

A STUDY ON PROMOTION STRATEGY OF HOTEL INDUSTRY

(A Comparative Study of Hotel Himalaya Horizon and Hotel Mirabel (P.) Ltd.)

A THESIS

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We have conducted the Viva- Voce examination of thesis prepared by

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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 the partial fulfillment of the requirement for Master's Degree of Business Studies (M.B.S.)

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(A Comparative Study of Hotel Himalayan Horizon and Hotel Mirabel Pvt. Ltd.)

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DECLARATION

I hereby declare that the work reported in this thesis entitled **A Study on Promotion Strategy of Hotel Industry (A Comparative Study of Hotel Himalayan Horizon and Hotel Mirabel Pvt. Ltd.)** submitted to Nepal Commerce Campus, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirements for the Master's of Business Studies (M.B.S.) under the supervision of **Dr. Sushil Bhakta Mathema** and **Surendra Uprety** of Nepal Commerce Campus.

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ABBREVIATIONS

CREST	-	Central for Resource and Environmental Studies
FOH	-	Federation of Hotels
GSA	-	General Sales Agents
HH	-	Hotel Horizon
HM	-	Hotel Mirabel
ITB	-	International Tourism Board
MTCA	-	Ministry of Tourism and Civil Aviation
NRB	-	Nepal Rastra Bank
NTB	-	Nepal Tourism Board
NTO	-	Nepal Tourism Organization
PPP	-	Public Private Partnership
UK	-	United Kingdom
USA	-	United State of America

CHAPTER-ONE

INTRODUCTION

1.1 Background of the Study

Nepal, a Himalayan country has been following the business from the very beginning of social development. Nepal is in a transition stage when industries are trying to take a big leap from traditional to modern style of handling business, although there are so many barriers in development. Due to globalization, of this 21st century, the world has become a small village. But 85% of the population of Nepalese is still in rural area and getting minimum facilities and dependent on traditional agriculture.

Modern marketing can early set access to the market of the other parts of the world and can achieve his goals. The companies are facing various challenges to market their products over the years. Thrust has shifted from efficient production to the swift marketing, marketing department, in return, had developed different techniques to market the products. In this modern marketing area, every marketer should understand the consumer's satisfaction. Many service providers as well as products companies are adopting many marketing policies and strategies to increase the sales.

Promotion, publicity, advertisement personal selling etc. have all become so usual that, the consumer handily gets excited by these techniques. In the meantime, sales activities come as a catalytic for the manufactures, as the number of brands has increased in the market. Sales activities have received greater attention and effort is made by the sales force to encourage sales of the product as well as service.

The sales have direct impact on the market share. So, the sales activations also play a vital role in market share. The use and practice of sale activities method in Nepal has started relatively very late as compared to other countries.

The world is becoming very competitive day by day. There is competition in product seller as well as service provider. Specially service providing company such as bank, hotel, insurance etc. are facing very tough competition to sell their service to the customers smoothly, so such types of organization are using various tools and techniques to sell their service effectively. Market share is directly affected by the service sales and it is also directly affected by sales promotion, so sales promotion refers the use of different promotional tools to stimulate or to create immediate sales. Sales are an important aspect of marketing activities. Increasing market share of the service is the most important goals of the service provider the concept of promotion is not new. This technique is being used by service providers as early 19th century.

Johan, H. Pasttson of U.S., a founder of the national cash register company used this technique for the first time. After then many service provider are using this technique.

Every business organization's goal is to make the maximum profit by consumer's satisfaction. So that, they follow different techniques such as advertising sales promotion, Service differentiation, consumers discount. Among various techniques of getting maximums profit by consumer satisfaction, demand creation and sales promotion are the key players in any business organization.

The term promotion means to push forward or to advance an idea in such a way as to gain its approval and acceptance. In business promotion has a narrower meaning. Promotion is a tool of marketing communication in order to move forward a product a service or an idea in a channel at distribution.

Promotion is used in marketing to inform consumers (demand) of the availability and features of products and services and to convince the consumers to purchase the offering. Thus promotion is responsible for the creation of demand which is one of the main functions of selling. All kinds of promotion can be employed to create demands for products and service, to maintain their demand as to capture demand from competitors. In this sense, promotion is a form of no-price competition. Price and promotion are the alternative instruments for meeting competition and creation/maintenance of consumer demand.

Sales do not take place automatically without promotion or persuasive marketing communication, even though service is superb, it can fill in customer wants yet to be met, and we have at our disposal proper channels of distribution. Its essence promotion is the spark plug in marketing mix. It alone provides aggressive method of selling. In mass marketing and mass market coverage under keen competition, promotion is the trump card of a marketer/service provider.

Every business organization spends significant amount of money in advertising to increase their sales which directly affects their market share. Naturally the company having the highest sales has also the highest market share. Hence, market share is always dependent upon, sales, which is affected by promotion tools i.e. advertising.

A review of sales promotion as implied here suggests that it is an important part of marketing activities. The amount of money allocated to sale promotion is hidden in advertising budget. Whenever a company spends in advertising and sales promotion, it raises its market share because when a company or business organization spends on media it helps in increasing the sales which directly affect market share with reference to above facts, the main objective of this research is to compare and analyze the significance role of promotion in hotel organizations of Dhulikhel, Kavre.

Hotel Himalaya was established in it is situated at Dhulikhel Municipality and Hotel Mirable (P.) Ltd. is also located only 5 minutes walk from Himalaya.

Dhulikhel, a hill top ancient town, altitude of 1440m and 30km east of Kathmandu, off the Arniko Highway towards Tibet, from the time immemorial, Dhulikhel has been an important trading centre on the ancient commercial route linking Nepal to Tibet. It is in essence a Newar township with plethora of Pagoda, temples and cluster of human settlement. After adjoining with Tibet by motorable road in 1865, Dhulikhel got a facelift and developed as a tourist destination for Himalayan views, Sunrise, Sunset, Moonlight, bird and butterfly watching and experience legend and reality side by side. The panorama offers undisturbed majestic Himalayan views from Mt. Annapurna in the far west to Mt. Karolung in the east. When a blue haze covers the lower portion of mountains, the snow capped peaks seem to be floating in the air.

The plan of Dhulikhel town is based on ancient Hindu planning doctrine with position, shape, scale and dominance between buildings, temples public square, all having their own meaning and harmony. There

are many temples such as Narayan temple, Hari Siddhi temple, Bhagawati temple, Gaukhureshwor temple etc; which are representing the mediaeval Nepalese cultures, heritage and tradition maintained till modern day.

How to reach:

It takes 45 minutes to reach Dhulikhel by taxi or private car or two and half to three hours by bicycle or one and half hour by local bus. Money travel agents operate Dhulikhel tour but Dhulikhel is an ideal spot to stop for minimum one or more nights to explore and enjoy tradition, culture and Nepalese landscape with finest Himalayan panoramic views.

1.1.1 Marketing Management

According to Philip Kotler, Marketing management as the art and science of choosing target market and getting keeping and growing customers through creating, delivering and communicating superior customers value. "Marketing management is the conscious effort to achieve desired exchange of outcome with target market".

Coping with exchange process, it calls for a considerable amount of work and skill. Marketing management takes places when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the act and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer's value.

According to Dr. G.R. Agrawal, Marketing management is getting the marketing jobs done by working with and through people to achieve

marketing objectives. It involves analyzing, planning, implementing and controlling the marketing efforts.

1.1.2 Marketing Environment

A company's marketing environment consists of the actors and force outside marketing that affect marketing management ability to develop and maintain successful relationship with its target customers. The marketing environment efforts both opportunities and threats successful companies know the vital importance at constantly watching and adapting to the changing environment. Too many other companies unfortunately, fail to think of change as opportunity. They ignore or visit critical change until is almost too late. Their strategies structures, systems and culture grow increasingly out of date.

The marketing environment is made up of micro environment and macro environment.

- I. The Micro environment is the set of forces that affects the presence of the company under consideration in the market. The main elements of micro environment are the company itself, the suppliers, marketing intermediaries, customer markets competitors and public.
- II. The Macro environment also affects the presence of the companies in the present market but its effects are broad and these affect all the companies in the present market simultaneously. The Macro environment is beyond the control of the company and has many strands like demography, economic, national, technological, cultural environments.

1.1.2.1 Markets

The concept of exchange leads to the concept of market. "A market consists of all the potential customers sharing a particular need or wants who might be willing and able to engage in exchange to satisfy that need or want. Thus the size of the market depends up on the number of persons who exhibit the need, have resources that interest others, and are willing to offer these resources in exchange what they want.

The term market stood for, market is the place where buyers and sellers gathered to exchange their goods and services. Economics use the term market to collection of buyers and sellers who transact over a particular product or product class hence the housing market, the gram market and so on. Goods and services, communication money information plays the key role.

Similarly, a competitor is one who sells the product or services that in the view of buyer is suitable for some other brands; competition seems as; Industry level competition and market level competition.

- I. The industry level competition: Is generic where several firms after different product option that can satisfy particular class at need. This competition different thought market situation .such as monopoly, oligopoly monopolistic competition and perfect competition.
- II. The market level competition: is between product class and brands. This is closer concept of competition where each firm has to closely
- III. Watch the plane, programmer's activities and action of competition.

1.2 Statement of the Problems

In the past market was not so competition there were few service provider in the market as being the tourist area many hotels and resorts began to emerge and providing good facilities but little has been achieved to provide tourists sightseeing, trekking, mountain biking, rafting.

Dhulikhel, a popular Mountain View point hub offers a panoramic view of the snow capped mountain rangers and is an ideal destination oo biking and hiking. Although different service providers are claiming quality service with different slogan, but it is difficult to find out, what is the key factor to increase the sales. Hotel Himalaya horizon and hotel Mirabel (p.) ltd. are providing the service. They claim that they are providing excellent service in comparison each other.

Today, advertisement plays a vital role in promotion of sales be informing and influence the consumers. H.H and H.M both they are expanding a lot in advertising their service but they are getting less in return. There are many hotels & resorts having different qualities and price. It is the big problems for the potential consumer to select the place.

1.3 Objectives of the Study

The Nepalese market is very small in comparison to international market. However in this small periphery, there seems to regular visit of the costumer/ consumers to the hotels and hotels are providing the satisfactory service to them. They are regularly interacting with the targeted groups and trying to maintain their position.

Due to various factors in service providing to customers, different hotels providing their service differently, among them how does the promotion play to increase the customer in hotels is my interested topic.

This research proceeds with following objectives:-

- i. To assess the current status of tourists inflow and its contribution on Nepalese economy.
- ii. To evaluate the effectiveness of promotion tools used in hotel industry in Nepal.
- iii. To describe the scenario of tourists stay in 2010.

1.4 Significance of the Study

To days marketing era with industrialization is being mordent marketing. Industrialization plays the vital role is development at each country. the industrialized countries have to face competition to sell their product and service as well. To be success in the competition, it needs proper marketing management and policy .Nepal is dependent on agriculture as well in the process at industrialization slowly .whether it in agriculture or industrial sector, marketing plays very important role in drawing attention of consumer toward the products and service.

The business is running in 21st century even if the companies are lacking by the better marketing policies, management and strategies. Hotel industry is Dhulikhel, a leading industry in Nepal .primary objectives of the study is to know marketing policies and strategies of two different hotels they are provides the good service in different way.

The result may useful to some same and other industry to give and insight to their own policy and reformulate it to draw the attention of consumers .besides the new firms looking for a proper marketing policy and

structure and willing to take the feedback from the study which may be benefit able in future.

So, I have chosen the title 'promotion strategy at hotel industry in Dhulikhel. This study may be helpful to thesis writer, marketing author and other researchers who are related with service marketing. I think, it may also be helpful to future researchers and students to know the market situation of hotel industry.

The impacts of tourism on the mountain environment in Nepal are discussed in detail in section 2.7 using the Sagarmatha National Park. The development and management of tourism in Sagarmatha is then contrasted with the Annapurna Conservation Area Project. As discussed the result of this is the development of a conceptual framework for the development of hotel tourism and environmental management in other mountain regions of Nepal.

The major finding of the study will based on survey, interviews, consumers feeling and sales data of the hotel. So, it will be helpful for them to plan effective marketing strategy.

1.5 Limitations of the Study

There are always many problems occur the way of any work. So this study also has limitations. This study is limited in Dhulikhel municipality only.

- i. Most of the data used in this study has been obtained through questionnaire & interview. So most of the primary data are based on sample survey conducted in Dhulikhel periphery/ surrounding.

- ii. The responses of the researcher are analyzed with percentile method, mean chi-square test and also tabulated and presented in graphs as per need.
- iii. The study covers a period of 15 years data

1.6 Organization of the Study

This study has been divided in to five chapters.

The first chapter deals about the introduction that includes background of the study, Statements of the problems, limitation of the study and organization of the study.

The second chapter deals with literature review. The chapter includes introduction of market tourism and tourism industry, marketing and promotion of tourism, Buying behavior service attributes and prices review of literature.

Third chapter deals with research methodology, where introduction and major objectives is included. Similarly research question, nature of data, sources of data and sample size is included.

The fourth chapter deals about the presentation, tabulation, interpretation and analysis of data.

The fifth chapter is concerned with summary at the study and presented with key finding based on the findings recommendation are made.

CHAPTER- TWO

REVIEW OF LITERATURE

There is various study relation to the different aspect of tourism and hotels industry. It is not possible to review and quote all the literature associated with hotels & tourism field even though they are relevant to this paper.

2.1 Introduction of Market

The concept of market is very important in marketing. The American marketing association defines a market as the aggregate demand of the potential buyers for a product/ service. P. Kotler defines a market as an area for potential exchanges. Then market is a group of buyers and sellers interested in negotiating the terms of purchase/sale of goods/service. The negotiation work may be conducted face to face at a certain place, e.g., village, or it may be down through other means of communication such as correspondent, phone or cable or it may be done through business middle men, e.g. Brokers and commission agents.

A market consists of the forces of supply (seller) and demand (buyers) facilitating an exchange commerce or market exchange is possible when there are two or more parties who each has something they desire to exchange for something else .exchange may take place with or without money .as a medium of exchange ,money speeds trading. a market is a convenient meeting place for buyers and sellers to gather together in order to conduct buying and selling activities, e.g. spot, physical market, whole seller or retail market area within which pricing making forces of demand and supply tend to operate freely through the modern mean's of communications and where informed buyers and sellers can establish close

and continuous relations to carry on exchange of goods and services .the body of buyers may be spread over any area, small or large and in this sense .we have a national or even international market for different community and service as well.

2.2 Tourism and Hotel Industry

The word 'tourism' is derived from medieval French word 'tour' which is defined as a long journey one covering the chief rights of a region or country. Tourism as an industry; began to flourish after the 2nd world war with per capital income in the developed countries increasing significantly and the development of efficient mass air transport. The tourism industry is the largest in the world and is a complex one .the demand of international tourist, the consumers and the international destination; the producers are bridged by the tourism industry. The industry consists of a wide range of enterprise supporting the mass movement of including a variety of whole sale and retail outlets for hotels, airline, tour operators etc. the tourism industry sells a unique product often called an invisible product.

Tourism is basically an export industry influenced by the number of external factors such as, the size of the demand, it is quantitative and expectation of travelers and the familiarity with Nepal as a travel destination. Internally, tourism depends up on such factors of accessibility, the value of attractions, and most important, the supplies and services needed to support it. A successful growth in tourism is thus greatly influenced by the level of local supply to meet the requirements of tourist and dependencies existed among various sectors of the economy. Tourism market includes sight-seeing, trekking, Nepal style tourist recreational tourist and international pilgrimage tourism according to tourism

development programmer tourism in Nepal can be dividend in four market segments.

- i. Trekkers: which itself divides in to two segments, via back packers and agency trekkers the latter are spending some five times more per day than the former.
- ii. Budget travelers: who do sightseeing and usually are staffing in no star tourist accommodation.
- iii. Up market sight sees: who are usually staying in four or fine star hotel.
- iv. Other: business and official visitors, pilgrims, researcher and mountaineers etc.

2.3 Tourism Master Plan 1972

The plan was the first serious attempt to layout the comprehensive policy frame was for the tourism sector. The plan proposed five different types of tourism in Nepal namely sightseeing tourism trekking tourism recreation tourism and international pilgrimage tourism.

On the institution front the master plan recommended for the establishment of the cultural as an authoritative body for overall planning, promotion and development of tourism. The master plan provided the first comprehensive guideline for policy and programmer in the tourism sector. However, without adequate and proper planning tourism took a haphazard course of development. As note by the 1984 master plan service the main impediment to the plan's implementation was due to the fact the government at large field to share to share its responsibilities in directing and promoting in the tourism sector. However, without adequate and proper planning, tourism took a haphazard course of development (*Dhital, 2003*).

As noted by the 1984 Master plan review the main impediment to the plans implementation was due to the face the government at large field to share to share its responsibilities in directing and promoting in a planned manner. In mountain tourism, Khumbu, Annapurna and Langtang became over exposed, causing increasing pressure on their scarce natural resources. Other regions with comparable attractions have not been developed because of the failure of the government to open, regulate and control tourism (*Dhital, 2003*).

The master plan recommended the development of supply guided Nepal style tourism to give Nepal an independent and unique destination status. But the infrastructure back up and imaginative innovative endeavor needed to create alluring supply guided tourism are seriously lacking. Although the Master plan emphasized supply guided tourism development the tourism development that has taken place in Nepal has so far been essentially demand induced development (*Dhital, 2003*).

In the marketing and promotional front the Master plan review recommended a destination oriented marketing program by developing a systematic concept of promotional material, producing a travel agents manual, embarking on representation in western Europe, USA and Japan, participating in selected tour and trade fairs, offering tours to agents and journalists and directing sales to tour operators (*MTCA,1990*). I seem that the recommendations have yet to be materialized functionality.

2.4 Tourism Development Program 1990

Nepal tourism development program has recommended the overall development of this sector. It has reviewed existing plans and policies and suggested timely modification for the sustainable use of tourism resources. It has analyzed market trends. Market segments and functions and

capabilities of tourism institutions and associations in public and private sectors. It has provided action plans for tourism development and also stressed the need for strengthening institutional capacities.

2.4.1 Hotel Industries and its Policies in Different Five Year Plans

Dhital (1995) summaries mountain tourism policies in different five years period that the key purpose of every tourism policy adopted in the periodic plans in the diversification of tourism to all potential sites in a phase wise manner. However, efforts have hardly been directed towards priority setting within a time frame. The government has plan neither for mountains nor for other places of tourist importance to declare as a tourist area and develop its infrastructure for above purpose, therefore, only when such basic infrastructure such as roads, drinking water communication systems etc. reach areas potential for nature tourism or manmade heritage tourist start visiting them. The private sector also does not seem enthusiast in providing services and facilities to cater tourist needs unless it considers it immediately profitable (*Dhital, 2003*).

On the mountain tourism front subsequent policies have emphasized the promotion of trekking and mountaineering and rafting activities over the years, various trekking trails and side trails have been developed, modest service, and facilities have been set up for group tourist both through government and local efforts. The Rara and Jumla areas have been opened for a long time, but the Kanchanjunga areas was only opened up five years ago to group tourists. These areas are visited by fewer numbers of tourists because of difficulties access to these places. With modern means and also because of they being very far from the main tourist hubs of Kathmandu, Pokhara, Biratnagar, Nepaljung and other places of potential hubs have not been able to develop necessary facilities of tourists interest.

He further criticized the frequent changes in rules and regulation and stated that mountaineering regulations are often changed without any survey, research or consultations with specialists. One new regulation stipulated that only one team would be allowed on each route per peak every season but routes were arbitrarily designed on the basis of past attempts by foreign teams. There were many cases of breaking the one route one team rule by the concerned ministry. Hence, this rule has been amended recently.

There are still some inconvenient provisions even after the steep hiking in vitalities. Dhital, further commented that monetary deposits for garbage management is an unnecessary hassle for the mountaineering teams. If provisions like the garbage deposits are necessary, then what is the role of a liaison officer? He questioned. The involvement of the local community in garbage management was secretly started in the Khumbu area. The garbage regulation in Khumbu is a half hearted measure, since there is no such rule for trekkers who far outnumber the mountaineers. Visitor education and awareness at the local level with regard to litter and pollution, there are no mechanism for monitoring. The Sagarmatha pollution control project in Khumbu and Annapurna conservation are project in Annapurna area making head way with environmental causes. They need to be further string themed and such institutions need to be created in other areas where garbage management is still lacking.

There are obvious deficiencies in the garbage management system in Khumbu regions too. Mr. Narendra B.C. Chairperson of TAAN, disagreed with the present role of MTCA regarding garbage management.

He also criticized the role of Nepal mountaineering Association which issues climbing permits, collect royalty and make rules but doesn't

contribute for the clearing of environment. He also suggested that pollution control is also a stated objective of the Sagarmatha National Park with in whose boundaries fall the peaks of the Khumbu region have to be assigned to collect garbage fee and keep its environment clean. Yet, it is expected to deal with not only trekking related questions but also all government income ends up in the central treasury, the departments that can show layer incomes receive more generous appropriation at the same time some programmes very important is other departments are usually starved. He described mountaineering and tourism as Nepal's 'milking cow'. If this is so, he showed his disappointment by saying that the department of tourism has milked the cow and left the Sagarmatha National Park to clean the barn (*Sherpa, 2002*).

2.4.2 Company Act 2063

Nepal Government has modified some rules on previous act. Hotel Industry should register under company act 2063. Similarly Nepal Government has revised tourism policy in 2052 B.S. in order to make this industry more modern and vibrant. A brief summary of new policy provision regarding mountaineering is presented here.

The tourism policy stresses on Nepal's unlimited potential in adventure tourism. From the top of Mount Everest to the plains, the adventure tourism could be operated in several interesting ways. In height of this greater potential policy stress on the diversifying air and water-based adventure products in various areas.

- (i) Diversifying wild life tourism for experiencing the biodiversity available in the capital.

- (ii) Opening new peaks for mountaineering and new areas for trekking and expanding cross border adventure activities between Nepal and neighboring countries.

Environmental issues have encouraged calling on community participation for sustainable tourism and also the concept of eco-tourism has received importance. More emphasis has been given to development of tourism related infrastructure with public private partnership (PPP).

Under new tourism policy, research and development has received greater emphasis than in the past. It has proposed for establishment of an eco-tourism unit to promote this important concept and to examine the carrying capacity of various heritages sites both natural and manmade. For establishing better linkages between tourism and other sectors of the economy, the policy further stressed on pre search studies. The new policy has classified trekking areas according to their level of development namely.

- i. General trekking areas (ordinary trekking areas with good trails, basic services and facilities).
- ii. Guided trekking areas with no basic services facilities and very clearly identifiable trails where tourist can go with an agency.
- iii. Controlled trekking areas (ecologically very sensitive remote mountain areas where trekkers can go with an agency and a government deputed liaison officer)

On the institutional front, the policy constitutes a high level tourism council headed by prime minister. The members are the related ministers and an adequate number from private sector. It is for coordinating the interests of the tourism sector at the highest policy level and providing

timely guidelines and directives to the ministry concerned. The creation of an autonomous tourism development board under it for implementation of the tourism sector policies and programmes is also a timely step to address the dynamic needs of this most potential sector. There are many issues and challenges that need to be addressed from the policy side, despite the new policy framework adopted to make the mountain tourism a more prosperous and sustainable one. The operation of mountain tourism is centralized with benefits occurring to a few operators in Kathmandu.

The contribution of group tourism to the local economy is not considerable as compared to that of foot on trails. The proliferation of basic lodges and tea houses on popular trekking trails is due to the perceived demand created by movement of trekkers. Local people have been exploiting scarier forest resources to cater to the demand of trekkers. Some traditional areas such as Khumbu and Annapurna, with several years of mountain tourism operation have generated government revenue, but very limited attention has been paid to plugging back revenue to set up infrastructure. The existing policies are grossly inadequate for linking mountain tourism with mountain economic activities. Scarce resources are exploited by a few for small gain consequently, sustainable tourism is being threatened.

2.4.3 Tourism Act 2035

The regulation and control of tourism industries and activities, particularly mountaineering is broadly guided by the tourism act of 2035 B.S. under which mountaineering expedition regulation 2036 B.S. is in effect.

Dhital (1995) summarizes these and regulation as under the rules, climbing permits are mandatory for all mountaineering teams attempting to scale any of the Himalayan Peaks available for the purpose, against the

payment of a specified Royalty rules are laid out for reporting the progress of the expedition through a government deputed liaison officer and for the hiring of mountaineering support staff, including sirdar, high altitude porters cooks and base camp staff. For the safety and well being of the Nepalese staff attached to a mountaineering expedition, there are provisions for personal health checks and insurance against accidents.

Similarly there is provision for emergency resources arrangement through a representative agency in Kathmandu. The duties and responsibilities of the team leader, liaison officer, and sirdar specified. There is a strict provision of keeping environment clean during the course of the expedition. The news of the expedition's progress should be reported first to MTCA. In recognition of mountaineering as district adventure activities, all climbing members and staff working at base camp or above are required to carry certificates from their respective alpine clubs. The ministry can authorize mountaineering association to issue climbing permits for a fixed number of peaks No expedition team can change the climbing route without written approval from the MTCA. Damage to the environment and it's pollution are liable to punishment similarly, climbing attempt without a permit and any action or behavior in defense of the regulation are punishable. (*Dhital2003*).

2.4.4 Mountaineering Expedition Regulation 2036

Dhital further abstracts the mountaineering regulations as in includes elaborate details in applying for a climbing permit and in providing a route-map and royalty fee. It manipulates the terms and conditions to be fulfilled by a mountaineering team and facilities that Nepal Government can provide for it. It specifies mages and gear to be provided to the Nepalese staff members attached to the team, and the details, duties, and responsibilities of

all the persons in the team. It also contains details about the environmental codes to be observed by the team as well as about the periodic reporting to the ministry that is to be carried out by the liaison officer (*Dhital, 2003*).

To activate the above rules and regulation, MTCA has been fixed the royalty rate for the peaks. The ministry is being criticized in every fixing of rate. Dixit (1992) commented on the price hiking as commanding as it does the southern approaches to an entire section of the central Himalaya the Nepali Government is well placed to set monopoly prices. But it is doubtful that the MTCA can fine tune its policy to maximize benefit from mountaineering. For now, Nepali peaks are much more costly than their Indian siblings. While Sagarmatha goes for us \$ 50,000, starting in spring, India's most expensive East Karakoram Peaks costs US\$ 2250 each. All other peaks in India range US\$ 5000 apiece, while the Nun and Kun peaks in Zankar cost US\$ 250 each. All other peaks in India range from US\$ 900 to US\$ 1800, while peaks below 4500 meter can be climbed for free. In contrast Nepal's eight thousand sanders are priced at US\$ 8000 and the lowest price for 6000 met. Cost US\$ 1000 (*Dixit, 1992*).

2.4.5 Nepal Lunches Promotional Campaign in South India

Nepal tourism Board (NTB) launched a new promotion campaign-visit Pokhara year-2009, and it's new brand Naturally Nepal- once is not Enough in the press and tour operators meet held on January 18, 2009 in Chennai, India.. More than 25 publications including the renowned dailies "Hindu" and "Indian express", 5 TV channels attended the Meet. Tour operators also showed keen interest in selling Nepal bound travel packages.

NTB aimed to attract 20% more tourists from India during 2009. NTB marketing and promotion Director Ms. Nandini Lahe- Thapa said in

press conference that the campaign would be a tremendous boost to the tourists, especially with the religiously inclined tourist from South India. Expressing confidence in tune with the survey done by the NTB. Ms. Thapa said "The New Nepal Brand is a reflection of the commitment to the need and demands of large sections of high and medium Indian tourists visiting Nepal.

Mr. Mukti Pandey, Board Member, Nepal Tourism Board was also present on the occasion and interacted with both media and Travel Agents present. The TTF/OTM-Chennai, one of the most important travel trade shows in South India, was held on 19th to 21st January 2009. NTB was accompanied by 8 travel trade companies. More than 10,000 visitors attended the Travel show and NTB Booth was the most visited one. NTB stall received tremendous enquiries on Nepal especially on visiting Muktinath and Kailash mansarover (*NTB, 2010*).

2.5 New Promotion Campaign

NTB launched their new promotion campaign Naturally Nepal-one is not enough, amongst the tour operators and media of western India from 28 March to 4th April 2009. The highlight of the road show was the presence of high level delegation from ministry of culture, tourism and civil aviation. It was headed by Mr. Janma Jaya Regmi, under secretary, MOTCA, Government of Nepal. It showed Nepal's commitment towards its longest market India.

As a part of the campaign strategy, NTB under took an extensive road show covering Mumbai, Ahendabad, Vadodara, Nagpur and Pune. Nepal Tourism Board had categorized the various packages especially bearing in mind the need of tourists from western India into three broad products

weekend Breaks, adventure Holidays and life time experiences. The road show especially highlighted new packages how offered by travel agents under the category of weekend breaks.

The road show conducted for the first time in western India was aimed to further increase the number of Indian tourists visiting Nepal from this region and also to increase their arrivals specially to Pokhara "Nepal would proactively engage all the stake holders in Nepal tourism industry to welcome more and more Indian tourists, this would include the ease of travel by road, reducing hassles at the border check prints allowing India registered vehicles to enter freely, convincing Nepal airlines to start flights from western India amongst other initiatives said Mr. Regmi under secretary, MOTCA. Regmi (2009) also informed the present about the launch of visit "Pokhara year 2009" as an joint initiative of MOTCA, NTB and Pokhara Tourism Council to promote Pokhara as a most serene and relaxing destination in Nepal with a brand name in Pokhara. Pure and perfect Pokhara receives more than one fourth of the total tourists visiting Nepal every year. It is a major gateway to the trekking routes of Annapurna region and adventure activities like paragliding, ultra light flights. Liking besides other active sports, the Pokhara region offers variety of activities to the likes to each individual tourist's taste added Mr. Regmi on the occasion of visit Pokhara year 2009, the promotional schemes like pay FOR TWO NIGHTS AND STAY FOR THREE NIGHTS and I visit Pokhara and get casino coupons FREE were made available to Indian visitors. In addition specially designed tailor-made "outback packages" covering the peripheral destinations of Pokhara-2 "Adventure Packages" focusing on the soft adventure facilities/products of Pokhara were also promoted. The VPY 07 privilege card affirming up to 40% special discounts on various kinds of

service and facilities in Pokhara is another added attraction to the visiting tourists for the year 2009, which was made known to all present.

The Road show received tremendous response both from Tour operators and Media. In Mumbai, the road show attracted 40 keen Travel Agents and tour operators and 20 people from the press both English & vernacular. From Mumbai the road show traveled to Ahemdabad where NTB welcomed 35 Tour operators and 25 Media personnel. The next stop was vadora and thereafter to Nagpur and Pune as the Grand Finale, which ended on a highly positive note with various tour operators informing about number of groups traveling to Nepal in the upcoming holiday season (*NTB, 2010*).

2.6 Marketing and Promotion of Tourism through better hotel service

Trekking and mountaineering in the Himalaya have received a lot of publicity in western media. Western tour operator companies sell the image of a comfortable and glamorous adventure of this area (*Scott, 2006*).

Nepal Tourism Board (NTB) has not been able to mount any substitutive promotional programmes in the tourist source markets in last few years even though it is widely reconsidered that there is a need widely reconsidered that there is a need of such promotion. Nepal does benefit from a lot of free publicity because of the incomparable Himalayan Mountains but whilst such publicity makes Nepal known all over the world, it does not necessarily convey the right selling messages with the Nepalese tourism industry needs to put over to its target markets.

Nepal has vitally an unlimited potential in adventure tourism. From the plains to the top of Mount Everest adventure tourism could be operated

in several interesting ways. In height of this greater potential the new tourism policy 2052 (1995) stresses on opening new peaks for mountaineering and proposes for expanding cross border trekking and adventure activities. Dhaital (1995) summarizing policy weaknesses as ever since the master plan 72, mentioned that diversification of sightseeing and adventure tourism has been a major thrust of all succeeding policies however in actual practice, mountain tourism has concentrated in Khumbu, Annapurna and Langtang largely. The situation of infrastructure facilities and proximity to urban tourism centers have been the major guiding factors for the diversification of the mountain tourism. So far, no urban sightseeing hubs have been able to develop in the far western and far eastern regions of Nepal. As a result the potential for mountain tourism development in these regions has not been realized.

2.7 Tourism Promotion Programme in Guangzhou

In its efforts to reposition Nepal in the global tourism market and to further bolster the positive trends in tourist arrivals, NTB in asocial with China Southern Airlines organized a press and Tour operators meet in Guangzhou, China on June 12, 2009. Leading a delegation of five private sector tourism companies, from Nepal, NTB updated the Chinese media and tour operators about the quick turnaround in tourism arrivals in Nepal after the signing of the peace Agreement in November last year and the efforts taken by the Government of Nepal and private sector tourism industry to further facilitate the tourists.

Mrs. Nandini Lakhe Thapa, Director of tourism marketing and promotion of NTB welcoming the gathering of Chinese media and travel agents informed that the Government of Nepal considers tourism a high priority industry and has been making all efforts to gradually liberalized

policies concerned with tourism, making foreign direct investment opportunities easier and also adopting a liberal sky policy to create better air accessibility. The main theme of the presentation made at Guangzliou was the "The visit Pokhara year-2009" airing at promoting Pokhara. Kathmandu is concerned with Guangzhou, the industrial commercial hub of southern China Southern Airlines (*NTB, 2010*).

2.8 The Interlinking of Public and Private Contribution Creates Significant Synergy Co-operation and Development Office

From its very beginning, tourism development has been an activity which depends on two main groupings: The public and the private sectors. The government, in its leadership role has always been known to spearhead and pioneer tourism development, by laying the infrastructural foundation providing the legislative, physical, fiscal social and environmental framework, within which the private sector can operate.

The private sector is considered to be the entity that sustains the tourism industry with its entrepreneurial skills in key sectors such as hotel establishments, travel agencies and resorts. Public private partnership as a modus operandi recognizes that both the public sector and the private sector do have certain advantages in relation to one another for the performance of specific tasks. By allowing each sector (private and public to do what it does best, public services and infrastructure can be provided in the most efficient manner. The interlinking of public and private contribution creates significant synergy co-operation and development effects.

The concept of private public partnership in developing tourism in Nepal comes to Nepal after the down of democracy in Nepal in 1990. In fact UNDP initiated the partnership for quality tourism project in 1995; which

brought concept of Nepal Tourism Board. Formed under the private public-partnership concept, Nepal Tourism Board has been given mandate to develop Nepal as an attractive travel destination by maintaining, improving and diversifying the quality of tourism products and services in the country and promoting them effectively in the international market place. Evaluating NTB from impartial grounds, the quality and quantity of work that NTB has done in last ten years justifies its stance and the nomenclature attached to it as a private public partnership nodal agency.

The role of public sector in Nepal in Nepal has been limited to policy making, guidance, monitoring of tourism industry except. Nepal Airlines unlike in other countries where public sector itself involved in operating hotels, travel agencies and airlines. It really gives a free hand to private sector to steer tourism industry where it wants. However, the check and balance mechanism is very strong in Nepal which means no tourism entity is allowed to operate in Nepal without registration. But once a travel agency or a hotel starts operations, there will not be any problem from the government side to operate it smoothly (*NTB, 2009*).

2.9 Review of Thesis

To fulfill the objective of the study it is necessary to review of previous study. It helps to know the previous provisions, official procedure and the official provision.

Kharel (2007), a thesis entitled "*Nepal's Trade with SAARC Countries*" was submitted and the general objective of this study was to present the Nepal's trade scenario segregating trade with SAARC member countries and trade with non-SAARC member countries. This study was primarily based on secondary data and percentage, general trend, regression statistics are used. The major findings of this study were:

- i. Nepal's export to SMCs is increasing with the increase in Nepal's export to non-SMCs and Nepal is putting more concentration towards exporting to SMCS. Likewise, Nepal's import from SMCs did not increase as the imports from non SMCs increased.
- ii. Nepal's exports and imports were found to be highly concentrated in India only in the region.
- iii. Bilateral treaty with India showed helpfulness to Nepal. But bilateral treaties with non-Indian SMCs for Nepal are found to be unsupportive for Nepal.
- iv. It is explored that there is a good competitive advantage potential for Nepal in the SAARC region. Likewise, there is a better product market opportunity for Nepal too. Similarly, there is a hopeful potentiality of market growth in the SAARC region for Nepal.

The Study suggested to diversity trade in the whole SAARC region instead of focusing in India only to benefit from intra-SAARC trade in the perspective of declining world trade and WTO and Globalization. Nepal should focus in increase in trade with SMCs and search for better option to export-import to and from SMCs as SMCs are more competitive for Nepal as compared to non-SMCs with respect to transportation cost, logistics, and cultural similarities and like. It was also suggested to explore new opportunities in the region and government is urged to improve legal framework, infrastructure support and bilateral trade treaty with the SMCs.

Shakya (2008), study entitled "*Basics of Trade and Transit- A Nepalese Perspective*" has illustrated that selling the company's products abroad is more complicated than selling them in the local market. Once the firm desires to sell its products in foreign markets, it has to follow up several export procedures as an obligation. The export procedure may require some preliminary steps like correspondence with foreign parties and

export arrangements. After the confirmation of export orders, a firm should follow up various stages for export execution regarding government's regulations, shipment of consignments and obtaining export payments. Prior to the export the firm has to fill up various types of export documents required by the banks, customs offices, forwarding agents, government etc.

In the study, he has said that being a member of WTO, Nepal will not be able to export on preferential basis, as it should increase its exportable items which can compete in the international market. Only through careful and strategic planning that Nepal can get answer to what to do and where to concentrate.

Nepal (2010) in study “*Mountaineering Tourism Marketing in Nepal*” has applied following the major findings.

- i. Lack of enforcement of the mountaineering regulations has caused relating to the environmental degradation. The accompanying porters of the expedition team threw litters and garbage which cause pollution and likewise fulfillment of fuel wood need of these porters has been responsible indirectly for the deforestation. The fragile nature of mountain has been highly been affected by climbing activities.
- ii. Mountaineering is the one of the major decentralized economic activities which can reach even to the remotest part of the country. Introduction of liberal air policy on this sector has played negative role on income distribution because the helicopters carry most of the tourists to the base of the mountains and as a consequence of which all the porters on the way lose their jobs.
- iii. Ever since Master Plan, diversification of sightseeing and adventure tourism has been a major thrust of all succeeding policies. But in actual practice diversification could not be achieved.

Mountaineering is still concentrated in Khumbu, Annapurna and Langtang area only.

- iv. Mountaineering revenue cannot be a source of local development fund because it goes directly to central treasury and no provision exists for direct allocation of even a small percentage of this revenue to the generating sector and sub-sectors.
- v. The wage rate and the compulsory insurance amount for the workers as well as the liaison officer is very low. The wage cannot cover basic necessary food and accommodation expenses, and the insurance amount cannot cover basic medical expenses and provided very small amount in case of casualty and death.
- vi. Royalty charge on the basis of height of the mountains, but infrastructure on all the mountains is not developed in the similar manner.
- vii. Garbage deposits on the one hand have been a financial burden a financial burden to the mountaineering. It has also been time consuming for them on the other. The team needs to spend one extra day for deposit and one extra day for refund. In case of absence of officials concerned it may need more than two days.
- viii. Provision of doing same types of works from different officers is harassing tourist and one window system is the most demanding procedure to correct the situation.

This research helps to provide update data and has found additional major findings in Mountaineering Tourism Marketing in Nepal which has not mentioned in previous research.

- i. Although Khumbu and Annapurna regions have very high pressure of visitors flow, the foreigners do not seem to opt the

sites other than these, if forced to choose other they rather prefer to choose other countries as their destination.

- ii. Sherpas could not develop themselves more than 'Sherpas' (porters), even though they have enough knowledge and experience of mountain climbing. These Sherpas are forced to sell their records to foreigners with a very low price unless they own their trekking agencies. The trekking agencies in Nepal and abroad on the other hand sell these Sherpa services with a huge amount of profit.
- iii. Poor security system of tourist while they are in trekking or in mountaineering in Nepal. Since few years Maoist related organization forced to the tourist to pay high donation in major trekking route of Nepal for their party's which makes negative through of Nepal.
- iv. Nepal's tourism is developed in the spontaneous manner rather than organized effort. Although there has been contribution of the government in many ways, it has been primarily sector imitated activity. Many foreigners, who liked Nepal's national and other heritage, who considered Nepal's potentiality in their tourism or other business and those who are particularly interested to summit the Himalayan peaks and like to established their new records in the history peaks and like to established their new records in the history have contributed a lot in promotion of Nepal's tourism particularly the mountaineering in the world market.
- v. Violation of rules and illegal climbing are frequently found and it requires having some remedial measures.
- vi. Every team whether one member or twelve members, whether Mt. Everest or any 6000m above peak must have a government

deputed liaison officer according to the present provision. This has sometimes cost for the mountaineers more than the royalty of the mountain.

- vii. The current official procedures of permitting licenses of mountaineering, the role of communication Ministry or communication equipment and custom department are not encouraging. The procedures applying these officials are time consuming and lengthy. That needs to be simplified.
- viii. The decision making processes of these officers are now transparent. The existence of high degree red tapism discourages the mountaineer to come to Nepal as an adventure destination.
- ix. Mountaineering expedition teams need to wait for almost the whole day in the ministry for briefing (introduction about the government rules and procedures and preparation of necessary papers).

2.10 Research Gap

This Research Study is new. So it is own self unique. This study has not found lightly difference among other thesis. Thesis Research study is very important for researcher in future. In this research study, primary data is used to analyze the data. How is the advertisement tools work properly in market to make product in the strength position, it is mainly focused. How to promote the product in market for mass sale and compete in the market is analyzed.

At the same time, it helps to find out a measurement of advertising against the return generated from the sales due to that particular advertising campaign and to find suggestive ideas for these business houses regarding

the impact of their promotional activities on sales. Similarly to carry out this study has been also guided by a distinct objectives and it has some distinct features that has been the sole reason for this study to be undertaken. The basic features of this study are to

- i. Present the impacts of promotional activities in the hotel industry
- ii. Explores the delivery mechanism of the hotel industry
- iii. Analyze the effectiveness of advertisements over the expenses for these ads in terms of sales return generated
- iv. Assess a comparative analysis of ads of these two business firms in terms of their performances in the market.

CHAPTER-THREE

RESEARCH METHODOLOGY

3.1 Introduction

The objective of this chapter is to highlight the methodology used for carrying out this study which basically aims of reviewing the service provided by the hotels and their promotion strategies in Kavrepalanchok district. For this purpose the following Research Methodology has been used. This includes research design, sources of data, objectives of the study, research questions, data collection and analysis sample size etc.

3.2 Research Design

Research design is the framework of controlling the collection of data for scientific conduction of the research project. It helps to collect necessary data required for the project. There are research project itself. In order to fulfill the objectives of this study descriptive and analytical research design has been followed. Information which are collected through different sources have been analyzed in order to achieve the objectives of the study. The opinions for different component of adventure tourism specially in mountaineering traveling have been collected through library studies, an open interview and distributing questionnaires and later classified and tabulated according to the need of this study.

3.3 Population and Sample

Research population for the study has been the hotel business industries located in Dhulikhel. Samples are taken as two hotel industries among them namely; Hotel Himalayan Horizon and Hotel Mirable (P.) Ltd. Due to the situational and resource limitations, it is not being possible to collect

information from all the number of the research population. The greater size in sampling gives the realistic result. But many problems have to be faced. So the research works will be limited only in Dhulikhels hotels, information centers, Governments officials and related customers as well as staffs of the related sectors due to time, cost limitation.

3.4 Data Collection

The data are collected from primary as well as secondary source. The primary data are collected through questionnaires and interviews. The questionnaires are distributed to the different consumers, to the personnel of the sample hotels and interviews are performed with the managers of the samples companies. The annual reports publications/ journals of the concerned companies are used as sources of secondary data. Similarly, relevant periodicals, articles, and the magazines like BOSS are also used to collect the needed data and information. A judgmental sampling technique is used to form sample and each of following group are chosen for questionnaires and interview.

For the collection of primary data the researcher applied an open interview and questionnaire method. Other primary data's have been garnered from the staffs, tourists and related persons. These data have been presented and analyzed as per the objective of the study. For the secondary data, researcher can use annual reports of sample hotel industry and other journals published in the recent time and more data and information have been gathered from the sampled governmental officials, Nepal tourism Board related areas.

On the other hand, research work done by intellectuals and available books, periodicals, newspapers, magazines on the related topics have been reviewed for gathering relevant information suitable to conduct this study.

3.5 Data Analysis Tools and Techniques

This step is a blue print for decoding the information of the data collected from the primary and the secondary sources. And to do so statistical and mathematical tools has been used. Tables, Charts and Graphs, as per the need, have been used to demonstrate the data. The statistical tools would be Average, Percentage, Standard Deviation, Variance, Correlation and Regression Analysis and Coefficient of Variance (CV) in needed areas of the study while drawing inferential conclusion.

3.5.1 Arithmetic Mean/ Average (A.M.)

Arithmetic mean or simply a ‘mean’ of a set of observations is the sum of all the observations divided by the number of observations.

3.5.2 Standard Deviation

Standard deviation is defined as the positive square root of the mean of the square of the deviations taken from the arithmetic mean. It is denoted by σ .

3.5.3 Coefficient of Variance (C.V.)

The percentage measure of coefficient of standard deviation is called efficient of variation. It is used for comparing the homogeneity, uniformity, and variability of two or more distributions.

3.5.4 Correlation Analysis

Correlation is the measure of relationship between two or more characteristics of a population or a sample. It simply measures the changes between the phenomenons. If two quantities vary in a related manner so that a movement in increment or decrease in one tends to accompanied by a movement in the same or opposite direction in the other, they are called correlated. If the relationship is direct they are called positively correlated

and if the relationship is an inverse they are called negatively correlated. If any change in one does not affect the other variable they are called uncorrelated. The correlation may be perfect, imperfect or zero.

3.5.5 Regression Analysis

When two or more sets of data are closely related one after wants to know both the form of the association or relationship and the strength of the relationship. The measurement of the form of relationship between variables is called Regression Analysis. It deals with the procedure of estimation or prediction of unknown values of one variable from known values of another variable. Thus, it is the average relationship between two or more variables and it is used as a tool of determining the strength of relationship between two ore more variables.

CHAPTER - FOUR

PRESENTATION AND ANALYSIS OF DATA

4.0 Introduction

The objectives of the study are to study the factors for the promotion of hotel industry in Dhulikhel, to evaluate the effectiveness of promotion tools used in hotel industry, to examine the competitiveness of hotels supported by the promotional activities, to suggest the stakeholders in strengthening their market position on the basis of study findings. To achieve these objectives, required data and information have been collected and analyzed by using numbers of statistical tools.

4.1 Significance of Tourism for Nepalese Economy

Nepal is a country having many historical places and natural beauty so tourism is one of the main foundation sectors at Nepal's national economy. The tourism industry of Nepal sells a unique product to the visitors. It is often called an invisible export. The product may be sold and consumed locally but it is consumed by foreigners. This sector not only accounts for substantial amount of foreign exchange but also contributor to the resolution of unemployment problem.

The stunning beauty of the mountain environments in Nepal has been largely responsible for the increasingly significant role tourism plays in the Nepalese economy. This report looks primarily at mountain tourism in Nepal, the environmental impacts of this and how they are managed. In the present context, mountain tourism means trekking and the environment refers to the natural, physical environment. However, no discussion of tourism and environmental management in the mountain areas of Nepal is complete without reference to the socio-economic environment as tourism can play a pivotal role in the development of mountain communities (Shrestha, 1995).

This will become increasingly apparent as this report progresses. Despite the importance of tourism in Nepal, it has proceeded in a largely adhoc, demand-driven and unplanned manner, resulting in damage to the mountain environment in certain parts of the country (Banskota and Sharma, 1995a). This approach has also led to crowding in certain destinations, such as Sagarmatha National Park, while others, in part due to their remoteness, have remained neglected until recently. Upper Mustang is an example.

Besides others, it is an agency for promoting country's international image. The following table highlights the foreign exchanges caring from tourism in the last 15 years.

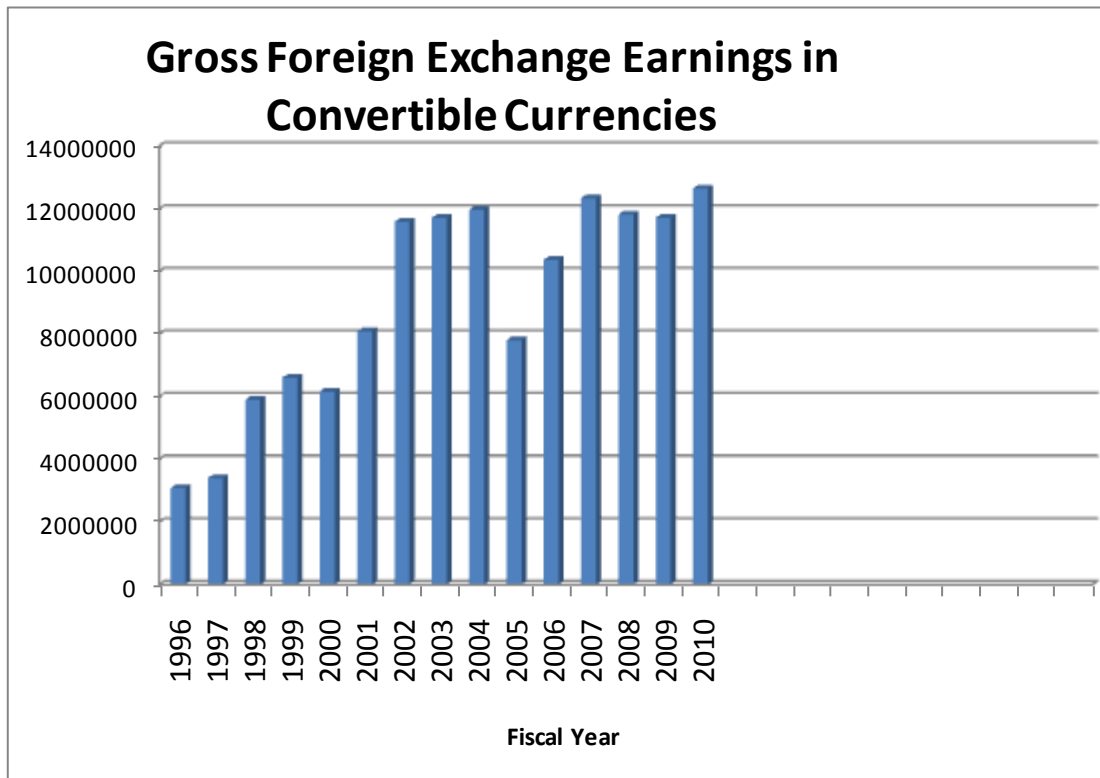
Table No 4.1
Gross Foreign Exchange Earning in Convertible Currencies

Fiscal Year	Total Earnings		% Change in US\$
	Rs. (000)	US\$ (000)	
1996	3082000	67721	-6.5
1997	3397600	69309	2.3
1998	5896200	118563	71.1
1999	6605800	119060	0.4
2000	6158800	108527	-8.8
2001	8084930	131042	20.7
2002	11584912	171403	30.8
2003	11709098	169848	-0.9
2004	11969174	162513	-4.3
2005	7798535	101628	-37.5
2006	10369409	134245	32.1
2007	12337977	168163	25.3
2008	11814853	164408	-2.2
2009	11710893	162086	-3.6
2010	12645761	181242	10.2

Source: Nepal Tourism Statistics 2010

Figure-4.1

Gross Foreign Exchange Earning in Convertible Currencies



The above table shows the gross foreign exchange earning in convertible currencies by different year. In the year 2002 its range of change takes to the pick and reached to 30% which is respectable in the sense of other year. Likewise in the year 2007 to 2010 it gradually increases and stay in the stable situation. In general overview of the data, the change pattern of the data is sometimes goes very up and sometimes goes very down due to the lack of stable government and lack of well financial policies.

The above figure presents the gross foreign exchange earnings in convertible currencies by different fiscal year. The situation shows the greater increases of currency from the year 1998. This year the high% charge is US\$ by 71.1% from 2.3% after this, only on 2000 shows the negative charge in earnings. After this year till 2003 the situation is in positive way but after this year the currency deceive by 0.9%, 4.3%, 37.5% in 2003 and 2005 respectively. Although year 2010 brings the greatest

single in all, so it can be said this year in goods for revenue collection for the nation.

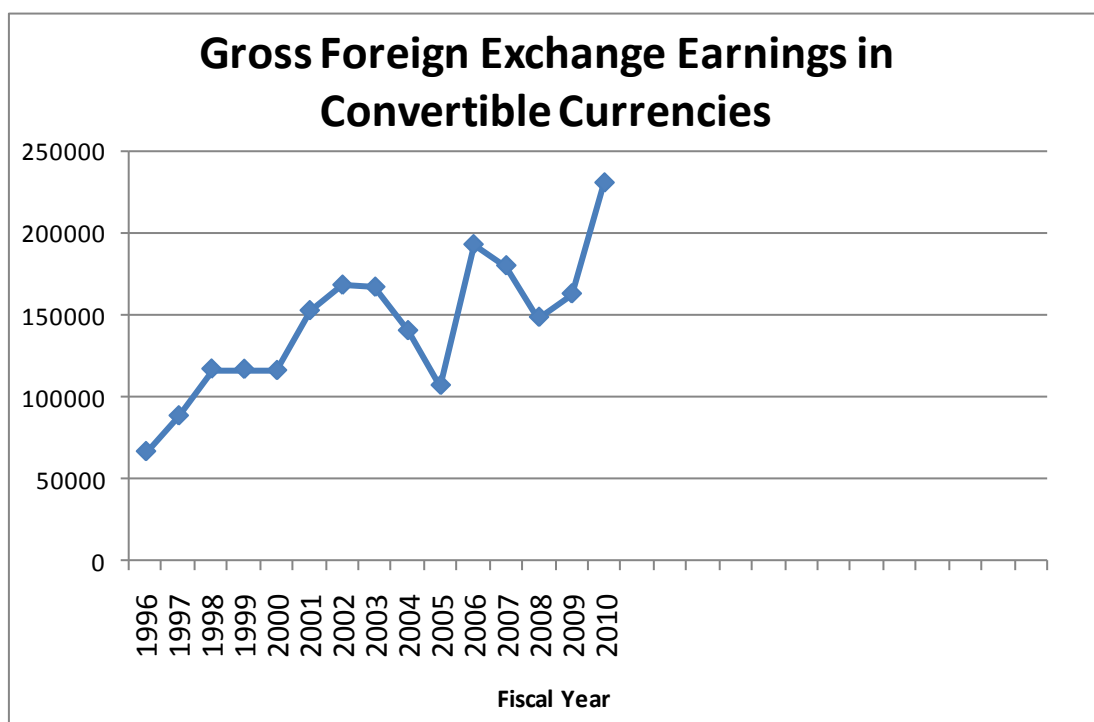
Table No 4.2: Gross Foreign Exchange Earnings in Convertible Currencies

Fiscal Year	Total Earnings		% Change in US\$	Average Income per Capita in US\$	Average Income Per Visitor Per day in US\$
	US\$ (000)	Rs. (000)			
1996	66337	3225464	8.6	315.6	26.4
1997	88195	4341700	32.9	393.7	39.4
1998	116784	6059000	32.4	474.5	42.1
1999	116644	6599700	-0.1	430.3	31.9
2000	115904	6698700	-0.6	401.9	38.3
2001	152500	10024482	31.6	475.8	44.2
2002	168100	11421084	10.2	479.1	39.0
2003	166847	11827403	-0.7	453.7	38.2
2004	140276	10468205	-15.9	472.4	39.6
2005	106822	8300553	-23.8	512.0	64.8
2006	192832	14508396	80.5	765.9	79.1
2007	179941	13146534	-6.7	609.8	45.1
2008	148441	10600345	-17.5	532.0	58.5
2009	162790	11784644	9.7	561.0	55.0
2010	230617	15185071	41.7	535.0	45.0

Source: Nepal Tourism Statistics 2010

The table presents the foreign exchange earnings in convertible currencies 1996-2010. From the very initial phase of study exchange earnings gradually increasing in the year of 2010 up to Rs. 15185071. It shows convertible exchange gain increases day by day due to the tourists arrivals. Percentage change in US dollar is increased in the initial phase of study year but it fluctuates during time duration. Average income per visitor per day is high in the year 2005 whereas very low is in the year 1996. But in the last couple of year trend shows not satisfactory due to lots political and financial problems in Nepal.

Figure No. 4.2
Gross Foreign Exchange Earnings in Convertible Currencies



The figure shows the positive earning since 1996. Although decline in 2001. May be the different causes the earning of 2003 and 2004 has declined. The situation of last has been increased. It can be said that the political situation also affects the national earnings. In the beginning of the study period, gross foreign exchange earnings in convertible currencies is below than 100000 for two years. Then later on, it increases gradually and reaches in the point more than 150000 in the year 2003. Thereafter it sharply goes down in the year 2006. It again increases steadily in the last couple of years reach more than 220000 in the year 2010.

Table No 4.3**Foreign Exchange Earnings from Tourism**

Year	Total Foreign Exchange Earning From Tourism (Rs. in million)	As % of Total Value of Merchandise Exports	As % of Total Value of Exports of Goods & Non Factor Services	As % of Total Foreign Exchange Earnings	As % of GDP
1996	5966.0	34.5	26.7	17.6	3.7
1997	8251.7	42.7	22.4	18.9	4.1
1998	8973.2	50.0	21.6	17.3	4.1
1999	9521.2	47.9	23.3	21.4	3.8
2000	8523.0	37.6	13.7	17.6	3.0
2001	9881.6	35.9	17.4	15.2	3.3
2002	12167.8	34.1	18.5	15.9	3.6
2003	12073.9	24.2	13.0	8.8	3.2
2004	11717.0	21.0	12.0	7.4	2.9
2005	8654.3	14.9	10.6	6.1	2.1
2006	11747.7	23.1	15.2	8.2	2.6
2007	18147.4	32.9	20.3	11.4	3.7
2008	10464.0	17.5	12.2	6.1	1.8
2009	9556.0	15.5	10.9	4.6	1.5
2010	6176.0	14.9	9.8	4.4	0.9

Source: Nepal Tourism Statistics 2010

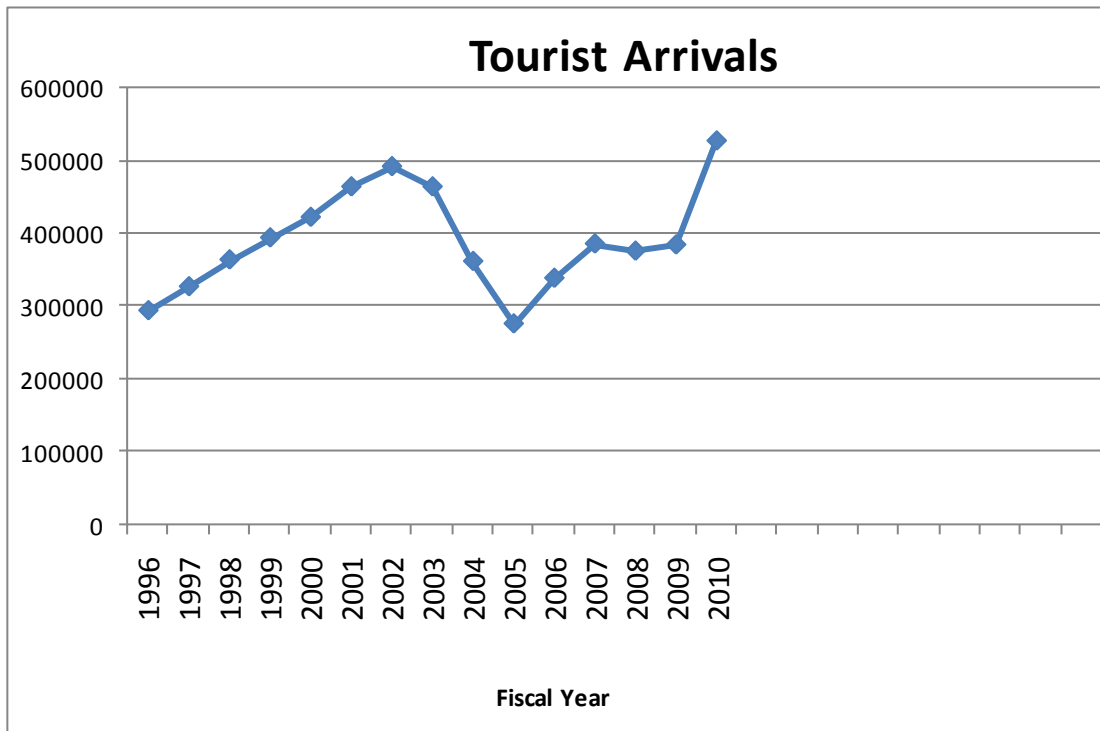
From the above table, 2007 was the highest earnings from tourism sector, although the role in GDP was only 3.7 in the year 1997 and 1998, GDP contribution is highest 4.1 and 4.1 respectively. In the year of 2010, tourism contribution is very low; it is about 0.9 percent due to lack of stability, infrastructure, promotional activities and other more bad things. Percentage of merchandise sectors is not good enough in last couple of years of the study. After banding the quota system in Nepali products, many quality products can't compete with the foreign product in the international market so the trading business is quite low. By which the promotion of tourism in the international arena is very weak in last couple of years.

**Table No:-4.4
Tourist Arrivals**

Year	Total			By Air		By Land		Average Length of stay
	Number	Growth Rate %	Index	Number	Percent of Total	Number	Percent of Total	
1996	293567	-12.2	4751	254140	87	39427	13	11.94
1997	326531	11.2	5285	289381	89	37150	11	10.00
1998	363395	11.3	5881	325035	89	38360	11	11.27
1999	393613	8.3	6370	343246	87	50367	13	13.50
2000	421857	7.2	6827	371145	88	50712	12	10.49
2001	463684	9.9	7504	398008	86	65676	14	10.76
2002	491504	6.0	5846	421243	86	70261	14	12.28
2003	463646	-5.7	4458	376914	81	86732	19	11.88
2004	361237	-22.1	5472	299514	83	61723	17	11.93
2005	275468	-23.7	6236	218660	79	56808	21	7.92
2006	338132	22.7	6075	275438	81	62694	19	9.60
2007	385297	13.9	6236	297335	77	87962	23	13.51
2008	375398	-2.6	6075	277346	74	98052	26	9.09
2009	383926	2.3	6213	283819	74	100107	26	10.20
2010	526705	37.2	8524	360713	68	165992	32	11.96

Source: Nepal Tourism Statistics 2010

Figure No. 4.3
Tourist Arrivals



From the above table the 1999 was the good year, because of visit Nepal 98 program brought by the government of Nepal. Similarly 2010 was a good year. May be the different cause the peace was restore, political system was in a positive commitment.

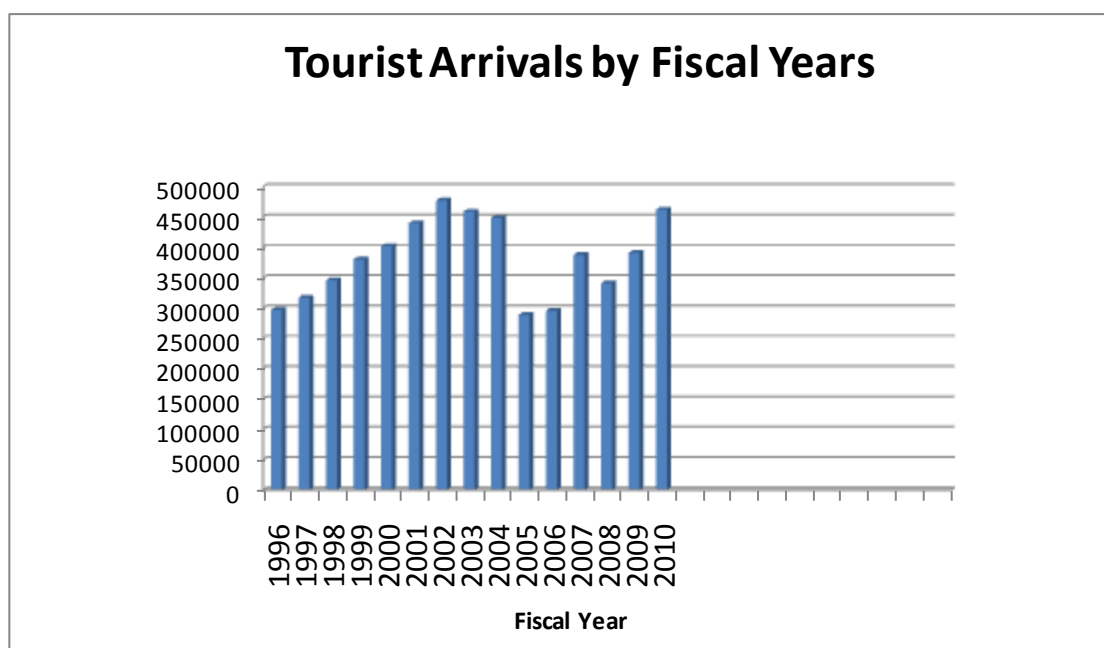
From the above figure, tourist arrivals pattern is very closely shown. In the year 1996 it is in the line of 30000 thousand people and then it goes up gradually up to 2003. Later on it goes down erratically in the year 2006 then it slowly rising up to 526705 in the year 2010.

Table No 4.5
Tourist Arrivals by Fiscal Year

Year	Excluding Indian	Indian	Total	% Change
1996	212562	84685	297147	2.9
1997	222375	94597	316972	3.5
1998	230158	116022	346180	9.2
1999	262448	117853	380301	9.9
2000	273477	128809	402286	5.8
2001	301636	138647	440283	9.4
2002	336713	141061	477774	8.5
2003	359043	100307	459350	-3.9
2004	362330	86401	448731	-2.3
2005	229873	59127	289000	-35.6
2006	218972	76707	295679	2.3
2007	291629	96414	388043	31.2
2008	262461	78640	341101	-12.1
2009	288087	103085	391172	14.7
2010	361382	101198	462580	18.3

Source: Nepal Tourism Statistics 2010

Figure-4.4
Tourist Arrivals by Fiscal Year



The table shows the tourist arrival by the year. The table explores and clearly shows the non-Indian tourist and Indian tourist respectively. The table clearly shows the total change in the tourist arrivals. In the last couple of years, percentage of arrivals is increasing. Indian tourist's best destination is Nepal because Pashupatinath is the great temple of Hindus. In the last couple years its increases pattern is slightly increasing but not as much as it was increased in 1996 to 2002. In total of arrival it reached almost more than 400,000 tourists in the year 2010.

Above figure shows tourist arrivals by fiscal year 1996 to 2010 respectively. In the initial year of the study its pattern gradually increases up to 450000 and then goes down in the year 2006. There after it increases till to the year 2010. Due to many circumstances like national political instability, lack of infrastructure and other many things do not help tourism sector to enhance its properly.

Change is percent in the year 2005 was very negative. It is because of the political insecurity in the nation and lack of promotional activities in the international platform. There many things have to do to increases tourist in the nation. Promotional activities only don't work to lure tourist properly. Better infrastructures, identification of new location, developing new destination, making business transits point and other many things can lure tourist in the region without doing more exercise. In the year 2011, Nepal is celebrating "Tourism Year" with full of energy. Hope, it wills increases the potential of tourists arrival.

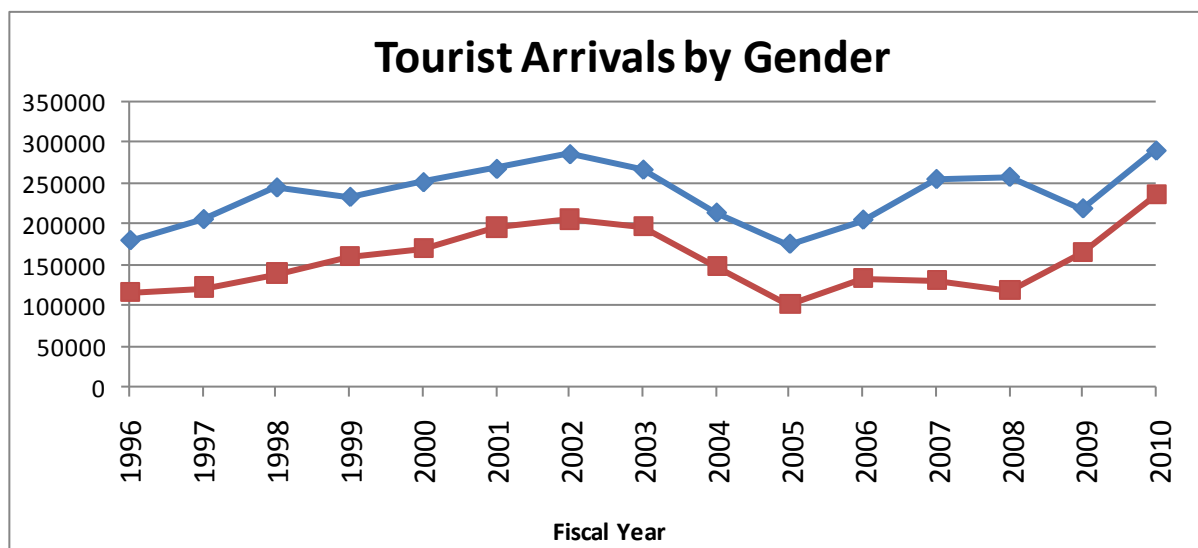
Table No:-4.6

Tourist Arrivals by Sex and Age Groups

Year	Sex		Total	Age Groups					
	Male	Female		0-15	16-30	31-45	46-60	61 & over	Not Specified
1996	197051 (58.9)	137302 (41.1)	334353 (100)	18624 (5.6)	105123 (31.4)	111096 (32.3)	65651 (19.6)	33859 (10.1)	
1997	179178 (61.0)	114389 (39.0)	293567 (100)	15289 (5.2)	91947 (31.3)	96665 (32.9)	59768 (20.4)	29898 (10.2)	
1998	244769 (61.9)	138626 (38.1)	363395 (100)	22878 (6.3)	106603 (29.3)	120212 (33.1)	76647 (21.1)	37055 (10.2)	
1999	233055 (59.2)	160558 (40.8)	393613 (100)	22185 (5.6)	94924 (24.1)	116307 (29.5)	89751 (22.8)	70446 (17.9)	
2000	251358 (59.6)	170499 (40.4)	421857 (100)	23.840 (5.7)	121286 (28.8)	126828 (30.1)	107111 (25.4)	42792 (10.1)	
2001	267871 (57.8)	195813 (42.2)	463.684 (100)	26.763 (5.8)	122103 (26.3)	151846 (32.7)	121190 (26.1)	41782 (9.0)	
2002	286161 (58.2)	205343 (41.8)	491.504 (100)	30967 (6.3)	150307 (30.6)	155985 (31.7)	113314 (23.1)	40913 (8.3)	
2003	266937 (57.6)	196709 (42.4)	463.646 (100)	19136 (4.1)	119916 (25.8)	148063 (31.9)	125140 (27.0)	51491 (11.1)	
2004	213465 (59.1)	147772 (40.9)	361.237 (100)	14608 (4.0)	95801 (26.5)	115678 (32.0)	93621 (25.9)	41529 (11.5)	
2005	174710 (63.4)	100758 (36.6)	275468 (100)	12425 (4.5)	67774 (24.6)	99622 (36.2)	67017 (24.3)	28630 (10.4)	
2006	204.732 (60.5)	133400 (39.5)	338132 (100)	16056 (4.7)	78357 (23.2)	99740 (29.5)	85753 (25.4)	58226 (17.2)	
2007	255303 (66.3)	129994 (33.7)	385297 (100)	38734 (10.1)	84125 (21.8)	128267 (33.3)	96920 (25.2)	37251 (9.7)	
2008	257972 (68.7)	117426 (31.3)	375398 (100)	30.429 (8.1)	57.115 (15.2)	114103 (30.4)	106077 (28.3)	67674 (18.0)	
2009	218818 (57.0)	165108 (43.0)	383826 (100)	37.433 (9.8)	75626 (19.7)	123541 (32.2)	95260 (24.8)	52066 (13.6)	
2010	290688 (55.2)	236017 (44.8)	526705 (100)	37870 (7.4)	112879 (21.4)	164488 (31.2)	130756 (24.8)	69927 (13.3)	9785 (1.9)

Source: Nepal Tourism Statistics 2010

Figure No:-4.6
Tourist Arrivals by Sex and Age Groups



Above table shows the exact data of tourist arrivals by age and sex group of the study time. Based on defined methodology, the research has been carried out the data has been collected from 1996 to 2010 based on annual basis from different countries presents data about tourist arrived in Nepal in total.

Above table shows data of tourist arrival by gender in totality. In the year 1996, male and female tourists come 170,000 and 120,000 respectively. Arrivals trend fluctuates in last couple of years. And in the year 2010 tourist arrivals by gender as male and female is near about 290,000 and 240,000. In the mid of the study period tourist arrivals sharply goes down later on it takes pick up slowly.

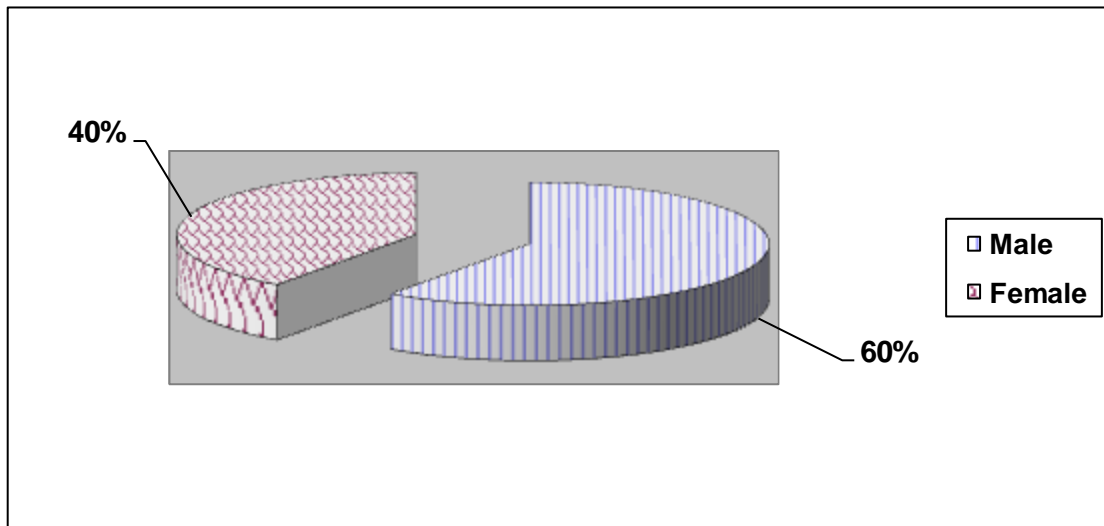
In the figure also same sort of data can be seen properly. In the mid of the study tourist arrivals falls sharply. It is because of the instable political situation, lack of infrastructure, insecurity and others.

Table No:-4.7**Tourist Arrivals by sex and age groups (Monthly), 2010**

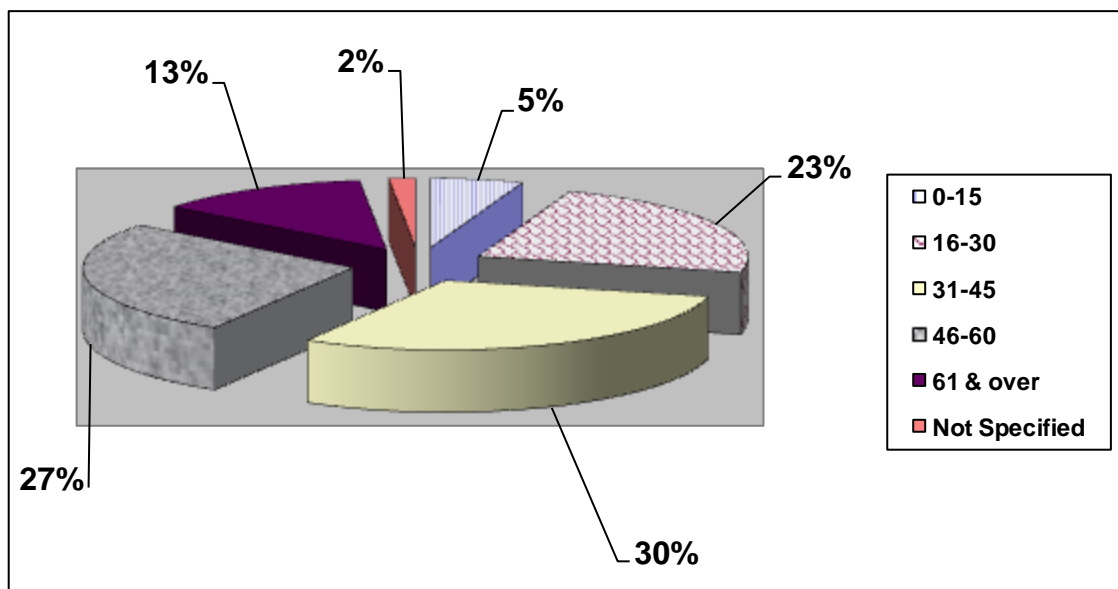
Year	Sex		Total	Age Groups					
	Male	Female		0-15	16-30	31-45	46-60	61 & over	Not Specified
January	19861 (59.8)	13331 (40.2)	1838 (5.5)	7684 (23.2)	9903 (29.8)	8974 (27.0)	4264 (12.8)	529 (1.6)	33192 (100)
February	19431 (48.7)	20503 (51.3)	3549 (8.9)	8158 (20.4)	12282 (30.8)	9085 (22.8)	6105 (15.3)	755 (1.9)	39934 (100.0)
March	27580 (50.4)	27142 (49.6)	4641 (8.5)	11482 (21.0)	15966 (29.2)	12783 (23.4)	8999 (16.4)	851 (1.6)	54722 (100)
April	24209 (59.1)	16733 (40.9)	2455 (6.0)	8179 (20.0)	13643 (33.3)	10656 (26.0)	5168 (12.6)	841 (2.1)	40942 (100)
May	21983 (61.3)	13871 (38.7)	2815 (7.9)	7973 (22.2)	11435 (31.9)	8967 (25.0)	3838 (10.7)	826 (2.3)	35854 (100)
June	19664 (62.8)	11652 (37.2)	3185 (10.2)	7449 (23.8)	9776 (31.2)	7209 (23.0)	2981 (9.5)	716 (2.3)	31316 (100)
July	20920 (59.0)	14517 (41.0)	2323 (6.6)	8849 (25.0)	11267 (31.8)	8789 (24.8)	3374 (9.5)	835 (2.4)	35437 (100)
August	23457 (52.5)	21226 (47.5)	3882 (8.7)	10055 (22.5)	14692 (32.9)	11063 (24.8)	4240 (9.5)	751 (1.7)	44683 (100)
September	27057 (59.4)	18495 (40.6)	1898 (4.2)	9165 (20.1)	15182 (33.3)	12591 (27.6)	5786 (12.7)	930 (2.0)	45552 (100)
October	34397 (48.7)	36247 (51.3)	5417 (7.7)	13657 (19.3)	20872 (29.5)	17977 (25.4)	11573 (16.4)	1148 (1.6)	70644 (100)
November	28377 (54.3)	23896 (45.7)	3163 (6.1)	10772 (20.6)	15956 (30.5)	13041 (24.9)	8539 (16.3)	802 (1.5)	52273 (100)
December	23752 (56.3)	18404 (43.7)	3704 (8.8)	9456 (22.4)	13514 (32.1)	9621 (22.8)	5060 (12.0)	801 (1.9)	42156 (100)
Total	290688 (55.2)	236017 (44.8)	38870 (7.4)	112879 (21.4)	164488 (31.2)	130756 (24.8)	69927 (13.3)	9785 (1.9)	526705 (100)

Source: Nepal Tourism Statistics 2010

Figure No. 4.6
Tourist Arrivals by sex



Tourist Arrivals by age groups



Above table shows data of tourist arrival by age group monthly basis in totality. On January, 2010 male and female tourists come 19861 and 13331 respectively. The age group 0-15, 16-30, 31-45, 46-60, 61 & over and Not Specified are 38870, 112879, 164488, 130756, 69927 and 9785 respectively. Arrivals trend fluctuates in last couple of years. And in the year 2010 tourist arrivals by age group is satisfactory. In the mid of the study period tourist

arrivals sharply goes down later on it takes goes up slowly whereas in the year 2010 tourist arrivals goes down sharply.

In the figure also same sort of data can be seen properly. In the mid of the study, tourist arrivals fluctuate sharply. It is because of the instable political situation, lack of infrastructure, insecurity and others. Similarly the age between 31 and 45 is the largest volume among various ages 46-60 and 16-30 have the higher percentage. The chart shows the majority of male visitors i.e. 60% and female 40%.

4.2 Purpose of Tourist's Visit to Nepal

As mentioned earlier, Nepal is a country of ultimate adventure challenge for tourists. Many people visit Nepal for different purposes. Most of them visit here for enjoyment and adventure and rest of different reasons as pleasure, business, pilgrimage etc. Mountaineering and trekking in Nepal are very popular for the visitors throughout the world.

4.2.1 Trekking

Trekking is the highlight of visit to Nepal. On account of the wide range of geographical features, the country natures a variety of vegetation and landscape. In addition to the natural endowments is the rich Himalayan culture. Thousands of visitors trek to different parts of Nepal every year to experience its rustic charm of nature and culture. Most treks go through areas between thousand to three thousand meters, although some popular parts reach over five thousand meters.

Protected regions along the Himalayans, like Shey-Phoksundo National park, Annapurna Conservation Area, Manaslu Eco-tourism Area, Lantang National Park, Sagarmatha National park, Makalu Barun National park and

conservation provide excellent trekking options. For group trekkers arrangement for food and accommodation are managed by the trekking crew, while independent trekkers can find night rest and food halt at small lodges and tea houses that dot the main trails. Independent trekkers should be self sufficient. In remote areas like Makalu, Kanchanjunga in east Nepal or Jumla, Dolpa in West Nepal, one must be self sufficient in term of food and water.

4.2.2 Mountaineering

Mountaineering is another prime attraction of Nepal. The Mountains of Nepal have stood as irresistible landmarks for the worlds adventures since Nepal opened its door to visitors in the 1950's. Mountaineering can range from climbing the highest peak of the world to the climbing lower peak. Although by Himalayan standards 33 trekking peaks are considered minor peaks, they nonetheless provide snow and ice climbing, and are technically quite challenging. Mountaineering teams can apply for permit at mountaineering section of the ministry of culture, tourism and civil aviation.

Climbing gear can be bought or rented in Kathmandu. Many of the mountaineering and trekking companies also offer packages, where they provide gear, food, transportation, guides, porter services and also arrange for insurance coverage. It is best to shop around for agencies that have good experience and good track record Knowledge of altitude sickness. The fatal sickness also known as acute mountain sickness is a danger for climber ascending 3000 meters and above. Symptoms include headache, loss of appetite and sleeplessness. Immediate descent or evacuation to lower altitude is the best care.

4.2.3 Rock Climbing

Rock climbing is another challenging sport for outdoor lovers. Most of the areas for rock climbing are situated toward the north of Kathmandu Valley that

is Nagarjune forest and the Shivapuri water shed and wild life reserve. Because one is the national park and other a protected area, trip to these places can be combined with hiking, bird watching and other activities. Nagarjune, 3 kilometers from Kathmandu city can be reached Balaju near the new bus park. Shivapuri can be reached Budanilkantha which is 9 kilometer away from Kathmandu.

4.2.4 Mountain Flights

Mountain flights offer passenger a spectacular view of the Himalayan peaks. The one our mountain flight takes within camera range of some of the highest peaks in the world. The peak scenes are Gosaithan, Dorje Lhakpa, Phurbi Chuachu, Choba Bhamare Mt. GauriShankar, Melungtse, Chugimago, Mt., Karyolung, Cho-oyu, Gyachungkang, Pumori, Nuptse, and finally Mt. Everest. Mountain flights are offered by several airlines.

4.2.5 Bungee Jumping

The ultimate thrill of Bunge jump can be experienced in Nepal at one of the best sites in the world. Nepal's bungee jumping sites is situated 160 meters over the wild river Bhote Khosi. The site is located closed to the Nepal Tibet boarder at Barabise and is a three hour bus ride from Kathmandu. Package deal includes the jump, bus ride to site, and even meals. Nepalese are entitled to a 30% discount. Accommodation and other facilities are available at Barabise.

4.2.6 Rafting, Kayaking and Cannoning

Rafting is one of the most exciting ways of exploring the nooks and crannies of Nepal. Options range from paddle rafting as a team to luxury safari–style trip where staff is provided to address the group needs to Kayaking alone in the waters. Yet another extremely popular water sport option is cannoning to explore hidden landscapes. The best time for these activities is October through mid December and March through early May. The government has

opened sections of 16 rivers graded on a scale of 1 to 5 for commercial rafting. Since safety is of utmost importance, choosing veteran rafting company is a wise move.

4.2.7 Jungle Safari

The tropical jungles of Nepal's Terai preserve some of the best wildlife habitat in the subcontinent. Nepal has 16 National parks, wild life reserves and conservation areas. Jungle safaris on elephant back or jeep rides are offered at the Parsa Wildlife Reserve, Royal Bardia National Park, Royal Chohan National Park and the Royal Sukla Phanta Wildlife Reserve, all located in the Tarai. The best time to visit the Tarai is during winter months when the weather is more temperate. A wide range of tourist facilities are available in and popular areas.

4.2.8 Paragliding

Paragliding in Nepal gives an opportunity for aerial view of the Himalayas. Pokhara, the beautiful lake side town at the foot of the Annapurna Mountains offers paragliding to see the Mahabharata range. As other flying sport gliding season in Nepal is November through February the best month being November and December. There are the various deals for the paragliding veterans and novices. Three days introductory course is offered to beginners while tandem flights where one can fly with instructor are offered for though not so experienced. Some companies offered package deals that include introductory flights before taking off on six days Para-trek. While on the Para-trek, the flyers camp in the villages with local Sherpa guides. Dally flights operate between Kathmandu and Pokhara. A wide variety of accommodation and other facilities are available in Pokhara.

4.2.9 Ultra Light Aircraft Flight

Ultra light aircraft flights offer a breathtaking bird eye view of Pokhara valley and the surrounding mountains. The flight begins from September to June. In the half flight, one can fly over the Pokhara city Phewa Lake, Sarankot hill, Mount Fish Tail and so on.

4.2.10 Boating

Nepal provides fine option for boating, from glacier-fed lakes up north, down to where rivers ease in to the tarai plains. With famous lake like Phewa Begnash and Rupa, Pokhara is one of the most popular destinations for recreational boating. While Phewa is bustling with the tourism-created lake side area, Begnas and Rupa have remains largely pristine. In the tarai, one can go canoeing on Narayani or Rapati rivers near Chitawan national park. Boats and canoes can be rented from local dealers on hourly basis. A wide variety of accommodation and other facilities are easily available in both cities.

4.2.11 Others Activities

For those who cannot withstand the rigorousness of mountain climbing there are mountain flights, which fly around Mt. Everest and others summits providing a close-up view of the top of the world. On the clear day the hill resort of Dhulikhel, Nagarkot resort. Daman affords magnificent views of Mt Everest and Himalayan range. Nepal provides in less opportunity for fishing, swimming, canoeing and boating along Phewa Lake with majestic panoramic views in the background. In others activities like hot air ballooning, jet scooter riding, hunting are also provided in Nepal.

4.3 Market Promotion

Nepal's mountaineering market is self governing. The promotional activities have been done mostly by foreigner themselves viz.: Mountain guides,

previous summiteers and foreign media. In recent years, Nepal government (NTB) is taking a promotional policy by utilizing the channels of diplomatic missions and friendship association. According to D.P. Dhakal, the secretary of MTCA regarding tourism promotion, Nepal Government drive are overseas economic diplomacy through the Nepalese Embassies and consulates, the appointed public relation officers and even GSA (General Sales Agent) is gaining maintaining found allocation for promotions sharing and dissemination of ideas and reforms in the Embassies are yielding wonderful results other promotional activity is done through joint effort of government and private sector.

4.4 Marketing and Promotion by NTB

Nepal Tourism Board NTB is a national organization established for the development of tourism sector of Nepal. NTB act 2053 was passed by parliament. 1st Dec. 96 and obtained official seal in Feb. 1997. The bar designed as a partnership between Nepal Government and the private sector organization of Nepal has been empowered to work as a National Tourism Organization (NTO) convincing 31st Dec. 1998. The board being a Statuary institution has assigned to it. Nepal Government has also established well defined funding mechanism to finance the promotional effects of the board.

In order to meet the objective of NTB focus on image building measures live getting good media coverage on destination through inviting as many familiarization trips of media, persons and tour operators as possible. Participation in collaboration with travel trade partners in major travel trade fairs like WTM London, ITB Berlin and other important fairs in various markets were given continuity. Various promotional campaigns were carried out in regional markets like India, Bangladesh and Malaysia etc. in collaboration with trade and on liner carries. Focus was also given on leisure, adventure and pilgrimage attractions through promotional collaterals as well as

e-marketing and web promotions. Besides these NTB provide publication and production of audio visual materials to promote Nepalese tourism.

4.5 Marketing and Promotion by others

The other major parties involves in promoting Nepal in the source market have been:

- The airlines including Nepal airlines
- The hoteliers
- Nepal travel and trekking agent
- Rafting agent, individuals and overseas tour operators. Trekking in the Himalaya has receives a lot of publicity in western media tour companies sell the image of a comfortable adventure without any stress or suffering.

Table No. 4.8

Analysis of Age wise Guests/customer on promotion

Age/Promotion	Good Service	Advertisement	Location	Personal Contract	Repeat	Others	Total
Under-20	16	10	8	4	3	3	44
20-40	19	6	8	3	2	3	41
40 over	2	5	3	2	1	2	15
Total	37	22	19	9	6	8	100

Source: Field Survey 2010

Above table no 4.8 shows the analysis of the primary data taken from the respondents during the research. On the table, different age group is given as under 20, 20-40 and 40 to over and there is also the report of research find out tabulation. As per the table there is highest respondents fall in the group of fewer than 20 and 20-40 respectively. All the developed data can be demonstrated by using the statistical tools as per below:

We can use χ^2 test for above table

H_0 - There is no significance difference between potential customers by age on promotion.

H_n - There is significance difference between potential customers by age on promotion.

Age	O	E	(O-E)	(O-E) ²	(O-E)/E
Under-20	16	5.55	10.44	109.09	19.65
	10	5.55	4.45	19.80	3.57
	8	5.55	2.45	6	1.08
	4	5.55	-1.55	2.4	0.43
	3	5.55	-2.55	6.5	1.17
	3	5.55	-2.55	6.5	1.17
20-40	19	5.55	13.45	180.9	32.59
	6	5.55	0.45	0.20	0.04
	8	5.55	2.45	6	1.08
	3	5.55	-2.55	6.50	1.17
	2	5.55	-3.55	12.60	2.27
	3	5.55	-2.55	6.50	1.17
40 above	2	5.55	-3.55	12.60	2.27
	5	5.55	-0.55	0.30	0.54
	3	5.55	2.55	6.50	1.17
	2	5.55	-3.55	12.60	2.27
	1	5.55	4.55	20.70	3.73
	2	5.55	-3.55	12.60	2.27
Total	100				77.64

Here,

$$E = 100/18$$

$$= 5.55$$

Degree of freedom = n-1

$$= 18-1=17$$

The tabulated value of χ^2 of degree of freedom of 5% level of ignorance is 27.6 and calculation value is $\chi^2 = 77.64$. Hence, calculation value is greater than tabulated value. So the null hypothesis (H_0) is reflected at the 5% level of

significance. So, we conclude that there is significance difference between potential customer/consumers by age on promotion.

Sex wise analysis of consumers visited hotels the data are collected by different answer given by hundred persons. The question was asked what the causes to select this hotel are.

Sex	Good Service	Advertisement	Location	Personal Contact	Repeat	Others	Total
Male	25	9	8	5	4	3	54
Female	20	8	7	4	3	4	46
Total	45	17	15	9	7	7	100

Source: Field Survey 2010

We can use χ^2 test for above table

H_0 : There is no significance difference between potential consumers by sex on promotion.

H_1 : There is significance defense between potential consumers by sex on promotion.

Sex	O	E	(O-E)	(O-E) ²	(O-E)/E
Male	25	8.33	16.67	277.89	33.36
	9	8.33	1.08	1.17	0.14
	8	8.33	-0.33	0.11	0.01
	5	8.33	-3.33	11.09	1.33
	4	8.33	-4.33	18.75	2.25
	3	8.33	-5.33	28.41	3.41
Female	20	8.33	11.67	136.19	16.35
	8	8.33	-0.33	0.11	0.01
	7	8.33	-1.33	1.77	0.21
	4	8.33	-4.33	18.75	2.25
	3	8.33	-5.33	28.41	3.41
	4	8.33	-4.33	18.75	2.25
Total	100				64.98

Here,

$$E = 100/12 = 8.33$$

Degree of freedom $(n-1) = 12-1=11$

$$x^2 = (O-E)/E = 64.98$$

The tabulated value of x^2 of degree of freedom at 5% level of significance is 19.7 and calculation value is $x^2 = 64.98$.

Hence, Calculation valuation is greater than tabulated value, so we conclude that there is significance different between potential consumers by sex on promotion.

Table No. 4.9

Occupation Wise Analysis of Guest/Visitors on Promotion

(Only in hundred persons)

Occupation	Good service	Advertisement	Location	Personal Contact	Repeat	Other	Total
Businessman	22	10	7	3	2	5	49
Service holders	8	4	3	2	1	2	20
Student	3	3	3	1	1	2	13
Farmers	3	2	2	1	2	1	11
Others	2	-	2	-	1	2	7
Total	38	19	17	7	7	12	100

Source: Field Survey 2010

We can use x^2 test for above table

H_0 – There is significance difference between potential consumers by occupation on promotion.

H_1 – There is significance difference between potential consumers by occupation on promotion.

Occupation	O	E	O-E	(O-E)²	(O-E)²/E
Businessman	22	3.33	18.67	348.57	104.67
	10	3.33	6.67	44.49	13.36
	7	3.33	3.67	13.47	4.05
	3	3.33	-0.33	0.11	0.03
	2	3.33	-1.33	1.77	0.53
	5	3.33	1.67	2.79	0.84
Service holders	8	3.33	4.67	21.81	6.55
	4	3.33	0.67	0.45	0.14
	3	3.33	-0.33	0.11	0.03
	2	3.33	-1.33	1.77	0.53
	1	3.33	-2.33	5.43	1.63
	2	3.33	-1.33	1.77	0.53
Students	3	3.33	-0.33	0.11	0.03
	3	3.33	-0.33	0.11	0.03
	3	3.33	-0.33	0.11	0.03
	1	3.33	-2.33	5.43	1.63
	1	3.33	-2.33	5.43	1.63
	2	3.33	-1.33	1.77	0.53
Farmers	3	3.33	-0.33	0.11	0.03
	2	3.33	-1.33	1.77	0.53
	2	3.33	-1.33	1.77	0.53
	1	3.33	-2.33	5.43	1.63
	2	3.33	-1.33	1.77	0.53
	1	3.33	-2.33	5.43	1.63
Others	2	3.33	-1.33	1.77	0.53
	-	3.33	-3.33	11.09	3.33
	2	3.33	-3.33	1.77	0.53
	-	3.33	-1.33	11.09	3.33
	1	3.33	-2.33	5.43	1.63
	2	3.33	-1.33	1.77	0.53
Total	100				151.53

Here,

$$E = 100/30 = 3.33$$

Degree of freedom $(n-1) = (30.1) = 29$

$$x^2 = (O-E)/E = 151.53$$

The tabulated value of x^2 of degree of freedom at 5% level of significance is 42.6 and calculated value $x^2 = 151.53$. Hence, calculated value is greater than tabulated value. So the null hypothesis (H_0) is rejected at the 5% level of significance. So we conclude that there is significant difference between potential consumers by occupation on promotion.

4.5.1 Promotion Strategy and Sales

After the political peace process, both hotels invested on priority sector such as advertisement service delivery system, different scheme etc. gave the following sales.

Flow of Customers in H.H. and H. M.-2010

Month/09/010	Sales (Customers) H.H.	Customers (H.M.)
October	52	60
November	63	59
December	67	66
January	69	62
February	70	71
March	73	68
April	76	72

Source: Field Survey 2010

Let test the relation between promotions their sales, generally promotion refers their advertisement, service facilities, rate competitions and others. After the end of insurgency in the country, peace is restored, by which tourists feel secure to visit in Nepal. In the case of the study, both hotels mainly use the advertisement delivery system as a promotion strategy to enhance and increase the flow of tourist in the country.

We need to use the formula-

$$r = \frac{N\Sigma xy - \Sigma x \Sigma y}{\sqrt{[N\Sigma x^2 - (\Sigma x)^2][N\Sigma y^2 - (\Sigma y)^2]}}$$

Solution:

Sales of H.H. (x)	Sales of H.M. (y)	(x-69)	y(y-68)	xy	x ²	y ²
58	60	-2	-8	16	4	64
63	59	-6	-9	54	36	81
67	66	-2	-2	4	4	4
69	62	0	-6	0	0	36
70	71	1	3	3	1	9
73	68	4	0	0	16	0
76	72	5	4	20	25	16
		Σr=0	Σy=-18	Σxy=97	Σx ² 86	Σy ² 210

$$\begin{aligned}
 r &= \frac{N\Sigma xy - \Sigma x \Sigma y}{\sqrt{[N\Sigma x^2 - (\Sigma x)^2][N\Sigma y^2 - (\Sigma y)^2]}} \\
 &= \frac{7 \times 97 - 0x(-18)}{\sqrt{[7 \times 86 - (0)^2][7 \times 210 - (18)^2]}} \\
 &= \frac{679 - 0}{\sqrt{602 \times 1146}} \\
 &= \frac{679}{\sqrt{830.58}} \\
 &= 0.82 \text{ (+ve, very high)}
 \end{aligned}$$

That means the relation between sales promotion and sales is very high.

Gender and Sales-2010

Month	Jan	Feb.	Mar.	Ap.	May	June	July
Male	5	8	3	10	1	12	8
Female	4	8	2	7	2	10	7

(Source: Field Survey 2010)

Using formula:

$$r = \frac{N\Sigma x y - \Sigma x \Sigma y}{\sqrt{[N\Sigma x^2 - (\Sigma x)^2][N\Sigma y^2 - (\Sigma y)^2]}}$$

Solution:

No of Male (x)	No of Female (y)	xy	x ²	y ²
5	4	20	25	16
8	8	64	64	64
3	2	6	9	4
10	7	70	100	49
1	2	2	1	4
12	10	120	144	100
8	7	56	64	49
$\Sigma x=47$	$\Sigma y=40$	$\Sigma xy=338$	$\Sigma x^2=407$	$\Sigma y^2=286$

Now,

$$\begin{aligned}
 r &= \frac{N\Sigma xy - \Sigma x \Sigma y}{\sqrt{[N\Sigma x^2 - (\Sigma x)^2][N\Sigma y^2 - (\Sigma y)^2]}} \\
 &= \frac{7 \times 338 - 47 \times 40}{\sqrt{[7 \times 407 - (47)^2][7 \times 286 - (40)^2]}} \\
 &= \frac{2366 - 1880}{\sqrt{(2849 - 2209)(2002 - 1600)}} \\
 &= \frac{486}{\sqrt{640 \times 402}} \\
 &= \frac{486}{507.22} = 0.96 (+ve)
 \end{aligned}$$

From the above result we can say that the sales and gender are related.

4.6 Summary of Tourism Scenario 2010

The effectiveness of promotion of hotel industry can be seen by assessing the current status of tourist's inflow and its contribution on Nepalese economy.

The Nepalese hotel market is very small in comparison to international market. However in this small periphery, there seems to regular visit of the costumer. Consumers are firstly bringing to the hotels and hotels are providing the satisfactory service to them. According to the Sex wise analysis of consumers visited hotels, different age group inflow analysis of the tourists is satisfactory. Besides, NTB provide publication and production of audio visual materials to promote Nepalese tourism around the world. So, both the sample hotel are running and generating good and respective profit by enhancing the tourist business among other competitors. Some indicator about the good performance of the tourist business can be seen as follows:

4.6.1. Tourist Arrivals

A total of 5, 26,705 tourists visited Nepal during 2010 are representing an increase of 37.2% over the previous year.

4.6.2. Arrivals by Continent and Nationality

Tourist arrivals to Nepal for this year were recorded as follows: 3, 04,225 (57.8%) from Asia, 1, 40,630 (26.7%) from Western Europe, 37,182 (7.1%) from North America, 16,643 (3.2%) from Eastern Europe, 14,506 (2.8%) from Australia and Pacific, 6,486 (1.2%) from South & Central America and 1,350 (0.3%) from Africa. The highest number of arrivals for 2010 was from India, comprising 96,010 (18.2%) of the total. This percentage however represents Indian tourists arriving in Nepal by air only. The majority of tourists from overseas countries visiting Nepal were from UK 32,367 (6.1%), USA 29,783 (5.7%), P.R. of China 27,339 (5.2%), Japan 27,058 (5.1%), Germany 21,323 (4.0%) and France 20,250 (3.8%) respectively. The arrival of overseas tourists recorded an increase of 48.4% in 2010 comparison to 2009.

4.6.3. Purpose of Visit and Length of Stay

Although the largest number of tourists visited Nepal for recreational purposes 2, 17,815 (41.4%), adventure tourists posted the highest average length of stay in the country. The average length of stay was recorded as 11.96 days.

4.6.4. Mode of Transport

Visitors entering by air constituted 3, 60,713 (68.0%) of total arrivals whereas 1, 65,992 (32.0%) entered Nepal by land.

4.6.5. Arrivals by Sex and Age

Male visitors comprised 2, 90,688 (55.2%) of the total arrivals while female visitors accounted for 2, 36,017 (44.8%). Age group recorded the highest share by the 31 to 45 years 31.2% followed by the 46 to 60 years 24.8%.

4.6.6. Mountaineering

A total of 162 expedition teams were granted permission to scale different Himalayan peaks during 2010 out of which only 86 teams were successful in their attempt. The number of mountaineers was 1,128 while the expedition teams employed 4,823 persons.

4.6.7. Visitors to Pokhara and the National Parks

A total of 1, 23,944 non-Indian tourists visited Pokhara, which comprised 28.8% of the total non-Indian travelers. Similarly 2, 03,275 tourists visited different National Parks during 2010.

4.6.8. Revenue from Tourism

The gross foreign exchange earnings in convertible currency from tourism stood at US\$ 230.6 million, which represented an increase of 41.7% over the previous year, 2009.

4.6.9. Hotels and Hotel Rooms

The total number of tourist hotels recorded in 2010 was 619 of which 345 were based in Kathmandu valley and the rest in out stations like Pokhara, Chitwan, Nepalgunj, Birgunj, Dang, Bhairahawa and Palpa. The total numbers of rooms and beds available in these hotels were 12,482 and 24,681 respectively. Kathmandu accounted for 7,568 rooms with 14,933 beds where hotels outside the valley accounted for 4,914 rooms with 9,478 beds.

4.6.10. Travel, Trekking and Rafting Agencies

The numbers of travel, trekking and Rafting agencies registered in 2010 were 1,078, 872 and 94 respectively.

4.6.11. Trekkers

A total of 1, 01,320 trekkers were registered in 2010. Out of total 60,237 (59.4%) visited Annapurna area while those visiting the Everest and Langtang regions accounted for 26.5%) and 8,165 (8.1%) respectively.

4.6.12. Departure of Nepalese Nationals

A total of 4, 68,612 Nepalese national went abroad during 2010. This number is an increase of 12.8% over the previous year's departure figures.

4.6.13. Nepalese Arrivals

A total of 3, 51,870 Nepalese visited abroad during 2010. The major number of visited countries was recorded as 53,128 from Malaysia, 40,339 from India, 33,620 from UEA, 9,942 from Hong Kong.

4.7 Major Findings of the Study

The major findings from the primary and secondary data analysis of the study are as follows:

- i. In order to meet the objective of NTB focus on image building measures live getting good media coverage on destination through inviting as many familiarization trips of media, persons and tour operators as possible.
- ii. The promotional activities have been done mostly by foreigner themselves viz.: Mountain guides, previous summiteers and foreign media. In recent years, Nepal government (NTB) is taking a promotional policy by utilizing the channels of diplomatic missions and friendship association.
- iii. Most of them visit here for enjoyment and adventure and rest of different reasons as pleasure, business, pilgrimage etc. Mountaineering and trekking in Nepal are very popular for the visitors throughout the world.
- iv. The other major parties involves in promoting Nepal in the source market have been developed. The airlines including Nepal airlines. The hoteliers Nepal travel and trekking agent Rafting agent, individuals and overseas tour operators. Trekking in the Himalaya has receives a lot of publicity in western media tour companies sell the image of a comfortable adventure without any stress or suffering.
- v. There is significance difference between potential consumers by occupation on promotion.
- vi. The correlation between sales promotion and sales is very high ($=0.82$ (+ve, very high). It shows relation between promotions their sales; generally promotion refers their advertisement, service facilities, rate competitions and others.

- vii. In case of the preference of advertisement according to gender respondent found they like the musical advertisements and it is followed by high preference, good wording.. Altogether, they preferred the musical advertisements than the good wording advertisements.
- viii. It is an agency for promoting country's international image. The finding shows and highlights the foreign exchanges caring from tourism is precious.
- ix. This promotional sector for tourism is not only accounts for substantial amount of foreign exchange but also contributor to the resolution of unemployment problem.

CHAPTER-FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This chapter deals with summary of the study, recommendation to improve the situation and conclusion drawn by the researcher. After finding conclusion have been derived a few recommendation given at the last. The researcher found the significant role of promotion in hotel industry. On the bases of two hotels many statistical tools have given the important result, the effect of the promotional activities such as media coverage, personal contact, display; better service style and different package of course are the primitive factors for better sales. The statistical data collected are analyzed showed the sales in recent days as the situation has shifted to better and congenial environment for the development and expansion of tourism industry in Nepal. It can be hoped that private sector, government's body NTB will further enhance its performance for the overall development of tourism industry in the country with its immense potentials coupled with considerable degree of feasibility people have high expectations on tourism to fulfill the overarching goal of inclusive development and poverty alleviation. It can confidently say that it will take up new challenges posed by domestic expectations as well as rapidly changing scenario of tourism industry in the world.

5.2 Conclusion

Nepal is a country having many historical and mountains. If good promotional activities are done, the national revenue will increase. In the scarves of good promotion like publicity special mechanism and peaceful political climate, tourists are decreasing day by day. National revenue from tourism industry is reviving quickly after the restoration of peace in the country and is one of the most potential economic sectors of Nepal. Government need to undertake the

responsibilities to provide conducive policy and regulatory frame-work and to develop basic infrastructural facilities for tourism. Establishment of tourism board with majority of the board members from private sector by abolishing a full-fledged government department some years ago was a paradigm shift towards giving majors roles to the private sector for the development of tourism/sales. It is common phenomena that the government authorities strive for the expansion of the empire and look for more controlling roles but the establishment of the NTB was unique in that perspective. Basically hotels for tourism need to be sustain and should benefit the rural poor; otherwise this cannot be a main stream economic policy in a country like Nepal where providing employment opportunities and reducing poverty are the basic premises of all economic policies. In this context of my study, I believe that the institutions like NTB have a major role to play to develop tourism as main stream economic policy bringing considerable benefit to the nation and the society. Newer challenges may arise along with never opportunities. NTB is attentive to face those challenges and also willing to develop the Nepalese Tourism Industry in better and sustainable way.

The private sectors as well as government have the policy to expedite tourism diversification both in terms of product and place that would contribute in achieving more equitable income distribution of tourism industry so that benefits of tourism can be felt by people living all over Nepal making tourism as a vehicle for poverty alleviation. As a public private partnership national tourism organization, it will continue its rule of encouraging private entrepreneurship in tourism service sector as well as other potential areas in line with the government's periodic plans and policies. In this connection, I believe, in addition to its marketing and promotional strategy abroad, NTB should further focus its efforts in supporting and promoting village/community based tourism activities preserving our unique national and cultural heritage.

5.3 Recommendations

Nepalese hotel industries are the one of the major economic players in this present competitive market, situation. Nothing is perfect in the world, so it can be said the service provider basically in hotel industries for tourism sector have to do many things through the support of government as well. For the betterment of foreign visitors Nepal Tourism Board act was passed by the parliament in December 1996 and obtain the Government seal in February 1997. The board need to assign with the prime responsibilities of tourism marketing and destination management and it need subsequently carry out other regularly functions as well. It needs to provide plat form for vision drawn leadership for Nepal's tourism section by integrating government commitment with the dynamism of private sector tourism industries.

Government and NTB should-

- i. Develop and introduce Nepal as an attractive tourist destination in the international area.
- ii. Develop, expand and promote tourism enterprises and activities while working for the conservation of national, environmental and cultural resources of the country.
- iii. Work towards increasing the gross domestic product and foreign exchange income by means of promoting the tourism industry.
- iv. Create maximum employment opportunities by developing, expanding and promoting tourism enterprises.
- v. Establish a good and dignified image of Nepal in the international tourism community by developing Nepal as a secure, reliable and attractive destination.
- vi. Conduct action-oriented research related to tourism in order to provide quality service to tourists for the development of tourism enterprises.

- vii. Assist in establishing and developing institutions necessary for the development of tourism enterprise.
- viii. Work toward providing quality service to tourists visiting Nepal.
- ix. Promote and develop institution for the promotion of tourism industry.
- x. Develop Nepal as tourism has for South Asia.

Private sector/Hotel Industries should work for future plans-

- i. Branding for proper positioning
- ii. Product development and diversification
- iii. Rural home stays
- iv. Destination image enhancement
- v. Promote foreign direct investment
- vi. Regional countries tie-up/collaboration through SAARC/BIMSTEC.
- vii. Massive media campaigning
- viii. Value added programs with airlines/Hotels/Agents
- ix. Re-enforcement in FAM trips from major markets.
- x. Product diversification and regional balance in preparing calendar of events.
- xi. Promotion of spiritual tourism
- xii. Linking many historical places and religious plans and Buddhist sites with India.
- xiii. Improved market intelligence for better decision making.
- xiv. Use of information technology for information dissemination and marketing.

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Appendix I

Administered Questionnaire Survey of Hotel Industry Questionnaire

S. No.

Date:

Name:

Location:

No. of employee: Male..... Female.....

Temporary:

Permanent:

Q.1. Which is the main market for your product?

USA Japan Canada UK.... others (specify)

Q.2. Which is the potential market for pashmina goods in future?

1. 2. 3. 4.

Q.3. What are the comparative advantages of Nepali pashmina with rival countries pashmina goods?

1. 2. 3.

Q.4. What strategy should be adopted by pashmina industry for it's sustainability in the context of Free Trade?

- i) Focus strategy
- ii) Differentiation strategy
- iii) Low cost leadership strategy
- iv) Others (Specify)

Q.5. How's your business 2 years earlier and now?

.....

Q.6. How do you want to see your business 2 years from now?

.....

Q.7. Which of these problems you find most prominent in your business?

- a) Availability of raw material.
- b) High cost.
- c) Foreign labor dependency.
- d) Buyer dependency.
- e) Poor logistics.
- f) Unsupportive Govt. policies.
- g) Poor R & D support.
- h) Supplier's reputation

Q.8. Are there any other problems besides those mentioned in question 7?

- a) Bad reputation of chyangra cashmere
- b) Private sector entrepreneur's unity
- c) Access to market promotion
- d) Market promotion programme
- e) Inconsistent quality of cashmere yarn
- f) Others (Specify)

Q.9. What do you think the possible solutions to these problems?

- a) Market promotion and image building.
- b) Training farmers and textile engineers.
- c) Encouragement to private sector setting spinning mills.
- d) Investigate designating special chyngra zones.
- e) Undertake separate studies on the cashmere knitting sector
- f) Any others (Specify)

Q.10. Any comments/suggestions to

- a) Government
- b) NPIA
- c) Others

Thank You.