

CHAPTER – I

INTRODUCTION

1.1 Background of the Study

Nepal is an sovereign and autonomous country when countries came to an existence in the world. It has own matchless nature and culture. Nepal has proud of the highest peak, Mount Everest 8848 Mounst and the place of Lord Buddha Nepal has got many beautiful high snow covered mountains, many deep rivers and forests, diversity of landscape and climate, many kinds of plants, animals, birds, butterflies etc. likewise, there are so many ethnic groups living in Nepal who have different kind of life style, many diversity in the dialects, festivals, dresses, foods and traditions, the unity in diversity is the feature of Nepal.

As Nepal is captivating attractive nature, interesting culture and all steps of adventure, the tourism industry has been the very important industry in Nepal. The tourism industry is a main source to import the foreign currency, this industry is the so important as and quite easy because the nature and culture is the permanent materials for which there is no need to pay any cost, the conservation of nature and culture can be the way to continue this industry, tourism industry can create many kind of jobs to Nepalese people. Trekking, airline, rafting, hotel, travel, jungle safari, garments, carpets, handicrafts, gems, jewelers, all kinds of business are in tourism industry. Many tourist related business can able to give big employment to people, big income to government & opportunity to introduce the country internationally, it can share the idea of other country, and Nepalese people can learn there civilization from other developed countries. But the significant of the tourism industry is very high in Nepal. The management, marketing, staffing & standardization in service are major components of all business firms related tourism industry, it is essential to develop this industry for develop the country; we have got many prospects to develop this industry as well as country. So it is necessary to explore the problems & the prospects of this industry.

Tourists from different countries enter to Nepal for different purposes. Almost the adventure tourists come to Nepal for mountaineering, trekking, jungle safari & rafting, some tourist come for just relax their holiday by enjoying the views of mountains and other scenery, some are specialist who come for research, some are bird viewer too, many pilgrims tourists visit Nepal as a pilgrimage Pashupatinath, Manakamana, Muktinath, Gosainkunda, Janakpur Budhanilkantha are the major Hindu's pilgrimage. Lumbini is the birth place of lord Buddha, so Lumbini Swayambhu & Buaddha Stupa is so important place for Buddhist pilgrims, India where mostly Hindu people live and China where mostly Buddhist people live; they are both just out of our border, China and India both highly populated countries, so we have very good chance to develop pilgrim tourist from our neighbors, we have many Hindu's pilgrims have been coming from India to visit Pashupatinath, Muktinath, Mankamana and Gosainkunda. There are so many Hindu's people also in out of Nepal and India, they prefer to come to visit many pilgrimage, if we could develop our pilgrim tourism many tourists come to Nepal as day by day, although Buddha born in Nepal it is sad that some books published in out of Nepal, actually published and influenced of India, they have written that Buddha's birth place is India. The government and international Donor Agency are giving the emphasis to develop of Lumbini which is very positive aspect. Mankamana temple has cable car which is also very good thing as Mankamana is attracting many domestic and international pilgrims, pilgrims are the source of income of the local area, if there were cable car in Muktinath and Gosainkunda too, many pilgrims as tourist would have come to visit Nepal.

Nepal is famous in mountain & rivers, we are so fortunate to have highest peak, Mount Everest 8848m, and other many snow covered high mountains, we have not only snow peaks but also we do have many green hills, desert hills & different types of landscapes as well as views. 83% land of Nepal is in hill & Himalayan region, different climate, plants, animals, views make Nepal beautiful and lovely place to visit. Adventure lover tourists who want to climb mountains, they won't satisfy from only one climbing. The taste of climbing from one mountain adds other interest to climb again & again. Likewise, trekking in Nepal is very famous activity, dream of many tourists from many countries of the world, tourists never tired from the view and trekking in Nepal, eastern, western, mid-western, far western and central all part

of Nepal and every route of trekking is so exciting and provides different enjoyment, now a days tourists come to Nepal for the rafting purpose, rafting is another excitement of tourist, we have deep forest as well as many wild animals and birds, tourists nature lover come for the jungle safari to see the different type of birds and animals.

Every activities and spots gives the energy and adds another interest to come again in Nepal and to do other activities. Tourists need to enjoy and relax their holiday by any means. We have to think about it too. But we should beware of environment. Environment conservation should be the policy of all entrepreneurs and related people in tourism industry. Without the relaxing and enjoying atmosphere, tourists do not stay longer so that we should think for their enjoyment and other activities, those activities should provide them to enjoy and entertainment but under the strong law and rule of country as well as community or society.

To develop our country we should develop tourism industry as there are so many possibilities from this industry. It is the major sector which promised to bring even greater contribution to Nepal's economic growth. Or we can say it is the main source of foreign-exchange earner. In 2007 total Rs. 15,185,071,000 Gross Foreign Exchange earned from tourism sector.

Tourism development has a significant impact on all facets of the economic, social and physical structure of country. There are social, economic, technical and political problems that are affecting the tourism business. Hence a sound long term marketing strategy should be made by the Nepal Tourism Board after considering all the aforementioned problems and the prospects of Nepal Tourism.

1.2 Statement of the Problem

In Tourism industry, there are so many related existing business are and doing the competition with each other. All the tourism related business should join hand each other but in the practice we have seen there is unfair competition. The policies of same kind of business would be better to be the same but there are no such things in practice. The tourism industry is interrelated with the internal and external

environment. The management, marketing, finance, staffing and policies of all related business firms are internal environment which are changeable and under the control of firms. Government policies and political situations are the major problem in internal problem. International incidents, weather and climate, political instability international economy and foreign countries perception and policies are external environment of the industry which is difficult to change by firm's power or external environment is out of the control of firms. The major problem behind which the study is conducted is stated below;

- a. For what purpose the tourist come to Nepal?
- b. What is the length of stay of tourist in Nepal?
- c. What are the strength and weakness of the tourism industry in Nepal that need to be considered while making long term marketing strategy?
- d. In what direction is the tourism business of Nepal going on?
- e. What are the major problems and prospects of tourism in Nepal that need to be considered for having sound tourism strategy?

1.3 Objectives of the Study

The objective of this study is to examine the long term marketing strategies for the development of tourism industry. The other objectives are as follows;

- a. To know the purpose of tourist come to Nepal.
- b. To know the length of stay of tourist in Nepal.
- c. To explore the strength and weakness of tourism industry in determining long term marketing strategy.
- d. To identify the major market of Tourism industry of Nepal.
- e. To identify the problems and prospects of tourism in Nepal that is crucial for making strategies.
- f. To study the trend of tourists inflow.
- g. To find out the major purpose behind tourism that needs to be considered for making strategies.

1.4 Significance of the Study

The major reason behind doing the research is to trace out the optimal strategies for tourism business in Nepal that need to be adopted. Thus, the analysis, findings and

recommendations drawn from the study will primarily benefit the Nepal Tourism Board (NTB) for launching the new strategies and methods to overcome the shortcomings and attract potential tourist to Nepal. The study will equally be important to the institutions and person who are formally and informally related to the tourism business to know the actual situation of the tourism business in Nepal. Further, the study will also be helpful for the later researcher as a review.

1.5 Limitation of the Study

This study has following limitations:

- a) The study is related to the strategies of tourism and hence does not cover the other aspects of the tourism.
- b) This study covers only 5 years of data, i.e. from fiscal year 2006 to 2010, that may not represent the whole trend of tourism business.
- c) The accuracy of secondary data depends upon the annual report of NTB and Ministry of Civil and Aviation, and the reliability of the primary data depends upon the responses of the respondents.

1.6 Organization of the Study

This study has been organized into five Chapters.

Chapter-I: Introduction

This chapter deals with the background of the study, statement of the problem, objectives of the study, significance of the study and limitations of the study.

Chapter-II: Literature Review

This Chapter is the brief review of literature related to this study. It includes a discussion on the conceptual framework and review of the major studies. It gives an overview of the related literature done in the past related to this study.

Chapter-III: Research Methodology

Research Methodology describes the different methodologies employed in this study. Sources of data are mentioned and described in this chapter.

Chapter-IV: Data Presentation and Analysis

This Chapter presents and analyzes the data obtained during the study. Different tools and techniques of data analysis have been undertaken for the purpose of analysis of data.

Chapter-V: Summary, Conclusion and Recommendations

This chapter includes the summarizes the whole study, makes conclusion on the basis of data analysis and major findings drawn out and finally provides recommendations for improvement.

Besides the aforementioned chapters, **Bibliography and Appendix** have been given at the end of the study.

CHAPTER – II

REVIEW OF LITERATURE

2.1 Conceptual Framework

2.1.1 Development of Tourism in Nepal

“The history of Nepalese tourism can be found from ancient times. People visiting Nepal from different countries of the world for the exchange of culture and for pilgrimage were popular. The 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 Chobhar 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 Lichchhavi period, most of the foreigners visited Nepal as pilgrims. At this period, the great emperor of Tibet named Shrangchang Gampo visited rule of King Anshuvarma and married the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts the Kailashkut Bhawan and Mangriha of Lichchhavi dynasty.” (Dhakal; 2001: 35)

“Similarly, around 6th century, in the Kirati Regime, some foreigners visited Nepal as pilgrims in Malla Regime there was a significant development in art, 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 earnings 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 increases in tourists visiting Nepal, 6179 tourists in 1962 and 2548885 in 1990.” (*Bhandari; 2000: 34*)

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 suggests 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; 2002: 72*)

“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; 2002: 42*)

“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; 2002:43*)

“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; 2002:45*)

2.1.2 Policies and Programme 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 who has 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 programmes. 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 Lac 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 field 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 programme 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 31st 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.

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 reflected 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 Organizing Committee

Considering the magnitude of the campaign, the Government of Nepal has formed the Main Organizing Committee under the convener-ship of Honorable Minister for Tourism and Civil Aviation. The Committee has Honorable 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 were

nominated as Members. Chief Executive Officer of Nepal Tourism Board had been designated as the Member-Secretary of the Committee.

B. Secretariat

Nepal Tourism Board (NTB) had 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 were 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 e.g. 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, terrorism and dispute among political parties, (Alliance Government) the arena of tourism does seem weak and destroyed.”
(*Kayastha; 1997: 43*)

Lack of Government Supervision and Strong Legal Provisions

Without the permission and license some business firms are running in this industry. Somehow 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 more 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) Un specialization

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 attacks 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 stat 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, Kanchanjungha, 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 cannot get market. There is the saying in our locality that forced labor earns much better than lazy labor (Silence cannot 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 everybody.” (*NTTR; 2006:38*)

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; 2006: 38*)

Dr. Tuladhar, Gynendra Ratna has presented an imaginary external structural linkage and dependency of private sector for a real term of sustainable tourism

development in Nepal. He has said that if tourism is to be pushed in dynamism, a private sectors (with any appropriate name) should be chartered by the government, considering four party tourism linkages with a status of independent, self-regulated and a strong tackled lobbying agency to the government as well as the private sectors for overall betterment of tourism.

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 sightseeing, 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. Furthermore, 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 not foreign exchange earnings from tourism in Nepal, and to estimate income and employment generation in the tourism sector of Nepal. In this study, regressions were run on the time-series data as well as cross-sectional data for the period 1974-1987.

The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number of tourists, for the total time-series analysis for the period 1974-1987. Tourist expenditure was found to be highly sensitive with respect to exchange rates, but the sensitivity of tourist arrivals to his 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 fully 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 \$ 760,000 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 (1993), 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:

- Sightseeing 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 form east (i.e. circular tours to Kathmanud, 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 as an authoritative body for overall planning, promotion and development of tourism. It was suggested that the functions distributed among them existing organization of the department of tourism, department of archaeology, department of forestry, department of immigration, and ministry of foreign affair to be brought under the proposed ministry. It was also suggested that ecological surveys and measures for the conservation and promotion of the traditional music, dance customs, and festivals, to be carried out.

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

- 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 dictated 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 sightseeing places, e.g. Gorkha, Lumbini, Pokhara, Tansen 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 Janakpurdham.
- 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 sightseeing 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 Thesis

Chhetry (1981), 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.

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. Another aspect of the findings of this study is to determine 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. Generally, industrialization already hints about the generation of employment level. The word 'Industrialization' pre-dominantly related to the level of employment. 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 (1999), in her Ph. D. thesis entitled "*Tourism in Nepal: Problems and Prospects*" mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the 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 1993/94. But the convertible foreign exchange increased by 10.74 percent during the

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

Silwal (2000), 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, 17.34 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. 314.97 million in 1987/88 from 34.91 million in 1974/75.

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

Upadhyaya (2003), 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 earnings, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy is moving faster and faster on the path of globalization.

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

Khadka (2004), 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 (2006), 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 2006.
- 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 (2008), 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 is 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.

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 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, www.welcomenepal.com. 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

-) Mean
-) Standard Deviation
-) Coefficient of Variation
-) Percentage

CHAPTER – IV

DATA PRESENTATION AND ANALYSIS

4.1 Secondary Data Analysis

On this section of the study, the secondary data obtained from the annual reports of Nepal Tourism Board, and Ministry of Travel and Civil Aviation have been analyzed to achieve the objectives of the study.

4.1.1 Tourists Inflow in Nepal

The tourist inflow in Nepal has been increasing in each year, except in 2010. The Table 4.1 shows the number of arrival of tourist in total and in separately the number who have traveled by air and by land.

Table 4.1
Tourists Arrivals

Year	Total		By Air		By Land	
	Number	Growth Rate %	Number	Growth Rate%	Number	Growth Rate%
2006	375398	-2.57	277129	-3.89	98269	1.37
2007	383926	2.27	283516	2.30	100410	2.18
2008	526705	37.19	360350	27.10	166355	65.68
2009	588243	11.68	374661	3.97	213582	28.39
2010	509956	-13.31	379322	1.24	130634	-38.84
Mean	476846	7.05	334995	6.15	141850	11.76
S.D.	83567	17.09	45121	10.80	43562	34.48
C.V.%	17.52	242.25	13.47	175.74	30.71	293.28

Source: Nepal Tourism Statistics 2010

The year 2007 to 2010 observed a positive shift in the tourism environment and the confidence of both visitors and travel trade, becoming strong with an anticipation of improved political situation in the country.

A total of 509,956 tourists visited Nepal during 2010 which is slightly lower than the number of tourists arrival in 2009, i.e. 588,234. So tourist's arrivals including by air and by land have increased satisfactorily within the past five year periods.

The above data further reveals that the tourists' inflow in Nepal decreased in the year 2006 by 2.57% compared to that of the year 2005. Since 2007, the tourist arrival

number caught up the rising trend and reached to 588243 in maximum in the year 2009 from 383926 in the year 2007. The data reveal that the tourist inflow in Nepal made highest jump in the year 2008, when the number increased drastically by 37.19%. However, in average the number of tourist arrival increment was 7.05% in the five consecutive years and the average number of tourist arrived during these periods was 476846.

Similarly, the tourist arrived through air has also increased to 379322 in the year 2010 from 277129 in the year 2006. Except in the year 2006 the congestion of tourists through air to travel seemed increasing trend and hence highly increased by 27.10% in the year 2008 compared to the number in the year 2007. In average, the number of tourist arrival through air increased by 6.15%.

Likewise, the tourist arrival through bus, train and other means of land transportation followed increasing trend in each year taken for study. The number of tourist arrived increased from 98269 in the year 2006 to 213582 in the year 2008, and decreased to 130634 in the year 2009. In average, 141850 tourists arrived in each year and the growth rate per year was 30.71%, which was quite progressive.

Hence, it can be concluded that the number of arrival of tourist in each year has been almost in increasing trend. And the decrease in number in the year 2010 was merely due to the decrease in land travel. The NTB should recognize the hurdles that has decreased the number of tourists by means of land transportation, and should ensure sound travelling in its promotional strategy to increase the tourists' number.

4.1.2 Average Length of Stay and Average Expenditure

The longer the period of stay of tourist, the more amount of money they are expected to spend. Thus the Table 4.2 shows the average length of stay and average expenditure they had made in US\$ in the last five years.

Table 4.2
Average Length of Stay and Average Expenditure

Year	Length of Stay		Average Expenditure	
	Days	% Change	Expenses	% increase
2006	9.09	-32.72	42	20.00
2007	10.20	12.21	47	11.90
2008	11.96	17.25	51	8.51
2009	10.57	-11.62	54	5.88
2010	11.32	7.10	62	14.81
Mean	10.63	-1.56	51.20	12.22
S.D.	0.98	18.39	6.73	4.93
C.V.%	9.22	-1181.75	13.15	40.30

Source: Nepal Tourism Statistics 2010

The Table 4.2 reveals the average length of stay of the tourist and the average expenditure per day that the tourist made in the nation. The table showed that the average length of stay has increased in most of the years, except in the fiscal year 2009. The length of stay was 9.09 days in the year 2006, which increased to 10.20 days in the year 2007, increased to 11.96 days in the year 2008, decreased to 10.57 days in the year 2009, and again increased to 11.32 days in the year 2010. In average, 10.63 days was spent by the tourist in Nepal within the five consecutive years.

However, the average expenditure made by the tourist per day followed increasing trend in each year. Each tourist spent US \$ 42, US \$ 47, US \$ 51, US \$ 54 and US \$ 62 per day in the year 2006, 2007, 2008, 2009 and 2010 respectively in Nepal, which indicated the positive prospects for the industry and eventually dominant role of tourism industry in buttressing the nation's economy. Thus, the NTB and the Ministry of Civil and Aviation should ensure the ease availability of the stuff that most tourists need to increase the tourist expenditure and finally increase the nation's economy.

4.1.3 Purpose of Visit

Tourist arrives in Nepal for number of purposes. The purpose can be holiday pleasure, trekking and mountaineering, business propose, pilgrimage, rafting, official and so on. The number of tourist arrival for various purposes has been tabulated in Table 4.3.

Table 4.3
Purpose of Visit

Purpose	Year	Mean	S.D.	C.V.
---------	------	------	------	------

	2006	2007	2008	2009	2010			%
Holiday	160259	145802	217815	233344	40992	159642	67950	42.56
Trek & Mount.	61488	66931	101320	117842	132929	96102	27947	29.08
Business	21992	21066	24487	30141	22758	24089	3228	13.40
Pilgrimage	47621	59298	52594	55291	51542	53269	3893	7.31
Official	16859	18063	21670	26578	24518	21538	3695	17.16
Conference	0	0	8019	10241	9985	5649	4676	82.78
Rafting	0	0	65	169	285	104	110	105.66
Others	67179	72766	78579	86641	186849	98403	44691	45.42
Not Specified	0	0	22156	27996	40098	18050	15834	87.72
Total	375398	383926	526705	588243	509956			

Source: Nepal Tourism Statistics 2010

Data showed that highest number of tourists arrived for holiday pleasure purpose continuously from the year 2006 to 2010. The table showed that during 2006, 160259 tourists came for Holiday Pleasure which decreased in 2007 to 145802, however, the number increased to 217815 in the year 2008, increased to 233344 in the year 2009, and finally decreased to 40992 in 2010. Hence, the data helps to derive the conclusion that the tourist arrival number has been affected by the political situation of the country. Further the lackadaisical of concerned bodies in exploring new spot for holiday is the major reason behind drastic reduction on tourists in 2010 for holiday purpose.

After holiday pleasures, trekking and mountaineering remained more successful in alluring the tourists to visit the country. The number of tourists for this purpose has considerably caught increasing trend and finally reached to 132929 in the year 2010 from 61488 in the year 2006. The purpose of this visit occupied second place after holiday pleasure in average. Besides, holiday pleasure and trekking & mountaineering, pilgrimage purpose is also high in number. However, the arrival of the tourists for pilgrimage has fluctuated during the observed periods. The number increased from 47621 in the year 2006 to 51542 in the year 2010. However, a highest number of 59298 have been recorded in the year 2007 for the pilgrimage purpose. In average, 53269 visitors visited Nepal each year for this purpose only.

Tourists also come for Business, Official, conference and others purpose. But the number is very less in comparison to holiday, trekking and pilgrimage purpose. In average, 24089, 21538, 5649, 98403 tourists came Nepal each year for business, official, conference and other purpose respectively. Data revealed one remarkable thing that from the year 2008, tourists also came merely for rafting unlike before.

Because data shows that tourists wasn't here for rafting purpose only before 2008. In 2008, 65 tourists came solely for rafting purpose only and the number increased to 169 in the year 2009, and to 285 in the year 2010. This shows that Nepal also have potential to develop or attract tourists in rafting business too. In addition, the paragliding from Sarangkot has also attracted a lot of tourists. It would be better if the government of Nepal and NTB board approaches for other adventurous items that fascinate the tourists in its promotional strategy.

4.1.4 Visitors Arrival by Nationality by Air

The table below shows that the number of tourist arrived in the last five years through air travel from different nations and different continents. The Table 4.4 depicts the major market coverage of Nepal.

Table 4.4
Visitors Arrival By Nationality by Air

Country of Nationality	January-December				
	2006	2007	2008	2009	2010
Asia (SAARC)					
Bangladesh	7,098	5,229	7,892	11,679	12,578

India	93,430	95,271	96,275	91,177	86,696
Pakistan	1,901	1,931	2,566	3,242	3,913
Sri Lanka	1,003	856	1,303	1,461	1,722
Sub-Total	103,432	103,287	108,036	107,559	104,909
Asia (Other)					
China	6,423	6,531	14,426	14,076	18,677
Israel	3,762	2,836	3,630	4,526	4,770
Japan	14,478	18,574	21,989	19,694	19,045
Malaysia	4,677	3,141	4,027	4,381	4,596
Singapore	2,365	1,872	3,185	3,624	4,947
S. Korea	5,475	7,002	12,513	12,556	11,792
Chinese Taipei	3,451	3,286	4,412	4,608	5,132
Thailand	4,483	3,632	5,247	5,442	6,664
Sub-Total	45,114	46,874	69,429	68,907	75,623
Europe					
Austria	2,252	2,596	3,087	3,173	2,729
Belgium	2,833	2,644	3,975	4,047	4,099
Denmark	1,602	1,534	2,683	3,376	4,631
France	12,249	12,528	16,770	19,616	18,879
Germany	12,306	12,098	16,920	16,228	16,397
Italy	7,395	6,834	9,193	7,262	6,945
Netherlands	5,483	4,888	6,781	7,322	7,580
Norway	1,143	1,119	1,608	2,328	2,056
Switzerland	2,649	2,770	4,098	4,473	4,501
Spain	7,539	9,291	13,000	12,115	10,915
Sweden	775	970	1,504	1,806	1,818
U.K.	22,030	19,292	26,814	29,694	30,186
Other (Poland, C. Republic & Russia)	-----	-----	-----	-----	7,152
Sub-Total	78,256	76,564	106,433	111,440	116,457
Oceania					
Australia	5,791	6,762	9,615	11,998	13,327
New Zealand	981	1,151	1,467	2,011	1,970
Sub-Total	6,772	7,913	11,082	14,009	15,297
America					
Canada	3,717	3,751	5,718	6,783	7,628
U.S.A.	15,809	16,886	24,576	26,762	27,877
Sub-Total	19,526	20,637	30,294	33,545	35,505
Others	24,029	28,241	35,076	39,201	31,531
Grand Total	277,129	283,516	360,350	374,661	379,322

Source: Nepal Tourism Statistics 2010

The Table 4.4 reveals the number of tourist arrival in the Nepal by country-wise as well as by continent-wise through air transport only. The table showed that almost ninety percent of the tourist arrival from SAARC was covered by India. The tourist arrival from India increased for the first three years, i.e. from 93430 in the year 2006 to 96275 in the year 2008, and then decreased in the two fiscal years, and finally

reached to 86696 in the year 2010. The pilgrimage purpose might be the sole reason behind the high coverage of Indian tourist in Nepal from SAARC. Besides India, Bangladeshi, Pakistani and Sri Lankan also travels Nepal but the number was minimal compared to that of Indians. The concerned bodies need to have serious consideration for tracing out the reasons behind the decrement of the Indian tourist and others, and should make optimal strategy for cultural promotion, which is the major purpose for Indians to visit Nepal.

Likewise, Japanese tourist numbers were highest from the other Asian countries excluding SAARC. The number of Japanese tourist visited Nepal in 2008 reached to highest 21989 from 14478 in the year 2006, and then decreased in the last two years. The Buddhist culture has played crucial role to allure large number of Japanese in each year. Besides Japanese, Chinese were highest in visiting Nepal than others from the Asian countries excluding SAARC. The number reached to 18677 in the year 2010 from 6423 in the year 2006. The prospects of Chinese business in Nepal played crucial role to attract Chinese in Nepal. Similarly, the citizens of Israel, Malaysia, Singapore, Chinese Taipei, Thailand and South Korea also visited Nepal in significant numbers.

Similarly, the people from Europe also played significant role to prosper the tourism business in Nepal. The number of tourist arrival through air transport decreased to 76,564 in the year 2007 from 78,256 in the year 2006, which then increased to 106,433 in the year 2008, to 111,440 in the year 2009 and to 116,457 in the year 2010. Among European countries, U.K. citizens were highest in traveling Nepal. Besides U.K., France and German citizens were in the top. Likewise, people from Austria, Belgium, Denmark, Netherland, Norway, Sweden, Switzerland, Spain and Italy also visited Nepal during the five years period. Also, the addition of tourists from three nations, Czech Republic, Poland and Russia, also shows increasing prospects to travel Nepal in European market. Eventually, the people from Pacific Oceania, especially Australia and New Zealand, and from Americas, especially U.S.A. and Canada, also played significant role to promote the tourism business of Nepal. The number of Oceania, America and others people visiting Nepal in 2010 were 15,297, 35,505 and 31,531 respectively. In overall, the number of people coming to Nepal by air transport was 379,322 in the year 2010. It would be better if NTB

makes strategy to promote tourism market to the other nations of the world that are not recorded in the past.

4.1.5 Number of Trekkers in Different Trekking Areas

For trekking purpose there are various destinations in Nepal. The Table 4.5 shows the number of tourist trekked in the major trekking places, viz Everest, Helambu, Langtan, Annapurna, Manang, Jomsom and other controlled areas.

Table 4.5
Number of Trekkers in Different Trekking Areas

Trekking Areas	January-December					Mean	S.D.	C.V. %
	2006	2007	2008	2009	2010			
Everest	19522	20693	26511	33243	36481	27290	6699	24.55
Helambu, Langtang	2735	4562	8165	12130	10458	7610	3519	46.24
Annapurna, Manang, Jomsom	36224	37901	60237	65891	68661	53783	13930	25.90
Others	293	663	1080	901	1105	808	302	37.40
Controlled Area								
Mustang	661	248	1282	1427	1782	1080	552	51.08
Lower Dolpa	200	225	419	641	708	439	208	47.44
Upper Dolpa	81	92	198	232	371	195	106	54.31
Humla	782	1256	1542	1498	1234	1262	270	21.41
Manaslu	544	561	895	828	743	714	141	19.69
Kanchanjungha	167	335	404	428	401	347	95	27.42
Others	279	395	587	623	748	526	168	31.85
Total	61488	66931	101320	117842	122692			

Source: Nepal Tourism Statistics 2010

The table 4.5 delineated the number of trekkers in different trekking areas of Nepal. The table showed that the number of trekkers trekking in Annapurna, Manang and Jomsom were highest compared to the other trekking destinations. The table revealed that the number of trekkers in the aforementioned areas was 36224 in the year 2006, which increased to 37901 in the year 2007, 60237 in the year 2008, 65891 in the year 2009, and 68661 in the year 2010. In average, 53783 trekkers made trekking each year in the consecutive years in Annapurna, Manang and Jomsom.

Besides, Annapurna, Manang and Jomsom, the number of trekkers on Everest was highest compared to the other areas. The number of trekkers on Everest was highest in the year 2010, i.e. 36481, and lowest in the year 2006, i.e. 19522. In average, 27290

people made trekking on Everest annually within these five year periods. Similarly, Helambu and Langtang was also the tourist attraction area for trekking.

Likewise, in the controlled trekking areas Humla was in the top trekked areas. In average, 1262 tourist trekked Humla annually in these five years period. Similarly in average, 1080, 714, 439, 347 and 195 tourists trekked Mustang, Manaslu, Lower Dolpa, Kanchanjungha and Upper Dolpa respectively. The Ministry of Tourism and NTB need to make strategy for exploring and open other areas for trekking purpose.

4.2 Primary Data Analysis

For the purpose of knowing the problems and prospects of Tourism in Nepal, that aid in making strong promotional strategy, primary data analysis has been done. To get the fruitful result, the respondents have been categorized in three, viz, Nepal Tourism Board, Hotel Business and Travel & Tours.

4.2.1 Analysis of Responses provided by NTB

To have the knowledge on the problems and prospects of tourism industry in Nepal, for having sound strategy for tourism promotion, questionnaire containing 14 questions; 12 closed end questions and 2 open end questions, has been prepared and requested to the 5 executive level staff and 5 middle level staff of NTB to fill the questionnaire.

4.2.1.1 Major Problems of Tourism Business

Despite having greater potentiality for tourism, the tourism business of Nepal did not flourished a lot as per the expectation. Thus, with the necessity to know the major problem that is barricading the development of tourism, the NTB staffs were asked on this matter. The responses obtained from them have been presented in the Table 4.6.

Table 4.6

Major Problems of Tourism Business

Problems	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Political Instability	1	20	1	20	2	20
Social Problem	1	20	1	20	2	20
Economic Problem	0	0	1	20	1	10
Technical Problem	3	60	2	40	5	50

Total	5	100	5	100	10	100
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(Source: Field Survey, 2012)

The Table 4.6 showed that the majority of the executive level staff of Nepal Tourism Board stated that technical problem is the major problem that is hindering the enhancement of tourism business in Nepal. 60% of the respondents, 3 out of 5, pointed out technical problem, whereas, 20% of the executive level affirmed social problem and 20% of the executive level staff said political instability as the major problems of tourism business. Similarly, 40% of the middle level staff, 2 out of 5, opined technical problem, 20% of the middle level each, 1 out of 5, stated political instability, social problem and economic problem as the major problems of tourism business.

However, on overall, 5 respondents, 2 respondents, 2 respondents and 1 respondent stated technical problem, political instability, social problem and economic problem as the major tourism problem. Hence, on the basis of the overall majority, i.e. 50% of the respondents, it can be concluded that technical problem is the major problems of Nepal's Tourism business. The tourism strategy of Nepal needs to overcome these problems.

4.2.1.2 Major Social Problems

To inspect to what extent the major social problem is aggravating the tourism business, it is essential to recognize such major problem. Thus the respondents were given a set of social problems and requested to rank 1 for the most. The ranking obtained from them has been presented in the Table 4.7.

Table 4.7
Major Social Problems

Indicators	Basis	Rank						Total	Weight	Mean Wt.	Overall Rank
		1	2	3	4	5	6				
Unhealthy Competition	Total	4	3	2	1	0	0	10	20	2.00	1
	Executive	2	2	1	0	0	0	5	9	1.80	1
	Middle	2	1	1	1	0	0	5	11	2.20	1

Pollution	Total	3	3	4	0	0	0	10	21	2.10	2
	Executive	2	1	2	0	0	0	5	10	2.00	2
	Middle	1	2	2	0	0	0	5	11	2.20	1
Commission Agent	Total	0	0	1	2	7	0	10	46	4.60	5
	Executive	0	0	1	1	3	0	5	22	4.40	5
	Middle	0	0	0	1	4	0	5	24	4.80	4
Drug Abuse	Total	0	1	3	3	3	0	10	38	3.80	4
	Executive	0	0	1	2	2	0	5	21	4.20	4
	Middle	0	1	2	1	1	0	5	17	3.40	3
Language Problem	Total	0	0	0	0	0	10	10	60	6.00	6
	Executive	0	0	0	0	0	5	5	30	6.00	6
	Middle	0	0	0	0	0	5	5	30	6.00	5
Management & Trained Staff	Total	3	3	0	4	0	0	10	25	2.50	3
	Executive	1	2	0	2	0	0	5	13	2.60	3
	Middle	2	1	0	2	0	0	5	12	2.40	2

(Source: Field Survey, 2012)

The Table 4.7 revealed the major social problems that are aggravating the tourism business. The respondents ranked 1 for the unhealthy competition between the entrepreneurs, ranked 2 for the pollution of the Kathmandu valley, ranked 3 for the lack of well management and trained staff related to hotel business, ranked 4 for the drug abuse, ranked 5 for the nature of commission agent and ranked 6 for the language problem. Hence, on the basis of the overall ranking, it can be concluded that unhealthy competition between the entrepreneurs is the major social problems that is staining the tourism business in Nepal.

4.2.1.3 Major Technical Problems

Technical problems are hindering the upgrade of tourism business. To examine the major technical problems, the NTB's staffs were asked to make ranking on the options provided to them. The rank obtained from them has been delineated in the Table 4.8.

Table 4.8
Major Technical Problems

Indicators	Basis	Rank					Total	Weight	Mean Wt.	Overall Rank
		1	2	3	4	5				
Airport Problem	Total	1	0	2	3	4	10	39	3.90	5
	Executive	0	0	1	2	2	5	21	4.20	5
	Middle	1	0	1	1	2	5	18	3.60	4
Highway &	Total	2	3	3	0	2	10	27	2.70	3

Ground Transportation	Executive	1	1	1	0	2	5	16	3.20	4
	Middle	1	2	2	0	0	5	11	2.20	2
Natural Problem	Total	2	1	3	3	1	10	30	3.00	2
	Executive	2	0	1	1	1	5	14	2.80	2
	Middle	0	1	2	2	0	5	16	3.20	3
Insecurity	Total	5	4	1	0	0	10	16	1.60	1
	Executive	2	2	1	0	0	5	9	1.80	1
	Middle	3	2	0	0	0	5	7	1.40	1
Financial Crisis	Total	0	2	1	4	3	10	38	3.80	4
	Executive	0	2	1	2	0	5	15	3.00	3
	Middle	0	0	0	2	3	5	23	4.60	5

(Source: Field Survey, 2012)

The Table 4.8 depicted the ranking of major technical problems in tourism business. The table delineated that the respondents ranked 1 for insecurity in tourism business, ranked 2 for the natural disaster, and ranked 3 for the highway and ground transportation problem, ranked 4 for the financial crisis, ranked 5 for the airport problem. Thus, on the basis of overall ranking, it can be considered that insecurity, assaulting and manhandling are the major technical problems in tourism business. The tourist police should be highly mobilized for the security of the tourists in order to feel them secure and upgrade the business.

4.2.1.4 Major Prospects of Nepal Tourism

Besides having problems, there are certain prospects which are alluring and will further fascinate tourists to visit Nepal. Thus the trace out the major prospects of the Nepal Tourism, the respondents were asked with this regard. The responses achieved from them have been demonstrated in the Table 4.9.

Table 4.9
Major Prospects of Nepal Tourism

Prospects	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Enriched Natural Beauty	2	40	3	60	5	50
Cheaper to Travel	2	40	0	0	2	20
Adventurous Recreational Activities	0	0	1	20	1	10

Cultural Diversity	1	20	1	20	2	20
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.9 showed that half of the respondents, 5 out of 10, stated that enriched natural beauty is the major prospect of Nepal tourism. Similarly, 20% of the respondents each, 2 out of 10, affirmed cheaper traveling cost and cultural diversity are the prospects and 10% of the respondents, 1 out of 10, said adventurous recreational activities as the prospect of Nepal tourism. Also gazing each level of staff, the majority of middle level, 60% of the respondents and 40% of the executive level stated enriched natural beauty as the major prospect of Nepal Tourism. Thus, undoubtedly it can be concluded that the enriched natural beauty is the major prospect and thus it should be preserved to allure more tourists. Further the cultural program can also be the major prospect if it is highly promoted.

4.2.1.5 Area needing Promotion

The effective promotion of the tourism product can attract the optimum level of tourists. Thus, to examine the area that needs the higher promotional campaign to develop the tourism business, the respondents were requested to express their views. The responses obtained from them are presented in the Table 4.10.

Table 4.10
Area needing Promotion

Area	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Accommodation	0	0	1	20	1	10
Transportation	1	10	0	0	1	10
Immigration	0	0	1	20	1	10
Airlines	2	40	1	20	3	30
Agency Services	0	0	0	0	0	0

Security	2	40	2	40	4	40
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.10 pointed out the area that needs most promotion to enhance the tourism business. The table depicted that 40% of the respondents, 4 out of 10, were in the view that the tourists still think Nepal as the insecure travel destination, so by highly promoting Nepal as a secured place for tourism, more potential tourist can be brought. Similarly airline is another sector needed to be promoted; about 30% of the respondents stated on this regard. As Nepal Airlines covers only 13 major cities of the world, it should be promoted highly. Also, there are other 11 international airlines which are operating to/from Kathmandu covering 15 major cities of the world. Besides, domestic airlines are also needed to be promoted.

Further 10% of the respondents each, 1 out of 10, stated accommodation, transportation and immigration facilities are needed to be promoted highly, whereas nobody pointed out the need of promotion of agency services. Thus, it can be concluded that the promotion of security in tourism business and the coverage of airlines operating in Nepal is highly required to develop the tourism business.

4.2.1.6 Level of Marketing Effort

To investigate on the level of marketing effort of NTB should direct on, the NTB's staff were give a set of level options and asked to opine their view. The responses obtained from them on the level of marketing effort are presented in the Table 4.11.

Table 4.11
Level of Marketing Effort

Level	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
National Level	0	0	0	0	0	0
Specific Target Market	0	0	1	20	1	10
International Level	2	40	1	20	3	30
Potential New Market	3	60	3	60	6	60
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.11 depicted that the majority of the each level staff, i.e. 60% of the executive level and 60% of the middle level, strongly affirmed that the marketing effort for tourism development of Nepal should be at the potential new market. While 10% of the total respondents and 30% of the total respondents said that the marketing effort should be at specific target market and international level respectively. However, nobody said that the marketing effort should be at national level. Hence, on the basis of overall majority, it can be concluded that the marketing effort should be at potential new market, for that the government requires high promotion campaign and broad networking.

4.2.1.7 Types of Marketing Effort

To inquire the appropriate type of marketing effort that should be adopted by NTB for the promotion of tourism, the respondents were asked to express their views. The responses obtained from them are summarized in the Table 4.12.

Table 4.12
Types of Marketing Effort

Types	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Destination Promotion	3	60	4	80	7	70
Media Promotion	1	20	1	20	2	20
Personalized Promotion	1	20	0	0	1	10
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.12 showed that the majority of each level, 60% of the executive level and 80% of the middle level, stated that NTB should adopt destination promotion to allure tourist. However, 20% of each level said media promotion and 20% of executive level affirmed personalized promotion as the effective type of promotion. In overall, 70% of the respondents supported destination promotion, 20% supported media promotion and 10% supported personalized promotion. Thus, on the basis of overall majority it can be considered that the destination promotion is the best promotion in the context of Nepal tourism if NTB adopts.

4.2.1.8 Product Development to be adopted

For better performance on tourism business, it is essential to know the type product development that should be adopted. Thus, the respondents were requested to enlighten on this matter.

Table 4.13
Product Development to be adopted

Product Development	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Preserve and Present	3	60	2	40	5	50
Modify	1	20	1	20	2	20
Combine	0	0	0	0	0	0
Develop New	1	20	2	40	3	30
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The table 4.13 showed that the majority of each level staff, i.e. 60% of the executive level and 40% of the middle level, said that the NTB should focus on preserving and presenting the product as it is to attract the tourist. Similarly, 20% of each level staff suggested modifying the product and 20% of the executive level & 40% of the middle level suggested developing new product in order to attract the tourist. While overlooking the majority, 50% of the total respondents, 20% of the total respondents and 30% of the respondents said preserving and presenting, modifying and developing new product respectively. Thus, it can be concluded that by preserving and presenting the product as it is, more tourist can be fascinated toward the nation.

4.2.1.9 Competitor's Strength

Nepal's main competitors are those countries which can offer a similar mountain and cultural product. Most of these are either in or beyond the great Himalayan mountaineering range: Bhutan, China, North India and Pakistan. Other long haul options are also emerging as serious competition for the adventurous traveler who traditionally came to Nepal. Destinations in the Andes such as Bolivia and Peru are emerging. South Africa and New Zealand are also making rapid inroads into the adventure tourism market. Thus, it has been essential to know the competitor which might jeopardize the tourism business of Nepal and their strength.

Table 4.14
Competitor's Strength

Strength	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%

Large Access	2	40	1	20	3	30
Timely Access	0	0	1	20	1	10
New Access Capability	2	40	3	60	5	50
Broad Coverage	1	20	0	0	1	10
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The table 4.14 measured the competitor's strength in tourism business. The table revealed that half of the respondents, 5 out of 10, are in the view that the capability to quest new access is the major strength of the competitors. Similarly, 30% of the respondents, 10% of the respondents, and 10% of the respondents stated that the large access, timely access and broad coverage of the competitor respectively are the major strength that might haphazard the tourism business of the country.

Thus to compete with the other nation offering similar product, Nepal must be in strong capable of questing new access to sustain in long range in the business. Similarly, the magnitude of product offering should be increased for competition.

4.2.1.10 Competitor's Weakness

To know the competitor weakness is one of the marketing techniques in order to beat the competitor. Thus to know the competitor's major weakness in comparison of Nepal, the respondents were asked on this matter. The responses achieved from them are presented in the Table 4.15.

Table 4.15
Competitor's Weakness

Weakness	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Wildlife Destination	1	20	2	40	3	30
Culture	1	20	0	0	1	10
Value for Money	2	40	2	40	4	40
Pilgrimage	0	0	1	20	1	10

Friendly People	1	20	0	0	1	10
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.15 revealed that the 40% of the respondents, viz, 40% of executive level and 40% of the middle level, stated that the competitor of Nepal is weak in the value of money to take the tourism pleasure. Nepal is cheapest for travel purpose, which is the strongest point while comparing with other competitor. Similarly, 40% of the total respondents said that the enriched wildlife destination of Nepal is the weaker point of other competitor. Also, 10% of the respondents each stated that the cultural diversity, pilgrimage and friendly behavior are the weaker points of competitors. Thus, it would be better if the tourism board focuses more on these weaker points of the competitors. Also, the equal ranking received by Switzerland in 2001 census on the basis of cultural diversity should not be forgotten and try to enhance the cultural programs to defeat.

4.2.1.11 Nepal's Marketing Effort with Competing Countries

Similarly, to examine the level of marketing effort that Nepal has made while comparing with the competing countries that offer similar product, the respondents were asked to opinion their views. The opinions obtained from them on this regard are presented in the Table 4.16.

Table 4.16

Nepal's Marketing Effort with Competing Countries

Extent	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Highly Satisfactory	0	0	0	0	0	0
Competitive	3	60	3	60	6	60
Satisfactory	2	40	1	20	3	30
Poor	0	0	1	20	1	10
Extremely Poor	0	0	0	0	0	0

Total	5	100	5	100	10	100
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(Source: Field Survey, 2012)

The Table 4.16 showed that two-third of the respondents, 6 out of 10, opined that the marketing effort of Nepal was competitive. Similarly, 30% of the respondents and 10% of the respondents said that the effort was satisfactory and poor respectively. Thus, on the basis of majority it can be concluded that marketing effort of Nepal with other competing countries is competitive.

4.2.1.12 Position on International Market

The role of NTB to promote Nepal in the international market is highly praiseworthy. The programs like Visit Nepal 1998, Destination Nepal 2002-2004 had highly promoted Nepal. Recently NTB launched Nepal Tourism Year 2011, which has been expected to fascinate high number of tourists to the country. But the question arise what should be the main motto of these programs. Thus to know the positioning of Nepal in the international market the respondents were asked on this regard.

Table 4.17

Position on International Market

Position	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Pleasure Tourism	0	0	0	0	0	0
Adventure Tourism	0	0	1	20	1	10
Low Spending Tourism	0	0	0	0	0	0
Nature Tourism	2	40	1	20	3	30
Culture Tourism	0	0	1	20	1	10
Mix of Above	3	60	2	40	5	50
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.17 showed that 30% of the respondents, 3 out of 10, the position of Nepal on International Market should be nature tourism. Similarly, 10% of the respondents each stated adventure tourism and culture tourism should be the position. While nobody stated pleasure tourism and low spending tourism should be the position. However, half of the respondents, 5 out of 10, affirmed the mix of pleasure tourism, adventure tourism, low spending tourism, nature tourism and culture tourism should be the position of Nepal in international tourism marketing. Hence, it can be

concluded that all of the aforementioned position are equally important to become recognized in the international market.

4.2.1.13 Facilities for Tourist during NTY 2011

To examine what facilities were going to be provided by the government of Nepal to make the Nepal Tourism Year 2011, the personnel of the NTB Board has been asked and open end question, and the responses obtained from them are accumulated and presented below;

Visa Fee Waived: To allure and draw the highest possible amount of tourists, the Tourism Ministry is planning to waive the visa fee in 2011 for those tourists who visit Nepal more than once during the year 2011.

Better Air Connectivity: To encourage more visitors to Nepal, the national flag carrier (Nepal Airlines) was going to extend its air-service from Riyadh, Lhasa, Gwanjhau, Frankfurt and London into Nepal by the end of 2010. From this March, flights to & from Mumbai, Shanghai and Tokyo had started.

Infrastructure Developments in Tribhuvan International Airport (TIA): Various infrastructure developments had been planned to uplift the TIA. These include; Discounts granted for landing and parking except during the peak hours, construct a Ground Support Equipment Parking Area Extension, implementation of 'Common Users Terminal (CUTE)' etc.

Mountaineering: Since mid August 2008, Mountaineering expeditions had been receiving a discount on the mountaineering royalties, this policy will continue for another 5 years. To develop tourism in Terai, a plan to promote Terai region is also underway.

Promotional Packages: The government is planning to launch special promotional packages in the USA, Europe, Japan, Australia, South-East Asia, Middle-East Asia and neighboring China & India through high level Nepalese delegation teams

Promotional Activities: For the further promotion of ‘NTY-2011’ various international promotional activities carried out by the Nepal Tourism Board that includes ‘sales missions’ and ‘road shows’ in the countries where the possibilities of tourism is high. Likewise FAM tour of international journalists to Nepal, high level delegation to different countries to interact with the travel trade and media there.

Tourism facilities: Further tourists facilities added with improved capacity of hotels and other required services for tourists as well as creating community capacity to meet the needs of tourist and promoting domestic tourism also.

4.2.1.14 Other Strategies for Promotion of NTY 2011

As per the responses of the personnel of the NTB Board, NTB aligned the following programs & activities for the promotion besides functioning as a secretariat of ‘NTY 2011’.

-) Promote ‘NTY 2011’ in 12 prominent travel trade fairs in the major source markets like Europe, Australia, India, Bangladesh, Thailand & Malaysia as well as highlight ‘NTY 2011’ highlighted in the country focused programs being organized in Europe, Australia, China, India, Bangladesh, Malaysia, Thailand, and South Korea. These major source markets visited by a high level delegation along with Nepalese travel trade, interacting with local media and travel trade for effective promotion.
-) During the UFTAA Congress, organized by NTB & NATA in November 2010 in Kathmandu, ‘NTY 2011’ promoted.
-) Corporate houses in the source markets approached and invited to hold meetings, Incentives, conferences and exhibitions (MICE).
-) On all the promotional gateways of NTB, NTY 2011 highlighted. Private sector travel trade, at home and abroad, requested to promote NTY 2011.
-) Promotional affiliations developed with Non-Resident Nepali Associations, Friends of Nepal, International Travel Trade Associations and Corporate Houses.
-) Artists, mountaineers, actors & other celebrities invited for further promotion.
-) From source countries like China, India, South East countries, Bangladesh and Europe, NTB (Nepal Tourism Board) 300 international journalists invited for FAM tour to highlight ‘NTY 2011’ in the international media. NTB is under

process in signing in MOU with international airlines flying to Nepal to promote Nepal internationally.

-) New posters & related brochures designed with a new web-site for NTY'2011 to launch.
-) Upgrade of the Facilitation desk at airport making it tourist friendly.
-) A special focus on Community tourism and Home Stay to diversify tourism movement into potential tourism areas of the country such as in Shree Antu Danda, Basantapur area, Khaptad, Rara, Gorkha etc.
-) NTB developed trekking trails in the Mid-Western & Far-Western development regions in association with communities, local bodies and related institutions.
-) Training programs organized in new tourism areas.

4.2.2 Analysis of Responses provided by Hotel Business

To know the problems and prospects of hotel business and the impact of hotel business on the tourism development of Nepal, a questionnaire containing 10 questions has been distributed to 5 executive level and 10 middle level management of Hotel Association of Nepal (HAN) and requested them to fill up.

4.2.2.1 Contribution of Hotel Business

To examine the role of hotel business and the contribution of it in the overall development in tourism of Nepal, the respondents were asked to express their view on the extent of contribution of hotel business. The responses obtained from them are presented in the Table 4.18.

Table 4.18
Contribution of Hotel Business

Contribution	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
High	3	60	2	20	5	33
Medium	2	40	7	70	9	60
Low	0	0	1	1	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.18 revealed that the majority of the respondent, 60% of the total respondents said that the contribution of hotel business in flourishing the tourism business is medium. While 33% of the respondents and 7% of the respondents opined

that the contribution is high and low respectively. Looking each level, the majority of the executive level, 3 out of 5 (60%) said the contribution is high, while the majority of the middle level, 7 out of 10 (70%), said that the contribution is medium. Hence, gazing the overall majority, it can be concluded hotel business plays medium role to uplift the tourism business of Nepal.

4.2.2.2 Sufficiency of government rules and regulations

To investigate whether the government rules and regulations related to hotel business are sufficient or not to run the hotel business, the respondents were asked on this regard. The responses obtained from them are presented in the Table 4.19.

Table 4.19

Sufficiency of government rules and regulations

Sufficiency	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	1	20	2	20	3	20
No	4	80	5	50	9	60
Don't Know	0	0	3	30	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.19 depicted that the majority of each respondents, i.e. 80% of the executive level and 50% of the medium level, said that the government rules and regulations are insufficient to meet the challenges faced in the hotel business. While only 20% of each level said that the rules are sufficient and 30% of the medium level staff remained neutral on this regard. In overall, 60% of the respondents strongly affirmed that the existing rules and regulations are insufficient, while 20% of the respondents said sufficient. Thus, on the basis of majority it can be considered that the government rules and regulations are insufficient and the existing rules should be hence amended to meet the challenges that arise in hotel business.

4.2.2.3 Government role to promote Hotel Business

To know what role the government should play for the promotion of hotel business, the respondents were asked to opine their view. The opinions obtained from them are tabulated in the table 4.20.

Table 4.20

Government role to promote Hotel Business

Government role	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Basic Supply	1	20	2	20	3	20
Security	3	60	3	30	6	40
Concession & Reward	0	0	1	10	1	7
Low Tax Rate	0	0	2	20	2	13
Reduce Pol. Influence	1	20	2	20	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.20 showed that the majority of each level, i.e. 60% of the executive level and 30% of the middle level, said that security in business should be the major role of government to promote the hotel business. Similarly, 20% of each level affirmed that the supply of basic requirements like water, electricity etc. should be the major role of government. While 20% of each level stated the reduction of political influence on hotel business, and 20% of the medium level & 10% of the medium level employee also stated the low tax rate and concession and reward respectively should be the concentration of government to promote the hotel business. In overall, 40%, 20%, 20%, 13% and 7% of the total respondents egged on security, basic supply, reduced political influence, lower tax rate and concession & reward should be overlooked by the government. Hence, on the basis of majority, it can be concluded that the security in business is the major role that the government should play to promote the business.

4.2.2.4 Major Problem of Hotel Business

To examine the major problem that the hotel business is facing on in today's context, the respondents were asked on this matter. The responses achieved are presented in Table 4.21.

Table 4.21
Major Problem of Hotel Business

Problem	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Labor Disputes	4	80	4	40	8	53
Poor Management	0	0	2	20	2	13
Unskilled Worker	0	0	1	10	1	7
Government Rules	1	20	2	20	3	20
Limited Services	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.21 revealed the major problems of hotel business. The table shows that labor disputes is the major problem of hotel business. About, 80% of the executive level and 40% of the middle level employee supported on this problem. Similarly, 20% of each employee stated government rules, 20% of middle level employee said poor management, 10% of middle level employee said limited services and presence of unskilled workers respectively are the major problems of hotel business. In overall, 53%, 13%, 7%, 20% and 7% of the total respondents pointed out labor disputes, poor management, unskilled worker, government rules and limited services respectively as the major problem of hotel business. Hence on the basis of majority, it can be concluded that labor disputes is the major problem of hotel business.

4.2.2.5 Major Prospect of Hotel Business

Similarly, to know the major prospect that can take the hotel businesses in the long-run, the employees of HAN are requested to express their view. The responses thus obtained are tabulated in the Table 4.22.

Table 4.22
Major Prospect of Hotel Business

Prospect	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Cheaper to Stay	2	40	4	40	6	40
Int'l Services	1	20	1	10	2	13
Better Hospitability	2	40	5	50	7	47
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.22 showed that 47% of the total respondents, i.e. 40% of the executive level employee and 50% of the middle level employee, stated that better hospitability that the hotel offers to its guest is the major prospect of hotel business. Similarly, 40% of the total respondents, i.e. 40% of the executive level and 40% of the middle level, affirmed that cheaper to stay in comparison with the international market is the major prospect of Nepal's hotel business. Likewise, only 13% of the total respondents, i.e. 20% of the executive level employee and 10% of the middle level employee, said that the offering of international level services is the major prospect of hotel business. Thus, on the basis of overall majority, it can be concluded that the better hospitability is the major prospect of hotel business of Nepal. However, the other factors like cheaper to stay and international level services cannot be ignored.

4.2.2.6 Satisfaction of Guest

Guest is the only source of income of hotel business. So the satisfaction of guest on the services provided plays a crucial role on the sustainability of the hotel. Thus, to know whether the guest is fully satisfied with the services offered, the respondents were asked on this crucial matter.

Table 4.23
Satisfaction of Guest

Satisfaction	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	4	80	5	50	9	60
No	1	20	2	20	3	20
Don't Know	0	0	3	30	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.23 depicted that 60% of the respondents, i.e. 80% of the executive level employee and 50% of the middle level, are in the view that the tourists are fully satisfied with the services of the Nepal's hotels. Similarly, 20% of the respondents, i.e. 20% of the executive level and 20% of the middle level, are in the view that the guests are not fully satisfied with the services provided. Likewise, 20% of the total respondents, i.e. 0% of the executive level and 30% of the middle level, remained neutral on this regard. On the basis of overall majority, it can be concluded that the guests are fully satisfied with the services provided.

4.2.2.7 Area to be progressed

Certain progresses are required in each sector to cope with the changes in time. Thus to know on what sector the hotel business should make extensive progressive, the opinions from the respondents were collected.

Table 4.24
Area to be Progressed

Area	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Extend Network	0	0	2	20	2	13
Product Diversification	2	40	2	20	4	27
Sophisticated Technology	2	40	3	30	5	33
Skilled Manpower	0	0	1	10	1	7
Recreational Activities	1	20	2	20	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.24 shows that 33% of the respondents, i.e. 40% of the executive level and 30% of the middle level, said that technology adopted by the hotel should be made more sophisticated in order to retain the tourist for a longer period. Similarly, 27% of the respondents, i.e. 40% of the executive level and 20% of the middle level, affirmed that the product should be diversified to increase the number of tourist stay. Likewise, 20% of the respondents, i.e. 20% of the executive level and 20% of the middle level, said that the recreational activities should be increased. Also, 13% of the total respondents, i.e. 20% of the middle level, and 7% of the respondents, i.e. 10% of the total respondents, said that the network should be extended and the skilled manpower should be kept respectively to increase the number of tourist stay. Hence, it can be concluded that all the aforementioned factors are equally needed to be progressed to increase the number of tourist stay.

4.2.2.8 Healthy Competition within Nation

To examine whether the practice made to compete within the domestic market by the hotel business are healthy or not, the opinions from the respondents are collected.

Table 4.25

Healthy Competition within Nation

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	4	80	6	60	10	67
No	1	20	3	30	4	26
Don't Know	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.25 revealed that the 67% of the total respondents, i.e. 10 out of 15, said that the domestic competition of hotel business is healthy and fair. However, 26% of the respondents said that the practice of completion is unhealthy, whereas 7% of the respondents remained neutral on this matter. Similarly, the majority of each level, i.e. 80% of the executive level (4 out of 5) and 60% of the middle level (6 out of 10), the completion is fair and healthy. Thus it can be concluded that the hotel business practices healthy competition.

4.2.2.9 Competition on International Market

In today's context, each business has to compete globally. Thus to examine whether the hotels operating in Nepal are capable to compete in the international market, the opinions from the respondents were collected.

Table 4.26

Competition on International Market

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	3	60	3	30	6	40
No	2	40	3	30	5	33
Don't Know	0	0	4	40	4	27
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.26 shows that 40% of the respondents, i.e. 60% of the executive level (3 out of 5) and 30% of the middle level (3 out of 10), said that the hotel of Nepal can compete in international market. While 33% of the respondents, i.e. 40% of the

executive level (2 out of 5) and 30% of the middle level (3 out of 10), stated that the domestic hotel cannot compete with the international hotel. However, 27% of the respondents, i.e. 40% of the middle level (4 out of 10), remained neutral on this regard. Though the majority of the respondents said ‘yes’, it cannot be said exactly as almost one-fourth of the total respondents remained neutral.

4.2.2.10 Actions to be taken for international competition

To examine what actions should the hotels of Nepal follow to meet the challenges created by international hotels, the opinions from the responses were collected. The opinions obtained for making the domestic hotel internationally competitive are tabulated in the Table 4.27.

Table 4.27

Actions to be taken for international competition

Options	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Increase competent worker	0	0	2	20	2	13
Increase services	3	60	5	50	8	54
Increase networking	2	40	3	30	5	33
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.27 above revealed that 54% of the total respondents, i.e. 60% of the executive level (3 out of 5) and 50% of the middle level (5 out of 10), said that by increasing the services the hotels of Nepal can compete in the international market. Similarly, 33% of the respondents, i.e. 40% of the executive level (4 out of 5) and 30% of the middle level (3 out of 10), affirmed network increment for international competition. Likewise, 13% of the respondents, i.e. 20% of the middle level employee (2 out of 10), stated that by making increment in competent worker, the competition can be made. Hence, it can be concluded that increase in services is the major actions that the hotels of Nepal should follow to become internationally competent.

4.2.3 Analysis of responses of provided by Travel and Tours

To know the problems and prospects of travel and tours and the impact on the tourism development of Nepal, a questionnaire containing 11 questions has been distributed to 5 executive level and 10 middle level management of Nepal Association of Travel

Agents (NATA) and Nepal Association of Tour Operators (NATO), and requested them to fill up.

4.2.3.1 Performance of Travel and Tours

To examine whether the performance of travel and tours in Nepal is satisfactory or not the respondents were asked on this matter. The responses obtained are presented in the Table 4.28.

Table 4.28
Performance of Travel and Tours

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	4	80	6	60	10	67
No	1	20	3	30	4	26
Don't Know	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.28 reveals that 67% of the total respondents are in the view that the performance of travel and tours to uplift the tourism business of Nepal is satisfactory. Whereas 26% of the respondents said that the performance is not satisfactory than the expected level, similarly, 7% of the respondents remained neutral on this matter. Also, the majority of each level of staff, i.e. 80% of the executive level (i.e. 4 out of 5) and 60% of the middle level (6 out of 10), stated that the performance is satisfactory. Hence, it can be concluded that travel and tours played significant role to uplift the tourism business.

4.2.3.2 Dependency on types of Tourist

To recognize on which tourist, i.e. domestic or international, does the travel and tours is highly dependent, the respondents were asked to express their views. The responses obtained are tabulated in the Table 4.29.

Table 4.29
Dependency on types of Tourist

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Domestic Tourist	1	20	1	10	2	13
International Tourist	4	80	9	90	13	87
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.29 reveals that 87% of the respondents, i.e. 80% of the executive level 90% of the middle level, said that the travel and tours business of Nepal is highly dependent on the international tourist, while only 13% of the respondents opined that the business is also dependent on domestic tourist. Hence, it can be undoubtedly concluded that the travel and tours of Nepal is highly dependent international tourist rather than domestic tourist.

4.2.3.3 Favorability of Government Policy

To investigate whether the government policy is favorable in the operation of travel and tours business, the respondents were asked on this matter. The responses obtained are presented in the Table 4.30.

Table 4.30
Favorability of Government Policy

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	3	60	5	50	8	54
No	2	40	3	30	5	33
Don't Know	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.30 depicts that 54% of the respondents, i.e. 60% of the executive level staff and 50% of the middle level staff, said that the government policy is favorable to travel and tour operation, while 33% of the respondents, i.e. 40% of the executive level and 30% of the middle level, said that the policy is not favorable, and 13% of the respondents, i.e. 20% of the middle level, remained neutral. Thus, in overall it can be said that the policy set out by government related to travel and tours is favorable for the business.

4.2.3.4 Major Concentration of Tourism Policy

To examine the area on which the tourism policy of Nepal should mainly focus on to upgrade the travel and tours business, the respondents were asked to opine their views, which are tabulated in the Table 4.31.

Table 4.31
Major Concentration of Tourism Policy

Options	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Preservation of resources	1	20	2	20	3	20
Infrastructure development	2	40	3	30	5	33
Extend Networking	0	0	1	10	1	7
Security in Traveling	2	40	2	20	4	27
Special facility in offseason	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.31 delineates that 33% of the respondents said that the tourism policy of government should focus on infrastructure development to enhance the travel and tours business and eventually uplift the tourism. Similarly, 27% of the respondents said that the policy should be concerned on security which is vulnerable in traveling. Likewise 20%, 13% and 7% of the respondents opined that the policy should embrace the preservation of resources, special facility to the travel and tours for operating in off-season and attempt to extend networking respectively. Hence, according to the travel and tours business the tourism policy of government should give more attention in infrastructure development.

4.2.3.5 Major Problem of Travel and Tours

To identify the major problems, the travel and tours business of Nepal is facing on, the respondents were asked on this matter. The responses thus obtained are presented in the Table 4.32.

Table 4.32
Major Problem of Travel and Tours

Options	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Strike	2	40	3	30	5	33
Insecurity in Business	1	20	2	20	3	20
Unhealthy Competition	0	0	1	10	1	7
Bad conditions of road	2	40	3	30	5	13
Inadequate Networking	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.32 reveals that 33% of the respondents affirmed unnecessary strike as the major problem of travels and tours. Similarly, 20% of the respondents said insecurity in business is the major problem. Likewise, 13% , 7% and 7% of the respondents stated that bad conditions of road, unhealthy competition between the entrepreneurs and inadequate networking respectively are the major problems of travels and tours. Thus on the basis of opinions of the respondents, unnecessary strike first and then insecurity in business are the major problems of travels and tours.

4.2.3.6 Major Prospects of Travel and Tours

To recognize the major prospects on which the travel and tours business of Nepal can go in long run, the respondents were asked on this matter. The responses thus obtained are presented in the Table 4.33.

Table 4.33
Major Prospects of Travel and Tours

Prospects	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Enriched Natural Beauty	3	60	4	40	7	47
Cheaper to Travel	1	20	2	20	3	20
Adventurous Activities	1	20	2	20	3	20
Cultural diversity	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.33 presented above depicts that 47% of the respondents said that the enriched natural beauty of the country is the major prospect of tourism as well as travel and tours. Similarly, 20% of the respondents opined that cheaper cost in travel is the major prospect, and 20% of the respondents stated that the adventurous

recreational activities like bungee jumping, rafting, trekking and mountaineering etc. are the major prospects. Also, 13% of the respondents said that cultural diversity is the major prospect. Hence, on the basis of majority it can be concluded that enriched natural beauty is the major prospect of both travel and tours and tourism business.

4.2.3.7 Concentration of Marketing Effort

To know the opinion of travel and tours business on the area where the tourism marketing effort of the country should concentrate on, the respondents were asked to express their views.

Table 4.34
Concentration of Marketing Effort

Marketing Effort	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Niche Marketing	2	40	3	30	5	33
Product Diversification	0	0	2	20	2	14
Quest New Market	2	40	3	30	5	33
Promotional Campaign	1	20	2	20	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.34 presented shows that 33% of the respondents stated that the marketing effort of Nepal should be concentrated on nice marketing. Similarly, same percentage of respondents (33%) opined that the effort should concentrate on questing new market. While 20% of the respondents said promotional campaign and 14% of the respondents pointed product diversification should be the main concentration. Hence, it can be concluded that both niche marketing and search of new market should be the major concentration of marketing effort.

4.2.3.8 Strength of the Competitors

To capture the market it is essential to know the strength and weakness of the competitors. Hence to know the major strength that the travel and tours business thinks that the international market has, the respondents were asked on this matter.

Table 4.35
Strength of the Competitors

Strength	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Large Networking	3	60	6	60	9	60
Cheaper Fare	0	0	0	0	0	0
Timely Bounded	2	40	4	40	6	40
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.35 above showed that 60% of the respondents, i.e. 60% of the executive level and 60% of the middle level, stated that that large networking is the major strength of competitors in international market. Similarly, 40% of the respondents, i.e. 40% of the executive level and 40% of the middle level, said that the capability of departing tourists in time is the major strength of competitors. Thus, large networking is the major strength of the international travel and tours.

4.2.3.9 Weakness of the Competitors

To identify the major weakness that the competitors of international travel and tours possess on, the respondents were requested to express their opinions. The responses thus obtained are presented in the Table 4.36.

Table 4.36
Weakness of the Competitors

Weakness	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Inability to reach Market	0	0	0	0	0	0
Expensive Fare	5	100	8	80	13	87
Limited coverage	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.36 shows that 87% of the respondents, i.e. cent percentage of the executive level and 80% of the middle level, said that expensive fare is the major weakness of international travel and tours. While only 13% of the respondents, i.e. 20% of the respondents, said limited coverage is the major weakness. Thus the travel and tours of Nepal should take the advantage of cheaper fare compared to the international market and try to minimize its weakness to lead the travel and tours industry.

4.2.3.10 Comparison of Domestic Travel & Tours Business in International Market

To examine the performance of travel of tours of Nepal in the international market, the respondents were asked on this matter. The responses obtained from them are presented in the table below.

Table 4.37
Achievement of Travel and Tours

Responses	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Highly satisfactory	0	0	0	0	0	0
Competitive	3	60	3	30	6	40
Satisfactory	2	40	4	40	6	40
Poor	0	0	3	30	3	20
Extremely Poor	0	0	0	0	0	0
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.37 reveals that 40% of the respondents said that the service provided by the travel and tours business of Nepal is satisfactory. Similarly, same percentage of the respondents said that the service provided is competitive and 20% of the respondents said poor. Thus it can be considered that the travel and tour business of Nepal has the potentiality to compete in the international market.

4.2.3.11 Major Activities of Tour Operators for Promoting Tourism

To examine the contribution of Nepal Association of Tour Operators, NATO, in tourism promotion, the respondents are asked on this regard. The responses obtained from them are categorized in two sections;

a) Domestic Activities

Nepal Association of Tour Operators (NATO) has time and again raised its voice against all elements that have attempted to hard hit the growth of tourism industry. In close coordination with national tourism organisation and other tourism counterparts, the NATO has actively involved itself in tourism promotion and image-building activities since its establishment six years ago. Among several such activities, the followings are major that NATO underwent during the last one-year period.

- 1. Formation of Crisis Management Cell :** When the country's tourism sector was ailing to the domestic and international incidents, NATO had urged for the formation of high-level crisis management cell. The initiative of the association has now resulted in the formation of crisis management cell and is now operational. The NATO urges the government for an active involvement of private sectors in the cell. We believe the active involvement of the private sectors would help making the working of crisis management cell more professional and up to the expectations.
- 2. Maoists' assurance to not to hurt tourists :** Immediately after the Maoists' unilateral withdrawal from seven months long cease-fire between the government and Maoists, the Nepal Association of Tour Operators (NATO) organised a programme in the capital and issued a joint appeal to the Maoists insurgents asking for their assurance to safeguard the tourists. The Maoists responded well to the appeal and have guaranteed for not to harm the tourist inside the country. So far no such incident where a tourist has been hurt targeted. Maoists have apologised if by chance some tourists have been hit by the insurgency.
- 3. Organising Seminars and Meetings :** The Nepal Association of Tour Operators (NATO) has been time and again organised seminars and meetings to suggest the government for betterment of tourism industry. The recent one among the several came in the form of separation of travel agencies from the tour operators. We have asked the government to promote Nepal as a destination that refunds all expenses upon genuine complaints. This will help promote uplift the image of the country and allure more tourists. To assure the refund the NATO proposes to ask for a bank guarantee of Rs 2.5 million from each tour operators.
- 4. Celebration of World Tourism Day :** The NATO had worked closely with Kamadhenu Association and NTB on World Tourism Day to further motivate our inherited tradition of welcoming guests as Gods for last few years.
- 5. Sponsoring FAM Trips for International and National Journalists :** Nepal Association of Tour Operations (NATO) always believes that the destination promotion can be more effective if the journalists are acquainted with the first hand information regarding the destination. It is the same reason why NATO

has sponsored various tourism related programme including the organising of FAM tours to the journalists and the international tour operators.

b) International Activities

Nepal Association of Tour Operators (NATO) has maintained a close and cordial relationship with number of international tourism associations and thus has organised several programmes in their support. Signing Memorandum of Understanding with the international tour operators for mutual cooperation has helped promote country's image mostly in the South East Asian countries and the European countries. The major international activities of the NATO are beeed below.

- 1. Organising Country Workshops and Trade Shows :** NATO has successfully conducted number of country workshops and trade shows for its members using strategic partnership techniques to build linkages and business opportunities for its member organizations, the most recent being a very high profile South East Asia Road Show jointly organized with PATA Nepal Chapter and Nepal Tourism Board.
- 2. Destination Promotion Activities :** In co-ordination with the Royal Nepalese Embassy, UK, NTB and PATA UK Chapter organised Destination Nepal Evening in Royal Nepalese Embassy in London on the 11th of February last year. Objective of the Nepal evening was to give a message that Nepal is a safe destination to visit and promote its unparalleled tourism products in Britain.
- 3. Participation in International Seminars :** NATO has time and again participated in the international seminars. It also represented Nepal in several functions organised in London and Tokyo last year to mark the Destination Nepal campaign 2002-03 and Golden Jubilee Celebration of First ascent of Mt. Everest. The NATO has also organised a promotion trips to these countries in coordination from the Nepal Tourism board, Nepalese embassies and the NAC.

In a similar event last year, the Hon. Secretary of NATO Mr. Basant Raj Mishra presented paper on mountain Tourism in the event organised to mark the Mt Everest Golden Jubilee Celebrations at London and Paris.

4. Other Activities : We are currently finalizing a Memorandum of Understanding with the Japan Association of Travel Agents. We have proposed for a MOU with DRV, the Association of German Tour Operators. The signing of the Memorandum of Understanding would allow members of each association to work jointly to attain mutually identifiable goals and exploring business opportunities and profits.

NATO had been producing weekly newsletter for the last two and half years. The newsletter has a subscription to around 4,000 individuals and institutions. This newsletter is issued every Monday and covers the tourism related news for that week.

4.3 Major Findings

From the primary and secondary data analysis, the following major findings have been drawn;

Findings from Secondary Data Analysis

-) The number of tourist arrival in each year is in increasing trend in most of the observed years. The number of tourists' arrival reached to 509956 in the year 2010 from 375398 in the year 2006.
-) However, the length of stay decreased to 10.57 days in the year 2009 from 11.96 days in the year 2008, and in 2010 the length of stay is 11.32 days. But the average expenditure of the tourist per day increased to US \$ 62 in the year 2010 from US \$ 42 in the year 2006.
-) Many tourists visit Nepal for holiday pleasures. Besides holiday pleasures, trekking and mountaineering remained successful to attract large number of tourists.
-) The majority of the tourists arrival was covered by the Indian tourists, who mostly come for pilgrimage. Besides India, USA, Japan, France, Germany and UK are the nations that flow most of the tourists in Nepal.
-) In trekking and mountaineering, majority of tourists take the pleasure while trekking Annapurna, Manang and Jomsom range. Similarly, in controlled areas Humla had been visited most within the five year periods. In average, 53783

tourists visited Annapurna, Manang and Jomsom, while 1262 people visited Humla.

Findings from Primary Data Analysis

Findings from NTB

-) 50% of the respondents from NTB employee said that technical problem is the major problems of tourism business in Nepal. Similarly, the respondents ranked 1 for unhealthy competition as the major social problem of tourism business and ranked 1 for insecurity as the major technical problems.
-) Undoubtedly, 50% of the respondents affirmed the enriched natural beauty of Nepal is the prospect of tourism in Nepal & 30% of the respondents suggested the promotion of security after the peace process to allure more tourists.
-) 60% of the respondents said that the marketing effort of tourism business should be concentrated on the quest of potential new market. Likewise, 70% of the respondents said destination promotion is the effective marketing effort.
-) Similarly, 50% of the respondents said that the product should be preserved and presented as it is rather than modifying. Same percentage disclosed the fact that the capability of new market access is the strength of the competitor whereas 40% said that the value of money is the weakness of competitor.
-) 60% of the respondents said that Nepal's marketing effort is competitive with the rival's and 50% of the respondents said that the country should position itself as the mix of pleasure tourism, adventure tourism, low spending tourism, nature tourism and culture tourism in the international market.

Findings from Hotel Business

-) 60% of the respondents said that the contribution of Hotel business to uplift the tourism business is medium. And same percentage of the respondents opined that the government rules and regulations are sufficient to operate the business.
-) 40% of the respondents said that the government should provide security, while 20% said that the government should provide the basic requirement like water, electricity etc. to promote the hotel business.

-) 53% of the respondents opined that labor dispute is the major problem of the business and 40% of the respondents opined that cheaper to stay is the prospect of hotel business.
-) 60% of the respondents said that the guest is highly satisfied by the services provided by the hotel and 33% of the respondents affirmed that sophisticated technology should be adopted to satisfy the guest.
-) Similarly, 67% of the respondents said that the competition in hotel business is fair and healthy. Likewise, 40% said that the hotels of Nepal are able to compete in the international market and 54% said that the services should be increase to compete in the international market.

Findings from Travel and Tours

-) 67% of the respondents said that the performance of travel and tours are satisfactory and 87% said that the travel and tours depends mainly on international tourist. In addition, 54% of the respondents said that the government policy is favorable for sound operation of travel and tours.
-) 33% of the respondents affirmed that the tourism policy should mainly concentrate on infrastructure development. Similarly, 33% opined that unnecessary strike is the major problem of travel and tours, while 47% opined that enriched natural beauty is the major prospect of travel and tours and eventually tourism.
-) 33% of the respondents each opined that marketing effort should concentrate on niche marketing and searching of new market. Similarly, 60% stated that large networking is the major strength of the competitor and 87% stated expensive travel fare is the major weakness. In addition, 40% of the respondents each stated that the services of travel and tours business are competitive and satisfactory compared to the international market.

CHAPTER – IV

DATA PRESENTATION AND ANALYSIS

4.1 Secondary Data Analysis

On this section of the study, the secondary data obtained from the annual reports of Nepal Tourism Board, and Ministry of Travel and Civil Aviation have been analyzed to achieve the objectives of the study.

4.1.1 Tourists Inflow in Nepal

The tourist inflow in Nepal has been increasing in each year, except in 2010. The Table 4.1 shows the number of arrival of tourist in total and in separately the number who have traveled by air and by land.

Table 4.1
Tourists Arrivals

Year	Total		By Air		By Land	
	Number	Growth Rate %	Number	Growth Rate%	Number	Growth Rate%
2006	375398	-2.57	277129	-3.89	98269	1.37
2007	383926	2.27	283516	2.30	100410	2.18
2008	526705	37.19	360350	27.10	166355	65.68
2009	588243	11.68	374661	3.97	213582	28.39
2010	509956	-13.31	379322	1.24	130634	-38.84
Mean	476846	7.05	334995	6.15	141850	11.76
S.D.	83567	17.09	45121	10.80	43562	34.48
C.V.%	17.52	242.25	13.47	175.74	30.71	293.28

Source: Nepal Tourism Statistics 2010

The year 2007 to 2010 observed a positive shift in the tourism environment and the confidence of both visitors and travel trade, becoming strong with an anticipation of improved political situation in the country.

A total of 509,956 tourists visited Nepal during 2010 which is slightly lower than the number of tourists arrival in 2009, i.e. 588,234. So tourist's arrivals including by air and by land have increased satisfactorily within the past five year periods.

The above data further reveals that the tourists' inflow in Nepal decreased in the year 2006 by 2.57% compared to that of the year 2005. Since 2007, the tourist arrival

number caught up the rising trend and reached to 588243 in maximum in the year 2009 from 383926 in the year 2007. The data reveal that the tourist inflow in Nepal made highest jump in the year 2008, when the number increased drastically by 37.19%. However, in average the number of tourist arrival increment was 7.05% in the five consecutive years and the average number of tourist arrived during these periods was 476846.

Similarly, the tourist arrived through air has also increased to 379322 in the year 2010 from 277129 in the year 2006. Except in the year 2006 the congestion of tourists through air to travel seemed increasing trend and hence highly increased by 27.10% in the year 2008 compared to the number in the year 2007. In average, the number of tourist arrival through air increased by 6.15%.

Likewise, the tourist arrival through bus, train and other means of land transportation followed increasing trend in each year taken for study. The number of tourist arrived increased from 98269 in the year 2006 to 213582 in the year 2008, and decreased to 130634 in the year 2009. In average, 141850 tourists arrived in each year and the growth rate per year was 30.71%, which was quite progressive.

Hence, it can be concluded that the number of arrival of tourist in each year has been almost in increasing trend. And the decrease in number in the year 2010 was merely due to the decrease in land travel. The NTB should recognize the hurdles that has decreased the number of tourists by means of land transportation, and should ensure sound travelling in its promotional strategy to increase the tourists' number.

4.1.2 Average Length of Stay and Average Expenditure

The longer the period of stay of tourist, the more amount of money they are expected to spend. Thus the Table 4.2 shows the average length of stay and average expenditure they had made in US\$ in the last five years.

Table 4.2
Average Length of Stay and Average Expenditure

Year	Length of Stay		Average Expenditure	
	Days	% Change	Expenses	% increase
2006	9.09	-32.72	42	20.00
2007	10.20	12.21	47	11.90
2008	11.96	17.25	51	8.51
2009	10.57	-11.62	54	5.88
2010	11.32	7.10	62	14.81
Mean	10.63	-1.56	51.20	12.22
S.D.	0.98	18.39	6.73	4.93
C.V.%	9.22	-1181.75	13.15	40.30

Source: Nepal Tourism Statistics 2010

The Table 4.2 reveals the average length of stay of the tourist and the average expenditure per day that the tourist made in the nation. The table showed that the average length of stay has increased in most of the years, except in the fiscal year 2009. The length of stay was 9.09 days in the year 2006, which increased to 10.20 days in the year 2007, increased to 11.96 days in the year 2008, decreased to 10.57 days in the year 2009, and again increased to 11.32 days in the year 2010. In average, 10.63 days was spent by the tourist in Nepal within the five consecutive years.

However, the average expenditure made by the tourist per day followed increasing trend in each year. Each tourist spent US \$ 42, US \$ 47, US \$ 51, US \$ 54 and US \$ 62 per day in the year 2006, 2007, 2008, 2009 and 2010 respectively in Nepal, which indicated the positive prospects for the industry and eventually dominant role of tourism industry in buttressing the nation's economy. Thus, the NTB and the Ministry of Civil and Aviation should ensure the ease availability of the stuff that most tourists need to increase the tourist expenditure and finally increase the nation's economy.

4.1.3 Purpose of Visit

Tourist arrives in Nepal for number of purposes. The purpose can be holiday pleasure, trekking and mountaineering, business propose, pilgrimage, rafting, official and so on. The number of tourist arrival for various purposes has been tabulated in Table 4.3.

Table 4.3
Purpose of Visit

Purpose	Year	Mean	S.D.	C.V.
---------	------	------	------	------

	2006	2007	2008	2009	2010			%
Holiday	160259	145802	217815	233344	40992	159642	67950	42.56
Trek & Mount.	61488	66931	101320	117842	132929	96102	27947	29.08
Business	21992	21066	24487	30141	22758	24089	3228	13.40
Pilgrimage	47621	59298	52594	55291	51542	53269	3893	7.31
Official	16859	18063	21670	26578	24518	21538	3695	17.16
Conference	0	0	8019	10241	9985	5649	4676	82.78
Rafting	0	0	65	169	285	104	110	105.66
Others	67179	72766	78579	86641	186849	98403	44691	45.42
Not Specified	0	0	22156	27996	40098	18050	15834	87.72
Total	375398	383926	526705	588243	509956			

Source: Nepal Tourism Statistics 2010

Data showed that highest number of tourists arrived for holiday pleasure purpose continuously from the year 2006 to 2010. The table showed that during 2006, 160259 tourists came for Holiday Pleasure which decreased in 2007 to 145802, however, the number increased to 217815 in the year 2008, increased to 233344 in the year 2009, and finally decreased to 40992 in 2010. Hence, the data helps to derive the conclusion that the tourist arrival number has been affected by the political situation of the country. Further the lackadaisical of concerned bodies in exploring new spot for holiday is the major reason behind drastic reduction on tourists in 2010 for holiday purpose.

After holiday pleasures, trekking and mountaineering remained more successful in alluring the tourists to visit the country. The number of tourists for this purpose has considerably caught increasing trend and finally reached to 132929 in the year 2010 from 61488 in the year 2006. The purpose of this visit occupied second place after holiday pleasure in average. Besides, holiday pleasure and trekking & mountaineering, pilgrimage purpose is also high in number. However, the arrival of the tourists for pilgrimage has fluctuated during the observed periods. The number increased from 47621 in the year 2006 to 51542 in the year 2010. However, a highest number of 59298 have been recorded in the year 2007 for the pilgrimage purpose. In average, 53269 visitors visited Nepal each year for this purpose only.

Tourists also come for Business, Official, conference and others purpose. But the number is very less in comparison to holiday, trekking and pilgrimage purpose. In average, 24089, 21538, 5649, 98403 tourists came Nepal each year for business, official, conference and other purpose respectively. Data revealed one remarkable thing that from the year 2008, tourists also came merely for rafting unlike before.

Because data shows that tourists wasn't here for rafting purpose only before 2008. In 2008, 65 tourists came solely for rafting purpose only and the number increased to 169 in the year 2009, and to 285 in the year 2010. This shows that Nepal also have potential to develop or attract tourists in rafting business too. In addition, the paragliding from Sarangkot has also attracted a lot of tourists. It would be better if the government of Nepal and NTB board approaches for other adventurous items that fascinate the tourists in its promotional strategy.

4.1.4 Visitors Arrival by Nationality by Air

The table below shows that the number of tourist arrived in the last five years through air travel from different nations and different continents. The Table 4.4 depicts the major market coverage of Nepal.

Table 4.4
Visitors Arrival By Nationality by Air

Country of Nationality	January-December				
	2006	2007	2008	2009	2010
Asia (SAARC)					
Bangladesh	7,098	5,229	7,892	11,679	12,578

India	93,430	95,271	96,275	91,177	86,696
Pakistan	1,901	1,931	2,566	3,242	3,913
Sri Lanka	1,003	856	1,303	1,461	1,722
Sub-Total	103,432	103,287	108,036	107,559	104,909
Asia (Other)					
China	6,423	6,531	14,426	14,076	18,677
Israel	3,762	2,836	3,630	4,526	4,770
Japan	14,478	18,574	21,989	19,694	19,045
Malaysia	4,677	3,141	4,027	4,381	4,596
Singapore	2,365	1,872	3,185	3,624	4,947
S. Korea	5,475	7,002	12,513	12,556	11,792
Chinese Taipei	3,451	3,286	4,412	4,608	5,132
Thailand	4,483	3,632	5,247	5,442	6,664
Sub-Total	45,114	46,874	69,429	68,907	75,623
Europe					
Austria	2,252	2,596	3,087	3,173	2,729
Belgium	2,833	2,644	3,975	4,047	4,099
Denmark	1,602	1,534	2,683	3,376	4,631
France	12,249	12,528	16,770	19,616	18,879
Germany	12,306	12,098	16,920	16,228	16,397
Italy	7,395	6,834	9,193	7,262	6,945
Netherlands	5,483	4,888	6,781	7,322	7,580
Norway	1,143	1,119	1,608	2,328	2,056
Switzerland	2,649	2,770	4,098	4,473	4,501
Spain	7,539	9,291	13,000	12,115	10,915
Sweden	775	970	1,504	1,806	1,818
U.K.	22,030	19,292	26,814	29,694	30,186
Other (Poland, C. Republic & Russia)	-----	-----	-----	-----	7,152
Sub-Total	78,256	76,564	106,433	111,440	116,457
Oceania					
Australia	5,791	6,762	9,615	11,998	13,327
New Zealand	981	1,151	1,467	2,011	1,970
Sub-Total	6,772	7,913	11,082	14,009	15,297
America					
Canada	3,717	3,751	5,718	6,783	7,628
U.S.A.	15,809	16,886	24,576	26,762	27,877
Sub-Total	19,526	20,637	30,294	33,545	35,505
Others	24,029	28,241	35,076	39,201	31,531
Grand Total	277,129	283,516	360,350	374,661	379,322

Source: Nepal Tourism Statistics 2010

The Table 4.4 reveals the number of tourist arrival in the Nepal by country-wise as well as by continent-wise through air transport only. The table showed that almost ninety percent of the tourist arrival from SAARC was covered by India. The tourist arrival from India increased for the first three years, i.e. from 93430 in the year 2006 to 96275 in the year 2008, and then decreased in the two fiscal years, and finally

reached to 86696 in the year 2010. The pilgrimage purpose might be the sole reason behind the high coverage of Indian tourist in Nepal from SAARC. Besides India, Bangladeshi, Pakistani and Sri Lankan also travels Nepal but the number was minimal compared to that of Indians. The concerned bodies need to have serious consideration for tracing out the reasons behind the decrement of the Indian tourist and others, and should make optimal strategy for cultural promotion, which is the major purpose for Indians to visit Nepal.

Likewise, Japanese tourist numbers were highest from the other Asian countries excluding SAARC. The number of Japanese tourist visited Nepal in 2008 reached to highest 21989 from 14478 in the year 2006, and then decreased in the last two years. The Buddhist culture has played crucial role to allure large number of Japanese in each year. Besides Japanese, Chinese were highest in visiting Nepal than others from the Asian countries excluding SAARC. The number reached to 18677 in the year 2010 from 6423 in the year 2006. The prospects of Chinese business in Nepal played crucial role to attract Chinese in Nepal. Similarly, the citizens of Israel, Malaysia, Singapore, Chinese Taipei, Thailand and South Korea also visited Nepal in significant numbers.

Similarly, the people from Europe also played significant role to prosper the tourism business in Nepal. The number of tourist arrival through air transport decreased to 76,564 in the year 2007 from 78,256 in the year 2006, which then increased to 106,433 in the year 2008, to 111,440 in the year 2009 and to 116,457 in the year 2010. Among European countries, U.K. citizens were highest in traveling Nepal. Besides U.K., France and German citizens were in the top. Likewise, people from Austria, Belgium, Denmark, Netherland, Norway, Sweden, Switzerland, Spain and Italy also visited Nepal during the five years period. Also, the addition of tourists from three nations, Czech Republic, Poland and Russia, also shows increasing prospects to travel Nepal in European market. Eventually, the people from Pacific Oceania, especially Australia and New Zealand, and from Americas, especially U.S.A. and Canada, also played significant role to promote the tourism business of Nepal. The number of Oceania, America and others people visiting Nepal in 2010 were 15,297, 35,505 and 31,531 respectively. In overall, the number of people coming to Nepal by air transport was 379,322 in the year 2010. It would be better if NTB

makes strategy to promote tourism market to the other nations of the world that are not recorded in the past.

4.1.5 Number of Trekkers in Different Trekking Areas

For trekking purpose there are various destinations in Nepal. The Table 4.5 shows the number of tourist trekked in the major trekking places, viz Everest, Helambu, Langtan, Annapurna, Manang, Jomsom and other controlled areas.

Table 4.5
Number of Trekkers in Different Trekking Areas

Trekking Areas	January-December					Mean	S.D.	C.V. %
	2006	2007	2008	2009	2010			
Everest	19522	20693	26511	33243	36481	27290	6699	24.55
Helambu, Langtang	2735	4562	8165	12130	10458	7610	3519	46.24
Annapurna, Manang, Jomsom	36224	37901	60237	65891	68661	53783	13930	25.90
Others	293	663	1080	901	1105	808	302	37.40
Controlled Area								
Mustang	661	248	1282	1427	1782	1080	552	51.08
Lower Dolpa	200	225	419	641	708	439	208	47.44
Upper Dolpa	81	92	198	232	371	195	106	54.31
Humla	782	1256	1542	1498	1234	1262	270	21.41
Manaslu	544	561	895	828	743	714	141	19.69
Kanchanjungha	167	335	404	428	401	347	95	27.42
Others	279	395	587	623	748	526	168	31.85
Total	61488	66931	101320	117842	122692			

Source: Nepal Tourism Statistics 2010

The table 4.5 delineated the number of trekkers in different trekking areas of Nepal. The table showed that the number of trekkers trekking in Annapurna, Manang and Jomsom were highest compared to the other trekking destinations. The table revealed that the number of trekkers in the aforementioned areas was 36224 in the year 2006, which increased to 37901 in the year 2007, 60237 in the year 2008, 65891 in the year 2009, and 68661 in the year 2010. In average, 53783 trekkers made trekking each year in the consecutive years in Annapurna, Manang and Jomsom.

Besides, Annapurna, Manang and Jomsom, the number of trekkers on Everest was highest compared to the other areas. The number of trekkers on Everest was highest in the year 2010, i.e. 36481, and lowest in the year 2006, i.e. 19522. In average, 27290

people made trekking on Everest annually within these five year periods. Similarly, Helambu and Langtang was also the tourist attraction area for trekking.

Likewise, in the controlled trekking areas Humla was in the top trekked areas. In average, 1262 tourist trekked Humla annually in these five years period. Similarly in average, 1080, 714, 439, 347 and 195 tourists trekked Mustang, Manaslu, Lower Dolpa, Kanchanjungha and Upper Dolpa respectively. The Ministry of Tourism and NTB need to make strategy for exploring and open other areas for trekking purpose.

4.2 Primary Data Analysis

For the purpose of knowing the problems and prospects of Tourism in Nepal, that aid in making strong promotional strategy, primary data analysis has been done. To get the fruitful result, the respondents have been categorized in three, viz, Nepal Tourism Board, Hotel Business and Travel & Tours.

4.2.1 Analysis of Responses provided by NTB

To have the knowledge on the problems and prospects of tourism industry in Nepal, for having sound strategy for tourism promotion, questionnaire containing 14 questions; 12 closed end questions and 2 open end questions, has been prepared and requested to the 5 executive level staff and 5 middle level staff of NTB to fill the questionnaire.

4.2.1.1 Major Problems of Tourism Business

Despite having greater potentiality for tourism, the tourism business of Nepal did not flourished a lot as per the expectation. Thus, with the necessity to know the major problem that is barricading the development of tourism, the NTB staffs were asked on this matter. The responses obtained from them have been presented in the Table 4.6.

Table 4.6

Major Problems of Tourism Business

Problems	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Political Instability	1	20	1	20	2	20
Social Problem	1	20	1	20	2	20
Economic Problem	0	0	1	20	1	10
Technical Problem	3	60	2	40	5	50

Total	5	100	5	100	10	100
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(Source: Field Survey, 2012)

The Table 4.6 showed that the majority of the executive level staff of Nepal Tourism Board stated that technical problem is the major problem that is hindering the enhancement of tourism business in Nepal. 60% of the respondents, 3 out of 5, pointed out technical problem, whereas, 20% of the executive level affirmed social problem and 20% of the executive level staff said political instability as the major problems of tourism business. Similarly, 40% of the middle level staff, 2 out of 5, opined technical problem, 20% of the middle level each, 1 out of 5, stated political instability, social problem and economic problem as the major problems of tourism business.

However, on overall, 5 respondents, 2 respondents, 2 respondents and 1 respondent stated technical problem, political instability, social problem and economic problem as the major tourism problem. Hence, on the basis of the overall majority, i.e. 50% of the respondents, it can be concluded that technical problem is the major problems of Nepal's Tourism business. The tourism strategy of Nepal needs to overcome these problems.

4.2.1.2 Major Social Problems

To inspect to what extent the major social problem is aggravating the tourism business, it is essential to recognize such major problem. Thus the respondents were given a set of social problems and requested to rank 1 for the most. The ranking obtained from them has been presented in the Table 4.7.

Table 4.7
Major Social Problems

Indicators	Basis	Rank						Total	Weight	Mean Wt.	Overall Rank
		1	2	3	4	5	6				
Unhealthy Competition	Total	4	3	2	1	0	0	10	20	2.00	1
	Executive	2	2	1	0	0	0	5	9	1.80	1
	Middle	2	1	1	1	0	0	5	11	2.20	1

Pollution	Total	3	3	4	0	0	0	10	21	2.10	2
	Executive	2	1	2	0	0	0	5	10	2.00	2
	Middle	1	2	2	0	0	0	5	11	2.20	1
Commission Agent	Total	0	0	1	2	7	0	10	46	4.60	5
	Executive	0	0	1	1	3	0	5	22	4.40	5
	Middle	0	0	0	1	4	0	5	24	4.80	4
Drug Abuse	Total	0	1	3	3	3	0	10	38	3.80	4
	Executive	0	0	1	2	2	0	5	21	4.20	4
	Middle	0	1	2	1	1	0	5	17	3.40	3
Language Problem	Total	0	0	0	0	0	10	10	60	6.00	6
	Executive	0	0	0	0	0	5	5	30	6.00	6
	Middle	0	0	0	0	0	5	5	30	6.00	5
Management & Trained Staff	Total	3	3	0	4	0	0	10	25	2.50	3
	Executive	1	2	0	2	0	0	5	13	2.60	3
	Middle	2	1	0	2	0	0	5	12	2.40	2

(Source: Field Survey, 2012)

The Table 4.7 revealed the major social problems that are aggravating the tourism business. The respondents ranked 1 for the unhealthy competition between the entrepreneurs, ranked 2 for the pollution of the Kathmandu valley, ranked 3 for the lack of well management and trained staff related to hotel business, ranked 4 for the drug abuse, ranked 5 for the nature of commission agent and ranked 6 for the language problem. Hence, on the basis of the overall ranking, it can be concluded that unhealthy competition between the entrepreneurs is the major social problems that is staining the tourism business in Nepal.

4.2.1.3 Major Technical Problems

Technical problems are hindering the upgrade of tourism business. To examine the major technical problems, the NTB's staffs were asked to make ranking on the options provided to them. The rank obtained from them has been delineated in the Table 4.8.

Table 4.8
Major Technical Problems

Indicators	Basis	Rank					Total	Weight	Mean Wt.	Overall Rank
		1	2	3	4	5				
Airport Problem	Total	1	0	2	3	4	10	39	3.90	5
	Executive	0	0	1	2	2	5	21	4.20	5
	Middle	1	0	1	1	2	5	18	3.60	4
Highway &	Total	2	3	3	0	2	10	27	2.70	3

Ground Transportation	Executive	1	1	1	0	2	5	16	3.20	4
	Middle	1	2	2	0	0	5	11	2.20	2
Natural Problem	Total	2	1	3	3	1	10	30	3.00	2
	Executive	2	0	1	1	1	5	14	2.80	2
	Middle	0	1	2	2	0	5	16	3.20	3
Insecurity	Total	5	4	1	0	0	10	16	1.60	1
	Executive	2	2	1	0	0	5	9	1.80	1
	Middle	3	2	0	0	0	5	7	1.40	1
Financial Crisis	Total	0	2	1	4	3	10	38	3.80	4
	Executive	0	2	1	2	0	5	15	3.00	3
	Middle	0	0	0	2	3	5	23	4.60	5

(Source: Field Survey, 2012)

The Table 4.8 depicted the ranking of major technical problems in tourism business. The table delineated that the respondents ranked 1 for insecurity in tourism business, ranked 2 for the natural disaster, and ranked 3 for the highway and ground transportation problem, ranked 4 for the financial crisis, ranked 5 for the airport problem. Thus, on the basis of overall ranking, it can be considered that insecurity, assaulting and manhandling are the major technical problems in tourism business. The tourist police should be highly mobilized for the security of the tourists in order to feel them secure and upgrade the business.

4.2.1.4 Major Prospects of Nepal Tourism

Besides having problems, there are certain prospects which are alluring and will further fascinate tourists to visit Nepal. Thus the trace out the major prospects of the Nepal Tourism, the respondents were asked with this regard. The responses achieved from them have been demonstrated in the Table 4.9.

Table 4.9
Major Prospects of Nepal Tourism

Prospects	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Enriched Natural Beauty	2	40	3	60	5	50
Cheaper to Travel	2	40	0	0	2	20
Adventurous Recreational Activities	0	0	1	20	1	10

Cultural Diversity	1	20	1	20	2	20
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.9 showed that half of the respondents, 5 out of 10, stated that enriched natural beauty is the major prospect of Nepal tourism. Similarly, 20% of the respondents each, 2 out of 10, affirmed cheaper traveling cost and cultural diversity are the prospects and 10% of the respondents, 1 out of 10, said adventurous recreational activities as the prospect of Nepal tourism. Also gazing each level of staff, the majority of middle level, 60% of the respondents and 40% of the executive level stated enriched natural beauty as the major prospect of Nepal Tourism. Thus, undoubtedly it can be concluded that the enriched natural beauty is the major prospect and thus it should be preserved to allure more tourists. Further the cultural program can also be the major prospect if it is highly promoted.

4.2.1.5 Area needing Promotion

The effective promotion of the tourism product can attract the optimum level of tourists. Thus, to examine the area that needs the higher promotional campaign to develop the tourism business, the respondents were requested to express their views. The responses obtained from them are presented in the Table 4.10.

Table 4.10
Area needing Promotion

Area	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Accommodation	0	0	1	20	1	10
Transportation	1	10	0	0	1	10
Immigration	0	0	1	20	1	10
Airlines	2	40	1	20	3	30
Agency Services	0	0	0	0	0	0

Security	2	40	2	40	4	40
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.10 pointed out the area that needs most promotion to enhance the tourism business. The table depicted that 40% of the respondents, 4 out of 10, were in the view that the tourists still think Nepal as the insecure travel destination, so by highly promoting Nepal as a secured place for tourism, more potential tourist can be brought. Similarly airline is another sector needed to be promoted; about 30% of the respondents stated on this regard. As Nepal Airlines covers only 13 major cities of the world, it should be promoted highly. Also, there are other 11 international airlines which are operating to/from Kathmandu covering 15 major cities of the world. Besides, domestic airlines are also needed to be promoted.

Further 10% of the respondents each, 1 out of 10, stated accommodation, transportation and immigration facilities are needed to be promoted highly, whereas nobody pointed out the need of promotion of agency services. Thus, it can be concluded that the promotion of security in tourism business and the coverage of airlines operating in Nepal is highly required to develop the tourism business.

4.2.1.6 Level of Marketing Effort

To investigate on the level of marketing effort of NTB should direct on, the NTB's staff were give a set of level options and asked to opine their view. The responses obtained from them on the level of marketing effort are presented in the Table 4.11.

Table 4.11
Level of Marketing Effort

Level	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
National Level	0	0	0	0	0	0
Specific Target Market	0	0	1	20	1	10
International Level	2	40	1	20	3	30
Potential New Market	3	60	3	60	6	60
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.11 depicted that the majority of the each level staff, i.e. 60% of the executive level and 60% of the middle level, strongly affirmed that the marketing effort for tourism development of Nepal should be at the potential new market. While 10% of the total respondents and 30% of the total respondents said that the marketing effort should be at specific target market and international level respectively. However, nobody said that the marketing effort should be at national level. Hence, on the basis of overall majority, it can be concluded that the marketing effort should be at potential new market, for that the government requires high promotion campaign and broad networking.

4.2.1.7 Types of Marketing Effort

To inquire the appropriate type of marketing effort that should be adopted by NTB for the promotion of tourism, the respondents were asked to express their views. The responses obtained from them are summarized in the Table 4.12.

Table 4.12
Types of Marketing Effort

Types	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Destination Promotion	3	60	4	80	7	70
Media Promotion	1	20	1	20	2	20
Personalized Promotion	1	20	0	0	1	10
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.12 showed that the majority of each level, 60% of the executive level and 80% of the middle level, stated that NTB should adopt destination promotion to allure tourist. However, 20% of each level said media promotion and 20% of executive level affirmed personalized promotion as the effective type of promotion. In overall, 70% of the respondents supported destination promotion, 20% supported media promotion and 10% supported personalized promotion. Thus, on the basis of overall majority it can be considered that the destination promotion is the best promotion in the context of Nepal tourism if NTB adopts.

4.2.1.8 Product Development to be adopted

For better performance on tourism business, it is essential to know the type product development that should be adopted. Thus, the respondents were requested to enlighten on this matter.

Table 4.13
Product Development to be adopted

Product Development	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Preserve and Present	3	60	2	40	5	50
Modify	1	20	1	20	2	20
Combine	0	0	0	0	0	0
Develop New	1	20	2	40	3	30
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The table 4.13 showed that the majority of each level staff, i.e. 60% of the executive level and 40% of the middle level, said that the NTB should focus on preserving and presenting the product as it is to attract the tourist. Similarly, 20% of each level staff suggested modifying the product and 20% of the executive level & 40% of the middle level suggested developing new product in order to attract the tourist. While overlooking the majority, 50% of the total respondents, 20% of the total respondents and 30% of the respondents said preserving and presenting, modifying and developing new product respectively. Thus, it can be concluded that by preserving and presenting the product as it is, more tourist can be fascinated toward the nation.

4.2.1.9 Competitor's Strength

Nepal's main competitors are those countries which can offer a similar mountain and cultural product. Most of these are either in or beyond the great Himalayan mountaineering range: Bhutan, China, North India and Pakistan. Other long haul options are also emerging as serious competition for the adventurous traveler who traditionally came to Nepal. Destinations in the Andes such as Bolivia and Peru are emerging. South Africa and New Zealand are also making rapid inroads into the adventure tourism market. Thus, it has been essential to know the competitor which might jeopardize the tourism business of Nepal and their strength.

Table 4.14
Competitor's Strength

Strength	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%

Large Access	2	40	1	20	3	30
Timely Access	0	0	1	20	1	10
New Access Capability	2	40	3	60	5	50
Broad Coverage	1	20	0	0	1	10
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The table 4.14 measured the competitor's strength in tourism business. The table revealed that half of the respondents, 5 out of 10, are in the view that the capability to quest new access is the major strength of the competitors. Similarly, 30% of the respondents, 10% of the respondents, and 10% of the respondents stated that the large access, timely access and broad coverage of the competitor respectively are the major strength that might haphazard the tourism business of the country.

Thus to compete with the other nation offering similar product, Nepal must be in strong capable of questing new access to sustain in long range in the business. Similarly, the magnitude of product offering should be increased for competition.

4.2.1.10 Competitor's Weakness

To know the competitor weakness is one of the marketing techniques in order to beat the competitor. Thus to know the competitor's major weakness in comparison of Nepal, the respondents were asked on this matter. The responses achieved from them are presented in the Table 4.15.

Table 4.15
Competitor's Weakness

Weakness	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Wildlife Destination	1	20	2	40	3	30
Culture	1	20	0	0	1	10
Value for Money	2	40	2	40	4	40
Pilgrimage	0	0	1	20	1	10

Friendly People	1	20	0	0	1	10
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.15 revealed that the 40% of the respondents, viz, 40% of executive level and 40% of the middle level, stated that the competitor of Nepal is weak in the value of money to take the tourism pleasure. Nepal is cheapest for travel purpose, which is the strongest point while comparing with other competitor. Similarly, 40% of the total respondents said that the enriched wildlife destination of Nepal is the weaker point of other competitor. Also, 10% of the respondents each stated that the cultural diversity, pilgrimage and friendly behavior are the weaker points of competitors. Thus, it would be better if the tourism board focuses more on these weaker points of the competitors. Also, the equal ranking received by Switzerland in 2001 census on the basis of cultural diversity should not be forgotten and try to enhance the cultural programs to defeat.

4.2.1.11 Nepal's Marketing Effort with Competing Countries

Similarly, to examine the level of marketing effort that Nepal has made while comparing with the competing countries that offer similar product, the respondents were asked to opinion their views. The opinions obtained from them on this regard are presented in the Table 4.16.

Table 4.16

Nepal's Marketing Effort with Competing Countries

Extent	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Highly Satisfactory	0	0	0	0	0	0
Competitive	3	60	3	60	6	60
Satisfactory	2	40	1	20	3	30
Poor	0	0	1	20	1	10
Extremely Poor	0	0	0	0	0	0

Total	5	100	5	100	10	100
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(Source: Field Survey, 2012)

The Table 4.16 showed that two-third of the respondents, 6 out of 10, opined that the marketing effort of Nepal was competitive. Similarly, 30% of the respondents and 10% of the respondents said that the effort was satisfactory and poor respectively. Thus, on the basis of majority it can be concluded that marketing effort of Nepal with other competing countries is competitive.

4.2.1.12 Position on International Market

The role of NTB to promote Nepal in the international market is highly praiseworthy. The programs like Visit Nepal 1998, Destination Nepal 2002-2004 had highly promoted Nepal. Recently NTB launched Nepal Tourism Year 2011, which has been expected to fascinate high number of tourists to the country. But the question arise what should be the main motto of these programs. Thus to know the positioning of Nepal in the international market the respondents were asked on this regard.

Table 4.17

Position on International Market

Position	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Pleasure Tourism	0	0	0	0	0	0
Adventure Tourism	0	0	1	20	1	10
Low Spending Tourism	0	0	0	0	0	0
Nature Tourism	2	40	1	20	3	30
Culture Tourism	0	0	1	20	1	10
Mix of Above	3	60	2	40	5	50
Total	5	100	5	100	10	100

(Source: Field Survey, 2012)

The Table 4.17 showed that 30% of the respondents, 3 out of 10, the position of Nepal on International Market should be nature tourism. Similarly, 10% of the respondents each stated adventure tourism and culture tourism should be the position. While nobody stated pleasure tourism and low spending tourism should be the position. However, half of the respondents, 5 out of 10, affirmed the mix of pleasure tourism, adventure tourism, low spending tourism, nature tourism and culture tourism should be the position of Nepal in international tourism marketing. Hence, it can be

concluded that all of the aforementioned position are equally important to become recognized in the international market.

4.2.1.13 Facilities for Tourist during NTY 2011

To examine what facilities were going to be provided by the government of Nepal to make the Nepal Tourism Year 2011, the personnel of the NTB Board has been asked and open end question, and the responses obtained from them are accumulated and presented below;

Visa Fee Waived: To allure and draw the highest possible amount of tourists, the Tourism Ministry is planning to waive the visa fee in 2011 for those tourists who visit Nepal more than once during the year 2011.

Better Air Connectivity: To encourage more visitors to Nepal, the national flag carrier (Nepal Airlines) was going to extend its air-service from Riyadh, Lhasa, Gwanjhau, Frankfurt and London into Nepal by the end of 2010. From this March, flights to & from Mumbai, Shanghai and Tokyo had started.

Infrastructure Developments in Tribhuvan International Airport (TIA): Various infrastructure developments had been planned to uplift the TIA. These include; Discounts granted for landing and parking except during the peak hours, construct a Ground Support Equipment Parking Area Extension, implementation of 'Common Users Terminal (CUTE)' etc.

Mountaineering: Since mid August 2008, Mountaineering expeditions had been receiving a discount on the mountaineering royalties, this policy will continue for another 5 years. To develop tourism in Terai, a plan to promote Terai region is also underway.

Promotional Packages: The government is planning to launch special promotional packages in the USA, Europe, Japan, Australia, South-East Asia, Middle-East Asia and neighboring China & India through high level Nepalese delegation teams

Promotional Activities: For the further promotion of ‘NTY-2011’ various international promotional activities carried out by the Nepal Tourism Board that includes ‘sales missions’ and ‘road shows’ in the countries where the possibilities of tourism is high. Likewise FAM tour of international journalists to Nepal, high level delegation to different countries to interact with the travel trade and media there.

Tourism facilities: Further tourists facilities added with improved capacity of hotels and other required services for tourists as well as creating community capacity to meet the needs of tourist and promoting domestic tourism also.

4.2.1.14 Other Strategies for Promotion of NTY 2011

As per the responses of the personnel of the NTB Board, NTB aligned the following programs & activities for the promotion besides functioning as a secretariat of ‘NTY 2011’.

-) Promote ‘NTY 2011’ in 12 prominent travel trade fairs in the major source markets like Europe, Australia, India, Bangladesh, Thailand & Malaysia as well as highlight ‘NTY 2011’ highlighted in the country focused programs being organized in Europe, Australia, China, India, Bangladesh, Malaysia, Thailand, and South Korea. These major source markets visited by a high level delegation along with Nepalese travel trade, interacting with local media and travel trade for effective promotion.
-) During the UFTAA Congress, organized by NTB & NATA in November 2010 in Kathmandu, ‘NTY 2011’ promoted.
-) Corporate houses in the source markets approached and invited to hold meetings, Incentives, conferences and exhibitions (MICE).
-) On all the promotional gateways of NTB, NTY 2011 highlighted. Private sector travel trade, at home and abroad, requested to promote NTY 2011.
-) Promotional affiliations developed with Non-Resident Nepali Associations, Friends of Nepal, International Travel Trade Associations and Corporate Houses.
-) Artists, mountaineers, actors & other celebrities invited for further promotion.
-) From source countries like China, India, South East countries, Bangladesh and Europe, NTB (Nepal Tourism Board) 300 international journalists invited for FAM tour to highlight ‘NTY 2011’ in the international media. NTB is under

process in signing in MOU with international airlines flying to Nepal to promote Nepal internationally.

-) New posters & related brochures designed with a new web-site for NTY'2011 to launch.
-) Upgrade of the Facilitation desk at airport making it tourist friendly.
-) A special focus on Community tourism and Home Stay to diversify tourism movement into potential tourism areas of the country such as in Shree Antu Danda, Basantapur area, Khaptad, Rara, Gorkha etc.
-) NTB developed trekking trails in the Mid-Western & Far-Western development regions in association with communities, local bodies and related institutions.
-) Training programs organized in new tourism areas.

4.2.2 Analysis of Responses provided by Hotel Business

To know the problems and prospects of hotel business and the impact of hotel business on the tourism development of Nepal, a questionnaire containing 10 questions has been distributed to 5 executive level and 10 middle level management of Hotel Association of Nepal (HAN) and requested them to fill up.

4.2.2.1 Contribution of Hotel Business

To examine the role of hotel business and the contribution of it in the overall development in tourism of Nepal, the respondents were asked to express their view on the extent of contribution of hotel business. The responses obtained from them are presented in the Table 4.18.

Table 4.18
Contribution of Hotel Business

Contribution	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
High	3	60	2	20	5	33
Medium	2	40	7	70	9	60
Low	0	0	1	1	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.18 revealed that the majority of the respondent, 60% of the total respondents said that the contribution of hotel business in flourishing the tourism business is medium. While 33% of the respondents and 7% of the respondents opined

that the contribution is high and low respectively. Looking each level, the majority of the executive level, 3 out of 5 (60%) said the contribution is high, while the majority of the middle level, 7 out of 10 (70%), said that the contribution is medium. Hence, gazing the overall majority, it can be concluded hotel business plays medium role to uplift the tourism business of Nepal.

4.2.2.2 Sufficiency of government rules and regulations

To investigate whether the government rules and regulations related to hotel business are sufficient or not to run the hotel business, the respondents were asked on this regard. The responses obtained from them are presented in the Table 4.19.

Table 4.19

Sufficiency of government rules and regulations

Sufficiency	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	1	20	2	20	3	20
No	4	80	5	50	9	60
Don't Know	0	0	3	30	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.19 depicted that the majority of each respondents, i.e. 80% of the executive level and 50% of the medium level, said that the government rules and regulations are insufficient to meet the challenges faced in the hotel business. While only 20% of each level said that the rules are sufficient and 30% of the medium level staff remained neutral on this regard. In overall, 60% of the respondents strongly affirmed that the existing rules and regulations are insufficient, while 20% of the respondents said sufficient. Thus, on the basis of majority it can be considered that the government rules and regulations are insufficient and the existing rules should be hence amended to meet the challenges that arise in hotel business.

4.2.2.3 Government role to promote Hotel Business

To know what role the government should play for the promotion of hotel business, the respondents were asked to opine their view. The opinions obtained from them are tabulated in the table 4.20.

Table 4.20

Government role to promote Hotel Business

Government role	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Basic Supply	1	20	2	20	3	20
Security	3	60	3	30	6	40
Concession & Reward	0	0	1	10	1	7
Low Tax Rate	0	0	2	20	2	13
Reduce Pol. Influence	1	20	2	20	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.20 showed that the majority of each level, i.e. 60% of the executive level and 30% of the middle level, said that security in business should be the major role of government to promote the hotel business. Similarly, 20% of each level affirmed that the supply of basic requirements like water, electricity etc. should be the major role of government. While 20% of each level stated the reduction of political influence on hotel business, and 20% of the medium level & 10% of the medium level employee also stated the low tax rate and concession and reward respectively should be the concentration of government to promote the hotel business. In overall, 40%, 20%, 20%, 13% and 7% of the total respondents egged on security, basic supply, reduced political influence, lower tax rate and concession & reward should be overlooked by the government. Hence, on the basis of majority, it can be concluded that the security in business is the major role that the government should play to promote the business.

4.2.2.4 Major Problem of Hotel Business

To examine the major problem that the hotel business is facing on in today's context, the respondents were asked on this matter. The responses achieved are presented in Table 4.21.

Table 4.21
Major Problem of Hotel Business

Problem	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Labor Disputes	4	80	4	40	8	53
Poor Management	0	0	2	20	2	13
Unskilled Worker	0	0	1	10	1	7
Government Rules	1	20	2	20	3	20
Limited Services	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.21 revealed the major problems of hotel business. The table shows that labor disputes is the major problem of hotel business. About, 80% of the executive level and 40% of the middle level employee supported on this problem. Similarly, 20% of each employee stated government rules, 20% of middle level employee said poor management, 10% of middle level employee said limited services and presence of unskilled workers respectively are the major problems of hotel business. In overall, 53%, 13%, 7%, 20% and 7% of the total respondents pointed out labor disputes, poor management, unskilled worker, government rules and limited services respectively as the major problem of hotel business. Hence on the basis of majority, it can be concluded that labor disputes is the major problem of hotel business.

4.2.2.5 Major Prospect of Hotel Business

Similarly, to know the major prospect that can take the hotel businesses in the long-run, the employees of HAN are requested to express their view. The responses thus obtained are tabulated in the Table 4.22.

Table 4.22
Major Prospect of Hotel Business

Prospect	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Cheaper to Stay	2	40	4	40	6	40
Int'l Services	1	20	1	10	2	13
Better Hospitability	2	40	5	50	7	47
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.22 showed that 47% of the total respondents, i.e. 40% of the executive level employee and 50% of the middle level employee, stated that better hospitability that the hotel offers to its guest is the major prospect of hotel business. Similarly, 40% of the total respondents, i.e. 40% of the executive level and 40% of the middle level, affirmed that cheaper to stay in comparison with the international market is the major prospect of Nepal's hotel business. Likewise, only 13% of the total respondents, i.e. 20% of the executive level employee and 10% of the middle level employee, said that the offering of international level services is the major prospect of hotel business. Thus, on the basis of overall majority, it can be concluded that the better hospitability is the major prospect of hotel business of Nepal. However, the other factors like cheaper to stay and international level services cannot be ignored.

4.2.2.6 Satisfaction of Guest

Guest is the only source of income of hotel business. So the satisfaction of guest on the services provided plays a crucial role on the sustainability of the hotel. Thus, to know whether the guest is fully satisfied with the services offered, the respondents were asked on this crucial matter.

Table 4.23
Satisfaction of Guest

Satisfaction	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	4	80	5	50	9	60
No	1	20	2	20	3	20
Don't Know	0	0	3	30	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.23 depicted that 60% of the respondents, i.e. 80% of the executive level employee and 50% of the middle level, are in the view that the tourists are fully satisfied with the services of the Nepal's hotels. Similarly, 20% of the respondents, i.e. 20% of the executive level and 20% of the middle level, are in the view that the guests are not fully satisfied with the services provided. Likewise, 20% of the total respondents, i.e. 0% of the executive level and 30% of the middle level, remained neutral on this regard. On the basis of overall majority, it can be concluded that the guests are fully satisfied with the services provided.

4.2.2.7 Area to be progressed

Certain progresses are required in each sector to cope with the changes in time. Thus to know on what sector the hotel business should make extensive progressive, the opinions from the respondents were collected.

Table 4.24
Area to be Progressed

Area	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Extend Network	0	0	2	20	2	13
Product Diversification	2	40	2	20	4	27
Sophisticated Technology	2	40	3	30	5	33
Skilled Manpower	0	0	1	10	1	7
Recreational Activities	1	20	2	20	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.24 shows that 33% of the respondents, i.e. 40% of the executive level and 30% of the middle level, said that technology adopted by the hotel should be made more sophisticated in order to retain the tourist for a longer period. Similarly, 27% of the respondents, i.e. 40% of the executive level and 20% of the middle level, affirmed that the product should be diversified to increase the number of tourist stay. Likewise, 20% of the respondents, i.e. 20% of the executive level and 20% of the middle level, said that the recreational activities should be increased. Also, 13% of the total respondents, i.e. 20% of the middle level, and 7% of the respondents, i.e. 10% of the total respondents, said that the network should be extended and the skilled manpower should be kept respectively to increase the number of tourist stay. Hence, it can be concluded that all the aforementioned factors are equally needed to be progressed to increase the number of tourist stay.

4.2.2.8 Healthy Competition within Nation

To examine whether the practice made to compete within the domestic market by the hotel business are healthy or not, the opinions from the respondents are collected.

Table 4.25

Healthy Competition within Nation

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	4	80	6	60	10	67
No	1	20	3	30	4	26
Don't Know	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.25 revealed that the 67% of the total respondents, i.e. 10 out of 15, said that the domestic competition of hotel business is healthy and fair. However, 26% of the respondents said that the practice of completion is unhealthy, whereas 7% of the respondents remained neutral on this matter. Similarly, the majority of each level, i.e. 80% of the executive level (4 out of 5) and 60% of the middle level (6 out of 10), the completion is fair and healthy. Thus it can be concluded that the hotel business practices healthy competition.

4.2.2.9 Competition on International Market

In today's context, each business has to compete globally. Thus to examine whether the hotels operating in Nepal are capable to compete in the international market, the opinions from the respondents were collected.

Table 4.26

Competition on International Market

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	3	60	3	30	6	40
No	2	40	3	30	5	33
Don't Know	0	0	4	40	4	27
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.26 shows that 40% of the respondents, i.e. 60% of the executive level (3 out of 5) and 30% of the middle level (3 out of 10), said that the hotel of Nepal can compete in international market. While 33% of the respondents, i.e. 40% of the

executive level (2 out of 5) and 30% of the middle level (3 out of 10), stated that the domestic hotel cannot compete with the international hotel. However, 27% of the respondents, i.e. 40% of the middle level (4 out of 10), remained neutral on this regard. Though the majority of the respondents said ‘yes’, it cannot be said exactly as almost one-fourth of the total respondents remained neutral.

4.2.2.10 Actions to be taken for international competition

To examine what actions should the hotels of Nepal follow to meet the challenges created by international hotels, the opinions from the responses were collected. The opinions obtained for making the domestic hotel internationally competitive are tabulated in the Table 4.27.

Table 4.27

Actions to be taken for international competition

Options	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Increase competent worker	0	0	2	20	2	13
Increase services	3	60	5	50	8	54
Increase networking	2	40	3	30	5	33
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.27 above revealed that 54% of the total respondents, i.e. 60% of the executive level (3 out of 5) and 50% of the middle level (5 out of 10), said that by increasing the services the hotels of Nepal can compete in the international market. Similarly, 33% of the respondents, i.e. 40% of the executive level (4 out of 5) and 30% of the middle level (3 out of 10), affirmed network increment for international competition. Likewise, 13% of the respondents, i.e. 20% of the middle level employee (2 out of 10), stated that by making increment in competent worker, the competition can be made. Hence, it can be concluded that increase in services is the major actions that the hotels of Nepal should follow to become internationally competent.

4.2.3 Analysis of responses of provided by Travel and Tours

To know the problems and prospects of travel and tours and the impact on the tourism development of Nepal, a questionnaire containing 11 questions has been distributed to 5 executive level and 10 middle level management of Nepal Association of Travel

Agents (NATA) and Nepal Association of Tour Operators (NATO), and requested them to fill up.

4.2.3.1 Performance of Travel and Tours

To examine whether the performance of travel and tours in Nepal is satisfactory or not the respondents were asked on this matter. The responses obtained are presented in the Table 4.28.

Table 4.28
Performance of Travel and Tours

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	4	80	6	60	10	67
No	1	20	3	30	4	26
Don't Know	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.28 reveals that 67% of the total respondents are in the view that the performance of travel and tours to uplift the tourism business of Nepal is satisfactory. Whereas 26% of the respondents said that the performance is not satisfactory than the expected level, similarly, 7% of the respondents remained neutral on this matter. Also, the majority of each level of staff, i.e. 80% of the executive level (i.e. 4 out of 5) and 60% of the middle level (6 out of 10), stated that the performance is satisfactory. Hence, it can be concluded that travel and tours played significant role to uplift the tourism business.

4.2.3.2 Dependency on types of Tourist

To recognize on which tourist, i.e. domestic or international, does the travel and tours is highly dependent, the respondents were asked to express their views. The responses obtained are tabulated in the Table 4.29.

Table 4.29
Dependency on types of Tourist

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Domestic Tourist	1	20	1	10	2	13
International Tourist	4	80	9	90	13	87
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.29 reveals that 87% of the respondents, i.e. 80% of the executive level 90% of the middle level, said that the travel and tours business of Nepal is highly dependent on the international tourist, while only 13% of the respondents opined that the business is also dependent on domestic tourist. Hence, it can be undoubtedly concluded that the travel and tours of Nepal is highly dependent international tourist rather than domestic tourist.

4.2.3.3 Favorability of Government Policy

To investigate whether the government policy is favorable in the operation of travel and tours business, the respondents were asked on this matter. The responses obtained are presented in the Table 4.30.

Table 4.30
Favorability of Government Policy

Response	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Yes	3	60	5	50	8	54
No	2	40	3	30	5	33
Don't Know	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.30 depicts that 54% of the respondents, i.e. 60% of the executive level staff and 50% of the middle level staff, said that the government policy is favorable to travel and tour operation, while 33% of the respondents, i.e. 40% of the executive level and 30% of the middle level, said that the policy is not favorable, and 13% of the respondents, i.e. 20% of the middle level, remained neutral. Thus, in overall it can be said that the policy set out by government related to travel and tours is favorable for the business.

4.2.3.4 Major Concentration of Tourism Policy

To examine the area on which the tourism policy of Nepal should mainly focus on to upgrade the travel and tours business, the respondents were asked to opine their views, which are tabulated in the Table 4.31.

Table 4.31
Major Concentration of Tourism Policy

Options	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Preservation of resources	1	20	2	20	3	20
Infrastructure development	2	40	3	30	5	33
Extend Networking	0	0	1	10	1	7
Security in Traveling	2	40	2	20	4	27
Special facility in offseason	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.31 delineates that 33% of the respondents said that the tourism policy of government should focus on infrastructure development to enhance the travel and tours business and eventually uplift the tourism. Similarly, 27% of the respondents said that the policy should be concerned on security which is vulnerable in traveling. Likewise 20%, 13% and 7% of the respondents opined that the policy should embrace the preservation of resources, special facility to the travel and tours for operating in off-season and attempt to extend networking respectively. Hence, according to the travel and tours business the tourism policy of government should give more attention in infrastructure development.

4.2.3.5 Major Problem of Travel and Tours

To identify the major problems, the travel and tours business of Nepal is facing on, the respondents were asked on this matter. The responses thus obtained are presented in the Table 4.32.

Table 4.32
Major Problem of Travel and Tours

Options	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Strike	2	40	3	30	5	33
Insecurity in Business	1	20	2	20	3	20
Unhealthy Competition	0	0	1	10	1	7
Bad conditions of road	2	40	3	30	5	13
Inadequate Networking	0	0	1	10	1	7
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.32 reveals that 33% of the respondents affirmed unnecessary strike as the major problem of travels and tours. Similarly, 20% of the respondents said insecurity in business is the major problem. Likewise, 13% , 7% and 7% of the respondents stated that bad conditions of road, unhealthy competition between the entrepreneurs and inadequate networking respectively are the major problems of travels and tours. Thus on the basis of opinions of the respondents, unnecessary strike first and then insecurity in business are the major problems of travels and tours.

4.2.3.6 Major Prospects of Travel and Tours

To recognize the major prospects on which the travel and tours business of Nepal can go in long run, the respondents were asked on this matter. The responses thus obtained are presented in the Table 4.33.

Table 4.33
Major Prospects of Travel and Tours

Prospects	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Enriched Natural Beauty	3	60	4	40	7	47
Cheaper to Travel	1	20	2	20	3	20
Adventurous Activities	1	20	2	20	3	20
Cultural diversity	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.33 presented above depicts that 47% of the respondents said that the enriched natural beauty of the country is the major prospect of tourism as well as travel and tours. Similarly, 20% of the respondents opined that cheaper cost in travel is the major prospect, and 20% of the respondents stated that the adventurous

recreational activities like bungee jumping, rafting, trekking and mountaineering etc. are the major prospects. Also, 13% of the respondents said that cultural diversity is the major prospect. Hence, on the basis of majority it can be concluded that enriched natural beauty is the major prospect of both travel and tours and tourism business.

4.2.3.7 Concentration of Marketing Effort

To know the opinion of travel and tours business on the area where the tourism marketing effort of the country should concentrate on, the respondents were asked to express their views.

Table 4.34
Concentration of Marketing Effort

Marketing Effort	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Niche Marketing	2	40	3	30	5	33
Product Diversification	0	0	2	20	2	14
Quest New Market	2	40	3	30	5	33
Promotional Campaign	1	20	2	20	3	20
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.34 presented shows that 33% of the respondents stated that the marketing effort of Nepal should be concentrated on nice marketing. Similarly, same percentage of respondents (33%) opined that the effort should concentrate on questing new market. While 20% of the respondents said promotional campaign and 14% of the respondents pointed product diversification should be the main concentration. Hence, it can be concluded that both niche marketing and search of new market should be the major concentration of marketing effort.

4.2.3.8 Strength of the Competitors

To capture the market it is essential to know the strength and weakness of the competitors. Hence to know the major strength that the travel and tours business thinks that the international market has, the respondents were asked on this matter.

Table 4.35
Strength of the Competitors

Strength	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Large Networking	3	60	6	60	9	60
Cheaper Fare	0	0	0	0	0	0
Timely Bounded	2	40	4	40	6	40
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.35 above showed that 60% of the respondents, i.e. 60% of the executive level and 60% of the middle level, stated that that large networking is the major strength of competitors in international market. Similarly, 40% of the respondents, i.e. 40% of the executive level and 40% of the middle level, said that the capability of departing tourists in time is the major strength of competitors. Thus, large networking is the major strength of the international travel and tours.

4.2.3.9 Weakness of the Competitors

To identify the major weakness that the competitors of international travel and tours possess on, the respondents were requested to express their opinions. The responses thus obtained are presented in the Table 4.36.

Table 4.36
Weakness of the Competitors

Weakness	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Inability to reach Market	0	0	0	0	0	0
Expensive Fare	5	100	8	80	13	87
Limited coverage	0	0	2	20	2	13
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.36 shows that 87% of the respondents, i.e. cent percentage of the executive level and 80% of the middle level, said that expensive fare is the major weakness of international travel and tours. While only 13% of the respondents, i.e. 20% of the respondents, said limited coverage is the major weakness. Thus the travel and tours of Nepal should take the advantage of cheaper fare compared to the international market and try to minimize its weakness to lead the travel and tours industry.

4.2.3.10 Comparison of Domestic Travel & Tours Business in International Market

To examine the performance of travel of tours of Nepal in the international market, the respondents were asked on this matter. The responses obtained from them are presented in the table below.

Table 4.37
Achievement of Travel and Tours

Responses	Executive Level		Middle Level		Total	
	No.	%	No.	%	No.	%
Highly satisfactory	0	0	0	0	0	0
Competitive	3	60	3	30	6	40
Satisfactory	2	40	4	40	6	40
Poor	0	0	3	30	3	20
Extremely Poor	0	0	0	0	0	0
Total	5	100	10	100	15	100

(Source: Field Survey, 2012)

The Table 4.37 reveals that 40% of the respondents said that the service provided by the travel and tours business of Nepal is satisfactory. Similarly, same percentage of the respondents said that the service provided is competitive and 20% of the respondents said poor. Thus it can be considered that the travel and tour business of Nepal has the potentiality to compete in the international market.

4.2.3.11 Major Activities of Tour Operators for Promoting Tourism

To examine the contribution of Nepal Association of Tour Operators, NATO, in tourism promotion, the respondents are asked on this regard. The responses obtained from them are categorized in two sections;

c) Domestic Activities

Nepal Association of Tour Operators (NATO) has time and again raised its voice against all elements that have attempted to hard hit the growth of tourism industry. In close coordination with national tourism organisation and other tourism counterparts, the NATO has actively involved itself in tourism promotion and image-building activities since its establishment six years ago. Among several such activities, the followings are major that NATO underwent during the last one-year period.

- 1. Formation of Crisis Management Cell :** When the country's tourism sector was ailing to the domestic and international incidents, NATO had urged for the formation of high-level crisis management cell. The initiative of the association has now resulted in the formation of crisis management cell and is now operational. The NATO urges the government for an active involvement of private sectors in the cell. We believe the active involvement of the private sectors would help making the working of crisis management cell more professional and up to the expectations.
- 2. Maoists' assurance to not to hurt tourists :** Immediately after the Maoists' unilateral withdrawal from seven months long cease-fire between the government and Maoists, the Nepal Association of Tour Operators (NATO) organised a programme in the capital and issued a joint appeal to the Maoists insurgents asking for their assurance to safeguard the tourists. The Maoists responded well to the appeal and have guaranteed for not to harm the tourist inside the country. So far no such incident where a tourist has been hurt targeted. Maoists have apologised if by chance some tourists have been hit by the insurgency.
- 3. Organising Seminars and Meetings :** The Nepal Association of Tour Operators (NATO) has been time and again organised seminars and meetings to suggest the government for betterment of tourism industry. The recent one among the several came in the form of separation of travel agencies from the tour operators. We have asked the government to promote Nepal as a destination that refunds all expenses upon genuine complaints. This will help promote uplift the image of the country and allure more tourists. To assure the refund the NATO proposes to ask for a bank guarantee of Rs 2.5 million from each tour operators.
- 4. Celebration of World Tourism Day :** The NATO had worked closely with Kamadhenu Association and NTB on World Tourism Day to further motivate our inherited tradition of welcoming guests as Gods for last few years.
- 5. Sponsoring FAM Trips for International and National Journalists :** Nepal Association of Tour Operations (NATO) always believes that the destination promotion can be more effective if the journalists are acquainted with the first hand information regarding the destination. It is the same reason why NATO

has sponsored various tourism related programme including the organising of FAM tours to the journalists and the international tour operators.

d) International Activities

Nepal Association of Tour Operators (NATO) has maintained a close and cordial relationship with number of international tourism associations and thus has organised several programmes in their support. Signing Memorandum of Understanding with the international tour operators for mutual cooperation has helped promote country's image mostly in the South East Asian countries and the European countries. The major international activities of the NATO are beefed below.

- 5. Organising Country Workshops and Trade Shows :** NATO has successfully conducted number of country workshops and trade shows for its members using strategic partnership techniques to build linkages and business opportunities for its member organizations, the most recent being a very high profile South East Asia Road Show jointly organized with PATA Nepal Chapter and Nepal Tourism Board.
- 6. Destination Promotion Activities :** In co-ordination with the Royal Nepalese Embassy, UK, NTB and PATA UK Chapter organised Destination Nepal Evening in Royal Nepalese Embassy in London on the 11th of February last year. Objective of the Nepal evening was to give a message that Nepal is a safe destination to visit and promote its unparalleled tourism products in Britain.
- 7. Participation in International Seminars :** NATO has time and again participated in the international seminars. It also represented Nepal in several functions organised in London and Tokyo last year to mark the Destination Nepal campaign 2002-03 and Golden Jubilee Celebration of First ascent of Mt. Everest. The NATO has also organised a promotion trips to these countries in coordination from the Nepal Tourism board, Nepalese embassies and the NAC.

In a similar event last year, the Hon. Secretary of NATO Mr. Basant Raj Mishra presented paper on mountain Tourism in the event organised to mark the Mt Everest Golden Jubilee Celebrations at London and Paris.

8. Other Activities : We are currently finalizing a Memorandum of Understanding with the Japan Association of Travel Agents. We have proposed for a MOU with DRV, the Association of German Tour Operators. The signing of the Memorandum of Understanding would allow members of each association to work jointly to attain mutually identifiable goals and exploring business opportunities and profits.

NATO had been producing weekly newsletter for the last two and half years. The newsletter has a subscription to around 4,000 individuals and institutions. This newsletter is issued every Monday and covers the tourism related news for that week.

4.3 Major Findings

From the primary and secondary data analysis, the following major findings have been drawn;

Findings from Secondary Data Analysis

-) The number of tourist arrival in each year is in increasing trend in most of the observed years. The number of tourists' arrival reached to 509956 in the year 2010 from 375398 in the year 2006.
-) However, the length of stay decreased to 10.57 days in the year 2009 from 11.96 days in the year 2008, and in 2010 the length of stay is 11.32 days. But the average expenditure of the tourist per day increased to US \$ 62 in the year 2010 from US \$ 42 in the year 2006.
-) Many tourists visit Nepal for holiday pleasures. Besides holiday pleasures, trekking and mountaineering remained successful to attract large number of tourists.
-) The majority of the tourists arrival was covered by the Indian tourists, who mostly come for pilgrimage. Besides India, USA, Japan, France, Germany and UK are the nations that flow most of the tourists in Nepal.
-) In trekking and mountaineering, majority of tourists take the pleasure while trekking Annapurna, Manang and Jomsom range. Similarly, in controlled areas Humla had been visited most within the five year periods. In average, 53783

tourists visited Annapurna, Manang and Jomsom, while 1262 people visited Humla.

Findings from Primary Data Analysis

Findings from NTB

-) 50% of the respondents from NTB employee said that technical problem is the major problems of tourism business in Nepal. Similarly, the respondents ranked 1 for unhealthy competition as the major social problem of tourism business and ranked 1 for insecurity as the major technical problems.
-) Undoubtedly, 50% of the respondents affirmed the enriched natural beauty of Nepal is the prospect of tourism in Nepal & 30% of the respondents suggested the promotion of security after the peace process to allure more tourists.
-) 60% of the respondents said that the marketing effort of tourism business should be concentrated on the quest of potential new market. Likewise, 70% of the respondents said destination promotion is the effective marketing effort.
-) Similarly, 50% of the respondents said that the product should be preserved and presented as it is rather than modifying. Same percentage disclosed the fact that the capability of new market access is the strength of the competitor whereas 40% said that the value of money is the weakness of competitor.
-) 60% of the respondents said that Nepal's marketing effort is competitive with the rival's and 50% of the respondents said that the country should position itself as the mix of pleasure tourism, adventure tourism, low spending tourism, nature tourism and culture tourism in the international market.

Findings from Hotel Business

-) 60% of the respondents said that the contribution of Hotel business to uplift the tourism business is medium. And same percentage of the respondents opined that the government rules and regulations are sufficient to operate the business.
-) 40% of the respondents said that the government should provide security, while 20% said that the government should provide the basic requirement like water, electricity etc. to promote the hotel business.

-) 53% of the respondents opined that labor dispute is the major problem of the business and 40% of the respondents opined that cheaper to stay is the prospect of hotel business.
-) 60% of the respondents said that the guest is highly satisfied by the services provided by the hotel and 33% of the respondents affirmed that sophisticated technology should be adopted to satisfy the guest.
-) Similarly, 67% of the respondents said that the competition in hotel business is fair and healthy. Likewise, 40% said that the hotels of Nepal are able to compete in the international market and 54% said that the services should be increase to compete in the international market.

Findings from Travel and Tours

-) 67% of the respondents said that the performance of travel and tours are satisfactory and 87% said that the travel and tours depends mainly on international tourist. In addition, 54% of the respondents said that the government policy is favorable for sound operation of travel and tours.
-) 33% of the respondents affirmed that the tourism policy should mainly concentrate on infrastructure development. Similarly, 33% opined that unnecessary strike is the major problem of travel and tours, while 47% opined that enriched natural beauty is the major prospect of travel and tours and eventually tourism.
-) 33% of the respondents each opined that marketing effort should concentrate on niche marketing and searching of new market. Similarly, 60% stated that large networking is the major strength of the competitor and 87% stated expensive travel fare is the major weakness. In addition, 40% of the respondents each stated that the services of travel and tours business are competitive and satisfactory compared to the international market.

CHAPTER – V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The economical foundation of any country lies on different sectors. Among these, tourism industry plays a vital role for economic strength of any country. In Nepal, since the arrival history of tourist; it has various impacts on individual, private sector to government regarding to employment, profit-marking, sharing cultural exchange, source of foreign currency, and source of revenue and so on. Thus, the healthy arrival of tourist in Nepal has sound impact in overall segments. The joint hands of private & government seem weak to develop and enhance the area of tourism sector although the symptoms and developments of tourism sector in Nepal are in increasing order.

Tourism refers to such industry that is based on arrival of internal (from own industries) & external (from different countries) tourist to different parts of country with various sort of purpose like holiday pleasure, business, pilgrim, sightseeing, mountaineering and so on. But the focus of study is to external tourists who arrive in Nepal with their individual purpose and among various areas of tourism industry, this study focuses on some of the basic components like transport, holiday destination, service attraction, historical and cultural things; and so on. So to develop and expand the sector of tourism, the private & government sector should explore & analyze such basic components of tourism industry. More various sort of short & long policies should be managed by concerned authorities like NTB, Tourism & Civil Aviation Ministry, Hotel Association of Nepal, Trekking Agent Association of Nepal, and Nepal Association of Rafting Agents and so on. Beside the individual & private sector involving in tourism sector should provide sound suggestion and participate actively to develop tourism industry.

Thus the study focuses mainly on improving the long term marketing strategy for tourism industry in Nepal. To fulfill these objectives the secondary data have been collected mainly from the annual reports of NTB & MOTCA & the primary data have been collected from the staff of NTB, HAN and NATA & NATO. Further, the official

websites of Ministry of Tourism and Civil Aviation, www.tourism.gov.np & NTB, www.welcomenepal.com have been also reviewed.

5.2 Conclusion

On the basis of data analysis & conclusion drawn, it can be concluded that government & private sector are actively participating & developing the tourism industry with the realization of importance of tourism and foreign earnings it brings to Nepal. Nepal had launched “Nepal Tourism Year 2011” which was launched on October 2008. Because Nepalese tourism industry felt necessary to reposition its image in the international tourism market Nepal’s wealth of natural resources is the driving factor for tourism & now it is also getting popular as a destination for adventure sports like trekking, rafting etc.

The secondary data analysis help to conclude that in past decade, tourism was not as satisfactory as anticipated due to our political conditions but now it is improving, during 2008 there was highest number of tourist's arrival. Further, the number of tourist arrival by air followed increasing trend. The decrease in the total number of tourists is merely due to the decrease in tourist by land transportation. In addition, the length of stay of tourist was in fluctuating trend but the daily expenses they made followed increasing trend within the past five years. It can also be concluded that the main purpose of the tourist to come Nepal is to take the holiday pleasure. But trekking and mountaineering are also the other major purposes. The arrival of tourist just for rafting within the last two years also indicated the prospect of rafting in the future. Further, pilgrimage, business, conference and other are also the purpose. On the basis of data it can be concluded that Indian tourists mostly come for pilgrimage purpose & thus the majority of the tourist's arrival was covered by them. Besides India, USA, Japan, France, Germany and UK are the nations that flow most of the tourists in Nepal. Eventually, Annapurna, Manang and Jomsom range have highly allured tourists for trekking and mountaineering. Similarly, in controlled areas Humla has been visited most within the five year periods. Thus, it can be concluded that the tourism strategy of Nepal incorporates certain loopholes and needs to heal up for increasing the number of tourists by land and to barricade the obstacles that the

tourists are facing up. Also, the NTB needs to explore the new places that are ecclesiastic for tourist to hike.

The primary data helps to conclude that Technical problem is deteriorating the tourism business of Nepal. Among various technical problems, lack of providing security for the tourists is the major problem. Similarly, unhealthy competition is another social problem aggravating the industry. Besides having these problems, the enriched natural beauty has still the potentiality to fascinate the tourists and is thus considered the major prospect. Further, the tourist police should be extensively mobilized for the security purpose and the promotional campaign should be made to enhance the tourism business.

Similarly, hotel business plays significant role to uplift the tourism business of Nepal. The hotel business can be enhanced if the government provides security and assures the basic requirements like water, electricity etc. Labor dispute is the major problem in hotel business, however it can be concluded that cheaper to stay is the major prospect of hotel business in Nepal. Further, it can be considered that the guests of hotel are fully satisfied and sophisticated technology & wide range of services can aid the hotel to retain their customers for a longer period of time. Eventually, the hotel business practices healthy and fair competition.

Likewise, the data analysis helps to conclude that the travel and tours are highly dependent on international tourists and their performance are satisfactory. The government policy is sound and favorable to operate the travel and tours. However, unnecessary strike and the condition of road are the major problem of travel and tours, while the enriched natural beauty of the country is the major prospect for travel & tours and the tourism as whole. Also, the expensive travel fare is the major weakness of the competitor while large networking is the major strength. In overall, it can be concluded that the performance of travel & tours are highly competitive & satisfactory. Consequently, it can be concluded that the NTB & the government need to amend the long term marketing strategy for tourism and try to abate the problems that are hindering the tourism business, which occupies the dominant role in nation's economy.

5.3 Recommendations

Development of the tourism sector assists the overall development of the national economy & generates foreign currency; it also helps in the economic development of the hilly region that has low agricultural productivity and creates employment in the region. The quality of civil aviation is equally important when considering the development of the tourism sector. Similarly, culture is the treasure of the country & its development & conservation will promote the fame and identity of the country; at the same time, it also helps in the overall social development of the country & the development of the tourism sector. Some of the suggestions for sustainable tourism development in Nepal are given below:

Proper Tourism Planning and Implementation: Careful planning & implementation is required in order to achieve overall objectives of the tourism development. There should be comprehensive planning regarding tourist infrastructure, management of tourist attractions; facilities; accommodation; transport services, marketing; promotion, upgrading & improving a destination's attractiveness. Institutional coordination & community involvement in the entire process of tourism planning & development is crucial.

Product Development: Visitors want to experience new things. New products & packages should be identified and developed. There are various unexploited places in Kathmandu which could be developed as new products. Local communities should be involved in identifying new products. Similarly the existing products should be upgraded, improved and conserved. The monuments in perils should be renovated as fast as possible before they vanish in the mud. Proper planning should be done for the conservation and preservation of historical, cultural, religious and archaeological heritages and enhancing their practical utilization. The new destinations can be promoted as village tourism, pilgrimage tourism, sports tourism, adventure tourism etc.

Infrastructure Development and Improving Service and Quality: Improvement in facilities & services to visitors is needed. Uncertainty of air seat capacity, especially of Nepal Airlines (NAC), is the major constraint for tourism development. NAC

should increase its air seat capacity & private airlines should be allowed to operate immediately even in those routes where NAC operates. Besides, NAC should make its flights regular & reliable. The airport & airlines service with necessary infrastructure should be developed to ensure domestic and international travel. Private sector should be involved in airport construction, operation & long-distance airlines service. The government should give due attention in to developing & improving road transportation.

Environmental Protection: One of the main problems faced by Nepalese tourism is the deteriorating conditions of the environment. To implement priority programs such as environmental protection, garbage management, alternative energy, employment generation and awareness raising activities, coordination among the governmental, non-governmental and private sector should be enhanced. Special monitoring should be done to check pollution in protected areas like trekking, mountaineering & other environment-sensitive areas. For this, solid waste situation in Kathmandu must be improved. Pollution should be controlled by enforcing standards to vehicles, industries & other sources of pollution at the valley level in Kathmandu. Environment awareness should be created by making people aware of the effects of tourism. Providing tourists with information on scarcity of natural resources can also do this.

Institutional Co-ordination and Regulation: As tourism industry is fragmented with many players, problems have arisen because of conflicting interests. There should be adequate co-ordination in programmes and actions between private sector & government. Everyone should take responsibility for achieving sustainable development. Local bodies involvement should be emphasized in developing new tourist spots. Under the initiative of the NTB, and the participation of the private sector, publicity and promotion works should be done. To make the tourist's travel safe & well-managed, various government recognized agencies like travel & trekking should be encouraged to coordinate travel programmes.

Human Resource Development: Efficient and professional management is an obvious prerequisite of successful tourism development. In planning for human resources development, programmes should be established to screen & train prospective employees so that they could acquire both attitudinal as well as technical

skills. In order to increase quality & standard in tourism service, tourism manpower training programs should be conducted regularly. Private sectors should also be mobilized to carry out the training activities in an integrated manner. Higher educational institution and regional mountaineering academy should be established in tourism sector to improve tourism education. Local manpower should be encouraged to be involved in the tourism industry & business to the extent possible.

Protection, Promotion and Management of Cultural, Religious, Archaeological, and Natural Heritages: Positive attitude of people towards cultured tourism should be promoted to support tourism service. Archaeological survey, exploration, protection, and excavation of the areas of national importance should be carried out. Cultural uniqueness and religious tradition that supports tourism sector should be protected and conserved. There should be mandatory implementation of guidelines for the protection of the areas under world heritage & of archaeological importance. There should be active participation of the local, non-governmental & private sector in the protection and promotion of the heritages to make such activities self-reliant & income generating. For the Study, protection & promotion of literature, arts & culture, there should be legal protection & recognition of works of various literatures, writers, musicians, artists etc. & encouragement to new talents.

Empowerment of Local Communities: Tourism should be initiated with the help of broad based community input. Community-based participation is a key to sustainable tourism development. Local people need to be informed & consulted on key issues at all stages in their development and involved in decision-making about project design & implementation. This leads to greater efficiency, effectiveness, self-reliance, coverage, sustainability & equity. It provides opportunities for local people to become educated about the purpose and benefits of the development, increasing their support. Work actively with indigenous leaders, women & minority groups to insure that indigenous cultures & communities are depicted accurately & with respect. Strengthen, nurture & encourage the community's ability to maintain & use traditional skills. Education and training programmes to improve & manage heritage & natural resources should be established. Financial incentives for local businesses should be provided to enter tourism.

Improve Information and Communication System to Reduce Advertisement

Cost: Technology is becoming embedded in all sorts of products & services. Different information technologies have now offered many opportunities for improving the delivery of different services. In tourism, what is being sold & distributed is primarily information about various facilities to be used. Internet has brought a big change in the methods of sales & marketing of different tourism products, reservation systems in airlines, hotels etc. Therefore, for the tourism development, new technologies like on-line reservation systems in hotels, airlines & travel agencies, touch-screen information kiosks, interactive TV's virtual tour etc. should be developed & promoted. Newer techniques of data processing, transmission of data and telecommunication such as satellite television, cable television networks, videotext, and internet should be developed to accelerate tourism. Social websites such as facebook, twitter & others, which can reduce the cost in greater magnitude, rather than by publishing, should be used for the promotion of tourism.

Promoting Eco-tourism: The keys to making tourism manageable & beneficial to local communities, while linking it to the overall social & environmental development of the region, include; providing training opportunities; promoting alternative energy sources & fuel efficient devices; charging entry fees to international trekkers etc. Bio-diversity conservation & proper waste management systems should be developed. A natural & cultural museum should be built to promote local culture and tradition simultaneously training the local people in order to produce local arts & crafts so that non-lodge owners can also benefit from tourism. Basic infrastructure such as drinking water, trails and bridges, schools & health care systems & camping facilities will be improved so that it will not only benefit tourists but also local people. Most importantly emphasis should be given. Emphasis should be placed on developing a grass roots approach to sustainable tourism programmes, which can assist in environmental protection while addressing the local need for social, cultural & economic development through the careful selection of programmes, people's participation, institutionalization of local bodies, and more importantly, by sensitizing the local people.

Marketing and Promotion: Tourism being a high publicity product & a highly competitive industry, it should be marketed properly. The true potentialities of

Kathmandu can be realized only by proper marketing strategies. Overall, word of mouth & personal recommendations from friends are the main sources of information. We must continue to promote such visitors. Tourism marketing should be done jointly by the government and the private sector to promote destination, promote products & to counter poor or bad publicity abroad. Publicity should be made at international level through different popular international travel trade magazines, journals, and various other media in major originating markets. Target markets & segments should be identified on the basis of continuous market analysis. Destination Kathmandu should be branded and strongly positioned in the international market. There is a need to create & consistently apply a branded approach to destination marketing. Destination marketing website needs to be developed. Prioritization should be made on the basis of our product strength, market trend; need and strategies of other competitors. Pricing of tourism products also needs proper study & analysis. Also, promotional packages, proper budgeting; resource allocation; continuous monitoring & feedback are also necessary to realize defined targets.

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APPENDIX - I

QUESTIONNAIRE

SET A

Dear Sir/Madam,

This is to bring your kind information that this is an attempt to identify the “Long Term Marketing Strategy of Nepal Tourism Board” in partial fulfillment of Thesis required for the award of Masters of Business Studies, Tribhuvan University. You are kindly requested to fill up the following questionnaire with the best answer in your view. I would be grateful to you for the contribution of your valuable time and effort.

Name: _____ Sex: M [] F []

Position: _____

QUESTIONNAIRE FOR NTB

1. 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

2. 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
 - b. Social Problem
 - c. Economic Problems
 - d. Technical Problems

3. 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

4. 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

5. Rank the following technical problems, which most weakens the tourism business of Nepal ? (Rank 1 for the most)
 - a. Airport Problem
 - b. Highway and Ground Transportation Problem
 - c. Natural Problem
 - d. Insecurity
 - e. Financial Crisis

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 competitor's major weakness in tourism marketing ?
 - a. Wildlife Destination
 - b. Culture
 - c. Value for Money
 - d. Pilgrimage
 - e. Friendly People

11. 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

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

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

13. What facilities provided to tourists during the Nepal Tourism Year 2011 as a part of strategies for promoting tourism business ?

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

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Thank You.

QUESTIONNAIRE

SET B

Dear Sir/Madam,

This is to bring your kind information that this is an attempt to identify the Long Term Marketing Strategy of Nepal Tourism Board in partial fulfillment of Thesis required for the award of Masters of Business Studies, Tribhuvan University. You are kindly requested to fill up the following questionnaire with the best answer in your view. I would be grateful to you for the contribution of your valuable time and effort.

Name : _____ Sex : M [] F []

Organization: _____

QUESTIONNAIRE FOR HOTEL BUSINESS

15. Are the government rules and regulations sufficient to enhance the hotel business?

- a. Yes b. No c. Don't Know

16. To what extent does the hotel business contribute to flourish the tourism?

- a. High b. Medium c. Low

17. What should the government do to promote the hotel business?

- a. Continue supply of basic requirements like water and electricity.
b. Security in Strike
c. Concession and Reward System
d. Lower Tax rate
e. Eradicate Political Influence

18. Which one of the following is the major problem of hotel business in Nepal?

- d. Labor Disputes d. Government rules
e. Poor Management e. Limited Services
f. Unskilled Employee

19. What could be the major prospect that has potentiality to make the tourist remain stay in hotel?

- a. Cheaper to Stay b. International Services c. Better Hospitality

30. What could be the major prospect that has potentiality to attract tourist to visit Nepal?
- f. Enriched Natural Beauty
 - g. Cheaper to Travel
 - h. Adventurous Recreational Activities
 - i. Cultural Diversity
31. Where Nepal's marketing efforts should be concentrated at?
- c. Niche Marketing
 - d. Product Diversification
 - c. Quest New Market
 - d. Promotional Campaign
32. What is the competitors' major strength in travel and tours marketing?
- e. Large Networking
 - f. Cheaper to Travel
 - g. Timely Bounded
33. What is the competitors' major weakness in travel and tours marketing?
- a. Inability to reach market
 - b. Expensive Travel
 - c. Limited coverage
34. How do you compare Nepal's travels and tour services with other competing countries?
- a. Highly satisfactory
 - b. Competitive
 - c. Satisfactory
 - d. Poor
 - e. Extremely poor

35. What major activities have been conducted by Nepal Association of Tour Operators (NATO) to promote tourism business in Nepal?

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Thank You.