

**TOURISM PROMOTION AND MARKETING
BY NEPAL TOURISM BOARD**

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**A Thesis
Submitted to
Office of The Dean
Faculty of Management
Tribhuvan University**

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

**Ratnanagar, Chitwan
June, 2010**

RECOMMENDATION

This is to certify that the thesis

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BY NEPAL TOURISM BOARD**

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

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And found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for Master's Degree in Business Studies (M.B.S.)

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DECLARATION

I here by declared that the work reported in this thesis entitled “**Tourism Promotion and Marketing by Nepal Tourism Board**” submitted to Office of the dean, Faculty of Management, Tribhuvan University is my original work for the partial studies (M.B.S.) under supervision of Mr. Surendra Regmi, Shree Shaheed Smriti Multiple Campus.

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ACKNOWLEDGEMENTS

First of all, I would like to thank Tribhuvan University for giving me a chance to prepare the thesis for a partial requirement to the fulfillment of M.B.S. program held under Tribhuvan University.

I express my profound gratitude to my supervisor Mr. Surendra Regmi for his patient and continuous guidance with valuable comments and kind support to me all way through this thesis.

I also owe an indebtedness to all reputed authors whose writings have provided me the necessary guidance and invaluable materials for the enrichment of my research paper in all possible ways. I would like to express my genuine appreciation to all the staff of Shree Shaheed Smriti Multiple Campus, Central library staff and Nepal Tourism Board that provided me necessary information & data. And also express my gratitude to all the tourists, tourism professionals, experts who had helped in filling the questionnaire without any hesitation who bigheartedly made accessible the requisites information.

At last but not least, my paramount dedication is to my family members who have been uninterrupted source of sustain for me during the tabulation of this research work.

I also extend my hearty thanks to my friends for providing me valuable suggestions. I would like to express hearty thanks to my family members.

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ABBREVIATIONS

ATM	:	Arabian Travel Mart
ATTA	:	Adventure Travel & Tourism Association
CEO	:	Chief Executive Officer
CITM	:	China International Tourism Mart
CMT	:	Caravan Motor Tourism
DNC	:	Destination Nepal Campaign
DOT	:	Department of Tourism
FIT	:	Free Individual Tourist
GDP	:	Gross Domestic Product
IATO	:	International Association of Tourism Organization
IITM	:	Indian International Tourism Mart
ITB	:	International Tourism Bross
IUOTO	:	International Union of Official Travel Organization
JATA	:	Japan Association of Travel Agents
KOTFA	:	Korean Travel Fair Association
MATTA	:	Malaysian Association of Tour & Travel Agents
MICE	:	Meetings Incentives Conferences Exhibitions
MITF	:	Malaysian International Tourism Fair
MOCTCA	:	Ministry of Culture Tourism and Civil Aviation
MOF	:	Ministry of Finance
NA	:	Nepal Airlines
NATO	:	Nepal Association of Tour Operators
NATTA	:	Nepal Association of Tour & Travel Agents
NRB	:	Nepal Rastra Bank
NRI	:	Non Resident Indians
NRN	:	Non Resident Nepalese
NTB	:	Nepal Tourism Board
NTO	:	National Tourism Organization
NTTR	:	Nepal Travel Trade Reporter
PATA	:	Pacific Asia Travel Association
SATTE	:	South Asian Travel & Tourism Exchange
SLGSA	:	Srilanka Gate Way to South Asia
TAAN	:	Trekking Agents Association of Nepal
TIA	:	Tribhuvan International Airport
TTF	:	Travel Trade Fair
USA	:	United States of America
WTM	:	World Travel Mart
WTO	:	United Nations World Tourism Organization

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

Tourism is the short term movement of people to destinations outside the places where they normally live and work and their activities during the stay at these destinations, it includes movement for all purpose, as well as day visits or excursions. General meaning of tourism is the movement of people from one place or other countries for various purposes.

Tourism industry has grown in recent year and it has become a global phenomenon. It is the people's desire to learn more and interact with different cultures and its people. Thus, tourism is the movement of people to learn new things and gain the knowledge and experience. It is a set of activities of visitors during travel. Similarly, it has negative impacts on people, culture, the environment and the local community if the tourism activities are not handled properly. It provides both opportunities and challenges.

Located north of the Indian Subcontinent and spread in an area of 1, 47,181 sq. Km, Nepal is a small, sovereign and independent kingdom. With its landlocked ness, Nepal is blessed with snow-capped mountains which had made it geographically impressive. A world known icon Mt. Everest with an altitude of 8848 m. had placed Nepal in front of the world in terms of natural beauty surpassing the rest. It lies between 80° 4' to 88° 12' east longitude and 26 ° 22' to 30 ° 27' north latitude. Having length of 885 Km. east-west and width of 193 Km. north-south, it is situated in between two big nations, China in north and India in south (CBS, 2009).

The whole country has been divided into three regions: Mountainous, Hilly and Terai. The mountain region covers 15%, hilly 68% and Terai region 17% of the total area of the country. Administratively, the country is zoned into 5 development region, 14 zones and 75 districts (CBS, 2009). Though being small country, it has diverse climate from sub-tropical to desert to mountain tundra with every form of landscape and vegetation.

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

In terms of development, Nepal is one of the least developed countries of the world with a per capita income of US \$ 270 (Economic Survey, 2008/09). With a population size of 25 million, (World Bank, 2005) more than 60 caste/ethnic groups are accommodated in the country. Nearly 30.5% of these people still subsist below poverty line. According to the NPC by end of ninth plan the total figure of employed manpower reached 995900, where as the unemployed were estimated to be 5%. However the percentage of underemployed labor will be 12.4% including the 5% of fully employed, the total unemployment figure estimated to remain at 17.4% (Tenth Plan, 2002). So this shows it is very serious problem in Nepal.

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

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

Tourism is the basic and the most desirable human activity deserving the praise and encouragement of all people and governments. It has a service industry, which is concerned with attracting people to destination, transporting them there, accommodating, feeding and entertaining them up on arrival and returning to their

homes. Tourism has been playing crucial role in the economic development of the country (Jaishi, 2008).

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

Tourism provides direct employment and indirect employment. The direct employment is the employment provided in the industry, the indirect employment is the employment provided by servicing agencies such as farmers, suppliers of the goods and equipment to the hotels. At same time money invested for the infrastructure development or investment of the money to built tourist attraction creates the employment (Ghimire, 2000).

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

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

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 Museum of art and Architecture*". But efforts to earn foreign currency to accelerate development through tourism were nil, and there was no link between tourism and national economy. After centuries, the democratic revolution of 1951 AD, marked a new era in Nepalese Tourism for all foreign visitors. Nepal opens its door to international tourists after the dawn of democracy. For convenience, development of tourism in Nepal can be remembered by dividing it into three phases.

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

First Phase of History of Tourism before 1950

The ancient history of Nepal is the history of Kathmandu valley and the ancient history of tourism is also related to the Kathmandu valley. The Kathmandu valley took birth when a visitor name Manjushree came here from China, cut the edge of the hill in Chovar with a sword and emptied the water of the lake. After this in 249 BC, emperor Ashok of India visited Nepal as a pilgrim and erected a Monastery entitled '*Charumati Bihar*', and also four Buddhist stupas in the four corners of Patan. During

the Lichhavi period, most of the foreigners visited Nepal as pilgrims. At this period, the great emperor of Tibet named Shrangchong Gampo visited rule of King Anshuvarma and married the Nepalese princess Bhrikuti. The Chinese visitor Huan Tsang described in his travel accounts the Kailaskut Bhawan and Mangriha of Lichhavi dynasty.

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

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

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.

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.

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).

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.

Third Phase: After 1990

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

The Eighth 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.

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.

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.

Policies and Program under Globalization in Nepal

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

- Formation of Tourism council (1992)
- National Civil Aviation policy (1993)
- Tourism policy (1995)
- Visit Nepal year (1998)
- Formation of Nepal tourism Board (NTB) in 1999.
- Destination Nepal 2002-2003.

a) Tourism Council (1992)

Tourism Council is an apex body for tourism ministries and department, is an attempt to integrated and consolidated development of tourism. This apex body is chaired by prime Minister 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 programs. If this problem is removed, it provides to be of immense help for galvanizing the tourism sector Vis-à-vis the Nepalese economy.

b) National Civil Aviation Policy (1993)

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

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

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

- To raise the image of Nepal throughout the world.
- To protect and conserve the natural and cultural centers in integrated form.
- To diversify the tourism product.
- To develop Nepal as one of the important tourist destination.
- To raise the public awareness about tourism.
- To distribute the fruits of tourism up to the grass root.
- To increase the volume of domestic tourism.
- To increase the length of tourist to 13 days and their expenditure to USD 50.

- To improve the quality of tourism.
- To welcome 5 Lakh tourists.

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

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:

- To develop Nepal as an attractive tourist destination in the international arena.
- To develop, expand and promote tourism enterprise, whilst promoting the natural, cultural and human environment of the country.
- 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.
- 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.
- 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.
- To assist to establish and develop institutions necessary for the development of tourism enterprise.
- 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).

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:

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

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

- To develop and introduce Nepal as an attractive tourist destination in the international marketplace.
- To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.
- 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.
- 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.
- To work towards providing equality service to the tourists visiting Nepal.
- 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.
- To promote and develop institutions for the promotion of tourism industry.

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

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

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

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

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

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

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

1.2 Statement of the Problem

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

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

China, Japan, Korea, Singapore are now established as big economic powers in world economy. In the meantime, we are not able to attract more tourists from these big nations. Keeping the problem of enough budgets in shade, the major problem is of enough air services to and from these countries. We have not direct and enough air link with these countries. If we summarize the problem that has been faced by NTB and Nepalese travel industry, we can point out as follows:

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

1.3 Objectives of the Study

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

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

- To identify the type of promotional tools adopted by NTB .
- To analysis the travel trends figure .
- To suggest affordable measures for promoting Nepal effectively in big market.

1.4 Significance of the Study

Nepal is regarded as the storehouse of cultural and natural beauty. Thirty years ago, few thousand tourists from the U.S.A., the U.K., Germany, Japan, France, India and many other countries visited Nepal. This has resulted in the total earning of foreign currency equivalent to Rs. 26.5 crore. The income derived from tourism has made a great contribution to the nation's economy and in the development and expansion of the other sectors. About 11,976 people of Nepal were directly employed in tourism, of which nearly 6008 people worked in hotels. There are also people who get indirect employment from this industry.

Tourism can be a means to develop certain areas rich in natural and cultural resources. This is especially true in a developing country like Nepal, where tourism is important for the economy of other development work like providing incentives to the local people to increase their production level on a sustainable basis, to raise the demand for locally produced goods and services and to improve the conditions and welfare of the people through creating off-farm opportunities in those areas where other forms of development are not feasible. Conservation development and the cooperative efforts of people are the main components of sustainable development for country through tourism promotion.

1.5 Limitation of the Study

- The study focused on in the general assessment of marketing and promotional trends of Nepalese Tourism Board in growing Asian Market like China, Japan, India, Sri-lanka, Thailand, Malaysia, Bangladesh and S. Korea.
- This study covered for the year 1999 to 2009 (10 years).

- The marketing & promotion campaign of private travel trade industries will not be included.
- The study will be using secondary data from NTB and information extensively because of impossibility of surveying all market in the field by visiting out countries.

1.6 Organization of the Study

This research is organized into five chapters:

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

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

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

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

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

CHAPTER-II

LITERATURE REVIEW

2.1 Concept of Marketing

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

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

Philips and Duncan have defined marketing as "Marketing includes all the activities necessary to place goods and services in the hands of consumers and industrial users, excluding only such activities as involve a significant change in the form of goods."

Carl Dysinger has defined the concept as "Marketing is finding out what the consumer wants and selling it to him at a profit."

The American Management Association has defined marketing as "The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.

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

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

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

Today, there has become a great revolution in the field of business and economy due mainly to the rapid development of communication and information in the world. Even in the field of tourism promotion and development, the communication and information have been proved to be a key factor. As tourism is an internationally competitive business, no country in the world can promote there tourism industry without providing adequate information about the importance and features of tourism products and services to the foreign visitors. So international tourism marketing and promotion has been playing an important role not only providing the information to the visitors, but also to find out what type of products and services they are demanding. The main focus of promotion of tourism in Asian market by Nepal tourism board is to persuade the visitors about the quality of tourism products and services in order to create their internal desires of visiting.

2.2 Introduction of Nepal Tourism Board (NTB)

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

After 1990, viewing the globalizing context of the world, Nepal government also started to lunch different policies and programs related to tourism. In 1995, an

independent “Tourism Policy” was announced and in 1998 ‘visit Nepal year-1998’ campaign was conducted. In such scenario thinking the public-private partnership for the tourism development, Nepal Tourism Board (NTB) has been set up on the date of 31st December 1998 as a national tourism institution under the act of parliament (NTB Highlights, 2003). The board is providing platform for vision-drawn leadership for Nepal’s tourism sector by integrating government commitment with the dynamism of private sector tourism industries.

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

The Board being a statutory institution has statutory duties assigned to it. Nepal government has also established a defined funding mechanism to finance the promotional efforts of the board. The board is established to work as a professional and dynamic NTO to address the pressing need by designing specific brand image for Nepal as a travel destination and support the same by self sustained promotional campaigns. The new tourism brand i.e. marketing slogan of Nepal is “*Unleash yourselfNaturally Nepal, once is not enough.*”

2.2.1 Objectives of NTB

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

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

- To introduce Nepal in the international arena by developing it as a fascinating tourist destination.

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

2.2.2 Roles and Responsibilities of Nepal Tourism Board.

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

- To develop and introduce Nepal as an attractive tourist destination in the international marketplace.
- To promote the tourism industry in the country while working for the conservation of natural, environmental and cultural resources.
- 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.
- 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.
- To work towards providing quality service to the tourist visiting Nepal.
- To study the bottlenecks against the same by means of conducting research and implementing and getting implemented the results of such research in order to do away with these bottlenecks.

- To promote and develop institutions for the promotion of tourism industry.

2.2.3 Organizational Structure of NTB

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

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

- Secretary, ministry of tourism and civil aviation – chairman.
- A member selected by the Board members from among the members nominated by private sector – vice chairman
- Joint secretary, ministry of finance – member
- Director General, Department of Immigration – member
- One officer, at least of graduated first class nominated by Nepal government from among other ministers related with tourism development – member
- Director General, Civil Aviation Authority of Nepal – member
- Five Individuals nominated by Nepal government among the tourism entrepreneurs involved in tourism promotion activities and from among the experts on tourism, natural and cultural heritage – member
- Chief executive officer – member.

2.3 Tourism Promotion

Promotion is the fourth and final decision about marketing mix. It is an important element in any firm's marketing plan. Promotion means communication with the customer. The creation of awareness, interest, desire and actions the universal auk of the promotion. It is the most visible as well as the most culture-bound of the firm's

marketing functions. “Promotion is applied communication used by marketers to exchange persuasive messages and information between buyers and sellers. Promotion includes advertising, personal selling, sales promotion, and publicity. A good promotion plan complements the product, distribution and price components of marketing.”

‘Promotion is any form of communication used by a firm to inform, persuade, or remind people about its products, services, images, ideas community involvement, or impact on society.’”

Though the above general concept of promotion we know that tourism promotion is the systematic and coordinated form of communication used by a firm the foreign countries which helps to establish a tourism image, generate sales, interact with other channel members, provides quality tourism products and services which help to create desires and wants to the potential tourism within and outside the country. Tourism promotion generally consists those tourism elements advertising, personal selling, sales promotion, and publicity which are conducted outside the country.

In the context of Nepal, tourism promotion plays a key role to highlight the tourism image of Nepal all over the world. It helps to provide information about the unique importance of Nepal’s natural beauty and cultural heritage throughout the world. Nepal has been organizing different tourism promotional programs and activities with the view to identify and increase tourism market all over the world.

To have clear understanding about the tourism promotion. It would be better to understand briefly the meaning and role of the following tourism promotional methods. I.e. advertising, personal selling, publicity and sales promotion.

2.3.1 Advertising

Advertising is a major form of promotion in international as well as in domestic marketing. It is one of the major tools companies use to direct persuasive communications to target buyers and public. Advertising can be defined “as any paid form of personal presentation and promotion of ideas, goods, or services by an

identified sponsor.” Advertising includes any persuasive message carried by a mass media and paid for by sponsor, who signs the message.

From the above definitions we know that advertising is the paid communication of company message through the different impersonal media, through the different impersonal media like radio, newspaper, magazines, brochures television, cinema etc and other electronic media, internet and etc.

In the context of tourism promotion, advertising plays a crucial role. It is one of the major tools which helps to face successfully with the problems and challenges occurred by the present international competitive environment. Before developing a tourism advertising program, the target market, visitors’ motives and the effective advertising media must be identified. Through the different advertising media, tourism products can be easily introduced in the markets. It helps to establish and maintain tourism image outside the country. So the image and impression created by tourism marketing reflect on the entire tourism promotion of the country.

2.3.2 Personal Selling

Personal Selling is another promotional tool. Personal selling involves person to person contact with the customer. “Personal selling is a person to person dialogue between buyer and seller where the purpose of the interaction, whether face to face or over the phone, is to persuade the buyer to accept a point of view or to convince the buyer to take a specific course of action. As personal selling is one to one nature of the communication technique. It is comparatively more expensive and time consuming. On the other hand, personal selling has many advantages. It is the most flexible means of delivering a promotional message. Direct and usually immediate feedback from customers can be taken by the personal selling technique. But the other elements of promotion are essentially one-way communications delivered to potential buyers. They provide little or no interpersonal activity.

In the context of international tourism promotion, personal selling is comparatively less effective than other promotional methods due to its cost and time constraints. But sometimes in a specific case, it can play a crucial role to persuade the visitor group leader of different countries about the quality of products or services.

2.3.3 Publicity

Publicity is also another important promotional tool. Publicity is similar to advertising except that it involves an unpaid and unsigned message, even though it may use the same mass media as advertising does. When information about a product is considered newsworthy, mass media tend to communicate that information for free. Thus the organization being publicized neither signs nor pays for the message. We know that an important distinguishing characteristic of publicity is that it always involves a third party such as newspaper or editor, who has the ultimate power to determine the nature of the message. Because of the credibility associated with the third party and because the information is generally factual rather than persuasive, publicity scores high in believability.

Publicity generally consists these activities, like news release press conference and public relations. A news release or a short typewritten statement would provide factual information about the company's product. The press conference is another important form of publicity that can be utilized to create goodwill and positive relations between the organization and the public. When an organization wishes to make a specific announcement it may notify the mass media that a press conference will be held so that a statement can be made and reporters may ask questions. Public relations are concerned with company's images. Although, all forms of promotion may influence an organization's relationship with the general public, public relations has traditionally concentrated on the management of publicity. Good public relations are corporate diplomacy and it requires appropriate corporate behaviour.

In the context of promotion of tourism, publicity plays a vital role in communication dissemination. As it has covered the mass media, the visitors can easily take the news and information about the tourism all over the world.

2.3.4 Sales Promotion

Sales promotion includes those promotional activities other than personal selling, advertising and publicity. "Sales promotion is defined as those selling activities that do not directly fall into the advertising or personal selling category, as such as the use of contests, coupons, sampling, premiums, point-r-purchase materials, and the like."

We know that sales promotion covers a wide variety of short term incentives tools, i.e. special offers of free goods, samples, prizes, patronage awards, coupon deals, display items, for store use, training programs, in store demonstrations and trips to attractive vacation spots for top salespeople etc. designed to stimulate consumer markets, the trade, and the organization's own sales forces.

In context of tourism promotion, sales promotion plays an important role. Due to the free short term incentive distribution, it helps to make good relations with the foreign visitors. It provided an important opportunity to display tourism products outside the country.

2.4 Concept of Tourism

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

Prior to the advent of the industrial revolution, travel was primarily related to the trade, the desire for military conquest or the performance of group rites. It was principally the traders, in the early historical period, who blared the trail by establishing national trade routes and communications which later extended throughout the region and finally to other continents. Thus, it was trade that first motivated travel in the real sense (Tewari, 1994). Later, the advent of modern means of transport and communication has uplifted tourism by facilitating and encouraging traveling. This developed form of traveling in modern terminology is known as 'tourism' today. National Committee on Tourism, India defined it as, "The new phenomenon of traveling in pursuit of leisure, culture and the quest for knowledge about alien lands con notes the concept of tourism, the growth of tourism is closely related to the ease and speed of travel, economic growth and political development" (Mohanty, 1992: 43). Tourism grew gradually over the years as easier and faster

means of travel became available. Mass tourism started in Europe only in late 19th century but today it is a worldwide reality. "Today tourism revolution is sweeping the global, a revolution promising much and delivering a great deal. It has emerged as the most lucrative business of the world, having tremendous potential for earning foreign exchange, yielding tax revenue, promoting growth of ancillary industries, generating income and employment and in the development of industrially backward region through its various linkage effects" (Singh, 1975).

Tourism Defined

Tourism has been defined in different ways by various authors and concerned organizations and yet there is not universally accepted definition of tourism. Hermann V. Schullaid, an Australian economist gave one of the earliest definitions of tourism in 1910. According to Schullaid, tourism is "the sum total of the operators, mainly of an economic nature, which directly relates to the entry, stay and movement of foreigners inside and outside or certain country, city or region" (Satyal, 1988).

R. de Meyer has defined tourism as, "A collective term for human movement and its attendant activities caused by the exteriorization and fulfillment of the desire to escape that is more or less latent in everybody" (Upadhyay, 1995). This definition received the first prize by Academic International de Tourism at Monte Carlo in 1952. However, this definition does not seem to be broad enough. Another definition of tourism given by the Swiss professors Waiter Hunziker and Kuet Krapf, in 1942, is more phenomenon arising from the travel and stay of strangers, provided the stay does not imply the establishment of permanent residence and is not connected with a remunerated activity" (Bhatia, 1994).

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

The most widely used and popular definitions of tourism is one prepared by the United Nations conference on International Travel and Tourism held in Rome in 1963. This

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

An Austrian economist Hermann Von Schellard, in the year book of national Economy and Statistics 1990, gave the first definition of tourism. He defined tourism "the sum total of operators mainly of an economic nature which directly related to the entry, stay and movement of foreigners inside and outside a certain country, city or region" (Batra, 1990:). The League of Nations defined in 1937 the term foreign tourist as; "Any person visiting a country, other than that in which he usually resides for a period of at least 24 hours."

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

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

Tourism is perceived as an economic activity which accrues to the recipient countries a definite source of foreign exchange and national income, creates jobs to reduce unemployment, fosters entrepreneurship, stimulates production of food and local handicrafts, speeds of communication facilities, cultural exchanges and above all, contributes to a better understanding of the host country. Some of principal changing dimensions of the vast expanding tourist industry are bringing into sharper focus the

global concern over the cultural, ecological, environment, socio-economic and political effects of tourism (Motiram, 2003).

2.4.1 Tourism Marketing

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

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

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

Tourism being the fastest growing and most competitive industry in the world it should be marketed properly. "Tourism needs to be marketed, just as any other product, indeed move so, because it is an industry in which the customer still has an immense variety of choice. There are a number of destinations competing with each other to get a bigger and bigger share of the market" (Bhatia, 1994). Hence, tourism marketing is regarded as a central point of whole tourism activities. Today all direct and indirect promotional activities to sell destinations are related to tourism marketing and it effects all the operations of tourism (Negi, 1990).

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

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

Because of the competitive global scenario and the ever expanding tourism industry, the marketing of the tourism products need greater attention. There are countless tourist destinations world-wide and to develop tourism, every country tries to capitalize on its cultural, religious and natural heritage in addition to the various forms of entertainment packages. But only those countries which have devised aggressive

marketing strategy have been able to attract a greater number of tourists. Thus, tourism being a high publicity product effective marketing is a must for the successful running of tourism industry.

Adequate budget, financial and technological resources are needed for effective tourism marketing. But, "we understand very limited marketing activities while other countries with more resources are spending huge amount of money on aggressive marketing of their destination (Pokherel, 1995). In this regard, Hotel Association of Nepal President Yogendra Shakya commented saying "we have alone practically nothing as far as promotion is concerned. The Ministry of Tourism has no budget for promotion" (Spotlight, 1994). Government also should take necessary initiative for the publicity of tourism abroad. In Nepal, even one five star rated hotel spend Rs 30 million annually for the publicity at international level due to the lack of budget Government is not able to make sufficient publicity even in Visit Nepal year also (Aajako Samacharpatra, 1997). "We have achieved 'word of mouth' publicity in Europe and India both by travelers as well as tour operators. As the government budget is not large enough to tackle all markets, especially since we are trying to carry consumer oriented marketing. I suggest we concentrate on FAM tours for tour and travel operators and travel trade journalist from Japan. Luring film and TV producers should be our strategy for inexpensive but wide publicity" (Shakya, 1995).

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

"Nepal lacks the most essential market information focused on its products, while the most irrelevant material is produced at considerable cost and dubious impact. Fair participation, in the absence of proper information material to flow up interest, poorly staged as it often is, appears less than effective and probably a waste of money. At the same time, there is an urgent need for Nepal to work against increasingly critical world media coverage on ill-effects especially on mountain tourism. By inviting

journalists, Nepal should convey the fact that it is taking serious steps towards improving matters, but needs help to do so" (Ministry of Tourism, 1984).

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

Another serious challenge faced by tourism sector is the level of competition because it is a very competitive business. Here it will be interesting to quote the saying of (Alwis, 1997) "my friend in the travel industry in Nepal, talk of the glorious days, barely a decade ago, when a trekking tour was sold to visitors for US \$ 80 per day on the average. They now lament, that it is sold for only US \$ 18 per day on the average." In view of Alwis "this certainly is not the result of the lack of demand for Nepal's unique tourism potential or a lack of adequate number of 'upmarket' visitors out there in the market place. It is in the opinion of most the result of unhealthy competition between the travel agents, the hoteliers, the tour operators (trekking, rafting and other), the protection of the sky and the like. They also claim that it is the lack of specialization, lack of product quality improvement, diversification of product and inadequate delivery of quality service". In this respect "the government of Nepal should have clear policy to discourage cut-throat competition in the hotel industry and thereby attract quality tourists" (Sandhu, 1996). Moreover, many Americans and Europeans complain about the pollution and environmental degradation of Kathmandu. Due to this Kathmandu is sending wrong message about Nepal. We should try our best to solve the problems of pollution and environment (Sandhu, 1996). "Negative reports on Kathmandu have adversely affected the tourism industry and Nepal's image" (Choegyial, 1994). Regarding negative reporting done by some national and international media certainly it has done a lot of harms in the tourism sector of Nepal. For this a planned approach is needed to counter the negative effects and organizing large scale promotional campaigns could regain our lost reputation

(Rajbhandari, 1994). In this context Mishra says "Say Goodbye to Shangri-La' was published in Newsweek of 4th October 1993 issue. It has definitely affected the tourism especially qualitative tourist. However, in my opinion, the correct information about Kathmandu Valley came in time and we should take it in a positive way instead of being defensive. Had it not been published in such a renowned journal, it would not have been grave concern to all conscious people of Nepal and abroad" (Mishra, 1994).

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

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

Alwis (1997) says, "All good marketing begins with the customers and ends with the customers. All good tourism marketing therefore, should begin with the visitor (tourist) and see through to the end, that we have met all reasonable expectations of that visitor. We must ensure that he or she returns with as much as a positive feeling as possible, about Nepal and its people." In fact, the good image and memories of tourists are more beneficial for the country than the promotional activities like, international advertisement, brochures, newspaper article etc., So far Nepal is concerned as a tourist destination it offers a unique product and unparalleled opportunities for marketers who want to take on the challenge. It just means that both Nepalese operators and their partners in Asia need to work harder and be innovative if they are to achieve yields that Nepal's tourism operations deserve (Alwis, 1996). For Nepal "USA, Australia and the Pacific and other European countries, specially the

Scandinavian countries- are very potential future markets. South East Asia is emerging to be an economic giant. But as our marketing resources are not so big, we have to select only a few countries" (Shakya, 1995).

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

2.5 Review of Previous Studies

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

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

In 1972, with an aim to run tourism in a planned way and formulating policy the Nepal Tourism Master Plan (1972), a detailed and comprehensive document about

Nepalese tourism, was prepared with a joint co-operation of Bundesstelle Fur Entwicklungshilfe of Germany and Nepal Government of Nepal. This Master Plan defined the tourism development programs and projects for ten years. The plan also included marketing programs to be adopted and the market segments of Nepalese tourism were identified as organized sight seeing, independent "Nepal style" tourism, trekking and pilgrimage. The primary markets for Nepal were identified as USA, France, Scandinavia and Australia as secondary target market. In the Master Plan Kathmandu was seen as continuing to be the principal centre of tourism activities in Nepal and to lengthen the average length of stay, tourists measures can be done by creating resort areas and the provision of recreational attractions suited to the needs of international tourism and opening up the country's attractions suited to the needs of international tourism and opening up the country's attractions by round tours operated from Kathmandu with intermediate stops and short stays in selected sites. 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:

- As the stay of tourists cannot be prolonged for now the number of international visitors should be increased substantially.
- Images of secondary destinations like Pokhara, Lumbini and Chitwan should be built up.
- Nepal should become a gateway for South and South-East Asia.
- Nepal should become the starting point of any Asian tour as it is the cradle of a religion and culture that 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 forth e 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:

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

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

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

The major findings of the study included tourism demand to be income inelastic in dependent variables, tourist expenditure and number of tourists, for the total time-series analysis for the period 1974-1987. Tourist expenditure was found to be highly sensitive with 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, 19892).

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

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

- The objective of marketing trekking should be to reinforce the image of Nepal as a world leader and trekking as premium product.
- For sightseeing tourism Kathmandu and the Himalayas must be established as a 'must see' premium product.
- Initial promotional budget for Tourism Promotion Board to be US \$ 7,60,000 in its first year to be financed from a modest increase in visa fees.
- Encourage travel agencies in generating countries to represent Nepal for information purpose also.
- Professional representation to be established in London, Japan, Hong Kong, Washington or New York.

- Ten fold budget increase in public relation budget to complement new overseas representations.
- 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:

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

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

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

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

- The formations of a National Tourism Commission;

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

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

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

Tuladhar (1993), in his doctoral work, aimed to study the development of International Tourism in 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 RNAC by tour operators assuring the low travel cost, increasing expenditure for advertisement and publicity for the stimulation for the tourist travel to Nepal, to provide more cultural shows and other types of suitable entertainment, to increase the length of stay of tourists and to increase their expenditure, to establish summer resorts like suitable tourist hotels and villas on the banks of lakes and rivers, to develop the national concept and to develop human resources by emphasizing on tourism education.

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

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

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

Kathmandu has seen to be centre of the tourism activities. The priority was placed on the development of pilgrimage centre at Lumbini, Muktinath, Barahachhetra and Janakpur. Similarly, the development of national parks in the Langtan Area, Khumbu, Annapurna and the Dhaulagiri was suggested for the promotion of adventurous mountain tourism. To increase the duration of stay, sight seeing tours 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 a san authoritative body for overall planning, promotion and development of tourism. It was suggested that the functions distributed among them existing organization of the department of tourism, department of archaeology, department of forestry, department of immigration, and ministry of foreign affair to be brought under the proposed ministry. It was also suggested that ecological surveys and measures for the conservation and promotion of the traditional music, dance customs, and festivals, to be carried out.

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

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

emphasized providing mixed image of comfortable natural and cultural sight seeing along with the variety of soft and hard adventure product as per the physical stamina and time disposition of the travelers.

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

Shrestha (1999), in her Ph. D. Thesis entitled "*Tourism in Nepal: Problems and Prospects*" mainly aimed to concern with the problems and prospects of tourism in Nepal. Her study identify the basic problems of tourism on the 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.

Pradhananga (2000), in his book *“Tourists' Consumption Pattern and its Economic Impact in Nepal”* had presented the changing pattern of tourists' employment and national revenue. The study has analyzed the direct, indirect and induced effect of tourist expenditure on Nepalese economy as well as has examined both forward and backward linkage of tourism, impacts of goods and services, and employment generation. The study has shown that the tourism sector contributed 37.99 percent 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 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. dissertation entitled "*Tourism as a Leading Sector in Economic Development of Nepal*", he has said that many countries have made efforts to promote tourism as a means of economic development. This development in various countries remains confirmed to local and regional level or helped the national economy as a whole. It is because tourism is considered as an inexhaustible industry that has potential to improve further as the tourism industry is developed gradually. As W. W. Rostow has made it clear that in the process of economic development of a backward country some sectors must play the role of a leading sector. So that not only the sector(s), in question, grow rapidly but also have the capacity to move other sector of the economy forward. This process leads the entire economy on higher growth path. He has depicted the fact that the tourism sector has been improving its significance in the economy. It has been improving its significance in the economy. It has been estimated that the activities related to tourism sector has strong inducement effect on the other activities of the economy. Beside foreign exchange earning, it is equally important to employment. Further, he argued that, no doubt, Nepalese economy is moving faster and faster on the path of globalization.

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

2.5.1 Review of Master's Thesis

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

- To survey the current market situation of Travel Agencies.
- To find out and examine travel agencies perception regarding e-marketing.
- To find out popularity of internet as marketing tools among travel agencies.

- To explore the problem and prospects of e-marketing and to suggest appropriate recommendation in order to promote intoxicating beauty this country through internet.

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

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

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

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

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

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

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

2001/2002 has the lowest share with only 16.4 percent. Similarly, in 2001/2002 tourism receipts as the total value of export of goods and services was also lowest with only 10.2 percent. The contribution of tourism to total foreign exchange earnings was lowest in 2001/2002, which declined to 8.0 percent from 24.5 percent in 1988/89.

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

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

The significant contribution of tourism to Nepalese economy is the foreign exchange earnings. The tourism receipt was registered US\$78,000 in 1961/62, which increased to US\$11.5 million in 1974/75. The tourism receipt is closely associated with tourist arrivals in Nepal. The decline in tourist arrivals in 1981 and 1984 is reflected in the fall in tourism earnings in FY 1981/82, 1982/83 and 1983/84. Similarly, tourist arrivals declined in 1989 reflecting the fall in tourism earnings both in terms of Nepalese currency and US dollar in the respective years. Tourism is contributing much to the economic and cultural growth in different regions of Nepal. The promotion of international tourism in different regions directly enhances their regional economy through the development of tourism industry. Tourism sector is not only a major source of earning foreign currency but its contribution to create employment opportunities is also important. For this, Nepal disposes excellent circumstances for the development of active international tourism, including holiday pleasure, trekking, mountaineering, rafting, religion, official, sport tourism and so on. Income from international tourism plays a vital role in the national economy of the country.

A study done by Shrestha (2008) entitled with, Entrepreneurship in International Hospitality and Tourism Industries in Nepal. He identified that tourism industry plays a vital role in the country's economic development. In a developing country like Nepal

tourism industry is one of the main sources of foreign exchange earning. Tourism potentiality due to Nepal's cultural values and other natural & archaeological beauties is very high in Nepal. These are the factors that has given rise to entrepreneurship in Nepal with the advent of tourism has been the growth of entrepreneurship in Nepal. The specific objectives of this study are: to assess the development of international hospitality & situation of hotel industries in the Nepal, to assess the entrepreneurship development in Nepal and to assess the women involvement as entrepreneurs in tourism as compare to men in Nepal. The major findings of the study are:

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

The whole tourism industry needs to be developed on a professional basis since, in this industry one has to compete at international level. Therefore, strategies must be opted to inculcate state of art technologies. The study has clearly shown the paucity of marketing efforts of Nepal. In this respect Nepal must break the shackles of complacency and make efforts to market Nepal's advantages on an appropriate and

sound manner as per the needs and potentials of the market. Only then Nepal can emerge as a vibrant and popular destination. Otherwise, Nepal will lag behind in the international competition and despite the product strength; it may have to yield ground to others. So, requisite attention to develop and sustain the industry must be provided immediately. Platitudes are not enough and the government must make serious efforts with the private sectors to position and promote Nepal.

Thus, various studies have been undertaken mostly confining to enquire the economic impact. Although tourism is important for a developing country like Nepal, there is a dearth of literature relating to marketing and promotion of tourism. In view of the importance of marketing and need for Nepal to go for extensive promotion, the present study about the marketing strategies taken by Nepal Tourism Board has been initiated.

CHAPTER-III

RESEARCH METHODOLOGY

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

3.1 Selection of Study Area

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

3.2 Nature and Source of Data

The present study has been completed mainly with the help of both primary and secondary data, the primary data are collected through fieldwork containing interview and questionnaire with tourists travel trade companies and tourism professionals, secondary data are collected from Nepal Tourism Board, MOCTCA, NRB, MOF, articles, books and other relevant reports related with tourism.

3.3 Methods Used in Collection of Primary Data

For the purpose of primary data collection, field survey was conducted in July/August 2009. During the survey, altogether 104 respondents were surveyed. Among them, eighty were tourists from different countries and twenty-four were travel trade companies (trekking and tours). The survey was completed random sampling for tours and travel companies. Apart from that tourism professionals and experts were interviewed and there perception and opinion about present tourism scenario and

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

3.4 Tools and Techniques Used in Data Analysis

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

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

CHAPTER - IV

DATA ANALYSIS AND PRESENTATION

In this chapter, the data and information obtained from different sources for secondary data and primary data are collected from the questionnaire have been presented and analyzed comparatively keeping the objective of the study in mind. The data which have been collected from questionnaire and secondary data are tabulated and analyzed according to the objective.

4.1 Resource Allocation

4.1.1 Year Wise Allocation of Resource for Tourism Development (1999/2000 to 2008/09)

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

Table 4.1
Year Wise Allocation of Resource for Tourism Development
Rs. in million

Fiscal Year	Total Tourism Development Expenditure	Total Tourism Development Expenditure as % of Total Development Expenditure
1999/2000	221.5	0.70
2000/01	383.7	1.03
2001/02	253.9	0.80
2002/03	189.7	0.65
2003/04	183.7	0.54
2004/05	209.4	0.51
2005/06	189.2	0.76
2006/07	203.7	0.70
2007/08	400.5	1.12
2008/09	375.1	1.01

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

The table has shown that there is wide fluctuation in developmental expenditure for Tourism. The expenditure on tourism was 221.5 million rupees in the FY 1999/2000 which was only 0.70 percent of total expenditure. Thus, the outlay allocated for tourism increased to 383.7 million in 2000/01 which was 1.03 percent of total expenditure. Similarly, that came down to 183.7 million rupees in 2003/04 year. That

again went up to 400.5 million rupees in 2007/08 and further declined to 375.1 million rupees. It becomes the highest at 400.5 million rupees in 2007/08 which was 1.15 percent of total expenditure. Therefore, it can be argued that the government's approach towards developing the tourism sector has not been consistent and coherent. To increase the more returns from tourism, the government must increase to share of tourism expenditure.

4.1.2 Plan Wise Allocation of Resources

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

Table 4.2
Allocation of Resource in Various Plans (Rs. in million)

Plan Period	Total Plan Outlay	Tourism Outlay	Percentage share of tourism in total outlay	Plan wise growth rate of tourism outlay
First plan (1956-61)	330	1.0	0.30	-
Second Plan (1962-65)	600	2.0	0.33	100
Third Plan (1965-70)	1740	5.0	0.29	150
Fourth Plan (1970-75)	2570	5.0	0.19	0.0
Fifth Plan (1975-80)	11404	20.0	0.18	300
Sixth Plan (1980-85)	21750	60.0	0.28	200
Seventh Plan (1985-90)	29000	74.0	0.26	24
Eight Plan (1992-97)	113479	1088.0	0.96	1370
Ninth Plan (1997-2002)	189580	1707	0.90	57
Tenth Plan (2002-07)	178350	1979	1.10	15.93

Source: Various Development Plans, NPC, Nepal Government.

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

4.2 Tourist Inflow in Nepal

Only from initiation the First Plan (1956-61) the government started to invest in tourism sector and only after that period the inflow of tourists started to increase. This shows that the investment in this sector has positive impact on tourist arrival as well as economic development of Nepal through increasing tourism activities and foreign exchange earnings. The table (4.3) has shown the arrival of tourist in Nepal since 1999.

Table 4.3
Tourist Arrivals and Average Length of Stay (1999-2008)

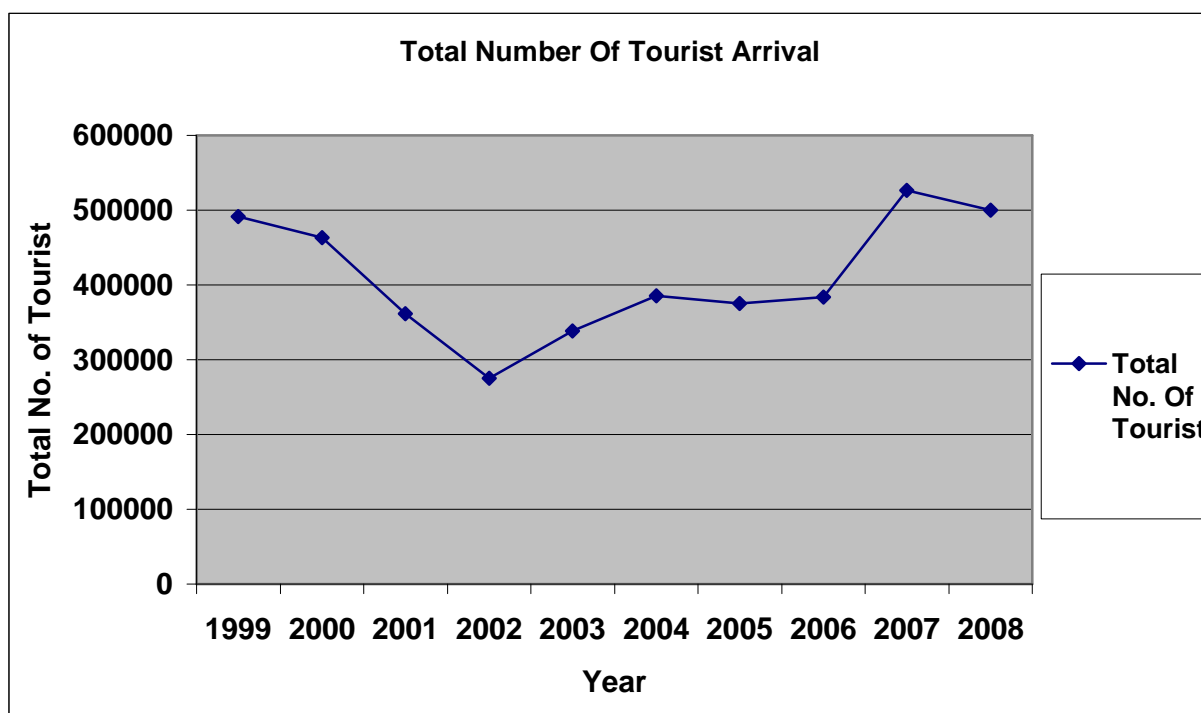
Year	Total No. Of Tourist	Arrival Growth Rate	Average Length of Stay
1999	491504	6	12.80
2000	463646	-5.7	11.88
2001	361237	-22.1	11.93
2002	275468	-23.7	7.92
2003	338132	22.7	9.60
2004	385297	13.9	13.51
2005	375398	-2.6	9.10
2006	383926	2.3	10.20
2007	526705	37.1	11.96
2008	500277	-5.1	11.78

Source: Economic Survey-2009 and Nepal Tourism Statistics 2009.

The growth rate of tourist arrival is positive in all the years except in 2000, 2001, 2002, 2005 and 2008 due to various causes including terrorism. The total arrivals increased to 338132 in 2003 while in 1962 it was only 6179. There was rapid arrival growth till the year 1999. In 2000 it decreased by -5.70 percent and reached 463646 numbers. After the tourism promotional program 'visit Nepal 1998', the tourist arrival growth rate increased by 6.0 percent in 1999 with 491504 number of tourist in year

1999. After this, the tourism sector faced a critical condition, in the year 2000, 2001, 2002, 2005 and 2008 the arrival largely decreased with -5.7 percent, -22.1 percent, -23.7 percent, -2.6 percent and -5.1 percent respectively. But after the year 2002, there was positive sign in this sector with growth rate 22.7 percent in 2003 and 37.18 percent in 2007.

Chart 4.1



Similarly the table represents annual average length of stay of tourists, which fluctuate between 8 and 13 days. In 1999 average length of stay was 12.8 days which decreased up to 7.92 days in 2002. Similarly, with such fluctuating trend the average length of stay in 2005 recorded 9.10 days with 2.6 percent decrease in tourists' arrival in comparison to the previous year. But with the help of DNC it increased to 9.60 days in 2003 and 13.51 days in 2004, which is also the highest record till now. It can be observed that the average length of stay between the years 1999 to 2008 is 9.78 days.

There is close relationship between the length of stay of tourist and economic benefit to the country. Similarly the foreign exchange earnings also depend upon how long tourists stay in Nepal. The length of stay depends on the attraction of our diversified

cultural, natural heritages, tourism sites and accommodation provided to them during their stay. For this there should be an improvement on the facilities such as transportation, communication, visa regulation, diversified tourist package etc. should be explored and developed.

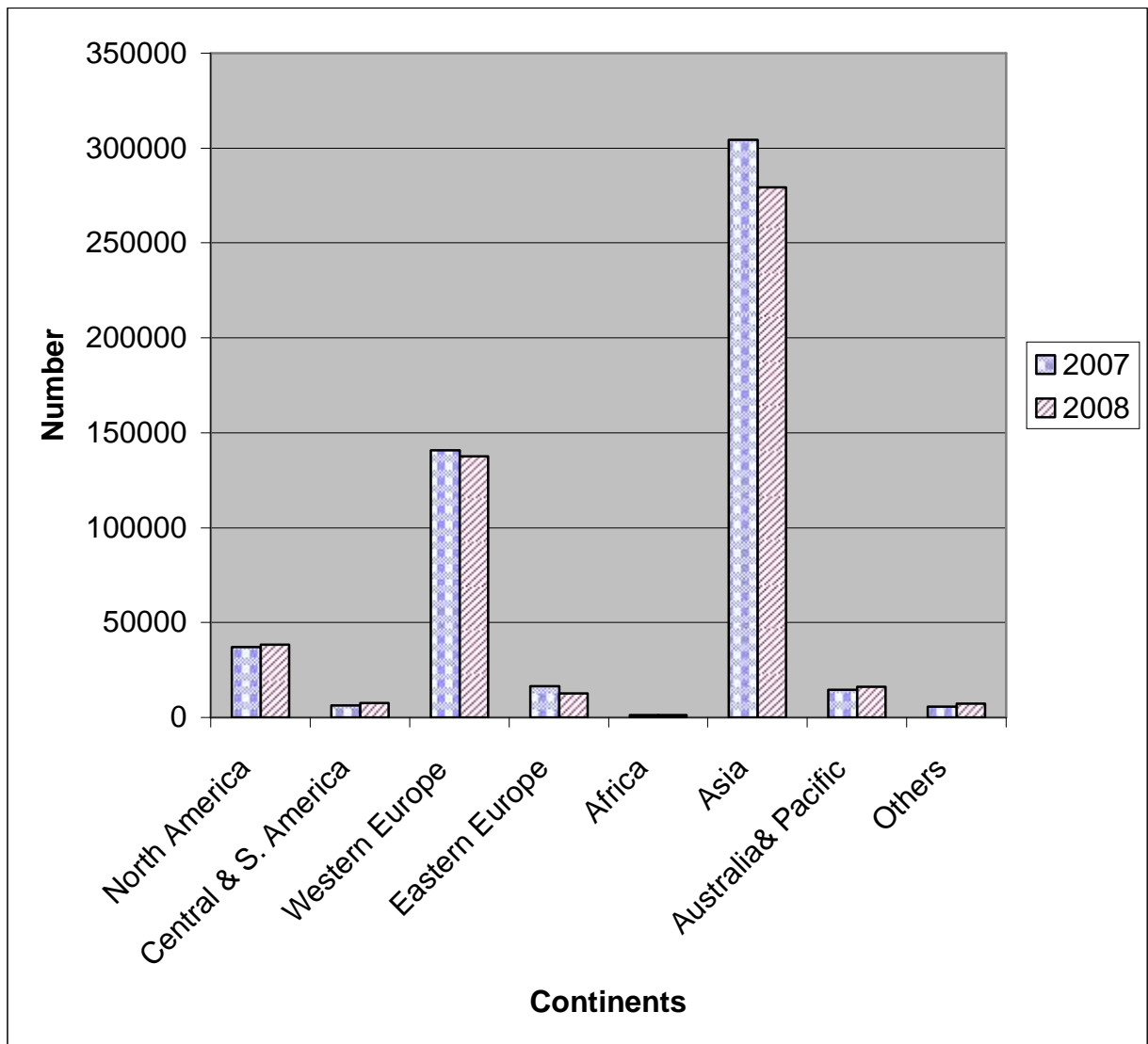
4.2.1 Tourist Arrival by Continents

The following table shows the tourist arrival from arrival from different continents such as Asia, North America, central and South America, Western Europe, Eastern Europe, Africa, Australia and Pacific. In 1999, the major share of tourist arrival was of Asia (50.8%) and Western Europe (33.6%). The arrival from Asia has average share to the total arrival i.e. 54.0% in 2002 to 61.4 percent in 2005. This may be due to the economic co-operation with Asian countries as well as neighborhood and religious and cultural similarities. If we see the trend from 1999, the share of Asian countries is highest the second highest share is of Western Europe and third is of North America. In 2008, the share of Asia, Western Europe, North America, Central & South America, Eastern Europe, Australia & Pacific and Africa were 55.9, 27.5, 7.6, 1.5, 2.6, 3.2 and 0.3 respectively whereas the total tourist arrival was 500277.

Table 4.4
Tourist Arrivals by Continent (1999-2008)

Year	North America	Central & S. America	Western Europe	Eastern Europe	Africa	Asia	Australia & Pacific	Others	Total
1999	46,910	6,096	164,913	6,723	1,857	249,793	15,207	5	491,504
	9.5	1.2	33.6	1.4	0.4	50.8	3.1	0	100
2000	49,032	6,076	159,325	6,992	2,040	224,532	15,641	8	463,646
	10.6	1.3	34.4	1.5	0.4	48.4	3.4	0	100
2001	39,120	4,634	131,661	6,201	1,596	164,989	13,036	0	361,237
	10.8	1.3	36.4	1.7	0.4	45.7	3.6	0	100
2002	21,265	2,793	87,912	5,276	1,132	148,670	8,420	0	275,468
	7.7	1	31.9	1.9	0.4	54	3.1	0	100
2003	22,992	2,262	95,162	6,451	1,612	200,045	9,608	0	338,132
	6.8	0.7	28.1	1.9	0.5	59.2	2.8	0	100
2004	25,505	4,373	116,505	7,661	1,161	218,387	10,947	758	385,297
	6.6	1.1	30.2	2	0.3	56.7	2.8	0.2	100
2005	22,853	3,559	98,046	8,263	1,302	230,282	8,317	2776	375,398
	6.1	0.9	26.1	2.2	0.3	61.3	2.2	0.8	100
2006	24566	4764	97278	10613	1125	231812	9763	4005	383926
	6.4	1.2	25.3	2.8	0.3	60.4	2.5	1.1	100
2007	37182	6486	140630	16334	1350	304225	14506	5692	526705
	7.1	1.2	26.7	3.2	0.3	57.8	3.1	3.8	100
2008	38208	7541	137581	12816	1352	279422	16195	7162	500277
	7.6	1.5	27.5	2.6	0.3	55.9	3.2	1.4	100

Chart 4.2
Tourists Arrival by Continent (2007/2008)



4.2.2 Tourist Arrival from Asian Markets/Countries

From table 4.5, it is known that major or highest share of tourist arrival in from Asian market/ countries. Among the Asian countries, the major in terms of tourism are India, Srilanka, Bangladesh, Japan, China, Malaysia, Korea, Thailand, and Israel. Table 4.5 represents that India has the highest share among the Asian countries and Japan stands for second position throughout 2004 to 2008, other countries such as Srilanka, Israel, Korea, Thailand, and China are the average contributor in terms of tourist arrival in Nepal. Their share ranges from 1.5 percent to 5.6 percent to the total tourist arrival during the period 2004 to 2008. Similarly, India & Japan has the share of 23.4 and 6.3 percent, 25.7 and 4.9 percent, 17.8 and 8.0 percent, 24.2 and 8.4

percent and 25.5 and 8.1 percent in 2004, 2005, 2006, 2007 and 2008 respectively to total tourist arrival.

In total the Asian Countries have to share of 56.7, 61.3, 45.7, 54.0 and 59.2 percent in 2004, 2005, 2006, 2007 and 2008 to the total tourist arrival respectively.

But in 2005, the second position has occupied by China with 5.6 percent whereas Japan has 4.9 percent.

Table 4.5
Tourist Arrival from Asian Countries and their Share to Total Arrival 2004-2008

Countries	2004		2005		2006		2007		2008	
	Total No.	%	Total No.	%	Total No.	%	Total No.	%	Total No.	%
India	90326	23.4	96434	25.7	64320	17.8	16777	24.2	86363	25.5
Sri-Lanka	125290	4.5	18770	5.0	9844	2.7	9805	3.6	13930	4.3
Bangladesh	14607	3.8	20201	5.4	7742	2.1	5507	2.0	5031	3.5
Japan	24231	6.3	18460	4.9	28830	8.0	23223	8.4	27412	8.1
China	13326	3.5	21170	5.6	8738	2.4	8715	3.2	7562	2.2
Malaysia	7266	1.9	5269	1.4	3787	1.0	2777	1.0	8197	2.4
Korea	10827	2.8	10300	2.7	11568	3.2	8798	3.2	13200	3.9
Thailand	14648	3.8	10157	2.7	5312	1.5	4694	1.7	11129	3.3
Israel	7691	2.0	6173	1.6	7411	2.1	6286	2.3	10733	3.2
Others					17434	4.9				
Total	218387	56.7	230282	61.3	164989	45.7	148670	54.0	200045	59.2
Total No of Tourist arrival	385297	100	375398	100	361237	100	275468	100	338132	100

Source: Nepal Tourism Statistics 2008, MOCTCA,

4.2.3 Tourist Arrival by Purpose of Visit from Major Nationalities

Table 4.6
Tourists Arrival by Purpose of Visit

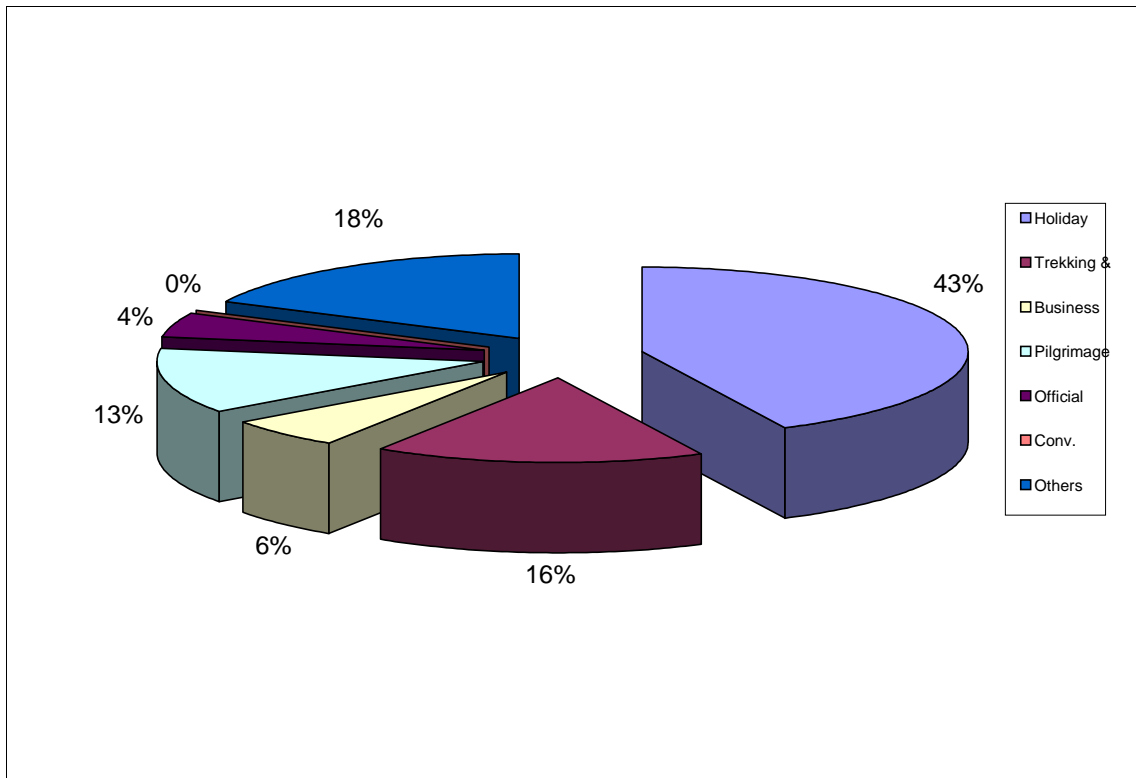
Nationality	Year	Holiday /Pleasure	Trek & Mountaineering	Business	Pilgrimage	Official	Other	Total
Australia	2008	5285	7167	200	18	204	972	13846
	2009	6931	6341	367	303	252	1076	15270
Austria	2008	1838	984	109	7	67	535	3540
	2009	1338	1376	112	46	59	303	3134
Canada	2008	2871	4122	206	6	188	739	8132
	2009	4413	3197	221	216	212	603	8862
Denmark	2008	1823	1362	139	0	171	352	3847
	2009	2080	1784	133	40	90	326	4453
France	2008	9327	9853	226	1	268	2727	22402
	2009	10116	9048	553	360	373	1673	22123
Germany	2008	7827	7092	534	1	463	2635	18552
	2009	8199	7285	815	271	557	1996	19123
India	2008	43696	13209	8242	0	8798	17232	91177
	2009	44976	10024	9325	5542	7382	21838	93781
Italy	2008	3703	1433	117	0	166	2638	8057
	2009	5215	1930	342	123	221	1061	8892
Japan	2008	13293	5224	765	779	820	2502	23383
	2009	11446	4976	970	1751	638	2408	22189
Netherlands	2008	4639	3645	162	2	243	2209	10900
	2009	5814	3298	382	184	267	1050	10995
Spain	2008	2293	741	68	4	91	2070	13851
	2009	5987	1573	207	172	127	825	12998
Switzerland	2008	1458	2658	104	11	135	821	5187
	2009	2535	1911	112	58	123	459	5198
Srilanka	2008	14529	14124	55	7964	278	867	37817
	2009	9610	9082	89	17224	115	417	36537
USA	2008	10576	13763	964	9	1147	3617	30076
	2009	15178	9936	1277	848	1077	3519	31835
UK	2008	12280	15522	838	31	978	3973	33622
	2009	16190	12095	1501	680	1156	3400	35022
Others	2008	28331	12011	4261	3533	3766	15018	66920
	2009	50292	17801	5586	19803	4210	26225	123917
Total	2008	222547	171684	16990	12366	17783	58907	500277
	2009	227436	128665	21992	47621	16859	67179	509752

Source: Nepal Tourism Statistics 2008 and 2009, MOCTCA.

The table 4.6 shows the tourist arrival by the purpose of visit from major Nationalities in 2008 and 2009. The arrival also represents the interest of nationals of these countries such as the Australians have the interest in holiday/pleasure, trekking and Mountaineering. Similarly the national of Austria, Canada, France, Germany etc are

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

Chart 4.3
Tourists Arrival by Purpose of Visit 2009



4.2.4 Average Length of Stay

Table 4.7
Actual Length Of Stay By Major Nationality 2009

Nationality	No. of Days	Number of Departure with specified length of stay	Same Day Visitors	Average Length of Stay
Australia	68803	7863	121	8.8
Austria	23469	2480	0	9.5
Canada	48518	4847	94	10
Denmark	14631	1549	4	9.4
France	160855	14941	111	10.8
Germany	156841	15058	5	10.4
India	634690	98685	33	6.4
Italy	76197	9087	7	8.4
Japan	143366	17421	1445	8.2
Netherlands	91304	8820	46	10.4
Switzerland	40718	3671	0	11.1
Spain	73456	9179	15	8
Sri Lanka	22039	1468	17147	15
U.S.A.	166735	18325	187	9.1
U.K.	257564	25775	35	10
Others	1175756	107981	16053	10.9
Total	3154942	347150	35303	9.1

4.3 Marketing Tools used by NTB for Destination Promotion

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

1. Participation in Travel Trade Fair.
2. Advertisement/Sales and Promotion Campaign.
3. Familiarization (FAM) Trips.

4. Publicity Materials Publications.
5. Press Conferences.

1. Participation in Travel Trade Fair

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

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

Source: NTB marketing Department

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

Source: NTB Marketing Department.

2. Advertisement/Sales Mission/Promotion Campaign

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

Sales mission & Promotion Campaign

Discover India, India –	1999
Joint Campaign with Necon Air –	2000
Nepal Day Program, India –	2000
West Europe Road Show, Europe-	2000
Japan Sales Mission –	2001
US Road Show, USA –	2001
NTB/NAC Joint Promotion Campaign –	2002
Border town Promotion, Sikkim –	2002
NTB sales mission to China, HKG-	2002
Pilgrimage destination promotion, India,	2003
Nepal Evening in Paris –	2003
Nepal Mart, India –	2003
Special India Promotion Campaign –	2004
Sales Mission, China –	2004
Pashupati Darshan package, India-	2004
South East Asian Road Show, (Thailand, Malaysia) -	2005
Nepal Promotion in Doha, Qatar –	2005
Nepal Week Program, Singapore –	2005
Nepal Promotion, Beijing, Bangkok –	2006
South India Sales Mission –	2006
India road show-	2007
China sales mission-	2007

**Nepal Tourism Board
Press Release
June 2007**

Nepal Invites South East Asia to Rejoice the Glory of Nepal

The new Nepal is pacing towards peace and stability after witnessing the historic people's movement and after signing the Peace Accord last year. A new hope has emerged amongst the travel trade fraternity for the up coming holiday season. With the normalcy and stability restored, tourism in Nepal is sure to boom ahead.

Recently, numerous international airlines have initiated for further added flight frequencies, and some new ones have started fresh flight operations to this beautiful land of Mt. Everest and Lord Budhha. The positive trend in international visitors' arrival figure to Nepal continued on a sharp upward curve with a staggering growth of 78.8 % in April 2007. This is a record high growth by air route in the moth of April since 2002. Asian countries (Japan, China, Malyasia, Singapore, S. Korea, Taiwan, and Thailand) have contributed a substantial growth of 137.4%. There is around 95% advance booking of all international airlines flying to Kathmandu and so is the scenario with travel agencies selling tour packages for Nepal. Currently, Nepal Airlines is flying thrice a week and Thai Airways has daily flights on BKK-KTM-BKK sector.

**Nepal Tourism Board
Press Release
June 2007**

Welcome to Naturally Nepal

The new Nepal is pacing towards peace and stability after witnessing the historic people's movement and after signing the Peace Accord last year. A new hope has emerged amongst the travel trade fraternity for the up coming holiday season. With the normalcy and stability restored, tourism in Nepal is sure to boom ahead.

Recently, numerous international airlines have initiated for further added flight frequencies, and some new ones have started fresh flight operations to this beautiful land of Mt. Everest and Lord Budhha. The positive trend in international visitors' arrival figure to Nepal continued on a sharp upward curve with a staggering growth of 78.8 % in April 2007. This is a record high growth by air route in the month of April since 2002. Asian countries (Japan, China, Malaysia, Singapore, S. Korea, Taiwan,

Thailand) have contributed a substantial growth of 137.4%%. Among the Chinese travelers the number of arrival to Nepal is increased by 267%. There is around 95% advance booking of all international airlines flying to Kathmandu and so is the scenario with travel agencies selling tour packages for Nepal. Air China is flying in Chengdu-Kathmandu sector 4times in a week and China Southern Airlines is already flying in Guangzhou-Kathmandu route twice a week.

Source: NTB Marketing Dept.

3. Familiarization (FAM) Trips

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

4. Press Conferences

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

Press Conference

Press Meet, India –	2001
Joint PC, Jet Airways, India-	2004
Press Conference, Banglore, India –	2004
Press Conference, London, Paris –	2004
Press Conference, China –	2004
Tour Operator Meet, Bangladesh –	2004
Press Conference, India –	2005
Press Conference /Photo Exhibition, China –	2005

Press Conference, TTF, Kolkata - 2006

Press Meet, Paris, Europe - 2007

Source: NTB marketing dept.

5. Publication of Publicity Material and Website

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



Source: NTB PR & P dept.

6. Brand Promotion

New tourism brand with the slogan 'Unleash yourself', tagline 'Naturally Nepal' and sub tag-line 'Once is not enough' was introduced by Nepal Tourism Board (NTB) in early 2006. With a lot of consumer research and trade consultation process the brand was being introduced. The basic thrust of brand development was to develop BRAND Nepal as an international tourist destination and regain consumer confidence in the international market by concentration on marketing the experiential product clusters. 'Naturally Nepal' is a simple expression that repackages brand Nepal in a positive

light. 'Once is not enough' not only accurately captures the tourists' emotions at the airport's departure gate but also serves as a decision making tool that enables h Nepali tourist industry-individually and collectively to focus on customer retention rather than acquisition.

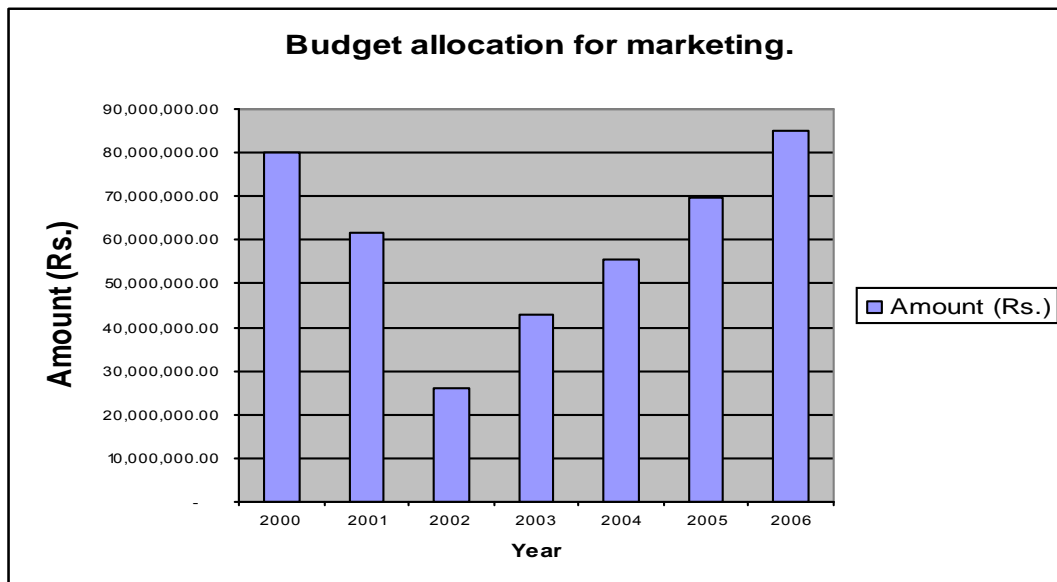
4.4 Marketing Budget Allocation by NTB

Table 4.8
Marketing Budget Allocation by NTB

Year	Amount (Rs.)
2000	79,907,500
2001	61,798,380
2002	25,974,113
2003	42,731,570
2004	55,449,000
2005	69,850,251.34
2006	84939530.6

Source: NTB Operational Plan 2000-2006

Chart 4.4



Source: NTB Operational Plan 2000-2006

4.5 Marketing Programs in Different Asian Countries

India

The Board's long term objectives in India are:

- To build awareness on Nepal as a convenient easily, accessible, familiar, beautiful, welcoming and value for money for money leisure tourism destination with a pleasant climate.
- To substantially improve air access from India and champion the development of low cost, frequent service shuttle air corridor between Delhi and Katmandu.
- To build up a network of trained Nepal specialists tour operators in India who will actively market Nepal's products
- To promote Nepal as a key destination for pilgrimage plus leisure and build relationship with specialists tour operators offering either Buddhist or Hindu packages
- To stimulate group business through specialists tour operators (Casinos, soft adventure, sport, well being, MICE)
- To target overseas long stay FIT visitors in India or planning to visit India and stimulate them to include Nepal, especially NRIs
- To develop a Nepal destination website (not the NTB website) and target India's rapidly growing PC user base

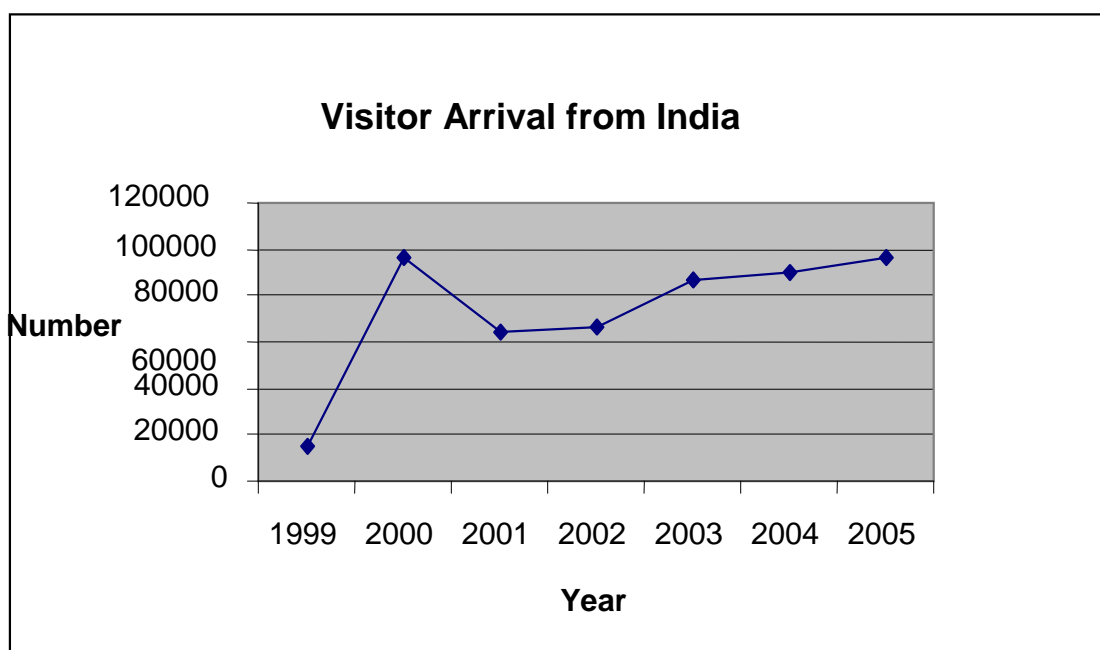
Short Term Action for India

- To target a 20% growth in Indian arrivals.
- To open a new NTB office in India to affectively top the market and launch an India focused campaign
- To mount a high profile campaign through journalists awareness visits
- To continue to promote pilgrimage plus leisure packages expanding the range of holidays options made available and to expand the number of partners involved, both in Nepal (product suppliers) and India (specialists tour operators and carriers)
- To plan and launch a travel agents, online training scheme, so as to create a network of Nepal specialist travel agents in India, and run familiarization to Nepal with those agents who complete the course in partnership with airlines partners
- To mount a small but focused poster hoarding campaign advertising Nepal at key sites likely to be visited by overseas tourists to India

Program activities	Allocated Budget
Fairs: TTF Kolkatta, Hyderabad, Banglore , Chennai, Mumbai, Pune – IITM	17,50,000
Consumer focus and joint promotion: Promotion at malls/multiplexes /High foot fall areas, soft adventure focus promotion at BPO's, other promotion with corporate /organizations	14,00,000
PRR hire: Service of professional public relation representatives	16,00,000
Media Campaigning: Advertisement and promotion through radio/TV, In-flight, travel trade magazines and major dailies, Joint advertisements with Indian tour operators and other promotions: Cinema /Hoardings/News footage	
FAM trips: Media and tour operators FAM trip from western, Northern, Southern India.	1,050,000
Sales Mission/Road Shows and Tour Operators Meet: IATO-Convention/ Joint participation with PATA Nepal Chapter/New Delhi, Pune, Mumbai Roadshow for Corporate/Bangalore and Hyderabad Roadshow or NTO's visit to secondary cities: Chandigarh, Ludiana, Jaipur, Kanpur, Lucknow	1,000,000
Total	21,800,000

Source: NTB Operational Plan 2006

Chart 4.5



Source: NTB Operational Plan 2006

China

Overall Marketing Objectives for China

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

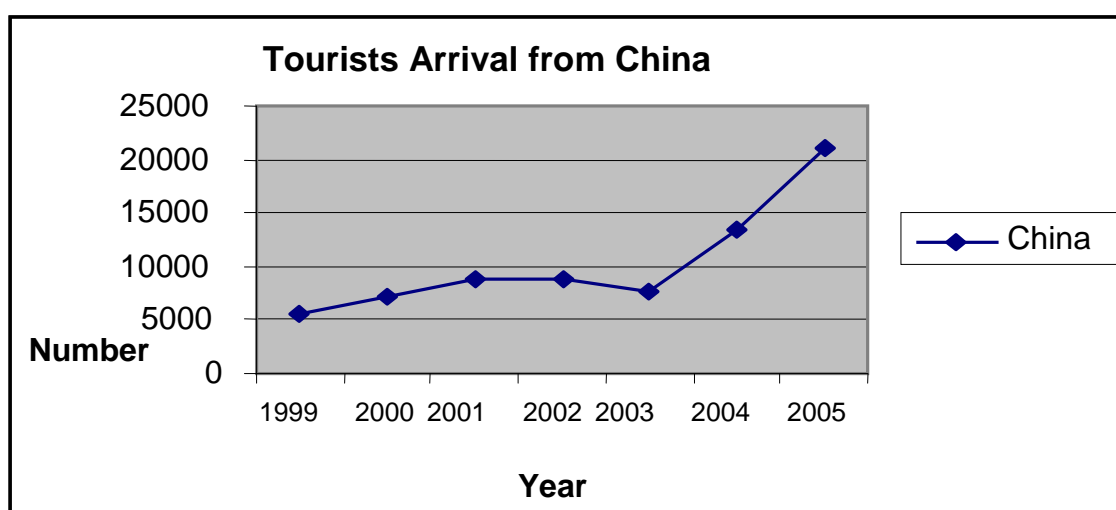
Short Term Action for China

- To attain the CITM travel trade fair
- To continue building of Nepal's profile in china, particularly amongst the travel trade
- To invite press familiarization visits in partnership with china southern and NAC
- To introduce an e-newsletter for Chinese travel trade
- To position new tourism brand in the market

Program activities	Allocated Budget
PR Hire: Services of professional Public Relations Representative.	900,000
Fam Trips: Familiarization trips from major print and electronic media and top Nepal selling travel agencies.	1,000,000
Fair/Sales Mission: Participation at CITM, WWF in China.	1,600,000
Other programs: Nepali food festival, Joint promotion programs with online airlines, internet marketing.	750,000
Consumer Focus:	750,000
Participation at PATA Travel Mart and other joint promotion programs	1,000,000
Total	6,000,000

Source: NTB annual Operational Plan 2006/07

Chart 4.6



Source: NTB Operational Plan 2006

Malaysia

Long Term Objectives are:

- To create awareness of Nepal as a quality, Value for money tourism destination;
- To foster marketing partnership with all carriers serving the market, and their partner travel agents.

- To stimulate group business through specialist tour operators (golf, casinos, pilgrimage, MICE).
- To build up a network of trained Nepal-specialist tour operators in Malaysia who will actively market Nepal.

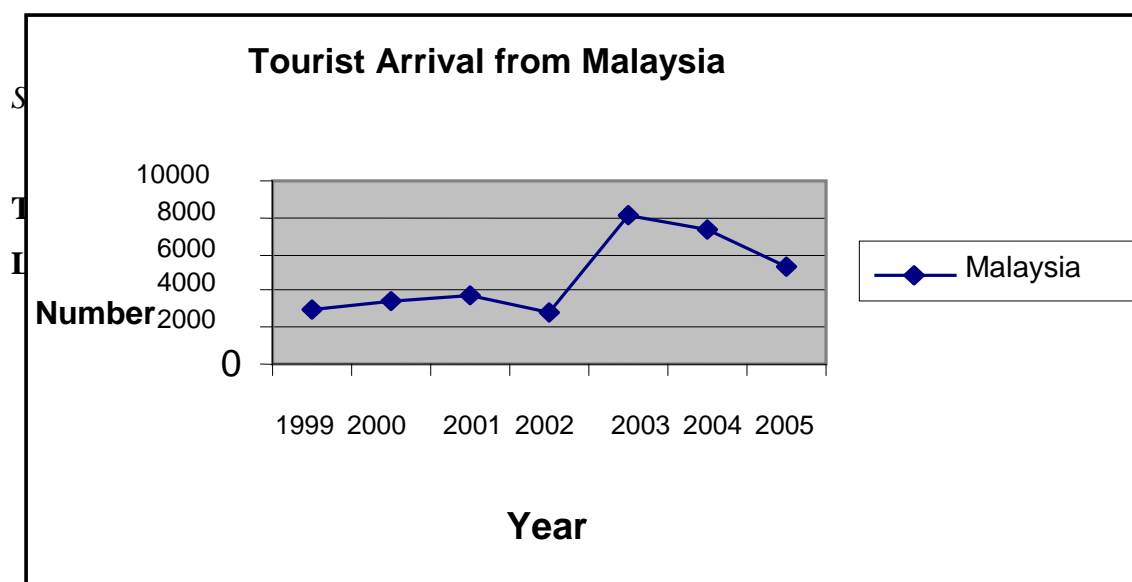
Short Term Action for Malaysia

- To target Malaysian journalists of popular print & electronic media, in partnership with online carriers to visit Nepal so that they will write promotional features on specific aspects of Nepal’s tourism product relevant to the Malaysian market.
- To target top travel agents and tour operators to come to Nepal in 2006/07 in partnership with both online carriers.
- To position the new tourism brand in the Malaysian market.

Program activities	Allocated Budget
Fair-MITF 2007	500,000
Fam Trips – 4 Groups: Familiarization trips from major print and electronic media and top Nepal selling tour operators – 2 groups from Singapore and 2 groups from Malaysia	800,000
Sales Mission/Road Show: Singapore-Buddhist Circuit promotion. (Along with Malaysia Road Show)	700,000
Total	2,000,000

Source: NTB Operational Plan 2006

Chart 4.7



- To stimulate group business through specialists tour operators (golf, casinos, pilgrimages, MICE)
- To build up a network of trend Nepal-specialists tour operators who will actively market Nepal

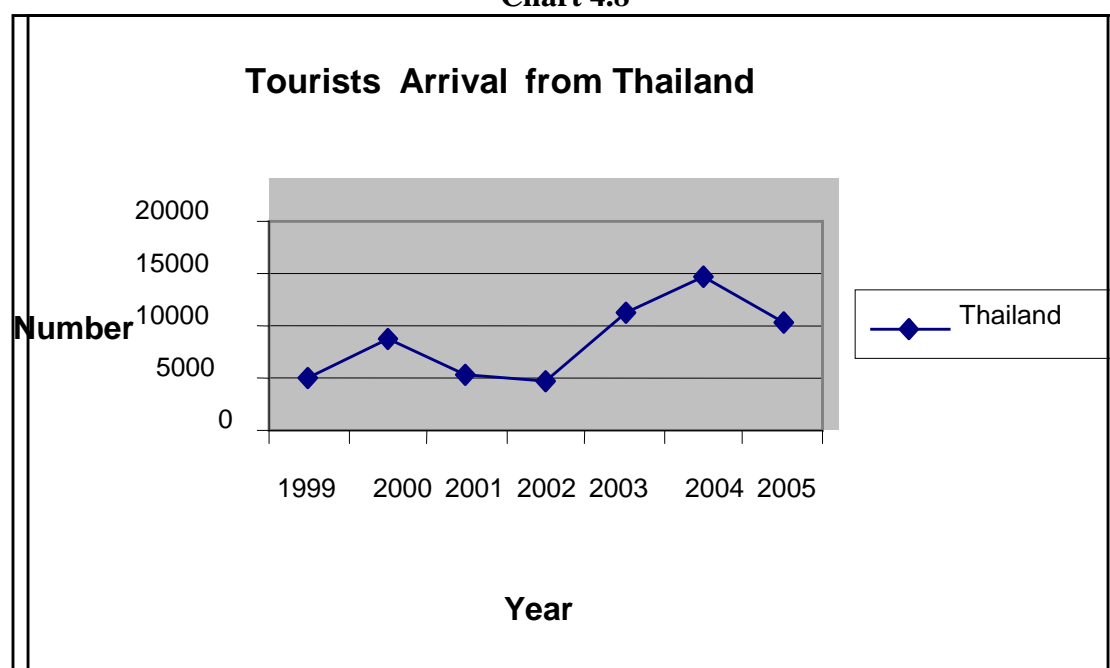
Short Term Objectives

- To focus on promoting Nepal as a destination for Buddhists pilgrimages plus leisure traffic
- To position new tourism brand in the market

Program activities	Allocated Budget
Fairs-TTAA: Participation (Minimum 4 Participants)	400,000
Support to Grand Palace info Center: Administrative and maintenance expenses	400,000
Joint Promotion/Sales Mission/ Road Show: Himalayan Passage Promotion/ Nepal Week for launch of Janakpur documentary/ Buddhist Circuit promotion with PATA Nepal Chapter.	1,000,000
Fam Trips-4 Groups: familiarization trips from major print and electronic media and top Nepal selling tour operators.	800,000
Total	2,600,000

Source: NTB Operational plan 2006

Chart 4.8



Bangladesh

The Board's Short term objectives in Bangladesh are to:

- Build awareness on Nepal as a convenient, easily accessible, familiar, beautiful, welcoming and value for money leisure tourism destination with a pleasant climate.
- Build up a network of trained Nepal-specialist tour operators in the market who will actively market Nepal's product.
- Promote Nepal as a key destination for leisure and build relationship with specialist tour operators offering special packages.
- To stimulate group business through specialist tour operators (casinos, soft adventure, sport, well being, MICE).

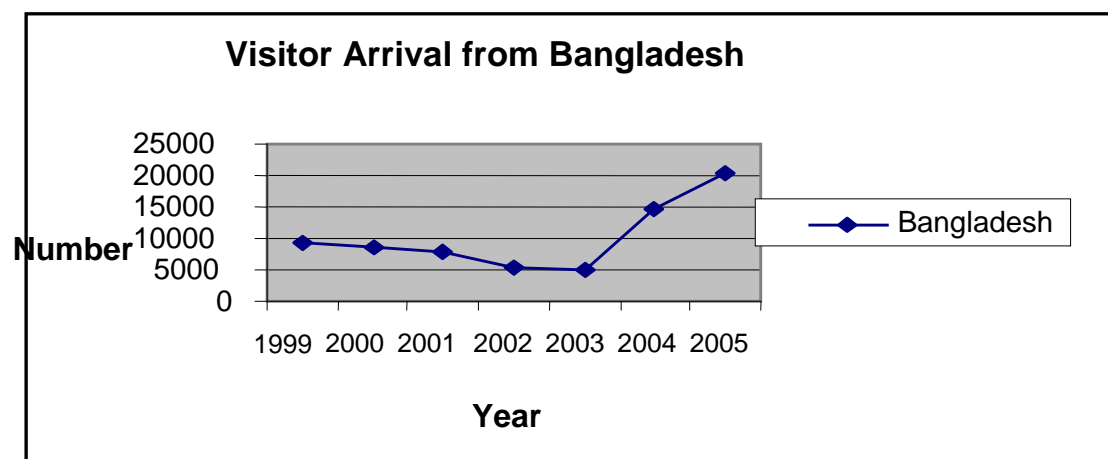
The Board's Short Term Actions in Bangladesh are:

- To continue to promote leisure plus Casino packages, expanding the range of holiday options made available, and to expand the number of partners involved, both in Nepal (product suppliers) and in the markets (specialist tour operators and carriers).
- To influence the Bangladeshi consumer and trade to visit Nepal by taking part in the Dhaka Travel Mart
- To position the new tourism brand of Nepal in the Bangladesh market.

Program activities	Allocated Budget
Fairs: Participation in (DTM)- Dhaka Travel Mart- Dhaka	4,00,000
Fam trips: Fam trip pf print/electronic Media and tour operators	4,00,000
Total	8,00,000

Source: NTB Operational Plan 2006

Chart 4.9



Sri Lanka

The Board's Long Term Objectives in Sri Lanka are to:

- Build awareness on Nepal as a convenient, easily accessible, familiar, beautiful, welcoming and value for money leisure tourism destination with a pleasant climate.
- Build up a network of trained Nepal-specialist tour operators in the markets who will actively market Nepal's product.
- Promote Nepal as a key destination for leisure and build relationship with specialist tour operators offering special packages.
- Stimulate group business through specialist tour operators (casinos, soft adventure, sport, well-being, MICE). To position the new tourism brand of Nepal in the Sri Lankan market.

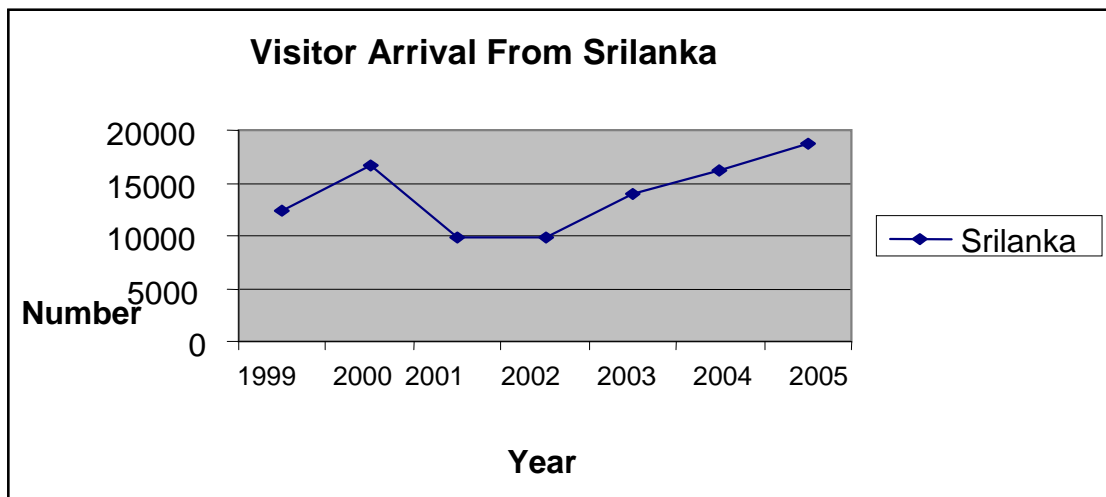
The Board's short Term Actions in Sri Lanka are:

- To continue to promote religious packages, expanding the range of holiday options made available, and to expand the number of partners involved, both in Nepal(product suppliers) and in the markets (specialist tour operators and carriers).
- To influence the Srilankan consumer and trade to visit Nepal by taking part in the Sri Lanka Travel Mart SLGSA as well as Road show with PATA Nepal chapter for Buddhist circuit promotion

Program activities	Allocated Budget
Fairs /Joint promotion/FAM trip: participation in Srilanka travel mart SLGSA and road show with PATA Nepal for Buddhist circuit promotion	
Total	5,00,000

Source: NTB Operational Plan 2006

Chart 4.10



Source: NTB Operational Plan 2006

Japan

Overall Marketing Objectives for Japan

- To create awareness of Nepal as a culturally rich destination suitable for especial interest, groups educational groups and retired people to visit
- To create awareness of trekking in Nepal amongst educational and active retired groups
- To assist selected specialists tour operators in Japan who will actively market Nepal's product through agents, familiarization visits
- To improve access from Japan, including linkages via china
- To stimulate repeat visitation

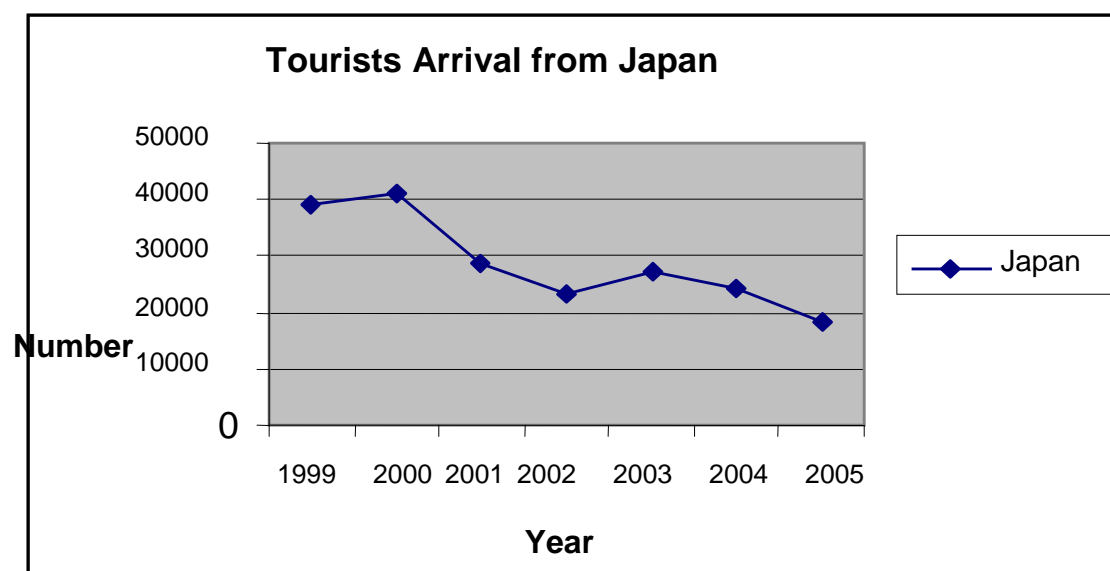
Short Term Actions for Japan

- To identify key Japanese tour companies and special tour and seminars groups who will respond to Nepal's product offer
- To organize selected journalists familiarization and tour operators familiarization visits to Nepal, in partnership with both NAC and Thai airways
- To make the most of JATA world tourism congress and travel fair 2006 to highlight the unique cultural and natural products of Nepal
- To publicize special events and festivals of interests to potentials Japanese visitors
- To revive and enhance the image of Nepal in the mind of Japanese visitors

Program activities	Allocated Budget
Fairs-JATA: Participation at JATA, 2006 in close association with NAC and private sector	1,000,000
Joint Promotion Programs: Various programs (e.g. Food festival, cultural programs, photo exhibition, art/photo contest, press and tour operators meet) Celebration of 50th Anniversary of Diplomatic Ties.	1,500,000
Total	2,500,000

Source: NTB Operational Plan 2006

Chart 4.11



Source: NTB Operational Plan 2006

South Korea

Long Term Objectives in the South Korean Market

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

Short Term Action in South Korea

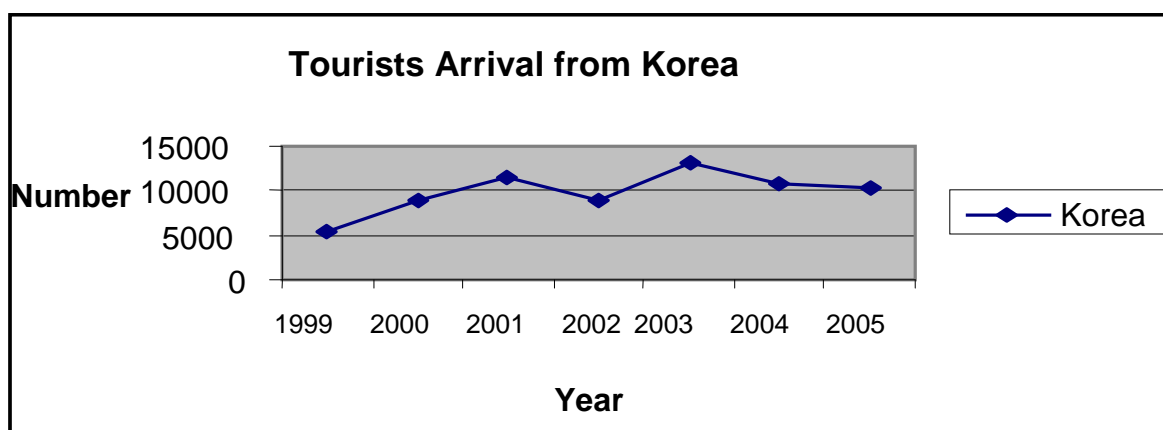
- To facilitate visits to Nepal by journalists of the respective countries who can offer good coverage

- To influence the South Korean consumer and trade to visit Nepal taking part in the Korean travel trade fair KOFTA
- To position the new tourism brand of Nepal in the South Korean market.

Program activities	Allocated Budget
KOFTA/Joint Promotion Program: Participation at Korea Travel Trade Fair and joint program with NTB's Honorary PR Korea and Korean Air	1,200,000
Total	1,200,000

Source: NTB Operational Plan 2006

Chart 4.12



Source: NTB Operational Plan 2006

4.6 Analysis of Primary Data

Profile of the Respondents

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

Nationality

During the study, altogether 80 tourists were interviewed and had filled questionnaire among which following are the percentage of the nationality on the basis of region:

Table 4.9
Nationality of respondents

Region	%
Europe	42.8
Asia & Pacific	31.42
America	11.42
India	14.28

Source: Field Survey, 2010

Sex

Among all the respondents 71.24% were male and 28.37% were females.

Age

The numbers of respondents by age group were as follows:

Table 4.10
Age of respondents

Age group	%
20-30	34.28
30-55	51.42
55 & above	14.28

Source: Field Survey, 2010

Frequency of Visit

Among the respondents 60 percent were 1st time visitors and 40 percent were repeated visitors. Among the repeated visitors, 28.57% were 2nd time visitor, 50% 3rd time visitor and rest have visited Nepal more than 3 times.

Occupation of Visitors

Among the total tourists interviewed, 54.28 percent were service holder, 14.57 percent were business man, 20 percent were students, and 11.42 percent were retired and housewives.

Purpose of Visit

According to purpose of visit, following is the percentage of the respondents:

Table 4.11
Purpose of visit of respondents

Purpose of visit	No.	%
Pleasure & sightseeing	42	60
Trekking	28	40
Mountaineering	20	28.57
Business	4	5.7
Others	4	5.7

Source: Field Survey, 2010

Features of Tours

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

About 48.57 percent of tourists visiting Nepal came alone on self guided tours whereas 51.42 percent tourists visited with friends and families who came on organized tours.

Similarly, among the respondents, 14.59 percent of tourists come by land via India whereas 85.43 percent have used air transport to reach Nepal. While visiting inside Nepal almost 90 percent tourists had used land transport for their convenience.

Tour Program and Spending in Nepal

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

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

All the respondents were asked about the spending they did during their stay, the findings of the same is as follows:

Table 4.12
Tour Program and Spending in Nepal

Length of stay	%	Spending(US\$)
Less than 10 days	12.85	200-500
More than 10 days	21.42	500-1000
More than 30 days	15.71	1200-2500

Source: Field Survey, 2010

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

Analysis of Visitors' Perception on Services & Facilities and Their Ratings

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

Table 4.13
Visitors' Perception on Services & Facilities and Their Ratings

Ratings Feature	Good (%)	Satisfactory (%)	Unsatisfactory (%)
Sightseeing tours	55	45	-
Accommodation	47.5	47.5	5
Shopping facilities	35	55	10
Entertainment activities	45	48.75	6.25
Food & drinks	41.25	58.75	-
Transportation	20	61.25	18.75
Tourists info offices	37.5	45	17.5
Immigration facilities	21.85	52.5	26.25
Airlines	27.5	55	17.5
Agency Service	30	61.25	8.75

Source: Field Survey, 2010

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

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

Motivating Factors and Source of Information about Nepal

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

Source of Information

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

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

Publicity Material

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

Marketing Nepal as an International Destination

Positioning Nepal in International tourism market in order to lure more tourists to visit Nepal. It's very challenging task as Nepalese tourism stakeholders' posses' very limited means and resources.

Tourism related institutions and companies were asked about the requirements for development of Nepal as international destination. As a responses are as follows:

Table 4.14
Marketing Nepal as an International Destination

Preservations of culture and natural environment	33.33%
Publicity of product in proper way	20.83%
Improvement of international air connection	16.60%
Peace and stability	29.16%

Source: Field Survey, 2010

Attention to be given

For the promotion of tourism, many factors are very important. Nepal has to do lot of improvement in many sectors. Respondents were inquired about the factors that should be given important attentions, they responded in such a way.

Among the respondents 58.3 percent have said the airlines and our connectivity should be given top priority. More airlines should be invited along with reconstruction of national flag carrier. Similarly, 28.5 percent have mentioned that international publicity is main important task to be done for promotion. Another 12.5 percent have stated that we need to give attention toward the development of transportation facility. Rest 8.33 percent have said that the peace and stability should be maintained inside the country for promotion of tourism.

Table 4.15
Products and Features (Strength and Weakness of Present Product)

Strength

Uniqueness	37.50 %
Sense of Achievement	8.33 %
Competitive	-
Price	33.33 %
Access	-
Location	20.83 %

Source: Field Survey, 2010

The respondents were asked about present strengths of products. About 37.5 per cent had mentioned that uniqueness of the product is main strength. Likewise 33.33 per cent companies consider the price factor is the important strength 20.83 per cent said that location of the product is important strength. 8.33 per cent companies mentioned

that the factor of sense of achievement for the clients is another main strength of the product.

Weaknesses

About the weaknesses of the tourism product, the higher number of respondents 41.66 percent mentioned that poor presentation of tourism product is major weakness. Another 25 per cent companies said that poor preservation of our product is main weakness. 16.66 per cent respondents considered lack of competitiveness is another weakness. Similarly, 16.66 per cent thought limitation of our product as weakness.

Table 4.16
Weaknesses of the tourism product

Poor preservation	20%
Congestion	-
No mass Appeal	-
No Repeat Value	-
Lack of Competitiveness	16.66%
Limited Products	16.66%
Poor Presentation	41.66%

Source: Field Survey, 2010

Product Development

The respondents were asked about the kind of product development that Nepal should do. As a response, majority of respondents 45.83 percent said there is needed to develop new product 25 percent said modify some products to suit target market. Similarly, 20.83 percent said we need to preserve and present original product. 8.33 per cent mentioned there is need to combine product features to attract various types of tourists.

Table 4.17
Product Development Needs

Develop new products	45.83%
Modify product to suit target market	25%
Preserve and present product originally	20.83%
Combine product features	8.33%

Source: Field Survey, 2010

Marketing Efforts

Regarding the marketing efforts needed, the majority of the respondents 41.66 percent mentioned that there is need for destination promotion. Like wise, 33.33 percent

respondents said to carry out media promotion.25% suggested that personalized promotion is needed.

Types of Marketing Efforts

Table 4.18
Types of Marketing Efforts

Destination promotion	41.66%
Media promotion	33.33%
Personalized promotion	25%

Source: Field Survey, 2010

Concentration of Marketing Efforts

All the respondents said when asked about marketing efforts, 54.16 percent expressed that Nepal’s marketing efforts should be concentrated at international level.20.83 percent said that promotion in target market is necessary.12.5 percent mentioned marketing should be concentrated in potential new market. Rest 12.5 percent said marketing should be national level also.

Table 4.19
Concentration Marketing Efforts

Promotion in International level	54.16%
Target market	20.83%
Potential new market	12.50%
Promotion in national level	12.50%

Source: Field Survey, 2010

Positioning of Nepal in International Market

Regarding the market positioning of Nepalese tourism in international market 66.66 percent mentioned Nepal should be positioned as Adventure tourism destination in the international market. Similarly, 58.33 percent said Nepal should be positioned as nature tourism destination, 45.83 percent said as cultural tourism destination, 37.50 percent mentioned Nepal should be positioned as pleased tourism based industry. 37.5 per cent said there should be mixed tourism including all features to be positioned in international market.

Table 4.20
Positioning of Nepal in International Market

Adventure tourism destination	66.66%
Nature tourism destination	58.33%
Cultural tourism destination	45.83%
Pleasure tourism destination	37.50%
Mixed tourism destination	37.5%

Source: Field Survey, 2010

Efforts Initiated by the Government to Promote Nepalese Tourism

It is a major role of government to promote the country as a tourist destination. Respondents were asked about the efforts done by government to promote Nepal in international tourism market. 37.5 per cent said government is promoting Nepal through international fair/exhibition through NTO, followed by publicity 33.33 percent, destination promotion, 16.66 percent, organizing special events, 12.5 percent development of new products.

Table 4.21
Efforts Initiated by the Government to Promote Nepalese Tourism

International fair/exhibition	37.50%
Publicity	33.33%
Destination promotion	16.66%
Organizing special events	12.50%

Source: Field Survey, 2010

Marketing Efforts of Government/NTB

Respondents opined that, NTB as public private institution is promoting Nepal by various means. As global competition is very strong, National Tourism Organization is applying are measures to cope up with that competition among the various constraints. Though its marketing efforts are not highly satisfactory, it is somehow able to position Nepal as tourism destination international market. 58.33 percent said marketing efforts satisfactory, 25 percent said less satisfactory. Rest 16.66 per cent mentioned not satisfactory.

Table 4.22
Marketing Efforts of Government/NTB

Satisfactory	58.33%)
Less satisfactory	25%
Not satisfactory	16.66%
Promotion in national level	12.50%

Source: Field Survey, 2010

Analysis of Perception of Different Groups

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

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

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

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

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

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

4.7 Major findings of the Study

After the interpretation and analysis of the data, the following facts are found.

-) The total budget went up to 400.5 million rupees in 2007/08 and further declined to 375.1 million rupees. It becomes the highest at 400.5 million rupees in 2007/08 which was 1.15 percent of total expenditure.
-) The outlay allocated for tourism development has increasing trend from 1.0 million in first plan (1956-61) to 1979.0 million in tenth plan but the percentage of total out lay allocated to tourism has fluctuating trend.
-) The allocation of development and promotional budget is very low, due to the lack of budget tourism promotion is not being properly.
-) The investment in this sector has positive impact on tourist arrival as well as economic development of Nepal through increasing tourism activities and foreign exchange earnings.
-) After the tourism promotional program 'visit Nepal 1998', the tourist arrival growth rate increased by 6.0 percent in 1999 with 491504 number of tourist in year 1999.
-) The recent global tourism trend has shown that the share of regional tourism is very important and encouraging. This concept is more important for country like Nepal. Owing to budget constraints to carry out marketing programs in European market, NTB is focusing its marketing and promotional activities in major Asian markets. India, Japan, Thailand are important tourists market for Nepal. Like wise, there is greater potential in China, Bangladesh, Sri-lanka. So, NTB has been organizing different marketing programs like travel trade

shows, familiarization trip to media and travel agents, press conferences and food festivals in order to attract more visitors from those countries.

-) In order to woo visitors from neighboring countries, Nepal has waived visa for national of South Asia and provided parity for entry to National parks and historical sites. It is also worth recalling here that all the 15 International Airlines flying into Kathmandu are connecting Nepal with various parts of Asia like India, China, Pakistan, Bangladesh, Middle-east and various countries of South-east Asia. Though national flag carrier is in ailing condition, new foreign airlines are interested to fly to Nepal, which has created a good hope for future. Recent trends of tourists' arrival from these countries are also encouraging. A number of 2,30,828 tourists from Asian countries have visited Nepal in the year 2005 which is 60% of total tourists arrivals.
-) There is need of close coordination between private sector and NTB. NTB should formulate new and cost effective marketing action plans. Promotional programs for adventure-tourism, pilgrimage-tourism, eco-tourism, MICE-tourism should be carried out in Niche markets by developing special packages. Though the landing fees, parking fees, navigation fee and handling charges and aviation fuels are costing dear, though there are conflicts, environmental hazards and high competition amongst inbound destination, Nepal's unique attraction has been a great asset for visitors from across the continents.
-) With this prospect in perspective, if proper policy guidelines are streamlined and a strong network and cooperation is built on Public-Private partnership approach, the future of regional tourism is high on the agenda and the prospect of the regional tourism is sure to gather momentum in the case of Nepal as it has been in Europe and America.
-) About 65 per cent tourists gave emphasis on sightseeing around Kathmandu and Pokhara.
-) Tourists arrive by different purposes. The greater number of tourist arrival in holiday / pleasure. The Indian, Srilankan, Japanese, Korean for the purpose of pilgrimage as well as holiday / pleasure.
-) All tourist mostly emphasis on transport facilities and immigration and they harassment in airport, bus park and tourism area.

-) Only 40 per cent of respondents enjoyed their visit by doing trekking in mountains whereas 28.57 percent of tourists went for mountaineering expeditions.
-) It could be observed that the average length of stay between the years 1999 to 2008 is 9.78 days.
-) The highest tourist arrival was from India.
-) Participation in travel trade fair, Advertisement, FAM trips, publicity, press conferences is the marketing tools used by NTB for destination promotion
-) The highest promotional activities were concentrated on international level.
-) The marketing efforts needed, the majority of the respondents 41.66 percent mentioned that there is need for destination promotion.
-) Tourists were asked about the kind of product development that Nepal should do. 45.83 percent said there is needed to develop new product
-) The marketing effort of NTB is not highly satisfactory, as a global completion is very high.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

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

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

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

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

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

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

5.2 Conclusion

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

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

The recent global tourism trend has shown that the share of regional tourism is very important and encouraging. This concept is more important for country like Nepal.

Owing to budget constraints to carry out marketing programs in European market, NTB is focusing its marketing and promotional activities in major Asian markets. India, Japan, Thailand are important tourists market for Nepal. Like wise, there is greater potential in China, Bangladesh, Sri-lanka. So, NTB has been organizing different marketing programs like travel trade shows, Familiarization trip to media and travel agents, press conferences and food festivals in order to attract more visitors from those countries. In order to woe visitors from neighboring countries, Nepal has waived visa for national of South Asia and provided parity for entry to National parks and historical sites. It is also worth recalling here that all the 15 International Airlines flying into Kathmandu are connecting Nepal with various parts of Asia like India, China, Pakistan, Bangladesh, Middle-east and various countries of South-east Asia. Though national flag carrier is in ailing condition, new foreign airlines are interested to fly to Nepal, which has created a good hope for future. Recent trends of tourists' arrival from these countries are also encouraging. A number of 2, 30,828 tourists from Asian countries have visited Nepal in the year 2005 which is 60% of total tourists arrivals.

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

With this prospect in perspective, if proper policy guidelines are streamlined and a strong network and cooperation is built on Public-Private partnership approach, the future of regional tourism is high on the agenda and the prospect of the regional tourism is sure to gather momentum in the case of Nepal as it has been in Europe and America.

5.3 Recommendations

- The recent travel trend in the area of pilgrimage, MICE and sports is encouraging though adventure, culture and nature are the major attractions of Nepal to

international visitors. It is required to give attention to promote and develop these areas. Experts viewed that Nepal has been overexposed as a country of mountains, but, according to them time has come to reposition on a new products. So, appropriate positioning as per the strength and demand of our product and the competitive situation of the industry should be made.

- Both, the government and the local people should give due emphasis to conserve our cultural and natural assets. The tourism products we have are not properly conserved, so their condition is degrading. These products should be maintained and preserved properly for the sustainable growth of industry.
- Nepal needs to offer multiple package programs to attract more tourists in the country. While designing package, different combination can be included to suit different purpose visitors as well as different age and sex group of visitors. Alternation in packages may be made on the basis of products or by including products and services.
- Uncertainty of air seat capacity, especially of Nepal Airlines, is the major constraint for tourism development in Nepal which has jeopardized schedules and affected visitors. Response of tourism organizations and experts showed that primary attention should be given to improve air seat capacity. The most noted problem for this was NAC. Nepal Airlines should increase its air seat capacity and solve its problems on a long term basis otherwise private airlines should be allowed to operate immediately even in those routes where NA operates. So far, private airlines are not allowed to operate in such routes. Secondly the government should give significant emphasis to approach more international airlines to come to Nepal or fly via Nepal. Moreover, emphasis should be given to increase air seat capacity by ensuring more international flights connecting with major tourist originating cities of the world.
- At present Tribhuvan International Airport (TIA) is the only international airport of Nepal. Big aircrafts cannot come here so it does not seem to have made it financially attractive to international carriers to come to Nepal. There also seemed to be limited feasibility for expansion of TIA. Likewise, present service and facilities also are limited at TIA. Therefore, an alternative international airport should be developed in the Terai region at a location which will be technically and economically should and viable from market perspectives. This should help to

enhance international connection and make Nepal a hub for international flights making it a noted tourist destination.

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

staff oriented towards marketing and promotion of tourism, Nepal can be promoted effectively. Thus, Nepalese Embassies and consulate offices abroad must be mobilized effectively as a market outlet of Nepal.

- Most tourists come to Nepal through the suggestion of friends/relatives and personal contacts. We must continue to promote such visitors. However, Nepal also should target the visitors who are motivated by promotion and publicity. It may not be necessary to reiterate that promotion is the most powerful tool of marketing. To attract more visitors, continuous and sustained promotion through appropriate media at existing market and potential markets is needed it will help to attract those visitors who are motivated by promotion. Thus, Nepal will be able to get both types of visitors those who visit by good word of mouth well as those who select tour by promotions.
- In Nepal, the government has been giving attention to develop the tourism sector. But, in view of the importance of the sector, the allocation of development and promotional budget is very low. Due to the lack of budget, tourism promotion is not being done properly. Greater allocation of development as well as promotional budget is needed in this sector. In order to gear up promotion of tourism, the private sector also should spend more allocating separate budget for its marketing.
- Nepal must make an annual tourism promotion and marketing plan. Target markets and segments should be identified on the basis of continuous market analysis and analysis of the competitive situation. Prioritization should be made on the basis of our product strength, market trend and need and strategies of other competitors. Suitable strategies and promotional program should be developed on such basis. Proper budgeting and resource allocation and continuous monitoring and feedback are also necessary to realize defined targets. In this way, professional promotion and marketing can be institutionalized.
- Services provided by the government like immigration, custom etc., are very important to promote the tourism industry and these services affect the visitors. These services were not rated satisfactory by the tourists. All three groups (tourists, organizations and experts) also identified the lacunae in the area. It reveals that there is a significant need to improve the process and service of immigration and customs in Nepal and the government must extend immediate attention to improve the situation.

- There should be special provision in immigration rules so that foreign older people could stay longer in Nepal. Special visa provision should be there for such person. Large group of older people especially from East Asia want to travel Nepal who want to stay for longer period.
- Special campaign should be organized in main university and colleges of Asian countries in order to promote Nepal as a destination for study. Different aspects of Nepal like eco tourism, protected area management, mountain region and natural recourses should be focused among the foreign students, so that they choose Nepal for their research and study program.
- NTB government and private sector jointly should start a promotion campaign of ‘send home a friend’ concept. Lots of Nepalese are going in other Asian countries for work, so if those all departing Nepali nationals could be taught about this concept, they can send lots of foreign friends to Nepal.
- Political parties should think very sensitively towards creating peaceful and strike free Nepal in order to improve Nepal's image abroad. All types of political demonstrations, strikes, bandhs, and vandalism should not exist. Political demands should be raised and addressed peacefully without creating any question mark on safety and security situation of Nepal.

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APPENDIX - 1

Annual NTO Budgets for Marketing Inbound Tourism

Country	Amount (in million US\$)
India	24.1
Thailand	43.1
Peru	15.3
New Zealand	46.2
Malaysia	117.9
Macau	38.5

Source: NTO budget 2005, UNWTO

NTO budget allocation by marketing tools, 2005

	Adver tising	Tourism fairs	Trade show & workshop	Intern et	Press trip	PR	FA M trip	Suppo rt to indust ries	Info rma tion	Marketin g research
Nepal	20%	40%	5%	3%	5%	4%	1%	2%	!6%	4%
Average findings	43.4%	10.5%	3.1%	3.4%	2.5%	4.1%	0.9%	8.8%	10.4 %	2.3%

Source: NTO budget 2005, UNWTO

APPENDIX – 2

Status of Air Connectivity Between Kathmandu and Other Major Asian Cities in 2007

Airlines	Sector
Nepal Airlines	Kathmandu-Delhi-Kathmandu
	Kathmandu-Kualalumpur-Kathmandu
	Kathmandu-Osaka-Kathmandu
	Kathmandu=Dubai-Kathmandu
	Kathmandu-Bangkok-Kathmandu
Indian Airlines	Delhi-Kathmandu-Delhi
	Kolkatta-Kathmandu-Kolkata
	Varanasi-Kathmandu-Kathmandu
Jet Airways	Delhi-Kathmandu-Delhi
Air sahara	Delhi-Kathmandu-Delhi
Air China	Lhasa-Kathmandu-Lhasa
China Southern Airlines	Gwangzhau-Kathmandu-Gwangzhau
Biman Bangladesh	Dhaka-Kathmandu-Dhaka
GMG Airlines	Dhaka-Kathmandu-Dhaka
Thai Airways	Bangkok-Kathmandu-Bangkok
Air Arabia	Abu Dhabi-Kathmandu-Abu Dhabi
Korean Air	Seoul-kathmandu-Seoul
Pakistan Int'l Airlines	Karachi-Kathmandu-Karachi
Qatar Air	Doha-Kathmandu-Doha
Gulf Air	Baharain-Kathmandu-Baharain
Druk Air	Delhi-Kathmandu-Delhi

APPENDIX - 3

QUESTIONNAIRES

Questionnaire For Tourism Professional

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

Good	<input type="text"/>	Satisfactory	<input type="text"/>
Not Satisfactory	<input type="text"/>	Bad	<input type="text"/>

2. What sort of change have you noticed in Nepalese tourism since 90's?

Radical Change	<input type="text"/>	Simple Change	<input type="text"/>
Non change	<input type="text"/>		

3. What are the main important factors that influence tourism development of the country?

Political Stability	<input type="text"/>	Development of Infrastructure	<input type="text"/>
All	<input type="text"/>		

4. How can we receive higher benefits from tourism in the day's ahead?

.....

5. How do you evaluate the marketing efforts being done by government/NTB/concerned sector to promote Nepalese tourism?

Good	<input type="text"/>	Satisfactory	<input type="text"/>
Unsatisfactory	<input type="text"/>	Bad	<input type="text"/>

6. What is your view about the policies, plans, strategies designed by government to develop tourism sector?

Very Good	<input type="text"/>	Satisfactory	<input type="text"/>
Very poor	<input type="text"/>	Need improvement	<input type="text"/>

7. How have been we marketing tourism? What weakness and threat do you feel & how can we make it more effective and result-oriented?

.....

8. What type of market segmentation is required to match the developing global tourism demand and Nepalese tourism supply?

.....

9. What type of promotional tools should we apply in the present competitive tourism market?

Advertising

Personal Selling

Publicity

Sales Promotion

10. Have we priced Nepalese tourism products property? If not why? Suggest the improvements needed.

.....

11. How do you take ' Naturally Nepal once is not enough ' brand in terms of developing perfect destination brand image in the global tourism market? What should be done to promote it further?

.....

Questionnaire for Tourists

1. Where did you come from? (Nationality)

2. Your Sex: Male _____ Female _____

3. What's your age: 20 – 30
30 – 55
55 and above

4. Have you visited Nepal alone or with group?

5. Mention your frequency of visit in Nepal.

1st 2nd 3rd

6. What's your occupation?

Student Service-holder Businessman

7. What was your mode of transport while coming to Nepal?

8. How long you stay in Nepal?

_____ Days/Months

9. Did/Do you visit other countries on this journey? (Exclude country in transit).

Yes _____ No _____

If Yes which country.

10. What was your purpose of visit to Nepal?

Pleasure & Sightseeing	<input type="checkbox"/>	Business	<input type="checkbox"/>
Mountaineering	<input type="checkbox"/>	Official	<input type="checkbox"/>
Trekking	<input type="checkbox"/>		
Other_____Specify	<input type="checkbox"/>		

11. Which place did you visited during your stay in Nepal?

13. How did you find the services & facilities provided during your visit in Nepal?

14. In which sector you felt need improvement immediately?

15. What were the main sources of information that influenced your decision to come to Nepal?

Friends/Relatives	Tourist office
Travel agents	Prior visit
Magazine	Trade fairs
Website	Guide Book
Television/Radio	

16. Did you go through any publicity materials relating Nepalese tourism published by Nepal Tourism Board, Nepal Airlines, Travel & Trekking Agencies?

17. If Yes Where?

In Nepal In own Country Any other country

18. How do you rate these publicity materials?

Very good	<input type="checkbox"/>	Satisfactory	<input type="checkbox"/>	Very poor	<input type="checkbox"/>
Good	<input type="checkbox"/>	Needs Improvement	<input type="checkbox"/>		

19. Which of the following features were the most important to you?

a) Climate	b) Friendly people	c) Mountains
d) Culture & Architecture	e) Value for money	

20. How do you evaluate safety & security situation in Nepal?
 a) Good b) Satisfactory c) Unsatisfactory d) Very Poor
21. What type of environmental effects did you find due to tourism in Nepal?
 Please Specify:- _____
22. How do you rate your visit to Nepal on the following aspects?
- | | | | |
|-----------------------------|---------|-----------------|-------------------|
| A. Sightseeing Tours | a) Good | b) Satisfactory | c) Unsatisfactory |
| B. Accommodation | a) Good | b) Satisfactory | c) Unsatisfactory |
| C. Shopping Facilities | a) Good | b) Satisfactory | c) Unsatisfactory |
| D. Food & Drinks | a) Good | b) Satisfactory | c) Unsatisfactory |
| E. Entertainment Activities | a) Good | b) Satisfactory | c) Unsatisfactory |
| F. Transportation | a) Good | b) Satisfactory | c) Unsatisfactory |
| G. Tourist Info Offices | a) Good | b) Satisfactory | c) Unsatisfactory |
| H. Immigration Formalities | a) Good | b) Satisfactory | c) Unsatisfactory |
| I. Airlines | a) Good | b) Satisfactory | c) Unsatisfactory |
| J. Agency Service | a) Good | b) Satisfactory | c) Unsatisfactory |
23. What are your suggestions to improve tourism in Nepal?

Questionnaire for Tourism Organization

1. Name of Organization :
2. Year of establishment :

3. Address :
4. Type of Business :
- a. Travel
 - b. Trekking
 - c. Mountaineering
 - d. Rafting
 - e. Hotel
 - f. Airline
 - g. Guest House
 - h. Other (please specify)
5. What should we do to develop Nepal as an international destination?
- a. _____
 - b. _____
6. In which area or areas we should give more attention for the promotion of tourism?
- a. Accommodation
 - b. Transportation
 - c. Immigration
 - d. Airlines
 - e. Agency Services (Travel, Trekking)
 - f. Customs
 - g. Government
7. Who is responsible for tourism marketing & promotion?
- a. Government
 - b. NTB
 - c. Private tourism sector
 - d. All
8. Where Nepal's marketing efforts should be concentrated at?
- a. National Level
 - b. Int'l level
 - c. Specific target market level
 - d. Potential new market
 - e. Any other (Please Specify)
9. What types of marketing efforts is needed?

- a. Destination promotion
 - b. Media promotion
 - c. Personalized promotion
 - d. Any other (Please Specify)
10. What kind of product development should Nepal do?
- a. Preserve and present our product as it is
 - b. Modify product to suit target market
 - c. Combine product features
 - d. Develop new products
 - e. Any other
11. In which market segment do you concentrate?
- a. Specific country or region
 - Germany
 - Spain
 - Italy
 - Japan
 - India
 - Netherlands
 - France
 - UK
 - Switzerland
 - Australia
 - USA
 - Other
 - Purpose-wise target
 - i. Holiday/pleasure
 - ii. Adventure
 - iii. Pilgrimage
 - iv. Business
 - v. Official
 - vi. Conference
 - vii. Others
 - b. Age wise
 - i. Old

-
- ii. Matured
- iii. Young
- c. Income group wise
- i. High income
- ii. Moderate income
- iii. Low income

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

Strength

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

Weakness

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

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

- a. Highly satisfactory
- b. Competitive
- c. Satisfactory
- d. Poor
- e. Extremely poor
- f. Give reason for your assessment

14. Where should Nepal position in the international market?

(Please tick as many as relevant)

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

- f. Any other (Please verify)
- ii. a. High spending tourists
- b. Medium spending tourists
- c. Culture tourism
- d. Mix of above
- e. Any other (Please verify)

15. What are the strengths of our present product?

(Please tick as many as relevant)

- a. Uniqueness
- b. Mass appeal
- c. Repeat value
- d. Emotional value
- e. Sense of Achievement
- f. Competitive
- g. Price
- h. Access
- i. Location
- j. Other (Please verify)

16. What are the weaknesses of our present product?

(Please tick as many as relevant)

- a. Poor preservation
- b. Congestion
- c. No mass appeal
- d. No repeat value
- e. Lack of competitiveness
- f. Limited products
- g. Poor presentation
- h. Any others (Please verify)

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

- a. Highly satisfactory
- b. Satisfactory
- c. So so
- d. Less satisfactory
- e. Unsatisfactory

18. How do you rate the level of competition in tourism business in Nepal?
- a. Highly satisfactory
- b. Satisfactory
- c. So so
- d. Less satisfactory
- e. Unsatisfactory
19. What efforts are being initiated by the government to promote Nepal as a tourist destination? (Please tick as many as relevant)
- a. Destination promotion
- b. Creation of infrastructure
- c. Development product
- d. Publicity
- e. Special events
- f. Facilitating tourism industry
- g. Participation in fairs/exhibition
- h. Any other
20. What do you think about the marketing effort being done at present by the government?
- a. Highly satisfactory
- b. Satisfactory
- c. So so
- d. Less satisfactory
- e. Unsatisfactory
21. Please mention their shortcoming and strengths?
22. What new efforts should be initiated by the government?
23. In which area of marketing government should concentrate and in which area should the private sector concentrate?
- | | Private | Public | Both |
|--|--------------------------|--------------------------|--------------------------|
| a. Product or service promotion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Destination promotion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Tackle competition (international) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Correcting damaging reports/publicity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
24. How often do you promote your service? (in one year)

Advertisement Campaigns Others

In the country:

Outside the country:

25. What factors determine your marketing efforts?
- a. capacity utilization
 - b. budget
 - c. tourist arrival trend
 - d. any other (please verify)
 - e. competitions performance
26. Do you allocate promotion budget?
27. Which marketing or advertising agencies you rely upon?
- a. National
 - b. International
 - c. Both
 - d. None
28. Are you satisfied with marketing organizations/advertising agencies?
- a. Highly satisfactory
 - b. Satisfactory
 - c. So so
 - d. Less satisfactory
 - e. Unsatisfactory
29. How do you evaluate your marketing efforts
- a. Highly satisfactory
 - b. Satisfactory
 - c. So so
 - d. Less satisfactory
 - e. Unsatisfactory
- Please give reason for your answer.
30. How do you develop your promotional packages/strategies?
(Please tick as many as relevant)
- a. Assessing the market
 - b. Assessing the views reactions of consumers
 - c. Assessing competitor's strategies

- d. Assessing international market trend
 - e. In consultation with link agencies
 - f. In consultation with experts
 - g. Any other (please specify)
31. What results have you attained from these efforts :
- a. Increased sale
 - b. Performance improvement
 - c. Improved image
 - d. No change in Business
 - e. Better market access
 - f. Any other (Please specify)