

## CHAPTER – I

### INTRODUCTION

#### 1.1 Background of the study

Nepal is one of the small but richest countries in the world in the in term of biodiversity due to its unique geographical position and altitude variation. Nepal is a located at North of Indian sub continent and spread in an area of 1, 47,181 sq. km. Nepal is blessed with snow capped mountains which made it geographically impressive. With very famous world known icon Mt. Everest with the altitude of 8,848 meters. it had placed Nepal in front of the world in terms of natural beauty surpassing the rest. It lies between 80 4' to 84 12' east west and width of 193 km. north south. It is situated between two big nations, India at South and China at North. Nepal has been divided into three regions: Mountainous, Hilly and Terai. Mountain covers 15% of the total area of Nepal while Hilly region covers 68% and Terai covers the rest 17%. Administratively, Nepal is divided into 5-development region,14 zones and 75 districts. It is one of the world's best places to explore as religious, culture and natural resources. Because of the presence of fine blend of art, culture and tradition along with natural beauty, with varieties of beauty and pleasure to offer. Nepal has a great potential to attract all types of tourist from all over the world. The main attraction of the tourist due to having following ingredients: Nepal's natural attraction Resulting from physical, historical and cultural monuments and temples.<sup>14</sup> Art treasure and festivals and its wildlife,<sup>15</sup>Himalayas and their scenic beauties are also the prominent attraction to thevisitors,<sup>16</sup> The land of yeti and land of Buddha,<sup>17</sup> Peaked mountain river and lakes conductive climate and mysterious charm. Tourism is multifarious industry, which promotes cottage industries, trade and other series sector. It is the second largest sources of foreign exchange earning. The total percentage change of tourist arrivals from FY 2002/03 has increased by 22.7% and the foreign exchange earnings during the FY 2002/03 increased by 80.5%.In 2002, the total number of tourists visiting Nepal reached 275463. Tourism has not been long. Since Nepal was opened to foreign tourist. But the tourist inflow rate of Nepal has been increasing day by day. According to the propose of visit, in 2002,110143 tourist visit Nepal for holiday pleasure, 59279 for trekking and mountaineering, 16990 for business, 12366 for pilgrimage, 17783 for official and 58907 for others. Considering the growing importance of tourist; government had formed different plan , policies and

implementation strategy provides different facilities and incentives to develop the tourism sector. Besides these the institutional arrangement like tourism council, ministry of tourism and civil aviation, department of tourism and tourism development board have been created for its development. "Visit Nepal Year 1998" was one of the major steps by government in other to identify Nepal as one of the special tourist destination in the world. The main objectives of " Visit Nepal Year 1998" were to inflow of tourist to 5 million; attract quality tourists and increasing their expenditure. According to the government version the "Visit Nepal Year 1998" was successful in attracting more tourists. Similarly the declaration of "2007" as the "destinations Nepal year" is aimed to attract more tourists in coming years. Likewise,"Visit Nepal Year 2011" is current major steps to identify Nepal as wonderful destination in the world. The slogan of this is "*sabaivanda aglo shikhar sagarmatha vayako desh pani Nepal saivanda hocho manish vayako desh pani nepal*". The main objectives of "visit Nepal Year 2011" is to inflow ten laks tourists, increasing their expenditure. In terms of development, Nepal is one of the least development countries with per capita income of US \$ 269 (Economic Survey 2003/04). The recently per capita income of nepal is US\$ 484 (CBS 2008/09). According to this, the economic growth in GDP is 3.9% in 2008/09. Still 38% of people are below poverty line. The majority of population leaves in rural areas. The major economic activity is agriculture and the rest include manufacturing, trade, commerce and services. The economy is based in agriculture and more than 60% of national income is generated from this sector. However the dependency in monsoon and use of traditional means of production are the major constraints of agriculture. The agriculture is incapable of accelerating desired level of economic development. Other main sources of foreign currency earning are merchandise export, tourism service and remittance from abroad. Today, tourism is regarded as the world's largest and fastest growing industry. It has playing vital role in socio-economic sector of the most developed as well as developing countries of the world. So, most of the nations are attracted to this industry and trying their best to strengthen economic life by promoting tourism in the country. Tourism has been playing an important role as the source of foreign exchange; as an industry creating employment opportunities and generating economic growth of the country. (Shrestha, 2008 :157)

There are enormous tourism potentialities in Nepal due to its geographic situation, historical background and socio cultural wealth. Tourism industry has been playing a

significant role in the country's economy. Himalayan scenario is also the prominent attraction for tourists. The history of Nepalese tourism can be found from ancient times. People visit Nepal from different countries for exchange of culture and for pilgrimage. Nepal is the country of world famous icon Mount Everest, Land of Lord Buddha, Land of Yeti. Its various snow peaked mountains, Rivers and lakes, conducive climate and mysterious charms are inviting the visitors throughout the world. Culture, religion and natural resources are 3 major attractions of Nepal. It offers nature based tourism activities like trekking, mountaineering, rafting and wildlife as well as culture and people based and manmade attractions.(Shrestha, 2008:6).

Nepal is a country where land route follower tourist feels tremendous relief to be here and find peaceful surrounding and good environment. Perhaps, it may be due to friendly Nepalese people and hospitable by nature, the tourist will have no difficulty in adjusting in general. These all are great attraction to tourist. Considering all these potentialities, there is adequate prospect to develop tourism in the country. Tourism is a multi-faceted industry, which promotes cottage industries, trade and other services sectors. It is also regarded as a labor-intensive industry and it provides good employment opportunities at different levels. Tourism is one of the main sources of foreign exchange earnings for Nepal. Overall, tourism plays a vital role in the process of national development, which is a boon to a country like Nepal with other limited resources. (Shrestha,2009:69)

### **1.2 Evolution of Tourism in Nepal:**

Tourism is rapidly growing worldwide. In the past few decades, the popularity of tourism has increased phenomenally. Though not in the modern sense of the expression, the evolution of the tourism industry dates back to ancient times. Traveling, in the remote past, was mandatory because the survival and existence of primitive men depended on it. However, the advent of civilization brought about changes in human perception and the focus of traveling shifted from one of necessity to a desire for adventure (Ranjit 1976:17). The introduction and development of the modern means of transportation and augmenting traveling activities (Shrestha, 1980:29).

The rapid growth of the tourism in the world started only after the Second World War 1942. The realization for the need of development, in almost all countries, increasing

liberalization of foreign exchange and travel restrictions, liberal policy of governments, the aspiration for international brotherhood etc. are the main factors contributing for the rapid growth of tourism.(Shrestha, 1978:22).

Other factors responsible for the enormous growth of international tourism are: availability of leisure time with the people, the rapid growth of population, the advent of Jet travel, the creation of low cost means of transport and communication, low cost hotel and restaurants, retirement age, desire to know and see the unique life styles, traditions and cultures of people of different places, rising standard of living and so on. In the developed countries, tourism agencies are encouraging the people to travel by providing schemes of incentive travel. Agencies also provide credit plans to the people for traveling on installment basis as, “fly now pay later” arrangement (Encyclopedia Americana, 1978: 891). All these development have led to the expansion of international tourism movement during the last few decades. Tourism is a human activity, which has proved important for all nations since it fosters international brotherhood and understanding. In Nepal, the modern concept of tourism is a recent phenomenon. Although the inflow of Visitors for different purpose was there for very early periods, the study of the inflow of foreign visitors to Nepal can be classified in the following three stages. (Shrestha, 2006:148).

- a. Historical Review of Tourism in Ancient Nepal.
- b. Tourism after Unification of Nepal.
- c. Tourism after 1950

**a) Historical Review of Tourism in Ancient Nepal:**

Before the unification of Nepal by late king Prithivi Narayan shah, tourism was closely related to religion, politics and business. Many visitors, namely from the neighboring countries of China, India and Tibet visited Nepal for religious purpose. Among are not able persons. But "Manjushree" is the first visitors in Nepal to make the human habitation either India or China. During the time of Lichhavi rulers the famous Chinese traveler Huich - Tsang and also Chinese envoy, Li-Y-Pio and Wang Hiuentse visited Nepal with his companions. Tourists have arrived in some form or the other from time immemorial in Nepal. In this context, first of all, it is pertinent to illustrate a legend. As far as the legend goes, ‘Manjushree’ had made the valley fit for human habitation by cutting the Chobhar

Hill of Kathmandu Valley with his sword and thereby letting the water flow out from within the valley (Sharma, 2033: 56) and (Bhandari 2030:17). Although 'Manjushree' is said to have come either from India or China, yet he is regarded as the first tourist ever visiting Nepal. During the early historical era too, famous visitors have been recorded as having visited Nepal. The Great King of ancient India, Ashoka too had visited Nepal. King Ashoka visited Lumbini, the birth place of Lord Buddha, and built the Ashok Pillar. Then, He came to Kathmandu valley and built same pillar in different places (Satyal, 2000:86).

In Nepalese history, the Lichchhavi period is regarded as being of great significance from the tourism viewpoint. The Lichchhavi period started in 400A.D. During that period, there had been enormous progress of art and culture in the country. In particular, architecture, paintings and sculpture were tremendously developed, while famous places like Kailashkut Bhawan, Managriha (Sharma, 2038: 126) and Bhandradhiwas Bhawan (Shah, 2000:29) etc., were also built in that period. During that period, art and culture was developing in Nepal inspired the Chinese travelers to come to Nepal and write about Nepal (Satyal, 2001:38).

The marriage relations between Prince Bhrikuti, daughter of king Amshuverma, and Srongchang Gampo, the king of the northern state Lhasa (present Tibetan Autonomous Region of China) in 592 A.D. gave rise to the establishment of special relations between the two countries (Sharma, 2038: 101). As a result, it was natural for natural people of those countries to travel from one country to the other. Thereafter, Nepal was developed as the only route for a long period to visit China via Lhasa and travel from China to India via Lhasa. This led to the increase in arrivals of foreigners in Nepal (Sharma,2038:101 and Shakya 2054:105)

Against this background, foreign tourists are found to have been attracted and visited Nepal from time immemorial. During those days, foreign tourist visiting Nepal were Chinese, Tibetan and Indians. And they used to visit Nepal specially with religious and commercial motives. Nepal was a famous pilgrimage for both the Chinese and Indians. The Chinese and Tibetan religious groups used to visit Lumbini, the birth place of Lord Buddha; while the Indian religious people used to go to visit holy places like Pashupatinath, Baraha Kshetra, Muktinath, Gosaikunda etc. Similarly, Nepalese traders used to go to Lhasa for business purposes and the Tibetan traders too were found to have visited Nepal for their business

purpose. As such, religious and trading sectors are found to have contributed significantly to the development of the tourism in Nepal.

**b) Tourism after unification of Nepal.**

King Prithivi Narayan Shaha united the scattered principalities into unified Nepal in 1767 A. D. (1825 B. S.), thus giving a new dimension to travel and tourism in the country's perspective. After the unification of Nepal, visitors from Britain came to Nepal for political purpose. Among the Knox, Hamilton and captain Kirkpatrick were notable persons. Although Kirkpatrick had come to Nepal as a military official to collect facts about Nepal, his book about Nepal "An Account of the Kingdom of Nepal" helped to introduce Nepal to outsiders. During the region was vertically closed for outsiders, especially Europeans in order to preserve unity and independence. After the treaty of Sugauli between the Nepal government and the British East India Company in 1816 A. D. (Gautam, 2052: ka), a British Resident, Dr. Wallich, was appointed in Kathmandu for developing Nepal's relationship with British India. Rana Prime Minister Junga Bahadur Rana's visit to Britain in 1850-51 A. D. brought the mysterious and fascinating Kingdom of Nepal into the limelight in Europe. During that time, several botanists and naturalist including Sir Brain Hodgson FRS, and Sir Joseph Hooker FRS had visited Nepal. Similarly, King George V and the Prince of Wales came to Nepal for hunting tigers in the Terai forests in 1911 and 1921 respectively (Satyal 1978:1).

The earliest published record of foreign visitors to Nepal is to be found in Percival London's book 'Nepal', (Volume 11, Page 299 to 305) where 153 Europeans mostly British are listed to have visited Kathmandu in a period of 44 years from 1881 to 1925 (Gurung 1978:1).

Despite these developments, the Rana autocracy isolated Nepal from external influences for a hundred and four years. During that period, Nepal was a 'forbidden land' for foreigners except for the small traders and Indian pilgrims.

### c) **Tourism after 1950**

1846: One of the important dates in Nepal's history: it marked the advent of the "RANA" regime that lasted until 1950; 104 years during which the successive Kings of Nepal, although formally remaining on their throne with all the external decorum were in fact relegated to purely nominal and honorific role, deprived of all power and authority. During that period, Nepal was a forbidden land for foreigners except for the small traders and Indian pilgrims.

After the advent of democracy in 1950, Nepal started to develop the different aspects of social, economic and political life. Since that time, the door of Nepal has remained open to foreigners with the desire to visit Nepal in order to develop the tourist industry in the country. The role of mountain tourism is very significant in the overall tourism sector. In fact, tourism in Nepal began with mountain tourism. After the successful ascent by French nationals Maurice Herzog and Louis Lachenal of Mt. Annapurna 1 (8091m.) on June 3, 1950 many mountaineers were attracted to Nepal. It was the first successful ascent among the 14 over 8000m. Peaks of the world. The successful ascent of Annapurna 1 is significant in this respect. Three years later, in 1953, the successful victory over Mt. Everest (8848m.) by Edmund Hillary and Tenzing Norgay Sherpa, Nepal was introduced all over the world. With the granting of membership of the United Nations Organization (UNO) in 1955, Non-aligned Countries' Group since its very inception and the membership of different international agencies, it was easy for Nepal to be introduced in the world arena.

During this period, Nepal made concrete efforts to develop tourism. It created necessary institutional infrastructure needed to promote tourism beginning from the establishment of the Tourism Development Board in 1957. Nepal Tourism Board in 1997, which, however, has yet to function to the desired extent. First of all, Royal Hotel was established in 1955, then, Tourism Development Board was established under the Department of Industry in 1957, which was upgraded to department level in 1959. Like wise Royal Nepal Airlines Corporation (RNAC) was established in 1958, Shah and Rai Pvt. Ltd. Travel agency in 1959 and mountain travel in 1964. In 1959, Nepal joined the membership of International Union of Official Travel Organization (IUOTO) and Pacific Area Travel Association (PATA) in 1963. The number of foreign visitors to Nepal has been increasing at a rather high yearly rate since the entrance in these international organizations. The total number

tourist's arrival was 52930 which was the increase of 8.6 times. The main factors for such substantial increase in the influx of the tourists were the intensive promotional activities, expansion of the hotel accommodations, modern banking system, the improved transport and communication facilities, and increase in the touristic resorts and so on.

Nepal Tourism Development Committee was established in 1969 for formulating the tourist policy as well as to draw a long-term development plan for this sector. This committee is composed of a member of the Royal family along with the representatives of the important executing ministries, travel and hotel industries. Reorganize of this committee was made with 10 members under the Chairmanship of HRH, Prince Himalaya Bir Bikram Shah, in mid, 1971. To enhance tourism properly in the country, Separate Ministry of tourism was set up in 1977. Further plans and policies were also defined for creating conducive environment for the growth of the tourism sector. In this respect, the notable efforts were the Tourism Master Plan 1972, Review of the Master Plan 1984, and defining of Tourism Policy in 1995. In between, high-level bodies like Tourism Promotion Committee and Tourism Council were formed to create the necessary paraphernalia. These activities contributed to generate important market for Nepalese tourism and the industry marched ahead in a significant manner. In 1999, Government decided to close Department of Tourism and its works are transferred under Tourism Ministry and Nepal Tourism Board.

### **1.3 Policies and Program of Tourism in Nepal**

Analysis of the event related to development of tourism in Nepal suggests that in the decade of nineties there have been much more conscious efforts to globalize the economy of Nepal. However, here we are taking up only some important events that reflect upon globalization of tourism related activities in Nepal are as follows:

1. Formation of Tourism Council (1992)
2. National Civil Aviation (1993)
3. Tourism Policy (1995)
4. Visit Nepal Year (1998)
5. Destination Nepal 2002-2003.
6. Visit Nepal Year (2011)

### **1. Tourism Council (1992)**

Tourism Council is a main body for tourism ministries and department, which attempt to integrated and consolidated development of tourism. This main body is chaired by Prime Minister who has 30 members. It is expected that this main body will help to remove obstacles during the process of implementation, provide correct directives and formulate policies by bringing about coordination among different ministries and departments for the development of tourism industry. But the major problem of the tourism council is that it cannot use its executive power and attention to implement its well intent and well planned programs. If this problem is removed, it provides immense help for galvanizing the tourism sector Vis-à-vis the Nepalese economy.

### **2. National Civil Aviation Policy (1993)**

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

- ) To develop international air transport service
- ) To encourage private sector in airline service
- ) To develop and expand air transport and air ports in the remote areas of the country.
- ) To encourage recreational, adventure and research oriented air facilities.

### **3. Tourism Policy (1995)**

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

### **4. Visit Nepal Year 1998**

This was first national campaign in the history of tourism. The central theme of the campaign has been “a sustainable habitat through sustainable tourism” similarly its marketing slogan was “A world of its own” which reveals that there is a ‘world’ in Nepal

that needs to be discovered in its natural resources, living cultural heritage and hospitable host.

Some major objectives of Visit Nepal Year 1998 were:

- ) To raise the image of Nepal throughout the world.
- ) To develop tourism as a main economic sector of the nation by establishing its interrelation with other sectors of the country.
- ) To protect and conserve the natural and cultural centers in integrated form.
- ) TO diversify the tourism product.
- ) To develop Nepal as one of the important tourist destination.
- ) To raise the public awareness about tourism.
- ) To increase the volume of domestic tourism.
- ) To increase the length of tourist to 13 days and their expenditure to USD 50.
- ) TO improve the quality of tourism.
- ) To welcome 5 Lakh tourists.

VNY '98 helped Nepal to rebuild its image internationally, and also contributes to introduce professionalism in tourism in general and helped to raise awareness among the Nepalese people about the importance of tourism. Although it was aimed to welcome 5 lakh tourists in Visit Nepal Year 1998, only 4.63lakh tourists arrived which was also good result of this campaign.

#### **5. Destination Nepal Campaign-DNC (2002-2004)**

As the impact of VNY, 'Destination Nepal 2002-2004' had been planned to start from December 2002 and ended on December 2004 as a two year program. The international year of mountain 2002, International year of eco-tourism 2002 and visit south Asia 2003 were also integrated under this campaign. It was implemented with the partnership between the government and private sector to promote tourism industry and create awareness among the people. The main objectives of DNC 2002-04 were:

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

Nepal has started to pay more attention to this industry. However, it does not seem that proper program and planning has been made and the industry may not be professionally managed as is needed for the sector's proper development.

Besides, its true potential can be realized only by proper marketing strategies and in this respect; Nepal does not seem to have extended adequate attention. Nepal has ample opportunities to develop international tourism as it consists of rich natural resources, beautiful landscapes and bio as well as cultural diversities. Thus tourism can be a good source of income for developing country like Nepal. Keeping in view of those facts, Nepal government has taken important steps and made long-term plans, policies and strategies for development of tourism in Nepal. In this context, Nepal Tourism Board Act 2053 was passed by both the houses of the parliament in December 1996, and obtained the Royal Seal in February 1997. The Board designed as a partnership between the HMG and the private sector travel industry of Nepal has been empowered to work, as a National Tourism Organization starts 31<sup>st</sup> of December 1998.

The Board has certain statutory responsibilities assigned by the Nepal Tourism Board Act 2053 are mentioned below:

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

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

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

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

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

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

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

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

#### **g) Nepal Tourism Year 2011**

“Government of Nepal in consultation with Nepalese travel trade sector and concerned organizations/experts decided on October 25, 2008 launched a national tourism campaign ‘Nepal Tourism Year 2011’. This announcement reflects the government’s anticipation to bring into Nepal at least one million international tourists by the year 2011 and tourism industry’s exigency to organize a tourism promotion campaign for wider impact. In order to facilitate tourism entrepreneurs and tourists, Nepal government has established several regional level offices and has decentralized authorities. Nepal Tourism Board, Pokhara Tourism office and immigration office of Pokhara in this regard.

With the badge of adventure destination glittering and the adage “Atithi Devo Bhava” (Guests are Gods) embedded in our culture, the portfolio of tourism products never cease to mesmerize the visitors. The unparalleled cultural, geographical, ethnic and bio diversities of the country allure visitors to Nepal time and again which truly substantiates the spirit of Nepal tourism brand ‘Naturally Nepal, once is not enough!’” (NTB; 2008: 12)

“The concept of Nepal Tourism Year 2011 envisions harnessing these opportunities and strengths and bringing together the commitment of the government, expertise and experiences of the organizations like Nepal Tourism Board, aptitude and dynamism of the private sector and communities for further tourism development in the country. Representation and active participation from the major political parties, members of the Constitution Assembly and Right groups is always taken into prominence in order to make the campaign inclusive and participatory in modus operandi and effective in result. The campaign will also focus on mobilizing the networks of the Non-Resident Nepali (NRN) communities, Nepalese diplomatic missions abroad, INGOs and NGOs, airlines and national and international media. Similarly, friends and well-wishers of Nepal, tourism academicians and celebrities will be approached in order to highlight the campaign internally as well as internationally.” (NTB; 2008: 17)

## **Institutional Arrangements**

### **A. Main Organising Committee**

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

### **B. Secretariat**

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

### **C. Sub-Committees**

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

- a. Policy Advocacy
- b. Physical Infrastructure Coordination
- c. Product Improvement and Development
- d. Events, Festivals and Activities
- e. Publicity and Promotion
- f. Human Resource Capacity Building
- g. Transport and Accessibility
- h. Resources Mobilization and Monitoring

### **Objectives**

- a. Establish Nepal as a choice of premier holiday destination with a definite brand image.
- b. Improve and extend tourism related infrastructures in existing and new tourism sites.
- c. Enhance the capacity of service providers.
- d. Build community capacity in the new areas to cater the need of the tourists.
- e. Promote domestic tourism for sustainability of industry.

### **Quantified Targets**

- a. Achieve one million international arrivals.
- b. Encourage additional investment on tourism infrastructures by 50%.
- c. Maintain the record of domestic tourism.

### **Strategies**

- a. Focusing marketing and promotion activities on regional and emerging markets.
- b. Exploration of new tourism potential market segments.
- c. Highlighting the tourism brand: Naturally Nepal once is not enough!
- d. Enhancement of air connectivity with the regional, emerging and potential markets.
- e. Lobbying with the government for sufficient budget allocation to improve and expand tourism related activities infrastructures in existing and new tourism areas.

- f. Attract and encourage private sector for investment in tourism sector.
- g. Capacity building of human resources involved in tourism.
- h. Lobbying with the government for effective intervention in domestic tourism development eg. Amendment in the Transportation Act.
- i. Promotion of Domestic Tourism by endorsing Leave Travel Concession (LTC) by the government.
- j. Organize major sports/events in association with tourism associations and stakeholders throughout the NTY 2011.( At least one event in a month
- k. For the sake of sustainable development of the tourism industry, environmental protection programmed shall be carried in an effective and integrated manner.
- l. Priority shall be given to new tourist spots particularly rural tourist spots having strengthened existing tourism infrastructure and facilities.

#### **1.4 Statement of Problem**

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

Tourist arrival in Nepal is growing steadily. However, her place in world tourism is low. Even in comparison to the countries of South Asia, which itself happens to be none too encouraging. Nepal has only a lowly position (Anand and Bajhracharya, 1985:3). Asian countries have increasing outbound tourism by which Nepal can benefit a lot. But Nepal lacks appropriate and conducive tourism policies and strategies. There is always big problem of air-seats and air connectivity. The Government of Nepal has a very limited

promotional budget and is short of expert staff. Most marketing is done by the Nepalese private sector and by foreign tour operators. Consumer research based marketing strategies are yet to be developed. Decade long insurgency inside the country had made negative publicity of the country consequently tourist arrival has gone down despite the continuous effort of Nepal tourism Board and private sector of promoting Nepal. The travel trend has shown that Nepal's major tourism market is Europe & USA. The tourist arrival from these market holds negligible percentage if its compared to tourist arrival figure from same market to other Asian countries like India, China, Malaysia, Thailand, Singapore, Srilanka. This unbalance travel trend signifies that Nepal's tourism promotion and marketing efforts is not effective and well enough to meet the competition with above mentioned tourism destinations.

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

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

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

### **1.5 Objectives of the Study**

Tourism activities are become indispensable from the viewpoint of country's economy. The country with high Himalayas holds great potentiality to establish tourism as major industry. So, Nepal can attract more & more tourists from its neighboring countries through its effective marketing & promotion campaign. The main objective of this study will be to assess the marketing & promotion campaign of NTB and other private sector in global tourism market. The objectives of this study can be mentioned as below:

- ) To access the tourism market of Nepal.
- ) To access the marketing and promotion of Nepal Tourism Board and other private sector in global tourism market.
- ) To access the impact of tourism in the Nepalese economy.
- ) To evaluate the environment necessary for tourism development in the country.
- ) To access and evaluate the existing promotional mechanism and efforts and identify areas of improvement needed.
- ) To identify and analyzed the major problem of tourism development in Nepal..
- ) To recommend specific suggestion for improvement of tourism development in Nepal.

### **1.6 Limitation of the Study**

- ) The study focuses in the general assessment of marketing trends of Nepalese tourism sector in growing global market.
- ) The study has used secondary data from different tourism sectors.

### **1.7 Organization of the Study**

This research study has been organized into five chapters:

**Chapter I:** Introduction

**Chapter II:** Review of Literature

**Chapter III:** Research Methodology

**Chapter IV:** Presentation and Analysis of Data

**Chapter V:** Summary, Conclusions and Recommendations

The introduction chapter covers background of the study, statement of problem, objectives of the study, significance of the study, limitations of the study and organization of the study.

The second chapter focuses on review of literature. It contains the conceptual framework and review of past research study related with tourism marketing in Nepal.

The third chapter deals with the research methodology to be adopted for the study consisting research design, sources of data, data gathering procedure, population and sample, research variables and data processing procedure.

The fourth chapter deals with, presentation, analysis, interpretation and major findings on the basis of secondary data collected from various sources.

The last and fifth chapter covers the summary, conclusions and recommendations based on major finding of the study.

## CHAPTER – II

### REVIEW OF LITERATURE

#### 2.1 Conceptual Framework

##### 2.1.1 Development of Tourism in Nepal

The word "tourism" so popular today is derived from of the French word Tourism that originated in the 19th century. Tourism means journey from place to place for pleasure. Tourism has been defined in various ways. Some authors describe tourism as a system consists of four interrelated parts-market, travel, destination and marketing. In general Webster's new international directory defines tourism is "Traveling for recreation."According to Edmend Picard, professor of economics at university of Brussels, "The function of tourism is to import currency from foreign resources into the country. Its impact is what tourist expenditure can do to the different sector of the economy and in particular the hotelkeepers". In 1981, according to international association of scientific exports on tourism (IASSET)and tourism society Cardiff "Tourism may be defined in term of particular activities selected by choice and under taken outside the home environment. Tourism may or not involve overnight stay away from home".

Similarly, "The history of Nepalese tourism can be found from ancient times. People visiting Nepal from different countries of the world for the exchange of culture and for pilgrimage were popular. The recorded history of Nepal begins with the Lichhavis who came to power in 400 A.D. With them the nation began to prosper in art, culture, painting, architecture and sculptures. The Mallas, who succeeded them, gave a new turn to this prosperity by transforming the small kingdoms of Kathmandu, Patan and Bhaktapur into '*Open air Museum of art and Architecture*'. But efforts to earn foreign currency to accelerate development through tourism were nil, and there was no link between tourism and national economy. After centuries, the democratic revolution of 1951 AD, marked a new era in Nepalese Tourism for all foreign visitors. Nepal opens its door to international tourists after the dawn of democracy." (Chand; 2000: 27) For convenience, development of tourism in Nepal can be remembered by dividing it into three phases.

### **2.1.1.1 First Phase of History of Tourism before 1950**

“The ancient history of Nepal is the history of Kathmandu valley and the ancient history of tourism is also related to the Kathmandu valley. The Kathmandu valley took birth when a visitor name Manjushree came here from China, cut the edge of the hill in Chovar with a sword and emptied the water of the lake. After this in 249 BC, emperor Ashok of India visited Nepal as a pilgrim and erected a Monastery entitled '*Charumati Bihar*', and also four Buddhist stupas in the four corners of Patan. During the Lichhavi period, most of the foreigners visited Nepal as pilgrims. At this period, the great emperor of Tibet named Shrangchong Gampo visited rule of King Anshuvarma and married the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts the Kailaskut Bhawan and Mangriha of Lichhavi dynasty.” (*Dhakal; 2001: 35*)

“Similarly, around 6<sup>th</sup> century, in the Kirati Regime, some foreigners visited Nepal as pilgrims in Malla Regime there was a significant development in art and culture, and then rulers of Nepal were more or less interested in greeting travelers who entered into the kingdom of Nepal as pilgrims. Krishna Mandir of Patan, 55 windows palace of Bhaktapur, Pashupati Temple, Swayambhu and Stupas of Buddhist were built during this period.” (*Dhakal; 2001: 36*)

“After the unification, the rulers of Nepal had not made any attempt to develop tourism in Nepal on the contrary the policy of the government was not let tourist enter into Nepal, except in some special cases. In the Rana's regime for 104 years the policy of the government was not favorable for tourism development. Only during the great festival of Shivaratri, permission was given to Indians to enter into Nepal as pilgrims. Till 1950 only 100 foreigners visited Nepal.” (*Pokharel & Karki; 1998: 65*) The restrictions on tourists to enter into Nepal during the Rana regime of 104 years adversely affected tourism in Nepal. As a result there was a lack of foreign exchange earning from tourism for the development of infrastructure in the country.

### **2.1.1.2 Second Phase: History of Tourism from 1950 to 1990**

“A great political change took place in 1951 in Nepal. The Rana government was overthrown from power and Nepal got a new birth i.e. democracy was brought in the country. Thereafter, a rage of development in the country, internal as well as external

communication and transportation tasks began to start. Many foreign countries started to help for the development of Nepal. In actual sense the promotion of tourism started more or less only in the beginning of 1960s. The then government made attempt to the development of tourism with liberal tourism policy relatively than there before. In 1965, John Copman, who was running 'Tree Top' in Africa, came to Nepal and being impressed with dense forest and wild animals started 'Tiger Top', first Jungle Resort. Similarly, James Robert, Ex-British Army-man who was in British India came in contact with Nepalese Gorkha soldiers and with their links came to Nepal and introduced trekking tourism by opening company named 'Mountain Travel' in 1965, which still runs to this days. And Edmund Hillary introduced and promoted mountaineering in Nepal.” (*Ghimire; 1995: 14*)

“In 1953, Tenjing Sherpa and Sir Edmund Hillary succeed in climbing the world’s highest peak Mt. Everest. After getting membership to the UNO in 1950, Nepal gradually became known to the world. In the auspicious occasion of the coronation of His Majesty King Mahendra in 1956, government head and diplomat from different countries of the world visited Nepal. After these travelers, political and commercial delegation began entering in Nepal. Diplomatic, cultural and economic relationship with different countries were set up, with increasing diplomatic relationship with different organizations like UNO, WHO, UNESCO, FAO etc. a congenial atmosphere was created in Nepal for tourism development.” (*Bhandari; 2000: 28*)

“A new era of Nepalese tourism started in November 1957 when a ‘Tourism Development Board’ was established under the chairmanship of minister for trade and Industry. In 1958, this ‘Tourism Development Board’ has transferred to Ministry of Public Works, Transportation and Communication. In 1959, this has attached to the ‘Department of Construction and Communication Works’, and directorate of tourism were opened. Similarly, 'Tourism Information Center' was established this year. In such organizational development process, in 1961, the government decided to established 'Department of Tourism' with the establishment of this department, the country got an opportunity to obtain membership of various international tourism development institutions such as International Union of Official Travel Organization (IUOTO), South Asian Travel Commission (SATC), The Pacific Area Travel Association (PATA), and American Society of Travel Agent (ASTA).” (*Bhandari; 2000: 32*)

“In 1970, Nepal Tourism Development Committee was constituted under the chairmanship of late prince Himalayan Bir Bikram Shah. In 1972, the committee published 'Nepal Tourism Master Plan' with technical assistance from the government of Federal Republic of Germany. The master plan had been prepared for further development in the field of tourism started to be considered the country, tourism started to be considered as an industry and for its development efforts have been made to distributed posters, booklets to international organization and to provide sufficient hotel facilities and transportation facilities to tourists. As a result, there was 41 fold increase in tourists visiting Nepal, 6179 tourists in 1962 and 2548885 in 1990.” (*Bhandari; 2002: 37*)

### **2.1.1.3 Third Phase: After 1990**

“This is the period of globalization. In this period there was institutional and infrastructural development of tourism. Although in Nepal only international tourists are mainly recognized as tourist and all policies and program have been focused around them only. Still a careful analysis of the events related to development of tourism in Nepal suggest that in the decade of nineties there has been much more conscious efforts to globalize the tourism activities with view to globalizing the economy of Nepal also.” (*Dermer; 2004: 79*)

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

- a) To improve the quality of services and facilities relating to Tourism.
  - b) To develop necessary infrastructures for the tourism sector and expand the tourism sector and expand the tourism activities to other places of the country.
  - c) To forgo a close coordinating link between tourism sector and other sectors of the economy.
  - d) To argument the use of local materials and services in the tourism industry.”
- (*Satyal; 2004: 45*)

“Similarly, the ninth plan had noted that the tourism industry can be developed as an important sector of the national economy on account of its comparative advantage

engendered by exiting attractive features and special geographical location of the nation. The plan also carried out some policies to develop village tourism.” (Satyal; 2005:49)

“The tenth plan has also focused the tourism sector as an important organ of the national economy which will not only contribute to the national economy but will not only provide benefits to foreign tourist as well as increase the income generating and employment opportunities. The plan has set some objective relating to tourism sector such as qualitative promotion of tourism sector, conservation and preservation of historical, cultural, religious and archaeological heritage and enforcing their practical utilization and to make air transportation services easily accessible standard and reliable.” (Satyal; 2004:49)

### **2.1.2 Policies and Program under Globalization in Nepal**

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

#### **a) Tourism Council (1992)**

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

#### **b) National Civil Aviation Policy (1993)**

Nepal government announced National Civil Aviation Policy (1993) to make air transport services competent and efficient in order to attract more international tourism during the Eight five year development plan. The policy was formulated to assist tourism development

in accordance with the tourism policy. The major objectives of Civil Aviation Policy (1993) are:

- a. To develop international air transport service
- b. To encourage private sector in airline service
- c. To develop and expand air transport and air ports in the remote areas of the country.
- d. To encourage recreational, adventure and research oriented air facilities.
- e. To make air transport reliable and safe through installation of modern equipments at air ports.

#### **c) Tourism Policy (1995)**

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

#### **d) Visit Nepal Year 1998**

This was first national campaign in the history of tourism of Nepal. The central theme of the campaign has been 'a sustainable habitat through sustainable tourism' similarly its marketing slogan was 'A world of its own' which reveals that there is a 'world' in Nepal that needs to be discovered in its natural resources, living cultural heritage and friendly and hospitable host. Some major objectives of VNY '98 were:

- a. To raise the image of Nepal throughout the world.
- b. To protect and conserve the natural and cultural centers in integrated form.
- c. To diversify the tourism product.
- d. To develop Nepal as one of the important tourist destination.
- e. To raise the public awareness about tourism.
- f. To distribute the fruits of tourism up to the grass root.
- g. To increase the volume of domestic tourism.
- h. To increase the length of tourist to 13 days and their expenditure to USD 50.
- i. To improve the quality of tourism.
- j. To welcome 5 Lakhs tourists.

VNY '98 helped Nepal to rebuild its image internationally, and also contributes to introduce professionalism in tourism in general and helped to raise awareness among the Nepalese people about the importance of tourism.

#### **e) Nepal Tourism Board**

“Nepal Tourism Board (NTB) has been setup as a National Tourism Institution under the act of parliament. The NTB designed as a partnership between the government of Nepal and the private sector travel industry of Nepal NTB has set up its objectives as follows:

- a. To develop Nepal as an attractive tourist destination in the international arena.
- b. To develop, expand and promote tourism enterprise, whilst promoting the natural, cultural and human environment of the country.
- c. To increase national products and income, to increase foreign currency earnings, and to create maximum opportunities of employment by developing, expanding and promote tourism enterprise.
- d. To establish the image of Nepal in the international tourism community in good and dignified way by developing Nepal as a secure, reliable and attractive destination.
- e. To do or cause to do according to needs action oriented research relating to the probable reforms to be made in tourism enterprise in order to provide qualities services to tourists for the development of tourism enterprise in its development.
- f. To assist to establish and develop institutions necessary for the development of tourism enterprise.
- g. To develop Nepal as Tourism Hub for South Asia.

The NTB is commissioned to provide able leadership, continue promotion, good management and guidance to tourism industry in Nepal. Within a short period of its establishment, the NTB is moving forward to the pre determined course of actions, particularly in the filed of international tourism marketing management and promotion.”  
(Upadhyaya; 2003: 203-204)

#### **f) Destination Nepal Campaign-DNC (2002-2004)**

As the impact of VNY it was not of desired program 'Destination Nepal 2002-2004' had been planned to initiate DNC started from December 2002 and ended on December 2004 as a two year program. The international year of mountain 2002, International year of eco-

tourism 2002 and visit south Asia 2003 were also integrated under this campaign. It was implemented with the partnership between the government and private sector to promote tourism industry and create awareness among the people. The main objectives of DNC 2002-04 were:

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

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

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

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

The Board has certain statutory responsibilities assigned by the Nepal Tourism Board Act, 2053 as mentioned below:

- a. To develop and introduce Nepal as an attractive tourist destination in the international marketplace.
- b. To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.

- c. To work towards increasing the gross domestic product and foreign exchange income by means of promoting the tourism industry. To work towards increasing employment opportunities in the same industry.
- d. To develop Nepal as a secure, dependable as well as attractive travel destination by establishing a respectable image of Nepal in international travel trade community.
- e. To work towards providing equality service to the tourists visiting Nepal.
- f. To study the bottlenecks against the same by means of conducting research and implementing and getting implemented results of such research in order to do away with these bottlenecks.
- g. To promote and develop institutions for the promotion of tourism industry.
- h. To standardized service and facilities provided by the tourism entrepreneurs and special provision for the security of tourists.

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

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

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

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

- a. Rich ethnic culture with world heritage sites still in actual daily use
- b. Spectacular Himalayan landscapes including Mt. Everest
- c. Pleasant year round climate
- d. Unique religious traditions

- e. Fine natural attractions and its welcoming and friendly people

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

- a. Culture tradition and people
- b. Cities and leisure
- c. Outdoors, trekking and adventure
- d. Religion and pilgrimage
- e. Nature and wildlife

### **g) Nepal Tourism Year 2011**

“Government of Nepal in consultation with Nepalese travel trade sector and concerned organizations/experts decided on October 25, 2008 launched a national tourism campaign ‘Nepal Tourism Year 2011’. This announcement reflects the government’s anticipation to bring into Nepal at least one million international tourists by the year 2011 and tourism industry’s exigency to organize a tourism promotion campaign for wider impact. With the badge of adventure destination glittering and the adage “Atithi Devo Bhava” (Guests are Gods) embedded in our culture, the portfolio of tourism products never cease to mesmerize the visitors. The unparalleled cultural, geographical, ethnic and bio diversities of the country allure visitors to Nepal time and again which truly substantiates the spirit of Nepal tourism brand ‘Naturally Nepal, once is not enough!’” (*NTB; 2008: 12*)

“The concept of Nepal Tourism Year 2011 envisions harnessing these opportunities and strengths and bringing together the commitment of the government, expertise and experiences of the organizations like Nepal Tourism Board, aptitude and dynamism of the private sector and communities for further tourism development in the country. Representation and active participation from the major political parties, members of the Constitution Assembly and Right groups is always taken into prominence in order to make the campaign inclusive and participatory in modus operandi and effective in result. The campaign will also focus on mobilizing the networks of the Non-Resident Nepali (NRN) communities, Nepalese diplomatic missions abroad, INGOs and NGOs, airlines and national and international media. Similarly, friends and well-wishers of Nepal, tourism academicians and celebrities will be approached in order to highlight the campaign internally as well as internationally.” (*NTB; 2008: 17*)

## **Institutional Arrangements**

### **A. Main Organising Committee**

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

### **B. Secretariat**

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

### **C. Sub-Committees**

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

- i. Policy Advocacy
- j. Physical Infrastructure Coordination
- k. Product Improvement and Development
- l. Events, Festivals and Activities
- m. Publicity and Promotion
- n. Human Resource Capacity Building
- o. Transport and Accessibility
- p. Resources Mobilization and Monitoring

### **Objectives**

- f. Establish Nepal as a choice of premier holiday destination with a definite brand image.
- g. Improve and extend tourism related infrastructures in existing and new tourism sites.
- h. Enhance the capacity of service providers.
- i. Build community capacity in the new areas to cater the need of the tourists.

- j. To increase employment, foreign earnings and national income and
- k. To improve regional imbalance having expanded the tourism industry up to the rural areas.

### **Quantified Targets**

- d. Achieve one million international arrivals.
- e. Encourage additional investment on tourism infrastructures by 50%.
- f. Maintain the record of domestic tourism.

### **Strategies**

- a. Focusing marketing and promotion activities on regional and emerging markets.
- b. Exploration of new tourism potential market segments.
- c. Highlighting the tourism brand: Naturally Nepal once is not enough!
- d. Enhancement of air connectivity with the regional, emerging and potential markets.
- e. Lobbying with the government for sufficient budget allocation to improve and expand tourism related activities infrastructures in existing and new tourism areas.
- f. Attract and encourage private sector for investment in tourism sector.
- g. Capacity building of human resources involved in tourism.
- h. Lobbying with the government for effective intervention in domestic tourism development eg. Amendment in the Transportation Act.
- i. Promotion of Domestic Tourism by endorsing Leave Travel Concession (LTC) by the government.
- j. Organize major sports/events in association with tourism associations and stakeholders throughout the NTY 2011.( At least one event in a month )

## **2.1.3 Problems in Tourism Development**

In our economy tourism has been playing very significant role as it earns foreign exchange and generate the employment in large scale. Tourism industry is facing many kinds of problems we can define it in PEST Analysis. The meaning of PEST Analysis is political Economical, Social and Technical Problem

### **2.1.3.1 Political Instability**

“After 1990, we have new political instability. Constitution has the provision to rule for five years by the elected government. But unfortunately, we have not any one government who

could govern the country for full time. Within 14 years after the democracy, we would have three government but we had already more than a dozen government. With the new government, policies were changed and the implementation styles were changed. Corruptions grew rapidly. The government could not address the agenda of people. The political environment became polluted and politicians are losing the belief of people. In this context, many parts of state especially economic sector have been injured. The industries had been suffering from political instability like any demonstration, strike, election and government change. Tourism industry is the most affected industry from the political instability. And even in present time due to insecurity, donation terror and dispute among political parties, (Alliance Government) the arena of tourism does seem weak and destroyed.”Similarly, *janaandolan 2061/062* also affect tourism industry which was organized by seven major political parties and even supported by Maoist for *Loktantra* run till 19 days. After the election of constitution assembly even different political parties issued *Nepal banda* to fulfil their demand which affect not only tourism industry but also evil inflow of tourists. (*Kayastha; 2006: 49*)

### **Lack of Government Supervision and Strong Legal Provisions**

Without the permission and license some business firms are running in this industry. Some how the legal provisions are lack and some are amendable but it is not being regulated. The supervision forms are hiding their income and not paying the tax to government.

#### **2.1.3.2 Economical Problems**

##### **a) International Economy**

“The economy of people and the country plays the vital role for tourism activities. If people income or saving goes down then the tourism activities also goes down as they don’t have traveling and expending power. Sometime the international economy also can be the problem in tourism development.

The present international economy also going down so that it has been the problem all over the world and it influenced to Nepalese Tourism industry too. Because of down international economy we do have many budget tourist rather than quality tourists. More, the economic depression of USA European countries, even Japan, China, India have made

the external tourists financial weak. Even, if they are visiting to Nepal, the length of stay is very short.” (*Gurung; 2000: 18*)

### **2.1.3.3 Social Problem**

#### **a) Unhealthy Competition between Entrepreneurs**

“Entrepreneurs want mote business than others it is genuine but in tourism industries, they are competing to each other very unhealthily. They have no co-operation among one another. One thinks to other as enemy, not a friend. They are growing to decreasing the price to attract the customers rather than increasing the capacity and quality.” (*Negi; 1982: 61*)

#### **b) Pollution of Kathmandu**

“As we have only one international airport in Kathmandu, every tourist who come to Nepal they see Kathmandu as unmanaged traffic system, some factories and garbage have made polluted Kathmandu. The pollution of Kathmandu is hampering in our tourism industries in large scale. Kathmandu has been known as polluted city in out of Nepal. We should change the mind of people all over the world by avoiding the dirty and pollution Kathmandu.” (*Pokharel: 1995: 48*)

#### **c) Commission Agent**

“Commission agents are being the king in this industry. This is because of unhealthy competition between entrepreneurs. When the commission agent is the king, then the quality of service goes down. Local commission agent are inviting international commission agent which is bad symptoms for tourism development. Commission has no limitation; high rate of commission is the way of attraction to agents so this way the environment of industries can be more polluted. Commission receiver and giver both are hiding the income and deceiving the government by not paying the tax.” (*Sharma; 2003: 28*)

#### **d) Drugs Abuse and Prostitution**

“Drugs abuse and prostitution both are illegal in Nepal but we can see some people are involved in these activities. The free drug abuse and prostitution should be controlled. These ill-activities discourage the tourism sector.” (*Sharma; 2003: 32*)

#### **e) Languages**

“Many language speakers tourist come to Nepal. Although English is an international and common language, all the people cannot speak English. Because of language problem, many people have not come to visit. If some come and cannot find the speaker of their native language or understandable language they cannot enjoy their holiday. Even we do not have sufficient interpreter (guide) speaking different foreign language fluently. Even in English language the entrepreneurs and worker of this industry have not super standard. So language is also a problem to develop tourism industry.” (*Sharma; 2003: 45*)

#### **f) Lack of Well Management and Trained Staffs**

“The skillful and trained staffs can handle the responsibility perfectly. In our tourism industry some management level are also not well experienced and educated so that their management looks weak. Many staffs are seemed lack of training. The lack of well management and trained staffs is also a problem to tourism industry.” (*Tiwari; 1994: 18*)

#### **g) Unspecialization**

If the certain type of work would work by specialization, the result would be very positive. But in tourism industry we can see the lack of specialization.

#### **h) Mixed Business**

“Without the license and authority, many business firms are doing the mix business. Suppose a hotel’s business is to give accommodation and the travel agency’s business is to arrange the tour, but in practice, the hotel is doing the business of also travel agency and travel agency is doing the business of hotels too. The mix business helps to commission system and does not help for specialization in business. So mix business is also a problem in tourism industry.” (*Singh; 2003: 52*)

### **2.1.3.4 Technical Problems**

#### **a) Airport Problem**

“We have only one international airport in Kathmandu. Because of a single airport, the tourist who likes directly to come by air way in out of Kathmandu, there is no way. We have diversity in land, people life style and culture. If we would have other international airport in Nepal there will be potentiality to increase more tourists. More only one international airport is not well managed. Some time the eagles and other birds’ trip in

airplane causes accident. Other way out of arrival gate tourist are hassled by many commission guides. The domestic airports are not in good condition and as well as in adequate number.” (Dahal; 1999: 43)

**b) High Way and Ground Transportation Problem**

“Highways are in narrow shape and inadequate numbers as well as ground transportation means are mostly not in good condition. The High way problem suffers tourist some time. The means of transportation in Nepal are not caring the time and cleanness. So highway and ground transportation problem is also disturbing the tourism development in Nepal.” (Dahal; 1999: 47)

**c) Natural Problem**

The problem like flood, landslide, heavy rain and very hot temperature are the natural problem. They also disturb the tourists.

**d) War and Terrorism**

“Indian Airline Hijacking, September 11 incident in Twin tower of USA, the war of Afghanistan and Iraq, Terrorist attack in Taj Hotel, Oberoi Hotel and other different places in Mumbai (India) disturbed the tourism in a large scale all over the world. Nepalese tourism Industry also suffers a lot by this kind of terrorism activities and war in our side Nepal. So war and Terrorism seems problem for tourism development.” (Hirachan; 2003: 19)

Nepal is a country blessed by beautiful nature .With many high mountains including Mt. Everest, the highest peak of world, floras and fauna and different type of climate, diversity in the landscape and different taste of nature in different part of Nepal are the constable and permanent property of Nepal. For which we do not need to pay a single rupee merely to conserve it.

**e) Financial Crisis Problems**

“Now a day not only in Nepal but the whole world is being affected by financial crises. The whole world is facing economic depression. U.S.A is very strong and powerful country but now a day this country is facing financial problems. So, due to the ups and downs in this

country whole countries are being affected as a result of interlinked between each other i.e. globalization, WTO etc. These effects have also negative impact over tourism sector, nationally and in an international way.” (*Hirachan; 2003: 22*)

#### **2.1.4 Prospects of Tourism**

“The value of tourism and involvement of people in this industry is increasing day by day in Nepal. Before people did not know Nepal is so beautiful country. Many tourists were come here for smoking the hashish. In Europe and America it is known as the place of smoking. Gradually tourist saw many places; different places have different beauty and taste. Tourist who came to Nepal proclaims its beauty and good aspects. Comparing other country in Europe and America, Nepal is far cheaper to travel, Nepal is country made of many villages, forests and mountains. People enjoy their holiday by trekking and passing through the villages enjoying the local things. Trekking is the main activity for young and students because of cheap and adventure.” (*NTB; 2008: 23*)

Government is also playing a vital role. With the realization of strong potential of tourism sector in Nepal, government has adopted following policy for the development of tourism in the fiscal 2008/09.

- ) Tourism to be recognized as a prioritized industry.
- ) Building of infrastructures

When we talk about the tourism development, it is better to study the following points related with it.

##### **a) Purpose of Visit**

“We have found that pleasure, trekking and mountaineering; business, officials, pilgrimage and conventions are the major purpose of tourists. By the statistic of 1960s there are 87% of the total visitors came for pleasure, 7.2% for official, 2.6% for business, 0.1% for trekking and mountaineering. By the mid 1980s the visitors arrivals as per the purpose of visit shows that 73% came for pleasure, 15% for trekking and mountaineering, 4.9% for business, 4% for official.

During 2007, 41.4% came for Holiday and Pleasure taking the lead then followed by trekking and mountaineering by 19.2%, 4.6% came for Business purpose, 10% came for Pilgrimage, 4.1% for official purpose, 1.5%, 0.01%, 14.9% came for conference, rafting, others respectively and 4.25% came for not specified purpose.” (NTB; 2007: 13)

#### **b) Length of Stay**

“We have not that much long stay in tourist. If we see the statistics although the largest number of tourist 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.” (NTB; 2007: 18)

#### **c) Visiting Places**

There are many tourist destinations in Nepal. Among them Pokhara is the second destination which attracts about 22% of the total visitors. The highest number of visitor in Pokhara is 123,944 during 2007. The visitors were decreased in Pokhara from 1999 to 2002 continuously as 95095 in 2000, 77853 in 2001 and 50533 in 2002. Chitwan, Lumbini, Daman, Nagarkot, Gorkha and Bandipur are also major visiting places for tourists. There are many trekking region like Everest, Helambu-Langtang, Annapurna, Manag, Jomsom, Lower Dolpo, Kanchanjunga, Mustang, Upper Dolpo, Humla, Manasulu and others. The places which lie in the entire trekking region are the visiting places for tourists.

#### **d) Seasonality**

“In terms of Tourist arrival month-wise for other tourists excepting India, October is the peak month followed by March and November where as June is the month with lowest arrivals. In short, autumn is the busiest season in Nepal followed by spring. The peak season for Indian tourist is May followed by June and December and almost equal arrival in July, August, March, April and October. This arrival pattern indicated the need of a specific marketing strategy in India and other countries from where outbound tourist mainly generate in those slack months in Nepal. IN addition to this, there also seems the need of development special seasonal products to attract tourists for all the seasons.” (NTB; 2008: 27)

#### **e) Tourism Product of Nepal**

“Nepal is a country with unrivaled, world-class tourism attractions. They are diverse, unique and intrinsic value based. Nepal as a tourist destination can satisfy travelers of each taste and mind. Broadly speaking, Nepalese tourism products comprise of:

- ) Mount Everest and other Himalayans peaks
- ) The natural beauty of the mild-hill including he flora and fauna.
- ) Adventure based activities like trekking, mountaineering, rafting, Jungle safari, gliding, biking, hot air ballooning, ultra-light aircraft, mountain flight, bungee jumping etc.
- ) The unique living cultural and social tradition (including the brave Gurkhas and the tough Sherpas).
- ) The religious harmony and its continuity for ages
- ) Pilgrimage site like Lumbini- the birth place of Lord Buddha, Pashupatinath and others.
- ) UNESCO declared World Heritage sites.
- ) Shopping including that of authentic local souvenirs, casinos etc.
- ) Scenic hill station/resorts.” (NTB; 2008: 33)

#### **f) Promotion**

The development is compulsory and necessary object which gets born with change. Without the change and development nobody and nothing can live. The basic nourishment of change and development is promotion. The promotion plays very important role on business or industry. For the development of tourism industry, promotion has a quite big hand. We can define the promotion of tourism industry in following two ways:

- ) Quality of service
- ) Advertisement

#### **Quality of Service**

We can see the following statement in the door or wall of most business firm, hospitals, University, schools and even in a personal residence that “Quality is never an accident. It is always the result of high intension, sincere efforts, intelligent directions and skillful execution. It represents the wise choice of many alternatives”.

Due to the development of the technology, communication and rising standard of global, people are being more sophisticated while they are traveling they want to get more facilities. To fulfill their aspiration the people who are working in this field they have to serve them by providing more facilities and quality of services. Including the airlines, travel agency, hotel, trekking and rafting agency and all related business employers and employees should be modernize or dynamic as the demand of time and customer. In practice we can see that some airlines have no punctuality and faithful. They don't care time value of customer; sometime they make unexpected delay and cancel in flight. Travel agency also does the black reservation of the flight. Especially travel agency and airline more focus in commission rather than fair service and customer satisfaction. NAC should be rethink about his own reputation as customer has some complains about flight management. Hotel, travel, trekking, rafting, jungle safari and all related business firms have no well trained and well experienced staffs. We can see tourist Guide and trekking and mountaineering Guide have no fluent language capacity, cites knowledge, historical and cultural information since they can be the representative of Nepalese tourism for the related tourists whom they are guiding. The dealer of tourist should be smart, well dressed, neat and clean, polite, sweet and fluent speaker, kind, helpful, informative, punctual and dependable for customer satisfaction.

### **Advertisement**

This is era of media. Without the advertisement even a good thing can not get market. There is the saying in our locality that forced labor earns much better than lazy labor (Silence can not sell rice but talkative can sell even flour) for the promotion of Nepalese tourism we should first advertise our tourism product all over the world. It is pity that in many part of world people do not know even where Nepal is. Probably many people have not heard the name of Nepal and many have no idea of Nepal's natural beauty and cultural heritage.

Nepal Tourism Board is organizing many trades fair out of Nepal which is good campaign. The business firm is also taking part in trade fair that is good thing. The most important strategy of all business firms should be focused on international marketing. The government and all private sectors should co-operate and join hand to develop the international marketing.

We can use many means of advertisement for the development of tourism. The customer satisfaction by quality service can be a major means of advertisement that tourists can advertise our country and our service by themselves mouth to mouth. The other means of advertisement is as following.

The other means of advertisement is as following:

- a. World wide website.
- b. Pamphlets and booklets.
- c. Post letters and e-mail.
- d. Conference and conventions.
- e. Television channels.
- f. Radio stations.
- g. News papers.
- h. Stickers.
- i. Diplomatic missions.
- j. Special programmed and offered.
- k. Shows.

## **2.2 Review of Articles**

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

### **Structure of Public Private Partnership for Tourism Development in Nepal**

“Tourism is one of the leading industries in Nepal and it was growing by 6-8 percent in average per annual till 1999. But the development of tourism only for the government side would be helpless. Thus there must be public private partnership for the development of tourism sector. *Dr. Upadhyay, R. P.*, a tourism expert, has said that the main objective of tourism should be to active maximum social welfare, so for that we have to promote distributive justice; they must include people from the entire sector. The planning should be pro-poor, pro-country and it should serve every body.” (*NTTR; 2007: 39*) In this scenario, Nepal tourism Board, and autonomous promotional institution to develop public and private partnership for tourism development is established in the country.

“But in the globalization context the existing tourism development structure is being ineffective. The main cause of being such is due to the political influences, government dependency, political instability etc. Thus, it needs a concept of restructure of structural linkage and dependency of tourism viewing such thing, a need of an aggregate apex body of tourism council is realized to amalgam the tourism concerns and the entrepreneurs relating to tourism.” (NTTR; 2007: 39)

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

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

In 1972, with an aim to run tourism in a planned way and formulating policy the **Nepal Tourism Master Plan** (1972), a detailed and comprehensive document about Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The plan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organized sight seeing, independent "Nepal style" tourism, trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, Scandinavia and Australia as

secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country's attractions suited to the needs of international tourism and opening up the country's attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites.

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

**'Nepal Tourism Marketing Strategy 1976 – 1981'** prepared by Joseph-Edward Susnik started with the premises that:

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

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

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

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

This study observed that active market promotion was the most important factor for the tourism development in Nepal. This study, therefore, suggested to various destinations oriented marketing programs. The major programs include:

- a. developing a systematic concept of promotional material,
- b. determining the quality standard for each individual product,
- c. producing a Travel Agents manual containing comprehensive up to date information regarding tourism in Nepal,
- d. establishing representative offices in Western Europe, USA and Japan,
- e. participating in selected tourism trade fairs,
- f. offering familiarization tours to agents and journalists,
- g. establishing a Nepali-style tour package,
- h. directing sales to tour operators from the country of origin without middleman from India,
- i. Expanding the trekking possibilities.

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

**Nepal Rastra Bank** (1989) carried out an econometric study with an objective to study and estimate the level and patterns of tourist expenditure in Nepal, to estimate the value-added and imports contents and thereby net foreign exchange earnings from tourism in Nepal, and to estimate income and employment generation in the tourism sector of Nepal. In this study, regressions were run on the time-series data as well as cross-sectional data for the period 1974-1987.

The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number of tourists, for the total time-series analysis for the period 1974-1987. Tourist expenditure was found to be highly sensitive with respect to exchange rates, but the sensitivity of tourist arrivals to this variable was less. Country-wise time series regression for 14 countries gave mixed results.

Among tourism sub-sectors (when direct, indirect and induced effects were combined) the ratio of import content for hotel was estimated at 53.45 percent, travel agencies 74.51 percent, trekking agencies 54.04 percent and airlines 67.05 percent. The ratio of direct import content when the indirect and induced effects were taken out was estimated at 35.45 percent for hotels, 15.12 percent for travel agencies, 10.79 percent for trekking agencies and 57.60 percent for airlines. The value added for the tourism sector i.e., total payment to domestic factors including payments to intermediate and final inputs. (When direct, indirect, and induced effects were combined) was estimated at 37.74 percent as compared to 44.66 percent for tourism related sector and 42.82 percent for the overall sector (Nepal Rastra Bank, 1989: 2).

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

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

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

**Pokharel T.C.** has also prepared a separate review article entitled "Summary of Past Marketing Strategies and Plans for Tourism in Nepal" with description of the studies and seminar reports related to Nepalese tourism marketing encompassing important studies and seminar proceedings with an emphasis on marketing of Nepalese Tourism.

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

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

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

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

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

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

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

- a. Domestic Air Transport;
- b. Urban Tourism (Kathmandu);
- c. Infrastructure in Pokhara;
- d. Institutional Development; and
- e. Tourism Manpower Development and Training.

**Tuladhar** (1999), in his doctoral work, aimed to study the development of International Tourism in Kingdom of Nepal from the view of resources, the level of its explorations, utilizations and possibilities of its improvement. This study has been done against the background of the overall conditions and its development including natural and anthropological resources, economic development of the country, tourists' demands, and tourist supply. To achieve the objectives of this study, a systematic method of investigation in the theoretical scheme was used. His major findings included the use of dispersion as a basic for the balancing of prognoses may promote foreign visitor's quality and the possibilities for attempt and contribution for the future development of international tourism in Nepal should work out alternative prognostic situations in unison with the extracted priority of the tourist supply and direction for their improvement. Tuladhar has given various suggestions in his study like to promote charter flights with NAC by tour operators assuring the low travel cost, increasing expenditure for advertisement and publicity for the stimulation for the tourist travel to Nepal, to provide more cultural shows and other types of suitable entertainment, to increase the length of stay of tourists and to increase their expenditure, to establish summer resorts like suitable tourist hotels and villas on the banks of lakes and rivers, to develop the national concept and to develop human resources by emphasizing on tourism education.

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

- ) Sight Seeing Tourism
- ) Trekking Tourism

- ) 'Nepalese Style' Tourism
- ) Recreational Tourism, Primarily from India
- ) International pilgrimage Tourism

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

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

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

- a. Infrastructural facilities to diversify tourism to important market segment were not laid properly to meet the need of the time.
- b. The private sector invested in all the places with the tourism potentials and market began to develop in accordance with the dictation of the buyers. This demand induced development resulted in uncontrolled development and proliferation of low quality establishments.
- c. While the Kathmandu has become increasingly crowded the other sight seeing places, e.g. Pokhara, Tansen, Gorkha, Lumbini were neglected.

- d. In Mountain tourism, Annapurna, Khumbu and Langtan became over exposed causing increasing pressure on their scarce Natural resources.
- e. Other regions with comparable attraction were not developed because of the failure of the government to open and regulate and control tourism.
- f. International pilgrimage tourism is still in the incipient stage of development despite the presence of world renowned heritage site like Lumbini and Janakpur Dham.
- g. Wildlife tourism has been limited to the Chitwan, after many years it has been to extend to the Bardia and Sukla Phant reserve.
- h. The master plan recommended the development of supply guided "Nepal Style Tourism" to give Nepal an independent and unique destination and status. It emphasized providing mixed image of comfortable natural and cultural sight seeing along with the variety of soft and hard adventure product as per the physical stamina and time disposition of the travelers.
- i. But the infrastructural back up and, imaginative and innovative endeavor needed to create alluring supply guided are seriously talking.
- j. All adventure market segments including wildlife/trekking and rafting were stated by expatriates and blindly strives to excel by Nepalese entrepreneurs.
- k. The Ministry of Tourism, established in 1977, according to the recommendation of the Master Plan, has not become an effective central government body to look after the vital issues and challenges in the field of tourism.
- l. Rather than focusing on policy/planning and co-ordination, it has implemented only simple plans that fir under its jurisdiction.
- m. It has only added to the bureaucracy but not provided the effectiveness and efficiency envisaged in the place.
- n. The 1984 review recommended two other institution to address the highest policy level were set up only 1992 in the form of tourism council and Nepal Tourism Board in 1999 which is fully functioning as a National Tourism Institution.
- o. It seems that most of the recommendation contained in the 1972 Master Plan has yet to materialize conceptually and functionally. The government has to play pivotal role in the decentralization of tourism regulating and monitoring the qualities of the products and Marketing the destination internationally.
- p. The private sector has to create a mix of product unique to Nepal more imaginatively.

### 2.3 Review of Previous Thesis

**Chhetry** (1983), conducted a study on “*Economic Status of Tourism Study in Nepal*”. The major objectives were:

- a) To focus upon the importance of tourism in different sectors of the economy.
- b) To assess the foreign convertible currency potentiality in the field of tourism.
- c) To highlight on the employment generation provided by tourism based industry.
- d) To assess the incentive of government in different plans and programs.
- e) To analyze the tourism-relationship between Nepal and other countries.
- f) To examine the policy of government in Tourism sector.
- g) To established Nepal as a prime destination in the tourism market through effective publicity and promotion

The major finding of his study on the basis of secondary data is as follows. Why we favor tourism industry for the development of national economy is actually interesting to catch out every person. It plays due attentions towards promoting its body is that it plays a crucial role by providing a huge amount of foreign exchange earning to the nation. It handles nation’s economic development by contributing a large and attractive amount of foreign currency. The another aspect of the findings of this study is to determines the level and the trend of tourist arrivals in Nepal. The final findings from the study have been drawn about the level of employment opportunities. So, the establishment and increasing trend of Tourism Industry in Nepal primarily related to create a certain level of employment whether the volume is less or more. Therefore, viewing additional potentialities created by the increment of hotels, travel agencies and so on other related factors.

**Shrestha** (2003), in her Ph. D. thesis entitled “*Tourism in Nepal: Problems and Prospects*” mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the basis of its contribution to national economy status of tourism infrastructures, review of the planning and policies of the government exports in the sample, and also analyzed the trend of foreign exchange earnings and share of tourism receipts to gross domestic product.

She has pointed out that Nepal has not been able to introduce and diversify new tourism products. On the other hand, the experts are of the opinion that the problem of the air

accessibility, lack of proper marketing and promotional strategy, pollution, lack of required infrastructure, lack of co-ordination, frequent, frequent change in government as well as lack of political commitment are the short coming of tourism industry in Nepal. Despite of the various problems, she added, the prospects of tourism are bright in Nepalese economy in generating employment, contributing to national GDP and also for over all development of the economy.

Shrestha found that the role of tourism in economic development in significant in Nepal. The net earnings from tourism are greater the some other sectors. The share of tourism in terms of GDP came down to 3.2 percent in 1997, which was 4.1 percent in 2001/02. But the convertible foreign exchange increased by 10.74 percent during the period 1974/75 – 1996/97. Despite these facts, tourism is one of the main contributors of convertible foreign currency sharing 16 percent of total exchange earning in 2001/02.

**Silwal** (2005), in his thesis *'Tourists' Consumption Pattern and its Economic Impact in Nepal'* had presented the changing pattern of tourists' employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services, and employment generation. The study has shown that the tourism sector contributed 37.99 percent as direct expenditure and the benefits of tourist money mainly went to hoteliers, travel and trekking agencies and airlines. The direct import content was 33.49 percent in tourism sector, 18.34 percent in tourism percent in tourism related sectors and 8.94 percent in non-tourism sector, the study has added, thus an increase in imports. This also mentioned that the revenue at current price increased to Rs. 4.82 million in 2003/04 from 3 .91 million in 1974/75.

The analysis has also shown the impact of tourist expenditure on employment. The direct employment opportunities generated were 12.41 percent in tourism sector, 34.88 percent in tourism related sectors and 51.71 percent in non-tourism sector.

**Upadhyaya** (2007), in his Ph. D. thesis entitled *"Tourism as a Leading Sector in Economic Development of Nepal"*, he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries

remains confirmed to local and regional level or helped the national economy as a whole. It is because tourism is considered as an inexhaustible industry that has potential to improve further as the tourism industry is developed gradually. As W. W. Rostow has made it clear that in the process of economic development of a backward country some sectors must play the role of a leading sector. So that not only the sector(s), in question, grow rapidly but also have the capacity to move other sector of the economy forward. This process leads the entire economy on higher growth path. He has depicted the fact that the tourism sector has been improving its significance in the economy. It has been improving its significance in the economy. It has been estimated that the activities related to tourism sector has strong inducement effect on the other activities of the economy. Beside foreign exchange earning, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy is moving faster and faster on the path of globalization. Tourism is one of the major employment generating sector developing countries like Nepal. Nepal foreign earning from tourism is 145.8396 million and 131.46534 million in 2004 and 2005 respectively.

**Hirachan, (2009)**, in his Master's thesis entitled '*A Study on E-Marketing Used By Travel Agencies*' has presented the effectiveness of e-marketing used by travel agencies to promote tourism industry. In order to find the perception of travel agencies regarding e-marketing prospect practiced in tourism sectors. The writer has taken following objectives in to consideration.

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

In his study, to determine the objective of research Hirachan had conducted a field survey. In which 25 were complete out of 30 responses. The majority of the survey respondents reported that the current situation of travel and tourism is poor (80%), only 12% respondents seems satisfied with the current situation of travel and tourism industry of Nepal. There were comparative view about the region from where most tourists used to come.56% respondents believed from Europe and 40% believed to be from Asia.

As regards to the promotion medium which the respondents' prefer, it seems that 56% prefer personal contact for promotion whereas website, e-marketing and magazines are preferred by 28%, 24% and 4% respondents respectively. Similarly the study has presented that most travel agencies (84%) do have websites published on web, whereas only (16%) do not have websites and reason for having websites is for promotion (71.42%) respondents responded but 28.57% responded kept websites for providing information.

In the same ground 71.42% respondent rated their website is performing below expectation where as 28.57% respondent's believe they got what they have expected from website out of total respondent's majority of respondents(72%) had an idea about e-marketing and 56.52% of respondent's were using search engine submission and only 4.34% were using tourism related directories a emarketing promotional tools. About the contribution made by internet on tourism sector, majority of the respondents (84%) were satisfied by the contribution made by internet for promoting tourism in Nepal.

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

**Khadka** (2009), conducted a study on “*Problem and Solution in Tourism Study of Nepal*” on his study the major objectives were:

- a. To analyze on risk and return of tourism business.
- b. To analyze the purpose of Tourism coming in Nepal.
- c. To evaluate the present data of Tourism arrival and the length of stay.
- d. To examine the prospect of Tourism in Nepal.
- e. To examine the interest and excitement of tourist staying in Nepal.
- f. To provide the suggestion for improving the Tourism sector of Nepal to Private and Government sector.

The major findings of his study on the basis of secondary data are as follows. The arrivals of external tourist are in increasing trend. The record till now shows that Tourism from 'India' is the biggest market of Nepal.

There are various purposes like entertainment, Pilgrimage, Official, Business to visit Nepal by Tourist. The collection of foreign currency by Tourist strengthens the economy of our country. At last he concludes that the political stability, policy of private of private sector and government sector, sources of sufficient entertainment, good transportation facilities etc are mostly required to make Tourism sector strong and constant.

**Timilsina** (2009), conducted study on "*The Problems and Prospect of Tourism Development in Nepal*". The main objectives of the thesis are as follows:

- a. To analyze the possibilities of quality tourism developments in Nepal by many ways using the outcome of the research.
- b. To analyze the contribution of foreign exchange available from tourism.
- c. To assess the impact of tourism on employment opportunities.
- d. To examine the trend of tourism arrival to Nepal.
- e. To analyze the problems and prospect of tourism development in Nepal and recommend suggestion to GON.

The research findings of the study conducted with the secondary data are as follows:

- a. The total tourist arrival from 1988 to 2005 is in increasing trend. The trend value of total tourist arrivals shows that the tourist influx in Nepal was increasing approximately by 30595 per year during the year 1988 to 2006.
- b. Many tourists arrived in Nepal for six purposes such as pleasure, trekking and mountaineering, business, office, pilgrimage meeting and seminar and other. Most of the tourist comes for pleasure during the year 1988 to 2008.
- c. October is seen very much favorable month for tourist arrival. The maximum tourist arrivals in monthly basis were October 1998 numbered 62487 tourist.
- d. Indian tourist occupied most of tourist in Nepal. Than after U.S.A, U.K, Japan, France contributed in tourist influx in Nepal.
- e. The available data shows the percentage of tourist arrivals by air is larger than by land. The trend value of tourist arrivals by land shows about 1914 tourist influx

increase yearly by land. Similarly, the trend value of tourist arrivals by air shows the yearly increase in tourist arrivals is approximately 14797.

- f. The trend of foreign exchange earnings from tourism during the fiscal year 1997/98 to 2004/05 is increasing. The trend value shows the foreign exchange earning was increasing by Rs. 5437.83 million per year during the period. The Gini Coefficient (G.C=0.55) explains that there is not much more variation among the foreign exchange earnings of year from 1997/98 to 2004/05.

**Pradhan** (2010), conducted study on “*The Problems and Prospects of Tourism Industry in Nepal.*” The main objective of the thesis is as follows:

- a. To analyze the role of tourism in the economic development of Nepal.
- b. Reviewing the trend of tourist arrive in Nepal.
- c. To identify major problems and issues in the growth of tourism in Nepal.
- d. To assess the impact of tourism in terms of government revenue, foreign currency earning and employment opportunities.
- e. To examine tourism policies of GON.
- f. To provide suitable policy recommendation.

The major findings of his study on the basis of secondary data are as follows:

- a. The number of tourist inflow is smoothly increasing from 2000 to 2007. However, the annual rate of increases in fluctuating, a total of 663684 tourists arrived in 2000 that represented 10.3% increase over 1999.
- b. Countrywide, the highest number of tourist arrival is from India.
- c. By age group, the highest share was recorded by the 31 to 45 age group.
- d. Tourist arrivals by air transportation are higher than land transportation.
- e. The largest number of tourist inflow Nepal for recreation purpose (55.2%) and the average length of stay were recorded as 11.9 days in 2007.
- f. Foreign income earning from tourism were US\$ 374200000 in 2000 but foreign income earning from tourism stood at US\$ 356847000 in the year 2007, which represented a decrease over the earning in 2007.

- g. Contribution of tourism to the GDP of the nation was 3.1 percent and it also provided 12.9 percent of the total foreign exchange earnings during fiscal year 1999/00.
- h. Nepal tourism potentiality has not been utilized properly.

#### **2.4 Research Gap**

Reviewing the various books, journals, thesis and other independent studies by different authors are related to the tourism marketing in Nepal. The review of the relevant literature has contributed to enhance the fundamental understanding and knowledge, which is required to make study tourism marketing in Nepal.

Few research reports related to tourism marketing in Nepal. This study overall scenario of Nepalese tourism market. Under this study various data presentation ,analysis and finding the number of tourist arrival in different years ,sex wise visitor it end, nationality visitor trend ,purpose visitor trend, age group visitor trend etc. are analyzed by using secondary data from different questionnaires. since the data are in descriptive nature ;it does not necessary seek to explain relationship, test hypothesis tools or make prediction. For this, only few statistical tools percentage, pie chart and diagram etc. show the graphical presentation of the data.

## **CHAPTER – III**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

Generally, research design is the plan, structure and strategy of investigation conceived so as to obtain answer to research questions and to control variance. It is arrangement for collection and analysis of data. To achieve the objective of this study, descriptive and analytical research design has been used. Some marketing and statistical tools have been applied to examine facts and descriptive techniques have been adopted to determine the optimal strategies of Tourism need to be adopted by the concerned authorities, especially by NTB.

#### **3.2 Population and Sample**

To ascertain the optimal strategies for tourism in Nepal to be adopted by NTB, the whole tourism industry of Nepal is taken as total population. And hence to give out the true picture, NTB, HAN and NATA & NATO have been taken out as sample for the primary data collection.

#### **3.3 Nature and source of Data**

The study is based on primary data as well as secondary data. To show the trend of tourist inflow, purpose behind visit, market coverage of tourism, secondary data are used but to determine the problems, prospects and other factors of tourism in Nepal needed to be considered for having sound strategy, primary data have been used. Primary data are collected from respondent through research questionnaire and the observation of researcher. Three sets of primary data have been designed and the employee (executive level and middle level) of NTB, HAN and NATA & NATO, NCMA, TAAN, PTC, ACAP were requested to express their views.

The sources of secondary data are AGM reports of NTB, NRB, MOF and other concerned organizations, bulletins, publication, researches, journals, articles, unpublished thesis reports, newspapers, books, authorized websites and internet.

### **3.4 Data Collection Techniques**

The research consists of both primary and secondary data. Since the nature of these two types of data is different; the data collection procedure also varies. To collect the secondary data, the researcher has visited the different libraries, NTB, NRB and other useful book stores, and collection related publications and periodicals. Official websites were searched in order to collect required information. Furthermore, secondary data related to number of tourists' arrival have been downloaded from the websites of NTB. On the other hand, the primary data were collected through questionnaire from the staff of NTB, HAN and NATA & NATO.

### **3.5 Analytical Tools**

The data collected from various sources leads to the logical conclusion, only if the appropriate tools and techniques are adapted to analyze such data. The collected data has been no meaning if such data are not analyzed. To analyze the data in this research, the researcher has used some statistical and marketing tools which are as follows.

#### **3.5.1 Marketing Tools**

- ) Tourist Inflow
- ) Average Length of Stay and Average Expenditure
- ) Tourist Arrival by Purpose of Visit
- ) Tourist Arrival by Nationality by Air
- ) Number of Trekkers in different Trekking Areas

#### **3.5.2 Statistical Tools**

As per the nature of research no hypothetical tools are analyzed the data. Only some statistical tools are used to explore the data. The main tools used in this study are as follows:

- ) Percentage
- ) Average Mean
- ) Pie chart
- ) Bar diagram

## CHAPTER – IV

### DATA ANALYSIS AND PNPRESENTATION

#### 4.1 Introduction

This part is concerning any research which includes detail analysis and interpretation of data to this study. This is the section where, the filtered data are presented and analyzed. This is the one of the major chapter of this study because it includes detail analysis and interpretation of data from which concrete result of Nepalese tourism market can be obtained. In this chapter, the relevant data and information necessary for the study are presented and analyzed keeping the objectives set in mind. This chapter consists of various calculation made for the analysis of tourism market in Nepal .To make our study effective and precise as well as easily understandable, this chapter is categorized in three parts; presentation, analysis and interpretation.

The evaluation of marketing efforts being initiated by various segments to promote tourism in Nepal has been done both on the perceptive basis as well as secondary data and information. In this chapter, an attempt has been made to assess the tourism development and marketing on the basis of views and perceptions collected through the questionnaire and by conducting in depth interviews with the tourists, tourism related organizations and tourist experts. The survey tools as well as the list of tourism organizations and the experts are presented in the appendix. Presentation and analysis has been done in three respective sections and at the end comparative analysis has been made. The survey results are presented and analyzed hereunder along with mean values, percentage or other appropriate values to suit the particular response. As mentioned above, the study is fully descriptive type. Descriptive research is a process of accumulating facts. It doesnot necessary seek to explain relea.

#### 4.2 Tourism Trend in Nepal:

The development of tourism in modem sense started in Nepal since the beginning of the 1960's. Since 1962, HMG/Department of Tourism started keeping the statistics of tourism. Since the beginning the number of tourists visiting Nepal has been increasing every year except in the years 1965, 1981, 1984, 1989, 1993 and 2007.

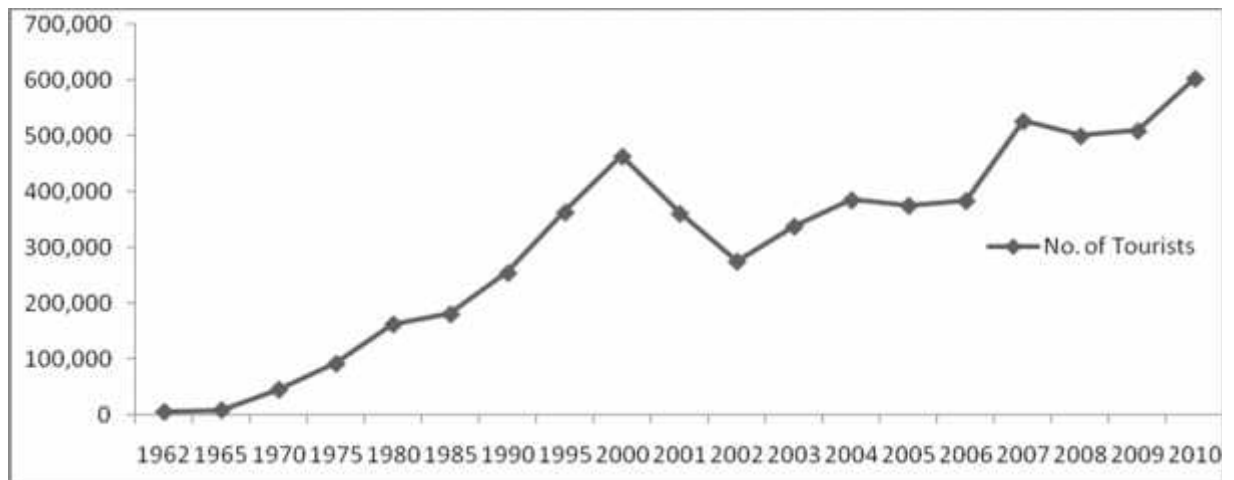
Table no. 4.1 reveals the trend of tourist arrival in Nepal from 1962 to 2010

**Table no. 4.1**  
**No. of Tourists Arrival in Nepal 1962 - 2010**

Year	No. of Tourists	Annual Growth Rate (%)
1962	6,179	
1965	9,388	-1.4
1970	45,970	31.7
1975	92,440	2.91
1980	162,897	0.41
1985	180,989	2.1
1990	254,885	6.21
1995	363,395	11.3
2000	463,646	-5.7
2001	361,237	-22.1
2002	275,468	-23.7
2003	338,132	22.7
2004	385,297	13.9
2005	375,398	-2.6
2006	383,926	2.3
2007	526,705	37.2
2008	500,277	-5.0
2009	509,566	1.89
2010	602,855	18.31

*Source: Nepal Tourism Statistics, 2010 Ministry of Finance and Civil Aviation, Kathmandu.*

**Figure 4.1**  
**No. of Tourists Arrival in Nepal**



*Note: Blue trend Sine represents the data of tourist arrival of 5 years. (From 1962-2000.) Reef trend IJW represents the data of tourist arrival of 1 year. (From 2001-2010).*

From the above table no. 4.1, and figure 4.1 the total No. of tourist arrival in 1962 was 6,179 and after a decade it reached 52,930, which showed an increase of 8.6 times. In the following decade in 1982 and 1992, the total number of tourist arrival reached 175,448 and 334,353 respectively.

Arrival of tourist in Nepal however show steady trend on the most occasions but also show relative stagnancy and fluctuations. In 1965 the No. of tourist arrivals decreased by 1.5% due to tension between Pakistan and India. There has been relative stagnancy during the period 1978-82 due to the democracy movement in Nepal and oil crisis which lead to decline in world tourist flow.

Visitor arrival declined in 1989 due to trade and transit dispute between Nepal and India. Decline in visitor arrivals in 1993 may be attributed to a host of reasons viz. like the increase in visa fee, limited air seat capacity, THAI and PIA aircraft accidents, increasing pollution in Kathmandu and its international publicity, lack of promotional activities abroad, destruction caused by floods and landslides and numerous strikes and Nepal banda caused by political unrest. In 1994 also the number of tourist visiting Nepal was not encouraging in comparison to previous years; it was due to the spread of plague in India.

In the year 1996, the number of tourist arrivals reached 393,613 by recording a growth of 8.3% over 1995. In 1998, the tourist arrival reached 463,684 recording 9.9 % growth over 1996. Tourist arrival in 1998 reached 75 times in comparison to 1962. This was also the result of Visit Nepal 1998 program held by the government to promote tourism business. And in the following year, 1999, the tourist arrival reached the highest peak, which is 491,504, which may be the result of Visit Nepal 19 98 program.

But from the year 2000 to 2002, the arrival of tourist decline due to the internal problem of Nepal. There are many bandas and strikes of many political parties. Another problem is of Maoist. These political problems spread negative impact of Nepal in the market of tourism. As a result no. of tourists decreased. But after 2003, the tourist arrival rate increased due to peace in Nepal. Nepali political environment was stable at this time of year from 2003-04.

But in the year 2005, there is again a great decline on arrival of tourist. It was due to the political unrest and Bandas in our country. King Gyanendra took the power and bans all the political parties in the country. As a result all the political parties make strikes and bandas. In the following year 2006 the arrival of the tourist increased slightly but in the year 2007 it increased by 34.9% and reaches 37.2%. It was due to the peace inauguration in Nepal. The political parties were successful in making our country Republic. They throw away King and accept the president rule in Nepal. Another reason is that maoist came into the government. As a result the arrival of tourist was good in this year.

In the year 2008, there was an attack in Hotel Taj Mahal of Mumbai, India. This massive terrorist attack spread negative impact to our country as well as to the whole Asian Tourism market. Tourists are afraid to travel the Asian countries as a result the arrival decrease in this year. Another reason for decrease in arrival of tourist was that there was a strike in Bangkok Airport, which was the transit point for tourists to Nepal. Also there was political unrest in Bangkok. As a result the tourist arrival for that year also decreased.

In the year 2009, the number of tourist arrival was increasing to the satisfactory level. In the year 2010, the number of tourist arrival increased by 18.31%.By the positive signal

effect of peace process and constitutional assembly election ,the number of tourist arrival in Nepal was increased.

**Sex wise Visitor it-end:**

While dividing the visitors to Nepal by sexwise, the result shows that male visitors always outnumbered female visitors, indicating male preference for Nepal. This may be due to both the preference as well as general sex wise trend of visitors in the world. Interestingly, female visitors during the earlier era were relatively more. For example, in 1962, almost half the visitors (47.7%) were female. But, it decrease gradually and the ratio reached at it lowest m 1984 with the female visitors reaching 34.5%. Since then there has been a gradual increase in the ratio and the share of female visitors reached 40.4% in 1997, Considering me world scenario, the situation in Nepal may be termed as satisfactory. The recent growth trend recorded 15.8% growth for female visitor compared to 3.7% of male m 1996 and this showed improvements in the overall trend.

In 1997 too, the growth rate of female visitors (10.1%) was higher than the growth rate of male visitors (9.8%).However, according to year 2009 and 2010 the rate of female tourist arrival in Nepal is increasing from43.5% to 48.82% respectively. In contrast to this, the rate of male tourist is decreased from 56.5% to 51.18% respectively.

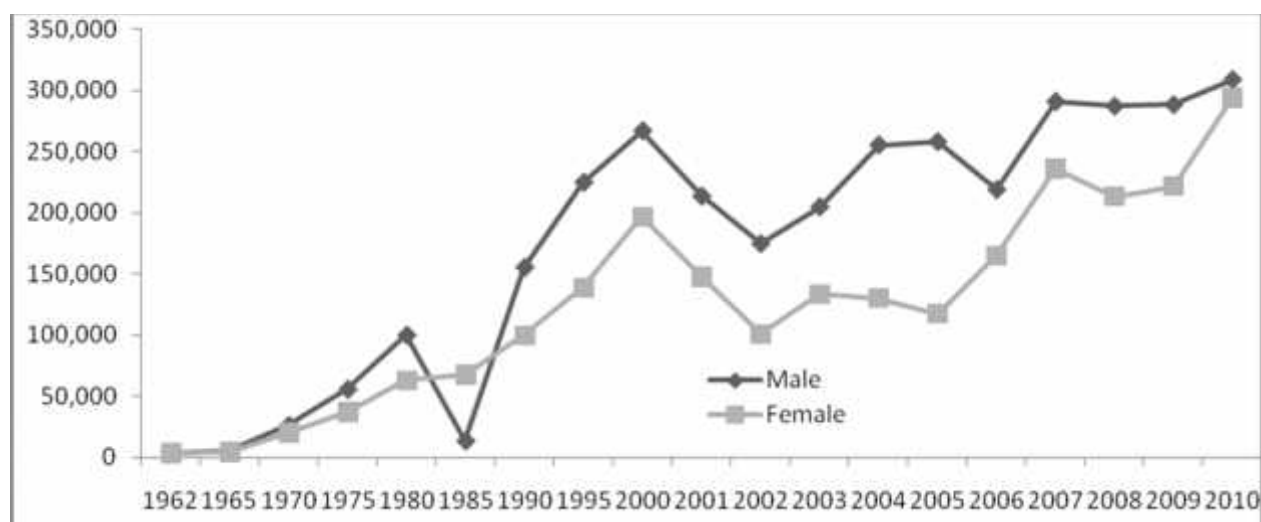
Whatever the growth rate of the female tourists, it has never overcome the male tourists. To attract the female tourists, the government of Nepal as well as the private sector also has to promote the programmed that attract female tourists. It also showed the importance of developing appropriate products and avail amenities as per sex wise needs of the visitors. It is more clear from the below table no.4.2 and figure 4.2

**Table no. 4.2**  
**Sex Wise No. of Tourists Arrival in Nepal**

Year	Sex		Total Arrivals
	Male	Female	
1962	3,231(52.3%)	2,948 (47.7%)	6179(100%)
1965	5,226 (55.7%)	4,162 (44.3%)	9388 (100%)
1970	26,157(56.9%)	19,813(43.1%)	45970 (100%)
1975	55,741 (60.3%)	36,699 (39.7%)	92440(100%)
1980	100,006(61.4%)	62,891 (38.6%)	162897(100%)
1985	13,563 (62.8%)	67,426 (37.2%)	180989(100%)
1990	155,311 (60.9%)	99,574(39.1%)	254885 (100%)
1995	224,769(61.9%)	138,626(38.1%)	363395 (100%)
2000	266,937 (57.6%)	196,709 (42.4%)	463646(100%)
2001	213,465(59.1%)	147,772(40.9%)	361237(100%)
2002	174,710(63.4%)	100,758(36.6%)	275468 (100%)
2003	204,732 (60.5%)	133,400(39.5%)	338132(100%)
2004	255,303 (66.3%)	129,994(33.7%)	385297(100%)
2005	257,972 (68.7%)	117,426(31.3%)	375398 (100%)
2006	218,818(57.0%)	165,108(43.0%)	383926 (100%)
2007	290,688 (55.2%)	236,017(44.8%)	526705 (100%)
2008	286,983 (57.4%)	213,294(42.6%)	500277(100%)
2009	288,155(56.5%)	221,801(43.5%)	509956(100%)
2010	308,555(51.18%)	294,300(48.82%)	602855(100%)

Source: Nepal Tourism Statistics, 2010

**Figure 4.2**  
**Sex Wise No. Of Tourist Arrival In Nepal.**



***Age Wise Visitor Trend:***

In the analysis of tourists arriving Nepal, the highest no. of tourists share was occupied by the younger age group 16-30 followed by the age group of 31-45, 46-60, 61 and over and 0-15, since 1965 to 1991 except in the year 1985. Similarly, 1992 to 1996 data showed the age of 31-45 age groups has a higher share and age groups of 16-30, 46-60 61 and above and 0-15 secured second, third, fourth and fifth positioning the total tourist arrivals in Nepal. Among the total number of tourists visiting Nepal in 1997, 64.6% were under the age of 45 and 35.5% were over 45 years. The major age group visiting Nepal thus is between the age of 10 and 60 years, accounting for 84.3%. Nepal thus may be termed as a destination mainly for youths and adults.

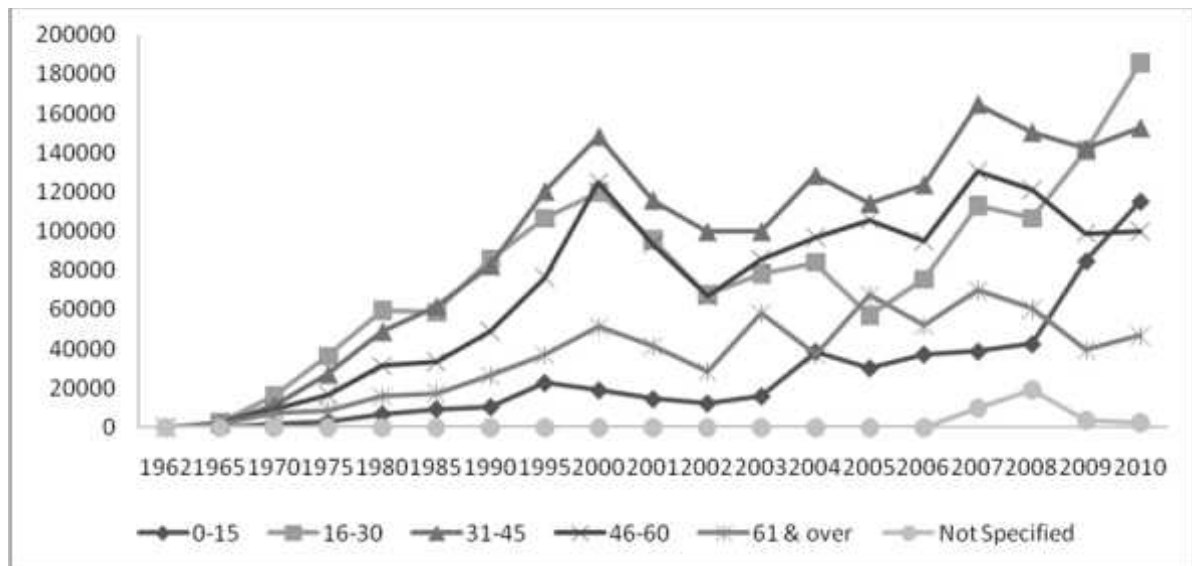
**Table no. 4.3**  
**Age Wise No. of Tourists Arrival in Nepal**

Year	Age Group					Not Specified	Total Arrivals
	0-15	16-30	31-45	46-60	61 & over		
1962	-			-	-	-	6179
1965	150(1.6%)	2563 (27.3)	2375 (25.3) "	2272 (24.2)	2028(21.6)	-	9388
1970	1613(3.5)	16302 (35.5)	11240(24.5)	9559(20.8)	7256 (15.7)	-	45970
1975	2958 (3.2)	36514(29.5)	27177(29.4)	16824(18.2)	8967 (9.7)	-	92440
1980	6914(4.2)	59724 (36.7)	48786 (29.9)	31544(19.4)	15929(9.8)	-	162897
1985	9497(5.2)	58861 (32.5)	61528(34.0)	33520(18.6)	17583(9.7)	-	180989
1990	10620 (4.2)	85903 (33.7)	82292 (32.3)	49388(19.4)	26682(10.4)	-	254885
1995	22878 (6.3)	106603 (29.3)	120212(33.1)	76647(21.1)	37055(10.2)	-	363395
2000	19136(4.1)	119816(25.8)	148063(31.9)	125140(27.0)	51491 (11.1)	-	463646
2001	14608 (4.0)	95801 (26.5)	115678(32.0)	93621(25.9)	41529(11.5)	-	361237
2002	12425 (4.5)	67774 (24.6)	99622 (36.2)	67017(24.3)	28630(10.4)	-	275468
2003	16056(4.7)	78357 (23.2)	99740 (29.5)	85753 (25.4)	58226(17.2)	-	338132
2004	38734(10.1)	84125(21.8)	128267(33.3)	96920 (25.2)	37251 (9.7)	-	385297
2005	30429(8.1)	57115(15.2)	114103(30.4)	106077(28.3)	67674(18.0)	-	375398
2006	37433 (9.8)	75626 (19.7)	123541 (32.2)	95260 (24.8)	52066(13.6)	-	383926
2007	38870 (7.4)	112879(21.4)	164488(31.2)	130756(24.8)	69927(13.3)	9,785(1.9)	526705
2008	42,581 (8.5)	106,596(21.3)	150,171 (30.0)	121,387 (24.3)	60,531(12.1)	19,011(3.8)	500,277
2009	84,891(16.6)	140,805(27.66)	141,955(27.8)	99,197(19.5)	39,638(7.8)	3,470(0.7)	509,956(100%)
2010	115,275(19.12)	185,698(30.80)	152395 (25.28)	100197 (16.62)	46820 (7.77)	2470 (0.41)	602855(100%)

*Source: Nepal Tourism Statistics, 2010*

**Figure 4.3**

**Age Wise No. Of Tourist Arrival In Nepal**



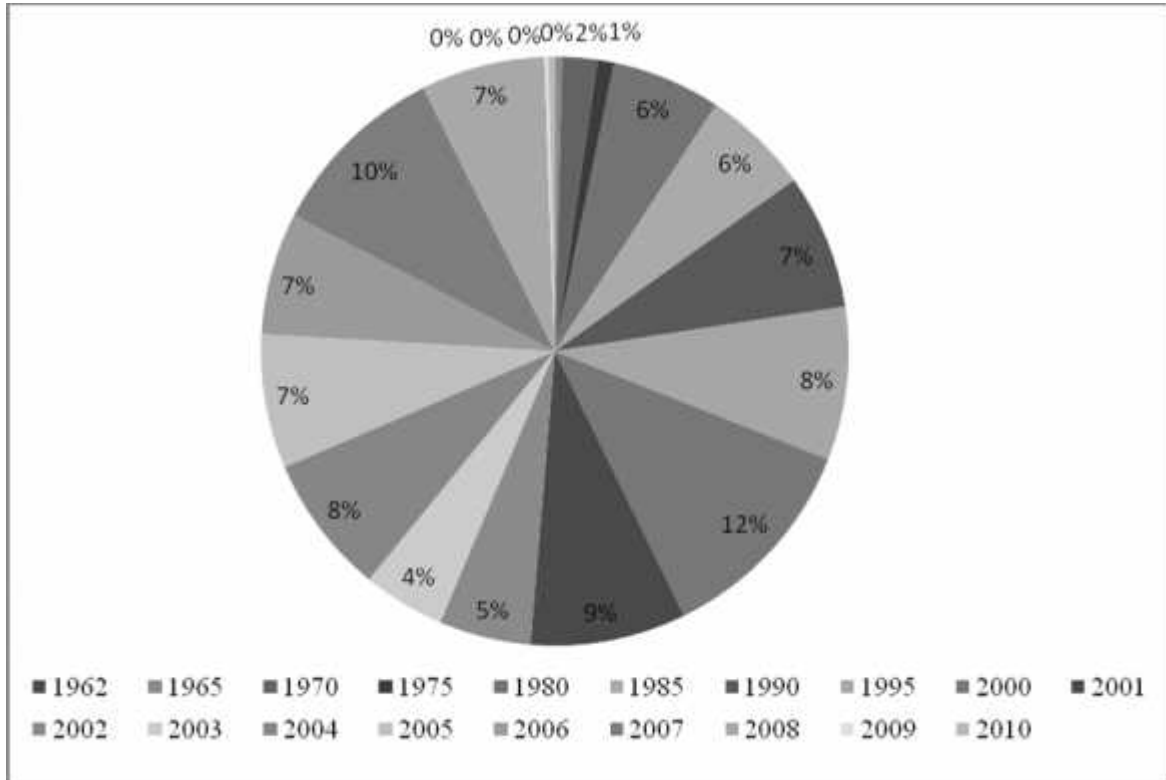
The above table no.4.3 and figure 4.3 shows that there is increase in the level of tourist arrival in Nepal of the age group between 31-45 followed by age group between 46-60 and 16-30. It also shows that the age group between 16-30 was decreasing gradually. In this situation the government and the private sectors must find out that what are the reasons behind this decreasing no. of tourists of the age group between 16-30. From this, the total no of age group 0-15, 16-30, is 115,275 and 185,698 respectively in 2010. There is high potentiality of earning maximum revenue by the government with this category of tourists.

Mainly the younger age groups spend lots of money for entertainment by which the government can earn maximum profit. So there must be plan and promotion tools to attract mainly this younger generation. The government should work out in finding the reason behind decreasing no. of younger age tourists and implements the program to attract this younger age group as well as other group of tourist.

**Table no.4.4****Purpose wise Visitor Trend**

Year	Holiday Pleasure	Trekking/ mountaineering	Business	Pilgrimage	Official	Conv./ conf	Rafting	Others	Total
1962									6179(100)
1965	8815(93.9)	40(0.4)	160(1.7)		372(4.0)			1(0)	9388(100)
1970	41881(91.1)	556(1.2)	918(2.0)		1528(3.3)			1087(2.4)	45970(100)
1975	20124(75.9)	12587(13.6)	4911(5.3)		4227(4.6)			591(0.6)	92440(100)
1980	130600(80.2)	19302(11.8)	5491(3.4)		4654(2.9)			2850(1.7)	162897(100)
1985	128217(70.8)	28707(15.9)	10416(5.8)		1230(5.1)			4419(2.4)	180989(100)
1990	161839(63.5)	39999(15.7)	11728(4.6)	6713(2.6)	26578(10.4)	2838(1.1)		5190(2.0)	254885(100)
1995	183205(50.4)	84787(23.3)	21829(6.0)	5257(1.4)	20090(5.5)	5272(1.5)		42953(11.8)	363395(100)
2000	255889(55.2)	118780(25.6)	29454(6.4)	15801(3.4)	20832(4.5)	5599(1.2)		17291(3.7)	463646(100)
2001	187022(51.8)	100828(27.9)	18528(5.1)	13816(3.8)	18727(5.2)			22316(6.2)	361237(100)
2002	110143(40.0)	59279(21.5)	16990(6.2)	12366(4.5)	17783(6.5)			58907(21.4)	275468(100)
2003	97904(29.0)	65721(19.4)	19387(5.7)	21395(6.3)	21967(6.5)			111758(33.1)	338132(100)
2004	167262(43.4)	69442(18.0)	13948(3.6)	45664(11.9)	1708(4.4)			71893(18.7)	385297(100)
2005	160259(42.7)	61488(16.4)	21992(5.9)	47621(12.7)	16859(4.5)			67179(17.9)	375398(100)
2006	145802(27.7)	66931(12.7)	21066(4.0)	59298(11.3)	18063(3.4)			72766(13.8)	383926(100)
2007	217815(41.4)	101320(19.2)	24487(4.6)	52594(10.0)	21670(4.1)	8019(1.5)	65(00)	78579(14.9)	526705(100)
2008	148180(29.6)	104822(21.0)	23039(4.6)	45091(9.0)	43044(8.6)	6938(1.4)	243(00)	99391(19.9)	500277(100)
2009	4792(0.94)	394249(77.31)	19532(3.83)	4792(0.09)	12262(2.40)	11436(2.24)	27679(5.42)	113903(7.77)	509,956(100)
2010	7564(12.55)	489,456(81.19)	8031(1.33)	6,798(1.13)	18,754(3.11)	20,265(3.36)	30,154(5.00)	37,895(6.29)	602855(100)

**Figure 4.4**  
**Purpose Wise No of Tourist Arrival In Nepal**



From the above table no.4.4 and figure 4.4, Most of the tourists visiting Nepal have the holiday/pleasure purpose. Ever since the beginning, above 75% tourists arriving Nepal came with the holiday/pleasure purpose and it remained so till 1989. In recent years, the number of holiday/pleasure purpose tourists has been declining and the tourists visiting for trekking/mountaineering purpose have been increasing with the share growing from 0.4% in 1965 to 21.7% in 1997. However, since 1996, the holiday/pleasure visitor has started to pick up showing the continued importance of this segment. Likewise visiting for trekking /mountaineering purpose have been increasing with the share growing from 1.89% to 18.31%. however, tourist arrival in in 2008 shows evil and negative impact in tourism sector.

Nevertheless, a large number of tourists came to Nepal for holiday/pleasure purpose. According to the data for 1997, more than half of the tourists came for holiday/pleasure (59.1%), trekking/mountaineering (21.7%), business (6.5%), and official (5.7%), convention/conference (1.4%), pilgrimage (1.0%) and others (4.6%) respectively. Thus, holiday/pleasure and trekking/ mountaineering visitors occupied 94.3% in 1965 and 80.8% in 1997. This showed that, despite heavy concentration of tourists in these no segments with diverse purpose, visitors have started increasing in recent times. However, trekking and mountaineering will remain a major attraction as Nepal is the market leader in the region for this type of tourism. market for the country. From this till date (2010) the main purpose of tourist arrival is trekking and mountaineering which is 489456(81.14%) in 2010 i.e. increasing trend.

No of visitors from national majorities

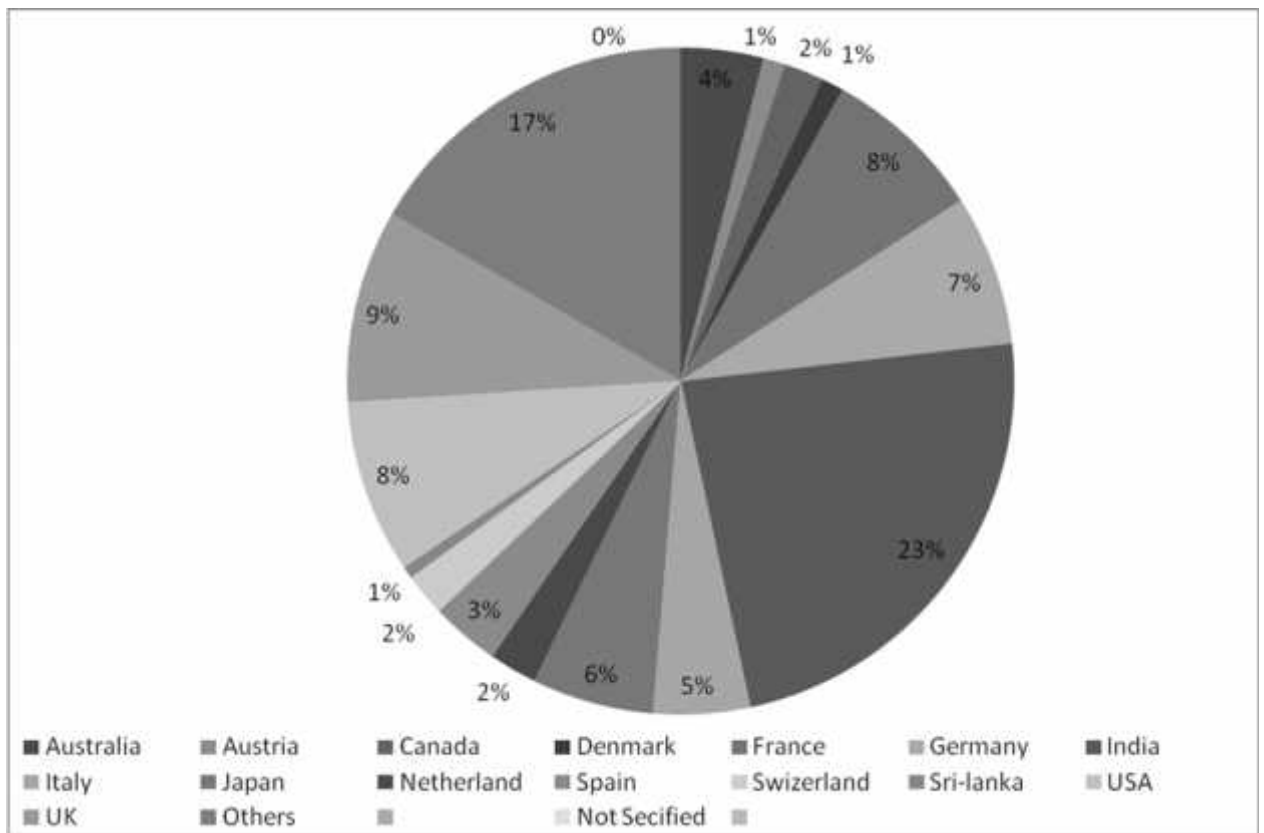
Table no 4.5

## Nationality wise Visitor Trend:

Natio nality	199 0	199 2	199 4	19 96	199 8	200 0	200 1	200 2	200 3	200 4	200 5	200 6	200 7	200 8	200 9	201 0
Austr alia	102 49	887 1	797 47	92 0	111 32	121 89	104 55	791 69	791 6	967 1	709 3	823 1	123 69	138 46	154 61	168 38
Austri a	262 4	311 9	292 7	41 63	420 83	522 1	416 4	341 30	302 5	434 1	300 7	347 4	447 3	354 0	324 5	351 9
Canad a	491 7	516 7	443 2	54 80	713 6	859 0	706 8	374 7	415 4	482 5	416 8	473 3	739 9	813 2	896 5	103 02
Denm ark	284 0	326 5	333 2	38 54	478 1	484 7	385 4	204 0	217 8	263 3	177 0	195 6	315 7	384 7	446 4	460 9
Franc e	199 09	226 69	186 38	91 3	819 2	245 06	211 87	133 76	148 35	189 38	141 08	148 35	202 50	224 02	221 54	246 78
Germ any	185 65	238 87	445 30	96 3	238 62	249 63	215 77	157 74	148 66	160 25	143 45	143 61	213 23	185 52	192 46	234 73
India	597 64	106 574	102 540	11 72	143 229	195 15	621 0	667 77	863 63	903 26	956 85	937 22	901 0	911 77	938 84	116 231
Italy	119 52	134 27	971 5	25 8	10 124	114 91	874 5	857	824 3	123 76	878 5	773 6	112 43	791 4	798 2	101 95
Japan	150 21	195 33	195 69	23 3	373 86	410 70	288 30	233	224 22	242 31	182 39	222 42	270 58	233 83	224 45	232 72
Nethe rland	597 2	947 8	866 9	87 18	144 03	162 11	136 62	830 6	844 3	111 60	894 7	720 7	105 89	109 00	111 47	287 8
Spain	851 5	112 72	622 8	76 78	881 2	887 4	589 7	726 7	826 5	715 67	889 1	103 77	156 72	138 51	130 06	141 58
Swize rland	527 8	591 4	492 1	69 61	664 4	623 0	564 9	335 2	324 6	378 8	316 3	355 9	523 8	518 6	528 1	562 9
Sri- lanka	153 6	858	858 8	47 85	110 31	134 9	984 4	980 5	139 30	161 24	187 70	274 13	499 47	378 17	363 62	458 41
USA	214 26	221 89	216	25 15	359 02	404 42	320 52	175 18	188 38	833 0	185 39	297 83	297 83	300 76	320 43	370 85
UK	238 77	264 92	225 04	26 76	354 99	347 922	323 673	210 07	221 01	246 67	251 51	227 08	323 67	336 85	353 82	355 39
Other s	424 40	516 38	480 45	78 51	843 88	176 3	904 00	669 20	932 87	113 745	121 7	321 763	176 312	171 989	172 846	116 321
Not Secifi ed												400 5	351 5	400 7	604 3	112 287
Total	254 885	334 353	326 531	65 31	463 684	463 646	361 237	753 983	338 132	385 297	375 398	383 926	562 705	500 277	509 956	602 855

**Figure 4.5**

**No. Of Tourist Arrival In Nepal by Major Nationalities.**



The largest number of tourists came to Nepal are from North America in the few years 1960. In the terms of nationality, the highest percentage of tourist arrivals in the country was from India. From the above table no. 4.5 and figure 4.5, It also recorded an increasing trend from 19.3% share in 1975 to 31.3% in the year 1996. Other major tourist market for Nepal is UK, Japan, USA, Germany, France and Australia. According to the data for 1997, Nepal received the highest number of tourists from India constituting 31.6% followed by Japan (8.3%), USA and UK (7.1%), Germany (5.3%) and France (5.1%) respectively. This data indicates that the top five countries like India, Japan, USA, UK and Germany occupied a share of 59.4% in the total arrival. The concentration in a few countries points to the need for diversifying the base for tourist origination in order to make the industry more sustainable and enhance the total arrivals.

Beside those countries, there is high potentiality of other countries. For this the government as well as private sectors involving in tourism business must bring the program to attract the tourists from all around the globe. They must do advertising about

the touristic destination of Nepal as well as they must spread the name of Nepal all over the world. The booklet and brochure must be published in which there must be

information about Nepal, touristic destination, cultural heritage etc. There are now fast media like television and internet, from which we can launch, advertise about our country internationally. It also helps a lot in attracting tourists from all around the globe.

Beside these promotional program, the government can also do a lot to attract the tourists from all around the world by cutting off in visa fee, by maximizing air seat capacity, by increasing international flights etc. If the government can do these kind of program, then the no. of tourists arrival will increase and the government can earn maximum revenue as well as there will be more opportunity of employment in Nepal by which our country's economy will increase.

### **4.3 Economic Benefit of Tourism:**

#### **4.3.1 Foreign Exchange Earnings from Tourism:**

The performance of the total foreign exchange earnings has been observed reasonable in terms of its increasing share in Gross Domestic Product (GDP) since 1974/75. The share of earnings from the tourism to GDP has increased from 1.0% in 1974/75 to 4.3% in 1994/95 and a slight decrease occurred in 1995/96 and 1996/97. This may not be termed satisfactory. The growth rate of the share of tourism to the GDP during the last 10 years (1985/86 to 1995/96) was observed 3.83% and it was higher than the growth rate of the share of tourism to GDP during the period 1974/75 to 1984/85, which was only 2.02%. The foreign exchange is contributed GDP which is highest in the fiscal years 1994/95 and 1995/1996 i.e. 4.1%. Likewise for the last four fiscal years i.e. from FY 2005/06 to 2008/09 the growth rate of GDP is increasing trend from 1.5% to 2.9% respectively. In the FY 2008/09 the total foreign earning from tourism is increased rapidly as compared to FY 2007/08 i.e. 18,653 million to 27,960 million. The FY 2009/10 data is incomplete data so, it does not give accurate result. It is more clear from the below table no.4.6

**Table no. 4.6**  
**Foreign Exchange Earnings from Tourism**

Year	Total Foreign Exchange Earning (million) mi(million)	As % of Total Value of merchandise Exports	As % of Total Value of Exports Goods & Non Factor Services	As % of Total Foreign Exchange Earnings	As % of GDP
1990/91	3,587.6	47.1	23.5	21.8	3.2
1991/92	5,016.9	35.9	19.5	20.0	3.6
1992/93	5,966.0	34.5	26.7	17.6	3.7
1993/94	8,251.7	42.7	22.4	18.9	4.1
1994/95	8,973.2	50.0	21.6	17.3	4.1
1995/96	9,521.2	47.9	23.3	21.4	3.8
1996/97	8,523.0	37.6	13.7	17.6	3.0
1997/98	9,881.6	35.9	17.4	15.2	3.3
1998/99	12,167.8	34.1	18.5	15.9	3.6
1999/00	12,073.9	24.2	13.0	8.8	3.2
2000/01	11,717.0	21.0	12.0	7.4	2.9
2001/02	8,654.3	14.9	10.6	6.1	2.1
2002/03	11,747.7	23.1	15.2	8.2	2.6
2003/04	18,147.4	32.9	20.3	11.4	3.7
2004/05	10,464.0	17.5	12.2	6.1	1.8
2005/06	9,556.0	15.5	10.9	4.6	1.5
2006/07	10,125.0	16.1	10.7	4.5	1.4
2007/08	18,653.0	30.1	17.9	6.7	2.3
2008/09	27,960	40.0	22.8	6.5	2.9
2009/10*	16,767	40.0	23.1	6.0	2.6

*Note: +Date based on new format since Fiscal Year 2000/01. \*First Eight Months.*

*Source: Ministry of Finance, Nepal.*

#### **4.3.2 Expedition Teams, Peaks and Mountaineers:**

The below table shows the mountaineering activities of overall activities like number of expedition teams, successful expedition teams, total number of mountaineers, casualties, size of employment, royalty paid to the government, expenditure of the teams, etc. the mountaineering expedition teams coming to Nepal show a fluctuation of 10 or 15 teams but since last year the total number of teams have increased. From the viewpoint of successful expeditions; only about 50% of the teams are successful. From the employment point of view, the mountain expeditions are considered to be important, as every year they provide work to various types of manpower like high altitude workers, low altitude workers, local porters, etc. despite the increase in the number of expedition's teams and mountaineers, the employment opportunities for such type of manpower is showing decline. The reason for this is that equipment and tools, foodstuffs have become lighter and easily portable, together with the transportation of all expedition material and equipment to the Base Camp is done by helicopters.

It is found that the expenditure that the expedition teams make and the revenue that the government earns have been showing a regular increase. Moreover, the increase in the foreign exchange rate in the 1990s has led to great increase in the total amount that the expedition teams spend in Nepal and the royalty paid to the government. The Expedition, Teams ,peaks and mountaineers is increasing trends and exceeds to the government royalty in 2010. It is more clear from the below table no.4.7

**Table no 4.7**  
**Expedition, Teams, Peaks and Mountaineers.**

Year	No. of Team	Total no. Of Mountaineers	Successful Team	No. of Person Employed	Casualty	Royalty to Government Rs.(000)	Expenditure of the team
1990	120	972	56	14179	9	7345	N/A
1991	130	13010	54	9080	0	8929	N/A
1992	113	929	59	8261	24	30291	101355
1993	95	730	54	5423	11	39102	103804 1
1994	105	696	63	5236	8	44499	113501
1995	91	624	531	5123	5	37257	116600
1996	129	851	66	4924	16	101880	227413
1997	120	861	45	7003	16	108237	295001
1998	141	974	57	6942	11	95479	382441
1999	115	857	55	9690	6	84989	344624
2000	132	773	79	11587	8	119893	498513
2001	112	836	66	6203	12	127396	552033
2002	134	913	83	10599	9	128030	600000
2003	152	1080	90	14838	9	181360	630000
2004	140	1042	87	9362	9	127072	494494
2005	128	940	72	636	9	156240	400137
2006	133	986	78	4344	18	145612	423895
2007	162	1128	86	4823	7	169830	966637
2008	267	2018	N/A	4231	N/A	253583	1588969
2009	352	2136	102	5232	9	298,655	1610,798
2010	600	2225	150	5578	18	329,790	1678,210

*Source: Nepal Tourism Statistics, 2010*

#### **4.4 Marketing Promotion by Nepal Tourism Board**

##### **4.4.1 The Overall Marketing Objectives**

The overall marketing objectives are to expand the overall volume and value international markets of tourism to Nepal by concentrating on inherent product strengths and other possible competitive areas, to position Nepal firmly as a varied and multi-faceted

destination with weekend breaks, lifetime experiences with special interest products comprising nature, culture and adventure, to improve the spatial distribution of visitors and foster the growth of new tourism areas, increase Length of Stay and spends and deregulating, decentralization and open sky policies by increasing FDI in tourism spheres. The most important impact of tourism development in Nepal is its major contributing to Nepal's economy, providing employment in hotels, international airlines, trekking and travel agencies.

Among the overreaching goals of Nepal Tourism Board there are goals as creating the destination demand by rebuilding destination image, catalyzing the Nepalese travel trade and international travel trade, establishing backward and forward linkages, promoting a perfect product-market mix in line with the segments: weekend breaks, amazing adventures and lifetime experiences.

To reach the above described goals there must be an increased influence on the potential customers (trade and consumers) about the Nepal as interesting touristic destination. The international consumers should adopt this destination as one of their favorite destination. Therefore in Nepal should be, among others, formed a new platforms, areas and activities in order to improve spatial distribution and thus enhance visitors' numbers, stays and spending.

#### **4.4.2 Vision and Strategy**

The vision (Nepal Tourism Board- 2008) of Nepalese tourism is establishing the Nepal Tourism Board as the leading NATO championing the best and innovative practices of destination marketing and development and eco-tourism in this region. The most important plan is to make Nepal the number one mountain tourism destination in the world as envisioned by the Brand and to maximize the tourism benefits by developing Nepal as a premier holiday destination by following the spirit of "Inclusiveness" and sustainable tourism for greater harmony and equitable distribution of income.

Forecasts suggest that the number of visitors will continue to increase, largely due to the strength of the Nepalese economy, competitive travel prices and Nepalese's' interest in offering new experiences to increase visitor spend and days:

Wellness Tourism, Sports tourism. Education Tourism, Spiritual Tourism, cultural tourism. The short term strategy (until 2005) sets a task to rebuild destination image, to communicate effectively with markets, to continue working on Confidence Building Measures (CBM), to target at least 10-12% growth (PATA predicts 8% growth for Nepal), and to make vigorously position of the new Nepal brand and concentrate in Indian market. The Medium Term Strategy for 2006-2009 is enhancing the visitor's number, increasing the spending pattern of the visitors, increasing the average length of stay, to develop new tourism products through diversification drives, implant Inclusiveness culture in planning, policies and execution levels and coordinate with stakeholders for deregulation and decentralization and liberalized policies. In 2012 Nepal would like to develop its products in three categories as to length of stay. For short stay, up to 13 days, is for businesses, pilgrims, tourists who would like to do sport and golf players. For average stay, about 13 days, would be enough for tourists who would visit Nepal for general leisure, businessman, niche leisure and MICE. Long stay, more than 13 days, is for trekking and backpacking, volunteers and mountaineering. Tourists products with high spent are MICE, mountaineering, niche leisure and golf. The Long-Term Strategy (2010-2015) is predicting that the destinations should make specific study of the market segments of their interest, spread out their marketing strategy to reach wider areas and also plan their future air connectivity to suit the demand from such areas. In fact most of the countries trying to woo the travelers are planning to expand their air network to touch new areas and products. In most cases the national carriers lead the country's destination marketing in the area. The most important mission statement is to maximize the tourism benefits by developing Nepal as a premier holiday destination with a definite brand image. The main goals of long term strategy are: to create Destination Demand by rebuilding destination image, catalyst to bring Nepalese travel trade, international travel trade and consumers together, establish backward and forward linkages and promote a perfect product-market matrix in line with 3 brand segments: weekend breaks, amazing adventures and lifetime experiences (Nepal Tourism Board, 2010).

Due to the fact that the Nepalese market is wide and varied and the new growth centers are emerging the strategy should be comprehensive, multi-pronged and diversified trying to reach too many new sources as possible directly. The national carrier can be the lead agency for such a strategy. Easy access to the country is one of the most compulsive incentives. The future bilateral aviation arrangements with Nepal should focus on connections to as many

areas of demand as possible. The presence of the national airline is a visible advertisement of the country's tourism attractions and interests.

The neighboring countries can benefit mutually by a coordinated policy of regional or sub regional development. The airlines can promote multiple destinations in collaboration with each other and can in the process offer stronger incentives to the prospective traveler. Such coordination may also be most cost-effective.

#### **4.4.3 Strategic Marketing Approach**

The strategic marketing approach, above all, consists of Confidence buildup measures (CBMs) which especially mean focusing on family trips and press meetings, highlighting the normality of the destination and utilizing of Nepalese diplomatic missions abroad. It is also important to enhanced communication which for sees the 24 hours media center. The journalists reporting on political events in Nepal must be approached and informed also about Nepal as interesting touristic destination. The priority should first be given to the retaining the visitors number more than seeking the growth of the touristic inflow. The regional markets are approached by the governmental regional marketing fund.

Within the framework of intense marketing approach a special care should be dedicated to the collaborative ventures of government, privates and regional forums. The major events (conferences) should be attracted to Nepal and thus assist the growth of business tourism. The use of customer's database should be increased in order to engage the customer's relationship marketing. The media campaigning for destination awareness, promotion and publicity of touristic packages are to create a confidence and desire among the trade and consumers.

#### **4.4.4 Marketing Promotion Tools**

Different countries follow different modes of promotion and marketing for their destinations. These different types can be broadly grouped under the following categories:

1. Using the travel agents and tour operators and other industry professionals on a regular or ad hoc basis and appointment of dedicated agents for such promotion;
2. Occasional road shows, exhibitions, cultural programs, food festivals, fashion shows etc to promote the tourism attractions of the country;

3. Continuous promotion through a combination of these activities by opening offices of the NATAs;
4. Electronic and print media publicity;
5. Internet and web site publicity.

FAM tours of travel agents, tour operators, travel writers and policy makers to show case the attractions of the country. Participation in Travel trade exhibitions in major generating markets. The promotion tools set by the Nepal Tourism Board are partially including the above widely used categories and in addition to that quote also some specific promotion tools. There is a variety of marketing promotion tools listed in the documents set by the NTB. The most important are:

- ) F2F direct marketing: B2B and B2C sessions
- ) Market specific Promotional Collaterals
- ) Media campaigns. Media and Tour Operators meetings. Press Meetings, FAM Trips
- ) Sales Missions, Road Shows
- ) Advertisements, Print and Electronic publicity
- ) E-marketing through website and e-newsletters
- ) Build web platforms for larger consumer access

The promotion programme is based on collaboration and cost sharing and the promotion plans are designed in consultation with stake holders. In addition to that the NTB is trying to organize collaborative ventures with government, private and regional forums, to help attract major events to Nepal in order to assist growth of business tourism, to increase the use of customer database in order to engage into customer relationships marketing and finally to create a confidence and desire among the trade and the final consumers (Nepal Tourism Board, 2010).

#### **4.4.5 New Nepal Tourism Brand**

The travel industry strongly feels that the trend of looking for unique and new experiences is already showing. In the coming years, they feel, hitherto less explored destinations which have been marketed as exotic locations different from the usual ones like China beyond Shanghai and Beijing, Tahiti, Turkey etc will attract more repeat travelers. The Asian destinations particularly the short haul, extended weekend ones, can exploit this new trend

by imaginative marketing and innovative product development. The potential destinations so far less explored by the foreign tourists have to focus on creating awareness about their products. They should concentrate on showing their unique selling proposition, and how that is different from the general run of experiences. The new destinations can expect to offer value for money by expanding their direct air connections to India or by collaborating with regional airlines to provide cheap and quick connectivity. Marketing and awareness creating promotional measures are therefore very important (Nepal Tourism Board, 2010).

In accordance with the above trends and facts the new Nepal touristic brand "Once is not enough" has been developed with intense homework and research. Its aim is to reestablish Nepal's declining image and to integrate consumer and trade. It incorporates the competitive advantage of Nepal with better clarity and precision, besides it is integrating trade, product development and marketing very effectively. The positioning of the brand is already underway and it is focusing on exactly identified key market segments, which are: weekend breaks, adventure holidays and lifetime experiences. The new brand is also spinning the same products with multitude of offers.

The fact that the new brand name had to be chosen as soon as possible and there was no time for any further hesitating is now being confirmed not only in the country itself but also by the good practice in the neighboring India.

The example of India's own highly rated "Incredible India" campaign can be mentioned by way of illustration. It was launched when India was facing a series of crises, as a part of crisis management strategy. It created an image of India as a destination focusing on the unique and intrinsic variety of the country. It selected the target audience and markets and launched vigorous and sustained campaign using all the different modes of travel marketing mentioned earlier. The coverage of India by reputed publications like the National Geographic, Lonely Planet, and Condensate etc established the credentials of the campaign. India's inbound arrivals have shown double-digit growth in recent times, though the numbers are far below the potential because of a variety of reasons. This way the mode of concentrated, focused and comprehensive marketing is recommended not only for Nepal but also for other the emerging Asian destinations.

#### **4.4.6 Strategic Focus on Ways Forward**

As per Nepal tourism board guidelines the efforts of NTB, government and trade must be coordinated and integrated to the highest possible level. There should be concluded the strategic partnerships with the associations, marketing bodies, regional tourism wings and other forums like UNTWO, PATA etc.

The traditional markets as well as the markets of competitive advantage must be targeted continuously. Despite the fact that Nepal is a land locked country the market base for land arrivals should be expanded. The vigorous position of the Nepal destination brand must be strengthened and sub-brand destinations and promotions like The Pokhara Year 2007, Lumbini and others should be continuously in the promotional campaign.

The new experiences like wellness tourism, sports tourism, education tourism, and spiritual tourist can be offered to the visitors of Nepal. The promotional campaign should include the Nepalese diplomatic representations and a special market representatives should be appointed in the target markets.

The marketing promotion strategies should be improving continuously i.e. the new objectives and respective tools can be added and the less effective activities can be deleted.

The growth of regional arrivals is targeted up overall annual growth of tourist arrivals is set to be targeted are shown in the below table. to 25% annually and the 10 - 12%. The countries

**Table No. 4.8**  
**Market shifts - Targeted markets**

	Volume Markets	Value Markets	Developing Markets
Medium term (2005-2009)	India	USA, UK, Japan, Germany	China, Malaysia, Thailand, Singapore, S. Korea, Australia, New Zealand, Sri Lanka, Russia, Scandinavia, Bangladesh
Long term (2010-2015)	India, China, Bangladesh, Sri Lanka	USA, UK, Japan, EU, Australia, New Zealand, S.E.Asia, S. Korea, Scandinavia	Russia, C.Is. Middle East

*Source: Nepal Tourism Board, 2010*

#### **4.5 Promotional Efforts made by NTB in International Level:**

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

- Participation in Travel Trade Fair.
- Advertisement/Sales and Promotion Campaign.
- Familiarization (FAM) Trips.
- Press Conferences.
- Publicity Materials Publications.

##### **4.5.1. Participation in Travel Trade Fair**

NTB has been participating jointly with private travel trade industry partners in different Travel Fairs organized in different countries. Travel Trade Fairs are important platform for NATOs and travel industries for direct approach to consumers. Though regarded it as conventional marketing tool, it has been really important to use such Travel Trade Fairs to

position Nepal as a destination among potential and existing FITs and tour agents. Following tables show the different travel trade fair where NTB has participated:

1999	2000
TTF, India	Vakantibeur- Netherlands, IITM- India .FITTUR-Spain
ITB, Germany	TTF, India
ITE, Korea	ATM, Dubai, ATTHE Tour Expo
Kwanangdo, -Korea	WTM, London .JATA
JATA-Japan, WTM- London	ITB, Germany
Tourism Fair, Czech Republic	CITM, (China)
Arabian Travel Mart, Dubai	BIT, (Italy)
ITE, Hongkong	
2001	2002
TTF. India	TTF, India
ATM, Dubai	ITB, Germany
ITM, China	Vakantibeur,
WTM. London	PATA Mart, Singapore
ITB, Germany	FITTUR, Spain
2003	2004
TTF, India	TTF, India
ITB, Germany	ITB, CMT, Germany
WTM. London	WTM, London
Vakantieur, Netherlands	Vakantieur,
JATA	JATA
ITE, Hone Kong	IITM. India
CITM. China	ATM, Dubai
IITM. India	CITM. China
Tourism Mart Sri Lanka	FATA Travel Mart. Thailand
SATTE. India	MITF, MATTA .Malaysia
2005	2006
TTF. India	TTF, India
ITB, Germany	ITB, Germany
WTM, London	WTM, London
Vakantieur.	Vakantieur,
JATA	JATA
CMT. Germany	CMT. Germany
CITM. China	PATA Mart, Hone Kone
MITF. Malaysia	SATTE, India
Nepal promotion in Qatar	ATTA. World Summit USA
SATTE, India	DTM, Bangladesh
AICffIE World Expo. Japan	World Travel Fair, Sanghai

Dhaka Travel Mart	MITF, Malaysia
PATA Travel Mart, Malaysia	CITM, China
2007	2008
CMT Germany	CMT.Germany
JSDF UK	CMT Austria
UNWTO-Malaysia	CMT France
MAST-Kathmandu	CMT Switzerland
2009	JATA -Japan
TKT. Thailand	2010
KOFTA Seoul	CMT Germany
CPC India	ITB Berlin
IPTIN.Thailand	ITB Singapore
2011	ITB Egypt
TITF Thailand	
Nepal Fair in Belgium	
BIT Italy	
NTY Paris	
TTF and OTM in Mumbai	

*Source: NTB Marketing Dept.*

#### **4.5.2. Advertisement/Sales Mission/Promotion Campaign**

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

Sales mission & Promotion Campaign:

Discover India, India -	1999
Joint Campaign with Necon Air -	2000
Nepal Day Program, India -	2000
West Europe Road Show - Europe,	2000
Japan Sales Mission -	2001
US Road Show, USA -	2001
NTB/NAC Joint Promotion Campaign -	2002
Border town Promotion, Sikkim -	2002
NTB sales mission to China-HKG,	2002

Pilgrimage destination promotion, India,	2003
Nepal Evening in Paris -	2003
Nepal Mart, India -	2003
Special India Promotion Campaign -	2004
Sales Mission, China -	2004
Pashupati Darshan package, India,	2004
South East Asian Road Show, (Thailand, Malaysia)	2005
Nepal Promotion in Doha, Qatar -	2005
Nepal Week Program, Singapore -	2005
Nepal Promotion, Beijing, Bangkok -	2006
South India Sales Mission -	2006
India road show-	2007
China sales mission-	2007
Central Western India sales mission	2008
Nepal Participation in Bit Italy	2009
Nepal Fair in Belgium	2010
Nepal participation in Tif Thailand	2010
PATA Tourism Meet	2010
First Eastern Regional Techno Fest	2011
South Korean Little Angles perform in Nepal	2011
Civil servants to scale MT. Everest	2011
Nepal to Host International Cannoning event	2011
Great Himalayan Trail opens for business	2011
Kantipur Cultural Festival	2011

*Source: NTB Marketing Dept.*

#### **4.5.3. Familiarization (FAM) Trips**

Regarded as most cost effective tool of promotion Familiarization Trips have a significant role in Nepalese tourism marketing. As NTB has very limited and small budget for marketing as compared to competitors, inviting international media persons for covering destination publicity is very much effective. A group of media persons (electronic and print media), travel writers are chosen from major markets and are invited to Nepal where they are taken to different places of tourism attractions in co-operation with different airlines,

hotels and travel companies. Later, they make destination coverage in the form of news, articles, video-audio travel program and circulate or broadcast in different means of media in their country. It gives wide coverage and publicity of Nepalese tourism attraction in those markets.

#### **4.5.4. Press Conferences**

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

##### **PRESS CONFERENCE:-**

Press Meet, India -	2001
Joint PC, Jet Airways - India,	2004
Press Conference, Bangalore, India -	2004
Press Conference, London, Paris -	2004
Press Conference, China -	2004
Tour Operator Meet - Bangladesh -	2004
Press Conference, India -	2005
Press Conference /Photo Exhibition, China -	2005
Press Conference, TTF, Kolkata -	2006
Press Meet, Paris, Europe -	2007
Press Conference, Ecotourism Australia	2008
Press Conference IT Tourism ,healthcare ,India	2009
Press Conferences Silva airline operation Oman to Nepal	2010
Press Meet Tariff system (GSP)	2011

*Source: NTB Marketing Department.*

#### **4.5.5. Publication of Publicity Material and Website**

Information and communication is very important for visitors about the destinations where they are traveling. So, NTB has been producing different kinds of publicity materials both

print and electronic. Brochures, Leaflets, Booklets, Maps are in printed form where as CD Rom, DVD, VCD, Videos, Promos are of electronic versions which is very effective and indispensable in e-marketing.

#### **4.6 Major Findings of the Study:**

Nepal is extremely rich in tourism products and it exists all over the country. Natural wealth, culture and monumental heritage bequeathed by history are the principal tourism products of Nepal. In fact, Nepal possesses tremendous diversities and potentialities to develop as a major tourist destination from diverse perspective. It has created a special niche in the arena of adventure tourism in the world.

Support infrastructure is one of the basic necessities for the development of the tourism. However, there is a noted dearth of support infrastructure to develop its potentialities fully. Support infrastructure has not reached in all areas. But efforts have been made to develop necessary infrastructure. In respect to service infrastructure, it has substantially increased in terms of volume but quality of service did not seem to be satisfactory. At present more than 50% hotel accommodation facilities are concentrated in Kathmandu valley. Most of the accommodation facilities outside the valley are in non star category. Thus, class hotels are still limited and tourism business is generally catered by low level hotels which may not augur well for attracting higher class tourists in the scattered destinations of the country. In view of the present status of infrastructure, significant attention has to pay to avail and improve such facilities in order to develop the existing tourism areas as well as develop potential areas.

Tourism is the biggest and the fastest growing industry in the world. In international tourism market, during the period 1950-1997, tourism receipt grew from US\$21,000 million to US\$448,265 million.

Similarly, in Nepal, earnings from tourism, in terms of convertible foreign exchange has increased from US\$ 0.1 million in fiscal year 1961/62 to US\$ 3.59 million in 2008/09. However, Nepal has not been able to earn as per the growth of visitors or compared to market potential. Nepal earns one of the lowest per day spending by tourist. Despite it, tourism is a major source of foreign exchange of Nepal and it is playing an important role in

the national economy. It provides useful contribution to the government exchequer recording around 4% of the total government revenue. Tourism is a labor intensive service industry and it is generating a sizeable employment opportunity in Nepal. Tourism has generated significant indirect benefits through the growth of allied industrial sector and boosting export trade. Moreover, tourism helps to promote regional development of the country as well. Hence, the contribution of tourism in the socio-economic development of Nepal is very significant.

The share of Nepal in world tourism market is more or less constant at 0,06 - 0.07 percent, but the share of Nepal in South Asian market is increasing marginally with the growing interest of tourists for adventure tourism. Nepal is popular in worldwide level for expedition and mountaineering activities. Despite such potentialities, Nepal has been occupying only a marginal share in the world tourism market and it has not been able to make satisfactory inroads into the market.

Regarding the query about the impact of tourism, the highest number of respondents perceived that there might be environmental, social/cultural and economic effects of tourism in Nepal and a small segment viewed that there would be no such effects of tourism. The highest number (67.8%) of visitors viewed that friends/relatives were the main source of information to come to Nepal, followed by guide books (28.9%), prior visit (22.8%), and travel magazines (20.1%) and so on. Only a very small segment of visitors was motivated by travel agents, newspapers and televisions. It "showed the areas where emphasis will have to be placed while promoting Nepal. Majority of the tourists (55%) have not seen publicity materials relating to tourism published by the government of Nepal, Airlines, travel and trekking agencies etc. and only 43.7% tourists responded that they had seen publicity materials. Travel magazines and brochures were found to be the main source of information for all categories of tourists. Overall, it showed Nepalese marketing effort may not have been adequate and significant improvements are necessary.

Tourists visiting Nepal viewed that they were generally satisfied and rated high satisfaction for various aspects of tourism e.g. weather (5.54), scenery (6.26), behavior of people/communities (5.77), sense of authenticity/remoteness(6.03), religious customs (5.65), sense of adventure (5.67), feeling of safety(6.14), historical sites/monuments (5.79)

and culture (5.95). In their opinion, all aspects were highly important to them. They gave somewhat moderate rating to viewing wild animals and birds (4.93).

Similarly, they rated highly satisfactory tourist's services like accommodation (5.63), sightseeing tours (5.44), shopping facilities (5.42), food and drinks (5.59), language communication (5.69), customs (5.07), agency services (5.48) and guide services (5.78). They gave moderate rating to night entertainment (3.76), transportation (4.52), tourist's information offices (4.30) immigration (4.13) and airlines (4.76).

The single most important experience satisfying the tourists visiting Nepal was the hospitality, friendliness, helpfulness, humbleness, honest and welcoming attitude of the Nepalese people. The second important source of satisfaction for tourists was natural sites and scenery specially the majestic Himalayas. Seeing Mt. Everest and other important peaks always proved to be a fascinating experience for the tourists. Closely, following was the satisfaction derived from trekking which indicates that Nepal does possess tremendous advantaged in trekking tourism. Other source of satisfaction and best experience were climbing and mountaineering, historical and religious sites and culture. Similarly, uniqueness and experiences is some places like Chitwan, Pokhara and Lumbini also provided satisfaction. Some other notable comments were pronouncing Nepal as peaceful, a reflection of having a nice time in Nepal and observing good services. Some comments they extended were in the areas of environment and pollution, immigration and customs and air access to the country.

The tourism organizations rated the strengths of Nepal as uniqueness (69.81%), price (49.06%), location (41.51%), and repeat value (33.96%), sense of achievement (24.53%) from tourism perspective. Similarly, they rated the weakness as poor presentation of products (81.13%), poor preservation (73.58%), limited product (41.51%), lack of mass appeal (35.85%) and congestion (33.96%).

Their main comment was Nepal did not seem to have been able to present as per the strengths of the product nor have been able to preserve them.

Tourism organizations identified the most important Nepalese products as adventure tourism combined with cultural and wildlife tours. Tourism organizations were positive about the tourism industry in Nepal and it can attain further growth by adopting appropriate marketing strategies.

Tourism organizations responded that they were relying upon international marketing/advertising agencies for their business promotion as they thought it necessary to reach the originating market. However, not much actual indication was available in this regard. Further, they rated that marketing efforts of Nepalese tourism agencies were generally above the average level. However, the main concern they showed was in regards to the level of competition of tourism business in Nepal which was not rated satisfactory. They observed that the industry was facing cut-throat competition.

The tourism organizations generally viewed that present status of the industry as moderate and showed the need for promotion both at regional as well as select international originating market levels.

The major attractions in Nepal were identified by the experts as adventure, culture and nature. However, they also saw prospects for pilgrimage, sports, meetings and conventions, incentive travel and special interest tour business etc. Thus, there was relative agreement among all segments of respondents in this respect. They also identified the advantage in the South Asia, especially for Indian tourists. So, South Asia followed by major traditional tourist originating regions viz. Western Europe and East Asia etc., are expected to continue to be the major markets for Nepal.

They observe that the overall marketing efforts for tourism were poor and needed substantial improvements. In their opinion, Nepal has not started planned and professional marketing. Greater reliance on "word of mouth" publicity as mentioned by the highest percentage of respondents also proves the point. They observed the need for a substantial departure in tourism promotion in view of growing competition in the industry in Nepal. They added that marketing efforts of different agencies were not encouraging.

Experts also viewed that Nepalese tourism marketing was unorganized, unprofessional and they have indicated that the total marketing of Nepal was very poor. They evaluated the efforts of different agencies involved in tourism development on the basis of average score. The private sector's efforts have been rated sound with a score of 1.4 while the efforts of associations (1.7), government (1.9), people (1.9) and NGO's (2.3) were below average in a scale of 1 to 3.

The comparative analysis of the three segments of the respondents showed that Nepalese experts and tourism organizations may not have understood clearly the perception and program and activities initiated by the country. The areas identified as weakness by tourism organizations and experts were rated satisfactory by tourists. Further, tourists were found to be much more satisfied than viewed by the experts and organizations. However, there is no room for complacency and attention must be given to address weakness in a professional and strategic manner.

In Nepal, the government has tried to create conducive institutional paraphernalia to develop tourism since 1957. However, the allocation of resources for the tourism sector in different plans was very low despite recording continuous growth. In percentage terms, it remained stagnant around 0.3 % of total plan allocation up to the seventh plan. Only in the eighth plan, the allocated share reached 0.96%. This revealed that the government has started to give greater attention to the tourism sector. But in view of the importance of the sector, the real allocation was found to be very meager as indicated by the low ratio with GDP which was around 0.04 only on average.

Nepal has initiated various efforts to promote tourism and market Nepal as a sustainable destination. Both the government and the private sector have been promoting Nepal. The government share accounted for around 18.4% on average while the private sector spends around 71.6% on average. Most of the promotional expenses were done in Nepal which does not augur well for international promotion. Similarly, the percentage share of tourism promotional expenses to GDP ranged between 0.04% to 0.07% which showed that spending on tourism promotion may be low and Nepalese promotional efforts may be less than adequate.

However, in terms of international comparison, Nepal's spending actually may not be poor. The average promotional expenses of top twenty countries was found to be 0.6% spent of their total tourism receipts in 1995. In this sense, Nepal has been spending favorably on promotion. But the total volume spent on were reviewed in this study.

## CHAPTER-V

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

Nepal though a poor country has been blessed with rich natural and cultural heritage and hence has opened a lot of opportunities for her. Tourism has come a long way with its roots back developed in 1950s. With its growing and valuable contribution toward the development of the Nepalese economy in context of increase in national production and income, creating employment opportunity, improving regional imbalance and to develop the image of Nepal. In an international community, made an immense need to promulgate different plans and programs, implementation strategies, facilities and incentives scheme creation of institutional arrangements, develop and expand tourist attraction points. The recent success of “VNY 1998” has ventured to present “2002 as the Destination Nepal Year” to attract more tourists in the coming year with lots of opportunities placed in by tourism, it has made possible for putting the joint effort by the country people, government and other concerned sectors. Likewise after the analysis of the tourist arrival trend in Nepal FY 2002-2003 is the evil situation and FY 2003-2004 is the better situation. Likewise, after the constitution Assembly Election, no of tourist arrival in Nepal is increasing trend. In contrast to this, Nepal government warmly announces “Nepal Tourism Year 2011”. In this year, Nepal government targeted one million tourists to visit Nepal. Similarly, the Nepal government is working on upgrading domestic airlines. Currently, the government is upgrading four airports – Simikot, Rara, Suketar and Manang- to make them all weather ones. Tourism in Nepal became a strong contribution in national economy by 4% tourism sector according to 2009. The objective of this study is to access and evaluate the existing tourism marketing, e-marketing and promotional tools to develop the tourism market in Nepal. Survey and analytical research approaches are used in this study. Primary data are collected from taken from official staffs, hotels, prospective tourists, travel agents, tour operators etc. And secondary data are drawn from various government agents, trekking agents, reports, journals, newspapers etc.

In the theoretical foundation, review was made of the concept, reasons and motivation for travel and theories on tourism mainly based on the literature of Burkhart and Medlik (1980),

Ananda (1976), Katz and Lazarsfield (1955), Lundberg (1972), McIntosh (1972), Robinson (1976), Cohen (1978), Smith (1977), Bhatia (1994), Louis Erdi etc.

## **5.2 Conclusion**

The study has shown the despite recording growth and emerging it as one of the largest industries in the country. Nepal has not been able to manage and market tourism on a sound and professional basis. Lack of co-ordination among the government and the private sector is well pronounced. One of the major problems to tourism like adequacy of access to the country, growing environmental problems especially in Kathmandu and poor preservation and development of touristic resources have not been addressed. Unless Nepal addresses these issues, sustained development of tourism will not be possible. It may not be necessary to reiterate that tourism is a highly competitive industry and every country is trying to develop it. So, Nepal must overcome its problems on a systematic and time bound basis and develop industry on professional lines.

Some section of the industry has started to professionalize by initiating links with international chains or providing management contracts or hiring qualified adequate. The whole industry needs to be developed on a professional basis since in this industry one has to compete at international level. Therefore, strategies must be opted to inculcate state of art technologies. The study has clearly shown the paucity of marketing efforts of Nepal.

Only then Nepal can emerge as a vibrant and popular destination. Otherwise, Nepal will lag behind in the international competition and despite the product strength; it may have to yield ground to others. So, requisite attention to develop and sustain the industry must be provided immediately. Platitudes are not enough and the government must make serious efforts with the private sector to position and promote Nepal. Hence, Tourism has an important role to play in uplifting the Nepalese Economy. It is therefore, essential to consider all the aspects of tourism development to present the country the best place to travel explore and adventure. Though, the data so analyzed show the subsequent increase in the tourist arrivals yet the question of quality vs. quantity arises. The actual and the expected data do not match. It is because of certain weakness of our country possesses that are yet to be strengthened. The lack of sound tourism marketing, planning, processing and research system, Nepal could not achieve better result in tourism as per its potentiality. The

international tourism marketing was carried out without sound linkage between the products and their target market. The limited funds and scattered marketing activities hardly achieve any desired targets.

Due to the government instability and the bureaucratic procedures, tourism was hardly treated as a professional business sector that needs competitive marketing strategy. The environment pollution and degradation hinder upon the natural beauty. Though tourism was pointed out as one of the major foreign exchange earning, the priority given to tourism sector was only after “the VNY 1998” that the realization of the importance of tourism spreads nationwide for greater and more and coordinate effort for tourism development. Therefore, the need for a planned tourism development has been realized so that tourism development program could be measurable and achievable. “Nepal Tourism year 2011 “also help to promote tourism industry and to growth national economy.

### **5.3 Recommendations**

In order to attract tourist, government should have preserve existing culture, arts and movements and research in this field should be carried out to introduce new culture, best arts etc. Sanitation and hygienic are the major problems facing by tourist here. In order to improve these problems there are some major steps to be taken by governments for the development of tourism in Nepal, they are:

1. The recent travel trend in the area of pilgrimage, MICE and sports is encouraging though adventure, culture and nature are the major attractions of Nepal to international visitors. Experts viewed that Nepal has been overexposed as a country of mountains, but, according to them time has come to reposition on a new products. So, appropriate positioning as per the strength and demand of our product and the competitive situation of the industry should be made.
2. To keep city clean, to arrange a clean public toilet; to create various destination interesting and pleasing way; and to preserve them. There are few proper hotels/lodges and other accommodation facilities and also they are situated at the Kathmandu valley only. Due to these problems tourists don't like to go out side of the valley so, concern

sector must give attention to make international standard hotels and hotels outside of the valley.

3. Nepal needs to offer multiple package programs to attract more tourists in the country. While designing package, different combination can be included to suit different purpose visitors as well as different age and sex group of visitors. Alternation in packages may be made on the basis of products or by including products and services.
4. Uncertainty of air seat capacity, especially of Nepal Airlines, is the major constraint for tourism development in Nepal which has endangers schedules and affected visitors. Response of tourism organizations and experts showed that primary attention should be given to improve air seat capacity. The most noted problem for this was NAC. Nepal Airlines should increase its air seat capacity and solve its problems on a long term basis otherwise private airlines should be allowed to operate immediately even in those routes where NA operates. So far, private airlines are not allowed to operate in such routes. Secondly the government should give significant emphasis to approach more international airlines to come to Nepal or fly via Nepal. Moreover, emphasis should be given to increase air seat capacity by ensuring more international flights connecting with major tourist originating cities of the world.
5. At present Tribhuvan International Airport (TIA) is the only international airport of Nepal. Big aircrafts cannot come here so it does not seem to have made it financially attractive to international carriers to come to Nepal. There also seems to be limited feasibility for expansion of TIA. Likewise, present service and facilities also are limited at TLA. Therefore, an alternative international airport should be developed in the Terai region at a location which will be technically and economically suit and viable from market perspectives.
6. For easy accessibility of tourists to various places of tourist interests in the country, the government should develop and improve road transportation. In Nepal there is limited access and the available roads are also not maintained properly. For access to new areas, roads should be constructed in strategic do the job. Both these should join hands and promote Nepal on a continuous manner.

7. Nepalese Embassies and consulate offices abroad can be the best media to provide information about Nepal. By mobilizing these agencies through qualified staff oriented towards marketing and promotion of tourism, Nepal can be promoted effectively. Thus, Nepalese Embassies and consulate offices abroad must be mobilized effectively as a market outlet of Nepal.
8. Most tourists come to Nepal through the suggestion of friends/relatives and personal contacts. We must continue to promote such visitors. However, Nepal also should target the visitors who are motivated by e-marketing, promotion and publicity. It may not be necessary to reiterate that promotion is the most powerful tool of marketing. To attract more visitors, continuous and sustained promotion through appropriate media at existing market and potential markets is needed it will help to attract those visitors who are motivated by promotion.
9. Nepal must target its markets according to strengths and prospects. The leading market segments for Nepal may be India, Western Europe, Japan, USA and Australia. The SAARC, ASEAN and East Asia also may be promising segments for future. So, all marketing and promotional efforts must be done on the basis of these identified target markets and potential market strengths.]
10. In Nepal, the government has been giving attention to develop the tourism sector. For this ,tourist information centers should be established indifferent parts of Nepal so that tourists ould easily get information about hotels, traveling routes trekking etc.
11. In Nepal visa procedure is another problem, it is suggested to make visa grant process more lucid and practicable. Likewise, Newness is a source of pleasure to tourist so; government hould identify new places for resort area and mountaineering tourism for rapid development of ourism in Nepal
12. To broaden the market in Asian countries NTB should hire professional PR agencies in major market like Bangkok, Kualalampur. So that PR can be utilized to build develop the networks of travel trade who sell Nepal. Through professional

13. To increase the foreign currency and number of tourist arrivals, concerned authority must give attention to lengthen their stay and provide good security for tourists. Further, the government only can't develop tourism alone so; the government should coordinated local government municipality, NGOs/INGOs and private sector in Nepal.
14. Special campaign should be organized in main university and colleges of Asian countries in order to promote Nepal as a destination for study. Different aspects of Nepal like eco tourism, protected area management, mountain region and natural recourses should be focused among the foreign students, so that they choose Nepal for their research and study program.
15. NTB government and private sector jointly should start a promotion campaign of '*send home a friend*' concept. Lots of Nepalese are going in other Asian countries for work, so if those all departing Nepali nationals could be taught about this concept, they can send lots of foreign friends to Nepal.
16. Political parties should think very sensitively towards creating peaceful and strike free Nepal in order to improve Nepal's image abroad. All types of political demonstrations, strikes, *bandhs*, and vandalism should not exist. Political demands should be raised and addressed peacefully without creating any question mark on safety and security situation of Nepal.

## APPENDIX – I

### QUESTIONNAIRE SET-A

#### For Nepal Tourism Board

1. In your opinion, which one of the following is the major problem that hinders the enhancement of tourism business in Nepal and thus needs to give greater attention for having sound marketing strategy for tourism?
  - a. Political Instability      c. Economic Problems
  - b. Social Problem                      d. Technical Problems
  
2. Rank the following social problems, which most weakens the tourism business of Nepal? (Rank 1 for the most)
  - a. Unhealthy Competition between Entrepreneurs
  - b. Pollution of Kathmandu
  - c. Commission Agent
  - d. Drugs Abuse
  - e. Language Problems
  - f. Lack of well management and Trained Staff
  
3. Rank the following technical problems, which most weakens the tourism business of Nepal? (Rank 1 for the most)
  - a. Airport Problem
  - b. Transportation Problem
  - c. Natural Problem
  - d. Insecurity
  - e. Financial Crisis
  
4. In your opinion, what could be the major prospect that has potentiality to attract tourist to visit Nepal?
  - a. Enriched Natural Beauty
  - b. Cheaper to Travel
  - c. Adventurous Recreational Activities

- d. Cultural Diversity
- 5. In which area or areas should NTB give more attention for the promotion of tourism?
  - a. Accommodation
  - b. Transportation
  - c. Immigration
  - d. Airlines
  - e. Agency Services
  - f. Security
- 6. Where Nepal's marketing efforts should be concentrated at?
  - a. National Level
  - b. Specific Target Market Level
  - c. International Level
  - d. Potential New Market
- 7. What types of marketing efforts is needed?
  - a. Destination Promotion
  - b. Media Promotion
  - c. Personalized Promotion
- 8. What kind of product development should Nepal do?
  - a. Preserve and present our product as it is
  - b. Modify product to suit target market
  - c. Combine product features
  - d. Develop new products
- 9. What is the competitors' major strength in tourism marketing?
  - a. Large Access
  - b. Timely Access
  - c. Capability to reach new access
  - d. Broad coverage
- 10. What is the competitors' major weakness in tourism marketing?
  - a. Wildlife Destination
  - b. Culture
  - c. Value for Money
  - d. Pilgrimage
  - e. Friendly People

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

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

12. Where should Nepal position in the international market?

- a. Pleasure tourism
- b. Adventure tourism
- c. Low spending tourists
- d. Nature tourism
- e. Culture Tourism
- f. Mix of above

13. What facilities will be provided to tourists during the Nepal Tourism Year 2011 as a part marketing tourism in Nepal?

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14. What other strategies are going to be adopted by NTB to promote Nepal Tourism Year (NTY) 2011?

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Thank You.

