. For this there should be an improvement on the facilities such as transportation, communication, visa regulation, diversified tourist package etc. should be explored and developed.

4.6.1 Tourist Arrival by Continents

The following table shows the tourist arrival from different continents such as Asia, North America, Central and South America, Western Europe, Eastern Europe, Africa, Australia and Pacific. In 1990, the major share of tourist arrival was of Western Europe (43.5%) and Asia (38.6%). But in 1962 the highest share was of North America (60.3%) and 32.0 percent from Western Europe and 4.0 percent from Asia. The arrival from Western Europe has average share to the total arrival i.e. 43.5% in 1990 to 26.1%, 18.5%, 26.7% and 27.5% in year 2005, 2006, 2007 and 2008 respectively. Where as the arrival share of North America has been declining 60.3 percent in 1962 with 3rd position (the lowest share) and 61.3 percent with first position (the highest share). This may be due to the economic co-operation with Asian countries as well as neighborhood and religious and cultural similarities. If we see the trend after 2000, the share of Asian countries is highest (the second highest share) of Western Europe and third is of North America. After 2000 if it is observed a positive shift in the share of tourist arrival from Asian because of the confidence of the visitors with an anticipation of improved political situation in the country. In 2005 the tourist arrival from Asian countries is the highest with 61.3 percent. In 2008, the share of Asia, Western Europe, North America, Australia and Pacific, Eastern Europe, Central and South America were 55.9, 27.5, 7.6, 3.2, 2.6, 1.5 percent respectively whereas the total tourist arrival was 500,277.

Table No.-4.4

TOURIST ARRIVALS BY CONTINENT (1962-2008)

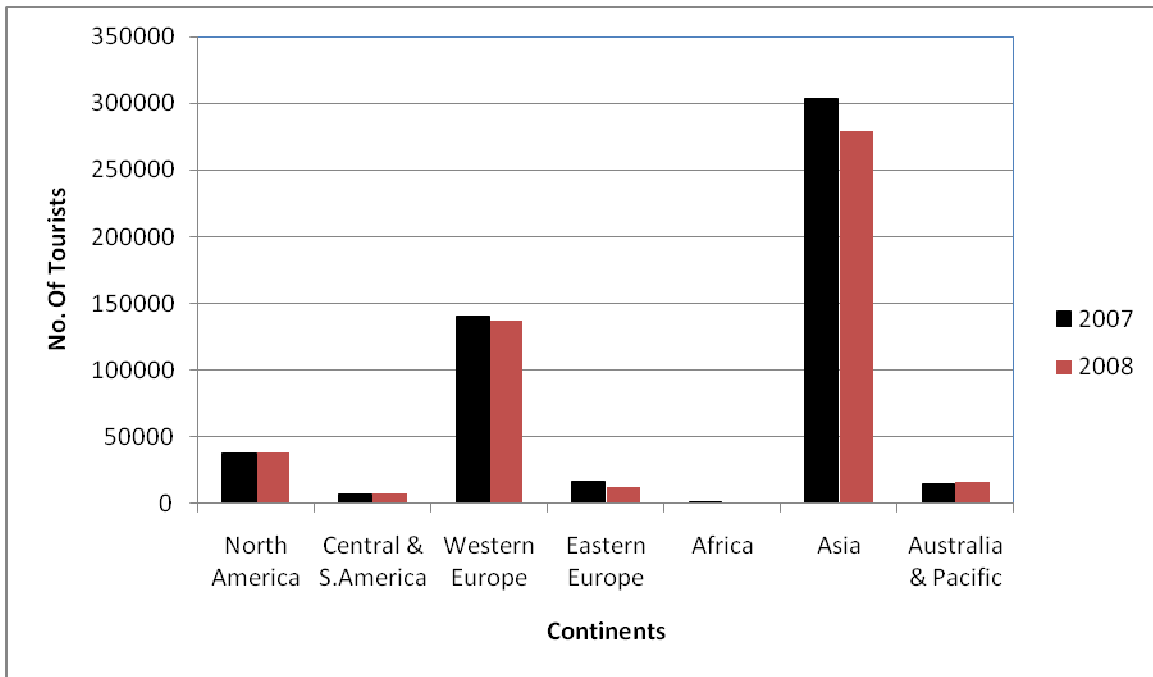
Year	North America	Central & S. America	Western Europe	Eastern Europe	Africa	Asia	Australia & Pacific	Others	Not Specified	Total
1962	3,724	54	1,980	22	8	250	117	24		6,179
%	60.3	0.9	32	0.4	0.1	4	1.9	0.4		100
1970	15,992	584	22,346	440	100	3,841	2,667	0		45,970
%	34.8	1.3	48.6	1	0.2	8.4	5.8	0		100
1974	17,161	844	40,455	960	184	24,782	5,405	47		89,838
%	19.1	0.9	45	1.1	0.2	27.6	6	0.1		100
1978	23,545	1,927	66,876	1,522	475	52,438	9,214	126		156,123
%	15.1	1.2	42.8	1	0.6	33.6	5.9	0.1		100
1982	20,012	1,754	68,696	1,414	768	73,817	8,424	563		175,448
%	11.4	1	39.2	0.8	0.4	42.1	4.8	0.3		100
1986	27,951	1,749	85,453	2,696	532	84,834	13,505	6,611		223,331
%	12.5	0.8	38.3	1.2	0.2	38	6	3		100
1990	26,343	1,872	110,750	3,275	611	98,320	13,108	606		254,885
%	10.3	0.7	43.5	1.3	0.2	38.6	5.1	0.2		100

1991	24,027	2,202	110,425	3,126	956	140,025	10,476	1,758		292,995
%	8.2	0.8	37.7	1.1	0.3	47.8	3.6	0.6		100
1992	27,356	2,727	132,555	2,553	1,263	156,312	10,893	694		334,353
%	8.2	0.8	39.6	0.8	0.4	46.8	3.3	0.2		100
1993	25,283	2,612	122,064	3,016	985	128,812	9,806	989		293,567
%	8.6	0.9	41.6	1	0.3	43.9	3.3	0.3		100
1994	26,078	3,083	132,618	2,664	915	150,982	9,905	386		326,531
%	8.0	0.9	40.6	0.8	0.3	46.2	3.0	0.1		100
1995	29,702	3,049	133,809	3,860	1,073	180,377	11,499	26		363,395
%	8.2	0.8	36.8	1.1	0.3	49.6	3.2	0.0		100
1996	30,635	4,230	132,787	6,114	1,775	205,809	12,233	30		393,613
%	7.8	1.1	33.7	1.6	0.5	52.3	3.1	0		100
1997	36,301	4,554	137,028	6,416	1,645	222,849	13,047	17		421,857
%	8.6	1.1	32.5	1.5	0.4	52.8	3.1	0		100
1998	43,038	5,937	151,070	6,741	1,795	240,460	14,635	8		463,684
%	9.3	1.3	32.6	1.5	0.4	51.9	3.2	0		100
1999	46,910	6,096	164,913	6,723	1,857	249,793	15,207	5		491,504
%	9.5	1.2	33.6	1.4	0.4	50.8	3.1	0		100
2000	49,032	6,076	159,325	6,992	2,040	224,532	15,641	8		463,646
%	10.6	1.3	34.4	1.5	0.4	48.4	3.4	0		100
2001	39,120	4,634	131,661	6,201	1,596	164,989	13,036	0		361,237
%	10.8	1.3	36.4	1.7	0.4	45.7	3.6	0		100
2002	21,265	2,793	87,912	5,276	1,132	148,670	8,420	0		275,468
%	7.7	1.0	31.9	1.9	0.4	54.0	3.1	0		100
2003	22,992	2,262	95,162	6,451	1,612	200,045	9,608	0		338,132
%	6.8	0.7	28.1	1.9	0.5	59.2	2.8	0		100
2004	25,505	4,373	116,505	7,661	1,161	218,387	10,947	0	758	385,297
%	6.6	1.1	30.2	2.0	0.3	56.7	2.8	0	0.2	100
2005	22,853	3,559	98,046	8,263	1,302	230,282	8,317	0	2,776	375,398
%	6.1	0.9	26.1	2.2	0.3	61.3	2.2	0	0.7	100
2006	24,566	4,764	97,278	10,613	1,124	231,812	9,763	0	4,005	383,926
%	4.7	0.9	18.5	2.0	0.2	44.0	1.9	0	0.8	100
2007	37,182	6,486	140,630	16,634	1,350	304,225	14,506	2,177	3,515	526,705
%	7.1	1.2	26.7	3.2	0.3	57.8	2.8	0.4	0.7	100
2008	38,208	7,541	137,581	12,816	1,352	279,422	16,195	3,155	4,007	500,277
%	7.6	1.5	27.5	2.6	0.3	55.9	3.2	0.6	0.8	100

Sources: Nepal Tourism Statistics 2008, MOCTCA

Chart No.-4.2

Tourists Arrival by Continent (2007/2008)



4.6.2 Tourist Arrival from Asian Markets/Countries

From table 4.5, it is known that major or highest share of tourist arrival in from Asian market/countries. Among the Asian countries, the major in terms of tourism are India, Sri-Lanka, Bangladesh, Japan, China, Malaysia, Korea, Thailand, and Israel. Table 4.5 represents that India has the highest share among the Asian countries and Japan stands for second position throughout 2001 to 2004 than other countries such as Sri-Lanka, Israel, Korea, Thailand and China are the average contributor in terms of tourist arrival in Nepal. Their share ranges from 1.5 percent to 5.6 percent to the total tourist arrival during the period 2001 to 2008. After 2004 the share of tourist arrival from China is increasing. Similarly, India, Japan and China has the share of 23.4, 6.3 and 3.5 percent, 25.7, 4.9 and 5.6 percent, 24.4, 5.8 and 4.4 percent, 18.2, 5.1 and 5.2 percent and 18.2, 4.7 and 7.0 percent in 2004, 2005, 2006, 2007 and 2008 respectively to total tourist arrival.

In total the Asian Countries have share of 56.7, 61.3, 60.4, 57.8 and 55.64 percent in 2004, 2005, 2006, 2007 and 2008 respectively.

Table No.-4.5**Tourist Arrival from Asian Countries and their share to total Arrival (2003-2008)**

Countries	2003		2004		2005		2006		2007		2008	
	Total No.	%	Total No.	%	Total No.	%	Total No.	%	Total No.	%	Total No.	%
India	86,363	25.5	90,326	23.4	96,434	25.7	93,722	24.4	96,010	18.2	91,177	18.2
Sri Lanka	13,930	4.3	16,124	4.2	18,770	5.0	27,413	7.1	49,947	9.5	37,817	7.6
Bangladesh	5,031	3.5	14,607	3.8	20,201	5.4	16,474	4.3	24,012	4.6	20,067	4.0
Japan	27,412	8.1	24,231	6.3	18,460	4.9	22,242	5.8	27,058	5.1	23,383	4.7
China	7,562	2.2	13,326	3.5	21,170	5.6	16,800	4.4	27,339	5.2	35,166	7.0
Malaysia	8,197	2.4	7,266	1.9	5,269	1.4	4,414	1.1	5,237	1.0	5,173	1.0
Korea	13,200	3.9	10,827	2.8	10,300	2.7	12,917	3.4	20,475	3.9	18,883	3.8
Thailand	11,129	3.3	14,648	3.8	13,508	3.6	13,744	3.6	20,018	3.8	18,689	3.7
Israel	10,733	3.2	7,691	2.0	6,173	1.6	5,264	1.4	7,817	1.5	5,926	1.2
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	200,045	59.2	218,387	56.7	230,282	61.3	231,812	60.4	304,225	57.8	325,996	55.6
Total No. of Tourist Arrival	338,132	100	385,297	100	375,398	100	383,926	100	526,705	100	500,277	100

Sources: Nepal Tourism Statistics 2008, MOCTA

4.6.3 Tourist Arrival by Purpose of Visit from Major Nationalities

Table No.-4.6

Tourists' arrival by purpose of visit (2005 & 2008)

Nationality	Year	Holiday/ Pleasure	Trekking & Mountaineering	Business	Pilgrimage	Official	Other	Total
Australia	2005	2,814	2,223	367	303	252	1,076	7,035
	2008	4,455	3,717	363	793	845	3,672	13,846
Austria	2005	1,024	962	112	46	59	303	2,506
	2008	1,095	1,019	92	137	139	1,058	3,540
Canada	2005	2,139	923	221	216	212	603	4,314
	2008	2,862	1,611	245	457	545	2,412	8,132
Denmark	2005	757	461	133	40	90	326	1,807
	2008	1,037	908	150	150	237	1,365	3,847
France	2005	6,119	5,050	553	360	373	1,673	14,128
	2008	7,503	7,348	317	771	458	6,005	22,402
Germany	2005	5,860	4,945	815	271	557	1,996	14,444
	2008	4,873	6,352	577	651	672	5,427	18,552
India	2005	43,650	8,697	9,325	5,542	7,382	21,838	96,434
	2008	23,552	921	8,869	6,210	15,244	36,381	91,177
Italy	2005	5,215	1,930	342	123	221	1,061	8,892
	2008	3,023	1,985	195	140	388	2,183	7,914
Japan	2005	9,582	3,111	970	1,751	638	2,408	18,460
	2008	10,977	4,095	1,128	670	2,428	4,089	23,383
Netherlands	2005	4,790	2,274	382	184	267	1,050	8,947
	2008	2,954	3,130	232	1,102	479	3,003	10,900
Spain	2005	5,987	1,573	207	172	127	825	8,891
	2008	5,173	2,806	262	507	212	4,891	13,851
Switzerland	2005	1,518	893	112	58	123	459	3,163
	2008	1,352	1,574	138	216	347	1,559	5,186
Sri Lanka	2005	727	198	89	17,224	115	417	18,770
	2008	5,107	18,894	567	9,300	898	3,051	37,817
U.S.A.	2005	8,530	3,288	1,277	848	1,077	3,519	21,007
	2008	11,083	4,035	1,356	1,160	3,065	9,677	30,076
U.K.	2005	11,255	7,159	1,501	680	1,156	3,400	25,151
	2008	11,879	7,071	1,034	1,187	2,872	9,615	33,658
Others	2005	50,292	17,801	5,586	19,803	4,210	26,225	123,917
	2008	51,255	39,360	7,514	21,640	14,214	42,013	175,996
Total	2005	160,259	61,488	21,992	47,621	16,859	67,179	375,398
	2008	148,180	104,822	23,039	45,091	43,044	136,101	500,277

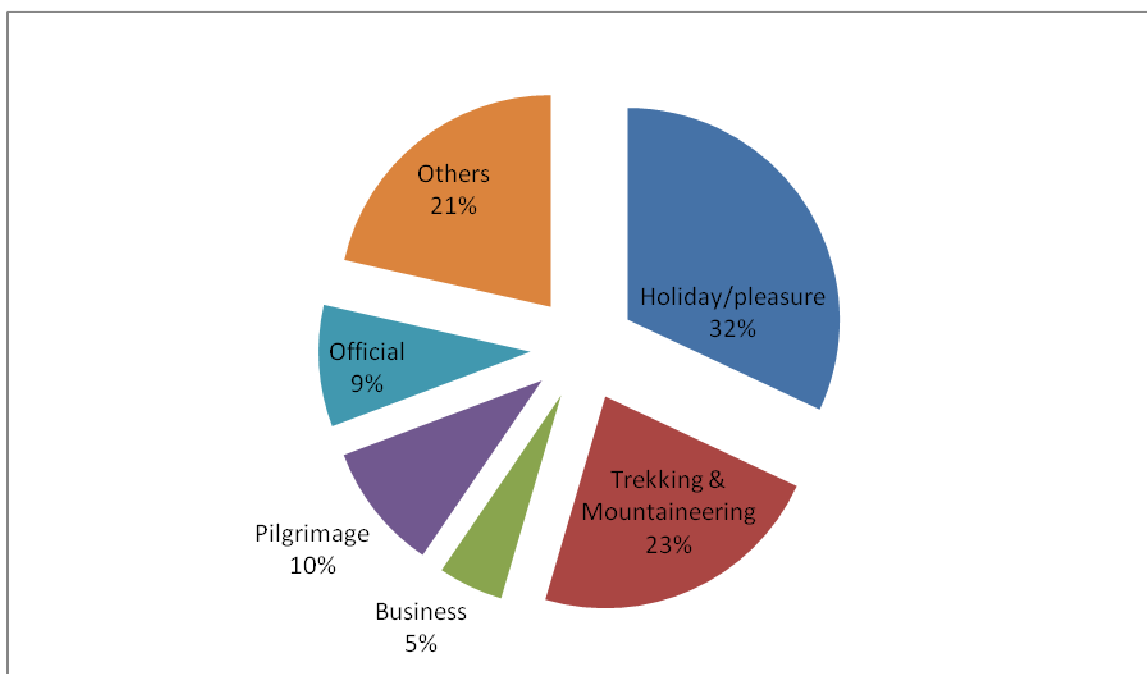
Source: Nepal Tourism Statistics 2005 and 2008, MOCTCA.

The table 4.6 shows the tourist arrival by the purpose of visit from major Nationalities in 2005 and 2008. The arrival also represents the interest of nationals of these countries such as the Australians have the interest in holiday/pleasure, trekking and Mountaineering. Similarly the national of Austria, Canada, France, Germany etc. are interested in holiday/pleasure, trekking

and Mountaineering. Regarding the interest, other countries, especially Asian, have focused on pilgrimage and others as well as holiday/pleasure and trekking and Mountaineering. Thus the marketing of NTB has to be different in different countries on the basis of their interest. The data have shown that different national has different types of purpose or motives to visit Nepal. The Srilankans are mainly used to visit Nepal with the pilgrimage purpose. Similarly, Spanish give importance on holiday/pleasure, so the marketing objective should be different in different countries to increase tourist arrival and their length of stay.

Chart No.-4.3

Tourists' arrival by purpose of visit 2008



4.6.4 Average Length of Stay

Table No.-4.7

ACTUAL LENGTH OF STAY BY MAJOR NATIONALITY 2008

Nationality	No. of Tourist's Days	No. of Departure with specified Length of Stay	Same Day Visitors	Average Length of Stay
Australia	278,697	13,608	371	20.48
Austria	61,578	3,711	70	16.59
Canada	158,524	8,263	284	19.18
Denmark	66,397	3,930	70	16.89
France	364,000	22,401	663	16.25
Germany	340,674	19,285	528	17.67
India	639,456	92,710	-	6.90
Italy	106,284	8,283	141	12.83
Japan	223,786	22,220	1,052	10.07
Netherlands	175,830	10,214	857	17.21
Switzerland	97,104	5,281	176	18.39
Spain	138,526	13,377	458	10.36
Sri Lanka	72,597	16,902	20,409	4.30
U.S.A.	427,757	29,610	685	14.45
U.K.	520,552	32,959	1,045	15.79
Others	1,854,052	165,349	17,415	11.21
Not stated	77,504	7,544	-	10.27
Total	5,603,318	475,647	44,224	11.78

Source: Nepal Tourism Statistics 2008, MOCTCA

4.7 Marketing Tools Used by NTB for Destination Promotion

The major responsibility of Tourism Marketing and Promotion Department is to plan and implement the integrated programme of international Marketing and Promotion. The Department also coordinates with other Departments of NTB such as PR and Publicity, Tourism Products and Resources Development Research, Monitoring and Planning and Corporate Services to effectively plan the marketing strategy and programs. The major promotional activities include participation in Travel Trade Exhibitions/Marts, organizing Sales Missions/Road Shows, Media and Tour Operators Meet (B2B sessions), Press Meets etc, joint promotions with stakeholders in major generating and upcoming markets.

The goal of NTB's marketing and promotional programs basically lies in enhancing visitors' numbers and increasing their average length of stay and spends in Nepal. With the growing realization for focused and targeted marketing for better results, NTB has been making certain strategic shifts in its marketing approaches since last couple of years. Significance of the markets

selected and targeted is made basically in relation to the travel trend patterns of the major generating markets and to the visible returns from those markets vis a vis the marketing investment.

Long Term Objectives:

1. To expand the overall volume and value international markets of tourism for Nepal by concentrating on inherent product strengths, air accessibility and other competitive areas.
2. To position Nepal as a holiday destination for weekend breaks, lifetime experiences and amazing adventures with special interest products comprising of nature, culture and adventure.
3. To improve the spatial distribution of visitors across the country at the same time addressing the seasonality issue and to foster the growth of new tourism areas.
4. To increase the average length of stay as well as the spends of the international visitors.

Short Term Objectives:

1. Communicate effectively with the markets to rebuild destination image.
2. Continue working on Confidence Building Measures.
3. Position/establish destination Brand in all international markets.
4. Focus promoting Niche tourism products and sustainable tourism products.
5. Liaise with the concerned authorities and stakeholders to increase Air Accessibility/Charter Flights, air seats capacity.
6. Increase interaction/network (Face to Face) with the international travel trade and widen the database of Nepal Selling Tour Operators in major markets.
7. Engage into direct promotions for consumers.
8. Launch new promotional campaigns such as Visit Pokhara Year, Visit Nepal Year, Send Home a Friend, NTY 2011 etc.

Strategies:

1. Marketing Strategy will emphasize promoting the three major segments of Nepal; i) Weekend Breaks, ii) Amazing Adventures, and iii) Lifetime Experience.
2. Based on the volume generated/tourist potential the markets will be segmented into Conventional, Neighboring, Emerging and New markets.
3. Develop marketing partnership with Online Carriers, Tour Operators and Corporate Houses from all primary and secondary markets.
4. Strategic partnership with associations, marketing bodies, regional tourism wings and other forums.
5. Help attract major international events to Nepal for further growth of Nepalese tourism.
6. Develop strategic promotions for emerging potential markets.
7. Establish strong network in major tourist generating markets by direct physical representation.

Since its inception in 1999, NTB has been using different strategies in order to promote ‘Nepal’ as an attractive tourism destination. It has been using various marketing tools so as to complete with other competitors in global tourism market. Based on its annual operational plans which are prepared annually. Nepal Tourism Board uses following marketing tools for destination marketing.

1. Participation in Travel Trade Fair.
2. Advertisement/Sales and Promotion Campaign.
3. Familiarization (FAM) Trips.
4. Publicity Materials Publications.
5. Press Conferences.
6. Brand Promotion

1. Participation in Travel Trade Fair:

NTB has been participating jointly with private travel trade industry partners in different Travel Fairs organized in different countries. Travel Trade Fairs are important platform for NTOs and travel industries for direct approach to consumers. Though regarded it as conventional marketing tool, it has been really important to use such Travel Trade Fairs to position Nepal as a destination among potential and existing FITs and tour agents. Following table shows the different Travel Trade Fairs where NTB has participated.

1999	2000
TTF, India	Vakantibeur-Netherlands, IITM-India, FITTUR-Spain
ITB, Germany	TTF, India
ITE, Korea	ATM, Dubai, ATTHE Tour Expo
Kwanangdo, Korea	WTM, London, JATA
JATA-Japan, WTM- London	ITB, Germany
Tourism Fair, Czech Republic	CITM, (China)
Arabian Travel Mart, Dubai	BIT, (Italy)
ITE, Hongkong	

Source: NTB Marketing Department, Annual Operational Plan 1999 and 2000.

2001	2002
TTF, India	TTF, India
ATM, Dubai	ITB, Germany
ITM, China	Vakantibeur,
WTM, London	PATA Mart, Singapore
ITB, Germany	FITTUR, Spain

Source: NTB Marketing Department, Annual Operational Plan 2001 and 2002.

2003	2004
TTF, India	TTF, India
ITB, Germany	ITB, CMT, Germany
WTM, London	WTM, London
Vakantieur, Netherlands	Vakantieur
JATA	JATA
ITE, Hongkong	IITM, India
CITM, China	ATM, Dubai
IITM, India	CITM, China
Tourism Mart, Srilanka	PATA Travel Mart, Thailand
SATTE, India	MITF, MATTA, Malaysia

Source: NTB Marketing Department, Annual Operational Plan 2003 and 2004.

2005	2006
TTF, India	TTF, India
ITB, Germany	ITB, Germany
WTM, London	WTM, London
Vakantieur	Vakantieur
JATA	JATA
CMT, Germany	CMT, Germany
CITM, China	PATA Mart, Hongkong
MITF, Malaysia	SATTE, India
Nepal promotion in Qatar	ATTA, World Summit USA
SATTE, India	DTM, Bangladesh
AICHIE World Expo, Japan	World Travel Fair, Shanghai
Dhaka Travel Mart	MITF, Malaysia
PATA Travel Mart, Malaysia	CITM, China

Source: NTB Marketing Department, Annual Operational Plan 2005 and 2006.

2007	2008
TTF-Kolkata, Hyderabad, Ahmadabad (India)	TTF- Kolkata
CIT- Mumbai	JATA-Japan
IATO- Delhi	ITB Asia, Singapore
CITM, WTF/GIFT (China)	World Travel Market, UK
MATTA	MATTA, Malaysia
PATA- Sri Lanka	ITB, Germany
Participation in KOFTA, South Korea	CITM, China
Participation in JATA, Japan	MATKA, Finland

Source: NTB Marketing Department, Annual Operational Plan 2007 and 2008.

2. Advertisement /Sales Mission/Promotion Campaign:

Very often NTB launches tourism promotional campaigns and sales missions in major tourism market along with tourism organization like TAAN, NATTA, NATO as well as with private travel companies, annually 2/3 sales mission are carried out by NTB in main tourism markets which are as follows:

Sales Missions & Promotion Campaign:-

Discover India, India	1999
Joint Campaign with Necon Air	2000
Nepal Day Program, India	2000
West Europe Road Show, Europe	2000
Japan Sales Mission	2001
U.S. Road Show, U.S.A.	2001
NTB/NAC Joint Promotion Campaign	2002
Border town Promotion, Sikkim	2002
NTB Sales Mission to China	2002
Pilgrimage destination promotion, India	2003
Nepal Evening in Paris	2003
Nepal Mart, India	2003
Special India Promotion Campaign	2004
Sales Mission, China	2004
Pashupati Darshan Package, India	2004
South East Asian Road Show, (Thailand, Malaysia)	2005
Nepal Promotion in Doha, Qatar	2005
Nepal Week Program, Singapore	2005
Nepal Promotion, Beijing, Bangkok	2006

South India Sales Mission	2006
India Road Show	2007
China Sales Mission	2007
India Sales Mission (Delhi, Amritsar, Chandigarh, Ludhiana-Jalandhar)	2008
India Sales Mission	2008
China Sales Mission	2008
Bangladesh Sales Mission	2008
WTM, London	2008
BIT, Italy	2009
Dhaka Travel Mart, Bangladesh	2009
ITB, Berlin	2009

3. Familiarization (FAM) Trips:

Regarded as most cost effective tool of promotion Familiarization Trips have a significant role in Nepalese tourism marketing. As NTB has very limited and small budget for marketing as compared to competitors, inviting international media persons for covering destination publicity is very much effective. A group of media persons (Electronic and Print media), travel writers are chosen from major markets and are invited to Nepal where they are taken to different places of tourism attractions in co-operation with different airline, hotels and travel companies. Later, they make destination coverage in the form of news, articles, video-audio travel program and circulate or broadcast in different means of media in their country. It gives wide coverage and publicity of Nepalese tourism attraction in those markets.

4. Press Conferences:

It is very important to have good media relations while promoting destinations. So, NTB organizes press conferences of different media and tours operators in major tourism markets. It specially takes place before the sales mission and promotion campaign. Press conferences are jointly organized with MOCTCA Tourism Organization and Tourism Industry Partners. Following table gives overview of press conferences organized by NTB till date:

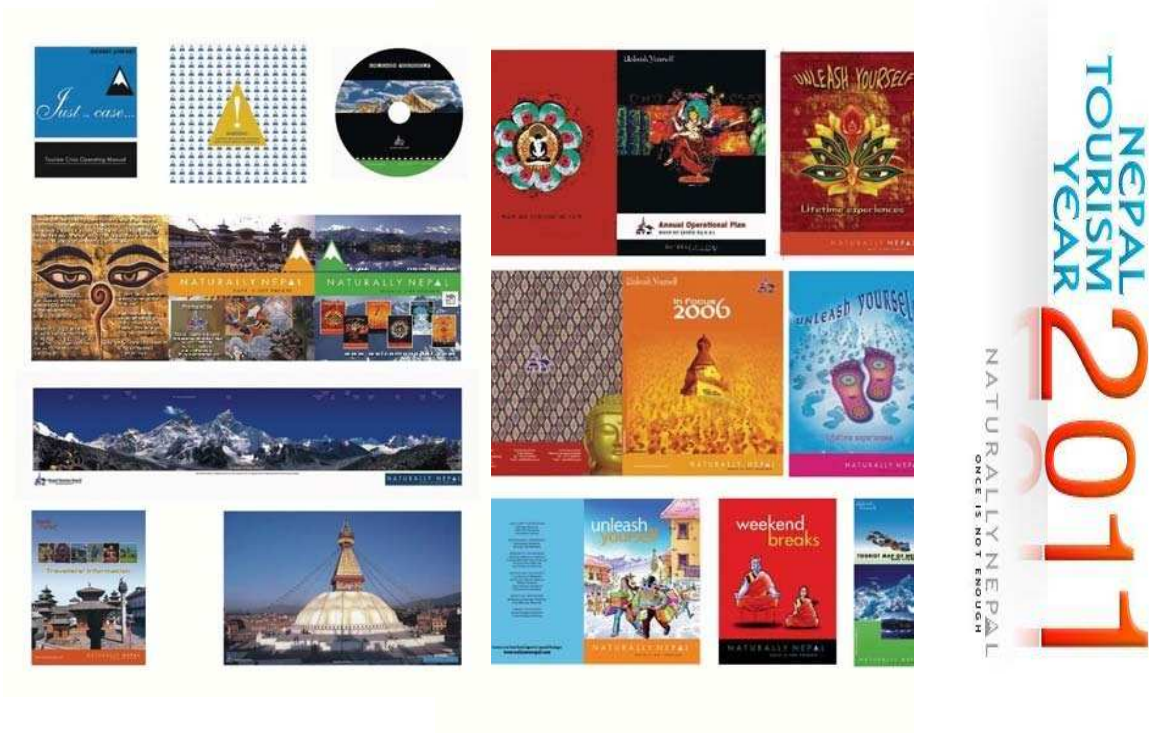
PRESS CONFERENCE:-

Press Meet, India	2001
Joint PC, Jet Airways, India	2004
Press Conference, Bangalore, India	2004
Press Conference, London, Paris	2004
Press Conference, China	2004
Tour Operator Meet, Bangladesh	2004
Press Conference, India	2005
Press Conference/Photo Exhibition, China	2005
Press Conference, TTF, Kolkata	2006
Press Meet, Paris, Europe	2007
Press Conference, London (World Travel Mart)	2008
Tour Operator Media Meet, Sydney	2009

Source: NTB marketing dept.

5. Publication of Publicity Material and Website:

Information and communication is very important for visitors about the destinations where they are travelling. So, NTB has been producing different kinds of publicity materials both print and electronic. Brochures, Leaflets, Booklets, Maps are in printed form where as CD Rom, DVD, VCD, Videos, Promos are of electronic versions. A website www.welcomenepal.com is there as a means of world wide wave publicity which is very effective and indispensable in e-marketing.



Source: NTB marketing department

6. Brand Promotion:

New tourism brand with the slogan ‘**Unleash yourself**’, tagline ‘**Naturally Nepal**’, and sub tag-line ‘**Once is not enough**’ was introduced by Nepal Tourism Board in early 2006. With a lot of consumer research and trade consultation process the brand was being introduced. The basic thrust of brand development was to develop BRAND NEPAL as an international tourist destination and regain consumer confidence in the international market by concentration on marketing the experiential product clusters. ‘**Naturally Nepal**’ is a simple expression that repackages brand Nepal in a positive light. ‘**Once is not enough**’ not only accurately captures the tourists’ emotions at the airport’s departure gate but also serves as a decision making tool that enables Nepali tourist industry-individually and collectively to focus on customer retention rather than acquisition.

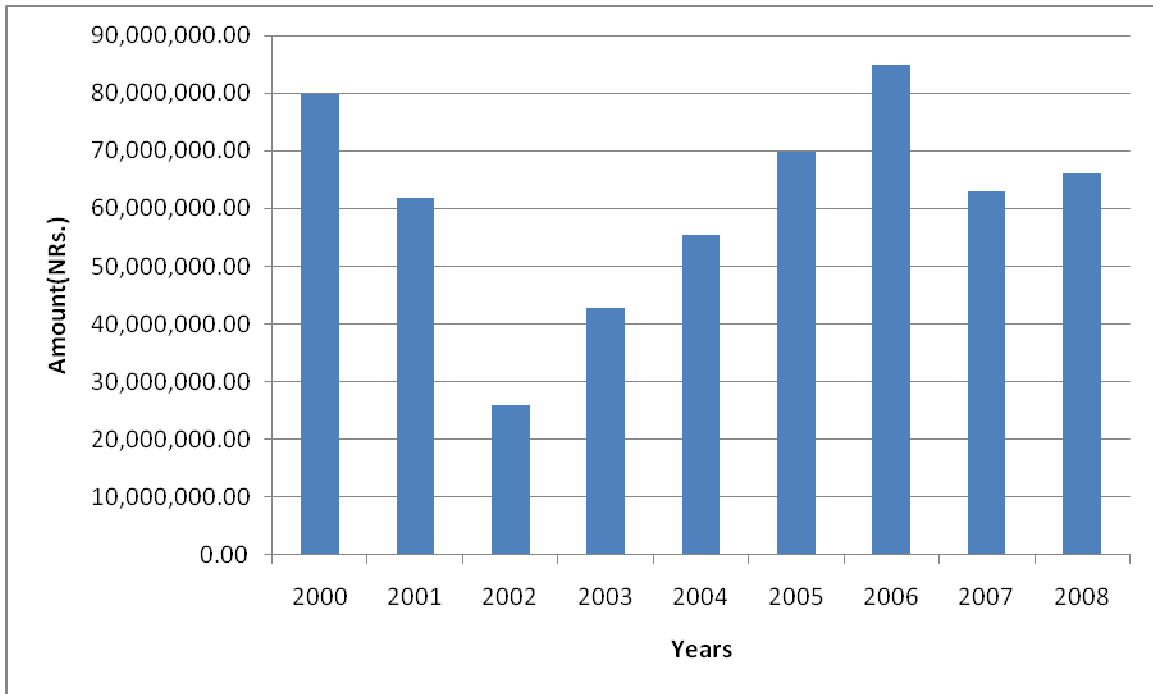
4.8 Marketing Budget Allocation by NTB

Table No.-4.8
Marketing Budget Allocation by NTB

Year	Amount (NRs.)
2000	79,907,500.00
2001	61,798,380.00
2002	25,974,113.00
2003	42,731,570.00
2004	55,449,000.00
2005	69,850,251.34
2006	84,939,530.60
2007	63,022,462.45
2008	66,000,000.00

Source: NTB annual operational plan 2000-2008

Chart No.-4.4



4.9 Marketing Programs in Different Asian Countries for 2008-2009

INDIA:

The Board's long term objectives in India are:

- Create and Sustain Positive momentum and high visibility to enhance tourist arrivals from India.
- Increase information quotient on what to do? And when to do?
- Position Nepal as the choice destination for Indian Travelers.
- Focus on Nepal tourism products and their linkages with the Indian traveler segments.
- Explore tie-ups with the Indian travel trade and media to reach out to potential customers.

Short term action for India:

- To target a 20% growth in Indian arrivals.
- Selecting the Fairs which are best suited for Nepal as per the need and prepare plan for it.
- Prepare the detail logistics required to create maximum impact and attraction in the Fair.
- Establishing communication with NDM programmes and arranging the meetings with Tour operators in advance.
- Participate in Fairs and conduct meetings.

- Preparing the report on participation effectiveness.

Table No.-4.9

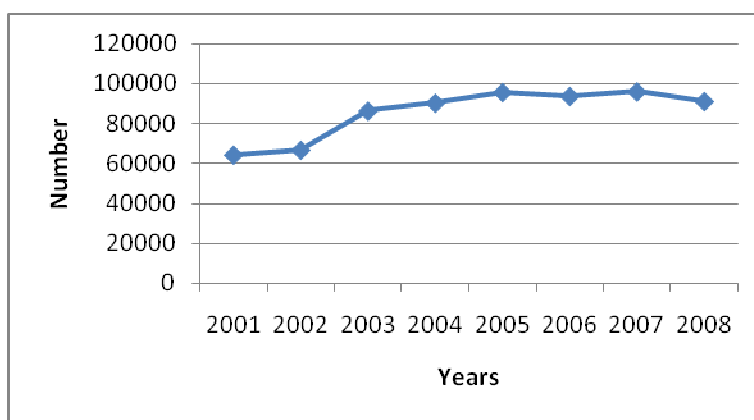
Marketing and Promotion Budget for India

Program activities	Allocated budget (NRs.)
Hiring/Retaining of Consultant in India	650,000.00
Travel Trade Fairs: TTF Kolkata, PATA Travel Mark, ATOAI, TTF Chennai/Bangalore, TTF Mumbai, ITM Chandigarh, Travel Bazaar Jaipur.	2,800,000.00
Sales Missions: Bhopal, Indore, Nasik, Mumbai, Delhi, Amritsar, Chandigarh, Ludhiane-Jalandhar, Kunpur, Lucknow, Varanasi, Gorakhpur, Allahabad.	2,700,000.00
Joint Promotional Programs with Airlines and Other Tourism Stakeholders: India	8,500,000.00
NTB India Office: Office Expenses	8,000,000.00
Total	15,450,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.5

Tourists Arrival from India (2001-2008)



CHINA:

Overall marketing objectives for China:

- To build awareness about Nepal as a value for money tourism destination.
- To encourage increased access to Nepal from China (principally increased access from Hong Kong and Shanghai and opening up direct access from Beijing).
- To foster marketing partnership with carriers and China based travel agencies serving the market and support joint activity.

Short term actions for China:

- Sales missions in the major coastal cities with online airlines.
- Participation at the major travel fairs like CITM, and WTF.
- Organization of study tours, FAM Trips from Mainland China, Hong Kong, and Tibet.
- Foster marketing partnership with online carriers and China-based travel agencies.

Table No.-4.10

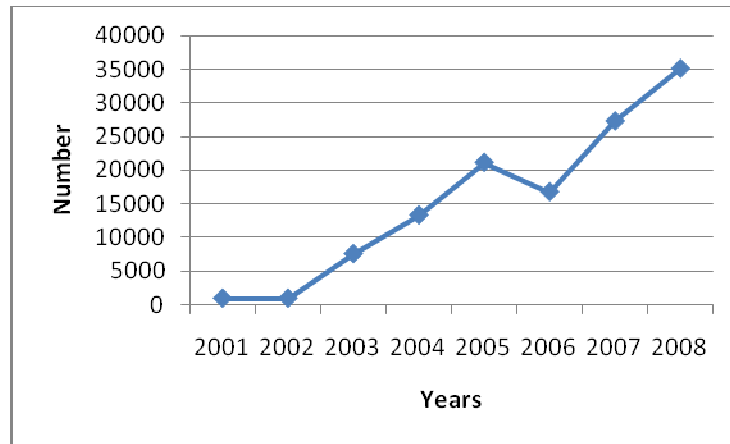
Marketing and Promotion Budget for China

Program Activities	Allocated Budget (NRs.)
Hiring/Retailing of Consultant in China:	1,200,000.00
Travel Trade Fairs: CITM	1,500,000.00
Sales Missions: China	2,000,000.00
Joint Promotional Programs with Airlines and Other Tourism Stakeholders:	160,000.00
Total	4,860,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.6

Tourists Arrival from China (2001-2009)



MALAYSIA

Long term objectives are:

- To create awareness of Nepal as a quality, Value for money tourism destination.
- To foster marketing partnership with all carriers serving the market, and their partner travel agents.
- To stimulate group business through specialist tour operators (golf, casinos, pilgrimage, MICE).
- To build up a network of trained Nepal-specialist tour operators in Malaysia who will actively market Nepal.

Short term actions for Malaysia:

- Selecting the Fairs which are best suited for Nepal as per the need and prepare plan for it.
- Prepare the detail logistics required to create maximum impact and attraction in the Fair.
- Establishing communication with NDM programmer and arranging the meetings with Tour operators in advance.
- Participate in Fairs and conduct meetings.
- Preparing the report on participation effectiveness.

Table No.-4.11

Marketing and Promotion Budget for Malaysia

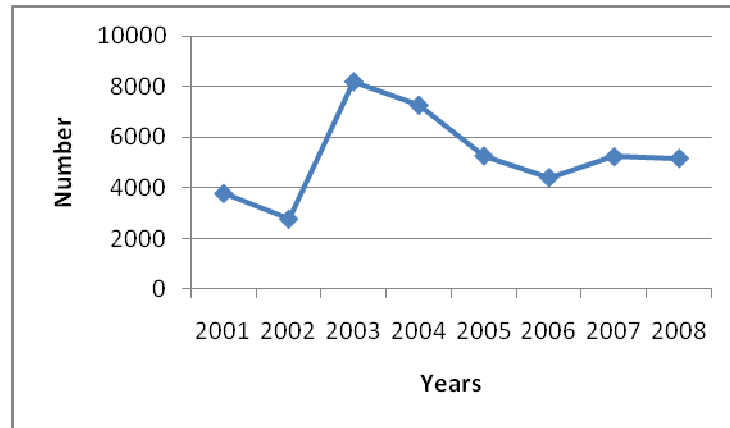
Program Activities	Allocated Budget (NRs.)
Travel Trade Fairs: MATTA, Malaysia	1,300,000.00
Joint Promotional Programs with Airlines	

and Other Tourism Stakeholders: Malaysia	108,000.00
Total	1,405,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.7

Tourists Arrival from Malaysia (2001-2008)



THAILAND

Long term objectives are:

- To create awareness of Nepal as a quality, value for money tourism destination and the birth place of Lord Buddha.
- To foster marketing partnerships with Thai airways and its international networks.
- To stimulate group business through specialist tour operators (golf, casinos, pilgrimage, MICE).
- To build up a network of trained Nepal-specialist tour operators in Malaysia who will actively market Nepal.

Short term actions for Malaysia:

- Selecting the Fairs which are best suited for Nepal as per the need and prepare plan for it.
- Prepare the detail logistics required to create maximum impact and attraction in the Fair.
- Establishing communication with NDM programmes and arranging the meetings with Tour operators in advance.
- Participate in Fairs and conduct meetings.
- Preparing the report on participation effectiveness.

Table No.-4.12

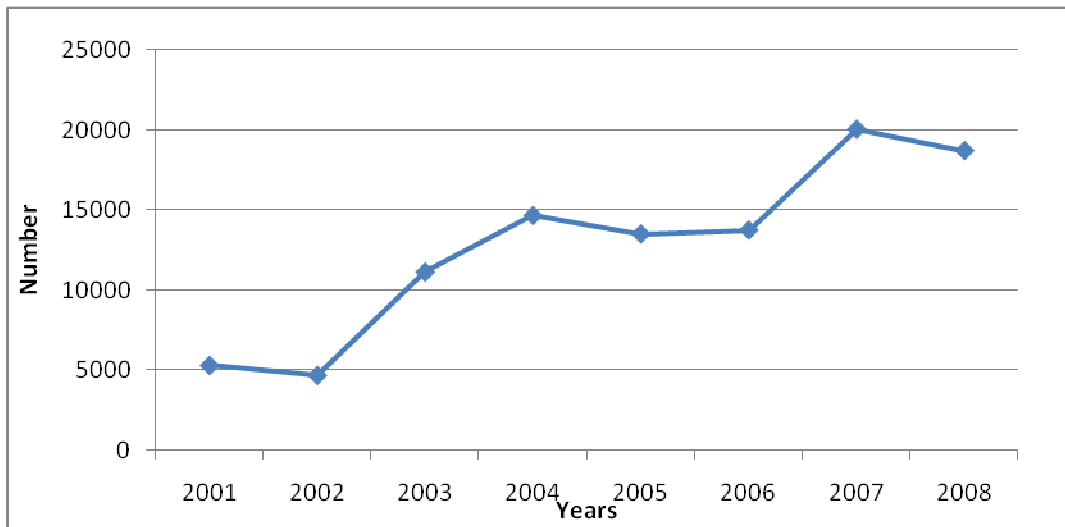
Marketing and Promotion Budget for Thailand

Program Activities	Allocated Budget (NRs.)
Travel Trade Fairs: TTAA, Thailand	1,000,000.00
Total	1,000,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.8

Tourists Arrival from Thailand (2001-2008)



BANGLADESH

The Board's long term objectives in Bangladesh are:

- Build awareness on Nepal as a convenient, easily accessible, familiar, beautiful, and welcoming and value for money leisure tourism destination with a pleasant climate.
- Nepal offers the possibility of tourism promotion in Bangladesh in the form of two segments identified by New Nepal Tourism Brand: **Weekend Breaks:** Nightlife, Entertainment, Shopping and Natural tourism and **Adventure Holidays:** Mountains/snow and leisure activities like rafting, ultra light etc.
- Apart from that Dhaka, Sylhet, Chittagong and Bogra have been identified as emerging cities for Nepal with their good outbound potential and expatriates/up market clientele.
- NTB proposes to organize a road show in these cities to interact with the local media and tour operators and get closer to travel trade which will help to emphasize more on developing Nepal special tour operators.

The Board’s short term actions in Bangladesh:

- Selecting the Fairs which are best suited for Nepal as per the need and prepare plan for it.
- Prepare the detail logistics required to create maximum impact and attraction in the Fair.
- Establishing communication with NDM programmes and arranging the meetings with Tour operators in advance.
- Participate in Fairs and conduct meetings.
- Preparing the report on participation effectiveness.

Table No.-4.13

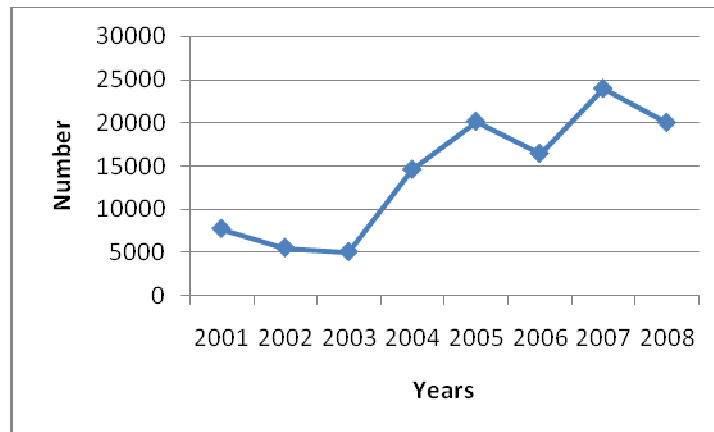
Marketing and Promotion Budget for Bangladesh

Program Activities	Allocated Budget (NRs.)
Travel Trade Fairs: Dhaka Travel Mart.	400,000.00
Sales Missions: Dhaka, Bogra, Rajshahi, Khulna	600,000.00
Joint Promotional Programs with Airlines and Other Tourism Stakeholders: Bangladesh	264,000.00
Total	1,264,000.00

Source: NTB annual operational Plan 2008.

Chart No.-4.9

Tourists Arrival from Bangladesh (2001-2008)



SRI LANKA

The Board's long term objectives in Sri Lanka are:

- Build awareness on Nepal as a convenient, easily accessible, familiar, beautiful, and welcoming and value for money leisure tourism destination with a pleasant climate.
- To foster direct air linkage airways between Nepal and Sri Lanka to attract more tourists to Nepal with significant increase in the length of stay as well as open up options of weekend breaks and soft adventure activities for the Sri Lankan Tourists.

The Board's short term actions in Sri Lanka are:

- Selecting the Fairs which are best suited for Nepal as per the need and prepare plan for it.
- Prepare the detail logistics required to create maximum impact and attraction in the Fair.
- Establishing communication with NDM programmes and arranging the meetings with Tour operators in advance.
- Participate in Fairs and conduct meetings.
- Preparing the report on participation effectiveness.

Table No.-4.14

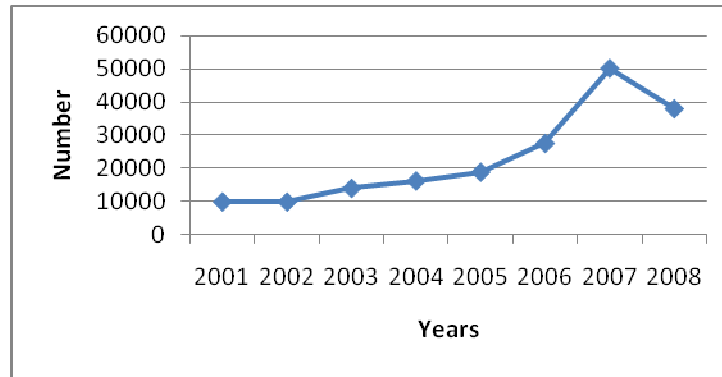
Marketing and Promotion Budget for Sri Lanka

Program Activities	Allocated Budget (NRs.)
Joint Promotional Programs with Airlines and Other Tourism Stakeholders: Sri Lanka	164,000.00
Total	1,64,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.10

Tourists Arrival from Sri Lanka (2001-2008)



JAPAN

Overall marketing objectives for Japan:

- To create awareness of Nepal as a culturally rich destination suitable for especial interest, groups educational groups and retired people to visit.
- To create awareness for adventure travel to Nepal as well as travel by Buddhist pilgrim segments.
- Promotional tools like participation at travel fair, hosting of FAM Trips to the media and travel trade will be used to enhance the image of Nepal amongst the Japanese visitors who believe in 'safety first' maxim while traveling.
- To stimulate repeat visitation.

Short term actions for Japan:

- Selecting the Fairs which are best suited for Nepal as per the need and prepare plan for it.
- Prepare the detail logistics required to create maximum impact and attraction in the Fair.
- Establishing communication with NDM programmes and arranging the meetings with Tour operators in advance.
- Participate in Fairs and conduct meetings.
- Preparing the report on participation effectiveness.
- To receive and enhance the image of Nepal in the mind of Japanese visitors.

Table No.-4.15

Marketing and Promotion Budget for Japan

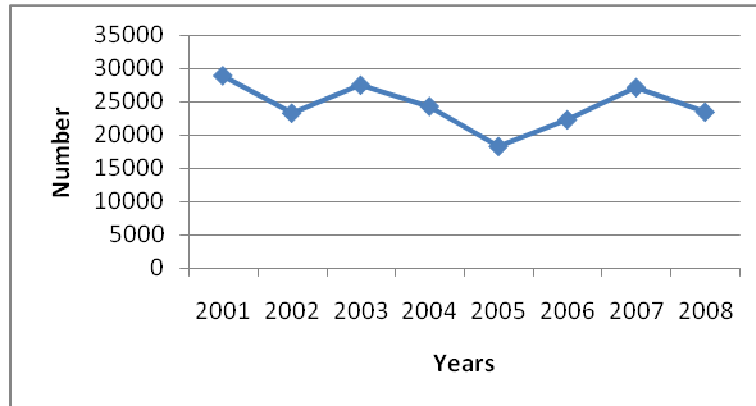
Program Activities	Allocated Budget (NRs.)
Travel Trade Fairs: JATA.	1,500,000.00
Joint Promotional Programs with Airlines	

and Other Tourism Stakeholders: Japan	360,000.00
Total	1,860,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.11

Tourists Arrival from Japan (2001-2008)



SOUTH KOREA

Long term objectives in the South Korean market are:

- To create awareness of Nepal as a quality, value for money tourism destination and the birthplace of Lord Buddha.
- To foster marketing partnership with all carriers serving the market, and their partner travel agents.
- To develop a Nepal destination website (not the NTB website) in Korean mini guide.

Short term action in South Korea:

- To facilitate visits to Nepal by journalists of the respective countries who can offer good coverage.
- To influence the South Korean consumer and trade to visit Nepal taking part in the Korean travel trade fair KOFTA.
- To position the new tourism brand of Nepal in the South Korean market.

Table No.-4.16

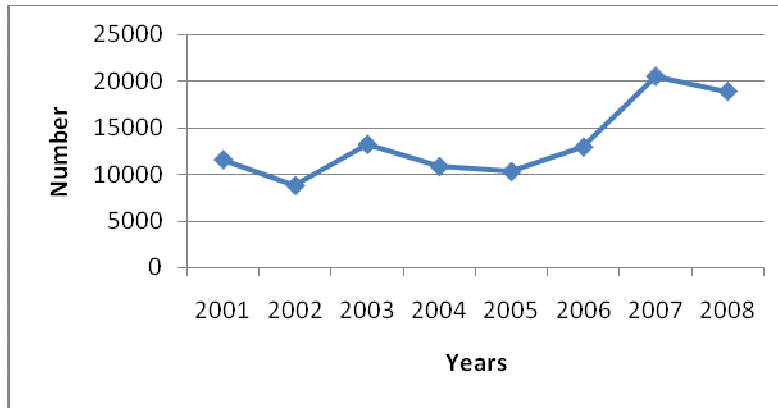
Marketing and Promotion Budget for South Korea

Program Activities	Allocated Budget (NRs.)
Travel Trade Fairs: KOFTA. S. Korea	1,796,000.00
Total	1,796,000.00

Source: NTB annual operational Plan 2008

Chart No.-4.12

Tourists Arrival from South Korea (2001-2008)



4.10 Analysis of Primary Data

Survey findings of Tourists:

In this section an attempt has been made to present analytically the interviews conducted with tourist visiting Nepal during 2009 (through questionnaire). The components of interviews included the situation of Nepalese tourism, tourism products, marketing and promotional effort, services and facilities available and problems. Altogether 60 tourists of different standard and coming with various purposes were questionnaire.

Profile of the Respondents:

The profile of the respondents who were interviewed in the course of this study is presented hereunder.

Nationality:

Altogether 60 tourists were interviewed and the proportionate share on the basis of the region, came to 20% Americas, 28.33% Western Europe, 33.33% Asia, and Pacific and 13.33%..

Sex:

Among all the respondents 76.66% were male and 23.33% were females.

Age:

The number of respondents by age group was 3.33 percent below 20, 46.66 percent in the range 20-30 and 36.66 percent in the range of 30-55 and 13.33 percent over 55.

Frequency of Visit:

Among the respondents 53.33% were newcomers and 46.66% were repeated visitors. Among the repeated visitors, 20% were 2-3 time visitors, 10% were 4-5 time visitors and rest have visited Nepal more than 6 times.

Occupation of Visitors:

Among the total tourists interviewed, 28.33% were service holder, 33.33% were business man, 26.66% were students, and 20% were retired and housewives.

Purpose of Visit:

The highest number (25%) of tourists coming to Nepal came for pleasure/sightseeing. Similarly, purposes of other tourists coming to Nepal were mountaineering (11.66%), trekking and official (13.33%), rafting (8.33%) and others 28.33 percent.

Features of Tours:

All the respondents were asked about their mode of travel and budget spent during their visit; following are the findings about the same;

About 48.57 percent of tourists visiting Nepal came alone on self guided tours whereas 51.43 percent tourists visited with friends and families who came on organized tours.

Similarly, among the respondents, 53.33 percent of tourists come by land via India whereas 46.66 percent have used air transport to reach Nepal. While visiting inside Nepal almost 80 percent tourists had used land transport for their convenience.

Tour Program and Spending in Nepal:

Regarding the tour program of the tourists, respondents who were asked about the same, about 65 percent gave emphasis on sightseeing around Kathmandu and Pokhara. Likewise 40 percent of respondents enjoyed their visit by doing trekking in mountains. Where 28.57 percent of tourist went for mountaineering expeditions.

Tourists coming for official purposes preferred sightseeing of Kathmandu, Pokhara and Chitwan, while tourists coming for study preferred to go for trekking as well as sightseeing in and outside Kathmandu. Whoever in the tourists group, everyone enjoyed the cultural richness of the Kathmandu and Bhaktapur city.

All the respondents were asked about the spending they did during their stay, 46.66 percent spent in the range of US \$ 500-100 and rest (53.33%) spent above US \$ 1000.

Most of the tourists who came from Western countries include Nepal in their travel package while they make ternaries. They also visit India, Tibet, and Thailand while visiting Nepal.

Analysis of visitor’s perception on services & facilities and their ratings;

Regarding the services and facilities they had used during their stay in Nepal, respondents were asked about their opinion. They expressed their level of satisfaction as follows:

Table No.-4.17

Visitors’ Perception on Services and Facilities

Ratings	Good (%)	Satisfactory (%)	Unsatisfactory (%)
Feature			
Sightseeing tours	66.66	33.33	-
Accommodation	63.33	36.66	-
Shopping facilities	35	58.33	6.66
Entertainment activities	38.33	58.33	3.33
Food & drinks	30	70	-
Transportation	13.33	53.33	20

Tourists info offices	26.66	66.66	6.66
Immigration facilities	15.25	66.66	8.33
Airlines	35	61.66	3.33
Agency Service	53	46.66	-

Source: Field Survey 2009

Regarding the need for improvement, the respondents mostly emphasize on cleanliness and transportation facilities. They found polluted and littered surroundings and transportation difficulties.

Similarly, all the respondents were inquired about present safety and security situation; they mentioned the overall safety and security situation in the country is better than heard. There was no problem with security matters. However, the harassment in airport, Thamel, in bus park still exist which they said should be improved.

Motivating Factors and Source of Information about Nepal

All the respondents were asked to assess and evaluate promotional efforts undertaken by Nepal to develop tourism on the basis of views and expressions of the visitors.

Source of Information

Respondents were asked about the factors that influenced them to visit Nepal, as a response 50 percent of tourists said that their friends and relatives were main source of information which led them to visit Nepal.

Likewise, 15 percent tourists mentioned that their experience of prior visit had inspired them to visit Nepal again, 12.5 percent of tourists said that website related with Nepalese tourism was the main source of information to visit Nepal. Another 12.5 percent of tourist mentioned that they got information about Nepal from guide books and magazines and inspired to visit Nepal. 10 percent respondent said they got idea of visiting Nepal from travel agents and tour companies.

Publicity Material

Among the respondents when asked about whether they have seen tourism publicity material on Nepal only 42.5 percent said that they have seen it, but most of them had gone through this promoting material only after entering Nepal. Among them 57.5 percent mentioned the publicity material was good and 42.5 percent said it was satisfactory.

Survey findings of Tourism Related Organization:

To assess and evaluate Nepalese tourism marketing effort, an intensive interview with the travel trade business organizations was conducted. A total of 30 business organizations i.e., hotels, travel/trekking/rafting agencies were interviewed. An attempt is made to identify and present the existing marketing situation, policies, marketing efforts and problems as perceived by the business organization.

Marketing Nepal as an international destination:

Nepal needs to do a lot of homework to develop it as an international destination. Positioning Nepal as International tourism market in order to lure more tourists to visit Nepal. Its very challenging task as Nepalese tourism stakeholders posses very limited means and resources. In this respect, an attempt was mad to find out the opinion of tourism business organization of Nepal.

Table No.-4.18

Measures to Develop Nepal as an International Destination

Area	No.	Percent
Infrastructure development	23	76.66
Better Marketing efforts	4	13.33
Preservation of Cultural Heritage	12	40
Provide more quality service	14	46.66
Government efforts	3	10
Miscellaneous	14	23.33

Source: Field Survey 2009

Of the respondents 76.66% identified the need to provide adequate infrastructure to develop Nepal as an international destination. Similarly, other measure suggested to develop Nepal as an international destination were preservation of cultural heritage 40%, providing more quality service 46.66%, government efforts 10%, and better marketing efforts 13.33% and rest others.

Attention for the Promotion of Tourism:

Among the respondents 70 percent have said the airlines and our connectivity should be given top priority. More airlines should be invited along with reconstruction of national flag carrier. Similarly, 56.66 percent have mentioned on transportation, 20% on agency services, 26.66% on accommodation, government 30% and immigration 13.33%. The environment concern mainly relates to controlling pollution in Kathmandu.

Table No.-4.19

Attention Needed for Promoting Tourism

Area	No.	Percent
Accommodation	8	26.66
Transportation	17	56.66
Immigration	4	13.33
Airlines	21	70
Agency services (Travel, Trekking)	6	20
Government	9	30

Source: Field Survey 2009

Concentration of Marketing Efforts:

Among the respondents 56.62% expressed their views that Nepal's marketing efforts should be concentrated at international level followed by specific target markets (43.33%) and potential new market (50%) and only 36.66% respondents expressed the need to concentrate at the national level. It points out the need for concentrating promotional efforts at originating markets.

Table No.-4.20

Concentration of Marketing Efforts Initiated by Nepal

Area	Total	Percent
National Level	11	36.66
International Level	17	56.66
Specific Target Market Level	13	43.33
Potential New Market	15	50
Any Others	4	13.33

Source: Field Survey 2009

Types of Marketing Efforts:

Regarding the marketing efforts needed, the majority of respondents (60%) pointed out the need for destination promotion. Similarly, 40% respondents suggested engaging media promotion and the need for personalized promotion was told by 30% respondents. Despite emphasis on destination promotion and media promotion, personalized promotion especially to travel generating agencies and hotel chains, however, remain important.

Table No.-4.21

Types of Marketing Efforts

Area	Total	Percent
Personalized Promotion	9	30
Media Promotion	12	40
Destination Promotion	18	60
Any Others	3	10

Source: Field Survey 2009

Product Development Needs:

The respondents were asked what kind of product development Nepal should go for tourism promotion. In this respect, majority of respondents (63.33%) expressed the need to develop new products, followed by the need to preserve and present product in its original condition (43.33%), modify some features (40%) to attract different types of visitors. The response shows that improvement in products is needed to attract tourists.

Table No.--4.22

Product Development Needs

Area	Total	Percent
Develop new products	19	63.33
Modify product to suit target market	12	40
Preserve and present product originally	13	43.33
Combine product features	7	23.33
Any Others	-	-

Source: Field Survey 2009

Target Tourism Market

To know about the target market of Nepalese tourism business the respondents were asked about their specific country-wise, purpose-wise, age-wise and income group-wise target market. Regarding specific country-wise target market, the highest proportion of respondents (73.33.93%) have opined Germany as their target market followed by USA (70%), India (66.66%), UK (56.66%), Japan (60%), Switzerland (50%), France (53.33%), Italy (40%), Australia (30%), Spain (46.66%) and Netherlands (30%).

In respect to purpose-wise target market, the highest number of respondents (83.33%) pointed for holiday/pleasure whereas the second highest number of respondents (70%) pointed out for adventure tourism, followed by business (26.66%), pilgrimage and official (23.33%) and convention/conference (13.33%).

Likewise, in response to age-wise target market, the highest proportion (63.33%) viewed that mature age group were their target, followed by young age group (26.66%) and old age group (10%).

According to income level, the highest number (46.66%) of respondents expressed that moderate-income group tourists should be targeted, followed by high income group (40%) and low income group (13.33%). So Nepal should target the medium income markets for tourism promotion.

Table No.-4.23

Target Market

Market	No.	Percent
A. Specific country or Region:		
a. Germany	22	73.33
b. Spain	14	46.66
c. Italy	12	40
d. Japan	18	60
e. India	20	66.66
f. Netherlands	9	30
g. France	16	53.33
h. U.K.	17	56.66

i. Switzerland	15	50
j. Australia	9	30
k. U.S.A.	21	70
l. Others	8	26.66
B. Purpose-wise Target:		
a. Holiday/Pleasure	25	83.33
b. Adventure	21	70
c. Pilgrimage	7	23.33
d. Business	8	26.66
e. Official	7	23.33
f. Convention/Conference	4	13.33
g. Others	2	6.66
C. Age wise:		
a. Old	3	10
b. Matured	19	63.33
c. Young	8	26.66
D. Income group wise:		
a. High Income	12	40
b. Low Income	4	13.33
c. Moderate Income	14	46.66

Source: Field Survey 2009

Products and Features (Strength and Weakness of Present Product)

Table No.-4.24

Strengths and Weakness of Present Product

Strengths

Strengths	Total	Percent
Uniqueness	12	40
Mass Appeal	6	20
Repeat Value	-	-
Emotional Value	-	-

Sense of Achievement	-	-
Competitive	-	-
Price	9	30
Access	-	-
Location	3	10

Source: Field Survey 2009

The respondents were asked about present strengths of products. Among 40 percent had mentioned that uniqueness of the product is main strength. Likewise 30 percent companies consider the price factor is the important strength, 20 percent on mass appeal and 10 percent said that location of the product is important strength.

Weakness

Weakness	Total	Percent
Poor preservation	18	60
Congestion	-	-
No Mass Appeal	8	26.66
No Repeat Value	4	13.33
Lack of Competitiveness	12	40
Limited Products	16	53.33
Poor Presentation	20	66.66

Source: Field Survey 2009

About the weaknesses of the tourism product, the higher number of respondents 66.66percent mentioned that poor presentation of tourism product is major weakness. Another 60 percent companies said that poor preservation of our product is main weakness. 40 percent respondents considered lack of competitiveness is another weakness. Similarly, 53.33 percent thought limitation of our product as weakness.

Positioning of Nepal in the International Market

Regarding the market positioning of Nepalese tourism in international market 46.66 percent mentioned Nepal should be positioned as Adventure tourism destination in the international market. Similarly, 30 percent said Nepal should be positioned as Nature tourism destination, 36.66 percent said as Cultural tourism destination, 13.33 percent mentioned Nepal should be positioned as Pleasured tourism based industry. 16.66 percent said there should be mixed tourism including all features to be positioned in international market.

Table No.-4.25

Positioning in the International Market

Area	Total	Percent
Adventure tourism	14	46.66
Nature tourism	9	30
Cultural tourism	11	36.66
Pleasure tourism	4	13.33
Mixed tourism	5	16.66

Source: Field Survey 2009

Efforts Initiated by the Government to Promote Nepalese Tourism

It is a major role of government to promote the country as a tourist destination. Respondents were asked about the efforts done by government to promote Nepal in international tourism market. 50percent said government is promoting Nepal through international fair/exhibition through NTO, followed by creation of infrastructure 26.66 percent, publicity 23.33percent, destination promotion 20 percent, and development of products 16.66 percent, organizing special events 13.33 percent.

Table No.-4.26

Efforts Initiated by the Government

Efforts	Total	Percent
International fair/ exhibition	15	50
Publicity	7	23.33
Destination promotion	6	20
Organizing special events	4	13.33
Creation of Infrastructure	8	26.66
Development of Products	5	16.66
Any others	3	10

Source: Field Survey 2009

Marketing Efforts of Government/NTB

Respondents opined that, NTB as public private institution is promoting Nepal by various means. As global competition is very strong, National Tourism Organization is applying are measures to cope up with that competition among the various constraints. Though its marketing efforts are not highly satisfactory, it is somehow able to position Nepal as tourism destination in international market. 70% respondents have indicated that the efforts of government is not sufficient. So, it showed the need for emphasis on marketing and promotion efforts by the government.

Table No.-4.27

Marketing Efforts of the Government

Response	Total	Percent
Yes	9	30
No	21	70

Source: Field Survey 2009

Rating of Pricing Strategy of Tourism Services:

The pricing strategy of tourism services were generally rated unsatisfactory. 13.33% rated the strategy less satisfactory, while 60% are indifferent to it and only 26.66% have indicate satisfactory. So, more than half responded that the present pricing strategy was not satisfactory. On the whole, there is a great need for improvement in the pricing policies and strategies of tourism services.

Table No.-4.28

Pricing Strategy of Tourism Services in Nepal

Rating	Total	Percent
Highly satisfactory	-	-
Satisfactory	8	26.66
Less satisfactory	4	13.33
Indifferent	18	60

Source: Field Survey 2009

Level of Competition in Tourism Business at International Level

In an attempt to know the level of competition in tourism business in Nepal, respondents were asked about the level of their satisfaction. About 33.33% respondents rated the level of competition at international level as less satisfactory while 50% are indifferent. Only about 16.66% rated it as satisfactory.

Table No.-4.29

Level of Competition in Tourism Business in Nepal

Rating	Total	Percent
Highly satisfactory	-	-
Satisfactory	5	16.66
Less satisfactory	10	33.33
Indifferent	15	50

Source: Field Survey 2009

Role of Government and Private Sector in Tourism Marketing:

The government and the private sector both have significant role in tourism promotion. In product or service promotion, the role of the private sector is paramount according to 40% of the respondents. However, a large number (33.33%) also emphasized for joint promotion in this respect. Similarly, destination promotion has been delineated mainly as the role of the government as expressed by 40% respondents. In this respect too the emphasis on joint promotion is also high with 33.33% emphasis on the latter. However, to tackle competition and unfair publicity, both the sectors should join hands and work in unison.

Table No.-4.30

Role of Different Agencies in Marketing

Area	Private	Government	Joint
a. Product or Service Promotion	12 (40%)	8 (26.66%)	10 (33.33%)
b. Destination Promotion	8 (26.66%)	12 (40%)	10 (33.33%)
c. Tackle Competition (International)	6 (20%)	7 (23.33%)	17 (56.66%)
d. Correcting Damaging reports/publicity	3 (10%)	12 (40%)	15 (50%)

Source: Field Survey 2009

Factors Affecting Marketing Efforts:

The respondents were asked what factors determine their marketing efforts. The highest number (50%) of respondents spelled out that the tourist arrival trend determined their marketing efforts. Similarly, 40% viewed budget, 36.66% competitors performance, 13.33% capacity utilization and rest 6.66% others.

Table No.-4.31

Factors Affecting Marketing Efforts

Factor	Total	Percent
Capacity Utilization	4	13.33
Budget	12	40
Tourists Arrival Trends	15	50
Competitors Performance	11	36.66
Any Others	2	6.66

Source: Field Survey 2009

Contribution of Promotional Budget:

For the development of tourism in the country, budget is one of the most important factors. Majority of respondents (60%) have allocated promotional budget whereas only 40% have no such provision.

Table No.-4.32

Allocation of Promotional Budget

Response	No.	Percent
Yes	18	60
No	12	40

Source: Field Survey 2009

Marketing/Advertising Agencies used by Business Organizations:

In response to the choice of marketing or advertising agencies, 26.66% expressed they relied upon both national and international agencies. International marketing or advertising agencies were used by 33.33% respondents and national agencies were relied by 40% respondents. Thus, the highest proportion of Nepalese tourism business organizations was relying upon national marketing/advertising agencies for their business promotion as they thought it necessary to reach the originating market.

Table No.-4.33

Marketing or Advertising Agencies Used

Area	Total	Percent
National	12	40
International	10	33.33
Both	8	26.66
None	-	-

Source: Field Survey 2009

Evaluation of Marketing Organizations/Advertising Agencies:

Regarding marketing organizations/advertising agencies the respondents were asked whether they were satisfied with their performance. A sizeable segment (43.33%) rated the performance of agencies as less satisfactory, and only 26.66% respondents seemed to be satisfied. So, the available promotional agencies do not seem to be well geared to address the challenge of the industry and the need is to give attention to build capable and equipped agencies.

Table No.-4.34

Rating of Marketing Organizations/Advertising Agencies

Rating	Total	Percent
Highly satisfactory	-	-
Satisfactory	8	26.66
Less satisfactory	13	43.33
Unsatisfactory	4	13.33
Indifferent	5	16.66

Source: Field Survey 2009

Evaluation of Marketing Efforts:

The highest proportions (46.66%) have evaluated the marketing efforts as satisfactory. Similarly, 13.33% viewed less satisfactory, 23.33% unsatisfactory. There is some contradiction in the response as they have rated their own promotion to be satisfactory but the overall promotion does not seem to be satisfactory.

Table No.-35

Evaluation of Marketing Efforts

Rating	Total	Percent
Highly satisfactory	-	-
Satisfactory	14	46.66
Less satisfactory	4	13.33
Unsatisfactory	7	23.33
Indifferent	5	16.66

Source: Field Survey 2009

Development of Promotional Packages/Strategies:

According to the Table No.4.36 the highest proportion of respondents (40%) developed their promotional packages/strategies by assessing the views/reactions of consumers followed by assessing international market trends and assessing competitors' strategies (36.66%), assessing, assessing the market (20%), and consulting with link agencies (30%). Only 10% respondents developed their promotional packages/strategies by consulting with experts.

Table No.-4.36

Development of Promotional Packages/Strategies

Particular	No.	Percent
Assessing the market	6	20
Assessing the views/reactions of consumers	12	40
Assessing competitors' strategies	11	36.66
Assessing international market trend	11	36.66
Consultation with link agencies	9	30

Consultation with experts	3	10
Any Others	1	3.33

Source: Field Survey 2009

Impact of Promotional Efforts:

The table No.4.37 reveals mixed response from respondents with respect to the results they have attained from the efforts they have initiated for their promotion. The highest number of respondent (60%) expressed that they increase their sale by this effort, followed by improved image (46.66%), better market access (33.66%) and performance improvement (30%). The results however have been positive.

Table No.-4.37

Rating of Impact of Promotional Efforts

Impact	No.	Percent
Increase sale	18	60
Performance improvement	9	30
Improved image	14	46.66
No change in business	-	-
Better market access	11	36.66
Any Others	-	-

Source: Field Survey 2009

Marketing During Off-Season:

Nepalese tourism is generally seasonal in nature and most of the tourists are concentrated over a particular period of September, October, and November. Generally other months are supposed to be off-season for tourism in Nepal. However, recently there are indications of lesser seasonality in tourism business. Respondents were asked how they have marketed their business during off-season. In this respect, about 56.66% respondents viewed that they marketed off-season providing price concessions. Other respondents viewed they marketed their business in off-season by targeting new market (50%), followed by promoting conference, seminars, business tours (36.66%) and targeting cheap market (23.33%). The response clearly showed that adopting appropriate strategies, the issue of seasonality can be addressed.

Table No.-4.38

Marketing During Off-Season

Particular	No.	Percent
Targeting New Market	15	50
Targeting Cheap Market	7	23.33
Providing Price Concessions	17	56.66
Promoting Conferences, Seminars, Business Tours	11	36.66
Any Others	-	-

Source: Field Survey 2009

Survey Findings of Experts

An attempt was made to present the survey findings of tourism experts hereunder. An in-depth interview was conducted with 10 tourism experts to identify present tourism situation and problems, marketing condition, evaluation of tourism plans/policies and marketing efforts and to get their suggestions. Along with the views of experts regarding 'NTY 2011' and measures to make it a success were also tried to be assessed.

Present situation of Tourism

Most of the respondents were not satisfied with the present situation of tourism in Nepal. They expressed different views such as; not enough marketing, lack of proper policy and plan, unhealthy competition, polluted and dirty Kathmandu, many Bandhs etc.

Some of the respondents were of the opinion that the present situation of tourism in Nepal is not so bad but requires a lot of improvement.

Tourism potentials of Nepal and Develop Tourism

Most of the experts viewed that primary attention should be focused on product development and infrastructure development should be done to realize the tourism potential and to develop them.

In the area of product development they have mainly emphasized diversification and its forward and backward linkages needed to develop tourism in Nepal.

Evaluation of Efforts of Different Agencies for Tourism Development

There are different agencies involved for tourism development in Nepal and each of them is playing important role. The main agencies concerning tourism are; Government, Private Sector, Associations, NGO's, People.

The experts viewed that the government has a significant role to develop tourism properly. The role of government for tourism development has been defined as facilitation, developing plans and policies and implementing/regulating them and acting as a development leader. Regarding the efforts made by the government, majority opinioned that government needs to create investment friendly environment for attracting investors.

In Nepal, the private sector has been playing a key role in handling and developing tourism in the country. Potential development, quality maintenance, image promotion, operation and promotion of tourism business are being carried by the private sector. Among to the responses regarding the efforts of private sector, most of the experts viewed that private sector should look beyond traditionally marketed tourist destinations.

Similarly, there is a major role of different associations in generating co-ordination, quality standardization and representation in concerned agencies. Of the respondents, they opined that associations should unite together for develop it as national industry.

Likewise, there is a major role of the people for tourism development. In the process of tourism development, experts opined that peoples' participation is must in any kind of tourism activities like; cleaning environment, checking harassments etc.

Methods of Improving Benefits from Tourism

The experts were asked about the methods of improving benefits from tourism. In this respect, most of the respondents opined that by diversifying the products and creating eco-friendly environment, friendly environment, improving and increasing products, improving access and infrastructure, improving marketing and by improving policy and regulations and their proper implementations we can benefits form tourism.

Marketing Approaches

Majority of respondents observed that tourism marketing is mainly being done by 'word to mouth' followed by participation in international fairs, publication, brochures and organizing FAM tours. Regarding marketing most of the experts viewed that there has been a good efforts so far.

Weakness in Marketing

Respondents have pronounced various weaknesses prevailing in the Nepalese tourism marketing. Most of the respondents have indicated that lack of international air seats has been a major bottleneck of Nepalese tourism industry. Likewise other respondents opined that lack of fund, unhealthy competition, and political instability is the main weaknesses of marketing.

Evaluation of Marketing Efforts of Different Agencies

The response regarding the evaluation of marketing efforts was low. Of the respondents the majority responses that the government efforts in this matter is very poor. Regarding airlines and different agencies they responses satisfactory. It showed that in Nepal marketing efforts of different agencies are not encouraging and experts also seemed to be at a dilemma to evaluate their efforts.

Marketing Efforts to Promote Tourism

The experts have expressed similar views regarding the marketing efforts to promote tourism in the country. They focused at the need to improve the product first before really engaging in promotion activities. They opined that without strengthening the products, tourism industry cannot be developed. Similar joint efforts of the government and the private sector in promotional activities, continuing in marketing efforts are needed.

Evaluation of Plans/Policies of Tourism

In Nepal, different plans and policies have been introduced for the development of tourism in the country. Of the total respondents, they marked that tourism plans and policies is average, i.e., satisfactory.

The responses indicate that the major problem is poor implementation, unstable policies; lack of vision and expertise has affected the policy formulation.

Market Segment by Product Activity

In this respect, it is observed that according to the market segment by product activity, majority of experts viewed that Nepal has advantage in adventure tourism, followed by culture tourism, nature tourism, pilgrimage tourism and eco tourism.

Pricing of Tourism Products

Regarding the pricing of tourism products majority of respondents have opined that the pricing for visa and immigration was not proper. About the local transport respondents answered that the fares are not priced properly.

The response clearly showed that private sector is into the operational activity, they should do proper pricing in consultation with local stakeholders of product area.

Gains from ‘NTY 2011’

The respondents were asked what they expected to gain from ‘NTY 2011’. Most of the respondents viewed that NTY would create awareness about tourism in the country. According to them it would raise awareness about the importance of tourism to government, business community and the people which would encourage providing quality service internally and better promotion and marketing externally. They viewed that 1 million tourist coming in by 2011 but we should be aware of our carrying capacity and other infrastructure which are still not in the position to cater to 1 million tourists in a satisfying manner. From these different views of the respondents, it can be hoped that in ‘NTY 2011’ Nepal will be able to develop tourism in the country professionally.

Suggestions to Make N’TY 2011’ Successful

In response as how to make ‘NTY 2011’ a success expert have given different suggestions which are more similar to the ones defined necessary for tourism development in Nepal. Respondents have mainly emphasized increasing air seats to bring a target of 1 million tourists, followed by the need to enhance quality and services provided to the tourists, improvement in cleanliness, need for enhancing co-ordination in work between the government agencies and private sector, increase in marketing and promotion and publicity of Nepal in tourist generating countries and improvement in products.

The suggestions revealed that there is a need to work into various gamuts of activities to make such a campaign successful and isolated and one time effort will not help to attain the goals.

Suggestion to Promote Nepal as a Sustainable Destination

The experts have suggested different strategies to develop tourism in Nepal as a sustainable destination. The higher number of respondents have emphasized improving service and quality to satisfy the visitors, followed by improvement in infrastructure, developing new products, more marketing and promotion of market abroad, of local people’s greater participation in tourism activities, more attention towards conservation of culture, religious and natural heritage and more improvement in the area of planning and strategies relating to tourism.

Despite a large number of suggestions, the major need remains to improve quality of service destination and infrastructure. For this, commitments of all partners are needed and only then the industry can develop in a really sustainable manner.

Analysis of Perception of Different Groups

Tourism companies, tourists, tourism experts had expressed mixed responses toward current situation of Nepalese tourism. They were asked about tourism assets and attractions, product qualities and features, promotion and publicity, marketing efforts of NTB.

Tourists coming from different countries expressed satisfaction toward the Nepalese tourism product attractions. Nepal's tourism is widely known for pleasure and sightseeing. Adventure tourism is popular among the tourists. Nature and wild lives holds another major attraction. The facilities and services that are available in tourism markets are satisfactory for tourists. Whereas facilities like transportation and airlines services needs serious concern for improvement.

Most of tourists who visit Nepal get information from their friends and relatives. The publicity of 'word to mouth' is widely used. The information through media and publicity material is less. There should be extensive promotion through various means. There is need for professional marketing efforts needed to target different segments in order to enhance promotion.

There are problems in environment as perceived by tourists which is very important to be addressed. Measures for environment conservation and pollution control should be taken.

As far as marketing efforts of government/NTB is concerned, the private sector and tourism professionals are not satisfied with marketing efforts initiated by government. NTB's role is very crucial in promotion of tourism but it has many constraints. However, NTB is doing its best by optimum utilizing its resources. The time is very important that government needs to take active role in marketing by considering tourism industry as major contributor in national economy. Appropriate policy and strategies should be formulated in national level to address tourism industry.

To sum up, Nepalese tourism industry in the country is not as poor as perceived by organization. However, it needs to be promoted by making effective marketing and promotional strategies. Target market should be given more importance. The regional tourism promotion would give higher benefit. So, market like India, China and East Asia should be focused for promotion. The problems and weakness should be addressed efficiently and Nepal's tourism potentials should be explored and exploited by designing appropriate strategies and program with visionary approaches and its practical implications.

CHAPTER-V
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Nepal, though a small in territory, it is well known as land of mighty mountains with iconic Mt. Everest. Endowed with beautiful landscapes, natural beauties and cultural attractions, Nepal is famous destination for international travelers through started only after sixties. Nepal within two decades became successful to have its significant position in world tourism scenario. Tourism in Nepal became a strong contributor in national economy after it boomed in eighties. It has become important foreign export being major source of foreign exchange. Apart from this, it has been contributing in creating direct and indirect employment opportunities.

Realizing the importance of tourism sector to uplift national economy, Nepal government has formulated various policies, plans and strategies to develop tourism as sustainable industry. Tourism master plan 1972 was an important step in policy formulation Nepal Tourism Board (NTB) was established in 1999 with the principle of public private partnership approach. Since then, NTB has been marketing 'Nepal' as an enchanting holiday destination in world tourism market. It has adopted various strategies and undertaken different activities in order to promote Nepal as a must visit destination.

Within its time, NTB has gone through very tough time. It was very challenging time to undertake its marketing and promotional activities amidst growing competition in international tourism market. The internal insurgency was completely unfavorable for international visitors. Country has experienced a sharp decline in tourist arrival. The concept of regional tourism is being developing. Country like India, China, and Malaysia are benefiting by flow of tourist from major Asian countries itself. So, keeping this view as very important, this study is being proposed in order to analyze the marketing and promotional activities carried out by NTB in there regional Asian markets. Similarly, the objectives of this study are also recommending suitable strategies to promote 'Nepal' in major Asian Markets.

Tourism related data are collected from primary as well as secondary sources. Tourists, tourism companies and NTB are the major sources of primary data. Questionnaire are designed to receive the responses of tourists and tourism entrepreneurs regarding tourism marketing activities, tourists preferences and needs etc.

A thoroughly reviewed previous literature related with tourism has given guidelines to carry out this study in more relevant way with respect to tourism practices by tourism organization both private and public.

The marketing and promotional activities functioned by NTB is analyzed since 1999. The tourist arrival trend is analyzed with special focus on arrival of tourists from major Asian markets.

5.2 Conclusion

Nepal has greater potentialities in tourism. Tourism has been established as promising industry, which is the important contributor to national economy. Tourism has greater role in Nepal to provide direct and indirect employment opportunities to major chunk of people living in urban and major touristic cities. In the more recent days, it is regarded as driving tool to alleviate rural poverty by involving rural people in direct and indirect tourism businesses.

As far as Nepalese tourism marketing is concerned, the word of mouth publicity had played very important role. Natural and cultural attractions are the comparative advantages of Nepalese tourism. Keeping in view, the need of public private partnership in marketing and promotion of Nepalese tourism, Nepal Tourism Board was established. With important coordination and support of private travel trade sector, NTB has been marketing Nepal as an important destination in the global tourism market. It is very important to note here that with a very limited budget for marketing and promotion, it is very tough to compete with other tourism destinations of the world like India, China, Thailand, and Malaysia etc.

The recent global tourism trends have shown that the share of regional tourism is very important and encouraging. This concept is more important for country like Nepal. Owing to budget constraints to carry out marketing programs in European market, NTB is focusing its marketing and promotional activities in major Asian markets. India, Japan, Thailand are important tourists market for Nepal. Like wise, there is greater potential in China, Bangladesh, and Sri Lanka. So, NTB has been organizing different marketing programs like travel trade shows, Familiarization trip to media and travel agents, press conferences and food festivals in order to attract more visitors from those countries. In order to woo visitors from neighboring and emerging countries Nepal has waived visa for national of South Asia and provided parity for entry to National parks and historical sites. It is also worth recalling here that all the International Airlines flying into Kathmandu are connecting Nepal with various parts of Asia like India, China, Pakistan, Bangladesh, Middle-east and various countries of South-east Asia. Though national flag carrier is in ailing condition, new foreign airlines are interested to fly to Nepal, which has created a good hope for future. Recent trends of tourists' arrival from these countries are also encouraging. A number of 278,355 tourists from Asian countries have visited Nepal in the year 2008 which is 55.64% of total tourists' arrivals.

There is need of close coordination between private sector and NTB. NTB should formulate new and cost effective marketing action plans. Promotional programs for adventure-tourism, pilgrimage-tourism, eco-tourism, MICE-tourism should be carried out in Niche markets by developing special packages. Though the landing fees, parking fees, navigation fee and handling charges and aviation fuels are costing dear, though there are conflicts, environmental hazards and high competition amongst inbound destination, Nepal's unique attraction has been a great asset for visitors from across the continents.

With this prospect in perspective, if proper policy guidelines are streamlined and a strong network and cooperation is built on Public-Private partnership approach, the future of regional

tourism is high on the agenda and the prospect of the regional tourism is sure to gather momentum in the case of Nepal as it has been in Europe and America.

5.3 Recommendations

1. The recent travel trend in the area of pilgrimage, MICE and sports is encouraging though adventure, culture and nature are the major attractions of Nepal to international visitors. It is required to give attention to promote and develop these areas. Experts viewed that Nepal has been overexposed as a country of mountains, but, according to them time has come to reposition on a new products. So, appropriate positioning as per the strength and demand of our product and the competitive situation of the industry should be made.
2. Both, the government and the local people should give due emphasis to conserve our cultural and natural assets. The tourism products we have are not properly conserved, so their condition is degrading. These products should be maintained and preserved properly for the sustainable growth of industry.
3. Nepal needs to offer multiple package programs to attract more tourists in the country. While designing package, different combination can be included to suit different purpose visitors as well as different age and sex group of visitors. Alternation in packages may be made on the basis of products or by including products and services.
4. Uncertainty of air seat capacity, especially of Nepal Airlines, is the major constraint for tourism development in Nepal which has jeopardized schedules and affected visitors. Response of tourism organizations and experts showed that primary attention should be given to improve air seat capacity. The most noted problem for this was NAC. Nepal Airlines should increase its air seat capacity and solve its problems on a long term basis otherwise private airlines should be allowed to operate immediately even in those routes where NA operates. So far, private airlines are not allowed to operate in such routes. Secondly the government should give significant emphasis to approach more international airlines to come to Nepal or fly via Nepal. Moreover, emphasis should be given to increase air seat capacity by ensuring more international flights connecting with major tourist originating cities of the world.
5. At present Tribhuvan International Airport (TIA) is the only international airport of Nepal. Big aircrafts cannot come here so it does not seem to have made it financially attractive to international carriers to come to Nepal. There also seemed to be limited feasibility for expansion of TIA. Likewise, present service and facilities also are limited at TIA. Therefore, an alternative international airport should be developed in the Terai region at a location which will be technically and economically should and viable from market perspectives. This should help to enhance international connection and make Nepal a hub for international flights making it a noted tourist destination.

6. For easy accessibility of tourists to various places of tourist interests in the country, the government should give due attention to developing and improving road transportation. In Nepal there is limited access and the available roads are also not maintained properly. For access to new areas, roads should be constructed in strategic ways which would improve access as well as not alter the trekking routes. Similarly, regular maintenance of roads is also necessary at least in the tourist frequented areas. A proportion of tourism revenue may be allocated for this purpose.
7. One of the main problems faced by Nepalese tourism is the deteriorating condition of the environment. We need to focus on environment issues especially pollution in Kathmandu Valley, major trekking routes and tourist places. In Kathmandu solid waste lying scattered and rubbish are not collected on time and cleansed. These have proved to be eye sores to everybody including the visitors. Besides, they pose serious health hazards. Tourists have expressed serious concern about it and other respondents also have given great emphasis to this aspect. For this, solid waste situation in Kathmandu must be improved or Nepal may well forget about the tourism industry. Pollution should be controlled by enforcing standards to vehicles, industries and other sources of pollution at the valley level in Kathmandu and not on a pocket or compartment basis. Attention should also be given to decongest especially tourist areas.
8. The analysis clearly showed that Nepal has not given due attention towards the promotion of tourism. It does not seem to have been able to market tourism properly. Despite proving to be a market leader in many areas in the South Asia, its market share is limited. Professional approach should be incorporated in marketing Nepal and its products.
9. Tourism marketing should be done jointly by the government and the private sector to promote destination, promote products and to counter poor or bad publicity abroad whenever such cases happen. Such publicity has occurred on number of occasions. One sector should not wait or look at other sector to do the job. Both these should join hands and promote Nepal on a continuous manner.
10. Nepalese Embassies and consulate offices abroad can be the best media to provide information about Nepal. By mobilizing these agencies through qualified staff oriented towards marketing and promotion of tourism, Nepal can be promoted effectively. Thus, Nepalese Embassies and consulate offices abroad must be mobilized effectively as a market outlet of Nepal.
11. Most tourists come to Nepal through the suggestion of friends/relatives and personal contacts. We must continue to promote such visitors. However, Nepal also should target the visitors who are motivated by promotion and publicity. It may not be necessary to reiterate that promotion is the most powerful tool of marketing. To attract more visitors, continuous and sustained promotion through appropriate media at existing market and potential markets is needed it will attract those visitors who are motivated by

promotion. Thus, Nepal will be able to get both types of visitors those who visit by good word of mouth well as those who select tour by promotion.

12. Nepal must target its markets according to strengths and prospects. The leading market segments for Nepal may be India, Western Europe, Japan, USA and Australia. The SAARC, ASEAN and East Asia also may be promising segments for future. So, all marketing and promotional efforts must be done on the basis of these identified target markets. All marketing efforts must be done by prioritizing on the basis of the existing and potential market strengths.
13. In Nepal, the government has been giving attention to develop the tourism sector. But, in view of the importance of the sector, the allocation of development and promotional budget is very low. Due to the lack of budget, tourism promotion is not being done properly. Greater allocation of development as well as promotional budget is needed in this sector. In order to gear up promotion of tourism, the private sector also should spend more allocating separate budget for its marketing.
14. Nepal must make an annual tourism promotion and marketing plan. Target markets and segments should be identified on the basis of continuous market analysis and analysis of the competitive situation. Prioritization should be made on the basis of our product strength, market trend and need and strategies of other competitors. Suitable strategies and promotional program should be developed on such basis. Proper budgeting and resource allocation and continuous monitoring and feedback are also necessary to realize defined targets. In this way, professional promotion and marketing can be institutionalized.
15. Services provided by the government like immigration, custom etc., are very important to promote the tourism industry and these services affect the visitors. These services were not rated satisfactory by the tourists. All three groups (tourists, organizations and experts) also identified the lacunae in the area. It reveals that there is a significant need to improve the process and service of immigration and customs in Nepal and the government must extend immediate attention to improve the situation.
16. To broaden the market in Asian countries NTB should hire professional PR agencies in major market like Bangkok, Kualalampur. So that PR can be utilized to build develop the networks of travel trade who sell Nepal. Through professional PR, marketing and promotional programs can be organized time and again.
17. There should be special provision in immigration rules so that foreign older people could stay longer in Nepal. Special visa provision should be there for such person. Large group of older people especially from East Asia want to travel Nepal who want to stay for longer period.
18. Special campaign should be organized in main university and colleges of Asian countries in order to promote Nepal as a destination for study. Different aspect of Nepal like eco tourism, protected area management, mountain region and natural recourses should be

focused among the foreign students, so that they choose Nepal for their research and study program.

19. Nepal government and private sector jointly should start a promotion campaign of 'send home a friend' concept. Lots of Nepalese are going to other Asian countries for work, so if those all departing Nepal nationals could be taught about this concept, they can send lots of foreign friends to Nepal.
20. Internet is proving to be a very effective media to market directly to the prospective customers, Nepal needs to take advantages of this technology in marketing tourism. Its initiation has begun. Attention should be extended to upgrade it continuously and personalize it.
21. Political parties should think very sensitively towards creating peaceful and strike free Nepal in order to improve Nepal's image abroad. All types of political demonstrations, strikes, bandhs, and vandalism should not exist. Political demands should be raised and addressed peacefully without creating any question mark on safety and security situation of Nepal.

BIBLIOGRAPHY

Arya, Ramesh Chandra (1997), **Planning Models of Tourism Development with Reference to**

- Nepal**, Unpublished Ph.D. Thesis, Banaras Hindu University.
- Barger, Viet (1978), **Economic Impact of Tourism in Nepal; and Input Output Analysis**, Unpublished Ph.D. Thesis, Cornell University.
- Batra, K.I. (1990), **Problems and Prospects of Tourism**, Printwall Publisher, Jaipur.
- Bhatia, A.K. (1983), **Tourism Development, Principle and Practice**, Sterling Publishers, Delhi.
- Bhatia, A.K. (1994), **International Tourism**, Sterling Publishers, New Delhi.
- Bukrat, A.J. and Medilik S. (1981), **Tourism Past, Present and Future**, Heinemann, London.
- Chand, Diwakar (2000), **Nepal's Tourism: Uncensored Facts**, Pilgrims Publication, Varansi, India.
- Department of Tourism, HMG/N, **Nepal Tourism Master Plan 1972**, Ministry of Commerce and Industry.
- Dhakal, Deependra Purush (2001), **Planners Role in Tourism, Nepal Association of Travel Agents on Occasion of 13th National Convention 2001**; Kathmandu.
- FNCCI (1996), **Directory of Tourism**, Kathmandu.
- FNCCI (2008), **Nepal and World Statistics**, Kathmandu.
- Ghimire, Anandha (2002), **Travel and Tourism**, Ekta Books, Kathmandu.
- Giri, Bhaju Ram (2007), **Mountaineering Tourism Marketing in Nepal, a Promotional Aspect**. A Master's Thesis.
- Gurung, Harka (2000), **Tourism and Tirtha**, (al.) HAN, 25 Jan 2000, Kathmandu.
- Hegan, Toni (1971), **Nepal: Kingdom in Himalayas**, 4th Edition, Himal Books, Lalitpur, Kathmandu.
- Jane, Dermer (2002), **A Preliminary Study of Tourism Related Training and Education in Nepal**, ICIMOD, Kathmandu, Nepal.

- Kayastha, Narendra (1997), **Domestic Tourism in Nepal**, CEDA, T.U. Kirtipur.
- Kunwar, Ramesh (1997), **Tourism and Development**; Science and Industry Interface, Kathmandu.
- Legal, P.R. (1982), **Economic Impact of Tourism in Nepal: An Input Output Approach in Journal of Development Administration Studies**. Vol.4, No.142 CEDA, T.U.
- Maharajan, Narayan Prasad (2004), **Tourism Planning in Nepal**, Unpublished Ph.D. Thesis, Faculty of Management, T.U., Kathmandu.
- Ministry of Finance, HMG/N, **Economic Survey 1995 and 2008**.
- MoCTCA, HMG/N, **Nepal Tourism Statistics (1995-2008)**, Kathmandu.
- MoCTCA, **Visit Nepal year Abhilekh (1999)**, NTB, Kathmandu.
- National Planning Commission, HMG/N, **Tourism Policy 1995**.
- National Planning Commission, 1956, **The Fifth years plans**, Kathmandu.
- Negi, Jagmohan (1982), **Tourism and Hoteliering, A world Wide Industry**; Gitanjali Publishing House, New Delhi.
- Negi, Jagmohan (1990), **Tourism Travel Concepts and Principles**, Gitanjali Publishing House, New Delhi.
- Neupane, Rita Devi (2007), **Role of Tourism on Revenue Contribution in Nepal**. A Master's Thesis.
- NRB (1989), **Income and Employment Generation from Tourism in Nepal**, Kathmandu.
- Pant, H. (2007), **Impact of Tourism in Nepalese Economy**. A Master's Thesis.
- Paudyal, Shoor Beer (1999), **Factors Affecting Demand for Tourism in SAARC Region**, Unpublished Ph.D. Thesis, Department of Economics, Banaras Hindu University.
- Pradhan, K.M. (1997), **Planning Tourism in Nepal**, Vikas Publishing House, New Delhi.
- Pradhan, L.K. (1979), **Travel and Tourism**; Nepal Research Group, Kathmandu.

- Pradhanga, S.B. (1993), **Tourist Consumption Pattern and its Economic Impact in Nepal**, Unpublished Ph.D. Thesis, Department of Economics, T.U. Kirtipur.
- Prajapati, Niraml (2008), **Tourism Marketing in Bhaktapur Municipality**. A Master's Thesis.
- Satyal, Y.R. (1988), **Tourism in Nepal –a profile**, Nath Publishing House, Varanasi.
- Satyal, Y.R. (2002), **Nepal- An Exotic Tourist Destination**, Adroit Publication, Delhi.
- Sharma, Om (2003), **Effects of Tourism on Economic Development of Nepal**. The Economic Journal of Nepal, Vol. 26, No.3 July Sept., Kathmandu.
- Sharma, Pitamber (ed) (2000), **Tourism as Development**, A Case Studies from the Himalaya, Himal Books Kathmandu.
- Shrestha, Hari Prasad (1998), **Tourism Marketing in Nepal**, Unpublished Ph.D. Thesis, Faculty of Management, T.U., Kirtipur.
- Shrestha, Puspa (1999), **Tourism in Nepal: Problem and Prospect**, Unpublished Ph.D. Thesis, Faculty of Management, T.U., Kirtipur.
- Shrestha, U.D. (2008), **Entrepreneurship in International Hospitality and Tourism Industries in Nepal**. A Master's Thesis.
- Tiwari, S.P. (1994), **Tourism Dimension**, Atmaram and Sons, Delhi.
- Upadhay, Rudra Prasad (1997), **Problems and Prospects of Tourism in Chitwan**, CEDA, T.U. Kirtipur.
- Upadhay, Rudra Prasad (2003), **A Study of Tourism (al) a Heading Sector for Economic Development of Nepal**, Unpublished Ph.D. Thesis, Department of Economics, Lacknow University.
- Upadhay, Rudra Prasad (2005), **Tourism and Regional Development Nepal Travel and (al.) Trade Reporter**, Vol. VIII, Issue No. 30 April 25-May 1st, 2005 Kathmandu.
- Upadhay, Rudra Prasad (2006), **Tourism and Economic Development in Nepal**, Northern Book Centre, New Delhi, India.

News Paper and Magazines

The Kathmandu Post	August 27, 2009
The Himalayan Times	August 30, 2009
HAN	Vol. 1/No. 1, July 2009
Tourism News	Vol. 9/No. 8, August 10, 2009
Export Council of Nepal (ECN)	Vol.3/No. 12, 2009
Nepal Travel Trade Reporter	Vol. 6/Issue No. 3, August 2009
Newsletter (NTB)	Vol.10/Issue No. 95, August 2009
Tourism News	Vol. 9/Issue No.8, August 10, 2009
SOTTO-Nepal	Vol. 1/Issue No. 1, July-Sep., 2009

Websites

www.worldtourism.org

www.welcomenepal.com

www.nepaltravellinfo.com

www.nepal.com

www.nepaltourismdirectory.com

APPENDICES

APPENDIX - 1

NTO BUDGET ALLOCATION BY MARKETING TOOLS, 2008

Buded Head Programs	Trade Fair	Sales Mission/ Road Show	Joint Promotion	Public Relations & Publicity	Research Planning & Monitoring
Conventional Long Market	25,779,720.58	5,714,826.30	1,410,301.00		
Neighboring Market	5,130,061.58	1,499,527.07	5,395,796.79		
Emerging Market	6,142,584.94	6,607,006.26	721,835.00		
Total	37,052,376.00	13,821,353.63	7,527,932.79	11,097,533.53	1,900,000.00

Source: NTO budget 2008, Annual Operational Plan 2008.

Note: Conventional Market: U.K., Australia, Germany, Benelux, Spain, Italy, Russia, Japan.

Neighboring Market: China, India, Sri Lanka, Bangladesh.

Emerging Market: S. Korea, Thailand, Singapore, Malaysia and Finland.

APPENDIX - 2

**STATUS OF AIR CONNECTIVITY BETWEEN KATHMANDU AND OTHER MAJOR
ASIAN CITIES IN 2008/09**

Airlines	Sector
Nepal Airlines	Kathmandu-Delhi-Kathmandu
	Kathmandu- Kuala Lumpur- Kathmandu
	Kathmandu- Osaka- Kathmandu
	Kathmandu- Dubai- Kathmandu
	Kathmandu- Bangkok- Kathmandu
Indian Airlines	Delhi- Kathmandu- Delhi
	Kolkatta- Kathmandu- Kolkata
	Varanasi- Kathmandu- Varanasi
Jet Airways	Delhi- Kathmandu- Delhi
Air Sahara	Delhi- Kathmandu- Delhi
Air China	Lhasa- Kathmandu- Lhasa
China Southern Airlines	Gwangzhau- Kathmandu- Gwangzhau
Biman Bangladesh	Dhaka- Kathmandu- Dhaka
GMG Airlines	Dhaka- Kathmandu- Dhaka
Thai Airways	Dhaka- Kathmandu- Dhaka
Air Arabia	Abu Dhabi- Kathmandu- Abu Dhabi
Etihad Airways	Abu Dhabi- Kathmandu- Abu Dhabi
Korean Airlines	Seoul- Kathmandu- Seoul
Pakistan Int'l Airlines	Karachi- Kathmandu- Karachi
Qatar Air	Doha- Kathmandu- Doha
Gulf Air	Baharain- Kathmandu- Baharain
Druk Air	Delhi- Kathmandu- Delhi
Orient Thai	Bankok- Kathmandu- Bankok
Silk Air	Singapore- Kathmandu- Singapore

Source: Tribhuvan International Airport (TIA)

APPENDIX - 3

TOURIST'S ARRIVAL FROM MAJOR ASIAN MARKET

Country	2001	2002	2003	2004	2005	2006	2007	2008
India	64,320	66,777	86,363	90,326	95,685	93,722	96,010	91,177
China	926	929	7,562	13,326	21,170	16,800	27,339	35,166
Malaysia	3,787	2,777	8,197	7,266	5,269	4,414	5,237	5,173
Thailand	5,312	4,694	11,129	14,648	13,508	13,744	20,018	18,689
Bangladesh	7,742	5,507	5,031	14,607	20,201	16,474	24,012	20,067
Sri-Lanka	9,844	9,805	13,930	16,124	18,770	27,413	49,947	37,817
Japan	28,830	23,223	27,412	24,231	18,239	22,242	27,058	23,383
S. Korea	11,568	8,798	13,200	10,827	10,300	12,917	20,475	18,883

Source: Nepal Tourism Statistics, 2001-2008, MOCTCA

APPENDIX - 4

QUESTIONNAIRES FOR EXPERTS

1. How do you assess the present situation of Nepalese Tourism? Please give the reason.

2. What should we do to realize the tourism potentials of Nepal and to develop it?

3. How do you evaluate the efforts of following agencies for tourism development?

-Government

-NGO's

-Private sector

-People

-Associations

-other agencies if any

4. How can we receive higher benefits from tourism?

5. How have been we marketing tourism? What weaknesses exist in Nepalese tourism marketing?

6. How do you evaluate the marketing efforts to promote being done by government, concerned agencies (Airlines, Travel and Trekking agencies etc.) and others?

a) Very good

d) Need improvement

b) Good

e) Very poor

c) Satisfactory

7. What should we do to promote marketing efforts and when we should such efforts be made?

8. How do you rate the different policies, plans regarding tourism up to now?

a) Highly satisfactory

d) Less satisfactory

b) Satisfactory

e) Dissatisfactory

c) Indifferent

Please give the reasons.

9. In which market segments/area do we have advantages?

10. How should we develop and position tourism product? What weakness exists at present?

11. Have you priced tourism products properly?

Yes

No

If not why? In which area improvements are needed? Give your reaction, comments and suggestion to:

-Visa, Immigration rates

-Hotels

-Local transport

-Agency fees

-Entry fees

-Others

12. What do you expect to gain from “NTY 2011”?

13. What should we do to make “NTY 2011” success?

14. Please provide suggestion to promote Nepal as a sustained destination?

APPENDIX - 5

QUESTIONNAIRE FOR TOURIST

1. Where did you come from?

- a) America b) Europe c) Asia
d) Australia & Pacific e) India f) Africa

Country:

2. Sex: a) Male b) Female

3. Age?

- a) Below 20 c) 30-55
b) 20-30 d) 55 above

4. Occupation?

- a) Student c) Businessman
b) Service-holder

5. Mention your frequency of visit in Nepal.

- a) First time c) 4-5 times
b) 2-3 times d) 7 times or more

6. What was your Mode of transport while coming in Nepal?

- a) Air b) Land

7. How long are you staying in Nepal?

- a) Days b) Month

8. What is/are the purpose/ purposes of your visit to Nepal?

- a) Pleasure & Sightseeing d) Official
b) Mountaineering e) Rafting
c) Trekking f) Other (Specify...)

9. What is your proposed budget for the total trip in Nepal?

- a) US \$ 200-500 b) US \$500-1000
c) US \$ 1000 Above

17. How do you rate your visit to Nepal on the following aspects?

A. Sightseeing Tours:

a) Good b) Satisfactory c) Unsatisfactory

B. Accommodation:

a) Good b) Satisfactory c) Unsatisfactory

C. Shopping Facilities:

a) Good b) Satisfactory c) Unsatisfactory

D. Food & Drinks:

a) Good b) Satisfactory c) Unsatisfactory

E. Entertainment Activities:

a) Good b) Satisfactory c) Unsatisfactory

F. Transportation:

a) Good b) Satisfactory c) Unsatisfactory

G. Tourist Info Offices:

a) Good b) Satisfactory c) Unsatisfactory

H. Immigration Formalities:

a) Good b) Satisfactory c) Unsatisfactory

I. Airlines:

a) Good b) Satisfactory c) Unsatisfactory

J. Agency Services:

a) Good b) Satisfactory c) Unsatisfactory

18. What are your suggestions to improve tourism in Nepal?

APPENDISX - 6

QUESTIONNAIRE FOR TOURISM ORGANIZATION

1. Name of Organization:

2. Year of establishment:

3. Location:

4. Service offered:

- | | | | |
|-------------|--------------------------|--------------------------------|--------------------------|
| a) Trekking | <input type="checkbox"/> | e) Hotel | <input type="checkbox"/> |
| b) Airline | <input type="checkbox"/> | f) Guest House | <input type="checkbox"/> |
| c) Travel | <input type="checkbox"/> | g) Other (please specify.....) | <input type="checkbox"/> |
| d) Rafting | <input type="checkbox"/> | | |

5. What should we do to develop Nepal as an international destination?

- | | |
|--------------------------------------|--------------------------|
| a) Infrastructure development | <input type="checkbox"/> |
| b) Better Marketing Efforts | <input type="checkbox"/> |
| c) Preservation of Cultural Heritage | <input type="checkbox"/> |
| d) Provide more quality service | <input type="checkbox"/> |
| e) Government Efforts | <input type="checkbox"/> |
| f) Miscellaneous | <input type="checkbox"/> |

6. In which area or areas we should give more attention for the promotional of tourism?

- | | | | |
|-------------------|--------------------------|---------------------------------------|--------------------------|
| a) Accommodation | <input type="checkbox"/> | d) Airlines | <input type="checkbox"/> |
| b) Transportation | <input type="checkbox"/> | e) Agency services (Travel, Trekking) | <input type="checkbox"/> |
| c) Immigration | <input type="checkbox"/> | f) Government | <input type="checkbox"/> |

7. Who is responsible for tourism marketing and promotion?

- | | | | |
|---------------|--------------------------|---------------------------|--------------------------|
| a) Government | <input type="checkbox"/> | c) Private tourism sector | <input type="checkbox"/> |
| b) NTB | <input type="checkbox"/> | d) All | <input type="checkbox"/> |

8. Where should Nepal's marketing efforts should be concentrated at?

- | | | | |
|-------------------|--------------------------|---------------------------------|--------------------------|
| a) National level | <input type="checkbox"/> | d) Specific target market level | <input type="checkbox"/> |
|-------------------|--------------------------|---------------------------------|--------------------------|

- b) Int'l level e) Any other (Please specify.....)
 c) Potential new market

9. What types of marketing efforts is needed?

- a) Destination promotion c) Personalized promotion
 b) Media promotion d) Any other (Please specify.....)

10. What kind of product development should Nepal do?

- a) Preserve and present our product as it is
 b) Modify product to suit target market
 c) Combine product features
 d) Develop new product
 e) Any other (Please specify.....)

11. In which market segment do you concentrate?

A. Specific country or region:

- | | |
|---|---|
| a) Germany <input type="checkbox"/> | g) France <input type="checkbox"/> |
| b) Spain <input type="checkbox"/> | h) U.K. <input type="checkbox"/> |
| c) Italy <input type="checkbox"/> | i) Switzerland <input type="checkbox"/> |
| d) Japan <input type="checkbox"/> | j) Australia <input type="checkbox"/> |
| e) India <input type="checkbox"/> | k) U.S.A. <input type="checkbox"/> |
| f) Netherlands <input type="checkbox"/> | l) Any other (Please specify...) <input type="checkbox"/> |

B. Purpose-wise target:

- | | |
|--|--|
| a) Holiday/pleasure <input type="checkbox"/> | e) Official <input type="checkbox"/> |
| b) Adventure <input type="checkbox"/> | f) Conference <input type="checkbox"/> |
| c) Pilgrimage <input type="checkbox"/> | g) Any other (Please specify....) <input type="checkbox"/> |
| d) Business <input type="checkbox"/> | |

C. Age wise:

- a) Old b) Matured c) Young

D. Income group wise:

- a) High income c) Low income
b) Moderate income

12. What are the competitors' strength and weakness in tourism marketing?

Strength:

- a) Large access
b) Timely access
c) Capability to reach new access
d) Broad coverage
e) Any others (Please specify.....)

Weakness:

- a) Poor access
b) Inability to reach market
c) Reliance on others
d) Limited or no coverage
e) Any others (Please specify.....)

13. How do you compare Nepal's marketing efforts with other competing countries?

- a) Highly satisfactory
b) Competitive
c) Satisfactory
d) Poor
e) Extremely poor

14. Where should Nepal position in the international market? (Please tick as many as relevant).

- i. a) Pleasure tourism
b) Adventure tourism
c) Low spending tourists

- d) Nature tourism
- e) Mix of above
- f) Any other (Please specify.....)

ii. a) High spending tourists

- b) Medium spending tourists
- c) Culture tourism
- d) Mix of above
- e) Any other (Please specify.....)

15. What are the strengths and weakness of our present product?

Strength:

- | | | | |
|-------------------------|--------------------------|------------------------------------|--------------------------|
| a) Uniqueness | <input type="checkbox"/> | g) Price | <input type="checkbox"/> |
| b) Mass appeal | <input type="checkbox"/> | h) Access | <input type="checkbox"/> |
| c) Repeat value | <input type="checkbox"/> | i) Location | <input type="checkbox"/> |
| d) Emotional value | <input type="checkbox"/> | j) Any other (Please specify.....) | <input type="checkbox"/> |
| e) Sense of achievement | <input type="checkbox"/> | | |
| f) Competitive | <input type="checkbox"/> | | |

Weakness:

- | | | | |
|----------------------|--------------------------|------------------------------------|--------------------------|
| a) Poor preservation | <input type="checkbox"/> | e) Lack of competitiveness | <input type="checkbox"/> |
| b) Congestion | <input type="checkbox"/> | f) Limited products | <input type="checkbox"/> |
| c) No mass appeal | <input type="checkbox"/> | g) Poor presentation | <input type="checkbox"/> |
| d) No repeat value | <input type="checkbox"/> | h) Any other (Please specify.....) | <input type="checkbox"/> |

16. How do you rate the pricing strategy of tourism service in Nepal?

- | | | | |
|------------------------|--------------------------|----------------------|--------------------------|
| a) Highly satisfactory | <input type="checkbox"/> | c) Less satisfactory | <input type="checkbox"/> |
| b) Satisfactory | <input type="checkbox"/> | d) Indifferent | <input type="checkbox"/> |

17. How do you rate the level of competition in tourism business in Nepal?

- a) Highly satisfactory c) Less satisfactory
 b) Satisfactory d) Indifferent

18. What efforts are being initiated by the government to promote Nepal as a tourist destination?
 (Please tick as many as relevant).

- a) Destination promotion e) Special events
 b) Creation of infrastructure f) Facilitating tourism industry
 c) Development product g) Participation in fairs/exhibition
 d) Publicity h) Any other (Please specify.....)

19. Is the promotional effort being done at present by the Government sufficient?

- a) Yes b) No

20. In which area of marketing government should concentrate and in which area should the private sector concentrate?

- | | Private | Public | Both |
|--|--------------------------|--------------------------|--------------------------|
| a) Product or Service promotion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Destination promotion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Tackle competition (international) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Correcting damaging reports/publicity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

21. How often do you promote your service? (In one year)

- | | Advertisement | Campaigns | Others |
|---------------------|--------------------------|--------------------------|--------------------------|
| In the country | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Outside the country | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

22. What factors determine your marketing efforts?

- a) Capacity utilization d) Competitions performance
 b) Budget e) Any other (Please specify.....)
 c) Tourist arrival trend

23. Do you allocate promotion budget?

a) Yes b) No

24. Which marketing or advertising agencies you rely upon?

a) National c) Both

b) International d) None

25. Are you satisfied with marketing organizations/advertising agencies?

a) Highly satisfactory d) Unsatisfactory

b) Satisfactory e) Indifferent

c) Less satisfactory

26. How do you evaluate your marketing efforts?

a) Highly satisfactory d) Unsatisfactory

b) Satisfactory e) Indifferent

c) Less satisfactory

27. How do you develop your promotional packages/strategies?

a) Assessing the market

b) Assessing the views/reactions of consumers

c) Assessing competitors' strategies

d) Assessing international market trend

e) In consultation with link agencies

f) In consultation with experts

g) Any other (Please specify.....)

28. What results have you attained from these efforts?

a) Increase sale

b) Performance improvement

c) Improved image

d) No change in business

e) Better market access

f) Any other (Please specify.....)

29. How have you marketed off-season? (Please tick as many as relevant)

a) Targeting new market

b) Targeting cheap market

c) Providing price concessions

d) Promoting conferences, seminars, business tours

e) Any other (Please specify.....)

APPENDIX – 7

SUMMARY OF TOURISM SCENARIO, 2008

Indicators	2008	2007	% Change
------------	------	------	----------

Tourist Arrival by:			
Air	374,661	360,713	3.9
Land	125,616	165,992	-24.3
Total	500,277	526,705	-5.0
Average Length of Stay	11.78	11.96	-1.5
By Age Groups:			
0-15 years	42,581	38,870	9.5
16-30 years	106,596	112,879	-5.6
31-45 years	150,171	164,488	-8.7
46-60 years	121,387	130,756	-7.2
61+ years	60,521	69,927	-13.4
Not Specifies	19,011	9,785	94.3
Major Regions:			
Asia	279,422	304,225	-8.2
Eastern Europe	12,816	16,634	-23.0
Western Europe	137,581	140,630	-2.2
North America	38,208	37,182	2.8
Central & South America	7,541	6,486	16.3
Australia & Pacific	16,195	14,506	11.6
Africa	1,352	1,350	0.1
Others	3,155	2,177	44.9
Not Specifies	4,005	3,515	14.0
Top Five Country of Nationality:			
Rank 1	India	India	
Rank 2	Sri Lanka	Sri Lanka	
Rank 3	P.R. of China	U.K.	
Rank 4	U.K.	U.S.A.	
Rank 5	U.S.A.	P.R. of China	
Purpose of Visit:			
Holiday/Pleasure	148,180	217,815	-32.0
Trekking & Mountaineering	104,822	101,320	3.5
Business	23,039	24,487	-5.9
Pilgrimage	45,091	52,594	-14.3
Official	43,044	21,670	98.6
Conference/Conv.	6,938	8,019	-13.5
Rafting	243	65	273.8
Others	99,391	78,579	26.5
Not Specifies	29,526	22,156	33.3
Revenue from Tourism:			
Total Earning (US \$ '000)	351,968	230,617	52.6
Average Income per Visitor per day (US \$)	73.0	45.0	62.2
Registered Tourism Related Enterprise:			
Hotel	669	619	8.1
Rooms	13,088	12,482	4.9
Beds	26,063	24,681	5.6
Travel Agencies	1,320	1,078	22.4
Trekking Agencies	977	872	12.0
Tourist Guide	2,458	2,353	4.5
Trekking Guide	5,356	5,098	5.1
Tourists Departure by:			
Air	405,223	397,707	1.9
Land	114,648	138,988	-17.5
Nepalese outgoing Abroad	560,813	468,612	19.7
Nepalese incoming Abroad	439,900	351,870	25.0
International Airlines Movement	14,276	11,899	20.0

