

# **CHAPTER - I**

## **INTRODUCTION**

### **1.1 Background of the Study**

The tourism industry has fascinated the whole world. Most of the nations have recognized the economic advantages of tourism. Tourism is a fruitful procedure for transferring the real resources from industrially advanced countries to developing countries. It is also one of the important sources for earning scarce foreign exchange and generating employment. Tourism is a highly labour intensive industry offering employment to both skilled and semiskilled manpower. Being a service-oriented industry, it creates employment opportunities for the local people as well. The employment generation of tourism industry is more important in a developing country where the level of unemployment and underemployment tends to be high. Besides, providing employment, tourism can be a tool of regional policy aimed at achieving an equitable balance between major industrial areas and the rest of the country. Thus, tourism enables transferring the resources from one part of the country to another.

The tourism industry makes tremendous contribution to the improvement of social and political understanding between people and the countries. Traveling in different countries fosters better relationship between people of various places. Personal and international contacts have always been an important way of sharing and spreading ideas about other cultures. Thus, tourism is an important media to promote cultural exchange and international co-operation. Nepal can not isolate itself from changing global trends of institutionalizing the tourism business.

Historically, tourism in Nepal can be broadly divided into two phases.

- a. Ancient Period
  - i) Before Unification
  - ii) After Unification
- b. After 1950

## **a. Ancient Period:**

### **i) Before Unification**

Authentic records of the ancient history of Nepal are not readily available. Most of it is surrounding in mystery with only the legends giving some flickering light. One such legend tells the story of "Manjushree Bodhi Satwa" from China. It is believed that Kathmandu valley was a lake before Manjushree cut an opening at the rock-hill at Chovar by a stroke of his scimitar and drained the lake water to make Kathmandu fit for human habitation. It is said that the first ruling dynasty in Nepal was the Gopal. King Bhuktaman was first king of the dynasty. After decline of Gopal dynasty, Kirata dynasty is said to have visited Nepal during the reign of Sthunko, the 7<sup>th</sup> Kirata king in 6<sup>th</sup> century. In the 7<sup>th</sup> century Shankaracharya visited this place. In 249 B.C, the Emperor Ashok of India visited Nepal as pilgrim (Lamsal 1997, p. 51).

When the Lichhavis come to power in 400 A.D, recorded history began and the golden age in the history of Nepal was started. The nation entered a new phase of prosperity in art and culture. Kailas Kuta Bhawan and Managriha both places were the creation of those days. In this period contemporary Chinese visitors like "Huen-Tsang", "Li-y-piao", "Wang Hiuentse" passed through Nepal and wrote many historical account about it. Arniko, the famous Nepalese artist went to china and developed there the pagoda architecture with a group of Nepalese artists in the invitation of the Emperor of Mongolian Empire "Kubla Khan" in 13<sup>th</sup> century.

When Malla dynasty came to power, there was a significant development of arts and culture. The Krishna Mandir of Patan, Nayatapol temples were built during this period. By the construction of these numerous temples, today Kathmandu valley is recognized as the cities of temples which are main attraction of tourists till now.

## **ii) After Unification**

In the late 18<sup>th</sup> century, Prithvi Narayan Shah conquered Kathmandu valley and unified the petty or communal states into a single kingdom, Nepal. "In this period, King Girban Bikram Shah, put Nepal on a collision course with the British-East India Company. The war took place in 1814 was concluded in 1816 under the treaty of Sugauli. After the treaty of Sugauli, a British Resident was appointed in Kathmandu. Dr. Wallich visited Nepal in 1817 and carried on his Botanical researches for a year" (Lamsal, 1997, p. 53).

During the reign of King Rajendra Bahadur Shaha, Jung Bahadur Rana rose to the power and laid the foundation of an autocratic Rana regime, which lasted for 104 years. In this phase tourism development was at snails pace. Rana's were afraid of the political consciousness of Nepalese people from foreigners because they believed that foreigners visiting Nepal would lead to political revolution. That is why only selected people from India and the diplomats of Britain were allowed to enter the country. Indians were allowed to stay only 3 days during Shivaratri. But on the other hand, Jung Bahadur Rana visited England in 1856 and Sir Brain Hodgson, Sir Joseph Hooker travelled the country for Botanical Surveys and collection of Nepal's flora and fauna. King George V came for his famous shoot in Nepal terai in 1911. The Prince of Wales visited Nepal in 1921 on the invitation of Rana Prime Minister. Those visits were only for hunting and for research purposes.

### **b. After 1950**

The concept of tourism development in Nepal began only after the 1950's political change. In this period, a great political change took place in Nepal. The revolution of 1950/51 ended the Rana's monopoly of family rule and they were overthrown from the power. From viewpoint of tourism, the great revolution of 1950 was a boom for Nepal. After 1950's revolution, Nepal's expanding diplomatic relations, her membership of UNO (1955) and

other world organization like IUOTO, WTO, UNESCO, FAO, WHO etc, conquest of Mt. Everest by Tenzing Norgay and Edmund Hillary all aided in the boom of tourism (Satyal, 1997, p. 25).

"In 2<sup>nd</sup> May 1956, the coronation of King Mahendra was regarded as the first great landmark in development of tourism and this incident attracted many tourists to Nepal. This was the most colorful and picturesque event of that year. Similarly the first group tours consisted of 12 Americans and 2 Brazilians organized under the pioneer body of Sir Thomas Cook and sons arrived at Kathmandu in the autumn of 1956" (Satyal 1997, p. 26)

Gradually, the government of Nepal felt that the dependable source of foreign exchange earning would be from tourism industry. Tourist Development Board was established in 1957 and a Tourist Information Center was established in 1959 with a view to promote tourism. His majesty's government of Nepal set up the Tourism Development Board and it was replaced by a full-fledged Department of Tourism within the Ministry of public works, Transport and Communication in 1962. After a great deal of improvement in this industry, this sector was transferred to the Ministry of Commerce and Industry in 1967. It was recognized as an industry in the year 1967. The Department of tourism functioned under various ministries up to the end of February 23, 1997, when a separate Ministry of Tourism was formed to look after tourism development. Nepal further succeeded to get the membership of different international tourism development institutions such as IUOTO, SATC, PATA and ASTA. During short period of 1950-1966, Nepal had improved a great deal in tourism industry, The number of tourist arrival in 1961 was 6,179 and the foreign exchange earning from tourism in 1965/66 was \$ 3,99,000 (Lamsal 1997, 55)

During the period 1966-1968 the government policy was made to increase the accommodation facilities, improve transportation systems, and

modern accommodation. Tourism Industry thus became the leading foreign exchange earner and source of government revenue.

Ever since its establishment, the Department of Tourism has made a surprising headway by creating a tourist country; regulating the hotels, lodges and other catering units; issuing the recommendations of licenses for the running and establishment of hotels; activities for the abolition, relaxation, and simplification of entry and departure formalities for foreign visitors; and encouraging international conventions in favor of tourism and the application of their provisions. The Ministry of Tourism and Civil Aviation now functions as the National Tourism Organization and is responsible for all policy matters relating to tourism at the national and international levels. The Department of Tourism was the main organ for the execution of the policy set down by the Ministry of Tourism. Similarly Nepal Tourism Master Plan 1972 and New Tourism Policy 1995 were introduced by the Government for tourism development in Nepal. To implement these and other similar programs, policies, etc. efficiently, Nepal Tourism Board was established under the Ministry of Tourism and Civil Aviation in 1997.

The contribution of tourism to the economy of Nepal, and as a source of foreign exchange earning has been quite encouraging. It contributes roughly about 15.2 percent of the total foreign exchange earning and 10 % of employment in the organized sector. In addition, tourism products are major exports of Nepal. Tourism will help to improve the living standard of the people and reduce the level of poverty by increasing employment and income opportunities in the days to come (Nepal, 2003, p. 5).

Tourism industry has played important role to communicate idea and technology from one place to another. Tourism industry facilitates to setup friendship, exchange views, knowledge, culture and so many things around the world.

## **1.2 Statement of the Problem**

Nepal is a destination for a number of tourists, as well as the gateway to the entire historical, religious, natural and ancient events. Tourism sector is of great importance for Nepal but there are still lots of problems in tourism industry. A new tourist spots are available for tourists. The spots are not very much developed. There are shortages of infrastructure necessary for proper development of existing as well as feasible tourist places. There are also problems of environment pollution, transportation, communication, sufficient trained manpower, accommodations, publicity, proper medical facilities, hygiene and cleanliness which are hampering the growth of the tourism industry in Nepal. In case of culture tourism, world heritage sites are not properly maintained. In this context, examination to what extent tourism has been effective on advertising activity for its promotion in Nepal.

## **1.3 Objectives of the Study**

The main objectives of the present study are to examine and analyze the advertising activities practiced in tourism sectors by NTB in Nepal.

Especially the objectives of the study are as follows:

- i. To examine effectiveness of advertising for achieve and succeed the market on tourism business.
- ii. To analyze and review the development of tourism sector in Nepal through advertising activities.
- iii. To help by giving some important suggestion and recommendation for improvement of advertising of tourism sector for NTB.

## **1.4 Limitation of the Study**

Each and every study has its own limitation. The study subject to following limitation:

- ) This study will deal with tourism industry in Nepal and includes only hotel industry, trekking agency, travel agency and airline business.
- ) This study deals only with the advertising activities practiced in tourist sector by NTB.
- ) This study will be based on the primary data. The collected data is from the questionnaire will be filled by the 100 tourists randomly chosen in only in Kathmandu.

) This thesis is written for partial fulfillment of requirement of master's degree of business study.

## **1.5 Organization of the Study**

The study is organized in the following chapters:

### **Chapter I: Introduction**

It deals with introduction of the main topic of the study like general background, statement of the problem, objectives and significance with limitation of the study and other introductory frame work.

### **Chapter II: Review of Literature**

It deals with review of available relevant studies. It includes the conceptual review and review of the related books, journals and the published and unpublished research works as well as thesis.

### **Chapter III: Research Methodology**

It deals with methodology of the study i.e. research carried out in this size and shape. For this purpose various financial tool and statistical tool are defined which will be used for the analysis of the presented data.

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

It deals with the presentation and analysis of all the relevant collected data. Analysis is done as per described in chapter 3 and the major findings. This chapter is the heart of the study.

### **Chapter V: Summary, Conclusion and Recommendations**

It contains the summary, conclusion and recommendations on the basis of the study.

At the end of the chapters bibliography and appendices have been incorporated.

## **CHAPTER – II**

### **LITERATURE REVIEW**

Literature survey is the documentation of a comprehensive review of the published work from secondary sources of data in the areas of specific interest to the researcher. The library is a rich storage base for secondary data and researcher usually spends several weeks and sometimes months going through books, journals, newspaper, magazines, conference proceedings, doctoral dissertations, master theses, several government publications and financial marketing and other reports to find current published information on their research topics (Sharma, 2064, p. 14).

#### **2.1 Conceptual Framework**

##### **2.1.1 Tourism**

Tourism has become a highly complex phenomenon. "Tourism" so popular today is derived from the French word "Tourisme" which means traveled travel related jobs, was originated in 19th century and became popular in 1930.

According to Webster New international Dictionary, Tourism is "Travelling for Recreation". Similarly the term tourism was first defined as "the sum total of operations, mainly of economic nature which directly relate to the entry, stay and movement of foreigners inside and outside a certain country, city or region". (Lamsal 1997). "The function of tourism is to import currency from foreign resources into country. Its impact is what tourist expenditures can do to the different sectors of the economy and in particular the hotel keepers". Hence, in a wide and comprehensive term a tourist is a person who travels to learn to appreciate nature, to relax and to enjoy a change outside his country and tourism is a medium through which we can exchange knowledge and create understanding among the people of the world.

The word "Tourism" has been derived from the French word 'Tourisme' literally means to travel to the related fields which originated in the 19<sup>th</sup>



century. Later, this word was popularized in the decade 1930s but its significance was not fully realized. 'Tour' is known as journey from place to place for pleasure. Tourism has been defined in various ways. Some author describes Tourism as system tourism is a system of four inter-related part market, travel destination and marketing, Marketing is service related to the customer. The second segment of Tourism is travel which includes where when and how to go. The definition of Tourism identifies the several characteristics of tourism as mentioned below.

Tourism involves complex set of interrelationships between people, places and products. These interrelationships evolve through the transportation of people of various destinations outside of their normal place of residence and their stay at those destinations. The duration of the visit must generally be of a short term nature. Tourism is essentially a pleasure activity it's that it doesn't involve related travel even if the associated income is not earned is the destination, region or country.

Herman V. Schullard, an Austrian Economist in the year 1910 gave one of the earliest definitions of tourism. He defined it as 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 a certain country, city or region.

Tourism an umbrella concept has a history dating back to 1811, or before and continues to change in definitions. The term tourism encompasses travels away from home and the businesses and people who serve them by expediting or otherwise making the travel easier or more entertaining.

Similarly Huwmiker Welts and Krab Kart defined tourism as follows "Tourism is the total relationships and phenomena linked with the stay of foreign persons in a locality on condition that they do not reside there to exercise

a major permanent or temporary activities a lucrative nature.” From the above facts tourism is known as a visit a person from one place to another place for their want.

International Association of Scientific Experts in Tourism (IASSET) further added few points to make it clear. Tourism arises from a movement of people and their stay in various destinations. There are two in all Tourism “The journey to the destination and the stay including activities at the destinations.” The journey and the stay take place outside the normal place or residence and work, so that tourism gives rise to activities which are distinct from those of the resident and marketing populations of the places. The movement to destinations is to temporary short term characters, with intention to return within a few days few weeks or months. Destinations are visited for the purpose other than taking up permanent residence or employment.

### **2.1.2 Importance of Tourism**

Tourism has become a popular global leisure activity. In 2008, there were over 922 million international tourist arrivals, with a growth of 1.9% as compared to 2007. International tourism receipts grew to US\$ 944 billion (Euro 642 billion) in 2008, corresponding to an increase in real times of 1.8%. As a result of the late-2000s recession, international travel demand suffered a strong slowdown beginning in June 2008, with growth in international tourism arrivals worldwide falling to 2% during the boreal summer months. This negative trend intensified during 2009, exacerbated in some countries due to the outbreak of the H1N1 influenza virus, resulting in a worldwide decline of 4% in 2009 to 880 million international tourists' arrivals, and an estimated 6% decline in international tourism receipts

From the above sentences we understand some importance of Tourism. Tourism is a fundamental and desirable human activating for having satisfaction. Tourism credits friendship and understanding among nations and

acts as a medium through which we can share knowledge and create understanding among the people of the world.

The modern tourism is an instrument of human education it is becoming more powerful tool of education and of collective and individual culture. So, tourism provides us an opportunity to understand the society, habits, food dress and the way of life of the people of different countries.

Socially, and culturally, Tourism is a product which encourages intellectually, curiosity amongst people and nations and develops a healthy respect for other countries customs. Thus, it keeps a peaceful relationship between nations. Tourism also play a large part is keeping family and friends us contact, and permits students and teachers to be part of Educational exchange programmers as part of cultural role of tourism the incentive of local crafts and industries an artistic skills of local people is increased because of the demand for local products.

### **2.1.3 Tourism Development in Nepal**

The place 'NEPAL' is always the center of attraction all the times. In different phase of the history of Nepal there were a large number of visitors. In the case of Nepal Tourism has a long history. Although history of civilization us Nepal stretches back to thousands of year, but she has been recently opened to visitor from different countries of the world.

In different myth and stories shows the visitors are always attracted to Nepal because of the cultural and natural heritage. Nepalese history was confined to the history of Kathmandu Valley. According to legend, today's Kathmandu Valley was a great lake. Later great monk name Manjushree came from Tibet and mediated on the peak of Chovar. Having got insight, he cut Chovar hill, thereby making a gorge so as to empty the lake.

Thus, Manjushree was the first traveler to visit Nepal. Nepal is the holy birth place of Lord Gautam Buddha and he has born in to 245B.C. Lord Buddha and he pupil visited Kathmandu valley around 6<sup>th</sup> century of 7<sup>th</sup> Kirat King named Sthumko. The Emperor Ashok of India visited Nepal as a pilgrim his daughter Charumati married with the king Devpal of Devpatan and the Emperor Ashok has erected four Buddhist Staupes of four corners of Lalitpur. The golden as of Nepal started in 400AD when Lichhivi dynasty came into power. Many foreigners visited Nepal during Lichhivi period at this period the great emperor of Tibet. Strong Tson Gonbu, arrived Nepal during the role of Aushuverma and married the Nepalese princess Bhrikuti. The Chinese visitors Huen Trang described in his travel records the Kailshkut Bhauran, and Mangriha. Where the Malla Dynasty came into power there was a significant development in the field of art and culture. The Krishna Mandir Nayat pol, palace of 55 windows, temple of Pashupati Nath, so many Hindu temples and Stupas of Buddha were built during this period. During Malla dynasty Kathmandu city is renowned as the city of temples. In 1769, the Shah King Prithivi Narayan Shah ascended to the Throne and gave birth to a unified kingdom of Nepal.

Again the period 1845 - 1945 was gloomy period in the history of Nepal. In this period Rana ruler handled the administration of the country at their own personal will. Rana rulers are totally responsible for non development of tourism industry in Nepal. The Rana feared that tourism might bring political consciousness among the Nepalese people. In this period Junga Bahadur Rana, the first Prime Minister of Nepal, visited England and other European countries in 1850. The Ranas had maintained hard secular policy as regards tourism. At that time foreigners were not allowed to inter Nepal and very few who visited we permitted merely due to political reasons rather than on consideration of developing tourism. Even the Indian people were not allowed to visit Nepal freely. A large number of Indian pilgrims visited Nepal and that only one the occasions of Shivaratri, Bala Chatudashi, and the

permission to stay in the country during that was only for these days. The Rana rulers had maintained good relation with the British Government. At that period some British and King George V of England visit Nepal for hunting purpose.

As a result of popular revolution of 1950 initiated under the leader of late king Tribhuvan a party system of government was set up which gave freedom to Nepal and Nepalese people from the Rana rule. After revolution, the gates of Nepal were opened to all foreigners. In 1952 a sizeable number of tourists visiting Nepal were recorded. In 1953, Tensing Norge Sherpa and Sir Edmond Hillary successfully climbed the highest peak Mt. Sagarmatha (Mt. Everest). Nepal was further intending the diplomatic relations with other world organizations such as UNSECO, WHO, FAO etc. After obtaining membership to the UNO, Nepal gradually became known to the outside world.

Another important happening was the coronation of late king Mahendra on 2<sup>nd</sup> May 1956, which played a vital role to attract the international travelers towards Nepal. Establishment of 'Tourism Development Board' in November 1957 can be called as a milestone in the history of Nepalese tourism. Then Nepal gradually became the member of different world tourism organizations such as International Union of Official Travel Organization (IUOTO), South Asian Travel Commission (SATC), Pacific Area Travel Association (PATA) and American Society of Travel Agent (ASTA).

Other factors which are responsible for the development of history of Tourism are Nepal's vast natural beauty, rich cultural heritage (Kathmandu, Patan, Bhaktpur Durbar Square, Swayambhu Nath, Changunarayan, Bouddha Nath) scenario resorts such as Kathmandu Valley, Lumbini, Pokhara, Tansen, Gorkha, Helambu, Chitwan, Palpa, Surkhet etc.

It has highest snowcapped peaks as Mt Everest, Kanchajanga, Makalu, Dhaulagiri and Annapurna which are 8000 meter in height. Persons who want to visit Nepal usually get opportunity to see distinct places and wild life resources such as one horn rhinoceros, leopard, wild deer and other creatures. We have a wide variety tastes and interests of visiting tourists. There is a high scope of developing tourism industry in Nepal. Today foreigners consider Nepal as a land of Yeti and homes of gods.

Nepal had improved a great deal in industry during 1950 to 1965. The number of tourists increased from 562 in the year 1952 to 9,388 in the year 1965. Similarly the foreign exchange from tourism in 1965/66 was US \$ 399. The tourism sector was transferred from the Department of construction and communication works to the Ministry of commerce and industry in 1967. During the period 1960/1963 the government policy was formulated to increase accommodations facilities, improve transportation system and hotel providing modern facilities. Tourism industry was taken as one of leading foreign exchange earners and sources of government resource. The policies were to follow a regional development strategy for generating employment of local levels and develop market for the exploration of new tourist sport. Follow a liberal policy on entry formalities and make, use of simplified or selected procedure in custom clearance. Safeguard natural environment and preserve the geographical cultural and artistic beauty of the country.

Nepal has excellent prospect for tourism development. The rich cultural heritage, enhancing diversity of tribes and communities and heartwarming parade of beauty go to prove that there is ample justification for developing this sector.

The history of planned development efforts in promoting tourism by Nepal Government of Nepal started only with the first five years plan in 1956. During the planning period, the historical, cultural and geographical attractions

of the country were emphasized not only to promote tourism but also to spread its growth beyond the valley of Kathmandu, to other parts of the country along the lines recommended in the tourism master plan. The fifth plan had therefore incorporated wherever possible the some set of programs contained in the Master plan as a second phase tourism development programs.

#### **2.1.4 Tourism Marketing**

The marketing means to match the product with the market. The most important function of marketing is to bring an awareness of the product in the minds of the consumers in the market areas. This is done by way of development in one of the elements and it is an important tool for marketing. The term development is interpreted and defined in many ways. Basically, the purpose of development is to influence the potential customers and as trade intermediaries (travel agents, tour operators, reservation services, hotels and charter brokers), through communication to think and to act in certain manners.

Marketing is defined as the meeting point between buyer and seller. It is the most convenient place for the buyer and seller. It is the time or place when and where the ownership of the product is transferred. In this way market is used to describe the buyers and potential buyers of each product such as vegetable market, fish market. Tourism market is where the tourism products are sold. As tourism product is intangible and there is no transfer of ownership, it only provides service. Tourism product does not move, so in tourism market, only buyer and seller are possible to meet and transaction is completed as and where they meet. So selling and buying is done where the buyers are. In other words, market in tourism is described as the buyers and potential buyers. The market in tourism is described as the place where customers both potential and actual are located, as USA market, European market.

Tourism marketing is defined in a numbers of ways “systematic and co-ordinated efforts inserted by the National Tourist Organizations and the tourist enterprises at international, national and local levels to optimize the satisfaction of tourists, grouped individuals, in view of the sustained tourism growth”. So tourism marketing is the joint effort of the components involved in it. No tourism planning or programmers will be successful without joint efforts.

#### **2.1.4.1 The Product in Tourism**

The thing that makes the customer to pay for it is said to be product. The product may be tangible or service. A product may be defined as “the sum of the physical and psychological satisfaction it provides to the buyers.” Product is the object or item for sale. It is produced modified or processed. This is the thing the customers buy. It is the ideal or object developed by the organization to offer to the customer’s service, facility. Hair cut, mango, a cup of tea etc.

The name product is different in different means. Products are either tangible or intangible. Tangible goods are produced. It can be sum, touched, measured and customers can test before purchasing. In tangible products are services. Here production and consumption are simultaneous and the end result is often simply experience rather than a tangible good. Services are products purchased through an exchange transaction that does not confer ownership but permits access to and use of a service, usually at a specified time in a specified place for a specified purpose.

“The intangible product or the service or satisfaction is the product which served in tourism. Tourism product includes tangibles and intangibles. For example hold room, beds, linen are tangible, while room cleaning security privacy is services. In the same way mountain, people, heritage sites are tangible while security safety, trust, pleasure are intangible, A tourism product is and thing that can be offered to tourist for attention, acquisition or consumption. It includes physical objects, services, personalities place,



organizations and ideas. General a tourism product is designed as an augmented product, which is the totality of benefits that the tourists services or experience. There, a tourism product is an amalgam of what a tourist does and experiences. It includes that secrecies he uses and products he purchased during his trip. So the products we deal are tourism is attraction, accommodation transport and sources” (Ghimire, 2004, p. 54).

### **2.1.5 Advertising**

Advertising, in its non-commercial guise, is a powerful educational tool capable of reaching and motivating large audiences. “Advertising justifies its existence when used in the public interest; it is much too powerful a tool to use solely for commercial purposes” Attributed to Howard Gossage by David Ogilv.

In the modern world, where there is the monopolistic competition, industry cannot be successful without advertisement and publicity. Therefore, tourist industry also cannot progress without attractive advertisement and publicity. For the attraction of tourist arrivals, it is necessary to introduce or advertise the Nepalese history, culture, environment, scene and scenery etc. In the world wise context through the magazine, internet, and other means of publicity and advertisement this can at as stimulant to motivate and attract the tourist, but there means of advertisements are rise in our century. So, most of the tourists around the world are still not familiar about the paradise of Nepal. That is why our country is still unsuccessful is attraction tourists from the countries of the worlds.

According to American marketing Association (AMA), “Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by identified sponsors”.

“Impersonal, one way communication about a product or organization that is paid by marketer” (Lamb & Daniel, 2000, p. 108).

“The element of the marketing communication mix that is non personal paid for an identified sponsor, & disseminated through mass channels of communication to promote the adoption of goods, services, person or ideas.” (Bearden, Ingram, & Lafarge, 1998, p. 57).

“Advertising is the means by which we make known, what we have to sell or what we have to buy” (Jeffkins, 1980, p. 3).

Above definitions of Advertising emphasize on the selling objective of the company. It says that the advertising planning and implementation are done to secure more sales with less cost contribution. But unlike the salesman who sells in a face-to face or even voice-to-voice situation, advertising is just a broadcast fashion to numbers of prospects whose identity may or may not be known, and who may be close at hand or distance.

Advertising includes those all the efforts made to inform and present a non-personal, sponsor-identified message about product, services or the company. This message called advertising can be verbal or visual, and is disseminate through one or more medium. Advertising is a part of promotion. In the word advertising is being pronounced everywhere. The word advertising itself is being advertised

### **2.1.5.1 Evolution of Advertising**

Egyptians used papyrus to make sales messages and wall posters. Commercial message and political campaign displays have been found in the ruins of Pompeii and ancient Arabia. Lost and found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. The tradition of wall painting can be traced back to Indian rock art paintings that date back to 4000 BC. History tells us that our home

advertising and billboards are the oldest forms of advertising in whole part of the world (Bhatia, 2000, pp. 62 and 68).

There was also the need and existence of advertising in the ancient period. The difference is that there were not the mass media at that time. It is said that the development of the advertising started with the civilization and started to communicate with cash other.

Advertising by word of mouth is probably the earliest form of advertising because verbal skills were developed first. Advertising was given the commercial status the day man entered into the process of exchange.

Since the knowledge of advertising and art of printing were not developed, in early days advertising was passive and was in limited use. The earliest forms were signboards and writings on the walls of prominent buildings. Shouting loudly about the price and description of the article to be sold was the only method of attracting public attention. The effect of the old type of advertising was not attractive and dynamic as it is today. With the publication of newspapers and development of the modern techniques in printings work got a boost.

It is said that the first printed advertisement in English appeared in London in about 1473 by the writer William Cocks ton, which was tacked on church doors announcing a prayer book for sale. Similarly the first newspaper advertisement appeared on the back of London newspaper in 1650 offering a reward for the return of 12 stolen horses. About the price and description of the article to be sold was the only method of attracting public attention. The effect of the old type of advertising was not attractive and dynamic as it is today. With the publication of newspapers and development of the modern techniques in printings work got a boost.

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In the 17th century advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote books and newspapers, which became increasingly affordable with advances in the printing press; and medicines, which were increasingly sought after as disease ravaged Europe. However, false advertising and so-called 'quack' advertisements became a problem, which ushered in the regulation of advertising content. (Eskilson, 2007, p. 27). *Graphic Design: A New History*. New Haven, Connecticut: p. 58)

Modern advertising is a product of industrial revolution of the 18<sup>th</sup> century in 1760, before transportation and communication were developed; means of public expression were limited. But the desire to broadcast ideas were analyzed there, although early attempts to influence the action of his follows go back to the beginning the off-recorded history. Now the advertising is the main focus point in market activity.

By the year 1920 advertizing in America and England had been developed well and professionalized somehow than now. Another significant milestone in the field of advertisement is the invention television.

Television was invented in the mid of 19<sup>th</sup> century as the most powerful communication tool. In 1949, first television commercial was located in England. Television was working as the most powerful medium form

advertisement until few years back when the computer technology has not been reached to this stage. But today, in the developed country, internet advertisement has become even more popular and it can after some years probably could take the place of television medium. But again, television still more effective medium for advertisement than press and radio due to its audio-visual facility.

Increasing attention and interest in this direction, gave rise to a class of advertising experts who were specialized to advice about the technique of advertising to the businessman regarding their advertising their advertising programmed. Remarkably huge amount of money was spent in both the purchase of advertising place and developing suitable advertising materials. The process was further accelerated by modernization of the newspapers with huge circulation, which created political and social consciousness among the people. Every available space, every form and every form and every opportunity was used for advertising purpose. Illustrations were made to make it aesthetically pleasing.

“The age old principle of ‘covet emptor’ prevailed among the consumers and hence the advertising was thought to be untruthful. People did not believe the advertisement message. Buyers were cautions in buying the advertised goods. To counteract this feeling manufactures highlighted brands to the consumers. So, 19<sup>th</sup> century saw the concept of brand advertising. This facilitated the development of magazines both weeklies and monthlies the brands. This is the period that welcomed widow and counters display exhibitions and trade fairs” (NTV Introduction Card, p. 10).

Up to First World War, the newspaper and magazines were considered as the principal media of advertising. During the period of Great Depression of 1930s, there were less business activities and it is known as the slump period. After second world was there was a keen competition between manufactures.

On one hand, it tried to generate internal economy and on the other hand it tried to seek newer methods of developing markets. Many new forms involved with advertising came into existence during this period. Advertising was developed on systematic lines. Widespread use was made of modern photography and art printing. The most typical development was cinema slides and electric signs.

“During the Second World War people were informed of war developments through short films, and thus, a new form of advertising was developed. Now film advertising has become popular and it has got a huge significance in developing countries like India, Burma, and Pakistan and even in Nepal also” (Ahuja, and Chhanbra, 1995, p. 56).

Television has a powerful means of advertising from 1950. It has grown in its importance with its color presentation and it is going to rule advertising world. There are major indoor colorful advertising media. The outdoor advertising similarly here has been development in traveling displays, sky-writing, in addition to the earlier means like poster, printed displays and sandwiched-men.

#### **2.1.5.2 Role of Advertising in Modern Business World**

The advertising is known as oxygen of the modern business. Advertising is primarily a means by which sellers communicate to prospective buyers about the worth of their goods and services. Advertising is not a game, toy or a racket. It is a basic tool of marketing for stimulating demand and for influencing the level and character of the demand. It has economic, social and psychological functions (Chunawalla and K.C., 1997, p. 32).

##### **❖ Economic Function**

All the advertisement has to do it to sell a product or service. This the advertisement accomplishes by communicating properly and effectively, by communicating the right message, put across through brilliant and persuasive

language, making use of appeals to different human motives. Advertising inclines customers favorably to the products, it affects their attitudes. So advertising performs the economic function by being an art of persuasion.

Advertising is not only markets the products, but also a corporate ethos, a corporate philosophy by giving memorable corporate stories reaching deeper into the public psyche than a bare recitation of performance statistics.

#### ❖ **Social Function**

The social distribution of Nepal is as how the social religion is maintained. The social factor is one of the main causes of internal tourism. The major religion in Nepal is Hinduism, and the Pashupatinath Temple, the world's largest temple of Shiva which is located in Kathmandu, attracts many pilgrims and tourists. Other Hindu pilgrimage site include the temple complex in Swargadwari located in the Pyuthan district lake Gosainkunda near Dhunche, the the temples at Devghat, Manakamana temple in the Gorkha District, and Pathibhara near Phungling.

Advertising has affected not the core cultural values but the subsidiary cultural values. For example, to get married is a core cultural value. Advertising cannot effectively change it by telling people that you do not marry. Yes, to marry late and not at an early age is a subsidiary cultural value. Advertising can definitely affect it. It can persuade people marry late.

Advertising is a mirror of the society in which it operates. It reflects the cultural values of that society. Successful advertising is consistent with the cultural values of a given society. Yes, it can transfer some cultural value of one society to another society at a given point of time. Its cross-cultural impact will depend upon the universalization of appeal.

Advertising invests a new product with confidence – confidence about its function, quality, price and availability. Advertising promises a quality and forces manufactures to live up to the promised quality. So advertisement brings about consumer welfare by two-fold method:

- 1) By improving standard of living.
- 2) By improving product quality.

Advertisements for social causes like cancer prevention, anti-dowry campaign, family planning etc. make us socially responsible. Advertising protects the consumers by educating them and by forcing the manufactures to maintain a quality and be fair. Advertising respects the ethics of the prevalent society.

#### ❖ **Psychosocial Function**

Advertising is closely linked to consumer behaviour. So it affects the personality of the consumer, his concept of self, his attitudes, beliefs and opinions, his life-cycle and life-style etc. advertising appeals to our physiological and psychological motives. Its appeals may be rational or emotional.

The whole job of advertising is to perform certain communication jobs with greater speed, volume and economy that can be done by any other means. This pragmatic approach to advertising is fundamental, and must be accepted before any plans for measurement can be formulated (Rothor, 1999, p. 190).

Here are the roles of the advertising or what advertising can actual do or why we indeed advertise ,which offer a broader idea of the versatility and value of advertng (Jeffkins, 1980, pp. 3-11).

- To announce a new product or services
- To expand the market to new buyers
- To announce a modification



- To announce a price change
- To announce a new pack
- To make a special offer
- To invite inquiries
- To sell direct
- To test a medium
- To announce the location of stockiest
- To obtain stockiest
- To educated consumers
- To maintain sales
- To challenge competitors
- To remind
- To retrieve lost sales
- To please stockiest
- To please the sales force
- To recruit staff
- To attract investors
- To export
- To announce trading results

### **2.1.5.3 Advertising Trend in Nepal**

It is not declared that from when the advertisement trend got started in Nepal. However, it is said that to convey king's addresses to the country from the very beginning, a media was used. It is assumed that after some time this trend became the media of advertising. Above mentioned trend was the advertisement for the non-business advertisement is gain with the dealer business.

In 1908 B.S. the Prime Minister Junga Bahadur Rana had brought a press in his visit to England, which was called 'Gidde Press'. But further this press was used to print envelops, tickets, and government bulletins only so, this

press could not run the business in the field of advertisement. 'Nepal Manoranjan Press' of Bhotahiti was the beginner press in the field of advertisement in Nepal. In 1919 B.S. advertisement of a book named 'Mochasiddi' was printed in this press. This is said to be the first advertisement in the history of Nepal. In 1945 B.S. a book named 'Gorkha Hashya Manjari' is published in 'Bharat Jeevan Press' of Banarash. In this book an advertisement of monthly Nepali Magazine named 'Gorkha Bharat Jeevan' was printed. In the history of Nepalese advertisement another advertisement was printed in 1956 B.S. in the last page of book named 'Nalopakhyan' published by 'Pundit Kapildev Sharma' an advertisement of monthly magazine 'Sudhasager' was printed.

'Gorkhapatra' was started on printed on weekly basis from Baisakh 24<sup>th</sup> 1958 B.S. In the first edition of 'Gorkhapatra', in the editorship of Pundit Nardev Motikrishna Sharma published by 'Pashupati printing press', an advertisement was printed. Then after, different magazines in Nepali language appeared.

Since 20<sup>th</sup> Chaitra 2007 B.S. Nepal Radio now name changed to Radio Nepal started its transmission. After that time transmission of commercial advertisement started. Initially "Ratna Recording Corporation" was providing the advertisement services and used to deposit the accumulated sum of money to Nepal Radio. Nowadays Radio Nepal has its own advertisement services.

From 29<sup>th</sup> Shrawan, 2042 B.S., Nepal Television has started its rail transmission. It may be assumed that day television advertisement is started in Nepal. The time period of trial transmission of Nepal Television was up to 14<sup>th</sup> Poush, 2042 B.S. From this day "Nepal Television Corporation": was formed and started its transmission regularly. Now "Nepal Television Corporation" is 15 year old and out of its total transmission time 9.5% of time is taken by

advertisement. In this transmitted. In these years of time, advertisement in Nepal television has obtained great deal of success.

“Some multinational companies with foreign collaboration have good and attractive advertisement like the advertising of Coca-Cola, Pepsi-Cola, Liril, etc. in Nepal a small percentage of the population own a television set because of their poor economic condition. It can be said that only the 39% of the total population can only watch the national program on N.T.V.” (NTV Viewer Server Record, 2051, p. 38).

Cinema exhibition was started from 2006 B.S. in Nepal. It was not sure that which was the first advertisement slide that was exhibited by cinema hall. But, it is assumed that the exhibition of advertisement slide started after establishment in 2007 B.S. It is assumed that first of all non-commercial advertisement slides was exhibited by cinema hall.

Nowadays, hoarding board, display board, wall advertisement posters and Pam- plating, making are the normal media of advertisement. Visiting cards, invitation cards are also the media of advertisement (Dahal, 2055, p. 55).

#### **2.1.5.4 Advertisement Effectiveness**

The effectiveness of advertising can be understood by the changing attitudes and behavior of the customers. Advertising has become the powerful device for increasing sales and at the same time, large sum of money are spent on it. In the face to mounting advertising costs, on the one hand, and a squeeze on profitability, on the other, top managements are increasingly concerned about the cost benefit of advertising in the operation of a business.

“This concern is understandable, for advertising is one of the few, if not only, item of expenditure is a company’s balance sheet that can’t be measured in terms of its specific contribution towards its sales and profitability. An advertising manager, ideally, should be able to do this; but in most cases, he

can't. This apparent lack of accountability of advertising is increasingly becoming untenable today. Advertising, therefore, has to prove its contribution to the total marketing efforts like any other allocation of corporation resources; or else advertising expenditure will run the risk of being set arbitrarily or even slashed drastically" (Rather,1980, p. 189)

The value of advertising cannot be determined unless its role and function are understood. The unaccountability of advertising, in most cases arises from a lack of appreciation of what advertising can or cannot be.

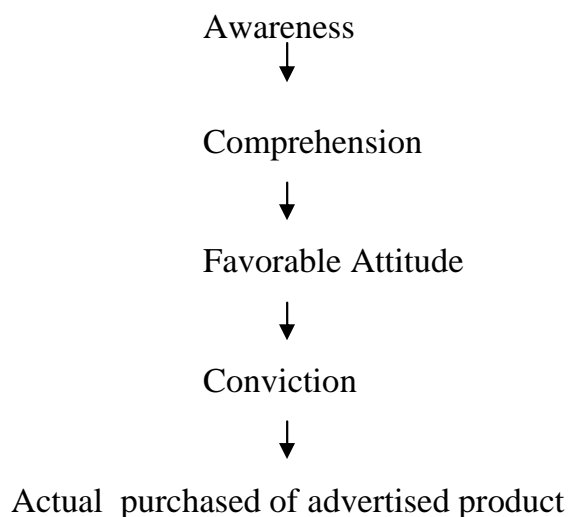
Advertising should be viewed as a part of total marketing effort of a company. The glib answer to the question: why do companies advertise? Is: To sell products. But in recent times, increasing number of advertising personnel has been frankly saying that advertising cannot actually sell products. Supporting this view, the association of national advertisers, U.S.A., defined advertising as a mass paid communication, the ultimate purpose of which is to impart information, develop attitude and induce action beneficial to the advertiser (which may lead to sale of a product or service.) advertising is in fact only one on the series of tools on the marketing communication mix-the other tools are personal selling, retailer recommendation, special sales promotion, publicity etc. the job of advertising is to perform certain communication jobs with greater speed, volume and economy (Rather, 1980, p. 190).

If all promotional tools are coordinated with each other and implemented accordingly, it may sell the product too. The ultimate aim of advertising / promotion is often to help raise the level of immediate sales. However the objective that involves an increase in immediate sales is not operational in nature in many cases for two reasons.

Advertising is only one of the many factors influencing sales and it is difficult to isolate its contribution to those sales. The other forces include price, distribution, packaging, product features, competitive actions, and changing

buyer needs and tastes, it is absolutely difficult to isolate the effect of advertising. Evaluating advertising only by its impact on sales is not practical.

Advertising can be understood as the form of communication which aims at bringing about some change in the behavior of the target audience, particularly the potential buyers or non-buyers towards the product or services advertised. A generally theoretical model seeks to intently a step-wise behavioral progression of non-buyers towards buying action. This is the progression from awareness to comprehension. From comprehension to favorable attitude. From favorable attitude to conviction and finding actual purchased of the product concerned, which can be presented in the diagram to answer how advertising convert from potential customer to actual one.



It is open to question if this model represents what actually happened in the real life for one thing. Actual purchase occurs as a result of many factors and advertising is only one of them. Sometimes advertising can do its job and bring the customer to the retail outlet, but if the distribution plan of the company is uneven and retail doesn't have stocks of the products, purchase may not result. Simply advertising stimulates the potential buyers to go to the stores to buy actual advertised products. In general, advertising is done in expectation of tangible gains such as favorable attitudes, better image of the

firm and increased sales. To get the maximum result from promotion, all promotional tools have not unique characteristics and are complementary” (Shrestha, 1998, p. 124).

It is true that sometimes the effect of advertising cannot be measured directly in terms of sales. Therefore, advertising objective could be stated in terms of communication goals, such as awareness of the product or adorability of attitudes towards it.

The advertising is only one part of the marketing mix. It alone cannot sell the product. There are many other factors-product quality, price, packaging, and product. Therefore it is rather different to establish a direct link between an advertisement and its effect on the sales on product.

As the Nepalese management is still in underdeveloped stage, Nepalese manufactures are not in a position to spend much amount in the advertising research to judge the effectiveness of advertising on their products. Manufactures feel investing in research is waste of money; instead it can be used for other promotional methods. So no manufacturer here can say definitely that how effective their advertising campaign and promotion are or what are the impact being seen in sales of their product due to promotion / advertising.

Advertising testing can be done either before (pre-testing) or after (post-testing) the advertising has run in ht media to avoid costly mistakes, to predict the relative strength of alternative advertising strategies, and to increase their efficiency (Chunawalla and K.C., 1997, p. 748).

Testing costs more money to the advertisers and in our country spending of such huge amount on advertising testing is not practical though the amount spent on it will save them from making costly mistakes. Feedback in

advertising, advertising research, is very useful, even it means some extra expenditure for the advertiser. It helps to out how and what advertising fails or succeeds.

### **2.1.6 Review of Previous Studies**

Pandey (2001) in his article "Tourism Trade In Nepal" describes the unfortunate situation of tourism industries, which is one of the largest sources of foreign currency earning of the country. This source of earning is declining everyday. In the absence of appropriate knowledge and skills of investment, the investors are opening new hotels whereas the number of tourists arriving in Nepal is declining everyday. The investors investing in hotel business are not getting due return to their investment. Analysis of the facts shows that the government policy is responsible for it. Anyone can start a tourism enterprise just meeting paper formalities in the name of democracy. This has resulted into decline in tourism services and foreign exchange earnings.

Pangeni (2002), in his unpublished M.A. thesis entitled "Role of Tourism in the Economic Development of Nepal" has studied about the impact of tourism in economic development of Nepal. He has conducted that the expansion and development of tourism is not as satisfactory as anticipated. Limited numbers of tourist destinations, lack of tourism infrastructure in hills and other potential tourist destinations and inadequate advertisement and promotional activities are some of the impediments for its development. He says that government and private sector should work together to uplift the tourism industry.

Anjan Neupane (2007) in his M.A. thesis entitled 'Attitude Survey of Tourist: A Case Study of Bhairahawa/Lumbini' finds that Lumbini, the holy birthplace of Siddhartha Gautam, who was later known as Gautam Buddha is situated in Rupandehi district in the south, western plains of Nepal. Because of its association with the Buddha, it is considered a destination for holy pilgrimage since ancient times. However, it is the holy place for Buddhist but

now a days most of peace lovers are interesting to visit Lumbini. In Lumbini/Bhairahawa area has high potential for tourism industry. This area is proudly standing due to having birth place of lord Buddha and related site about Buddhism. It has also easy road and air access to link with major tourist destinations of Nepal like Pokhara, Kathmandu and Chitwan if we increase the length of stay of tourist, obviously per capita expenditure is also increase. For the achievement of quality tourism in this area we should be completed the Lumbini master plan which creates the environment to increase more tourists.

Lumbini, the birth place of lord Buddha is a sacred pilgrimage site not only for million of Buddhists all over the world, but also for those who stand for peace and harmony. Tourism potentials of Bhairahawa/Lumbini area are not optionally utilized so far. Political instability, incomplete Lumbini master plan, same day returning fashion, underdeveloped Buddhists circuit, unfriendly tourism environment around Nepal-India boarder etc. are major issues around this research site. Despite the largest flow of tourist to Nepal via land through this entry point, Bhairahawa, this area has been little benefited because of their short stay. So these issues should be addressed by forming adequate tourism policies and creating suitable environment that increase tourist number as well as their length of stay. The birth place of lord Buddha, Lumbini is incomparable tourism destination among Buddhist circuits, but the development of this holy place in very slow pace.

## **2.2 Research Gap**

Due to changing the time and circulation of environment the previous and present may be different in many ways. This is a research gap between the present research and the previous research. The previous researches generally focus and the growth trends and foreign exchange in tourism sector only but not on the advertising activities practiced in tourism sector. In this research we included the effectiveness that the NTB achieved or the tourist arriving rate or numbers that should really matters for the advertising activities to attract the tourism, business. We try to concentrate the research in effectiveness of the



strategy goal and the Marketing and Advertising activities by NTB and Government of Nepal activities. In this research the gap may be slightly more than previous because we tried to collect the recommendation, Experience and other real fact through the primary research. The data collected through Questionnaire is presented and analysis in this research is the gap between the previous and present research.

## **CHAPTER – III**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

An appropriate choice of research methodology is a difficult task which is most necessary to support the study in realistic term with sound empirical analysis (Sharma, 2064), so that, the study uses the following research methodology like research design, population and sample, data collection procedure, method of data analysis, method of presentation etc explanations of the above points are given which seems appropriate to understand methodology in detail.

#### **3.2 Research Design**

Research design is the plan structure and strategy of investigation conceives so also to obedient answer to research question and control variance. A well settled research design is necessary to fulfill the objective of the study. Research design adopts a definite procedure and techniques that the study and it propound the way for research viability.

In this study a descriptive research as well as analytical research design has been followed to make the study more authentic and reliable by way of using the available data in systematic manner.

#### **3.3 Population and Sample**

For research purpose of a secondary data from fiscal year 2004-2009 is taken as sample random sampling is used to take interview in primary data and hotel industry, Trekking Agency, Travel agency and airline business is taken from Katmandu. Nepal Tourism Board (NTB)/Government of Nepal Ministry of Culture, Tourism and Civil Aviation, Hotel industry, Trekking Agency,

Travel agency and air line business of Nepal in tourism sector are considered as a population and sample of primary and secondary data.

### **3.4 Nature and Sources of Data**

Mainly the Nepal Tourism Board (NTB) is considered as the analysis sector of the research. The entire Primary data used in this study are basically of the following nature:

The present study is primarily based upon Primary data. To support the primary analysis and compatible the research is compare with some secondary data too. The main sources of secondary data are Nepal Tourism Board (NTB)/Government of Nepal Ministry of Culture, Tourism and Civil Aviation, Hotel industry, Trekking Agency, Travel agency and air line business and various published newspapers and magazines. Primary data are collected from HAN, NATA, TAAN and airline business within the Kathmandu valley.

### **3.5 Data Gathering Instruments**

Although the research is about tourism Nepal Tourism Board (NTB) and Government of Nepal was the source of the Data and articles. Except the secondary data published by Nepal tourism Board and Government of Nepal the online portals and cites as Google.com also the source of data and sources. The present study is based upon the secondary data and primary data, so they are collected directly from the related published materials and magazines as well as from NTB /GN.

#### **3.5.1 Data Collection Procedures**

For the collection of Primary data, the research is implemented through a manner procedure. The main pace from where the data collected is from ‘Thamel’, the place specially known as the tourist spot. After that to analysis of primary data we precede for collection of related published materials. The necessary secondary data are collection using appropriate technique.

### **3.5.2 Data Analysis**

In this analysis of data appropriate tools have been used to make the analysis more effective, convenience, reliable and authentic. In the analysis process data will be analyzed using Analytical and Descriptive methods.

Descriptive research is also known as statistical research. Although the data description is factual, accurate and systematic, the research cannot describe what caused a situation. Thus, Descriptive research cannot be used to create a casual relationship, where one variable affects another. In other words, descriptive research can be said to have a low requirement for internal validity. In descriptive analysis the data has been presented in an appropriate way with the help of percentage, tables graphs and chart .The graphical presentation being self-explanatory simplest and the most convenient form. On the basis of analysis and interpretation, major findings conclusions have been draw and subsequently recommendations are made.

## **CHAPTER – IV**

### **DATA PRESENTATION AND ANALYSIS**

In the ancient time people used to travel mostly due to religious and commercial purposes in Nepal. Tourism as such developed only after the political change of 1950, when Nepal opened its door to the international visitors but the systematic measurement began only from 1962 and hence its history in Nepal is relatively short. The government has taken steps to enhance tourism only after the introduction of development plans in the year 1956. Basically, in this chapter the data collected from primary questionnaire are tabulated, analyzed and presented in a reasonable and wise manner. The data presentation and analysis are based on the primary and secondary source of information. The data is analyzed in term of different phenomenon of the tourism sector.

#### **4.1 Marketing Trends of Tourism in Nepal**

Marketing activities are most directly concerned with the demand stimulating and demand fulfilling efforts of the enterprises. It should be noted that product as used is an all inclusive term which includes services as well as physical goods. The matching of services with markets to effect consumption as also marketing. According to this study, flow of tourists and length of their stay show the promotion of the tourism and effectiveness of the advertisement in the Tourism sector by NTB and Government of Nepal.

Today in the field of marketing, more priority is given to the needs of customers and satisfies 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, 2000, p. 111).

The challenges of marketing go beyond the success of business. It must also serve the goals of society. Marketing share in the problems and goals society and it's contributed extended well beyond the formal boundaries of the firm.

Tourism being the fastest growing and most competitive industry in the world, should be marketing properly. There are a number of destinations competing with each other to get a bigger share of the market (Bhatia, 1994, p. 137). 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 operation of tourism. Tourism marketing is defined as the "Systematic and Co Ordinate efforts exerted by the NTO and /or the tourist enterprises at international, national and local level to optimize the satisfaction of tourists group and individuals in view of the sustained tourism growth (Bhatia, 1994, p. 142).

According to Wikipedia, "marketing tourism is to be understood as systematic and co-ordinate execution of business policy by tourist undertaking whether private or state , at local , religion ,national or international level to achieve the optimum satisfaction of need of identifiable consumer group and in doing so to achieve an appropriate return."

Hence, there is a need for tourism marketing with proper planning sound policies. However, tourism industry doesn't seem to apply marketing approach for its promotion and development adequately (Anand and Bajracharya, 1985, p. 1).

Because of the competitive global scenario and ever expanding tourism industry, the market of the tourism product needs greater attention. Only those

countries which have aggressive marketing strategy have been able to attract a greater number of tourists. Thus effective marketing is a must for the successful running of the tourism industry.

According to Pokharel “We are undertaking highly limited marketing actives while other countries with more resource are spending Hugh amount of money on aggressive marketing of their destinations.”

In this regard prominent businessman Mr. Yogendra Shakya commented by saying “We have done practically nothing as far as promotion is concerned. The ministry of tourism has no budget for promotion “in Nepal, even one five star rated hotel spend Rs. 30 million annually for the publicity at international level but due to lack of budget government is not able to make sufficient publicity even in visited Nepal year 98 also.

The sluggishness is promotional efforts in Nepal further indicated by the fact that “the expenditure made in publicity is too poor the not more effective in both quality and quantity. The ministry of tourism published brochures and booklets about tourism only in a few languages and that also in limited copies , there is a lack of advertisement in the foreign papers .In such a situation, most of the visitor are unknown about Nepal.

“Nepal lack the most essential market information focused on its product, while the most relevant 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 was an urgent need for Nepal to work against increasingly critical world media coverage on ill effects especially on mountain tourism. By inviting journalist, Nepal should convey the fact that it is taking serious steps toward improving matter, but need help to do so (Ministry, 1984, p. 102).

Another serious challenge faced by the tourism sector in Nepal is the level of competition. To quote the say of Alwis “My friend in the travel industry in Nepal talked 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\$18per day on the average.” (Alwis, 1997, p. 8)

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 “Un-market” visitors out there in the market place. It is 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 police to discourage cut-throat competition in the hotel industry and thereby attract quality tourist.”

Negative report on Katmandu has adversely affected the tourism industry and Nepal’s Image. To counter the negative effects a planned approach is needed which could regain our lost reputation.

In this context Mishra says “Say Good bye to Shangri –La was published in Newsweek of 4<sup>th</sup> 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 tack it in a positive way instead of being defensive. Had it not been published in such a renewed journal, it would not have been grave concern to all conscious people of Nepal and abroad.”



Air accessibility is also a hurdle in Nepal. Strait expressed, “We need to tack concrete steps with respect to tourism marketing in other to boost arrival. But there is a problem of air seat capacity. Nepal should allow more international airline to come to Nepal and encourage the national carrier to compete internationally. It would certainly increase the number of tourist arrival.”

For the promotion of quality tourism in the country, infrastructure and services should be improved properly. 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.

All good marketing begins with the costumers and embed with the customer. Nepal's a tourist destination officer a unique product and unparalleled opportunities for marketers who want to tack on the challenge. It just means that both Nepalese operators and their partner in Asia need to work harder and be innovative if they are to achieve yields that Nepal’s tourism operation deserves.

While formulating the tourism strategy, it is essential that our tourism marketing keep abreast with fast changing trends, particularly the changing trends in tourism market. Tourism marketers should be quick to respond to the changing economic scenario in the world. Hence, development of Nepal should tack in to account promotional and marketing issues as well as deal with the inherent problems and challenges.

#### **4.2 Marketing Efforts for Tourism Development in Nepal**

Nepal has initiated various efforts to promote tourism and market her as a sustainable destination. In other to boost up tourism promotional activities,

Nepal has participated in various international fairs/ exhibitions, conferences/seminars /meeting in different countries. Nepal g\has actively participated in PATA annual conference and WTO general assembly. Other actively participations of Nepal in international event include ITB fair, Berlin, WTM London BIT Milan, JATA Tokyo CMT fair Stuttgart, ITE Hong Kong, ATM Singapore etc and travel show held in different parts of neighboring India. In addition, Nepal has organized cultural programmed food festival Nepalese handicraft exhibitions etc in different travel trade exhibitions held in major cities of Asia, Europe and USA as part of the promotional campaigns.

#### **4.2.1 Advertisement/Promotion Campaign / Sales Mission**

Nepal launched tourism promotional visits in some major cities like Pairs, London and Frankfurt in September 1989 with the joint effort of the government and travel trade associations HAN, NATA, TAAN similarly, promotional campaigns were also made in the year 1991 and 1994 “A public private joint sales mission headed by the minister of tourism and civil aviation organized a number of interaction programmers in all major cities of south Africa on May 1996. A similar mission organized a workshop in Madrid to apprise their Spanish counterparts of the Nepalese tourism scenario in November 1996.

#### **Tools and Activities:**

- ) Trade Fairs, Sales missions and Road Shows
- ) Press Meet, Press Release, Situation Update, Advertorials etc.
- ) Promotional programs in collaboration/partnership with Diplomatic Missions, Honorary HPRR, Nepali Communities, Trade and Media
- ) Advertisement/Advertorials, Hoarding and Signage
- ) Farm Tours
- ) Speeches, Reports, Presentations, Destination Write-ups etc.
- ) Tour Operator's Meet
- ) Talk Shows, Seminars, Conference, Workshops

- ) Film/Documentaries/Multimedia/Montage
- ) E-Newsletter, Newsletter
- ) Website and E-Collateral
- ) Dispatch and personal counseling to visitors through email, telephone, fax

#### **4.2.2 Familiarizations**

In order to promote tourism more effectively, Nepal has organization familiarizations trial for foreign travel counterparts, tour operator, journalists, film crews, media personal and other important personalities from time to time. Some of these tours were jointly organized with Nepal Airlines and the private sectors. Generally, such Familiarizations tour inviting personalities from Australia, Spain, USA, Thailand, Japan, Germany, France, Tibet, Belgium, UK, Canada, and Hong Kong etc

#### **4.2.3 Development of Sales / Promotional Aids**

The government has made promotional film photo and slides of important tourism side/ products of Nepal in various years. Some of these films were prepared under joint ventures with other agency like NTB, NAC, PATA etc, Besides these the government has published a wide range of promotional advertisement introducing Nepal in various media like tourism Asia, Geo, Washington Post, Times of India Navabharat Times , Well Street Journal, Trivial Scene Asia, Safari India, Thai In flight magazine etc. Growth was positive in all world regions during the first two months of 2010 led by Asia and the Pacific (+10%) and Africa (+7%). Data from the Middle East so far also point to a strong rebound in the region, though, compared to Highly subdued first months of 2009. The pace of growth was slower in Europe (+3%) and in the Americas (+3%), the two regions hardest hit by the global crisis and where economic recovery is proving to be comparatively weaker.

#### **4.2.4 Publications/ Brochures**

His majesty's Government of Nepal has been continuously publishing various types of promotional brochures, posters stickers of important tourism interest place in various years and distributing them both within and outside the country as a major promotional effort.

- ❖ Media Relations
- ❖ Production of Collateral and E-Collateral
- ❖ Website and Internet Optimization
- ❖ Tourist facilitation and Crisis Management
- ❖ Partnership with Nepalese Diplomatic Missions abroad, Public Relations Representatives, and Members of Nepali communities and well wishers
- ❖ Electronic Media Advertisement

#### **Annual Publications and Souvenirs**

In order to support publicity programs and maintain a good public relations, theme-based souvenir items will be managed by this department to distribute to Nepal lovers, dignitaries and general consumers in the fair, sales mission and other related programs in Nepal and abroad.

##### **Items**

- In Focus
- NTB Calendar
- Coffee Table Book
- Giveaways and Souvenirs
- Bags
- Folders

#### **Re-production of Promotional Collateral (Brochures and Booklets):**

##### **Items**

- English Travelers' Information
- Travelers' Information - Other Languages
- World Heritage Sites

- Amazing Attractions
- National Parks
- Shopping in Nepal
- Cultural Treasures of Nepal
- Natural Treasures of Nepal
- Himalayan Peaks in Nepal
- Rafting in Nepal
- Janakpurdham
- Travel Tips
- Paradise Pokhara
- Lumbini

## **Maps and Displays**

### **Items**

- Country Map
- Kathmandu City Map
- Posters
- Stickers
- Postcards
- Others

### **4.2.5 Evolution of Total Marketing and Advertising Efforts**

Tourism planning is concerned with tourism development policies, linkage with other sectors, tourism facility standards, institutional factor and all other elements necessary to develop and manage tourism at central as well as local level. Sound research and planning can be considered as a way to improve cooperation and to initiate a common understanding of issues as a relevant tool for tourism management at the destination. R, P & M Department makes concerted efforts in data collection and processing in order to develop sound linkages with decision making. This is not simply an information gathering exercise, but an integral part of planning and decision-making process.

### **Expected outcomes of the promotional activities:**

- Strong Partnerships and Business tie-ups between Nepalese and source market travel trade
- Increased consumer confidence towards the destination.
- Increased awareness and destination/product update among the consumers
- Enhanced destination image
- All Leading to:
  - ) Increase in Arrivals
  - ) Increase in length of stay
  - ) More spends

In terms of expenditure, Nepalese efforts in marketing and promoting the destinations and products and service might look satisfactory. However the pertinent issue is whether Nepal has been promoted adequately in the originating markets. In this respect, there was hardly any satisfactory result. Much of these marketing efforts were made within the country itself which may indicate low effective external marketing. The overall tourism arrival may be growing but in certain segments decline has also been noticed (For Example German tourists were found to be declining in recent years. But Nepal has not done anything to analyze the particular segment and launch promotional measures adequately). Familiarization tours and promotional tours are not conducted on the basis of market potentiality and prospect. In 1997, Nepal made a promotional visit to South Africa but it so far could hardly be termed as a tourism market. Such effort may not be unnecessary but priority should have been accorded to major markets first. The private sector effort also lacked coordination and seemed to be done on a haphazard and ad-hoc basis. Nepal's promotional and marketing efforts still lack punch and purposiveness and significant improvement is necessary.

### **4.3 Marketing of Nepal Tourism Board (NTB)**

The major responsibility of Tourism Marketing and promotion Department is to plan and implement the integrated programme of international marketing and promotion. The goal of NTB 's marketing and promotional programs basically lies in enhancing visitors' number and increasing their average length of stay and spends in Nepal.

#### **4.3.1 Short Description of Nepal Tourism Board (NTB)**

##### **(A) Introduction:**

Nepal Tourism Board (NTB) Act, 2053, was passed by both the houses of the parliament in December 1996, and it obtained government seal in February 1997. Replacing the department of tourism, the board has been constituted as a partnership between the government of Nepal and the private sector travel industry of Nepal and has been empowered to function as a National Tourism Organization (NTO) since December 31, 1998.

Government of Nepal has also established a wee-defined funding mechanism to finance the promotional efforts of the Board so that it can work as a professional and dynamic NTO in order to enhance Nepal's tourism image as a maintaining improving and diversifying the quality of tourism product and services in the country and promoting them effectively in the international market

Tourism Marketing and Promotion Department carries out the activities in international markets to promote Nepal as a premier holiday destination. The Department coordinates with the other Departments of NTB such as PR and Publicity, Tourism Products and Resources Development, Research Monitoring, Evaluation and Planning and Corporate Services to effectively plan the marketing strategy and programmes. The major promotional activities include participation in Travel Trade Exhibitions/ Marts, organizing Sales

Missions/ Road Shows, Media and Tour Operators Meet (B2B sessions), Press Meets etc, joint promotions and consumer focused publicity campaigns with stakeholders in cooperation with Nepal Embassy and Public Relation Representatives (PRRs) in major generating and upcoming markets.

The goal of Nepal Tourism Board's marketing and promotional programs basically lies in enhancing visitors' numbers and increasing their average length of stay and spends in Nepal. With the growing realization for focused and targeted marketing for better results, NTB has been making certain strategic shifts in its marketing approaches since last couple of years. Significance of the markets selected and targeted is made basically in relation to the travel trend patterns of the major generating markets and to the visible returns from those markets via the marketing investment.

**(B) Departmental Long Term Objectives:**

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

**(C) Short Term Objectives:**

1. Position/establish destination Brand in all international markets
2. Continue working on Confidence Building Measures (CBM)



3. Liaise with the concerned authorities and stakeholders to increase Air Accessibility/ Charter Flights, air seats capacity.
4. Increase interaction/network (Face to Face) with the international travel trade and widen the database of Nepal Selling Tour Operators in major markets.
5. Engage into direct promotions for consumers
6. Promote Nepal Tourism Year 2011
7. Focus promoting Niche tourism products & sustainable tourism products

**(D) Strategies:**

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

Under these broad goals the department has four key areas of delivery which are:

- Under these board goals the department has four key areas of delivery which are:

- Facilitating tourist inside Nepal.
- Enhancing the communication
- Publishing the promotional collaterals

**(E) Marketing Efforts of NTB:**

In terms of Air Seat Agreement with India, the earlier 6000 seats per week has been expanded to one way 30,000 seats per week linking New Delhi, Mumbai, Chennai, Calcutta, Hyderabad and Bangalore Metropolitans. With the spirit of the SAARC Charter, Nepal has received the facility to operate Air services with unlimited seats to 21 points and also facility to operate any of the destinations of SAARC Region from these points with unlimited seat by the designated airlines. Nepal which has been operating the air services currently to 7 points of India, can expand to 27 points

NTB have done lots of marketing program for the promotion of Nepalese tourism in different foreign countries like Europe, American, Asia etc. such as dream works Nepal in Korea that is Namaste Art exchange exhibition, Nepal participated is vakantiebeurs, Netherlands, Nepal at the daily telegraph advert is travel and sports show is London. Nepal at advertise is travels euro is Chicago limited states. A Nepalese tourism entrepreneur is Bangkok fair. NTB concludes Nepal promotion compels is south India successfully. NTB also make Nepalese tourism promotion is Russia. For the growth of internal tourism NTB, have done lots of promotion programmed is different pall of the Nepal. Such as Nepal open paragliding championship in Pokhara, pokhara marathon, Meghauri Mahotsav Kathmandu Advertise rally shiva Ratri, the night of shiva, Tenzing Hillary Everest Marathon, Ghodejatra festival, Buddha Jayanti Thurn (TAAN) tracking agents association of Nepal mount Bike championship, Bagmati River festival International music day celebration Mithila Mahotsav in Janakpur so on an so for.

According to ITB world's travel trend report 2010, most Europeans still intend to travel abroad this year. Asked whether the financial crisis is continuing to affect their travel behavior, 66% of Europeans replied “No” and 34% said “Yes”. By comparison, in September 2009, 52% replied “Yes”. Of those who replied in the affirmative, 14% said they planned to take a less expensive trip; 10% said they would spend less money at the destination, and only 7% admitted that they might not take a trip in 2010, planning instead to travel in 2011. NTB came up with a new department in the form of "Public relations and publicity" Since 2006 January onwards NTB came up with a new department in the form of "Public Relations and Publicity". Realizing that public relations, perhaps the most misunderstood part of marketing communication, can be the effective tool, NTB decided to come up with a new department, which previously was being done by a section of the marketing department. NTB wants to develop public relations as a process by which positive image and customer preference for Nepal could be effectively created through third-party endorsement.

The PR and Public department would thus perform the activities related to press relations, publicity and corporate communications. The aim of press relations is to place newsworthy information into the international and national news media to attract attention on Nepal as a holiday destination. The product publicity wants to secure editorial coverage as opposed to paid space by giving new information on new products, events etc. on Nepal. Similarly promoting understanding of the organization to the stakeholders would also fall into its domain.

#### **4.3.2 Rationale for Programs/Activities**

##### **❖ Participation in International Travel & Tourism Fairs / Marts in major generating markets:**

Nepal Tourism Board (NTB) will organize its participation in international travel trade fairs / marts in partnership with Nepalese private travel trade sector in the conventional, emerging and potential markets. NTB

will focus its participation on both of the business to consumer (B2C) and business to business (B2B) based fairs. NTB will continue its participation in B2C mega international travel tourism fairs: ITB-Berlin, JATA-Tokyo, CITM-China, TTF-India, and B2B fair: WTM-London. NTB will collaborate with Nepalese Tourism Associations to participate in the tourism fairs like: FITUR-Spain and BIT-Italy, ITB Asia Singapore, CMT Stuttgart, Travel Adventure Show, Los Angeles, New York, ATM Dubai, KOFTA, Seoul Korea etc.

NTB will also focus on optimizing the trade and mass media (both print and electronic) contacts during fairs so as to portray Nepal as a premier holiday destination internationally.

**❖ Organize Sales Mission, Media and Tour Operators meet (B2B sessions), Press Meets/Media briefings :**

NTB will organize Sales Mission in different conventional, emerging and potential markets for creating B2B forum for both Nepalese travel trade delegates and travel trade sector in generating market. Besides organizing sales missions in major metros and capital cities in different markets, NTB will expand its promotional sales missions in other satellite cities also keeping in view of accessibility and travel trend.

***Target Groups***

- Tour Operators/agents currently selling Nepal
- Potential international travel trade not yet selling Nepal
- Media Houses (print & electronic)

**❖ Joint Promotions:**

NTB will collaborate and tie up with different airlines, Nepalese diplomatic missions and NRNS as well as Nepalese student Associations

abroad and various other national / international corporate houses, non-government organizations for joint promotion. NTB will launch the joint promotional programs targeting both consumers and travel industry segments with Consumer Focus Promotions and Corporate Tie Ups in the potential markets.

❖ **New Marketing Initiatives:**

***1. Nepal Tourism Year 2011:***

Government of Nepal in consultation with Nepalese travel trade sector and concerned organizations/experts decided on October 25, 2008 to launch a national tourism campaign "**Nepal Tourism Year 2011**". This announcement reflects the government's anticipation to bring into Nepal at least one million international tourists by the year 2011 and tourism industry's exigency to organize a tourism promotion campaign for wider impact. NTY 2011- as a mega tourism campaign will be given special focus in each and eHighly promotional activity carried out in the international market throughout FY 2010/ 11.

***2. "NTB Promotional Affiliation " to tourism service providers:***

The travel trade companies registered / approved for NTB promotional affiliation will obtain special discount on the applicable charges for the fair/sales Mission participation fees. In addition the registered companies will be entitled to use NTB logo in their individual company's promotional collaterals. Besides the individual companies will get opportunity to have their website linked with NTB's website and made accessible to the users. NTB further provides opportunity to the registered companies to get the news and information of your company published in the e-newsletters and periodic news letters published by NTB.

***3. Goodwill Ambassadors:***

NTY Secretariat has awarded the title of 'Goodwill Ambassador' to the Mt. Everest Summiteers and the celebrities of Travel & Tourism sector. The entitled celebrities will be mobilized during the international promotional

activities to create media hive as well as the special attraction in the program. It will be further capitalized to enhance and position the distinct image of Nepal in the world.

### **4.3.3 New Nepal Tourism Brand**

The new tourism brand with the slogan "Unlash Yourself" tagline "Naturally Nepal" and sub-tagline "Once is not enough" was introduced 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 was to develop BRAND NEPAL as an international tourist destination and regain consumer confidence in the international markets by concentrating 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 the Nepali tourist industry - individually & collectively - to focus on customers retention rather than acquisition. It moreover address the composition of our total number of tourist where nearly 40% are repeat visitors, means Nepal abundance beauties and diversities are for multiple times. It is a destination for multiple reason and prosperous vision.

The Re-launching of Brand Nepal has been done for the five business reasons

- More compelling-repackage the divers, existing product offerings
- More tourist-increasing the number of tourist visiting Nepal
- More money-increase the revenues to the nation.
- More focus-align the NTB's stakeholders and the Nepal tourist industry to a common future.
- More consistency-define branding guidelines and investment vehicles for building a low-cost international consumer brand in the Highly competitive tourist industry.

Over the next 10 years, Brand Nepal will be promoted as "The next-generation mountain destination for weekend breaks, adventure holidays and lifetime experiences" for 'People' who live cosmopolitan cities and travels internationally.

New Nepal Brand is expected to be instrumental in addressing the needs of all the existing and emerging tourist of our target markets. Series of campaign activities tied up in the branding process will ultimately keep Nepal on great competitive edge. The new branding concept will cover entire activities that Nepal has been offering to the world with a new dimension. The thrust of new brand is to reinvent Nepal's diversity, modernity and cultural heritage. Nepal, country of the highest mountains on Earth as deepest goes, also known as the land of living Goddess and the origin of Buddhism in the world, today shares its abundance beauty with rest of the world, with a New Brand, its natural image called Naturally Nepal- once is not enough.

This new tourism brand is first of its kind created with professional expertise in the tourism history of Nepal. This new tourism brand is absolutely backed by the research and surveys, hence has lot of ingredients to support for the yield subject to availability of matching resources and requires environment.

This from the above study of responsible for promoting Nepal is domestic and international market is working towards repositioning market is cooking towards repositioning the image of the country as a safe destination. The board is established to work as a professional and dynamic NTO to address the pressing need by designing specific brand image of Nepal as a travel destination and promotional campaigns government of Nepal has established a well defined funding mechanism through collection from the airport to finance the promotional effort of the board.

#### **4.3.4 The Effectiveness of Adjusting on Tourism Business in Nepal**

Monitoring and Evaluation is an effective tool for finding the effective and efficient implementation and impact of the program. It enables to determine whether the resources we have available are sufficient and are being well used, whether the capacity we have is sufficient and appropriate, and whether we are doing what we intended to plan to do. Monitoring & Evaluation is necessary for finding the effective implementation of the program. Certain indicators shall be devised to evaluate the quality of products developed and outcomes of fairs, festivals HRD programs. This will help to assess activities of NTB and explore new areas for tourism development and promotion. NTB is participating in different international Fair/Mart for Nepal promotion. Monitoring and evaluation will help in strengthening the future participation in the Fair/Mart. Assessment will be based on market research and information to support effective marketing decision-making and evaluation of results. Research efforts must be targeted for evaluation research as a means of achieving the best return on marketing investments of various marketing programs.

According to the Economic Survey, foreign exchange earnings from tourism sector in FY 2065/66 had increased by 49.9 percent totaling Rs. 27.96 billion as compared to previous year. However, the foreign exchange earning has decreased by 0.34 percent to Rs 16.76 billion during the first eight months of FY 2066/67. As compared to the preceding year, foreign exchange earned in the first eight months of FY 2066/67 was equivalent to 40.0 percent of total foreign exchange earned from the exports of goods, 23.1 percent of total foreign exchange earned from total exports of goods and services, and 6.0 percent of the total foreign exchange earnings during the period.

NTB make a great study on the tourist arrivals by year month age & sex as well as the promotional activities done in different place inside and outside the county. But if we go in details about the promotion activities i.e. advertising



done by the NTB in tourism sector we can easily find the effectiveness of advertising on tourism business in Nepal. Let's compare the tourist Arrival in year 1997, 1998, 1999 & 2000 we can easily find that the number of tourist in 1998 is greater than the other years because of promotional activities. We know that 1998 was the Visit Nepal 1998. In this year there were lots of promotional activities in and out of the country. Nepal was known as Visit Nepal 1998 so, the growth rate of tourist was increased by 909% but in 1997 it was increased only by 7.2%. In 1999 it was increased by 6% but in 2000 it was decreased by -5.7% which can be more clearly seen by a bar diagram.

Tourism statistics are the base that helps measure the importance of industry and supports decision making at national level as well as local level. NTB regularly compiles and analyses the arrivals of International tourists coming in. The data is thereafter circulated to all stakeholders nationally and internationally.

#### **4.3.5 Global Achievements/Effects of Promotion of NTB**

❖ *LONELY PLANET NAMES NEPAL ONE OF THE 2010'S TOP 10 COUNTRIES*

Lonely Planet has chosen Nepal as one of the world's top 10 countries for next year in LONELY PLANET'S BEST IN TRAVEL 2010, published this year. BEST IN TRAVEL 2010 is Lonely Planet's best fifth eagerly awaited annual collection of the best places to go and the best things to do around the world for the year ahead.

❖ *FRENCH RANK NEPAL "MUST SEE"*

The French online magazine L'internaute has ranked Nepal as one of 52 must see destinations in 2010. The article, 52 voyages in 2010, suggests tourists to visit Nepal along with Vietnam and Thailand while visiting through Asia.

About Nepal, magazines write, “The best time for trekking in the foothills of the Himalayas is in the fall and the winter. During the season, the sky is clear and conditions are perfect to admire the magnificent landscape of Nepal. It does not snow in Kathmandu, a vital crossing point for trekkers!

❖ *NEPAL IN EDITERS’ CHOICE 2010 IN OUTSIDE MAGAZINE*

Sure, Kathmandu is tourist junk show, but he locals continue embrace trekkers. This despite the fact that no Nepali ever walked for fun. Stray just a bit from the rutted Annapurna circuit or the Everest base camp queue and you will be invited to the drink yak butter tea with monks, share the last of the family’s rice for the season, or dance drunkenly around a bonfire. Yes some will see you as a walking ATM, but Nepal remains nothing than world’s friendliest country. Once when I found myself alone in a dusty highway town in the southern plains, a gang of teenagers mysteriously took it upon themselves to teach me how ride a motorcycle. Bhutan may be more “authentic,” whatever that means and the karakoram more stunning. But only I Nepal do the local say, “Pahuna dyeuta ho,” or “A guest is God.”

*-Eric Hansen (from outside magazine’s Editors’ choice 2010, March-2010)*

❖ *NEPAL AMONG TOP TEN TRAVEL RECOMMENDATIONS FOR 2010*

News.Scotsman.com has listed Nepal as one among ten recommended destination for 2010. It has portrayed Nepal as of the most spectacular places on the earth which is rightly famous for its peaks. The web has also mentioned Nepal as the land at the top of the world and also the land of the festivals, with over 50 celebrated each year.

#### **4.4 Analysis and presentation of Primary Data**

In this section about 100 tourist are taken and presented them analytical questionnaire to fill up and conducted interviews randomly. The interview is collected from different places mainly from Thamel area. The need for market

research and the need for more up-to-date, timely information on the characteristics of visitors to Nepal have been identified as a major priority. The research consists on the answer about the Nepalese tourist product as sightseeing, natural beauties, cultural heritage and other products of tourists and the tourists' different aspects. The visitors are always focusing their own interest. The survey is taken in capital place of the country where the visitor mostly arrives. So the primary data perform the vital role to know the different aspect of the tourist who reaches the Nepal for many reasons.

According to the questionnaire and answers from the tourists are analyzed and presented as bellow.

**Tourists' Nationality:**

Among the 100 tourists, all were intervened and had filled questionnaire. The number of the visitor was from the different countries. And the every country is not possible to include in this report so the continent of their countries are mentioned in the below table. Their answers, feeling and expectation are collected in the Table below.

<b>Continent</b>	<b>No. of Visitors</b>	<b>Percentage</b>
Africa	6	6%
Asia(exclude SAARC)	20	20%
Australia	6	6%
Europe	17	17%
North America	13	13%
SAARC	29	29%
South America	9	9%
Total	100	100%

*Source: Opinion survey, 2011.*

Above table shows the nationality of 100 tourists who visited Nepal at the time of survey. The most visitor to Nepal is from the Asia, around 49% visitors were from Asia, among them Indian tourist (54%) are the favorite for Nepal. After Indians the other visitors who visit Nepal are from China, Japan, and Korea from the Asia. Europe(17%) is the most advertised place by NTB.

So it is the third people's choice to visit to Nepal. Africa is the continent from the visitors is the least one who visit to Nepal.

Most of the peoples are the visitors from SAARC and rest Asia but the number increasing from the west too. The Indians peoples visit as pilgrims, who are not less participants of other tourist product.

The below table shows the rank listed from the countries arrived in last five years.

**Table 4.1**  
**Top five Countries of Nationalities**

<b>Rank</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Rank 1	India	India	India	India	India
Rank 2	U.K.	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
Rank 3	Sri Lanka	Japan	U.S.A	China	U.K.
Rank 4	U.S.A.	U.K.	Japan	U.K.	China
Rank 5	Japan	U.S.A	U.K.	U.S.A.	U.S.A.

*(Source: Ministry of Tourism and Civil Aviation)*

The table shows that the Indian tourists are always the rank one for visiting Nepal. The open border and similar cultural and social heritage may be the advantages to Indian for visiting Nepal. The capital of Buddhist 'Lumbini' is the second choice for peoples of Sri Lanka. They ranked two for visiting Nepal from four years. These two countries are consistent in their ranking from two years before. Then the U.K. and china are the countries for after the India and Sri Lanka. And the fifth rank is USA. The Japan also ranked most visitor arrival countries among top five before 2008 and 2009.

NTB is concentrated its activities in this countries mostly. And its promotional strategy is not enough to make them eager to increase the visitor.

### **Age group of Tourist:**

Among the 100 respondents the ages of them were as follows. The age is according to their legal documents.

Age	No. of Visitors	Percentage
0-15	8	8%
16-30	24	24%
31-45	32	32%
46-60	26	26%
More than 60	10	10%

*Source: Opinion survey, 2011.*

The table shows the age group of 31 to 45 is most interested to visit Nepal. Among them the most visitors are encouraged to trekking and water sports. The age group of 46 to 60 is second one who visits Nepal. From the above table the age group of fewer than 15 is lesser than any age group.

### **Sex of Tourists:**

Among the 100 tourist analysis in factor of Sex is also effective to know the tourism behavior of tourist. According to the sex the number and percentage of tourist is as follows.

Sex	No. of Visitors	Percentage
Male	61	61%
Female	39	39%

*Source: Opinion survey, 2011.*

From the above table the data shows that the number of male is more than female. In this survey the third sex tourist doesn't found so the number of them is not included. Among 100 tourists 61 are male and rests of them are females.

### **Educational background of the Tourist:**

The primary data shows the educational background of the tourist as bellow.

<b>Education</b>	<b>No. of Visitors</b>	<b>Percentage</b>
Primary	13	13%
Secondary	20	20%
High school	40	40%
Graduate	25	25%
Post graduate	12	12%

*Source: Opinion survey, 2011.*

Most of the tourists who visit Nepal are high school passed (10+2 in Nepali trend) and their number is 40. From the above table 25 percent is graduate peoples. It shows the most of the peoples who visit Nepal are educated and they are well prepared about Nepal.

### **Sources of tourist Information for arrival in Nepal:**

The information about Nepal is distributed and promoted through many sources. But the reach of them may not be same for all tourists. The following table present about the sources advertised by NTB and from which sources tourist got the information.

<b>Source</b>	<b>No. of Visitors</b>	<b>Percentage</b>
Recommendation	19	19%
Trade fair	16	16%
Travel Agency	12	12%
Internet advertisement	45	45%
News and journal	8	8%

*Source: Opinion survey, 2011.*

The data shows that the internet advertisement is most effective than other one. Because of the reach of internet in any part of the world is motivated

to concentrate more in internet. 45 percent peoples among 100 were got the information about Nepal and encourage visiting Nepal. And the table also shows that the Nepal is very weak in news and journal globally. Even in Nepal it appears in many newspapers but it is not enough for tourist of outside Nepal.

**Promotion collateral to reach information about Nepal for tourist:**

NTB promote Nepal in many medium. The following table shows how much tourist follows which medium.

Source	No. of Visitors	Percentage
Brushers/fliers	15	15%
Print Advertisement	9	9%
Broadcast and Net Advertisement	36	36%
Exhibition and Trade fair	19	19%
Direct publicity	21	21%

*Source: Opinion survey, 2011.*

The table shows that the many people got the information from broadcast medium. Among 100 peoples 36 peoples get reach in broadcast. With comparison of another medium the broadcast and the net advertisement is the medium which is the reach of all the tourists than other medium.

The efforts and the collateral given shows that the NTB has try to giving all the things that the tourist need for the information they want. The quantity of the table is utilized by the tourist will be the effective factor of the NTB. Following is the collage of some of the important materials produced round the year

**Table 4.2**  
**Promotional collateral materials published by NTB, 2010**

<b>S. No</b>	<b>Description</b>	<b>Quantity</b>	<b>Remarks</b>
<b>A</b>	<b>Brochures</b>		
1	Travelers' information	80,000	English
2	Travelers' information	80,000	Thai, German, Japanese French, Dutch, Korean, Chinese, Russian
3	National parks	70,000	
4	Amazing adventure	80,000	
5	Shopping in Nepal	80,000	
6	Paradise Pokhara	30,000	
7	Lumbini	30,000	
<b>B</b>	<b>Booklets</b>		
1	World Heritage sites of Nepal	10,000	
2	Rafting in Nepal	10,000	
3	Cultural Treasures of Nepal	10,000	
4	Natural Treasures of Nepal	10,000	
5	Himalayan peaks in Nepal	10,000	
6	Janakpur and surrounding	10,000	
<b>C</b>	<b>Posters</b>		
1	Poster- Bhaktapur	70,000	
2	Poster- Everest	70,000	
3	Poster- Lumbini	30,000	



<b>D</b>	<b>Bags and CDs</b>		
1	Interactive CD-Rome	50,000	
2	Bags	50,000	
<b>E</b>	<b>Maps and others</b>		
1	Tourist Map of Nepal	40,000	
2	City Map-Kathmandu	60,000	
3	Coffee Table Book	1300	
4	NTB Calendar	5000	
5	In focus 2010	1000	
6	Postcard- Highest Peak	50,000	
<b>F</b>	<b>Websites</b>		<b>English, French, German and Japanese</b>

(Source: Nepal Tourism Board, Annual report 2010)

Nepal tourism board published different print as well as electronic collateral in different languages in every year. From the above table NTB made a huge effort for brochures, posters and other materials. The materials are going to eHighly sector of tourist product. To give the knowledge and information about the tourist places and the product, NTB is quite successful in its objective. Around 80,000 brochures are may be reachable for the tourist.

#### **Reasons to Visit Nepal:**

The Nepal is always known as the heaven of natural beauty and superb unity in diversity of cultural heritage. The tourist arrive Nepal for many interest and reason. Following try to shows some reasons to visit Nepal.

<b>Reason</b>	<b>No. of Visitors</b>	<b>Percentage</b>
Natural beauty and landscape	49	49%
Holiday and relaxation	20	20%
Cultural Heritage	14	14%
Sporting and Health offer	8	8%
Other	9	9%

Source: Opinion survey, 2011.

In spite of uncertainties posed by the global economy, NTB made a sound performance in few years. The natural beauty is the prime attraction of Nepal. The mountains of Nepal have stood as irresistible landmarks for the world's adventure since Nepal opened its doors to visitors in the 1950s. The above table shows that many tourists are the fond of natural beauty and landscape of the Nepal. 49% peoples among 100 are interested in mountaineering trekking and sightseeing the natural Nepal. And the 20% peoples are wanted to make holiday trip in Nepal. And the cultural heritage is the next attraction. The authentic says about the tourist, "Tourists are God" and behaves like it is the culture of Nepali peoples, which is always admired by world.

**Tourists' Favorite Destination in Nepal:**

The visitors who visit Nepal they never miss their opportunity to experience the largest range of Himalayas to the cultural heritage. The given table presents the favorite places for Nepal.

Place	No. of Visitors	Percentage
Kathmandu	22	22%
Pokhara	30	30%
Lumbini	19	19%
Mt. Everest	20	20%
Others	9	9%

*Source: Opinion survey, 2011.*

The above table shows Pokhara is the significant tourism destination in Nepal lies between the great Himalayas and Mahabharata range in the central region of the country. It is only place in the world from where one can enjoy the magnificent view of mountain having elevation above 8000 meters while sitting below 1000 meters above from sea level. So, the Pokhara become 30% visitors' favorite destination in Nepal.

The capital of the country of Nepal is the second destination for tourist who visits Nepal. 22 percent visitors comes Nepal to take a look of city of temple. And Lumbini visit 19 visitors among 100. The capital of Buddhist is the attraction for Buddhist pilgrims.

**Number of night stay in Nepal:**

While visiting Nepal tourist wants their holidays day and night more. The following table shows about the tourist night stay in Nepal.

<b>Nights</b>	<b>No. of Visitors</b>	<b>Percentage</b>
0 nights	9	9%
1-3 nights	13	13%
4-7 nights	16	16%
8-15 nights	34	34%
More than 15 nights	28	28%

*Source: Opinion survey, 2011.*

Most of the tourist from the Europe and American and Latin America stay more than the others stay. It is because of higher rate of dollar than Nepalese currency. The tourist used to stay 8 to 15 nights averagely. 28 percent tourists stay more than 15 nights and 16 percent tourist stay 4 to 7 nights.

The table shows that more tourists enjoy staying in Nepal. The data shows that the only 9 percent stay least nights and it is the least number of tourists who stay in Nepal.

**Table 4.3**  
**Average length of stay by major Nationalities, 2009**

<b>Nationalities</b>	<b>No. of tourist's Days</b>	<b>Same day visitor</b>	<b>Average length of stay</b>
Australia	277268	448	18.21
Austria	51834	74	15.84
Canada	151910	311	16.77
Denmark	69334	125	14.38
France	331471	735	14.74
Germany	309343	477	15.83
India	934908	-	9.15
Italy	97945	162	12.19
Japan	280234	829	12.07
Netherland	157142	893	13.92
Spain	133265	541	10.38
Sri Lanka	257559	15259	6.92
Switzerland	87447	69	15.68
U.K	498522	1018	14.09
U.S.A	435545	666	13.43
Others	1978705	17081	10.29
Not stated	60054	-	10.98
<b>Total</b>	<b>6112486</b>	<b>38688</b>	<b>11.32</b>

*(Source: Ministry of Tourism and Civil Aviation, Nepal tourism Statistics)*

The above current table also shows that the average stay of the tourists is more than 10 days. Tourism environment and the tourist product attracting tourists to spend more time in Nepal. Most of the peoples from west countries stay more in Nepal. But from the SAARC and Asian countries visitor stay lesser than the western countries visitor. The table shows that Sri Lankan only stay near to 7 days and Indian visitor stay only 9 days. These are the fewer days

than other countries visitors. And the Australian and European tourist stay more in Nepal.

#### **Daily cost for tourist in Nepal:**

The tourists are always the source of income and the different organizations and peoples try to make them more spendable. The following shows the data about the tourist expenses per day in Nepal.

<b>Daily cost (in U.S \$)</b>	<b>Persons</b>	<b>Percentage</b>
Less than \$30	9	9%
\$30-40	15	15%
\$50-100	62	62%
\$100-500	19	19%
\$more than 500	5	5%

*Source: Opinion survey, 2011.*

The above table shows that more peoples expense 50-100 US dollar per day while visiting Nepal. Among 100 tourists only 19 percent tourists expense 100 to 500 US dollar per day. The data clear that the Nepal is the cheapest country to visit for western countries.

**Table 4.4**  
**Gross foreign exchange earnings**

<b>Year</b>	<b>Total earning</b>		<b>% change in US \$</b>	<b>Average income per capita in US \$</b>	<b>Average income per visitor per day in US \$</b>
	<b>US \$ ('000)</b>	<b>Rs. ('000)</b>			
2005	148441	10600345	-17.5	532.0	58.5
2006	162,790	11,784,644	9.7	561.0	55.0
2007	230,617	15,185,071	41.7	535.0	45.0
2008	351,968	24,802,195	52.6	860.3	73.0
2009	377,172	28,996,950	7.2	739.6	65.3

*(Source: Foreign Exchange management Department, Nepal Rastra Bank)*

The table shows that the maximum average daily expenses of an tourists is in only 65.3 US \$. It is lesser than the year before. The highest average income per visitor per day is in year 2008. And it is decreasing in last year. It indicates to improve some tourist products and tourism facilities. The tourists are not encouraged to expense more than year 2008. Average income Per capita US \$739.6 is not satisfactory according to goal of NTB.

### **Tourist arrival by different mode of Transportation**

In dynamic and landlocked country there are only two medium of transport available. Among 100 tourists the data is presented below

<b>Transportation</b>	<b>No. of Visitors</b>	<b>Percentage</b>
By Air	78	78%
By land	22	22%

*Source: Opinion survey, 2011.*

The table shows that maximum tourists use air transport. The percent of them is 78 percent among the 100 tourist. Because of the unavailability of other mode of transport like ship, train etc. is not used. Only 22 percent visit Nepal by land transport. Most of them are Indians and SAARC county tourists. The European and other western countries have the option of air transport to visit Nepal.

The data collected by government of Nepal, Ministry of Tourism and Civil Aviation is given below to know more about the tourism arrival by mode of transport.

**Table 4.5**  
**Tourist arrival by mode of transport**

Year	Total		By Air		By Land		Average length of stay
	Number	Growth Rate %	Number	% of Total	Number	% of Total	
2006	383926	2.27	283819	73.93	100107	26.07	10.20
2007	526705	37.18	360713	68.48	165992	32.52	11.96
2008	500277	-5.01	374661	74.89	125616	25.11	11.78
2009	509346	1.81	378712	74.35	130634	25.65	11.32
2010	602855	18.35	448769	74.44	154086	25.56	12.06

*(Source: Ministry of Tourism and Civil Aviation, Nepal tourism Statistics)*

The table above presented shows the real data of tourist arrival by mode of transport. Every year's data shows that above 74 percent tourist arrive by air. The growth rate of the tourist arrival is also positive and in increasing rate except year 2008. The NTB's promotion for tourism year 2011 seems to effective, because the growth rate of tourist arrival is reaching more increasing in 2010 and it is 18.35 percent. Nepal is surrounded by land, so it may be the big reason to select the air rather than other transport.

### **Frequency of visiting Nepal**

Since the Nepal unrevealed own self as a tourist paradise the arrival rate of tourist is always every year. The following table shows the frequency of tourist arrival to Nepal.

Frequency	No. of Visitors
First time	65
2-5 times	29
More than 5 times	6

*Source: Opinion survey, 2011.*

Among the 100 visitors 65 visitors visited Nepal first time and 29 visitors visited 2 to 5 times. And only 6 among 100 visited more than 5 times.

### **Interest of tourist to visit Nepal again**

Nepal tourism promotion slogan, “Naturally Nepal, Once is not enough” is slightly match the tourist interest to visit Nepal again. Among the 100 tourists 63 tourists are interested to visit again and 20 tourists are not interested. And rest of the tourist think they will be follow the situation more than their interest.

### **Tourists’ Recommendation**

The 80 tourists say yes to recommend their friends and relatives to visit Nepal and the rest of 100 tourists says no to do so.

### **Rating the Level of satisfaction of tourist**

Among 100 tourists every tourist has carried out different kinds of experience and comments. The following answers try to know about the level of satisfaction with regards to what Nepal offered to them and what is the final perception of them in term of 5 level of satisfaction.



**Table No. 4.6**  
**Rating the Level of satisfaction of tourist**

S.N.	Satisfaction Level Product/ Offers	Numbers of Tourists				
		Highly Satisfy	Satisfy	I don't know	Unsatisfied	Highly Unsatisfied
1.	Tourist information	20	45	6	20	14
2.	Foreign languages	5	26	6	30	33
3.	Local tourism organization	3	7	4	21	65
4.	Historical-cultural heritage	31	48	5	12	4
5.	Environmental Safeguarding	7	10	11	43	29
6.	Kindness of local peoples	60	25	1	6	3
7.	Kindness of tour operator	9	17	12	36	26
8.	Mountaineering, trekking and rafting facilities	21	42	2	22	13
9.	Accommodation	30	36	5	20	9
10.	Cultural offer	12	43	11	23	11
11.	Landscape beauty	76	10	1	9	4
12.	Amusement activities	15	17	9	38	11
13.	Safety	8	16	4	51	11
14.	Banks, shops and catering services	12	18	5	46	19
15.	Road links and traffic	7	14	13	46	20
16.	Health and beauty tourism	12	21	8	40	19
17.	Water quality and	21	21	7	42	17
18.	Parks and green areas	27	33	9	22	9
19.	Tourist destination	37	32	5	17	9
<b>Percentage</b>		<b>21.80%</b>	<b>25.77%</b>	<b>6.53%</b>	<b>28.64%</b>	<b>17.26%</b>

*Source: Appendix I.*

From the above table the data shows that the satisfaction degree of the 100 tourists may be conclude as more as them are satisfied. The total percentage

among 100 visitors, 28.64% are unsatisfied about the tourist offers and the product advertised and promoted by NTB globally. And the near 17.26% visitors are highly unsatisfied about overall rating of tourism facilities and offers in Nepal. Most of them felt unsatisfaction about the tourist languages, Local tour operator languages, bank services and shops, ATMs, road links and traffic, safety etc. so the NTB need to realize this obstacle about the tourism development and successful NTY 2011.

Tourists are always give attention in natural beauties and Himalayas in visiting Nepal. So most of the peoples are satisfied and some of them are highly satisfied about the landscape beauty, kindness of local peoples, mountaineering, trekking, historical cultural heritage etc. The 21.8% of the total 100 tourist are highly satisfied. Most of them are in the area where NTB is always committing to make improvement as tourist information, accommodation etc. Around 29% tourists rate them as satisfied one about the product and facilities offered by the NTB in its promotional sources. But in many ways and offers NTB is still need to make many differences according the survey done by this research.

National Tourism fair was organized for the first time in the year 2007 with a view to acquaint the general public on the diverse tourism products of Nepal, to provide a platform for the tourism stakeholders scattered all over the country to showcase their unique products and the explore the prospects of co-regional cooperation in marketing of these products. Although NTB in launching the different promotion activities in different, foreign country like Americas, Asia, Europe, and Africa to as well as in different place of Nepal but it seen not to effectiveness so, NTB, Nepal government of ministry of culture, Tourism and civil Aviation must a most to the effective of advertising. NTB and Nepal Government of CTCA must realize that what they are doing for the promotion of tourism in Nepal is not enough. The alternative way must be

study by the NTB as well as government. The changing scenario of Nepali politics is also the huge factor to affecting the tourism policy and strategies.

Advertising in Nepal is in childish age. The advertising culture is just growing young. And in the tourism sector it is just in beginning as tourism business. The main problem of advertising in tourism sector in Nepal is that NTB & Nepal government must focus their advertising in each and every part of the world not in a certain place, so that each and every body of that place can easily know the country Nepal to known as, beauty of nature, kingdom of Himalayan, Birth place of Buddha and country of Mt. Everest not as the state of India and part of Tibet. For this, NTB & Nepal government must select the effective way of advertising. The electronic media through the Net basis may be more fruitful and effective. Because the world is grooming with WWW. It is necessary to imply the current advertisement tools to booming in Tourism business for NTB.

Thus from the above data analysis and study we come to conclude that NTB have to do excise a lot in the promotional activities i.e. advertise in those area where the advertising is lack behind and it is quit hope full that NTB is typing its best to attract the tourist by lunching different promotion activities is further future. NTB is just going good in its every sector and it is most important to improve in advertisement.

#### **4.6 Major Findings**

Nepal is blend of ancient history, vibrant cultures and scenic grandeurs. Located between China and India, Nepal's main geographic features include snow capped peaks, lower mountains, mid hills and fertile Terai plains of tropical jungles. These are the main products which are to promote by NTB and Nepal Government. In Nepal, there was no tourism planning till 1956. The history of tourism planning started when the First-Five-Year plan (1956-61) came into existence. The review of first five -year

plan to ninth five-year plan revealed that various planned efforts were made for the tourism development in Nepal. Tourism development has continuously been accorded a high priority and as a result, substantial investment in infrastructure and tourism facilities like hostels, airports roads, power, and sanitation were made in destinations attracting the visitors to meet ever-increasing demands. Besides, special promotion programs and use of high tech communications was planned for the promotion of tourism as mentioned in the tenth Five-Year plan and current interim plan.

On the analysis of Primary data and outcomes from the different indicator, questionnaire and study of related secondary data, the following findings have been drawn.

- (1) Nepal has recorded positive growth rate for the fiscal year 2065/66 and the trend has continued in first six months of fiscal year 2066/67 as well. However, International tourist arrivals have declined worldwide by almost 4% in 2009 to 880 million. Growth returned in the last quarter of 2009, after 14 months of negative results, contributing to a better than expected full-year. As usual Asia and the Pacific and the Middle East led the recovery with growth already turning positive in both regions in the second half of 2009. Undoubtedly Asia and the Pacific region remains a force to reckon and put emphasis on the importance of regional cooperation in the growth and development of national economies
- (2) As a model agency of public private partnerships approach, NTB urges all its valued partners and stakeholders join hands in successfully implementing the planned programs and activities. Only concentrated efforts and wider participation in the planned activities and programs and promote our tourism industry to the new heights and position Nepal as proffered destination in the international tourism map.

- (3) The growth rate of tourists is in positive way. But the NTB and the Government of Nepal is not still successful to increase the number of tourists from other nation than the neighbor countries. The ranking of top five nationalities who visit Nepal is still captured by the India as first apposition and Sri Lanka second the China as third from many years. This study found that there is lots of exercise need to Advertise and promote Nepal abroad. The study also attempted to evaluate the overall tourism marketing efforts made by the government of Nepal. The study showed that the overall marketing situation in Nepal is sluggish due to various reasons such as lack of adequate publicity and promotion, lack of marketing information, level of unhealthy competition, lack of air accessibility etc. Hence, in order to boost up the tourism industry of Nepal, infrastructure and services must be improved properly as well as tourism marketers should be kept abreast of the fast changing trends in the world tourism markets and be quick to respond to the changing economic scenario of the world.
- (4) NTB established to Promote to take off the tourism in Nepal as the favorite footprint for tourists. Regarding marketing and promotional efforts made by the Nepalese government and NTB in the tourism sector, the study found that, although the marketing and promoting the destinations, products and services looked satisfactory, Nepal's promotional and marketing efforts lack the punch and purposiveness and significant improvement are thus necessary. The study shows that the 28% f tourists are unsatisfied about ht safety, water, road link and other major things for tourism development.
- (5) Nepal tourism is steadily gaining momentum following an extremely challenging years. In 1998 a total of 463684 tourists visited Nepal representing an increase of 9.9% over 1997. Likewise, the tourists' arrival rate increased by 7.2% in 1997 and 6% in 1999. It decreased by -5.7%, -22.1%, -23.7% in 2000, 2001, & 2002 respectively. The number of visitor arrivals grew nominally in 2009 by 1.9 percent in

comparison to 2008. In volume term, 500,277 tourists had visited Nepal in 2008 while the number reached to 509,956 in 2009. Average stay of tourist has marginally decreased from 11.78 days to 11.32 days in this period. This sector earned foreign exchange worth Rs. 27.96 billion in the first eight months of the current fiscal year, which stood at Rs. 16.82 billion during the review period of the preceding fiscal year.

- (6) Regarding tourist arrivals by sex is always in same trend in Nepal. The percentage of male is more than the female tourists. The government should need to commitment on the safety of female tourists. The primary study shows that the 61% are male and 39% are female visitors.
- (7) The primary research shows the data regarding tourists arrivals by age groups, the highest share were recorded by the 31-45 years age groups (32%), followed by 16-30 yrs (24%) and 46-60 yrs (26%). Tourists of different continents visit Nepal. Tourist arrivals to Nepal were 49% from Asia, 17% from Europe, 13% from North America and 6% from the Australia, 6% from Africa and 9% from South America. In addition, tourists of different nationals also visit Nepal. The highest number of tourist arrival was from India comprising of the total.
- (8) The major reason found for visiting tourists is Natural beauty and landscape of Nepal. About the 49% peoples visits Nepal for capture the experience about Nepal's natural diversity. Holiday and relaxation is the second attraction for visit Nepal (20%). Cultural heritage is the third attraction for tourist. About 14% peoples visit Nepal for its dynamic and united cultural legend. Likewise, sporting and health offer is other 8% visitor's option.
- (9) Nepal Government and NTB needs to promote and circulate marketing activities to encourage the tourist for other tourist destination. The tourist's favorite destination is still Pokhara from last

many years. The 30% visitors' first choice is Pokhara, 22% visitors' choice is Kathmandu, 20% visitors' choice is Everest and rest's choice is Lumbini. It shows that there is no other new destination for tourists to attract more visitors for visiting Nepal.

- (10) NTB undertaking highly limited marketing activities while other countries with more resource are spending huge amount of money on aggressive marketing of their destinations.
- (11) The ministry of tourism has large budget for promotion in Nepal, even one five star rated hotel spend Rs.30 million annually for the publicity at international level but due to lack of budget government is not able to make sufficient publicity even in Tourism year 2011 also.
- (12) The sluggishness in promotional efforts in Nepal further indicated by the fact that the expenditure made in publicity is too poor, not more effective in both quality and quantity. The ministry of tourism & NTB published brochures and booklets about tourism only in a few languages and that also in limited copies, there is a lack of advertisement in the foreign papers. In such a situation, most of the visitors are unknown about Nepal.
- (13) NTB increased awareness and destination/ product update among the tourists. It increased consumer confidence towards the destination. Nepal lack the most essential market information focused on its product, while the most relevant 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 appears less than effective and probably a waste of money. At the same time there was an urgent need for Nepal to work against increasing critical world media coverage on ill effects especially on mountain tourism and sports offer.

## **CHAPTER-V**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

Tourism industry has played an important role to develop economic condition of Nepal. Development of tourism sector has contributed to increase employment and income generation of the country and makes balanced regional development. Nepal is famous for its natural beauties, like Mt. Everest, the highest peak of the world and snow-peaked mountains, a number of lakes, waterfalls and rivers. Cultural heritages like temple of lord Pashupatinaih, Lumbini, the Birthplace of Lord Buddha, the homeland of brave Gurkhas and the brave Sherpas, the ethnic and lingual diversity etc all exist in Nepal. So, Nepal has become the attractive destination for tourists from all over the world.

Tourism has very important role in the economic development of Nepal. Tourism has contributed to the foreign currency earning, employment generation, regional development and linkages with other sector of the country. Nepal, ever since she has opened foreigners in the fifties, has been is determined to develop tourism as one of the major industries. Though the figures associated with Nepal tourism industry are still dismal and negligible when compared to those of our neighbours India and China. Globally, tourism has taken the place of one of the largest industries and has experienced a rapid expansion in the past due to modern means of transportation, communication and other amenities.

Once upon a time there was a time when the peoples in congested area and the worlds were not broad as we are in now. There is no doubt that today's business era is the age of advertisement and publicity. The world is now the full of advertisement. The thing moving is may be the source of or medium of advertisement. Every corner of the world is filled with shining



advertisement posters, hoarding and E-advertising. Any business sector cannot sustain without the sufficient advertisement and publicity. Advertisement starts even before the business concept emerges.

The booming world is not in its own foot but it was carried by Advertisement. The thing just reached everywhere with the medium of advertisement. It is true that advertisement plays a big role in the field of marketing of any product or services. Large and Highly successful organizations are making expenses of huge amounts on advertising of the products and services. A remarkable portion of marketing budget is devoted to advertising. Advertisement has become a means of highly easy and prompt mass communication. Any organization can communicate its mission, objective service and product to its target market.

The development of advertisement is due to many changes of thinking of human and its creation. The amazing changes in technology, transportation and communication in recent years throughout the world have triggered the development of tourism industry. Many countries have chosen consciously the path of developing large scale tourism as major national activity.

Before many years the name 'Nepal' is just known by its citizens. Tourism has been so much emphasized in Nepal that it is regarded as a means of achieving economic development. And the government of Nepal and the Nepal Tourism board command s the Tourism as a source of earning and gaining the identification in the world. Advertisement and promotion activities took place to emphasize the tourism.

The major responsibilities of Tourism Marketing and promotion department of NTB are to plan and implement the integrated programme of international Marketing and Promotion. The department also coordinates with other departments of NTB such as Public Relation and Publicity.

The goal of NTB's Marketing and Promotional programs basically lies in enhancing visitor's numbers and increasing their average length of stay and spends in Nepal, with the growing realization for focused and targeted marketing for better results. Advertisement in different way and in different

part of the globe is the best source and the medium to attract and import visitors in Nepal. The NTB used the advertising from many years to reach and motivate global tourist towards Nepal. Nepal has many tourist destinations and their exploitaties offers a wide range of comparative advantages. There is a great possibility of tourism industry in Nepal due to her specific natural and cultural heritage. Marketing tourism is to be understood as systematic and co-operative execution of business policy by tourist undertaking whether private or state at local, religion, national or international level to achieve the optimum satisfaction of need of identifiable consumer group and in doing so to achieve an appropriate return.

There is a need of tourism marketing with proper planning and sound policies. However tourism industry does not seem to apply marketing approach for its promotion and development adequately. In addition the study also examined advertising activities practiced in tourism sector by Nepal Tourism Board. The study has been completed by using primary data which were collected from the tourist by asking the question and let them to fill up the questionnaire form in Kathmandu. And analyzed and compared them with the previous data published by Nepal Tourism Board & Ministry of Tourism & civil Aviation and different tourism related data publisher.

## **5.2 Conclusion**

Nepal government and budget wish to focus their worth full time to manage the tourism as the honorable stage. But it is still in paper plan and commitments. The current challenge of marketing Nepal as a holiday destination lies not only in enhancing visitors' number but also equally on improving the destinations image towards a quality destination. Due to the stagnant demand for the Nepalese tourism production since the last half-decade, perception has emerged over Nepal as a low cost destination. The competition among the domestic service providers has in fact given upper hand to the consumers and international operators by raising their bargaining power.

The other reality however is the wide international media exposure this year due to which there has been gradual interest from the market. Ironically, this increased base of consumer awareness and interest towards Nepal has been thwarted by the bottleneck of air accessibility. The growing intention to visit Nepal proves the fact that Nepalese tourism too is resilient in nature. Additionally its product attractiveness is unique and has a strong market appeal. On the positive note, this is in fact an opportunity to build back destination image.

The goal of NTB marketing programs basically lies in enhancing visitors' numbers, increasing the average stay and spends in Nepal. To attain the same the past strategies in marketing programs has been to approach dozen of markets simultaneously and thinly spread resources so as to averse risk across a range international markets and minimize the impact of any changes in the domestic or a single international travel market.

However with the growing realization for focused and targeted marketing for result, NTB is making certain strategic shifts in its marketing approaches from this year by concentrating more on the comparative advantage markets. This would mean working on those markets where there would be significant and visible return on its marketing investment. For that matter those markets would be selected where there is a high price elasticity of demand.

Similarly a new approach would be to sub-brand a destination with in the country and promote it for the entire year. This is to establish better product market linkage and strengthen the sub-brand image of Nepal.

Due emphasis shall be given for continuation of successful programs of the past by engaging stakeholders and leveraging partnerships with them and equally by consolidating on value and growth markets.

### **5.3 Recommendations**

Based on the findings of the study, the following recommendations are made for an advertising activities practiced in Tourism sector of Nepal.

#### **5.3.1 Tourism Development and employment Policy**

There is a conspicuous absence of long term perspective policy in the field of tourism encompassing all aspects of tourism development. It is of the crucial importance that the NTB and NG should come forward with a long term integrated policy in the tourism sector. The development strategy for the tourism sector should be based on the principles of low cost, higher level of productivity, improvement in efficiency of infrastructure and promoting competition.

While planning for the future in the tourism sector, it is important to be vigilant of the changing trends of the tourists and their tastes etc. The tourism policy should aim to attract more tourists from Western Europe, the USA and Canada. The visa and permit regimes should be made easier. New tourism projects should be worked out for the quality development of domestic and international tourism in the nation.

#### **5.3.2 Setting up the NTB office in major Countries**

Considering the increasing global outbound travelers and easy accessibility to Nepal, NTB should plan to set up its Branch office in top ranked countries for more aggressive and coordinated marketing efforts in global market. For example India is the top one nationality to visit Nepal. The NTB have to plan to set up its branch office in New Delhi. In addition to the advertisement activities like Fair Participation, FAM Trips, Sales Missions etc., the branch office will specially emphasize on consumer focused campaign and corporate tie ups keeping in mind the growing power of and mindset of global tourists. With over 35 flights per week from New Delhi will also work towards expanding the regional and global outreach for Nepalese tourism industry.

### **5.3.3 Tourism Infrastructures**

Tourism in Nepal is constrained by bottleneck of transport development, resulting from the lack of air transportation networks linking it with major tourist originating countries and the capacity limitation of NAC. The immense potentiality of tourists from Japan, Australia and the Pacific Countries and Western Europe demands air links, preferably direct links between those Countries and Kathmandu. Therefore, scheduled flights to these destinations should be increased as much as possible. Further possibility of introducing an open-sky policy should be explored attracting more and more regional and international airlines to operate in the country. Further, the second International Airport should be visualized for landing of large aircrafts.

Airports are literally gateways to the country. The efficiency and facilities provided by the airport form a lasting impression on the foreign visitors. Therefore, services at the Tribhuvan International Airport should be made more efficient and less troublesome. Facilities should be developed to provide at least the minimum level of services as required by the International Standards. Besides, proper policy measures should be undertaken to develop auxiliary services such as taxi and other local transportation systems, cultural centers etc.

Various Hotels and lodges catering to the need of different segments of the tourists must be encouraged by providing the special incentives to them by NG. Further, these hotels and lodges should be classified and be made mandatory to obtain a license for operation from the ministry of Tourism. This will help to maintain standardization. For the promotion of quality tourism in the country, infrastructure and services should be improved properly. 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.

### **5.3.4 Advertisement and Promotional Strategy**

NTB and government of Nepal should come with the new idea and the strategy to Nepal as a favorite tourist destination. NTB have to develop marketing partnership with online carriers, Tour Operators and corporate hoses from all primary and secondary market and strategic partnership with associations, marketing bodies, regional tourism wings and other forums. Promotional marketing has a tremendous influence on the foreign visitors' choice of destinations. Nepalese marketing strategy has remained more or less static in terms of innovation, spread, imagination, new techniques and coordination. Lack of aggressive international promotional drive has been as one of the constraints in tourist promotion in the country. Further, a national image building and dynamic marketing plan in key markets should be launched by pooling resources of the various public and private agencies.

Tourism in Nepal heavily influenced by seasonality factor resulting mainly from the dominance of the country of origin of the tourists. So, to iron out the seasonality factor, strategy should be developed to diversify tourism by country and by purpose other than traditional ones. More and more tourists from South Asia and the pacific should be attracted, and new areas of tourism should be explored such as cultural tourism, wild life tourism and specific summer and winter tourism. Further the government must give emphasis on the development of new types of tourism sports as Rock Scaling, Gliding, Rafting, High Himalayan Skiing along with new trekking routes, lakeside recreation, curative tourism etc. While diversifying tourism, conscious attention should be paid to the aesthetic, environmental and socio-cultural integration of tourism projects.

### **5.3.5 Manpower and Organizations Development**

Another critical area in need of our urgent attention has been given due focus in the skilled human resource. The activities under this head will strive to consolidate our inventory of documentations pertaining to Tourism-related HR.

Specific activities include the reprint of Training Manuals developed by TRPAP, development of fresh manuals based on the findings of the study conducted over the previous FYs, publication of Tourism-related HR Inventory Catalogue and others. The Nepal Government and NTB will attend to capacity enhancement of NTB employees and the private sector through initiatives viz. trainings, study tours, observation tours etc. These shall strive to enhance the existing standards of delivery of NTB and impart to the private sector know-how on contemporary management and marketing of destination / product. Such programs shall also incorporate destination managers, Local Tourism Organizations and NGOs involved in tourism development and promotion in such programs. NTB, as the facilitating agency, will also explore the prospects of mobilizing international support in such activities, particularly study tours and scheduled programs for stakeholder groups.

Human resource development is of vital importance in a service industry like tourism. In this context, the establishment of Hotel Management and Tourism Training Centre (HMTTC) in the late 1970's has been an important step towards producing tourism supportive manpower in the country. So, in order to produce more trained manpower, different measures should be undertaken for the improvement of human resources to guarantee professional services in the field of tourism. Since 1998, the HMTTC institute has been recognized by the Tribhuvan University and Pokhara University to offer the complete course of Hotel Management (Bachelor Level) to overcome the expected shortage. The centre should be financially strengthened and functionally expanded to meet the growing needs of manpower for tourism sector.

### **5.3.6 Organizational Structure**

Present organizational structure i.e. The NTB (Nepal Tourism Board) is established for the promotion of tourism in Nepal. It spends a substantial amount abroad for the promotion of Nepal as a tourist Destination. However it

is not able to mould itself into a marketing and developmental institution with well-defined targets. It is therefore, recommended that the NTB should give special attention to improve Nepalese Tourism intensively (qualitative) instead of an extensive (quantitative) growth. Further, effort should be made by the NTB to convert Nepal as a prime tourist destination under universal limelight.

### **5.3.7 Tourism Awareness Programs**

The success of tourism is not totally dependent on government policy and strategy moreover in local people's behavior and activities. Very low levels of awareness on the diverse heritages of Nepal, many product areas within, and the events and festivals organized regularly at the local level has been observed amongst the general public. With a view to further enhance the existing perceived levels of awareness, to develop a sense of belongingness of the heritage, and to trigger domestic travel movements, programs on tourism will be designed and aired through different media – TV, Radio, FMs and publications. Likewise, domestic events and festivals will also be promoted through notices and coverage in national media.

### **5.3.8 Research Needs**

The need for market research and the need for more up-to-date, timely information on the characteristics of visitors to Nepal been identified as a major priority. Research provides the necessary information on visitor decision making, behavior, awareness and perceptions of the destination. This information, along with detailed profiles of visitors, enables NTB to effectively reach its SEA market with proper promotional tools and strategies and provide a measure of accountability to the tourism industry.

Comprehensive knowledge of the pattern of tourist arrival, their length of stay, purpose of visit etc. is extremely important to understand the tastes and demands of the tourists visiting the country. It helps to make crucial decisions regarding the policies to be promoted in the country. Hence, a system should be



developed to have a regular sample survey of tourist arrival on an annual basis. In this aspect, the NTB has to resolve establishing a tourism Research and Development Division to carry out research on various aspects of tourism and to evaluate the tourism impact in the country and abroad.

In addition to the above recommendations, the government of Nepal should promote Domestic Tourism, protect environment, impose friendly regulations in the tourist areas, properly maintain the roads to the tourist areas, and afford convincing incentives to tourism industry.

All good marketing begins with the customer and embed with customer. Nepal is a tourist destination offer a unique product and unparalleled opportunities for marketers who want to tack on the challenge. It just means that both Nepalese operators and their partner in Asia need to work harder and be innovative if they are to achieve yields that the Nepal's tourism operation deserves.

While formulating the tourism strategy, it is essential that, our tourism marketing keep abreast with the fast changing trends, particularly the changing trends in tourism market. Tourism marketers should be quick to respond to the changing economic scenario in the world. Hence, development of Nepal should take in to account promotional and marketing issues as well as deal with the inherent problems and challenges.

NTB plans to survey on international visitors' expenditure and departing international visitor's experience in Nepal. Further, NTB should also commit for joint research activities along with Government and Non-Government Organizations and other related institutions pertaining to the needs of the stakeholders. As domestic tourism is gaining importance in the country, therefore research on domestic tourism is also on agenda.

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# APPENDICES

## Appendix-I

### Questionnaire of the Primary Data collection

Research is being carried out as part of the Masters Degree dissertation of which this questionnaire is part. We therefore ask you to be so kind as to complete the questionnaire and take this opportunity to thank you for dedicating us your time. By filling in this questionnaire, you will have contributed to improving the quality and development of tourism in Nepal, which is one of the most desirable holiday destinations.

1. Where are you come from ?

.....

2. What your age group?

- (a) 0-15 years
- (b) 16-25 years
- (c) 26-40 years
- (d) 41-55 years
- (e) More than 55 years

3. What's your sex?

- (a) Male
- (b) Female
- (c) Other

4. What's your Education?

- (a) Primary
- (b) Secondary
- (c) High school
- (d) Graduate
- (e) Postgraduate

5. From which source you heard about Nepal before that made you to visit Nepal?
- (a) Recommended by friends
  - (b) Tourism trade fair
  - (c) Internet Advertisement
  - (d) Travel agency
  - (e) News and journals
6. Did you hear about NTB (Nepal Tourism Board)?
- (a) Yes
  - (b) No
7. How did you heard about NTB?
- (a) Brushers/Fliers
  - (b) Print advertisement
  - (c) Broadcasting advertising
  - (d) Direct publicity
  - (e) Exhibition and trade fair
8. What medium found you effective?
- (a) Brushers/Fliers
  - (b) Print advertisement
  - (c) Broadcasting advertising
  - (d) Direct publicity
  - (e) Exhibition and trade fair
- (9) Reasons to come Nepal?
- (a) Holiday and relaxation
  - (b) Beauty of the nature and landscape
  - (c) Cultural heritage
  - (d) Sporting and health offer
  - (e) other

(10) What's your favorite tourist destination in Nepal?

- (a) Kathmandu
- (b) Pokhara
- (c) Lumbini
- (d) Mt. Everest and Himalayas
- (e) Others

(11) Number of Nights stay in Nepal?

- (a) 0 Nights
- (b) 1-3 nights
- (c) 4-7 nights
- (d) 7-15 nights
- (e) More than 15 nights

(12) Average daily cost per person in Nepal?

- (a) Less than \$30
- (b) \$30-40
- (c) \$50-100
- (d) \$100-500
- (e) \$more than 500

(13) By which transport did you come to Nepal?

- (a) Airplane
- (b) Bus or public vehicles
- (c) Ship
- (d) Train
- (e) Others



(14) How many times have you visited Nepal before?

- (a) This is my first time
- (b) 2-5 times
- (c) More than 5 times

(15) Do you think you will visit Nepal again?

- (a) Yes
- (b) No
- (c) I don't know

(16) Will you recommend your friends and relatives to visit Nepal?

- (a) Yes
- (b) No
- (c) I don't know

(17) How would you rate your level of satisfaction with regards to what NTB advertised?

(a) Tourist information in your chosen destination

- (i) Highly Satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(b) Availability to tour operators

- (i) Highly Satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(c) Tour operator's knowledge of foreign languages

- (i) Highly Satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(d) General organization of your chosen destination

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(e) Historical cultural heritage

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(f) Environment safeguarding

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(g) Kindness of local people

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly unsatisfied

(h) Kindness of tour operator

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(i) Mountaineering, trekking, rafting facilities and guidance

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(j) Accommodation

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(k) Cultural offer

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(l) Landscape beauty

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(m) Amusement activities

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(n) Safety

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(o) Opening hours of banking institution, shops and catering services

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(p) Road links and traffic

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(q) Health and beauty tourism offer

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(r) Quality of water and bathing

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(s) Parks and green areas

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

(t) Overall rating as a tourist destination

- (i) Highly satisfied
- (ii) Satisfied
- (iii) I don't know
- (iv) Unsatisfied
- (v) Highly Satisfied

## Appendix-II

**Table 1**  
**Tourist arrivals by Major Nationalities**

Nationality	2005	2006	2007	2008	2009	2010
Japan	18239	22242	27058	23383	22445	23272
France	14108	14835	20250	22402	22154	24678
Austria	3007	3474	4473	3540	3245	3519
Canada	4168	4733	7399	8132	8965	10302
Denmark	1770	1956	3157	3847	4464	4609
Germany	14345	14361	21323	18552	19246	23473
India	95685	93722	96010	91177	93884	116321
Italy	8785	7736	11243	7914	7982	10195
Australia	7093	8231	12369	13846	15461	16838
Netherlands	8947	7207	10586	10900	11147	13673
Spain	8891	10377	15672	13851	13006	14158
Switzerland	3163	3559	5238	5186	5281	5629
Sri Lanka	18770	27413	49974	37817	36362	45841
America	18539	19833	29873	30076	32043	37085
Britain	25151	22708	23367	33658	35382	35539
Others	124737	120732	176312	171989	172846	63807
Unspecified	0	4005	3515	4007	6043	-
Total	375398	383926	526705	500277	509956	602855

*(Sources: Ministry of Tourism and Civil aviation, Nepal Tourism statistics 2009)*

**Table 2**  
**Tourist arrival by month, 1991-2009**

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
1991	17,917	19,382	25,323	23,721	21,952	19,808	19,362	24,429	23,224	39,339	32,507	26,031
1992	17,451	27,489	31,505	30,682	29,089	22,469	20,942	27,338	24,839	42,647	32,341	27,561
1993	19,238	23,931	30,818	20,121	20,585	19,602	13,588	21,583	23,939	42,242	30,378	27,542
1994	21,735	24,872	31,586	27,292	26,232	22,907	19,739	27,610	27,959	39,393	28,008	29,198
1995	22,207	28,240	34,219	33,994	27,843	25,650	23,980	27,686	30,569	46,845	35,782	26,380
1996	27,886	29,676	39,336	36,331	29,728	26,749	22,684	29,080	32,181	47,314	37,650	34,998
1997	25,585	32,861	43,177	35,229	33,456	26,367	26,091	35,549	31,981	56,272	40,173	35,116
1998	28,822	37,956	41,338	41,087	35,814	29,181	27,895	36,174	39,664	62,487	47,403	35,863
1999	29,752	38,134	46,218	40,774	42,712	31,049	27,193	38,449	44,117	66,543	48,865	37,698
2000	25,307	38,959	44,944	43,635	28,363	26,933	24,480	34,670	43,523	59,195	52,993	40,644
2001	30,454	38,680	46,709	39,083	28,345	13,030	18,329	25,322	31,170	41,245	30,282	18,588
2002	17,176	20,668	28,815	21,253	19,887	17,218	16,621	21,093	23,752	35,272	28,723	24,990
2003	21,215	24,349	27,737	25,851	22,704	20,351	22,661	27,568	28,724	45,459	38,398	33,115
2004	30,988	35,631	44,290	33,514	26,802	19,793	24,860	33,162	25,496	43,373	36,381	31,007
2005	25,477	20,338	29,875	23,414	25,541	22,608	23,996	36,910	36,066	51,498	41,505	38,170
2006	28,769	25,728	36,873	21,983	22,870	26,210	25,183	33,150	33,362	49,670	44,119	36,009
2007	33,192	39,934	54,722	40,942	35,854	31,316	35,437	44,683	45,552	70,644	52,273	42,156
2008	36,913	46,675	58,735	38,475	30,410	24,349	25,427	40,011	41,622	66,421	52,399	38,840
2009	29,278	40,617	49,567	43,337	30,037	31,749	30,432	44,174	42,771	72,522	54,423	41,049
% change	(-26.1)	(-14.9)	(-18.5)	(11.2)	(-1.2)	(23.3)	(16.4)	(9.5)	(2.7)	(8.4)	(3.7)	(5.4)

*(Source: Ministry of Tourism and Civil aviation, Nepal Tourism statistics, 2009)*

**Table 3**  
**Tourist arrivals by Sex**

Year	Sex		Total
	Male	Female	
2005	257972	117426	375398
2006	218818	165108	383926
2007	290688	236017	526705
2008	286983	213294	500277
2009	288155	221801	509956

*(Sources: Ministry of Tourism and Civil aviation, Nepal Tourism statistics 2009)*

**Table 4**  
**Tourist arrivals by Age Group**

Year	Age Group				
	0-15	16-30	31-45	46-60	61 & Over
2005	30429	57115	114103	106077	67674
2006	37433	75626	123541	95260	52066
2007	38870	112876	164488	130756	69927
2008	42581	106596	150171	121387	60531
2009	84891	140805	141955	99197	39638

*(Source: Ministry of Tourism and Civil aviation, Nepal Tourism statistics 2009)*



**Table 5**  
**Tourist arrivals by Purpose of Visit**

Year	Holiday Pleasure	Trekking and Mountaineering	Business	Pilgrim age	Offici al	Conv . Conf .	Raftin g	Others	Total
2005	160,259	61,488	21,992	47,621	16,859	0	-	67,179	375,398
2006	145,802	66,931	21,066	59,928	18,063	0	-	72,766	383,926
2007	217,815	101,320	24,487	52,594	21,670	8,019	65	100,735	526,705
2008	148,180	104,822	23,039	45,091	43,044	6,938	243	128,920	500,277
2009	40,992	132,929	22,758	51,542	24,518	9,985	285	226,947	509956

*(Source: Ministry of Tourism and Civil aviation, Nepal Tourism statistics, 2009)*

**Table 6**  
**Visitors to Pokhara by Major Nationalities**

<b>Country</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Australia	2099	NA	3108	4630	5003
China	3712	4825	11216	11170	9501
France	4369	NA	4793	7215	7819
Germany	4325	3790	13181	7735	14037
Japan	6404	13063	17669	16191	15223
UK	7607	1596	12262	13534	14900
USA	2821	2748	7095	8599	9201
Others	25488	41578	54620	75943	81335
<b>Total</b>	<b>57125</b>	<b>70600</b>	<b>123944</b>	<b>145017</b>	<b>157019</b>

*Source: Tourism Office Pokhara*

*The figures exclude Indian tourists*

**Table 7**  
**Visitors to Lumbini by Major Nationalities**

Nationality	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Australia	182	92	144	75	35	35	26	22	77	145	181	211	1225
Belgium	7	5	13	22	11	7	9	12	20	45	62	23	236
Canada	28	39	40	32	17	37	15	17	17	57	65	37	401
China	294	161	131	131	71	85	144	168	160	620	451	319	2735
Cambodia	-	127	162	13	5	-	-	7	-	143	127	5	589
France	91	53	80	70	112	29	53	98	52	129	282	87	1136
Germany	70	62	121	187	36	11	25	30	46	192	166	110	1056
Indonesia	17	2	-	36	-	1	1	12	37	10	37	3	156
Ireland	4	101	5	1	7	9	12	6	-	11	6	-	162
Italy	28	9	35	17	4	11	-	27	12	21	53	21	238
Japan	219	525	175	121	61	41	59	130	101	169	247	314	2162
Malaysia	10	224	78	32	9	32	4	8	8	33	258	176	872
Myanmar	363	989	734	486	10	6	5	7	18	921	1314	627	5389
Netherlands	63	55	79	85	73	11	2298	166	90	297	149	111	1408
New Zealand	7	5	4	22	3	2	5	5	8	64	12	14	151
Poland	127	60	54	18	4	-	29	10	43	159	149	12	665
Russia	67	22	98	33	27	12	11	7	17	42	67	32	435
Singapore	20	82	31	4	19	40	1	29	24	68	318	189	825
Spain	24	8	5	20	16	16	23	125	44	57	71	68	477
S.korea	243	559	347	117	58	78	155	75	124	210	482	430	2878
Sri Lanka	178	4574	6313	597	51	75	392	9828	3698	4481	2463	786	33436
Switzerland	19	13	15	14	10	26	19	53	7	35	57	10	278
Chinese Taipei	108	172	135	51	53	23	118	109	32	150	256	328	1535
Thailand	1857	3468	2444	403	101	83	62	318	159	2750	3347	2678	17670
UK	105	181	81	109	-	29	55	111	161	174	265	183	1454
USA	124	113	102	87	40	50	83	64	33	117	179	84	1076
Vietnam	76	329	314	42	5	3	52	30	70	278	247	321	1767
Others	153	218	187	163	152	78	107	127	119	230	252	145	2031
Total	4484	12157	11927	2988	990	830	1694	11601	5177	11608	11563	7424	82443

*Source: Lumbini Development Trust.*  
*The figures exclude Indian tourists*

**Table: 8**  
**Hotel Accommodation, 2009**

<b>Category</b>	<b>No. of Hotels</b>	<b>No. of Rooms</b>	<b>No. of Beds</b>
<b>Kathmandu</b>			
Five Star	8	1,539	2,897
Four Star	2	190	362
Three Star	11	372	774
Two Star	27	1,138	2,263
One Star	26	564	1,374
Tourist standard	348	5,010	9,976
<b>Sub-Total</b>	<b>422</b>	<b>8,813</b>	<b>17,646</b>
<b>Out Station</b>			
Five Star	2	283	566
Four Star	–	–	–
Three Star	6	265	509
Two Star	4	128	238
One Star	11	174	386
Tourist standard	291	4,609	9,140
<b>Sub-Total</b>	<b>314</b>	<b>5,459</b>	<b>10,839</b>
<b>Grand Total</b>	<b>736</b>	<b>14,272</b>	<b>28,485</b>

*(Source: Hotel association Nepal)*

**Table 9**  
**Foreign Exchange Earnings from Tourist**

Year	Total Foreign Exchange Earning from Tourism (Rs. In millions)	As % of Total Value of Merchandise Exports	As % Total value of Exports of Goods & Non Factor Services	As% of Total Foreign Exchange Earnings	As % of GDP
2005/06	9556	15.5	10.9	4.6	1.5
2006/07	10125	16.1	10.7	4.5	1.4
2007/08	18653	30.1	17.9	6.7	2.3
2008/09	27960	40	22.8	6.5	2.9
2009/10*	16767	40	23.1	6	-

*Note: \* First Eight Month*

*Source: Ministry of Finance*

**Table 10**  
**Total number of Tour, Travel, Trekking Agencies, Guide and Tourist, 2000-2009**

<b>Month</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Travel Agency	637	691	738	788	877	948	1,026	1,167	1,320	1,496
Trekking Agency	537	580	611	645	705	740	793	872	977	1,096
Tourist Guide	1,854	1,900	2,001	2,071	2,149	2,202	2,271	2,343	2,458	2,548
Trekking Guide	2,155	2,745	3,094	3,457	3,930	4,395	4,663	5,098	5,356	5,987
Tourist Police									52	52

*(Source: Ministry of Tourism and Civil aviation, Nepal Tourism statistics, 2009)*

